# Towards an integrated people management approach?

An exploratory study into the relationships between
Corporate Social Responsibility, Employer Branding and
Human Resource Management
in the New Zealand and Australian financial sectors

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**May 2013**

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## Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning

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Kirsty Raubenheimer

# Acknowledgments

They say it takes a village to raise a child, and that has certainly been the case with this thesis. There are a number of people I wish to acknowledge and thank, as without them, this research may never have reached its completion.

A very special thank you needs to go to both my supervisors. First, to Professor Erling Rasmussen, thank you for your incredible support and guidance throughout this process. Your patience, endless reviewing, dedicated attention and time, have made me a better writer and researcher. Thank you for encouraging me, challenging me and stretching me to my limits to ensure this thesis was the best it could be. You have dramatically influenced this research and I am grateful to have had you as my supervisor for this project. Second, thank you to Associate Professor Suzanne Young for your timely and rigorous review of my thesis. Your insights and fresh perspective have further enhanced and benefited this research.

Thank you to all the participants who willingly gave of their time to share their insights and experiences with me. You added the richness that made this research possible.

To Eathar Abdul-Ghani and the AUT Business post-graduate team thank you for your 'behind the scenes' guidance. Your time, encouragement and knowledge of the PhD process have proved invaluable. Thank you for supporting me from my initial candidature through to the final submission.

I am fortunate to work with a special team of people. To my bosses Andrew Hirst and Chas Cable, thank you for your patience over the last four years. Your understanding and support of my professional development have allowed me to continue to work and study throughout this process. Thank you also to the PAs in Auckland, Wellington and Christchurch, who helped to ensure work ran smoothly, and the team for being understanding during this busy time.

I have been fortunate to have received additional support and guidance from a number of people throughout this process. Thank you to Lyn Lavery, Rachael Butler and Andrew Lavery at Academic Consulting for your technical support, guidance and enthusiasm particularly during the stages of data analysis. Thank you to Sylvia Bauer for your unprecedented kindness, advice and introduction to Heather Taylor. Thank you to Heather for coming in at the eleventh hour to proof-read my work. Your incredible attention to detail, meticulous review and 'above-and-beyond' support during the final stages of this research have made all the difference!

I am very fortunate to have wonderful and understanding friends in my life, who have all been extremely supportive, encouraging and patient with me during this research process. Thank you to my flatmates for supporting me during this period of reclusiveness and to all my friends in both New Zealand and overseas who have encouraged and helped to get me through this, at times, tiring and stressful process.

I would like to acknowledge and say a very big thank you to my parents and brother. What would I have done without you? Thank you for keeping me sane, helping in every possible way you could, believing in me and encouraging and supporting me through the highs and lows of this journey. You have been my rock and I am very grateful for your ongoing love and support.

Finally, but most importantly, this thesis is testament to the incredible strength, fortitude and perseverance God has blessed me with. His grace and love have carried me through this difficult process and it is only though Him that I have reached this point. Not only has this been a journey of academic discovery, but also one of personal growth and change. Thank you for keeping me sane and allowing me to bend, but never break.

# Abstract

This research expands on the current literature surrounding employee-focused Corporate Social Responsibility (CSR), Employer Branding (EB) and Human Resource Management (HRM). It explores whether practical connections exist between these concepts, and what impact they have on each other's capabilities and spheres of influence. Investigated within the financial sector, this study provides some initial insights into the New Zealand and Australian service sector in the period following the Global Financial Crisis (GFC).

The GFC has drastically affected the business environment and this is mirrored in the most recent literature (Wettenhall, 2011). The literature notes that cost efficiencies, job security concerns and demands for greater organisational transparency have become the norm (Bondy, Moon & Matten, 2012). This is driven by more competitive markets, an increasingly diverse workforce, and more informed and less loyal customers. Some of the recent literature consequently calls organisations to refocus inwards, away from the volatile external environment (Garavan & McGuire, 2010) to their employees, as a means of ensuring competitive advantage (Inyang, Awa & Enuoh, 2011; He, 2012).

Despite this renewed focus on the effective recruitment, engagement and retention of talented employees (Nilsson & Ellstrom, 2012), the current normatively dominant employee-focused CSR, EB and HRM literature all remain, for the most part, separated into distinct academic silos. Although research into each of these three areas is extensive and continually developing, employees have only recently become a focus within each field.

Increased emphasis on employees has resulted in an enhanced focus on HRM in the literature. However, with limited empirical support, this literature lacks practical instruction as to how HRM can actually go about achieving these often 'superman-like' theoretical suggestions. Consequently, concerns remain with some authors as to whether HRM has the skills and influence to actually meet these increasing expectations (Evans, 2009; Guest & Woodrow, 2012). These concerns are mirrored for both EB and CSR. Likewise, recent literature promotes the relationship between HRM, CSR and EB, as valuable and beneficial for HRM and business, despite there often being very limited empirical evidence to support its claims (Sukserm & Takahashi, 2010; Inyang et al., 2011; Martin, Gollan & Grigg, 2011).

Focused specifically on employees and the overlap and integration of CSR, EB and HRM, this research aims to address this research gap and the biases in the literature. It first explores the current literature to better understand what the literature envisages in terms of a more integrated and internally consistent people management approach. It will then empirically explore whether the literature's largely normative theoretical claims are actually practiced.

This research employs a qualitatively dominant mixed methods approach. Although drawing on rational beliefs, this study leans heavily on a constructivist epistemology, in which an interpretive theoretical perspective is adopted. Data was collected through secondary sources in the first instance. This was then used to inform the primary data collection, where questionnaires and semi-structured, in-depth interviews were used. While the biases and limitations of these methods are considered, such an approach was used in order to gauge personal insights and experiences of managers dealing with and co-ordinating these processes on a day-to-day basis.

Despite best laid plans, the central influencing factor of this research was the lack of access and consequent requirement for the original scope of this research to be dramatically altered. Gaining access proved extremely problematic, most likely as a result of the ongoing impact of the GFC. Despite these challenges and the consequent severe impact access, in particular had, this research output, although less than what was originally planned for, is still of significance and importance. The research findings provide some valuable initial insights into how participants felt CSR, EB and HRM impacted each other within their organisations. Participants agreed that all three concepts were important strategic functions. However, their alignment, overlap and the degree to which they were practically embedded were inconsistent between, and within, the participating organisations.

When discussing the relationship between these three fields, the participants debated whether integration was needed, or if alignment was sufficient for increased coordination. The general consensus supported EB and CSR as effective recruitment, retention and engagement tools for HRM to leverage. Although the exact arrangement of such a relationship was unclear, enhanced alignment was considered a means for HRM to improve its strategic organisational capabilities and influence through a more diverse, holistic and strategically aligned portfolio.

The participants promoted greater alignment and a more consistent internal people management approach. However, whether this was reflective of each organisation's actual practices, still remains unclear. Although optimistic, many participants were unable to provide practical evidence of actual implementation. In addition, a number of contradictions between participant's endorsements were identified. Consequently, there appeared to be more 'talk' than 'action'.

Only a small minority of the participating organisations seem to have achieved an integrated people management approach through greater structural integration. In one organisation, CSR, EB and HRM have recently been integrated with Marketing, with the aim of providing a more consistent and aligned people management approach. Despite only recently being integrated, the consistent answers and feedback during the interviews suggest that the benefits of such an approach are already evident.

With such variations and differing opinions still prevalent between organisations, when compared, they can be seen to be progressing along a continuum. Competitive advantage remains the driving force for progress and a value-based, integrated and strategically aligned people management approach seems to have been agreed upon as an aspirational objective. The participating organisations are, however, progressing towards this target at different speeds and along different paths. Whether they all will reach this target over time remains to be seen.

This research is significant because it contributes to the growing literature focused on strategic people management. It explores empirically the current relationships and subsequent impacts of CSR and EB on HRM in the New Zealand and Australian financial sectors. Despite the unexpected negative impact of the GFC on access and consequently participant numbers, these findings are valuable, because they address the practical benefits and challenges associated with a more integrated people management approach in these organisations' ongoing pursuit of competitive advantage. This research is therefore important for both academics and management practitioners. It introduces and offers valuable empirical data to drive the possibility of a holistic, strategic HRM approach for academics to build on, and industry practitioners to leverage.

# Chapter One: Introduction

## Introduction

This thesis explores the relationship between corporate social responsibility (CSR), employer branding (EB) and human resource management (HRM). Specifically, it investigates the potential and possible benefits of a more integrated employee management model. As well as drawing on the literature from these three areas, this research also explores current practices within financial sector organisations in both New Zealand and Australia.

There are several claims in the literature that organisations are changing. According to the literature, although costs remain an ongoing concern, increased flexibility and responsiveness are no longer considered optional for organisations wishing to achieve success (Inyang, Awa & Enuoh, 2011). In addition, with greater environmental volatility and international competitiveness, the financial sector is increasingly said to have to leverage internal resources (Wang, Lin & Chu, 2011). A more integrated internal approach, aimed at improving operational efficiency, has consequently gained greater emphasis in recent literature (Bondy et al., 2012), despite a lack of supporting empirical data. This has resulted in the increased theoretical focus on the importance of employees (Nilsson & Ellstrom, 2012).

However, as discussed in the coming chapters, there are considerable problems associated with the current literature on people management. While organisations may strive to become more efficient, many still appear to be struggling to achieve this in practice. The overly normative and fragmented people management literature although promoting enhanced integration and greater strategic orientation, focuses mainly on the 'what' and provides limited guidance for *practical* success and 'how to'. As a result, this research aims to provide some initial insights into determining:

- theoretically, what areas of common focus exist between these three bodies of literature and, as a result, what major themes are currently being advocated for people management? and

- how closely aligned are organisations' people management practices to the theoretical suggestions promoted by the literature?

By exploring these two research questions this thesis aims to provide an initial assessment of whether a more integrated approach between CSR, EB and HRM, as promoted by recent literature, is practiced by organisations.

This chapter outlines the context and structure of the thesis. It begins by detailing the background and motivation for this research. The scope and significance of empirically investigating the relationship between CSR, EB and HRM is then presented. This is followed by an overview of the research design and the study's contributions, as well as its limitations, including access constraints. Finally, an outline of the thesis chapters is presented.

## Background and motivations for this research

This research grew out of my long term interest in HRM and the condition of people at work. Having worked in the field, it has been interesting to witness the development of workplace practices. Attention to people management continues to grow and has gained a more strategic focus, both within organisations and the literature more generally.

Despite its many claims, the overly optimistic literature continues to promote strategic advances for people management practices, with limited empirical support and instruction for organisational implementation. In addition, with the literature expanding at a rapid pace, the many theoretical areas now focused on improving people management practices remain for the most part segmented. Given the complex nature and continually changing global environment that organisations have to navigate and master, this apparent disconnect and lack of practical guidance is problematic.

Wang et al. (2011) argue that in order to stay competitive, organisations are continually under pressure to respond to social changes (Wang, et al., 2011). As noted by the literature, globally dispersed and therefore culturally diverse operations (Wettenhall, 2011), as well as technological advances, and more informed and demanding customers and employees (Rosethorn, 2009) have influenced the way organisations now operate. Cost efficiencies and consumer apprehension, highlighted by the GFC, have also been identified by the literature as having a dramatic effect on businesses (Wettenhall, 2011).

Despite these growing pressures, the literature continues to call on organisations to deliver superior and personalised customer service (Garavan & McGuire, 2010), and adapt and respond to the ever changing environment and its stakeholders by developing new strategies to remain competitive (He, 2012). What these strategies look like in practice and how organisations actually go about implementing them is however much less clear.

The literature argues that internally generated and intangible-based competencies and information are the new standard of this new knowledge-based economy (Inyang et al., 2011). The skills and capabilities of *employees* are therefore being promoted and are increasingly accepted in the literature as critical to achieving this competitive advantage (Nilsson & Ellstrom, 2012).

However, when this research was first initiated in 2008, employees were still commonly regarded as customer service mechanisms by many (Bonfiglioli, Moir & Ambrosin, 2006; Young & Thyil, 2009). In particular, the CSR literature seemed to be somewhat at odds with organisational practices at this time. Employees were not considered a critical element within the CSR literature, and were often only considered from the point of view of them being volunteers (Raubenheimer, 2008). The emphasis for both organisations and the literature was heavily focused on environmental and community-based initiatives, despite the dependence on employee to deliver on these goals at this time.

Since then, there has been an increase in organisational and theoretical support for employees, highlighted by the recent promotion of EB and its internal reorientation to focus on retention (Rosethorn, 2009). Increasingly, of late employees are being more readily considered core organisational assets (Nilsson & Ellstrom, 2012). According to the literature, in order to deliver and promote their businesses externally, organisations need to focus on ensuring their internal operations are functioning optimally in the first instance (Foster, Punjaisri & Cheng, 2010).

In acknowledgement of employees' influence on organisational success, the people management literature has begun to reprioritise the employee lifecycle, equally focusing on the recruitment, retention and engagement of talented employees (Wang et al., 2011; Nilsson & Ellstrom, 2012). In line with this increased emphasis on employee management, the role of HRM has also received renewed focus. Although considerable theoretical discussion has been centred on the strategic promotion and advancement of HRM for many years already, there is ongoing debate by some as to whether HR practitioners have the capabilities and skills to meet these growing and often unrealistic expectations (Farley, 2005; Losey, Meisinger & Ulrich, 2005; Meisinger, 2005; Deloitte, 2008; Evans, 2009; Guest & Woodrow, 2012).

In addition, while HR manager capabilities are debated, the literature nevertheless increasingly supports the view that a single department cannot operate in isolation and remain effective (Inyang et al., 2011). With an unclear direction as to what HRM's role and capability needs should be, the call from the literature is for HRM to effectively interact with other departments, while still trying to ascertain and establish itself, creates further complications. However, with limited empirical data to support the literature's many claims, these recommendations remain for the most part underdeveloped in practice. How closely aligned organisational practices are with these theoretical suggestions; how organisations actually leverage their HR managers as well as better integrate their people management practices to deliver on their strategic goals are therefore unknown. When reviewing the academic literature, key people management focused disciplines; including HRM, CSR and EB, all appear to be discussing the same thing – the growing importance and role of employees. However, despite these similarities, these three bodies of literature don't seem to link into or draw on each other or even stem from the same assumptions. This lack of integration makes it difficult to establish what is really going on, where there is overlap and where there is disagreement between these different areas. In addition, with a segmented theoretical approach it is difficult to consider their often divergent strategic suggestions in practice.

Predominantly normative in its suggestions, the literature provides minimal insight into how organisations can effectively implement its promoted people management practices. Minimal empirical data is presented by the literature that provides insight into practicable solutions and strategies. This is again surprising given the recent literature's emphasis on the importance of employees to establish core competencies and competitive advantage (Inyang et al., 2011; Nilsson & Ellstrom, 2012). It was consequently unclear how these, generally positive, theoretical assertions were actually translating into practice.

This research therefore aims to address this research gap. It explores the overlap between HRM, CSR and EB in the literature to establish whether commonality exists in their currently *segmented* and *normative* approaches to people management practices. It then, focuses on the practical and explores how organisations are currently managing their people-focused strategies and whether they are drawing on and aligning with any of the literature's theoretical recommendations. With limited empirical data to draw on, this research aims to provide some initial insights into current people management practices to start to fill this gap. It is hoped that by starting this discussion, further research will also focus on this empirical gap and help to better connect theory with practice.

## Research scope and significance

This research draws on three large bodies of literature, CSR, EB and HRM. The recent literature within each field has *independently* focused on employees and the effective management of the employee lifecycle stages. While each body of literature is already vast and continues to expand, this research draws on only those areas where overlap is identified. While numerous authors, debates and viewpoints are available, given time and scope, only those considered relevant to the two research questions have been included and are discussed within this initial exploratory study.

The literature suggests that CSR is increasingly demanded by customers and employees alike (McShane & Cunningham, 2012). It argues that CSR has become internally focused on employees and values, as opposed to its previously externally-focused, environmental and community-orientated approach (Peloza & Shang, 2011). Given the increased emphasis placed on diversity and work–life balance (Gond, Igalens, Swaen & Akremi, 2011); CSR is theoretically promoted as a way to provide valuable, current and context-specific solutions for managing employee demands effectively. Employer branding is also increasingly associated with employees in the literature. The hype surrounding the 'war for talent' in the popular press has promoted EB as a recruitment-focused tool (Rosethorn, 2009). However, the more recent literature has expanded EB's scope to include the employee lifecycle and therefore retention and engagement as well (Martin, Gollan & Grigg, 2011). Finally, the HRM literature continues to highlight the ongoing pressure for HR practitioners to strategically contribute to people management practices. Human resource management is called upon to develop and implement competitive advantage by being strategically aligned and integrated with business units. With much attention dedicated to 'what' organisation should do by the literature, little however is provided on 'how' organisations can actually achieve such claims.

It appears that these three large fields of research are converging to focus on the employee lifecycle stages of recruitment, engagement and retention. Despite this commonality, their respective bodies of literature have remained predominantly *normative*, and have developed in relative *isolation* from each other. The question therefore remains whether these three fields have been or could be better integrated for improved performance and consistency within, and between the employee lifecycle stages (Govaerts, Knydt, Dochy & Baert, 2011). While CSR, EB and HRM all focus (in different ways) on the improvement of employee recruitment, retention and engagement, the theoretical recommendations promoting the benefits of their coordination are not part of mainstream practice and so remain unsupported and inconclusive. Whether a more integrated approach is practicable and provides mutual benefit, as proposed by the normative literature, consequently requires further investigation.

A high proportion of the current literature is based upon the analysis of preceding literature, focused on definitional, as well as historical developments. In addition, a large number of articles are quantitatively focused. While quantitative approaches are important, qualitative methods are better suited to explore and gain insights into participants' responses. In addition, while conceptual models have been designed and promoted, they focus predominantly on what *should* be achieved, without any real guidance as to *how* to actually realise their promoted goals. There are consequently minimal examples of where these grand suggestions have been practically achieved, resulting in limited critical discussion as to their success or failure. This lack of information is surprising given the amount of literature available. Although progress is evident, it is presented in large and unsubstantiated theoretical leaps forward. Unfortunately, these don't mirror organisational processes or provide much guidance for practical application.

The focus of this thesis is therefore significant, and builds on the field of people management in three ways. First, it examines the three key bodies of literature, namely CSR, EB and HRM and explores where and when they overlap. With the three bodies of literature all large and rapidly expanding, the decision was made to include only those areas that relate to the employee lifecycle stages or those areas of considered overlap, in line with the research questions. Second, this research strives to contribute to these limited and mainly *normatively* focused bodies of literature surrounding people management. Predominantly qualitatively based, this study aims to explore and begin to provide insight into how organisations are currently managing and developing their people management strategies and practices. This is done predominantly through the 'voice' of HR managers. Lastly, it seeks to provide recommendations as to how organisations and practitioners can improve the practical application of their people management strategies by learning from practical failures and drawing on other successful examples.

## Research objectives

The aim of this research is to explore and start providing answers to the thesis' two research questions by examining the current role of CSR, EB and HRM in both the literature as well as practically in organisations. It investigates the linkages between CSR, EB and HRM in the literature to determine what a theoretically promoted integrated people management approach is meant to look like. It then looks at some organisations to establish if such recommendations are possible in practice, and whether more active collaboration between CSR, EB and HRM can strategically enhance this process.

## Research design

This thesis applies an interpretive approach as its underlying philosophical base. A qualitative-dominant mixed methods approach has been adopted in order to allow the research to be best answer the research questions and promote superior research findings (Creswell & Plano Clark, 2011). An embedded research design is drawn on to guide this study. This research draws heavily on the interpretivist paradigm, because it is believed that 'truth' is not seen as a singular concept, but rather as a holistic and dynamic range of variables that are context-specific (Creswell, 1994). The findings from this research are therefore specific to the New Zealand and Australian financial sectors.

The financial sector has been selected for this research because it provides a service and multinational enterprise perspective. As a result of the recent financial crisis, the public perception of financial organisation has been impacted (Wettenhall, 2011). Different to other large businesses, compliance and CSR reporting are both promoted and made publically available by financial organisations. With intangible services, customer focus has also become increasingly important in the financial sector (Bondy et al., 2012). The literature therefore goes on to argue that attracting and retaining the best employees, in order to meet customers' increasingly complex needs is of great importance (Nilsson & Ellstrom, 2012).

Given the limited and normatively based literature, an exploratory and predominantly qualitative approach to data collection was adopted to address the shortage of empirical data (Hussey & Hussey, 1997) and improve understanding of the research area and focus (Leedy & Omrod, 2010). Secondary data was reviewed from a selection of financial organisations' publically available information sources. The identified organisations' websites and CSR reports were initially used to provide a background understanding to current practices, key organisational goals, as well as specific people management strategies. Primary data was then collected through questionnaires and subsequent semi-structured, in-depth interviews. This mixed method interpretivist research is therefore focused on generating valuable insights as well as drawing on the literature to guide enquiry, as opposed to purely testing any pre-existing theory (Marshall & Rossman, 1995; Hussey & Hussey, 1997).

Data was collected from 31 managers (predominantly from HRM and CSR function areas), who agreed to be involved, and represented seven financial organisations across New Zealand and Australia. Although 31 participants completed the questionnaire, only 29 participants were available to be interviewed due to the aforementioned restructuring, sparked by the GFC. While this number of participants was less than originally hoped for, given limitations, as outlined below, this group was still considered sufficient to support this research's aim of starting the discussion and providing some initial insight into current practices.

The shortage of empirical data in the literature was a key motivator for this research. The participants' 'voices' were therefore considered extremely valuable and important to include in this research. For ease of review and size constraints, only a selection of these verbatim quotes could be included within the main text. Appendix 3 contains a fuller range of participants' responses. It provides further background and insights and more importantly, presents a complete overview of the participants' discussion and 'voices' as heard through verbatim transcripts. With the participant sample including mainly HR managers, it is important to be aware that these findings are based on their personal assessments and experiences and provide one of many perspectives on these issues. In addition, with much of the data presented obtained through interviews, the limitations and biases that arise with interviews need to be recognised and taken into consideration when examining the data (Alvesson, 2011). This is further discussed in the limitations section below.

## Research contribution

Competitive advantage, both within the literature and in practice, seems to be a common goal for most organisations. The current levels of practical success and use of people management strategies to achieve this goal does however seem to vary quite considerably. When holistically examining the seven organisations that participated in this study, their people management progress appeared to be at very different stages of development. Although presenting as if on a continuum, comparing them to each other could be problematic, given it seems increasingly likely that they will not all be able to achieve the same level of success. A more integrative and simplified structural approach to people management would appear to be a simple and straightforward extension of the current theoretical recommendations. However, within a practical organisational setting, simplicity becomes a difficult and complex task requiring the coordination of a dynamic web of variables and the theoretically promoted leaps forward are less easily achieved.

Still, organisations appear to be drawing heavily on the literature, despite its normative focus. With the literature and organisations both refocusing inwards, it is important to actually look inside modern organisations to gain insight into current thinking, practices and challenges. Only by understanding what practitioners think is really happening and examine what they actually do, can more practicable and valuable recommendations be made.

This research provides a "voice" to managers. This is extremely valuable, given the current state of the normatively dominant theoretical discussion during the GFC, and with no other detailed empirically based research of the New Zealand and Australian financial sectors available. With access an ongoing issues, it is unclear when empirical data can next be collected. Therefore, these findings provide important insights into current organisational practices and challenges, from an HR manager-dominant perspective. The thesis' empirical findings extend the predominantly normative literature, offering opinions about a more integrated approach to people management. It also offers an initial alternative lens through which to view and conceptualise strategic HRM. It highlights the ongoing gap between the literature and practice, as well as the differences both between and within similarly structured financial organisations. These initial insights provide a foundation for current and future researchers to build upon and explore. In addition, such findings are also applicable to practitioners, where they continue to strive for greater efficiencies in their ongoing pursuit of competitive advantage.

## Limitations

Given the scope and exploratory focus of this research, not all areas could be addressed or included. Despite these limitations, this research still resulted in a number of interesting findings. Access difficulty, discussed in greater details below, resulted in a smaller than hoped for pool of organisations being able to participate, which meant fewer participants as well as limited access to further supporting documentation. Despite these concerns, the data collected through questionnaires and interviews resulted in a much richer and detailed sample than originally anticipated.

The financial sector was chosen as the specific focus of this research. However, the methodology could be adapted to other industries. This research focuses on the views and perspectives of HR managers predominantly, both dictated by scope and limited access. Their opinions provide a valuable, although one-sided perspective to the issues raised. As a result, the findings remain only representative of the participants' perspectives, with a bias towards the HRM function, within the financial sectors in New Zealand and Australia.

The use of interviews as the main source of data collection can be seen as problematic. Not only can interview data not be taken as 'gospel', but the need for participants to role-play and conform to social standards or impression management must be acknowledged (Alvesson, 2011), However, given the exploratory nature of this research and the lack of any significant empirical data in this area of enquiry, the collected interview data still provides other researchers with some "familiarity with the subject matter… [and] for its capacity to generate new ideas or support interpretations of a phenomenon" (Alvesson, 2011, p. 146).

There has been phenomenal growth in the CSR, EB and HRM literatures, even although in most cases only a small portion of many of these articles were of any relevance to this research and its identified scope. The included literature therefore doesn't extend beyond the immediate areas of overlap. Restricting the included literature was seen as necessary, given each subject's growing scope, as well as the specific purpose and constraints of this thesis. Not only is there insufficient research that deals with the overlap of these areas, but, for the most part, when it does, it remains normatively based and critically limited in its development and application.

## Access

While the substantial expansion of the literature in all three areas proved challenging, the most damaging issue for this research was a lack of access.

The GFC provided a unique environment and opportunity to gain important insight into how financial organisations were developing and thinking about people management during a difficult time. On the other hand, it also hindered access and therefore the overall scope of this research.

Initially, a larger number of organisations were targeted, as well as a broader range of managers. Unfortunately, only a limited number of organisations agreed to participate, with the majority closing their doors completely. This reduced diversity of organisations and managers ruled out any valuable comparative focus.

In conjunction with the interviews, like previous studies, we were also hoping to be able to gain access to a broad range of internal documents, including surveys and policy documentation. While the organisations within the financial sector have very comprehensive websites, which provided valuable secondary data to draw on, this does present a certain viewpoint and angle. Those who did participate were not willing to disclose more internally focused information to us. Triangulation was therefore less robust than originally planned.

Over a year was spent trying to get access, in the most part as a result of the uncertainty in the financial sector and as a result of the GFC. Critical industry contacts were lost during this time. This, combined with restructuring, redundancies, changing management roles and people unable, unwilling, or changing their minds about participation, resulted in the smaller than hoped for sample size. In addition, it is also interesting to note that during this time other studies of financial organisations were abandoned or put on hold and several of those studies are yet to restart.

Access issues dramatically impacted the scope of this research. The lack of empirically-based theoretical literature makes empirically available information very important. Despite its many limitations and reduced scope, this study's empirical data still provides valuable financial sector insights that should be added to the public arena as soon as possible. It is consequently hoped that the empirical data, presented in detail in this thesis, will be useful for other researchers to build upon.

The impact and influence of the GFC is discussed in greater detail in chapter two below.

# Thesis structure

The subsequent chapters are structured as follows:

## Chapter Two: Literature review

Chapter Two begins with a review of the current organisational context. The impact of the GFC is discussed. The current literature's promotion of the importance of talented employees and their recruitment and retention is reviewed. In addition, important drivers and theoretical themes, including engagement, diversity and the role of line managers, are also analysed.

The three key areas of focus, CSR, EB and HRM, are each discussed individually, as they are in the literature. The theoretical emphasis on employees in each area is reviewed. Specifically, conceptual definitions, developments and theoretical models are discussed. A review of the limited, but growing literature focused on the relationships between these mainly segmented fields follows. The chapter concludes by noting the key areas of academic focus, the current theoretical limitations and subsequent research gaps to be explored empirically.

## Chapter Three: Methodology

Chapter Three outlines the research design and methodology. An exploratory and interpretivist approach is employed. Qualitatively-dominant mixed research methods, focused on gaining greater insight into how organisations understand and apply theoretically promoted CSR, EB and HRM people management concepts practically, are then explained. Data collection techniques, including secondary data analysis of websites and CSR report documentation, as well as questionnaires and semi-structured interviews, are discussed. Specific attention is then given to reflecting on access difficulties. This is followed by a description of the data analysis methods used. Ethical considerations, as well as reliability and validity testing are also presented.

## Chapter Four: Findings

Chapter Four presents research findings. Key themes from the questionnaires and semi-structured interviews are reviewed to explore the participants' perspectives on the current business environment, as well as the three keys fields of focus. In addition, the participants' responses regarding the research questions and degree of perceived practical overlap between CSR, EB and HRM are also explored. Only a limited number of verbatim quotes have been included in this chapter to support the discussion. A more comprehensive overview of the participants' 'voices' are presented in the Appendix 3 to support and enrich this discussion. This chapter concludes with a discussion about the theoretically proposed integrated approach.

## Chapter Five: Discussion

Chapter Five begins with a brief overview of the background and purpose to this research. The key thesis findings are discussed by comparing the empirical data to themes in the existing literature. The chapter concludes with an assessment of current developments, based on progress achieved by the participating organisations.

**Chapter Six: Conclusion and beyond**

The final chapter presents the research's concluding comments. The thesis contributions are outlined. These include implications for both academics and management practitioners regarding people management practice developments, current practical progress and the benefits and significant challenges organisations still face. Limitations of this study are presented and addressed. Areas of future research, which could build upon this exploratory research, are outlined. A final assessment of the research highlights the opportunities for future progress.

# Conclusion

The research gaps and motivations for this thesis have been established by presenting the background to the research questions and the subsequent two-fold purpose of this research, including both a theoretical and practical component. The key areas of theoretical focus, CSR, EB and HRM, and their increased emphasis on people management, are addressed. The methodical approach and research design have been briefly explained, along with the limitations and research contributions of this study. The thesis structure is then summarised to conclude the chapter.

The following chapter provides a detailed review of the existing literature for each of the key subject areas. It specifically focuses on the increased emphasis placed on employees within each specialised field, and within the theoretical discussion more broadly.

# Chapter Two: Literature Review

## Introduction

This review draws on literature from three different fields. Given the vast and broad focus of the topics covered within each of these three areas, this review became a complex and at times difficult process. In addition to such breadth, the shape and focus of the literature has changed quite dramatically since this research first began.

Significant developments in the world of work have been a recent theme in the people management literature. While these recommendations have been an ongoing theme for a number of years already, the impact of the Global Financial Crisis (GFC) could be seen as being in part responsible for the greater attention now being placed on these changes, as well as the need for greater organisational competitiveness. In addition, given greater social awareness the GFC has also contributed to the raising of doubts around previous approaches to not only business practices more holistically, but specific people management policies as well. However while greater emphasis has resulted from this period of financial instability, the importance or discussion of such matters has been an ongoing theme in the literature for many years prior.

The literature continues to call for a more strategic and integrated approach to people management (Martin & Hetrick, 2006; Dahlstrom, 2011). Despite such theoretical claims, there are a number of issues that continue to arise regarding the practical application of such assertions. Firstly, in contrast to these integrated-orientated recommendations, the literature remains mainly segmented. Despite this fragmented approach what is consistent is the overly positive, conformist and uncritical view the literature adopts across all three areas, which is reflected below.

Secondly, the literature presents what appears to be a straightforward and easy to achieve list of suggestions for improving competitive advantage and strategic positioning. However why such recommendations are not more readily adopted by mainstream business and don't consequently translate well into practice remains unclear. Without more empirical data, the large suggested leaps made by the literature are not realistic for businesses in practice.

Finally, while not overtly addressed in the literature, the people management authors seem to have moved to predominantly favour a stakeholder approach. This results in their recommendations either avoiding or not taking into consideration the shareholders that organisations need to manage and whose needs need to be balanced with stakeholders in their day to day operations. The tensions created by balancing such varying and often contradictory demands present many challenges to the mainly stakeholder orientated recommendations offered by the literature. Given the variety of issues under review within these ever expanding subjects, the focus of this review has been limited to the overlap of these still mainly segmented and overly normative fields.

The reason behind such a limited scope is to firstly restrict the focus of this study, given the breadth of the literature under review, but also to highlight and identify the gaps still present. The aim is then to start identifying and bridging the gap between normative suggestions and practice. In particular, the focus is on how employees can be leveraged in the ongoing quest for competitiveness. By establishing the recommendations and perspectives present in the literature provides a context and point of comparison for consequent practical exploration.

According to the literature, current rates of change are intensifying and involve a growing number of co-dependent and dynamic variables (Inyang et al., 2011). Greater global interconnectedness, technologically enabled transparency, customer transience and cultural diversity are said to have all converged (Rosethorn, 2009; Garavan & McGuire, 2010; He, 2012), to generate market pressures companies can no longer ignore. With new demands and the quest for competitive advantage still a dominant driver (He, 2012), it would appear that organisations are being forced to find new ways to achieve success.

This pursuit began theoretically with a focus on the organisation's external environment, including a reorientation towards customers and the organisation's natural resources and community (Garavan & McGuire, 2010). Increasingly easy to replicate and match, the external environment is progressively seen as too volatile, turbulent and unpredictable (Wettenhall, 2010; Wang et al., 2011). This has been compounded with the global attention currently focused on understanding why the GFC occurred and how such events can be prevented from happening again in the future (Simmons, 2009). Externally based competitive advantage is increasingly viewed as no longer dependable (He, 2012), and the literature's focus has therefore again gained momentum and consequently started to recommend organisations reorient inwards to develop and leverage their internal resources, in particular their employees. Whether this is the most appropriate and practically relevant approach to adopt is not certain and consequently forms the basis of this review.

This research aims to explore and present the current theoretical suggestion put forward by the literature. The literature's recommendations focus predominantly on what organisations should do. However, with a desire to determine and understand why and how organisations can actually refocus and leverage their internal resources in practice, this review identifies a potential disconnect and gap between the literature's focus and practical application. The focus of this study is therefore to assess whether these theoretical suggestions are of value in a practical setting. Specifically the changing role of and focus on employees is assessed. In order to achieve this, the research draws on three key fields: corporate social responsibility (CSR), employer branding (EB) and human resource management (HRM). Each has increasingly, but separately focused on the role and importance of employees beyond a service delivery function. Interestingly, despite this common reorientation, these fields remain segmented and seemingly unaware of their common recommendations, due in part to the dominance of normative literature in all three areas.

Given the vast scope of literature available, there was a large amount of material to draw upon and explore. As a result, not all aspects could be adequately explored, and a holistic and employee-focused view was adopted. Conceptual definitions, processes of historical development, and theoretical models have been reviewed to grasp the full extent of these three fields of enquiry. While this process was important and necessary to understand the development and scope of each field, not all areas could be included in this targeted discussion.

Therefore, for the purposes of space, flow and increased clarity around this research's main aims, some of this supplementary discussion has been placed in Appendix 1. This contextual information is referred to throughout this discussion to assist in providing greater insight and clarification to the core discussion. With an emphasis on current literature, this review aims to gain insights, identify gaps and lay the foundation for the creation of the research questions and subsequent empirical exploration of practical application. It is also a key purpose of this review to explore the links between the three fields to determine where they overlap and what they recommend in terms of people management practices. In order to achieve this, the chapter briefly reviews each field individually as they have developed in the literature, with a focus on those areas that relate to a more collaborative approach. The focus then shifts to assess the current, but limited discussion regarding their overlap.

The chapter starts by exploring the current context and market pressures affecting organisations and each of the key subject areas. These are briefly reviewed to establish the reasons behind the apparent shift from the external to the internal organisational environment, and the associated refocus on employees. In particular, the extent of the recent GFC's impact on the world of work in New Zealand and Australia is reviewed. While establishing a context is necessary, it is important to note that the employee-focused issues under review have been debated in the literature for many years and with normative discussions still dominating, appear to have no immediate resolution in sight. In addition, a summary of key management trends including the increased emphasis on talented employees, their effective recruitment, and more importantly, their engagement and retention, is presented. As important subjects for HRM, these issues are discussed in further detail within the HRM section.

The key themes and issues surrounding CSR are addressed first. Considered a mainly environmentally and community-orientated concept when this research first began, there has been a gradual reorientation towards social responsibilities and employees. This transition is noted, as well as the influential conceptual models that have assisted this development. In light of a number of barriers CSR continues to face, this section concludes by reviewing some emerging and future-orientated research that calls for a more holistic, sustainable and business-focused CSR model.

The discussion then shifts to EB. Unlike CSR, EB is more readily associated with employees and has 'rocketed' to mainstream recognition in the new millennium. Several important themes from the EB literature are highlighted in this section. Key attributes and theory accredited with enhancing EB's organisational role and success are reviewed, and the continually changing and relationship-dependent EB process is discussed. In addition, EB's internal reorientation to ensure it only makes

promises that can be met is emphasised. Following this, the indecision between HRM and Marketing over EB's ownership rights is explored. Finally, recommendations promoting a more consistent application of EB beyond recruitment to the complete employee lifecycle are examined.

A central focus of this research, the changing role of HRM, is then discussed. Theoretical recommendations regarding HRM's role and structure continue to dominate academic discussion. The overly positive, yet normative endorsement of HRM's development potential is consequently reviewed. In particular, the changing role of HRM from an administratively dominant personnel function to a theoretically endorsed strategic function is examined. In addition, with a focus on overcoming HRM's historical and ongoing challenges, certain models that call for HRM to 'transform' itself into a strategic leader and business partner are assessed.

A discussion of the key HRM trends, which highlights the renewal of interest in employee-focused theories then conclude the HRM section. The importance of talent is reviewed, and an assessment of the changes in focus on the key stages of the employee lifecycle, from recruitment to retention, noted. Line managers have become the core facilitators of organisation's valuable talent, and their role with employees is therefore explored. Finally, the increased emphasis on engagement and diversity is briefly discussed.

A review of the literature focused on the overlap of these key subjects follows the assessment of each individual field. The relationships between CSR and EB, CSR and HRM, and EB and HRM are discussed, before exploring how practicable a relationship is between all three.

Since this research began, there has been a notable increase in theoretical discussion suggesting greater alignment of these concepts. However, with limited empirical data in each field, and still insufficient attention currently dedicated to their relationship, whether such alignment is in fact possible, remains uncertain. It is, however, apparent that there are still large inconsistencies between organisations' performance levels in these areas. Why some succeed and others fail is yet to be answered. In addition, it remains unclear why there isn't greater uptake of these theoretically promoted recommendations in practice. By exploring the relationships between these employee-focused concepts, focusing particularly on how HRM is impacted, it is hoped further insights can be gained into understanding these phenomena.

The chapter concludes with a review of the major themes that have emerged from the literature, as well as identifying the main research gaps that exist, which this thesis subsequently aims to start addressing. Currently, the literature remains overly idealistic and positive. As a result, with a very limited critical approach, barriers to success are rarely identified or firmly established; current organisational progress is hard to determine, and future areas of focus are vague and overly conformist with previous studies. These limitations present significant obstacles to improved practical application, which is a key motivation behind this research. The literature review sets the scene, explores the issues and lays the foundation for the detailed research questions and consequent practical exploration.

# Context

## Setting the scene

This research took place during a very unsettling time in the world's economy. With financial organisations being the identified participants and New Zealand and Australia the established setting, it is important to acknowledge the impact these choices and timing have had on this research.

The following section therefore provides some background and insight into not only the GFC, but the current state of the financial sectors in New Zealand and Australia as well. While the impact of the GFC provided a unique period of review, it also, as noted previously, dramatically hindered our ability to meet all research expectations. Beneficial in assisting to emphasise a number of key issues and sharpen practitioner and researcher focus, the majority of themes identified and explored within this study predate the GFC and will continue on beyond its immediate impact. While it is important to acknowledge its impact on the research process, for the purposes of this research, it is not a central point of discussion.

## New Zealand and Australia

Much attention has been focused on the US and European contexts in the management literature. However, a previous review (Raubenheimer, 2008) noted the comparatively greater advances that New Zealand and Australian banks were making in comparison to their European counterparts (specifically in terms of CSR policy). New Zealand and Australia consequently seemed fitting as the setting to further explore people management trends.

Although smaller in size, both New Zealand and Australia are active members of the global economy. With ongoing debate as to the similarities and differences that exist between them, in terms of economic and labour market policy, further comparative analysis was considered valuable to this ongoing discussion. Unfortunately, given the timing of this research, the expected comparative component of this research was not realised, with many of the targeted participants unwilling to participate. The New Zealand and Australia perspective is still useful, however, in starting an empirically-supported discussion, which up until this point has been lacking.

The following tables provide some key employment and economic indicators of both countries.

Table 1: Comparing New Zealand and Australia's indicators

| 2012 | New Zealand | Australia |
|---|---|---|
| Population | 4,433,000 | 22,684,000 |
| Total employed | 2,272,000 | 11,639,920 |
| Unemployment rate | 6.9% | 5.2% |
| Employment rate | 72,2 | 72.3 |
| GDP | US$610,986.70 | US$879,236.60 |
| CPI | +0.9% | +1.2% |

(OECD, 2012)

The Australian economy has been experiencing a mining boom and this has had a positive influence on both the Australian and – through 'brain drain' – the New Zealand labour markets. Compared to most other OECD countries, employment and unemployment statistical indicators have been strong. There have been indirect influences from the GFC and there have been a slowdown in economic activity outside the Australian mining sector. It is also important to note that the Australian-owned banks have weathered the GFC rather well (see below).

## The financial sector

The New Zealand and Australian financial sectors are dominated by a small number of large players, as illustrated in the table 2 below. As noted in the following chapter, they not only provide a large multinational organisational setting, but given the unique relationship between New Zealand and its Australian-owned subsidiaries, presented a unique opportunity for a comparative analysis. With stricter regulations and disclosure procedures, detailed secondary data is also publically available.

Table 2: The Big Four New Zealand Banks (FY13 figures)

| Company | Total assets ($000) | % return on assets | Revenue ($000) | Profit after tax ($000) | Total Equity ($000) | % Return on Total Equity |
|---|---|---|---|---|---|---|
| ANZ Bank | 121,449,000 | 1.1 | 7,023,000 | 1,325,000 | 10,932,000 | 12.2 |
| Westpac | 77,854,000 | 1.0 | 4,542,000 | 759,000 | 5,515,000 | 14.8 |
| BNZ Bank | 73,111,000 | 0.8 | 3,931,000 | 580,000 | 5,277,000 | 12.1 |
| ASB Bank | 66,570,000 | 1.1 | 3,884,000 | 705,000 | 5,025,000 | 15.3 |

(New Zealand Management, 2013, p. 62)

Although the timing of the GFC was unforeseen this research provides valuable insights into an industry in turmoil and the changes and responses of these large organisations. Despite the turbulent economy and the impact the GFC has had on New Zealand and Australian organisations, Australian and New Zealand financial organisations were relatively unharmed throughout the GFC because of their conservative financial approach. As the major fallout from the GFC had passed, these large banks continue to grow; with the big four all part of the top five largest profit generating organisations in New Zealand, as illustrated in the table 3 below.

Table 3: Biggest Profit Makers 2013

| Rank* | Company | Profit ($000) |
|-------|---------|---------------|
| 1 | ANZ Bank New Zealand | 1,325,000 |
| 2 | Westpac banking Corp (NZ Group) | 759,000 |
| 3 | Fonterra Co-operative Group | 736,000 |
| 4 | ASB Bank | 705,000 |
| 5 | BNZ (Bank of new Zealand) | 580,000 |

*Ranked by total assets
(New Zealand Management, 2013, p. 66)

## The impact of the GFC

The recent GFC has dramatically impacted the global business environment. Described by financial and economic experts as the worst crisis since the Second World War (Mia & Al-Mamun, 2011), the GFC has left some of the world's most developed institutions in ruin or facing severe difficulties (Goldin & Vogel, 2010).

The GFC began in March 2008, when the Federal Reserve Bank of New York arranged an emergency loan to Bear Sterns in an attempt to prevent a complete market crash (Goldberg & Petasnik, 2010). Bear Stearns collapsed despite this attempt and was bought by JP Morgan Chase within the month (Weinrich, Kirchgeorg & Muller, 2011). The remainder of 2008 and 2009 were marked by a severe deterioration in the financial sector with many USA banks filing for bankruptcy (Weinrich et al., 2011). By the end of 2009, over one hundred banks had failed in the USA alone (Bui, 2011).

The ramifications of this 'economic meltdown' have extended beyond the USA and the financial sector to a general global economic slowdown (Wettenhall, 2010; Iqbal & Mehri, 2011). As a result, with their multitude of global connections, both New Zealand and Australia have been drawn into this "vortex of crisis-driven activities, stemming from what was soon recognised as a collapse of the world's credit system" (Wettenhall, 2011, p.78).

However, the New Zealand and Australian economies have remained resilient during the GFC, as highlighted by tables 1-3 above, because of their more regulated and conservative banking models (Bui, 2011), more diversified funding bases (Hawtrey, 2009), and less exposure to high risk assets (Edey, 2009). The reduced impact on the banks is due in part to other financial institutions taking the hit of the GFC and bearing the brunt of the fallout, given their high risk lending. In addition the New Zealand and Australian housing markets have remained buoyant, with prices continuing to increase, as opposed to other countries, where they have fallen dramatically. The banks have not escaped criticism, but the Australian banks in particular have remained among the world's most profitable (Forster, 2010).

However, despite this 'protection' from the full effects of the GFC, New Zealand and Australia still need to compete internationally and still felt the GFC's impact in terms of costs, efficiencies and consumer apprehension (Wettenhall, 2010).

## The changing world of work

The effects of the GFC continue to leave a legacy (Simon, 2010). New Zealand and Australian multinationals (MNEs) have had to evolve and change in parallel with this turbulent financial environment. In particular, the GFC has assisted in once again bringing to the fore a number of people management issues that have been vying for attention, but were not given significant investment or focus when organisations and the economy were doing well.

The literature emphasises the increasingly personalised service and transparency customers are demanding (Bondy et al., 2012). In addition, the business marketplace is noted as becoming increasingly global and competitive, with expectations from media, international bodies and society have intensified dramatically (Wettenhall, 2010; Bondy et al., 2012). Organisations are therefore conceptualised in the literature as being under great pressure to fulfil an increasingly broad range of stakeholder needs (Garavan & McGuire, 2010; Inyang et al., 2011). These multiple pressures seem to have culminated with the GFC and the expectation is that they can no longer be ignored by business. While it is apparent organisations are feeling the pressure and realise they need to respond, the literature appears to only mirror this call, with limited guidance as to how best this can be achieved. As outlined by Inyang et al. (2011), today's competitive business environment is characterised by a number of co-dependent and rapidly changing dynamics. Technology and the internet have drastically influenced the speed at which people interact and communicate at work (Rosethorn, 2009). Organisational structures have flattened, with vertical career paths less important and employee transience on the increase (Barrow & Mosley, 2005; PwC, 2012a). Cultural diversity is now a norm (PwC, 2007; 2012b), with developed and developing countries interacting in the global economy (Sheehan, 2012).

The GFC has contributed to an employer's market. Many employees, despite dissatisfaction with their current jobs, have stayed due to a weak labour market. While voluntary turnover may have decreased during this period, turnover levels have still remained high, with restructuring resulting in increased involuntary turnover, as noted by Lejeune (2012). However, as the international economy slowly recovers, voluntary turnover is again likely to increase (Versantworks, 2009; Inyang et al., 2011). Combined with an increasing number of employees reaching retirement, as the labour market tightens again in favour of employees (VersantWorks, 2009; PwC, 2012c), skill shortages will become more apparent and are already a key concern for organizations according to the literature (Michael, 2013; Deloitte, 2013). Such changes have driven the theoretical discussion and provided justification for the people management literature to continue to promote advances and support the progression of employees.

While low-paying, service-based jobs with limited career prospects continue to increase, there are other parts of the service sector where cost minimisation and efficient resource processing have been replaced by what has been labeled a 'knowledge-based economy' (Sheehan, 2012; Inyang et al., 2011). Such sectors have become a focus of the literature, due to their dependence and consequential focus on highly skilled employees (Deloitte, 2013). This is where information is power and dependent on the quality of the people employed. This dependence on employees is consistent with strategies asserted by Rosethorn (2009) and Nilsson and Ellstrom (2012) that are based less on hard, tangible assets and much more on intellectual, intangible ones. Therefore, attracting and retaining the best-suited people, with the best skill sets is of increasing importance to service sector organisations that prioritise customer service and desire competitive advantage (Inyang et al., 2011; Nilsson & Ellstrom, 2012, Michael, 2013; Deloitte, 2013).

## The enduring importance of competitive advantage

In the literature competitive advantage remains a key organisational driver (He, 2012). With the external environment no longer considered stable (Wettenhall, 2010), organisations are being encouraged to focus inwards to generate new business strategies to cope with greater external pressures. Whether this is really the best strategy remains unquestioned by the literature; instead normally seen as a fool-proof way to progress. The literature assumes that competitive advantage has become intrinsically linked to an organisation's ability to leverage their employee-generated knowledge, skills and capabilities in a strategic way (Nilsson & Ellstrom, 2012; He, 2012). People and values are consequently increasingly being promoted as areas requiring focus to achieve and maintain current success (Wang et al., 2011; Nilsson & Ellstrom, 2012). With cost awareness a constant consideration for organisations, the theoretical discussion does not seem to take into account the time, resource and cost associated with changing what in essences should be a culturally embedded or organisational norm. While it is unlikely most organisations would outright object with limited practical application, it would appear a number of barriers still exist that the literature could explore more comprehensively.

Regardless, as illustrated by Bartlett and Ghoshal (2002) in Figure 1 there has been a strategy shift. Competing for products and markets is no longer seen by the literature as able to prevent competitors from leapfrogging product-based market positions. Therefore, while competitive advantage continues to be gained through external factors (natural resources, equipment, location), internal resources are gaining prominence within the literature and are increasingly being promoted as the key sources to be leveraged (Wang et al., 2011).

Figure 1: The evolving focus of strategy

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of this thesis for copyright reasons

(Bartlett & Ghoshal, 2002, p. 35)

## Important drivers of HRM

These contextual shifts and the refocus in the literature on employees have been driven by several key themes that have recently gained or regained prominence in the literature. Although these areas relate directly to HRM and are therefore discussed within that section, it is important to summarise and introduce the theoretical viewpoints on these areas as part of the context.

A prominent topic in the literature is that the desire for and competition over highly skilled and talented employees has intensified (Nilsson & Ellstrom, 2012; Mahal, 2012). Described as high performers, who learn quickly, and are flexible and innovative (Ready, Conger & Hill, 2010; Garavan, Carbery & Rock, 2012), talented employees are increasingly considered a core competency and central to an organisation's ability to generate competitive advantage. The benefits of talent are theorized as extending to improved customer service, as well as demonstrating and driving organisational values, which is said to consequently enable other employees (Lejeune, 2012; Garavan et al., 2012).

Considerable theoretical emphasis has and continues to be placed on the acquisition of talented employees (Ulrich, 2006; Beechler & Woodward, 2009). However, with changing demographic

trends and employees noted as increasingly conscious of meeting their own needs, organisations have been advised by researchers to dedicate increased time and resources to not only attract, but also engage and retain these core assets in their quest for competitive advantage (Govaerts, et al., 2011; Nilsson & Ellstrom, 2012).

While there is general consensus of the importance of talent in the literature, for most organisations, talented employees will only make up a small portion of their workforce. In response Govaerts et al. (2011) acknowledges that not all employees can be considered high talent, but all employees are capable of contributing value (Consequently, increased theoretical attention has been placed on the importance of talent management and the role of line managers in facilitating this process (Scullion & Collings, 2011; PwC, 2011; Stahl et al., 2012).

Focused on the lifecycle stages of recruitment, engagement and retention, talent management adopts a *strategic and integrated approach* to people management practices (CIPD, 2011c; Scullion & Collings, 2011; Garavan et al., 2012). However, achieving this holistic approach and coordinating the multiple variables required for success is more complex than the theory would suggest. It is not always as easy as it appears (PwC, 2011).

Organisations are consequently called upon to adopt a more targeted approach to recruitment (Dahlstrom, 2011). This approach is focused on aligning employee and organisational values for best 'fit' (Saleem, Adnan & Ambreen, 2011) in order to improve employee commitment, satisfaction and organisational identification (Cable & De Rue, 2002). The literature remains split as to how to go about achieving this improved alignment, potentially further hindering practical application. However, there is agreement in the literature that increased transparency and authenticity are important to this process (Dahlstrom, 2011).

With poaching of talented employees a growing concern (Chafetz, Adair, Erickson & Ensell, 2009), retention has dominated the talent management discussion in recent literature (Hagan Porter, 2011; Mahal, 2012). Improving employee commitment and attractiveness are suggested as two possible strategies for organisations to adopt (Pingle & Sodhi, 2011; Lejeune, 2012). In contrast, practical recommendations as to how one goes about achieving such changes are still being debated. Although the literature provides limited guidance as to how organisations achieve these objectives, it does place increased emphasis on the positive impact the relationship between line managers and employees can have on employee engagement and retention (CIPD, 2011a; Hagan Porter, 2011; Barclay & Barclay, 2011).

Line managers are considered key components of the talent management process (Barclay & Barclay, 2011; Hart, 2012). However, although they are increasingly tasked with a number of employee management responsibilities, many are promoted as a result of technical proficiency, as opposed to people-management capability, and often struggle to fulfil these new demands (Leary-Joyce, 2010; CIPD, 2011a; Stahl et al., 2012).

Both formal skills and informal relational suggestions are presented by the literature to assist line managers to better meet organisational expectations and employee needs (Gitsham, Gribben & Hind, 2008; Galpin & Whittington, 2012; Leary-Joyce, 2010; Barclay & Barclay, 2011; Hagan Porter, 2011). With an overall, consistent focus on more targeted, personalised and compassionate leadership in the literature, the importance of managers is confirmed, although how managers develop these skills and attributes is unclear. Further discussion is consequently needed to assist with better practical application (Gitsham et al., 2008; Barclay & Barclay, 2011).

Employee engagement and diversity have both re-emerged in the literature as important concepts and considerations within this talent management discussion. With an increased focus on aligning employee and organisations' values, engagement is described as a means to effectively and practically retain staff (Barrow & Mosley, 2005; Rosethorn, 2009).

Incorporating cognitive, emotional and behavioural dimensions (Welch, 2011), engagement is considered a valuable attribute of a talented employee in the literature (Cook, 2008; Rosethorn, 2009). Engagement has consequently become an important organisational concept and practice in recent years. For many employers, it includes a formalised annual survey, based on assessing and benchmarking cognitive, emotional and behavioural engagement dimensions for further improvement (Forbringer, 2002).

Engagement is theoretically considered a *two-way relationship* between an organisation and its employees (Lejeune, 2012), involving a balancing act between what employers and employees want and get (Rosethorn, 2009). Finding a balance between the two is increasingly difficult, given the variability in what employees actually want and what employers can provide their employees (Hagan Porter, 2011; Erickson, Schwartz & Ensell, 2012). In addition, engagement remains dynamic, contingent and is further impacted by the growing diversity of an organisation's employee base (Galpin & Whittington, 2010; Pinto & Pinto, 2011).

While engagement is conceptualised as essential for organisations to leverage, to effectively navigate the modern business landscape organisations now find themselves in, it cannot be merely inserted on top of current practices. For larger organisation that are dependent upon a number of intersecting functions working together to keep day to day operations running requires further discussion as to how to embed engagement into a multitude of complex interactions and exchanges.

The focus on diversity continues to evolve, and although age and generational differences were an issue of central importance when this research began, emphasis is now shifting back to gender and issues of ethnicity. Diversity continues to be promoted as a central issue and strategy for modern organisations (Paul, McElroy & Leatherberry, 2011; Michael, 2013). It is not only considered an effective means of meeting organisations' diverse customer needs (Pinto & Pinto, 2011), but also critical for MNEs to effectively operate in geographically diverse locations and manage increasingly diverse employees (Beechler & Woodward, 2009; Pinto & Pinto, 2011).

Regardless of organisational size or the focus being on age, gender or culture, the literature notes that differences and potential conflicts between employees have, and will continue to be normal occurrences in the workplace. Therefore, organisations need to be conscious of and prepared to manage any potential differences for effective and productive operations (De Meuse & Mlodzik, 2012).

## Summary

While the issues under discussion have been present in the management literature for many years, the GFC appears to have provided organisations with an opportunity to take stock of and focus on these previously debated, but less actively managed policies. In addition, a number of these areas have gained increased focus in the literature, given current market changes and social pressures. The recruitment and retention of culturally fit talent has received substantial attention in the literature, with significant changes recommended for improvements, in line with a more integrated people management approach (Martin & Hetrick, 2006; Dahlstrom, 2011).

As the market recovers from recent economic turbulence, labour markets have tightened, providing employees with increased choice and facilitated greater mobility. Diversity has consequently gained attention in the literature. It is theoretically promoted as requiring increased strategic focus in terms of management capabilities and highlighted skill shortages (Pellet, 2009; De Meuse & Mlodzik, 2012; Michael, 2013; Deloitte, 2013).

With a greater focus on retention, as well as organisational values and improved employer-employee relationships, engagement has also been promoted in the literature as a key proactive organisational strategy (Rosethorn, 2009; Hole, Zhong & Schwaltz, 2010).

The focus within the literature appears to be moving towards a more holistic, integrated and relational model regarding people management. Organisations are encouraged to proactively leverage all available resources, especially internal ones, to remain competitive (Lejeune, 2012). They are called upon by the literature to offer a unique and innovative proposition that is considered of value to prospective and current employees (Barrow & Mosley, 2005; Galpin & Whittington, 2010). Why such seemingly beneficial theoretical recommendations are not being more actively adopted by organisations and readily integrated into their mainstream practices is unclear, However, the literature does remains predominately normative, with very limited empirical data to support its claims and therefore at times does contribute to this hesitation by encourages practically unrealistic suggestions. It is consequently unclear how these theoretically based recommendations are applied and achieved in practice. These tensions between the theoretical recommendations offered and current organisational practices serve to highlight the inconsistencies still present and contradictions still needing to be rectified, in order for both theory and practice to progress. What organisations are doing to develop their people management practices and whether a more integrated or collaborative approach is practicable and seen as beneficial to organisations therefore requires further empirical exploration.

# Corporate Social Responsibility

## Introduction

Corporate social responsibility has had a long and dynamic history of conceptualisation in both corporate practice and academia (Carroll, 1999; Smith, 2003; Truscott, Bartlett & Tywoniak, 2009; Visser, 2010). During its recent development, it has had an extensive range of terminology associated with it in the literature (Bolton, Kim & O'Gorman, 2011). Terms include 'corporate citizenship', 'corporate responsibility', 'corporate social performance' and 'sustainability', among others (Freeman & Hasnaoui, 2011). Despite the ongoing lack of a universal definition, contemporary research has cemented CSR as a meaningful area of enquiry (Margolia & Walsh, 2003; De Bakker, Groenewegen & Den Hond, 2005; Ballinger et al., 2013). In particular, and of focus to this research, CSR that is increasingly employee-focused has most recently gained increased emphasis in the literature (Rosethorn, 2009; McShane & Cunningham, 2012).

After a number of international scandals, including Enron, Parmalat and WorldCom (Silberhorn & Warren, 2007), the gulf of Mexico BP oil spill, and the more recent financial crisis, CSR should, according to the literature, be at the forefront of the business agenda (Dunning, 2003; Bolton et al., 2011; Ballinger et al., 2013). There has been a proliferation of media exposure, legal guidelines and greater stakeholder expectations (Hill, 2006; Claydon, 2011). As a result companies are increasingly being 'forced' by the literature to "embrace the notion they exist to do more than just make a big profit" (Glade, 2008, p. 51) for the sake of maintaining their reputation, brands and competitive advantage.

The literature calls for organisations to take on roles beyond a single bottom-line (profit) philosophy and realign themselves to focus on the individual needs of all their stakeholders (Garavan & McGuire, 2010; Bolton et al., 2011), of which employees are an increasingly central participant. Given the large number of stakeholders needing organisational attention, for the purposes of this research, employees have been selected as the main stakeholder group to be assessed in terms of CSR impact. While the literature calls for a broader focus beyond shareholders to stakeholders, there is still major disagreement as to what CSR actually means and, more specifically, how it is implemented (Garavan & McGuire, 2010). With many theories but limited theoretical agreement amongst them, tensions remain with restricted and uncertain practical application for many organisations.

This section briefly outlines the theoretical, if mainly normative, development of CSR and more specifically employee-focused CSR. This includes a review of CSR's definitional development that assesses the increase in focus on employees. Theoretical models that support this increased employee focus are then briefly discussed, before a review of the literature focused on CSR's strategic application is presented. The increased importance of, and ongoing challenges associated with CSR's role are then addressed. This section concludes with a review of a more future-orientated CSR business model. Additional detail regarding CSR's international rise to prominence, definition development, historical advancement and support for its strategic status can be found in 1A.

## Defining CSR

Despite 70 years of intense academic debate surrounding the concept of 'corporate social responsibility', there is still no universally accepted definition of the term (Whitehouse, 2006; Freeman & Hasnaoui, 2010; Ballinger et al., 2013). Corporate social responsibility has "grown from a narrow and often marginalised notion into a complex and multifaceted concept; one which is increasingly central to much of today's corporate decision making" (Cochran, 2007, p. 449). Having increased in scope over many years, it is apparent that CSR incorporates a number of different elements (Idowu, 2011) ranging from "values and philosophies, to societal and environmental issues, business strategies and the relationship between business and society" (Decker, 2004, p. 714). Therefore, according to the literature, a meaningful definition needs to be dynamic and focus on the management of businesses, stakeholders, financial legitimacy, and community and environmental impacts (Decker, 2004; Peloza & Shang, 2011).

> *The lack of a widely agreed definition contributes to misunderstanding and cynicism towards the concept itself. If CSR means different things to different people then debate on its importance in business strategy formulation and stakeholder management becomes confused, if not impossible.*
> (Decker, 2004, p. 714)

Despite this complexity, breadth of scope, and consequent difficulty with practical implementation (Godfrey & Hatch, 2007; Garavan & McGuire, 2010; Freeman & Hasnaoui, 2010), the areas of focus for most CSR definitions, as set out in the literature are very similar, as discussed in Appendix 1A. They include balancing profit with managing stakeholder relationships and social and environmental impacts (Blowfield & Murray, 2008; Bondy et al., 2012), as well as contributing to the social good in a voluntary and strategic manner, with CSR embedded in organisational practices and values (Husted & Allen, 2007; Blowfield & Murray, 2008; Bondy et al., 2012). Balancing the tensions that exist between stakeholders and shareholders continues to be debated in the literature and continually renegotiated by organisations in practice. For the literature, CSR is conceptualised as resting almost exactly at the mid-point between these two extremes. The literature consequently promotes CSR as the means by which to manage and balance shareholder and stakeholder needs. However in practice, such an approach doesn't always take into consideration the pre-existing norms and structures of an organisation that may hinder either or both sides of the CSR approach.

## Employee-focused CSR

Although employees have continually been called an organisation's most important asset (Pfeffer & Veiga, 1999; Young & Thyil, 2009), it appears this has only recently become more commonly accepted (Inyang et al., 2011). Employees are being described by the literature as the face of their organisations (McShane & Cunningham, 2012) and are expected to be ambassadors for their organisation's CSR programs (Bolton et al., 2011). However, the literature still mainly focuses on external CSR initiatives such as environmental impacts and community volunteering. As a result, employees have received negligible attention in the CSR literature (Cheruiyot & Maru, 2012) and "remain something of a by-product of CSR activity rather than an integral part of the process. The actual engagement of employees with, and the role they play in, the creation of the CSR brand is barely acknowledged" (Bolton et al., 2011, p. 64).

However, with less loyal and more informed customers (Boone & Kurtz, 2004; Rosethorn, 2009), the service sector in particular has been encouraged by the literature to refocus on enhancing their customer service, relying on front-line staff to achieve this (McShane & Cunningham, 2012). Consequently, in order to fulfil their CSR commitments to their customers, the wider community and the environment in which they operate, the literature calls for organisations to address their internal environment and subsequently their employees - upon whom they are reliant to achieve many of these objectives (McShane & Cunningham, 2012).

> *The relationship between a business and its employees can be regarded as a precondition for CSR: if a company does not assume a high level of responsibility for its employees, how can it be responsible to its customers or to the social or natural environment in which it operates?* (Vuontisjärvi, 2006, p. 333)

Employees are the focus of this study. As a result the following discussion focuses specifically on employee-orientated CSR. In addition, 'employee-focused' is used to identify those areas within the broad CSR scope that relate particularly to employees, as opposed to attempting to be a pre-existing or proposed concept title. Therefore, although CSR is recognised as a broad and multifaceted area, this thesis highlights those areas within CSR that are focused on the role of employees. This contrasts with the externally focused, community-involved and environmentally conscious CSR that currently dominates popular media and academic research. Additional insights supporting the importance of an employee-focused approach to CSR and an overview of sustainability, as a point of contrast, is provided in Appendix 1A.

However, without a clear starting point or end goal offered by the literature, organisations are being able to meet community and public demands, environmental resource expectations, and promote employee development and relationship building while still looking after the bottom line becomes improbable (Visser, 2010). Unfortunately, indecision and unrealistic expectations are mirrored in CSR practices and the literature (Campbell, 2007; Matten & Moon, 2008; Visser, 2010).

# The historical development of CSR

Although common themes can be drawn from the literature regarding CSR conceptualisation, they are often not straightforward or easy to understand (Claydon, 2011 Such confusion can be attributed to CSR's rapid increase in scope, as a result of the varied changes and influences CSR has experienced during its long historical development (Maak, 2008). CSR is noted to have "transformed from an irrelevant and often frowned-upon idea to one of the most orthodox and widely accepted concepts in the business world during the last twenty years or so" (Lee, 2008, p. 53).

While the debate surrounding CSR's definition already provides a sense of longitudinal development within the field, a closer review of the historical development of CSR is presented in Appendix 1A. This discussion focuses specifically on the social events and stages that have contributed to CSR's current theoretical and organisational positioning. Despite CSR's long and involved history, the discussion concludes that CSR remains largely a vague construct that is hard to implement, quantify and measure (Blowfield & Murray, 2008); Garavan & McGuire, 2010). Businesses operate against an ever-changing background of what is considered socially responsible. CSR is not a stagnant concept. "It continues to evolve, as cultural expectations change, both locally and abroad" (Werther & Chandler, 2006, p. 12). With the literature anticipating continued change and an increasingly localised focus, the implementation of CSR needs to ensure the concept remains relevant and strategically beneficial to both the society and business where it is applied (Preuss, Haunschild & Matten, 2009). In order to assist organisations with these rapid and complex developments, new models of implementation and value measurement have been and continue to be recommended by the literature (Claydon, 2011).

# Theoretical models

A number of political, social, economic and historical developments have all contributed to the vast scope of CSR, which now includes a focus on employees and is encouraging modern businesses to progress towards greater responsibility. In order to better understand how business can be more responsible to their employees in particular, the following section briefly explores a number of theoretical CSR models that highlight and support an increased focus on employees within CSR, as well as attempting to provide some guidance as to how organisations can manage CSR and its employee-focused application.

## Triple bottom line

Traditionally, the 'bottom line' has focused on the financial profits made by organisations that are used to determine its level of success. The triple bottom line (TBL), in comparison, takes this concept two steps further. Organisations are called upon by the literature to factor public opinions into their strategies (Davis, 1973), as well as aligning with and integrating social and economic goals to enhance the bottom line (Porter & Kramer, 2002).

These three distinct, yet complementary and co-dependent variables promote a new conceptualisation of extended business responsibility. According to the literature, the aim of which is to reconcile a business' underlying tensions, in line with the focus of CSR to include not only shareholders (financial), but also stakeholders (social and environmental) (Elkington, 1997; 2004). Of particular importance for this study is the emphasised inclusion of employees, an increasingly key organisational stakeholder.

## Three concentric circles of CSR

The 'three concentric circles' model, as illustrated in Figure 2 below, is more externally focused than the TBL, and takes into consideration the global, national and local environments in which organisations operate, helping to expand philanthropy into a more externally focused and sustainability-orientated direction. While all three spheres are equally important the inner circle, focused on employees, again emphasises their specific and balanced importance alongside customers (intermediate circle) and the community (outer circle).

Figure 2: Three concentric circles of CSR
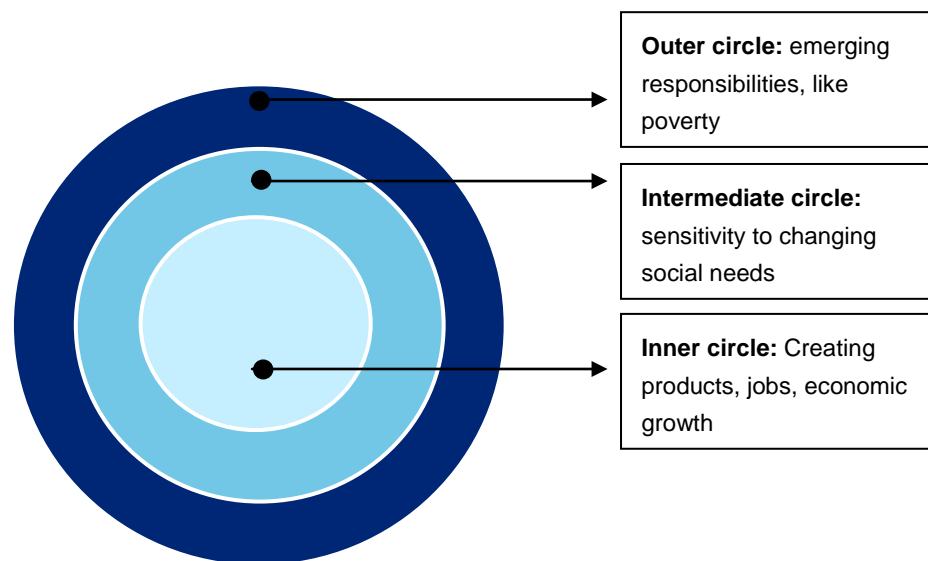


Adapted from CED (1971), and Werther and Chandler (2006).

## Carroll's pyramid

Carroll (1991) was the first academic to make a distinction between different kinds of organisational responsibility (Blowfield & Murray, 2008) with his proposed 'pyramid of corporate social responsibility'. Illustrated in Figure 3 below, this multidimensional model is one of the most widely referred to frameworks in CSR, because it clearly illustrates the key principles and spheres of business responsibility (Blowfield & Murray, 2008; Claydon, 2011). Drawing together economic, legal, ethical and discretionary responsibilities previously treated as mutually exclusive (Blowfield & Murray, 2008), this typology, although divided into separate categories, is not rigid, but instead should overlap and evolve (Werther & Chandler, 2006). Therefore, one should "focus on the

pyramid as a unified whole and how the firm might engage in decisions, actions and programs that simultaneously fulfill all its component parts" (Carroll, 1991, p. 229).

Figure 3: Carroll's Pyramid of corporate social responsibility

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(Carroll, 1991, p. 228)

While a unified focus is recommended, the foundation of the pyramid upon which all other elements are reliant, is a financial foundation, because all other elements are seen as predicated on an organisation's profitability (Carroll, 1991). This economic base highlights the importance of the shareholder and the importance of meeting their financially-driven demands, in addition to legal, ethical and discretionary responsibility, that is more stakeholder-orientated. Carroll's (1991) model highlights the tension between economic and social organisational priorities. How this balancing act is achieved is unclear. This contradictory set of responsibilities remains, for the most part, unaddressed and inadequately explored in the CSR literature.

Therefore, Carroll's CSR pyramid (1991) has come under criticism (Claydon, 2011). Campbell (2007) notes that, in line with 'slack resource theory', economically weak companies are less able to engage in CSR, due to reduced time, money and resources to invest in it. In addition, he argues that given the complex interactions between organisations, their environments and many stakeholders, Carroll's (1991) pyramid is inadequate in explaining these multifaceted relationships, and is too simplistic to be used as a model to achieve credible CSR practices (Campbell, 2007).

Werther and Chandler (2006), in agreement with Campbell's (2007) criticisms, acknowledge the complex and constantly changing environment organisations operate in. Their commentary highlights the need for CSR to be flexible in times of change, as well as focused on identifying and meeting the specific needs of its key stakeholders (Werther & Chandler, 2006). They note that:

> *CSR is therefore a fluid concept. Importantly it is both a means and an end. It is an integral element of a firm's strategy: the way the firm goes about delivering its products or services to markets (means). It is also a way of maintaining the legitimacy of its actions in the larger society by bringing stakeholder concerns to the foreground (end). The success of a firm's CSR reflects how well it is able to navigate stakeholder concerns while implementing its business model. CSR means valuing the interdependent relationships that exist among businesses; their stakeholder group; the economic system, and the communities within which they exist. Simply put, CSR addresses a company's relationships with its stakeholders.*
> (Werther & Chandler, 2006, p. 8)

Therefore, with such a range of expectations placed on it, the concept of CSR can be seen to be precariously balanced between these often conflicting and irreconcilable tensions. Employee-focused and therefore of particular importance to this study is that of the often conflicting needs of employees and the organisation, which tends to be shareholder driven. With limited empirical support to back its many claims, whether CSR can in practice fulfill these aspirational advances, and meet both side's demands, is still open for debate.

## Stakeholder theory

Stakeholder theory builds on both the TBL and Carroll's (1991) pyramid of responsibilities. In order to be successful organisations are encouraged to focus on the specific needs of its stakeholders in a personalised way (Carroll, 1991; Werther & Chandler, 2006).

Theoretically CSR has been built upon Stakeholder theory (Freeman, 1984), and it remains one of the most popular, influential and commonly referred to theories in the CSR literature (Cheng & Ahmad, 2010; Claydon, 2011). Stakeholder theory states that a company's "organisational survival and success is contingent upon satisfying both its economic (e.g. profit maximisation) and non-economic (e.g. corporate social performance) objectives, by meeting the needs of the company's various stakeholders" (Pirsch, Gupta & Grau, 2007, p. 127).

Stakeholders are defined as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, 1984, p. 46). This group generally includes customers, employees (this study's main focus), investors, suppliers, government, trade unions and environmental groups (Clarkson, 1995; Donaldson & Preston, 1995; Whitehouse, 2006). The inclusion of employees within this stakeholder group is important, as up until recently employees have been viewed as a mechanism to meet other stakeholder needs, as opposed to being recognised as a group with their own needs to be met as well.

However, with such a diverse group of stakeholders, it is understandable that meeting all their distinct and often contradictory needs can be problematic, and raises issues of stakeholder salience (Mitchell, Agle & Wood, 1997; Lee, 2008; Seitanidi, 2009). Further discussion regarding this inherent organisational tension and other barriers to success are discussed in greater detail below. While the general obligation to each stakeholder group is basically identical, including protecting their rights and treating them with fairness and respect, "specific behaviours and orientations arise because of the differing nature of the groups" (Carroll, 1991, p. 134). Having to therefore systematically assess which stakeholders deserve or need management attention (Doh & Guay, 2006; Lee, 2008), as well as evaluating and balancing their conflicting claims, results in strategic and practical challenges for a businesses (Maak, 2008), elaborated on below.

Stakeholder identification theory, which assesses stakeholder attributes, has consequently been proposed as a means to prioritise stakeholder needs (Mitchell et al., 1997; Blowfield & Murray, 2008). A stakeholder's legitimacy, power and urgency are each assessed in turn and are defined in Table 4 below.

Table 4: Stakeholder importance variables

| Variable | Description |
|---|---|
| **Legitimacy** | "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Mitchell et al., 1997, p. 865); or "the extent to which a group has a justifiable right to be making its claim" (Carroll, 1991, p. 230). |
| **Power** | "to the extent it has or can gain access to coercive, utilitarian, or normative means, to impose its will in the relationship" (Carroll, 1991, p. 865). |
| **Urgency** | "reflective of the degree to which stakeholder claims call for immediate attention" (Carroll, 1991, p. 867). |

Organisations should therefore focus on legitimate stakeholders who have the greatest power and most urgent needs (Moir, 2001). Although the above classifications may appear simple in theory, they are further complicated by a culturally diverse global environment (Preuss et al., 2009), where discernment is required to know when different is just different, as opposed to wrong (Donaldson & Preston, 1995). As a result, while directives from the literature appear straightforward, in practice they are not so easy and clear cut to apply. The tensions around stakeholder management are consequently inherently part of the CSR proposition, especially when focused on employees.

Stakeholder theory has consequently come under criticism. A discussion of theoretical issues raised is noted below. In addition a review of Pedersen's (2009) stakeholder-orientated CSR responsibilities, is presented in Appendix 1A. While Pedersen's (2009) empirical insights provide a positive step towards gaining practitioner insight into current CSR understanding, the results are still relatively narrow in terms of an organisation's social responsibilities.

# Strategic theory and CSR

The majority of CSR-focused literature deals with the aims, understanding, development and expectations of CSR, as opposed to its implementation. "What is missing is the connection between the *why*, the *what,* and the *how* of transformation management" (Blowfield & Murray, 2006, p. 116).

'How' CSR is implemented is particularly important in today's dynamic business environment and given the underlying tensions it presents for a business to manage on an ongoing basis. According to the literature, the "CSR debate has changed from being about whether to do CSR, to how [to do CSR]" (Smith, 2003, p. 53). Further support for CSR's strategic application is presented in Appendix 1A.

However, while profit maximisation and strategic CSR both focus on the long term success and survival of an organisation, profit generation is unquestionably accepted, (Kanter, 2011). In comparison, CSR, is noted as only gradually starting to gain greater acceptance (Kiron et al., 2013). However, with limited practical guidance from the literature, CSR is still openly questioned and struggles with legitimacy (Husted & Allen, 2007; Kanter, 2011).

Despite ongoing resistance, greater alignment between a business' strategy and its CSR priorities is increasingly promoted in the literature (Visser, 2011; Kiron et al., 2013). Both are focused and increasingly dependent upon companies' relationships with the environment in which they function and the stakeholders, and for our purposes employees, with whom they interact (Werther & Chandler, 2006; Young & Thyil, 2008; Claydon, 2011).

In contrast to the focus on profit, the literature now considers it detrimental for organisations to only communicate with their shareholders though 'pure profit maximisation', at the expense of other stakeholders (Kanter, 2011). As a result, CSR is theoretically promoted as an important 'facilitator' in allowing organisations to better communicate with and meet their diverse stakeholder needs (Werther & Chandler, 2006; Porter and Kramer, 2011). Although taking a wider group of stakeholders into consideration is arguably beneficial, and has meant the inclusion of employees as a stand-alone group, more importantly, how an organisation manages the underlying tensions that will exist between financially driven shareholders and potentially more socially driven employees, or service driven customers will ultimately determine CSR's acceptance and ongoing success.

According to the Werther and Chandler, (2006, p. 59), corporate success is based on the assumption that "strategy matches internal competencies with external opportunities in such a way that the firm achieves its mission as it strives towards its vision". In a bold assertion, they describe CSR as a "competitive differentiator for a firm" (Werther & Chandler, 2006, p. 59) and believe there to be an intrinsic relationship between CSR and business strategy, highlighting CSR as a key factor in the formation of competitive advantage (Werther & Chandler, 2006). With internal competencies directly reliant on employees and their capabilities to deliver this externally desirable service, their importance in strategic achievement is further emphasised. Werther and Chandler's (2006) models and conceptualisation of CSR as a strategic filter and object are presented in Appendix 1A.

Although CSR is promoted as a recommended component of all business strategy, what this specifically includes will vary between organisation, depending on their strategic direction and purpose (Visser, 2011), contributing to the ongoing confusion and hesitation by many organisations in fully understanding and consequently embracing and operationalising the concept. A company's CSR purpose is influenced by a number of factors, including the country in which it operates, the consumers it serves, the industry in which it competes, the international institutional standards it associates with and local and international social trends (Blowfield & Murray, 2008; Claydon, 2011). Consequently, because the mix of these issues will evolve over time and vary between organisations, it is impossible to prescribe the exact combination of issues included in a company's CSR purpose at any particular time (Werther & Chandler, 2006).

Acknowledging the variation in organisation's CSR strategies, stages of CSR development have been proposed by the literature as a means to assist organisation in approaching CSR implementation in a more incremental manner. Aspirational and with limited theoretical insight into how to progress from one stage to the other they do provide a path for organisations to follow and a means of measuring progress. Conceptualising CSR in this manner has proved popular in the literature, with a steady supply of models proposed. A more detailed review of a number of these models can be found in Appendix 1A. Organisations are said to progress from a point of resistance, through to compliance, through to efficiency and then strategic application, before they reach the desired point of citizenship or transformative CSR (Clarkson, 1995; Zadek, 2000; Dunphy, 2003; Blowfield & Murray, 2008; Castello & Lozano, 2009).

The latest model, 'the ages and stages of CSR', as displayed in Table 5, was proposed by Visser (2011). Its focus is on progressing businesses towards a responsible and systematically integrated model of CSR that tackles the root causes of irresponsibility.

Table 5: Ages and stages of CSR

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(Visser, 2011, p. 8).

These models, although not prescriptive, promote a more accessible 'best fit', as opposed to 'best practise' approach for companies and their employees to follow (Husted & Allen, 2007). Ernst & Young's (2002) strategic CSR model, as presented in Appendix 1A, supports this best fit approach and focuses on creating business value by meeting stakeholder needs. However while promoting a best fit approach would limit the degree to which a model can be prescriptive, the literature provides very limited explanation as to what each 'stage' includes and more importantly how it can be practically achieved making it difficult to translate into practice.

Seeming to then gloss rather superficially over such potential and practical obstacles, CSR, is still promoted by the literature as a means to enhance an organisation's strategic offering by improving the ways in which the firm interacts with its environment, evolves its structures and manipulates the core competencies (most notably through its employees) it relies upon to achieve competitive advantage (Werther & Chandler, 2006; Porter & Kramer, 2011; Kiron et al., 2013). Such core competencies, as discussed later are increasingly intangible and leveraged from an organisation's employees. With such positive support and belief in CSR's abilities from the literature, it is curious then that there is still resistance or indifference to CSR from many organisations.

## The role of CSR: Motivators and barriers

The classical literature regarding CSR has for the most part been overly positive and continues to promote attractive benefits from the inclusion of CSR into an organisation's strategy (Porter & Kramer, 2011; Kanter, 2011; Visser, 2011). It does so at the expense of a critical review or articulation of practical issues. It appears that considerable barriers to effective implementation must therefore still exist. The following section explores some of the key motivators and barriers to successful CSR implementation.

In addition to heighted social expectations and the ongoing effects of consciousness brought about by globalisation (Smith, 2003; Claydon, 2011), the key motivators for CSR, as discussed throughout the literature, is competitive advantage (Ballinger et al., 2013) and CSR's proposed ability to balance stakeholder and shareholder demands (Blowfield & Murray, 2008; Bondy et al., 2012). In its 2012, third annual global survey of executives and managers, MIT Sloan noted that two-thirds of respondents, up from 55% in 2011, thought CSR was a critical component of an organisation's competitiveness in today's marketplace (Kiron, Kruschwitz, Haanaes, & von Steng Velken, 2012). In addition, 33% of the respondents noted that their organisations were currently profiting from sustainable business practices. Competitive advantage through CSR was therefore considered achievable for those organisations that actively engaged in CSR and were subsequently perceived as good corporate citizens (Smith, 2003; Kiron et al., 2012). Meeting stakeholder needs while still delivering on shareholder demands was therefore noted by this study as possible through CSR. However what specifically each organisation was actually doing in this space and whether this was comparable across organisations, is not discussed.

Smith (2003) and Nijhof and Jeurissen (2010) also note the effective benefits associated with the promotion of CSR through the 'enlightened self-interest argument'. Optimistic and aspirational in nature, organisations that 'do good' in terms of their CSR involvement, are said to be able to also 'do well' financially in the longer term (Nijhof & Jeurissen, 2010). This supports Werther and Chandler's (2006) integrated approach to strategy that does not segregate business and pit it against society, despite underlying tensions. For example by recognising and consciously working to understand and meet employee needs, the proposed benefit is that they will in turn be more engaged and willing to deliver better service to customers, which in turn will enhance consumer retention and consequently benefit revenue and profit. In addition, this also reinforces Porter and Kramer's (2011) endorsement of the creation of shared value. CSR is therefore once again seen by the literature as a means to reconcile, if not enhance, the profit generation of an organisation with more socially acceptable stakeholder needs, without one losing out at the expense of the other.

There is general consensus between academics (Milliman, Ferguson & Sylvester; 2008; Nijhof & Jeurissen, 2010; Gokulsing, 2011; Bondy et al., 2012) that, in addition to the economic benefits outlined above, CSR-related benefits include:

- enhanced brand loyalty, through the establishment of a robust reputation and organisational legitimacy;
- improved supply chain integration;
- increased cost savings through superior innovation;
- risk reduction and protection from legal threats;
- meeting needs and aligning with community and external stakeholder and investor expectations;
- enhanced employee engagement and improved motivation, leading to enhanced performance; and
- improved attraction and retention of talented employees.

Another important study, conducted by the Chartered Institute of Personnel Development (CIPD) in 2012, this time with HR, operational and CSR managers, noted the major drivers of increased CSR within business. These are, in line with a stakeholder-centric approach, increased pressure from government and regulators (53%), employee engagement (47%) and shareholder pressure (41%) (Ballinger et al., 2013).

The notable pressure from shareholders or investors for CSR implementation is a key advancement in this ongoing tension focused discussion and is echoed in Kiron et al.'s (2012, p.71) study. As one participant noted "in addition to the more 'socially responsible investors', we are finding that some of our mainstream investors are now looking at sustainable performance as an indicator of overall business value…predictors of overall business profitability". Support from shareholders would seem to reduce the tensions organisations face between financial and social demands. However it still supports social activity that is strategic and financially beneficial, which again would require CSR to be embedded as opposed to tacked on and how this is actually done still remains undefined. In addition, the increased role and influence of employees was noted as interesting and unexpected by Kiron et al. (2012). This increased employee focus further supports their inclusion as an important stakeholder, as well as dedicated CSR and organisational priority. Whether such theoretical support for employees is translating into organisations' day-to-day operational strategy remains to be seen, with limited empirical evidence supporting such assertions.

However, while the benefits and motivations for business to engage with CSR are diverse and well-articulated in the literature, the barriers are less explicit. The sceptical CSR School, with Friedman (1962) as its 'leader', view CSR as a distraction from the central focus of being profitable and nothing other than a significant and unnecessary cost (Gokulsing, 2011). In addition, Reich (2007) notes three key criticisms of CSR. First, the realm of CSR is seen to blur too significantly with the traditional functions of government, leaving CSR with too many unclear and indistinct boundaries. Second, Reich (2007) notes the misuse of CSR as a window-dressing, reputation-enhancing side show that is nothing more than a management fad and hollow marketing campaign. This view is supported by Porter and Kramer (2006), who note the lost opportunity and detrimental effects "a hodge-podge of uncoordinated CSR activities, disconnected from the company's strategy that neither make any meaningful social impact nor strengthen the firm's long-term competitiveness" (Porter & Kramer, 2006, p. 83) can have on an organisation. Lastly, Reich (2007) sees CSR as an irresponsible use of shareholders' money. While stakeholder theory (Freeman, 1984) now dominates the CSR agenda, shareholders are still a key part of this group, as illustrated by Carroll's (1999) financial model's foundation, potentially continuing to split loyalties.

In the same CIPD study referred to above, Ballinger et al. (2013), asked the participating managers to note the main barriers they felt hindered the integration of CSR. Table 6 highlights the identified key barriers. These barriers all relate to organisational priorities, with a lack of organisational focus and unclear business benefits associated with CSR the two top impediments (Ballinger et al., 2013). Interestingly, employee's opinions are noted and rank as a close fourth, highlighting not only their perspective being seen as important but the impact their lack of support can have on the effectiveness of CSR more generally.

Table 6: Main organisational barriers to embedding corporate responsibility (%)

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(Ballinger et al., 2013, p. 16)

Porter and Kramer (2006) highlighted the same lack of any reliable and quantifiable benefits, which makes CSR vulnerable to segregation and even discontinuation. In addition, the lack of understanding and expertise in terms of how to best respond to CSR risks, even after they have been identified, was also recognised as a weakness (Porter & Kramer, 2006). This dilemma is summed up by Cornell University professor Stuart Hart, who notes that CSR and sustainable performance are dependent on consciously changing firms' perceptions:

> *[It] comes down to a question of organisational design and will. We need to create new commercial models, new business models…which don't fit the current business model, current culture or traditional investment horizon…. Who understand that not only is this a big opportunity, but it's going to become a competitive necessity. It really comes down to a question of how do you make this more systemic? How do you build it in, make it part of the DNA of what large corporations are designed to do? And that doesn't exist today.* (Kiron et al., 2012, p. 74)

Finally, Visser (2010; 2011) states categorically that current CSR practices have failed. Based on the social, ecological and ethical performance measures available, the success of CSR, which is judged by how business impacts society and the planet is an "unmitigated disaster" (Visser, 2010, p. 313). This is made visible by the various facts and figures these performance indicators provide, including:

- a global ecological footprint that has tripled in only forty years;
- 2.5 billion people, according to the United Nations Development Programme, still living on less than $2 a day;
- one in ten people still paying bribes for access to services; and
- Enron, before its infamous crash, being voted as one of the top 100 companies to work for in America by Fortune Magazine, as well as recognised for concrete CSR codes, reports and practices

(Visser, 2010; Claydon, 2011).

These negative impacts have not as yet been mitigated by CSR. Visser (2011, p. 9) explains that this is due to what he calls the three 'curses of modern CSR', detailed in Table 7 below.

Table 7: The three curses of modern CSR

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(Visser, 2011, p. 9)

As noted in Table 7, if CSR is nothing more than an add-on or PR campaign and is not integrated into individual and business values and strategies, it will have little impact (Visser, 2011). In addition, while progress in CSR implementation is important, the current rate and scale of these small moves is insufficient to meet demand. Finally, as the market changes to demand more than legal compliance and rewards organisations for their CSR efforts, the façade of the business case that CSR pays, will be insufficient (Visser, 2010; 2011).

Consequently, while the motivators and promoters of CSR are valid and include attributes and benefits that are highly desired by the majority of organisations, it is also clear that there are considerable barriers to overcome, with limited guidelines as to how to practically go about overcoming them offered by the literature. Therefore, the full impacts and benefits of CSR may not require the motivations behind CSR to change significantly. Instead, in line with a more employee-focused and inclusive approach, Visser (2011) suggests a review of CSR's underlying principles, implementation processes and supporting infrastructure is required.

# A critical review of CSR – Wayne Visser

To this end, Visser (2010; 2011) calls for CSR to transform and reinvent itself in the face of the changing relationships between business and society. The following section explores his recommendations for a new model of CSR that is starkly in contrast to all preceding CSR analysis.

Capozucca and Sarni (2012) echo Visser's analogy of how CSR should adapt, in comparing it to the ongoing evolution of the internet. They note that organisations should draw on this analogy in their strategic approach to CSR.

> *Think back to when the World Wide Web was new. Initially, organisations established a website, providing static content and little to no interaction with their customers or employees. It was a trendy thing to do. As the web evolved, so did organisations' view of the technology. They adopted a strategy that integrated applications and practices to foster greater collaboration and information sharing among employees and customers. Now, the Web has transformed how organisations conduct business, ranging from improving efficiency to creating new innovative products and services – all with an eye towards improving the bottom line.*
> (Capozucca and Sarni, 2012, p. 139)

The way the internet has changed the world of work is the same impact Visser (2010) believes CSR should and can have on business. Visser (2011) therefore proposes a shift from the current one-dimensional 'CSR1.0' model to a new multi-dimensional model he calls 'CSR 2.0'.

## CSR 2.0

CSR 2.0 is based on five principles that make up the 'DNA' of CSR (Visser, 2011). These include: (C) creativity, (S) scalability, (R) responsiveness, (2) glocality, (0) circularity. These are explained in greater detail in Table 8.

Table 8: The principals and practices of CSR 2.0

|   | Principle | Practice |
|---|-----------|----------|
| C | Creativity | Draws on existing business creativity and innovation and directs it towards CSR and solving the world's social and environmental problems. |
| S | Scalability | Moves away from small, pilot, best-practice, once-off organisational projects and calls for greater longer-term and market-focused initiatives. |
| R | Responsiveness | Calls for greater transparency and more courageous community reactivity that moves beyond philanthropic donations, and addresses the role of business in providing solutions for the problems they have created. |
| 2 | Glocality | Adds global context with increased local understanding and responsiveness (think global, act local). Increasingly sophisticated localised solutions that move away from a one-size fits all approach to a 'both/and' model of CSR and business. |
| 0 | Circularity | Highlights the need for greater self-sufficiency and CSR as 'doing good', rather than 'less bad' within both the environmental and social spheres, promotes cycles that replenish and nurture themselves by turning waste into new raw materials for other products, and defines ecological integrity and financial viability. |

Adapted from Visser (2010; 2011)

CSR 2.0 moves from being philanthropic to collaborative, risk-based to reward-based, image-driven to performance-driven, specialised to integrated, standardised to diversified, marginal to large-scale and from a Western-based model to a global one (Visser, 2011). Such shifts all support a more employee-focused and dependant model. 'Corporate Social Responsibility' should as a result be relabelled 'Corporate Sustainability and Responsibility' (Visser, 2010, p. 18).

While Visser (2011) acknowledges and draws upon the models and frameworks discussed above, including stakeholder theory (Freeman, 1984), Elkington's (1997) TBL and Carroll's (1991) CSR pyramid, he describes CSR 2.0 as a holistic model that integrates all that has come before, moving away from Carroll's (1991) rigid pyramid to a DNA model that promotes spiralling, interconnected, non-hierarchical levels.

Based on value creation, good governance, societal contributions and environmental integrity, the DNA model draws upon two strands—sustainability and responsibility, as different, yet complementary elements of CSR (Visser, 2010). Visser (2011) describes sustainability as a destination or goal that includes challenges, visions, strategies and goals, while responsibility is the journey to reach sustainability through solutions, responses, management and actions. With sustainability dependant on effective management, responsibility would require employee engagement and consequent delivery. Interconnected the relationship, communication and collaboration between management and employees would consequently become a focus.

CSR 2.0 has, however, come under criticism by Claydon (2011). He believes it to be normative, like much of the CSR literature and incapable of providing a pragmatic tool that can be leveraged by organisations to achieve CSR in their policies and practices. However, although more conceptually orientated, Visser's (2011) model is the first to acknowledge the successes and failings of the 'first attempt' at CSR (CSR 1.0), and instead of rehashing the same concepts and principles in different ways; it calls for new ways of thinking.

By starting afresh and learning from past approaches, Visser's (2011) CSR 2.0 model provides what he believes to be a new and more valuable conceptualisation for CSR in the present and for the future. How employees fit into such a model is not always clear or well-articulated. While Visser's (2011) model is conceptually a positive step forward for CSR as a field, it again is very holistically focused. While this is important, the supplementary and supporting grass-roots level and employee-focused action plan is missing. As with much of the CSR literature, while the recommendations may be attractive, how to action and practically implement them is still lacking.

Therefore, while the focus of CSR 2.0 on clarifying and reorienting business purposes, with the aim to positively contribute to society (Visser, 2011), is a key advancement in the field of CSR, this is merely the start. "This is not about bailing out the Titanic with a teaspoon – which is the current effect of CSR 1.0 – but turning the whole ship around. CSR 2.0 is about designing and adopting an inherently sustainable and responsible business model, supported by a reformed financial and economic system that makes creating a better world the easiest, most natural and rewarding thing to do"(Visser, 2011, p. 327). With a clear goal and explanation provided for the '*what*', the question now changes to focus on the '*how*'?

## Summary

The developments and changes to CSR over the last century have been influenced and shaped by a multitude of authors and theories. CSR is consequently promoted by the literature as a means for organisations to gain competitive advantage by balancing the conflicting needs of their stakeholders and shareholders. However, despite such claims, there is still considerable uncertainty and a general lack of understanding of how to effectively implement CSR in practice. This is due to the majority of the literature's CSR conceptualisations, models and recommendations continuing to promote CSR in an overly normatively manner, with employees and their role only recently being included in the discussion. The literature lacks empirical data to support its claims of what CSR should look like and consequently is unable to guide organisations with effective implementation. In addition, given this lack of practical investigation, the recommendations made by the literature are often excessively aspirational and unrealistic for organisations to practically action. As a result CSR remains a marginal add-on for many organisations and although implied, employees' inclusion and roles are rarely overtly articulated.

Further empirical investigation is consequently required to determine what organisations are currently doing with CSR, particularly in terms of their employees. Their successes and failures need to be identified, so that the theoretical recommendations can be adapted to be more practically relevant. Whether current theoretical recommendations are realistically viable also requires exploration and consequent adaption. While there is and has been significant progress in the field of CSR and more specifically employee-focused CSR theoretically, it would appear that the long and complex evolution of CSR may continue for a number of years yet, before CSR reaches any kind of maturity in practice.

# Employer Branding

## Introduction

While CSR has had a long theoretical journey, EB, in comparison, is a much more recent management concept and has become very popular in the literature. However, what role EB plays and who it actually involves in its implementation are still being discussed. In addition, the practical barriers EB needs to overcome, and how it is best leveraged and positioned within an organisation for greatest advantage, are also being theoretically debated.

This chapter focuses on how EB has developed, highlighting its key attributes and the theoretical models that have supported and promoted its advancement. The importance of authenticity and active ongoing management are discussed, as well as the debate between Marketing and HRM over EB ownership. To begin with, an assessment of how EB contrasts to traditional corporate branding and how it has been defined are presented.

## From products to people

Branding has traditionally been associated with the Marketing discipline and the development of corporate brands (CB), which are targeted at creating customer loyalty through product differentiation strategies (Davies, 2008). A CB is considered a valuable and intangible market capital asset (Kucherov & Zavyalova, 2012), and has been described as the immediate and distinctive mental picture people have of an organisation (Balmer & Greyser, 2003).

According to the literature, an organisation's brand should highlight an organisation's culture, style, direction and key strengths (Raj & Jyothi, 2011). More formally, it has been defined as "a mixture of attributes, tangible and intangible, symbolised in a trademark, which if managed properly, creates value and influence" (Swystun, 2007, p. 14). It should consequently identify "the goods and services of one seller and differentiate them from those of competitors" (Kotler, 1997, p. 443).

As the desire for competitive advantage increases, organisations have focused on Marketing and building strong CB to achieve this differentiation (Punjaisri & Wilson, 2007). However, in the service sector specifically, how successful their CB can be is heavily dependent on their employees' behaviours in delivering those services (Punjaisri & Wilson, 2007). Employees are therefore classified by the literature as the critical interface between the internal and external branding environment (Kaufmann, Vrontis, Czinkota & Hadiono, 2012).

The importance of employees within the branding sphere can therefore be described as twofold. They are on the one hand an important means of corporate brand delivery to customers, but on the other hand, also a key stakeholder (Punjaisri & Wilson, 2007). An organisation's internal customers, its employees, are increasingly considered more than assets and commodities (Mark & Toelken, 2009). In line with this and the talent discussion above, employees are noted as becoming the focus of increased brand targeting (Edwards, 2010).

Therefore, while for many years branding has focused on shaping customers' perceptions; it is now also acknowledged as an opportunity to shape employee perceptions (Raj & Jyothi, 2011). Consequently, branding is seen as having gradually shifted from a goods-centred logic to a service-centred logic (Bodderas, Cachelin, Maas & Schlager, 2011), and as described by Edwards (2010), from that of branded products to specific and unique employment experiences.

## Employer branding defined

Ambler and Barrow (1996) were the first to introduce branding for human resources. They labelled this concept 'employer branding'. The main purpose of EB is therefore to provide a coherent framework to increase organisational productivity and holistically focus on improving employee lifecycle stages (Barrow & Mosley, 2005). Employer branding is itself a derivative of corporate communications and applies the principles of Marketing to an organisation's employees, in order to create a positive internal organisational reputation (Martin, 2009).

Despite being in its infancy, EB is increasingly described as a specific form of identity management (Srivastava & Bhatnagar, 2010) and is theoretically conceptualised as a powerful tool and management strategy in aiding the recruitment and retention of the 'best' employees (Rosethorn, 2009). Recruitment and retention is achieved by EB creating an image that promotes and reinforces the organisation as a desirable and distinctive place to work (Backhaus & Tikoo, 2004). Employer branding should therefore say "this is who we are, what we represent and why you should work for us" (Charlesworth & Baird, 2007, p. 8).

Ambler and Barrow (1996, p. 187) define EB as "the package of functional, economic and psychological benefits provided by employment and identified with the employing company" with the primary role of providing "a coherent framework for management to simplify and focus priorities, increase productivity and improve recruitment, retention and commitment". They believe these benefits should be delivered throughout the employment experience and leverage the sum of an organisation's efforts to communicate to both prospective and existing employees (Franca & Pahor, 2012).

A number of authors (Ambler & Barrow, 1996; Dell & Ainspan, 2001; Sullivan, 2004; Franca & Pahor, 2012) provide definitions, which are explained in more detail in Appendix 1B. While only a few examples are included in the appendix, the numerous theoretical EB definitions all appear to focus on the attraction, engagement and retention of existing and potential employees, associated with the complete employee lifecycle. However, they do not specify the reciprocity of the employer–employee relationship, which is highlighted by Rosethorn (2009). Instead, they portray EB as a linear, one-sided process that neglects the fact that while EB can be improved and developed upon, every company has a reputation, if nothing other than by default (Rosethorn, 2009).

Rosethorn (2009, p.19) presents her own description of EB:

> *[Employer branding is] the two-way deal between an organisation and its people – the reason they choose to join and the reasons they choose – and are permitted – to stay. The art of employer branding is to articulate this deal in a way that is distinctive, compelling and relevant to the individual and to ensure that it is delivered throughout the lifecycle of the employee within that organisation.*

Rosethorn's (2009) definition identifies a number of characteristics of EB she believes are of particular importance, including:

- that it is based on a 'two-way' or reciprocal relationship between an organisation and its employees;
- the motivational elements that attract employees to an organisation (recruitment), as well as what motivates them to stay committed to the organisation (retention) are of equal importance;
- that these motivational factors need to be continuously and correctly communicated;
- that this communication needs to be appealing, differentiated and fulfil the specific needs of each employee; and
- that this deal exchange continues from the first organisation–employee interaction, through to the last interaction and throughout employment.

This two-way deal is outlined as one that is established through continuous corporate communication, delivered by both conscious and unconscious means (Mayo, 2001), and maintained through aligned internal and external branding propositions (Barrow & Mosley, 2005).

As a result, the overall employee experience is noted by Rosethorn (2009) as needing to be *the focus* of an organisation, not various individual parts in isolation. While recruitment remains a very important element of an employee's experience, and has subsequently received considerable attention in the literature, this is no considered enough. Rosethorn (2009) argues that more emphasis should be placed on the post-recruitment, day-to-day work experience, including employee retention, engagement and motivation.

It is consequently no longer enough to hire new employees; firms now also need to be able to keep them motivated, challenged and engaged (CIPD, 2007; 2010). In line with this call for a holistic and multifaceted approach to EB management, organisations are encouraged to achieve the above diverse goals in order to compete with other companies for the best talent (Mosley, 2007).

Recruitment has grown to the point that many organisations have dedicated members of their HRM function dedicated to it. However once employed, the responsibility for individual employee engagement, motivation and retention then shifts to a broad range of organisational members, including other employees, departments, line managers and individuals. Ensuring a consistent message is maintained across such diverse areas is consequently not easy, nevermind always possible, given the human element. Consequently what sounds relatively straightforward on paper could be considered almost idealistic in practice.

## EB Attributes

In line with a focus on the employee lifecycle holistically, Moroko and Uncles (2008) outline a number of attributes for EB they believe are associated with driving its success. Formulated after in-depth interviews with EB practitioners from a diverse range of organisations, the first three attributes listed below are seen as consistent with those of a CB (Moroko & Uncles, 2008).

- **Being known and noticeable**: brand awareness needs to be built as a key communication objective for external focused branding.
- **Being relevant and able to resonate**: developing a value proposition that remains relevant and adaptable, as well as in line with the needs of both current and prospective employees, is essential.
- **Remaining differentiated from direct competitors**: providing a distinct and unique proposition that is hard to duplicate, is also essential to recruitment and retention.

In addition to these common CB attributes, EB was characterised by two more themes (Moroko & Uncles, 2008).

- **Fulfilling a psychological contract**: there is a need for the EB promise to be accurately articulated and consistently delivered throughout the employee lifecycle (discussed below).
- **Unintended appropriation of brand values**: given employees cannot 'test' the employment experience prior to committing to it, they therefore draw on as much information as they can from a variety of sources. An organisation's CB should subsequently align and reinforce its EB and vice versa to positively influence this decision-making process. In addition, organisational information, regardless of its source, should be consistent and accurate, reinforcing the same message to potential and existing employees at every touch point.

In light of changing employee perceptions, market conditions and numerous impacting variables, these holistic attributes are combined by Moroko and Uncles (2008, p. 172). As illustrated in Figure 4 below, they form a typology to assess the effectiveness of EB at any particular time. While ideally an organisation would aim for their EB to be simultaneously attractive and accurate, this is hard to permanently maintain (Moroko & Uncles, 2008). As a result, their typology is described as a way for organisations to monitor and assess changes to their EB.

Moroko and Uncles' (2008) first three attributes highlight awareness, relevance and differentiation as fundamental to improving brand *attractiveness.* In addition, *accuracy* is also noted as critical to the success of EB (Moroko & Uncles, 2008). This in turn draws attention to the importance of *authenticity and consistency* for greatest EB effectiveness. While a useful model on paper, moving from conceptualisation to practical application is a very large jump for many, given practical difficulties are for the most part glossed over or ignored by the literature.

Figure 4: Assessing the effectiveness of employer branding

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(Moroko & Uncles, 2008, p. 172)

## Theoretical foundations

In contrast to the HRM and CSR literature, the majority of EB studies come from the practitioner sphere. They do however still draw on theoretical concepts and models to support and reinforce their relevance and value.

The *resource-based view* maintains that investing in resources that are difficult to imitate and substitute, and are rare and valuable, can provide a company with sustainable competitive advantage (Barney, 1991). In terms of EB, the assumption is that by establishing itself as an attractive and desirable employer, through the creation and development of a distinctive and sustainable EB, an organisation will be able to attract, recruit and retain the best talent or human capital, which then can be translated into core competencies (Backhaus & Tikoo, 2004). It is one thing to assert yourself as an attractive organisation to work for. However, actually delivering on such assertions requires considerable amount of coordination, effort and intention. For many this second phase is problematic and not as easy as it would appear in the literature.

According to the literature, by clearly articulating the characteristics and benefits associated with an employer in an easy-to-understand and holistically-focused package, namely the EB, organisations will be able to attract those employees that relate to its promoted values and drivers. However, only by attracting as well as delivering on those original promises, can a firm create a virtuous cycle in which employees are retained and motivated, and values being used to attract and keep employees are in turn reinforced. Explained in greater detail in Appendix 1B, Cable and Judge (1996), Cable and Graham (2000) and Cable and Turban (2003) all conducted studies to investigate and establish the influencing factors that contribute to an employer's attractiveness to potential employees. They all note that a holistic, well-rounded EB approach that consistently provides information on a range of organisational successes and benefits is most valuable. Consequently the literature postulates that, the more positive a brand is perceived to be, the more likely it is that employees will seek to associate themselves with the brand (Backhaus & Tikoo, 2004). Therefore, although finding a balance between aspirational and authentic brand messages is difficult, it is also noted as increasingly important for attracting the right employees (Franco & Pahor, 2012). Further explanation on EB equity and attractiveness can be found in Appendix 1B.

Visually presented in Figure 5 below, EB equity includes the clarity, consistency and credibility of the organisation's EB signals, which a company has a degree of control over (Wilden et al., 2010). Attractiveness is influenced by an employee's previous work experience, and an organisation's industry, location and size, which cannot be controlled. The combination of these factors consequently results in an

**Clarity** encompasses the degree to which EB signals or messages are clear and unambiguous (Wilden, Gudergan & Lings, 2010). Less biased and more believable messages reduce risk and information costs, as well as improved credibility and employment quality. Specifically, employees desire clarity with regard to employment values and expectations (Wilden et al., 2010).

**Credibility**, associated with the effective potential of conveyed information (Wilden et al., 2010), was agreed by the participants to be generally lower than clarity for most employers. Information gained through a considered credible source, like current employees, was seen to lower perceived risk and information costs, but only affect quality if the organisation was already being considered. Relationships and current employee referrals, as well as the perception of increased time and investment into both EB- and HR-focused areas, made an organisation more attractive. Credibility on its own was not able to improve attractiveness and brand equity significantly.

**Consistency**, a key factor in terms of credibility and clarity, was seen as beneficial for increased attractiveness and brand equity (Wilden et al., 2010). However, the focus centred more on the detrimental effects of inconsistencies in terms of increased risk, decreased quality and trust and increased information costs, with contradictory and inconsistent information requiring further investigation.

organisation's increased EB equity and level of attractiveness (Wilden et al., 2010). With a component of this equation beyond the control of an organisation, it therefore follows that there will always be an element of chance and consequently risk.

Figure 5: Employee-based brand equity

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(Wilden et al., 2010, p. 69)

In focusing on what an organisation can control, it is therefore important that the externally presented brand messages are consistent with the internally delivered experiences. This is because, as noted by the literature, the degree to which promises are actually delivered upon, will determine the degree of brand loyalty and willingness of employees to stay with an organisation (Davies, 2008; Raj & Jyothi, 2011). Truthful, authentic and easy-to-understand brand messages are therefore seen as critical for EB effectiveness, both within and outside an organisation (Foster et al., 2010).

## Inside out: From an external to an internal focus

Externally orientated branding is focused on attracting the best customers (Marketing) and the best talent (EB). Most commonly associated with recruitment, EB's, externally orientated aim is to attract those individuals who are both talented and 'fit' with the organisational culture and values (Rosethorn, 2009).

In contrast, internally orientated branding is said to be focused on creating a workforce that is hard to imitate (Backhaus & Tikoo, 2004). According to the literature, this is achieved by ensuring its current employees understand the brand promises associated with the organisation's mission and vision, and are therefore better able to intellectually and emotionally engage with them (Backhaus & Tikoo, 2004; Mosley, 2007; Foster et al., 2010). Employees are then better able to convey these promises when interacting with others, thereby reinforcing EB (Foster et al., 2010). Internal branding can therefore be seen as more focused on the education and retention of existing employees, and on influencing employees to deliver the brand values and promises.

Drawing heavily on Aaker's (1991) conceptualisation, Backhaus and Tikoo (2004) acknowledge these two interrelated areas of internal and external EB focus. As illustrated in Figure 6, brand associations (externally focused) and loyalty (internally focused), are identified as the two key brand assets. Brand associations are considered the ideas, thoughts and feelings a brand evokes in the minds of individuals (Aaker; 1991; Supphellen, 2000), and are responsible for the creation of the brand image (Backhaus & Tikoo, 2004).

## Figure 6: Conceptual employer branding framework – internal and external focus

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Adapted from Backhaus and Tikoo (2004, p. 505)

While organisations can strive to improve their EB through increased employee commitment and the creation of a differentiated and positive EB image, this is not enough. Making these promises is merely the first step; the hard part, as highlighted by the literature comes with fulfilling and continually delivering on these promises during actual employment. This again relies on ongoing and consistent exchanges and interactions between an employer and employee to ensure promise delivery occurs through reinforcing the key tangible and intangible elements of the organisation's EB (Rosethorn, 2009). How one goes about ensuring these two areas of focus are aligned can be more complicated than the literature would make it out to be.

Again, given the human element and number of interactions that happen, not only outside but inside an organisation, these can vary quite considerable and don't always neatly fit into a corporate slogan or desired behaviour. Ensuring such behaviours and values are embedded into everyday activities and part of employees default actions is no simple task. While employers can dramatically enhance this through conscious communication strategising and effort, ultimately employees have a considerable amount of control. Employees determine, be it unconsciously, how they behave, interact and relay information about their organisation to other employees, customers, as well as the social communities they interact with. Understanding and influencing this behaviour is therefore heavily depending on individual employment relationships.

## The psychological contract

The psychological contract provides a broad framework for understanding EB and the employment relationship (Shore & Tetrick, 1994). It encompasses the subjective beliefs an employee has about the organisation and vice versa (Rousseau, 1989). The psychological contact provides "guidelines for employees regarding both what is expected from them and what they can expect in return" (Miles & Mangold, 2005, p. 542). This reinforces Rosethorn's (2009) EB definition, concerning the two-way deal between employers and employees.

Traditionally, the psychological contract has been based on the exchange of loyalty from the employee for job security from the employer (Hendry & Jenkins, 1997). However, with downsizing, increased flexibility and outsourcing, this has changed. Effort and flexibility from employees are now exchanged for skills and training from employers (Baruch, 2004), with an increased focus on shared responsibilities (Rosethorn, 2009). Employer branding therefore allows organisations to promote what they can still offer in the face of a less stable employment reality (Backhaus & Tikoo, 2004).

In the past, the psychological contract was categorised along a continuum of employee value propositions (EVP). The one end focused on economic transactional or tactical, short-term contracts, (pay and reward). The other end focused on socio-economic relational or strategic, long-term contracts (development and training), with many variations in between (Rousseau, 1989; O'Donohue & Wickham, 2008; Edwards, 2010). Now however, an additional 'type' can also be included, namely the *ideological contract,* which, as noted by the literature emphasises the increase in emotional bonds now included in the employment relationship (Rosethorn, 2009; Edwards, 2010).

Employees are therefore said to willingly engage in a company's mission and vision in exchange for the company exhibiting a genuine commitment to valued causes (Martin, 2009). Therefore, companies need to ensure their EB equity and value propositions are delivered in a way that appeals to and engages their increasingly diverse employee segments (Rosethorn, 2009). If expectations are met, the benefits can be significant, including increased employee loyalty and engagement (Moroko & Uncles, 2008). However, the opposite is also true for unmet expectations.

> *When the psychological contract is fulfilled, the employee is more likely to be engaged and loyal; however, if the contract is broken a fall in engagement and productivity can result, with an attendant impact on staff turnover. An accurate employer brand helps to inform the terms of the mutual obligations in line with what the firm can realistically deliver and also help to counter misleading or misguided information conveyed by sources external to the firm.*
> (Moroko & Uncles, 2008, p. 166)

The key, according to the literature is to acknowledge and work to ensure that the psychological contract isn't broken or violated (Martin & Hetrick, 2006). Organisations are consequently encouraged to invest time and energy into better understanding their relationship with their employees. The following model of key questions, as illustrated in Figure 7 acknowledges the unique nature of these relationships. Areas considered very important to employees, including psychological contracts, trust and engagement are highlighted (Martin & Hetrick, 2006, p. 118).

Figure 7: Understanding the employment relationship

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(Martin & Hetrick, 2006, p. 118)

Engagement has subsequently dominated both theoretical and practitioner debates. Although the psychological contract has been criticised, it still provides a noteworthy contribution to understanding employee behaviour and EB development, particularly with regard to conceptualising the relationship between an employer and its employees (Rosethorn, 2009).

> *The ultimate goal of employer branding is to make a virtuous circle, where what a company promises outside is what its employees really connect with and experience and is what its leaders really live inside.* (Kapoor, 2010, p. 55)

In order to achieve this promoted virtuous circle, an organisation's EB are called to consistently deliver accurate and credible information to its employees (Rousseau, 2001; Backhaus & Tikoo, 2004; Edwards, 2010). In addition, psychological contact breaches need to be reduced, by grounding EB into an organisation's mission and values (Moroko & Uncles, 2008). By doing so, the literature believes this will provide a well-rounded, balanced and realistic picture of the firm that can be delivered and fulfilled on an ongoing basis (Martin & Hetrick, 2006).

## Ongoing process

The above theoretical attributes and benefits provide answers to 'what' EB entails. 'How' it is applied and successfully integrated is, however, less clear. As noted at the beginning of this chapter, EB cannot be a finite one-off act. Organisations are dynamic and constantly changing environments, and EB needs to be continually and actively managed as a balancing act of both internal and external expectations (Rosethorn, 2009).

Consequently, Backhaus and Tikoo (2004) have suggested that EB include a three-step process. An EVP is developed first. It is then externally promoted in a clear and authentic manner to attract potential employees. Third, but concurrently with step two, EB needs to be presented internally, in order to ensure the external proposition is reinforced (Backhaus & Tikoo, 2004). Although this provides a linear and easily conceptualised process, what Backhaus and Tikoo (2004), neglect to emphasise is that while there may be three areas of focus, the order in which they are applied is less distinct than theoretically stated, and this process is constantly set to repeat.

## The employee value proposition ("EVP")

In order to add strength to the employee dimension of the one organisational brand that EB represents, the literature notes that it needs to be linked to an overarching 'brand promise' (Barrow & Mosley, 2005; Martin, 2009; Rosethorn, 2009). According to Rosethorn (2009), the EVP captures the tangible and intangible benefits of the psychological contract that employees value most from their work. Such values and experiences will however vary for different employee groups and should be recognised. Described as the "essence of the employer brand" (Franca & Pahor, 2012, p. 86) the EVP highlights values and sets promises, that if and when fulfilled, should create and maintain a good image of an organisation (Franca & Pahor, 2012).

In line with Rosethorn's (2009) conceptualisation above, Minchington (2012, p. 18) defines the EVP as "a set of functional and emotive associations and offerings (e.g. career development, salary, working environment, etc.) provided by an organisation in return for skills, capabilities and experience an employee brings to the organisation". The EVP therefore clearly encapsulates the role and purpose of EB in terms of the mutually beneficial and attractive relationship between employer and employee.

Minchington (2012, p. 18) goes on to note that the focus of the EVP is to provide candidates and employees with answers to the following questions, which broadly follow the employee lifecycle stages of recruitment, engagement, motivation and retention:

- Why should I join the organisation? (Recruitment)
- Why should I stay? (Retention)
- Why should I give my best? (Engagement)
- Why should I recommend the organisation to others as an employer and business? (Motivation)
- Why should I re-join? (Attraction)

Organisations are called to fulfil their side of the 'deal' by articulating their organisational values and attributes and the employment advantages they offer when answering these questions (Rosethorn, 2009; Edwards, 2010). Identifying and then articulating a set of values and attributes that is aspiration, but realistic is a balancing act, requiring considerable research and coordinated input from individuals throughout the organisations, as well as top management support. In addition, with growing variations in employee values, this is not an easy task, but rather an ongoing and developing process (Weinrich et al., 2011).

However, despite such effort, the literature continues to promote the potential benefits possible from having an EVP, as it believes it enables the EB to "summarise the totality of a common or shared employment experience, yet differentiate and meet segmented needs" (Edwards, 2010, p. 7). In fact, Rosethorn (2009) goes as far as to say that the real measure of an effective EVP is in its ability to translate the EB to various talent segments. If achievable, enabling different elements of the value proposition to be emphasised for different groups (CIPD, 2010) is particularly valuable with an increasingly diverse and segmented workforce (Beechler & Woodward, 2009).

According to Martin (2009), an EB therefore is most effective when it is:

- **credible**, with internal and external communication alignment;
- **aspirational,** embracing a distinctive and 'bigger picture' ideal; and
- **sustainable,** or long-term strategically focused and flexible.

In addition to these core characteristics, EB should consist of two equally important elements, which the literature believes will contribute to its success and brand strength, as illustrated in Figure 8 below. These include an *equal* focus between promise and delivery, internal and external, and recruitment and retention:

- the proposition or 'promise' of value creation (recruitment); and
- the reality of delivering value throughout the employee experience (retention).

Figure 8: The employer brand in action

| Employee value proposition (EVP) | | Employee/employment experience | | Employer brand strength |
|---|---|---|---|---|
| The unique and differentiating promise an organisation makes to its employees and potential candidates | **+** | Actual delivery of the promise throughout the employee lifecycle | **=** | Attraction of the right candidates Employee engagement and retention Differentiation from competitors Customer engagement and retention |
| **RECRUITMENT** | | **RETENTION** | | |

Adapted from Rosethorn (2009, p. 20)

Rosethorn highlights the importance of both stages to the EB process and describes the EVP as "nothing more than a car in a showroom, without the 'road-testing of the employee experience" (Rosethorn, 2009, p. 23).

## Touch points

As noted above, this holistic and integrated approach requires a well-designed management strategy that draws on the many different areas within the organisation and the employment lifecycle (Foster et al., 2010). Taking a closer look, this includes pivotal points within the employment relationship that help reinforce the brand (Gratton, 2007). Most commonly referred to as 'touch points' or 'hot spots', they are defined as the "times and places within businesses and teams, where cooperation flourishes, creating great energy, innovation, productivity and excitement (Gratton, 2007, p. 106). In addition, 'signature experiences' add value by reinforcing the organisation's culture and values. They are a contributing elements of 'hot spots', which Gratton (2007, p. 106) defines as "a visible, distinctive element of an organisation's overall employee experience".

The literature suggests that touch points need to reinforce and deliver EVP promises to employees (Rosethorn, 2009; Foster et al., 2010). Linked through each lifecycle stage, as illustrated in Table 9, touch points should be carefully managed (Rosethorn, 2009). This, although less easy to achieve in practice is to ensure the 'look and feel' and 'tone of voice' of each touch point reinforces the promised proposition, and only behaviours in line with the organisational values are recognised and rewarded (Rosethorn, 2009).

Table 9: Lifecycle stage touch points

| Lifecycle stage 1: Candidates (potential employees) | Lifecycle stage 2: Current employees | Lifecycle stage 3: Alumni (previous employees) |
|---|---|---|
| Touch points:<br><br>• recruitment Marketing strategy and media channels;<br>• recruitment process;<br>• candidate care; and<br>• selection and assessment. | Touch points:<br><br>• introduction and induction process;<br>• culture and leadership behaviour;<br>• training and development;<br>• talent management and career paths;<br>• recognition and reward;<br>• internal communications;<br>• office space; and<br>• compensation and benefits. | Touch points:<br><br>• exit process and interview;<br>• redundancy policy and packages; and<br>• alumni networks. |

Adapted from Rosethorn (2009, p. 51–52).

Table 9 provides an example of what can be included in each lifecycle stage. This is open to adaptation, because the age and stage of an organisation, its strategic priorities, and the country in which it operates will differ. In addition, with the literature coming mainly from the Anglo-American perspective, it would be interesting to see how different a more Asian driven assessment would look in terms of specific areas of focus. While the specific touch points may vary, ensuring consistency in every lifecycle stage and touch point is the area vital importance that is emphasised by the literature to ensure their successful impact and influence (Rosethorn, 2009).

## Employer of choice to integrated view

Managing the employee experience through EB is about "understanding the core deal; understanding how it plays across the talent segments; understanding how it has to hit the right balance between aspiration and reality to attract and retain and then, manage the organisational behaviours accordingly throughout the employer journey" (Rosethorn, 2009, p. 24). Unfortunately, while some are overwhelmed by the apparently complexity, some companies go the other extreme and miss the complexity of the EB process altogether and rush to respond to the early recruitment-centric definitions of EB. They are said to place great emphasis on adopting business strategies with the aim of becoming an 'employer of choice', or 'best place to work' (Rosethorn, 2009).

First discussed within the 'war for talent' literature in the early 1990's (Martin, Beaumont, Doig & Pate, 2005), becoming an 'employer of choice' was promoted as a strategy to help retain employees in a time of uncertain job markets (Cappelli, 1998). This way of thinking is supported by the 'best practise' research of Pfeffer (1998) and the promotion of benchmark rating systems, like 'Best Place to Work' published by Fortune Magazine in the USA and 'The Best Companies to Work for' in the Sunday Times in the UK (Martin & Hetrick, 2006)

However, due to changing workforce demographics, the EB literature has increasingly focused on post-recruitment policies and retention strategies (Rosethorn, 2009). It has become clear that "aspiring towards an ideal blueprint of employment is unlikely to deliver on the more distinctive, 'fit for purpose' requirements required by a brand and business strategy" (Mosley, 2007, p. 130). As a result, "aggressive and cyclical hiring; 'star' acquisition; obsessive and exclusive 'top talent focus' (Beechler & Woodward, 2009, p. 283), are now considered to be "incomplete, misleading and downright wrong" (Pfeffer & Sutton, 2006, p.90). For example, Enron epitomised this aggressive talent-obsessed, classical 'best practice', 'follow-the-leaders approach' (Beechler & Woodward, 2009; Pfeffer & Sutton, 2006). Instead, finding a sustainable, balanced group of talented employees as part of a 'best-fit' approach has become the new focus and function of EB (Martin & Hetrick, 2006). Organisations should therefore focus on being an 'employer of choice' for the right 'employees of choice' and on ensuring the employer-employee relationship is reciprocal (Rosethorn, 2009). By focusing on the organisation's strategy, values and mission, and presenting a signature experience based on the company's culture, organisations will be better able to differentiate and attract the most suitable employees (Martin & Hetrick, 2006).

With the literature's focus changing quite considerably, the hesitation of adopting a strategy that could be viewed as very changeable and very demanding would explain some of the apprehension from organisations to adopt such strategies. Still normatively based and without empirical evidence as to its apparent practical success and failings the EB literature provides limited confidence for what practically is a very complex and demanding set of initiatives. In addition, with EB starting off as an almost purely recruitment focused concept and having since done a full circle to now be focused on retention and the lifecycle more holistically, hesitation is understandable.

In line with a more customised approach, an integrated brand model was designed by Barrow and Mosley (2005) to illustrate how a company's branding should be structured as a whole. Figure 9 visually illustrates the relationship between the EB and CB and how they can best be integrated with the corporate brand to provide a unified and strategic proposition (Barrow & Mosley, 2005).

Figure 9: Integrated brand model (Initial model)

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(Barrow & Mosley, 2005, p. 111)

This integrated model highlights the fact that a company's branding strategies all need to be reinforced. Ensuring the promises made to both customers and employees are aligned, authentic and deliverable, is important for creating sustained value. Mosley (2007), further developed the integrated brand model to clearly emphasise the inclusion of both HRM and Marketing within this process, as illustrated in Figure 10 below.

Figure 10: Integrated brand model (Developed model)

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(Mosley, 2007, p. 130)

# The debate over EB ownership: The HRM perspective

The push from the literature for alignment, as well as the consistent and ongoing delivery of value propositions and brand promises means that coordinated management of the entire employment experience is needed. However, who within an organisation is actually responsible for this consistent delivery and process management is still under heated debate. In parallel with the 'war for talent' literature, the disagreement between Marketing and HRM as to who is responsible for developing, implementing and managing EB, continues (Walker & Higgins, 2007).

According to the literature, branding and brand equity have traditionally been associated with and managed by the Marketing department (Backhaus & Tikoo, 2004). Employer branding, like CB, delivers the same value, though to a different target audiences (Walker & Higgins, 2007). These values include achieving differentiation from competitors, inspiring loyalty, and fostering a feeling of affinity (Walker & Higgins, 2007). However, EB is also focused on creating employee engagement, and goes one step further than CB in "aim[ing] to deal with the complex task of harmonising internal belief with external brand message" (Martin et al., 2005, p. 79).

Employer branding is encouraged to draw on the existing Marketing and consumer brand theory, which can be applied to the recruitment and selection phase of EVP development (Martin et al., 2005; Moroko & Uncles, 2008). In addition, the Marketing discipline is noted as already having defined, positioned, characterised and examined the theoretical and functional implications of EB (Ambler & Barrow, 1996; Ewing, Pitt, de Bussy & Berthon, 2002; Backhaus & Tikoo, 2004; King & Grace, 2005).

However, although CB and EB share the same values, there are other important differences (Backhaus & Tikoo, 2004). Employer branding only focuses on existing and potential employees (Moroko & Uncles, 2008). According to Moroko and Uncles (2004), while consumers view branding as an 'audience', employees are the 'performing actors' who experience the EB 'backstage' and then, based on their experiences (script), present and 'enact' the organisational brand (story) to the consumer and other employees. In order to provide a convincing 'performance', an organisation's employees need to understand, be engaged and committed to the company and its values, and deliver what the customers want (Walker & Higgins, 2007; Miles, Mangold, Asree & Revell, 2011). This seamless service delivery can theoretically be achieved through the development of EB (Aurand, Gorchels & Bishop, 2005; Walker & Higgins, 2007), however whether in practice this is an effective strategy or not for organisations is less clear cut.

> *Many companies do a brilliant job of advertising and marketing to customers. Then comes the hard part: delivering. While they put millions of dollars into Marketing [corporate branding], most companies invest little to ensure that employees transform brand messages into reality in terms of the customer experience. It is one thing to tell customers who you are and quite another to show them who you are. Employees have to be engaged to make the brand come alive. Therefore, the message sent to employees about the brand, are just as important as the ones sent to customers.* (Boone, 2000, p. 36)

According to the HRM literature, EB therefore needs to be driven and 'built from the inside-out' (Martin, 2009). However, the historically weak link between the Marketing and HRM functions continues, with Marketing maintaining its ownership over EB. Therefore, realising the strategic benefit of "aligning the external corporate image of organisations with internal employee identity and engagement" (Martin et al., 2005, p. 77) remains unlikely.

An organisation's ability to become an employer of choice, develop an EB and establish an EVP are all acknowledged by some as heavily dependent on "the recognition and development of the valuable inner reservoirs of human capital – the knowledge and experience that flows through organisations" (Martin, et al., 2005, p. 77). Martin et al. (2005) therefore recommends that HRM, the department of people management, should take the opportunity to uncover and maximise its human capital though EB. In addition, due to the strategic nature of these areas, HRM has the opportunity to elevate its position within the organisation (Martin et al., 2005). Hypothesising about the benefits of HR leadership is one thing, whether HR practitioners are or can actively stand up and take the lead in the EB space seems to remain in question.

## The role of HRM

Sartain and Schumann (2006, p. vi) suggest that HRM building EB from the inside "with a consistent substance, voice, and authenticity throughout the employment relationship may be the most powerful tool a business can use to emotionally engage employees". The literature points out that EB already focuses on the traditional activities of HRM, including attraction, recruitment, motivation, retention and communication (Martin et al. 2005). However, in comparison to other functions like finance and Marketing, HRM has struggled to legitimise its role in business.

HRM has been described by some as slow to contribute to key strategic drivers that are viewed as contributing to organisational success (Martin, 2009). In addition, while Marketing and consulting practitioners have acknowledged the importance of aligning employees with the company branding (Martin et al., 2005), the HRM literature has until recently been relatively silent regarding its proposed role in EB (Martin & Beaumont, 2003; Martin & Hetrick, 2006; Boxall & Purcell, 2008). Despite these concerns, the HRM literature continues to stake its claim to EB (Martin & Beaumont, 2003). How successful HRM has been in this pursuit is unclear given the limited empirical data available. Further exploration is therefore required.

Informed, well-trained and motivated employees are increasingly important to the success and implementation of strategic business plans (Nilsson & Ellstrom, 2012). There has consequently been an increased focus in both academia and the business world on HRM becoming more engaged in strategic business processes (Aurand et al., 2005). Human resource management organisations like the CIPD in the UK, and the Society of Human Resource Management (SHRM), in the USA, have recognised the importance of HRM being part of the effective management of EB.

Human resource management is therefore being promoted as a key facilitator and manager of the EB process. Human resource management's role in this process is promoted as one that helps organisations communicate better internally with employees. In addition, it is promoted as being able to strengthen employees' EB equity and their specific role in enhancing and living the brand promise (Aurand et al., 2005).

In line with this focus, the first decade of the new millennium saw an increase in HRM-branding conferences and consultancy services (e.g. Versant Works, People in Business and Interbrand), increased recruitment for EB managers and increased research into the HRM–EB relationship (Martin et al., 2005). Table 10 outlines some of the key studies from this period.

Table 10: Key HRM–EB research during 2000 - 2005

| Researchers | Year | Research details | Key findings |
|---|---|---|---|
| **The Economist** | 2003 | Survey with 900 senior managers and HR of companies in the UK, US, Europe and Asia | • 62% of HR staff were aware of EB<br>• EB was understood as an "expression of a company's distinctive employment experience, rather than as a recruitment aid or subset of corporate advertising.<br>• HR staff were more likely to have responsibility for EB than Marketing, but key responsibility lay with senior management.<br>• HR was expected to take a lead in driving EB in the future, along with Marketing. |
| **Martin, Beaumont, Doig and Pate** | 2005 | Survey of 55 CIPD Scottish Partnership members | • EB was seen as important to strategy.<br>• A large majority didn't believe employees saw brand image/communication as including a compelling message.<br>• Marketing or specialist departments were mainly responsible for brand image.<br>• HR staff were involved sometimes, but it was felt that increased involvement from HR was needed. |
| **Aurand, Gorchels & Bishop** | 2005 | Email survey of 922 US business managers | • HR was not strongly involved in EB activities.<br>• EB was not considered a high priority function for most US firms.<br>• The incorporation of a brand message in work activities was no strong.<br>• Where HR was perceived to have a greater influence in EB, it was more likely that a brand message was incorporated into work activities by employees, and employees were more positive towards the brand. |

Summarised from The Economist (2003); Martin et al. (2005); and Aurand et al. (2005).

Although there is support in the literature for the positive impact HRM can have on EB effectiveness, there is still a great deal for HRM to do in stepping up and actually managing the EB process (Martin et al., 2005). While further HRM developments will be discussed in the following section, Martin (2009, p. 232) notes that in order for HRM to rise to this challenge, it will have to redefine its role.

> *[Human resource management needs to develop an] expert understanding of these corporate-level concepts, organisational identity and their potential in building and sustaining corporateness. By doing so, they will become better equipped to become not only business partners but also 'corporate partners', especially if they can become credible with Marketing, communications and public relation specialist as part of a team, to lead and deliver strategies that create and maintain corporate reputations and brands.* (Martin, 2009, p. 232)

## An integrated approach

In order to redefine its role, Aurand et al. (2005) call for HRM to break away from the past and be innovative and strategic. This, as noted by Martin et al. (2005) can be achieved if HRM aligns itself with Marketing, already well versed in brand knowledge and owner of corporate branding and reputation. Employer branding is therefore seen to present HRM with an opportunity to learn from, partner with, and apply techniques traditionally associated with Marketing to people management (CIPD, 2010). By sharing expertise and working collaboratively, maximum benefit should be possible by building an enhanced branding strategy (Moroko & Uncles, 2008; CIPD, 2010).

> *It seems imperative that human resources and Marketing are strategically aligned within the firm. Both the Marketing and HR functions have a stake in the firm's culture, policies and processes, and the way these are portrayed internally (through internal communications) and externally (through product/service, corporate and recruitment promotions).* (Moroko & Uncles, 2008, p. 170)

However, if this proposed and recommended collaboration fails, it is argued that EB becomes nothing more than a segmented and expensive HRM project (Minchington, 2012) that will only create employee cynicism and affirm Marketing's dominance (Botha, Bussin & de Swardt, 2011). Given the ongoing lack of alignment and coordination between Marketing and HRM is still apparent in many organisations, this would appear to be the current status of many proposed EB initiatives.

The literature consequently call on management to actively encourage and facilitate the coordination of HRM and Marketing to enable consistent brand messages, because "when employees receive coherent and well-orchestrated brand messages, their understanding is constantly reinforced and in harmony with their colleagues" (Punjaisri & Wilson, 2007, p. 67). This then theoretically results in consistent branding and promise delivery (see Figure 11).

Figure 11: The coordination of human resources and Marketing

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(Punjaisri & Wilson, 2007, p. 68)

Interestingly, this call for an integrated and collaborative approach between HRM and Marketing is not a new concept, but as discussed by Moroko and Uncles (2008), has been proposed for more than two decades including works by Parasuraman, Zeithaml and Berry (1985) and Glassman and McAfee (1992). Already Berry (1981) suggested that if the employment experience was considered a product for employees to consume, marketing theory could more easily be included (Moroko & Uncles, 2008).

Within this analogy, HRM would be considered the product manager (Moroko & Uncles, 2008). Marketing can then assist HRM as the product manager and prove HRM assistance. This includes helping HRM better understand the needs of their target market (in this instance potential and existing employees); identifying the 'profitable' and meaningful segments within the target market (talented employees); determining the most effective communication channels for each employee segment; managing consistency and brand messaging across all employee touch points; and providing ongoing feedback to HRM about and from the employees (Moroko & Uncles, 2008). Therefore, HRM, Marketing and Communications should "pool, share, collaborate and team up to create real and authentic brands" (Pellet, 2009, p. 65).

Marketing must consequently "turn its attention inward – contrary to the image of Marketing as being the externally-focused prodigal son and HM must rise above its traditional reputation as an internally-orientated advocate for bureaucracy" (Aurand et al., 2005, p. 167). However, practice and theory don't always easily or clearly align. Combining efforts between Marketing and HRM is easier said than done, because pre-existing cultural and structural barriers often impede cross-functional coordination (Aurand et al., 2005). In addition, HRM and Marketing have to overcome a history of competition, disrespect and 'well-worn' stereotypes (Aurand et al., 2005; Sartain & Schumann, 2006). Therefore, until both sides decide, either through directive from above or collectively to change their viewpoints and positions and conceptualise both internal and external stakeholders as clients, be they with different needs, such theoretical aspirations remain nothing more than unfulfilled recommendations.

## Summary

The HRM literature provides overwhelmingly positive support for HRM playing a key role in the management and advancement of EB. However, the best management solution for EB would theoretically appear to be more of a team approach driven by top management that draws on the combined efforts and specialised expertise of HRM, Communications and Marketing (Aurand et al., 2005; Martin et al., 2005; Franca & Pahor, 2012)

> *The whole point of developing and communicating an employer brand is not because it is just a nice thing to do, it will win you awards or make your recruitment advertising (and yourself), look great (it might be or do all these things). You do it because it improves your organisation's performance in the key business areas of recruitment retention, engagement and ultimately the bottom line. It's an investment.* (Walker & Higgins, 2007, p. 36)

Consequently, the literature sees building and developing EB as a critical organisational initiative (Franca & Pahor, 2012). Expanding the breadth of the employment relationship, EB is now seen as equally focused on the recruitment, engagement and retention of best fit employees. This reorientation internally, from a previously purely external focus, has meant an increased level of complexity, given the need for consistency between and among all lifecycle stages. Although EB is much more popular than CSR with organisation, with limited empirical evidence to support its many theoretical claims, practically many are still left with considerable uncertainty as to EB's effectiveness and best application.

Employer Branding is also noted as providing an 'umbrella' under which different, but related constructs can be discussed and combined (Backhaus & Tikoo, 2004). It therefore is theoretically promoted as serving as the catalyst for establishing closer relationships (Foster et al., 2010) and building bridges between HRM, Marketing, IT, reputation management and Communications (Martin et al., 2011; Raj & Jyothi, 2011).

Employer branding is theoretically promoted as a common area of collaboration between Marketing and HRM. While numerous areas of commonality exist and consequently opportunities for collaboration and increased coordination are possible, all parties need to be actively engaged and willing to work together. This is not always a practical reality and does not seem to be the case for many organisations where only one function seems to be responsible for the management of their EB. With limited empirical data available, how organisations are currently managing their employee lifecycle and whether and how EB is being leveraged during the process is unknown. Further exploration is consequently needed to determine what organisations are doing and how closely current practices align to the literatures theoretical suggestions.

The literature endorses EB as a means for organisations to promote what they have to offer employees at all levels, despite the reality of employment. However, given the focus and breadth of the EB literature has changed so considerably, for many, it is still considered a fad that is too changeable and therefore not taken seriously or implemented practically and meaningfully.

With limited empirical support, some have raised concerns regarding HRM's ability to play its part within this integrated and collaborative EB model. With increased expectations and new responsibilities, the current role and capabilities of HRM have subsequently gained focus in the literature. The following section therefore explores the theoretical development and conceptualisation of HRM's current organisational role and future development aspirations.

# Human Resource Management

## Introduction

Organisations now operate in a knowledge-based, service-intensive global economy (Stahl et al., 2012), where branding and intangible assets are increasingly promoted as providing key sources of strategic advantage (Rosethorn, 2009). Therefore, increased organisational flexibility and proactive human capital strategies are seen by the literature as increasingly critical to compete in this challenging environment (Dahlstrom, 2011).

As a result of this internal refocus and in the midst of the rapidly changing business environment, the role of HRM has once again gained increased attention in the literature, seen as one of the basic elements of an effectively managed organisation, given its classification as the people function (Stainjewski, 2011).

In the past, HRM has been viewed by many practitioners as an administrative function, "partly a file clerk's job, partly a housekeeping job, partly a social worker's job and partly firefighting, heading off union trouble" (Drucker, 1955, p. 275). Since then, theoretical perceptions and business demands have changed significantly (Ulrich et al., 2012). Human resource management is expected to continue to develop and transform itself from a previously purely transactional support function to a strategic business partner (Evans, 2009; Sears, 2010; Deloitte, 2011; Malik & Aminu, 2011; Chiu & Selmar, 2011). In their quest for competitive advantage, organisations are said to have acknowledged the importance of talented employees (Nilsson & Ellstrom, 2012), talent management (Schuler, Jackson & Tarique, 2011), recruitment (Dahlstrom, 2011) and retention (Mahal, 2012). These key HRM drivers are discussed later in this section.

The theoretical discussion surrounding HRM's strategic advancement goes back many years. Surprisingly, although progress is apparent and HRM as a subject area has already developed considerably, the general argument has remained unchanged. The call is still for HRM to continue to evolve to meet business needs and restructure itself into a position of increased leadership in order to perform an even more fundamental organisational role. Human resource management is also being encouraged to further align itself with the business' values and assist organisations in managing current and future people-related challenges.

However, these academic expectations of HRM's role and progress constitute continued and dramatic change, with limited consideration of the nuances and politics of large organisations that make such change difficult in practice. The literature's heavily normative-based recommendations for HR practitioners' responsibilities are aspirational. While they provide a set path and means of comparative measurement, they appear to be less realistic in practice, as illustrated in the following discussion.

According to the literature, HRM continues to encounter significant difficulty in legitimising its role in business (Sisson, 2001; Batt & Banerjee, 2012), mostly due to ongoing perceptions about its administrative role (Deloitte, 2006; 2011). In addition, the tensions faced by HRM are inherent to its role as both an advisor for management and advocate for employees and the history of practices entrenched into an organisation's culture. Despite this fundamental conflict, in line with the increased recognition that people are imperative to every aspect of business performance (Deloitte, 2008; Sears, 2010), HRM's role is noted as having grown in organisational importance (Aurand et al., 2005; Chiu & Selmer, 2011).

In practice, HRM has achieved far less than numerous studies have promised (Guest & Woodrow, 2012). As a result of unmet expectations, people management has been considered by some to be too important to leave to HR practitioners to manage (Guest & Woodrow, 2012). In addition, Batt and Banerjee (2012, p. 1739) argue that the "characteristics of HR research are in stark contrast with the dramatic changes occurring in the world of work – suggesting a mismatch between the HR scholars and what issues and dilemmas organisations face". With unmet expectations a common observation of the HRM literature to date it is consequently curious that the proposed solution from the literature is further aspirational and increasingly demanding assertions for HRM.

Despite such observations, the HRM literature has continued to advocate, both normatively and aspirationally, transforming HRM's role from the management of human resources to the development and maintenance of organisational effectiveness (Roehling et al., 2005). The literature calls for HRM to refocus on managing people in order to meet organisational objectives (Sahoo, Das & Sundaray, 2011). In addition, HRM is called to redefine its role as an effective, integrated, delivery-focused function (Sears, 2010).

However, how HRM goes about achieving these objectives, in light of previous struggles, is often not explained. While many have been unable to fulfil both previous and current calls to action, and whether this pushes HRM support too far into the management side of its conflicting balancing act of representation is also debatable. It is important to note that while many continue to struggle, for some, progress is occurring and positive changes are being implemented. While highlighting the continued gap between theory and practice, this study also celebrates the progress that is being made, if only by the minority.

This ongoing gap between the rhetoric of the HRM literature and reality of practice for many remains a key concern. While previously, critical vantage points were discussed, the more recent HRM literature although cognisant of such perspectives, steers away from overtly highlighting these issues (Syed & Kramar, 2012). This gap remains a concern, with current literature unable to provide sufficient direction, with its noted recommendations supplied without adequate guidance.

The following section aims to explore current people management themes by drawing on both academic and practitioner HRM models. The aspirational nature of current strategic HRM literature is stressed and the ongoing gap between theory and practice is highlighted. Both current and slightly older literature is drawn on within this section to illustrate the ongoing tension faced by

HRM in balancing its dual organisational role between management and employees, as well as historic and cultural norms. In addition, the continued aspirational push from the HRM literature is highlighted and the key drivers promoting ongoing change in organisations' HRM expectations are reviewed.

## Conceptualising HRM

Like most management fields the scope of literature available focused on HRM and its development is vast and expands over a number of decades. Therefore for the purposes of this research and with the focus on establishing current themes and addressing key issues relevant to the research questions, only those areas deemed relevant have been highlighted in the following discussion. Supplementary and supporting explanation is provided in Appendix IC.

### Strategic HRM

The need for HRM to be more strategic has been one of general consensus between academics and practitioners for a considerable length of time (Ulrich, 1998; Tamkin, Reilly & Strebler, 2006; Deloitte, 2008; Yusoff & Abdullah, 2008; Evans, 2009; Sears, 2010; PwC, 2012a). Consequently, HRM has been called upon by the literature to become more integrated into the strategic management of businesses (Walker, 1994; Losey et al., 2005). However, there is ongoing debate in the literature and popular press as to whether HRM has the capabilities and skills to meet these expectations, based on previously unmet expectations (Farley, 2005; Losey et al., 2005; Meisinger, 2005; Deloitte, 2006, 2008; Evans, 2009; Guest & Woodrow, 2012).

> *We heard a strong consistent message from the business community: HR professional are eager to move into the strategic arena, but need further skills to do so.* (Carol Kulik, Professor of Management at Melbourne University, as cited by the Australian Human Resources Institute, 2003, p. 24)

The literature promotes strategic HRM on the basis that an organisation's individual HRM strategies should be linked to each other, aligned with those of the business, and focused on maximising the competitive advantage gained through an organisation's employees (Armstrong, 2008; CIPD, 2012a). While on paper this scenario seems easy and straightforward, how to achieve it and then maintain it in practice is not so clearly articulated by the literature. Despite these potential practical obstacles and the assumptions of 'fit', the literature continues to promote strategic HRM as the means for organisations to generate competitive advantage through its ability to ensure organisations have the "skilled, engaged and well-motivated employees it needs" (Armstrong, 2008, p. 35) to achieve their goals. Given most organisations have an HRM function it is curious why more organisations are not generating maximum competitive advantage as a result.

Despite seemingly clear directives set by the literature over a decade ago, many organisations' HRM functions are still struggling to gain legitimacy and credibility within their organisations. With the literature's directives remaining normative and overly aspirational, there is limited empirical data to determine which particular factors are contributing to this lack of great progress. In addition, this is further complicated by the complex variables linked into achieving such internal alignment.

Within these complex variables what does seem consistent between many theoretical discussions regarding strategic HRM is their focus on competitive advantage, human capital and HRM's inherently conflicted focus.

## Competitive advantage

According to Porter (1985), competitive advantage is achieved when companies excel in creating value for their customers. While having a competitive advantage is important, sustaining this advantage is crucial and acknowledged as dependent on a company's employee-based and distinctive competencies (Barney, 1986, 1991; Bonfiglioli et al., 2006; Sheehan, 2012; Garavan, et al., 2012). As a result, "in order to offer exceptional quality and value, and deliver on their promises of customer satisfaction, firms have found that 'taking care of customers' requires a focused effort aimed at 'taking care of their employees" (Hartline & Bejou, 2004, p. 2).

## Human Capital

According to Barney's (1991) RBV definition, human capital (HC) is considered a core competency of strategic delivery. Human capital is widely used to describe the collective knowledge, skills and abilities of people at work, including their capacity to develop and innovate (CIPD, 2012b).

Measuring HC is extremely difficult (CIPD, 2012b). Dependent on the specific needs of an organisation, as well as numerous contextual and influencing factors, there are many different possible measures available (CIPD, 2012b). Table 11 highlights the most common area of focus (CIPD, 2012b).

Table 11: Measuring human capital — key areas of focus

| Human Capital Focus | Definition |
|---|---|
| Demographic data | Information on workforce composition including age, gender and ethnicity |
| Recruitment and retention | Number of resignations, vacancies, applications, length of service |
| Learning and talent development | Levels of expenditure on training, types of training provided, length of time to reach competence levels, data on training needs |
| Performance | Performance management results, productivity and profitability data, targets set and met, levels of customer satisfaction, customer loyalty |
| Engagement and opinion | Findings from employee engagement/attitude surveys |
| Reward and pay | Overall wage bill costs, distribution of individual performance-related pay awards, level of total reward package |

Adapted from CIPD (2012b)

Consequently, HRM is called to actively influence all these measures by enabling employees to develop organisation-specific competencies, as well as creating a working environment that encourages innovation (Uen, Ahlstrom, Chen & Tseng, 2012). Limited guidance as to how to go about achieving this includes increased communication, interaction and exchange to facilitate the development of new insights and capabilities (Ordóñez de Pablos, 2004; Intan-Suraya & Chew, 2010). The HC discussion therefore adds to the theoretical discussion and supports how important strategic HRM is.

## The inherent conflict

Human resource management, responsible for managing this human intellectual capital (Guest & Woodrow, 2012) is fundamentally conflicted. On the one hand HRM is responsible for advising and meeting management expectations, but on the other hand they also need to maintain employee well-being (Mackenzie, Garavan & Carbery, 2012). This ongoing conflict of interests can be detrimental, but is inherent to the function of HRM.

This ambiguity in loyalty was first raised by Legge (1978) in her review of what was then personnel management. She noted the inherent conflict of personnel manager responsibilities as being both an integral part of management, as well as responsible for the well-being of the workforce.

With its central role unchanged, HRM still has the same conflicted focus today. The literature therefore warns HR managers not to become "unwitting pawns in reinforcing power imbalances" (Mackenzie, Garavan & Carbery, 2012, p. 354) between management and employees. This is an impossible situation and is extremely tough to solve (Mackenzie, et al., 2012). This is aptly summed up by Trehan and Rigg (2008, p. 378), who note that the "inherent conflicting nature of organisations' social relations where managers are both perpetrators and victims of the organisation's control system, torn between the realities of the organisational orthodoxy and the prescriptive roles that practitioner-scholars espouse". Finding the balance between both responsibilities is no easy task or one-off strategy, changing with time, circumstance and individual employee and manager interaction. Consequently no prescriptive approach can be offered to HR managers, other than highlighting and acknowledging such a conflict exists.

In addition HRM has to build on and work within a number of organisational constraints, which result from an industry's specific historical practices or ingrained culture. For example, performance rewards and the attention more recently placed on bonuses within the financial sector, as a result of the fall out following the GFC, illustrate this point. Such practical tensions only add to the precarious position HRM has to navigate.

# The evolving role of HRM

The role of HRM has been a dominant theme in the development of HRM and consequently strategic HRM in the literature. With the ongoing desire to promote its strategic capability, a number of HRM role typologies have been promoted in the literature. Supportive of HRM's strategic advancement, these models all focus on HRM becoming a strategic partner for an organisation's management. Despite this targeted intention, many of these models are overly idealistic and at times unrealistic, as discussed below. Such an aspirational and normatively-based focus, further highlights the gap between rhetoric and reality.

## HRM champions and superheroes

Storey (1992), presents a four-role typology for HR managers (see Figure 12). While the typology illustrates the many and often overlapping roles HRM performs within an organisation at any given time, the desire for HRM to become more of a strategic 'change maker' and less of an administrative 'handmaiden' is emphasised (Storey, 1992, p. 169).

Figure 12: Four-role typology for HR managers

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(Storey, 1992, p. 169)

Building on Storey's (1992) change-maker role, Ulrich (1998, p. 17) then called for HR managers to become 'champions'. By adopting all four roles, HRM should become "champions of competitiveness in creating and delivering value" (see Figure 34) (Ulrich, 1998, p. 17). These four roles include that of change agent, administrative partner, employee champion and strategic partner, and the emphasis is on HR managers performing all roles simultaneously. While a certain level of overlap and variation in focus is expected for a function required to operate at various levels and across various functions, expecting such breadth is unrealistic for many practitioners. While increased scope across the HRM function is more realistic and increasingly necessary, spreading anyone too thinly can be more detrimental and is less sustainable and valuable.

Figure 13: HRM champions – four roles for HR managers

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(Ulrich, 1998, p. 24).

As a result, although Ulrich's (1998) model has been highly influential, it has come under significant criticism. Guest and King (2004) note that HR managers need a complex array of skills and capabilities to perform these distinct and often conflicting roles. However, these skills also often extend beyond the realm of business partner and provide an optimistic, but challenging and unrealistic view of HRM success (Guest & King, 2004). According to Tamkin et al. (2006), the roles have and can be misinterpreted as labels or a blueprint for the structuring of HRM, as opposed a set of activities for a number of individuals to perform. In addition, the underlying assumption of the model is that employees' and employers' interests are aligned, which is rarely the case (Guest & Woodrow, 2012).

However, despite these critiques, Ulrich's (1998) four roles do highlight the fact that HRM is much more complex than any single responsibility. Depending on the combination of expected HRM influences, HR managers are required to draw on a number of different capabilities, mind-sets and priorities, as well as collaborating and integrating more with other business units or departments (Tamkin et al, 2006; Yusoff & Abdullah, 2008). Likewise, Reilly and Williams (2006) also promote HRM as a leader, business partner and strategist. In very simplified terms, Reilly and Williams' (2006) expectation shifts are outlined in Table 12.

Table 12: Expectation shifts for HR managers

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(Reilly & Williams, 2006, p. 12)

With various labels and different roles, the above typologies all promote HRM as a multifaceted, complex, but 'master of all trades' function. Although very aspirational, they do provide a path for practitioners to follow and a consequent means of measurement, despite them often being unrealistic for many. Based on predominantly normative and conformist research, the role of HRM is therefore promoted as needing to become a strategic partner to management.

A number of management consultancies have subsequently reviewed the relative importance of different HRM drivers (CIPD, 2007; Deloitte, 2011). When asked to rate the importance of drivers of change in people management practices for the next three years, the survey respondents of the CIPD (2007) study rated business strategy as the most important driver (see Table 13). Interestingly, in line with Legge's (1978) 'dual master' debate, employees' needs were almost as important (CIPD, 2007).

**Table 13: Expected importance of potential drivers of HR change between 2007 and 2010**

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(CIPD, 2007, p. 16)

This reinforces the prominent argument to "nail the HR flag to the management mast and focus all aspects of the role to which senior management gives priority" (Guest & Woodrow, 2012, p. 111). One way of solving the conflict inherent in HRM, as more heavily advocated in the American rather than the European HRM literature, is to avoid attempting to be all things to all people (Caldwell, 2001; Guest & Woodrow, 2012). Focusing on only the important driver: - business strategy - reduces conflict.

There is a conscious move to for all managers to be more connected, innovative and integrated with other functions and subject areas, as well as top management. However the emphasis on such role changes is only that. The literature, although promoting such changes, provides limited guidance around how individuals would actually go about achieving and consequently maintaining such characteristics over the long term. While it is difficult to prescribe a specific step by step approach, given an increased focus on 'best fit', such limited guidance around 'best practice' contributes to such recommendations being seen as overly idealistic, theoretical and less widely accessible. In addition, inherent internal inconsistencies concerning pre-existing norms also hinder and confuse the future path for HRM to navigate and supposedly follow.

## Ethical steward

In line with managing these internal inconsistencies, HRM as ethical steward has received increased attention in the literature, in line with the GFC and other large corporate scandals (Hosmer, 2007; Caldwell, Hayes, Bernal & Karri, 2008; Caldwell, Truong, Linh & Tuan, 2010; Guest & Woodrow, 2012). According to the literature, ethical stewardship involves the "active and responsible management of entrusted resources now and in the longer term, so as to hand them over in better condition" (Sadler, 2012, p. 7). Further clarification to this definition is provided by Caldwell et al., (2008, p. 153), who describe ethical stewardship as the "honouring of duties owed to employees, stakeholders, and society in the pursuit of long-term wealth creation". It therefore is said to provides a more balanced and sustainable approach for HR managers to follow (Sadler, 2012).

Human resource management's role as an ethical steward is consequently described as principle-centred, well-being orientated and focused on reconciling the conflicting interests of employees and managers so that a win-win is achievable (Sadler, 2012). While a win-win outcome is always the aim, achieving such an outcome, is rare and often misleading. Human resource management is called upon within the stewardship literature to develop the organisation's culture, facilitating positive and sustainable change (Kanter, 2008), as well as ensuring the contract or obligation between employer and employee is upheld (Pava, 2003; Guest & Woodrow, 2012). This of course assumes such historical practices and culture can be changed and an agreement can be reached that both parties are accepting of. Employees, in this model consequently become valued individuals and organisational partners rather than organisational commodities (Caldwell et al., 2010). Human resource managers as ethical stewards should therefore adopt the following key attributes (Sadler, 2012), including:

- **Trust -** stewards need to be trustworthy;
- **Service -** stewards are servants to the assets they protect; and
- **Nature -** stewardship implies commitment over time and long-term well-being of all assets (i.e. employees, stakeholders, customers, etc.).

While such characteristics are no more realistic, this perspective tends to be more employee-focused, as opposed to the previously promoted management supporting ideology, as highlighted by Guest and Woodrow (2012) above. Managing the balancing act that is HRM is therefore not only a fine line but variable depending on the ideology of the individual HR managers. In addition it is interesting to note that these views are mainly drawn from European and American driven literature, emphasising the possible impact culture may have on this dynamic as well.

## Effective HRM implementation

In light of the lack of previous supporting guidance and in order to provide some 'how to' and assist with the uptake of such recommendations, Guest and Bos-Nehles (2013, p. 81), have more recently provided a four stage framework to assist with more effective HRM policy implementation (see Table 14).

Table 14: Four stages to effective HRM practice implementation

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(Guest & Bos-Nehles, 2013, p. 81)

To support this process of effective implementation, HRM is called upon to collaborate with both top and line management (Guest & Woodrow, 2012). Gaining management support and then working with line managers to more effectively implement initiatives is advocated as a clever way for HRM to not only get the backing it needs to gain line manager support. However developing initiatives that gain both management buy-in and line manager support is assumed but seen as imperative to this process. As a result, Bowen and Ostroff (2004) suggest that HRM practices, as the only wholly controllable HRM element (stage 2), should have clarity of purpose, be transparent, distinctive, easily recognisable, and be clearly and consistently communicated throughout the organisation to assist this buy-in.

The nature and effective implementation of ethical stewardship is as complex as the other normative models proposed by the literature and also reliant on a number of assumptions. However, in response to the changing world of work and more ethically-orientated stakeholders, ethical stewardship is promoted by the literature as a means of system alignment, where both employees' personal goals and the organisation's mission are assumed to be able to be concurrently achieved (Caldwell et al., 2010; Guest & Woodrow, 2012).

# The structure of HRM

Human resource management's structure is intrinsically linked with its role. In the same way that many roles are promoted in the literature (Boxall & Purcell, 2003; Husted & Allen, 2007; CIPD, 2012a), there is no one prescribed structure. The main theoretical debate does, however center around two normative approaches, namely the universal or 'best practice' model and the contingency or 'best fit' model (Boxall & Purcell, 2003).

The 'best practice' school of thought has a long tradition and promotes a one-size-fits-all approach to managing people (Marler, 2012). Performance is guaranteed if best practice is followed and given the profile it deserves (Boxall & Purcell, 2003). However, with too many different lists of 'best practices', questions have been raised as to how best practice is actually defined (Boxall & Purcell, 2003). This theoretical discussion continues still, with recent debates regarding performance pay highlighting ongoing and conflicting opinion (Boxall & Purcell, 2003; Martin et al, 2011).

With the advent of globalisation and the need for organisations to operate in a number of different developing and developed nations, the 'best fit' approach has gained momentum (Martin et al., 2011). The best fit approach focuses on the integration of HRM into the business, taking into consideration specific external environment and internal organisational factors that require adaptation (Marler, 2012).

This model is based upon two levels of fit. The first is that of external or vertical alignment that dominates discussion and focuses on HRM practices matching the organisation's specific strategy and direction, rather than structure (Miles & Snow, 1984). The second level of focus is that of internal fit or horizontal alignment. Human resource practices are considered at a micro level within the organisation and are called upon to be consistent, avoiding contradiction (despite its inherent conflict) and unnecessary replication (Boxall & Purcell, 2003; Husted & Allen, 2007; CIPD, 2012a).

While there is still a need for best practice, the 'best fit' approach appears best suited to the current volatile business environment. However, it still poses challenges for organisations. Given the many changing variables that this approach is contingent upon, targets are constantly moving, uncertain and therefore at times elusive. While assuming away these difficulties and potential practical obstacles, the literature calls upon HR managers to be cognisant of universal best practice, but apply strategies in a manner that is best suited to the specific environment and context of their organisation (Visser, 2011; Stahl et al., 2012). Again it would appear these theoretical claims are not only aspirational, but demanding and unrealistic for the majority, given current performance.

## Structural models: HRM as a strategic business partner

Within these two theoretical frameworks, a number of structural models have been promoted to assist HRM in accomplishing its theoretically prescribed strategic role (Guest & Woodrow, 2012).

Ulrich's (1998) HRM structure, originally formulated to support his champion roles, is still widely acknowledged and adopted. It includes three complementary elements and has been labelled the 'three-legged stool' (CIPD, 2012c).

These elements include (Ulrich, 1998; Ulrich & Brockbank, 2005; CIPD, 2011c; CIPD, 2012c):

- **strategic HR business partners**: senior HR managers are embedded within business units to work closely with line managers to develop, implement and influence HR strategy;
- **shared HR services**: these provide the ongoing, regulatory and transactional based advisory, administration and HR-centred information to line managers and staff; and
- **centres of HR expertise or specialists**: small teams of HR experts with distinctive and leading-edge HR solution knowledge provide competitive advantage to the business through HR innovations around engagement, talent management and so on.

After criticism regarding the differentiation between roles (Guest & Woodrow, 2012), Ulrich went on to broaden the role of 'partner' to that of 'player', thus supporting increased line manager collaboration. A player encapsulates a more supportive, advisory and counselling-centred approach between HRM and line managers, as illustrated in Figure 14 (Ulrich & Beatty, 2001).

Figure 14: The interdependent role of the HR player

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(Ulrich & Beatty, 2001, p. 294)

The 'partner model' calls for greater collaboration between HRM and line managers. Although this model has become engrained in the literature (Guest & Bos-Nehles, 2013), it has been adopted in various forms and under different pseudonyms, making it difficult to measure in practice (CIPD, 2012c). In addition, while greater collaboration may be the aim, sometimes getting HR and line managers to 'talk the same language' and effectively collaborate is not always as easy as it sounds.

A CIPD (2007) study interviewed senior managers from 787 organisations regarding the structure of their HRM function and the adoption of Ulrich's three-legged stool model. 53% of the organisations had restructured their HRM functions in 2006. In addition, 81% had restructured during the previous 5 years (CIPD, 2007, p. 5). Over half of the organisations that had restructured claimed to have incorporated elements of Ulrich's (1998) model, although only 18% had in fact introduced all three elements. While it would therefore appear Ulrich's (1998) model has been adopted in practice, the degree to which it has been applied seems to vary, with potential barriers possible.

Challenges regarding the implementation of Ulrich's (1998) model were associated with defining roles, boundary issues, insufficient resources and skill gaps. Benefits included the increased strategic contribution of HRM, as well as increased business focus and greater HRM credibility (CIPD, 2007). Although dated, given limited empirical data, even if only specific to those organisations, HRM can be seen to be gaining greater credibility and influence.

However, despite the literature's promotion of a more balanced approach to HRM management, what is clear is that the complexities, ambiguities and challenges of an organisation's external and internal environments provide a constant stream of dilemmas for HR managers (Guest & Woodrow, 2012). How this is best managed and what HR managers can do beyond recognising the call to be more strategic, integrated, trustworthy and multi-specialised is not something the literature deals with in any great detail.

## Transforming HRM: Overcoming the challenges

In response to unprecedented changes in the business environment, the business community has also called on HRM to develop new capabilities if it is to have any chance of staying relevant (Deloitte, 2012b). Human resource management is consequently advocated to continue to, as outlined in the literature, 'transform' itself from an outdated transactional to a transformational function, as illustrated in Figure 15 (Choo, Halim & Keng-Howe, 2010).

Figure 15: Transactional to transformational HRM

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(Choo et al., 2010, p. 105)

In the past, transformation for HRM has meant greater costs and time efficiencies, but the 'rules of the game' have now changed (Deloitte, 2012b). "Basic HR capabilities are merely table stakes: building blocks that each HR function should possess" (Deloitte, 2012b, p. 4). By building capabilities that not only support the business strategy, but enable it, HRM will, according to Deloitte (2012b) be able to achieve sustainable competitive advantage.

However, despite these aspirations, according to PwC's 15th annual CEO survey (PwC, 2012a) many HRM teams are still failing to deliver this evolving and increasingly expected level of strategic thinking. A 'rethink' of the HRM function is therefore called for and seen as necessary.

> *The greatest challenge remains around HR's ability to drive the change needed to deliver growth. To become a true strategic business partner means understanding the company's business, industry and strategy. HR needs to be actively involved in investment and business decisions and looking to financial measures to gauge results. A strategic HR function should act as a consultant to the company on all people issues; providing insights that can help business leaders make the right decisions and helping to craft the right business strategy.* (PwC, 2012a, p. 11)

A planned and coherent framework that reflects, supports, and enables the business strategy is consequently promoted by management consultancies as a way for HRM to overcome its failings (CIPD, 2012a). Given HRM has fallen short of previous theoretical promises around its improved capabilities, why then the literature would recommend further increasingly demanding and normatively-based aspirations as the solution for HRM to transform itself and progress is curious and seemingly setting HRM up for further failure. Despite such observations, the literature continues to focus on providing recommendations for HRM to overcome its current perceived weaknesses, improve its competencies and strategically extend its role and responsibilities.

## Core competencies

In order to overcome this challenge, the literature calls for HRM to re-master the basics, upon which more sophisticated and strategically aligned propositions can be built (Reilly & Williams, 2006). "Administrative excellence precedes, not follows, the reorientation to making a strategic contribution" (Reilly & Williams, 2006, p. 145).

With new role expectations, HRM is said to require new skills (CIPD, 2012a). The lack of the right skills is agreed upon by many in the literature as the principal reason why HRM has been unable to meet its aspirations of repositioning (Reilly & Williams, 2006; Choo et al., 2010), and is understood to be responsible for HRM's weak tactical approach (Deloitte, 2012b). In order to achieve this, HRM as a function, despite many years already dedicated to this issue, is called to step out of its comfort zone (Guest & Woodrow, 2012). How HR managers do this is not dealt with at great length in the literature, but a number of authors have put forward their recommendations. Again for the most part these theoretical suggestions are normative and aspirational with limited guidance.

Meisinger (2005) recommends that HRM professionals should respond to these challenges by becoming competent, curious, courageous and focused on caring for people. A brief summary of each is presented in Table 15 below.

Table 15: Competent, curious, courageous and caring HRM managers

| HRM Competency | Definition |
|---|---|
| **Competent** | HR needs to understand its specific area of specialisation, as well as that of the business and how it can create business value. These key competency areas are considered key: strategic contribution; business knowledge; HR delivery; personal credibility; and HR technology. |
| **Curious** | HR needs to keep abreast of any developments internally and externally in the industry, marketplace, with competitors and regulatory requirements. |
| **Courageous** | HR needs to challenge detrimental behaviour and ensure that the right thing is done in line with the business culture and strategy. This is more easily achieved with greater job competence. |
| **Caring** | HR needs to be an employee advocate, as well as a business partner. It needs to be strategic, while supporting and understanding impacts and consequences on an organisation's employees. |

Adapted from Meisinger (2005, 191)

In addition, Ulrich et al. (2012, p. 2) note that the skills HR managers need to develop to rectify power imbalances have remained unchanged and include the following key areas:

- Knowing the business
- Delivering value-added business practices
- Managing change
- Having personal credibility

However, the competencies and specific business conditions that influence how HRM's core skills are applied continue to change. So while for many becoming a function that embodies these competencies and understands how to obtain credibility is a challenge to begin with, there is already a call to be adaptable (Ulrich et al., 2012). With a rather daunting list for HR practitioners to master, much is also dependant on the business and its management. With a number of responsibilities, HRM as a function isn't always given the authority and rights it needs, which again requires support and coordination from a number of different functions. This, as already noted, is never as easy a task in practice as it would appear to be in theory. However, the management consultancies continue to stress the importance of HRM developing and mastering these skills and competencies, noting them to be imperative for the future survival and strategic success of HRM (Deloitte, 2006, 2012b; PwC, 2012a).

## Strategic HRM frameworks

With a significant amount of theoretical debate focused on 'what' skills HRM should develop and 'what' roles HRM should fulfil, very little attention has been dedicated to 'how'. How HR managers gain these competencies, and how HRM as a function structurally supports these developments in order to achieve greater strategic alignment and integration, remains vague and for the most part unaddressed by the literature. A number of management consultancies have developed their own models as a starting point and guide to help HRM achieve the goals set out for it in theory, in practice. Again for the most part aspirational they do provide insight into the perceived path HRM as a function is encouraged to take. Whether such frameworks are practically viable and adaptable for a 'best fit' requires further empirical exploration,

### Deloitte's HRM strategy model

As illustrated in Figure 16, Deloitte (2008) formulated an HRM strategy framework. Deloitte believes this model can help HRM deliver the required services and capabilities a company needs to survive and grow, while still allowing for a varied approach, in line with a 'best fit' model (Husted & Allen, 2007; Marler, 2012; Deloitte, 2008).

Figure 16: HRM strategy framework

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(Deloitte, 2008, p. 2)

According to Deloitte (2008, p. 5) "an effective HRM strategy provides a roadmap for creating value through the company's workforce". In order for HRM to be effective, it first needs to *understand and determine what value means for the company* (define value) and *how* that value can be created (Deloitte, 2008).

*One of the most effective ways to see if a company is leveraging the value of its people is to analyse its workforce productivity – revenue per employee divided by profit per employee – and then compare the result to other companies in the industry. Other value-orientated HR metrics include new hire turnover and promotion rates, bench ratios, lateral mobility ratios, retention rates for critical workforce segments, and pay-for-performance ratios.* (Deloitte, 2008, p. 6)

Using Deloitte's (2008) measures, HRM then needs to review its policies and programs in order to determine how they align with business objectives (align HRM services), and prioritise them. Based on this redesign, although still normatively based assumption, HRM then needs to develop and improve its capabilities, skills, supporting infrastructure and processes, in order to deliver HR services that are business-driven and provide tangible value (deliver value) (Deloitte, 2008). As illustrated in Figure 17, by following these strategic guidelines, Deloitte (2008) believes HRM will be able to "more effectively handle the company's most pressing people challenges and to position the company for continued growth and achievements of its goals and objectives" (Deloitte, 2008, p. 18).

Figure 17: Contextualising the HRM strategy framework

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(Deloitte, 2008, p. 15)

## Next generation HRM: Insight driven

Following interviews with over 100 business leaders in the UK at the end of 2009, the CIPD highlighted a number of emerging HRM trends that they believe empirically confirm HRM's progression beyond a traditional administrative function (Sears, 2010). The holistic model derived from these findings is consequently focused on a continued belief that HRM should not only be concerned with supporting short-term business performance, but drive long-term and sustainable performance as well.

The CIPD's key research findings highlight the need for HRM to become a more insight-driven business function that focuses on building organisational equity and depends on 'next generation' HR leaders (Sears, 2010). According to Sears (2010), in order for HRM activities to be timely, impactful and relevant to the business, HRM needs to move from internal service delivery and process ownership to deliver genuine organisational insight, as illustrated in Figure 18 below.

Figure 18: From service to insight driven HRM

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(Sears, 2010, p. 16)

In order to achieve and deliver this 'insight', the CIPD believes HRM, as explained in Table 16 needs to be 'savvy' in three key areas:

Table 16: The three savvies

| Savvy | Defined |
|---|---|
| **Business Savvy** | More than financial literacy, this requires HRM to have a deep understanding of the business' core value drivers and what makes it successful. |
| **Contextual Savvy** | The current and future markets trends, as well as the current and future macroeconomic and societal factors that will affect the business, need to be understood by HRM. |
| **Organisational Savvy** | Appreciating the impact of people, culture and leadership and how they affect the interplay between 'hard' and 'soft' organisational factors and are aligned with the organisation's business challenges and change dynamics is very important to HRM function. |

These savvies incorporate a holistic perspective of the business, translating into HR managers understanding the big picture and context, as well as in the internal intricacies and idiosyncrasies of the business. While still a large and ongoing task, such assertions are based on a number of assumption and continue to ignore the barriers and shortcomings possible in a practical setting, this understanding is seen by Sears (2010) as more of an achievable task for any one manager.

In the context of HRM, all three areas contribute equally to building organisational equity; including HR managers being called upon to become future-fit leaders. Sear's (2010) description of leadership highlights a consistency in the competencies sought for HR practitioners, as well as continued unrealistic aspirations from the literature for their practical ability. Future-fit leaders although conceptualised based on practitioner feedback, draw together a very rare combination of personality traits. This superhuman individual is summed up as "professional, transparent, insightful and thought-provoking" (Sears, 2010, p. 19), and consequently able to redefine and reposition the function of HRM for future success. While for HRM as a function this will be a challenge for any single HR manager this is most definitely unrealistic and consequentially not practicable.

As a result achieving insight-driven and future-orientated HRM practices is not without its barriers and challenges (Sears, 2010). In addition, the new partnerships and the collaborative networks needed to truly provide an integrated HRM approach are still noted as lacking in the majority of organisations (Sears, 2010). Specifically, the normative hope of greater collaboration between HRM, Marketing, communications and line managers is noted as remaining unclear and unnatural for many (Sears, 2010).

In assessing these models, there are a number of similarities, first in their intention to strategically elevate HRM's standing within organisations and better align HRM strategies with those of the business. Second, they acknowledge the need for HRM to continue to 'transform' itself and the roles it performs and processes it follows. This, as outlined by the models, means developing forward-thinking, innovative, insight-driven, dynamic and savvy HR practitioners. While together these are unrealistic expectations for any manager, of key importance is an emphasis on improvement and change. While the intention is noble and the goal important, the expectation and call from the literature remains overly aspirational and unrealistic The literature calls for HRM to focus on sustaining growth, meaningful culture enhancement, systematic business integration, new partnerships development, talent-based value creation, and competitive advantage. All in a day's work!

# Important HRM drivers

The increased emphasis on the strategic role of HRM has been motivated by a number of contextually-based, but HRM-specific drivers. The focus of the above discussion highlights the importance and increased emphasis placed on talented employees, both as key organisational stakeholders, but also as a core competency and a means of retaining sustainable competitive advantage (Sears, 2010; Kanter, 2011; Melo & Garrido-Morgado, 2012; Deloitte, 2012b).

This theoretical discussion focuses on the increased desire to not only attract but to also retain and engage talented employees (Nilsson & Ellstrom, 2012; Garavan, et al., 2012). The importance of talent management and the role of line managers are consequently addressed below. In addition, engagement and diversity have both regained focus and are reviewed. The resource-based view (RBV) has also regained prominence in the literature (Barney, 1991; Russo & Founts, 1997; Rosethorn, 2009). This is due to the increased focus on intangible human resources as core competencies for achieving competitive advantage (Pfeffer, 1995; Bartlett & Ghoshal, 2002; Bonfiglioli et al., 2006; Rosethorn, 2009). A full overview of the RBV is presented in Appendix 1C.

> *Without our people we have no business. Technology and systems matter, but for a bank, our success is fundamentally about the talent and energy of the people who choose to work here. It is no surprise that how we treat them feeds through to our customers' experiences, which in turn drives profitability. And, with an ageing population and growing war for talent, attracting and retaining the best people is even more fundamental to our long term prospects. (Westpac, 2011)*

Organisations should therefore not only 'acquire', but also develop and leverage their increasingly valuable employees (Simon, 2010). By focusing internally, organisations can develop their core competencies, and therefore still compete in the turbulent external environment (Simon, 2010). However, although theoretically getting from conceptualisation to actual delivery is straightforward, in practice, given the complexities of organisations and people, this is much less clear cut.

## Talent

Valuable employees are increasingly referred to as 'talent' and described as a core competency (Sheehan, 2012). Despite its substantial representation in the literature, which has only intensified since the hype around the 'war for talent' in the 1990's (Nilsson & Ellstrom, 2012), a consistent or unambiguous definition for the term is yet to be agreed upon (Brown & Tannock, 2009; Govaerts et al., 2011; Nilsson & Ellstrom, 2012). Talent as a concept has become synonymous with human capital (Stahl et al., 2012; Tarique & Schuler, 2010) and has also been used as a euphemism for people (Nilsson & Ellstrom, 2012).Ulrich (2006) believes talented employees, as illustrated in Table 17 below, are defined by high performance and potential. Talented employees are said to be able to make a *contribution*, be *committed* and have the *capability* to create purpose and find meaning in their work, (Nilsson & Ellstrom, 2012).

Table 17: Attributes of talented employees

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(Ulrich, 2006, p. 32)

However, debate still continues as to the inclusive or exclusive nature of talent (Stahl et al., 2012). On the one hand, exclusive or differentiated talent is seen as distinct in certain high-potential individuals with specific characteristics (Govaerts et al., 2011; Garavan et al., 2012). In addition to leadership potential, talented employees are characterised by the literature as being able to consistently deliver strong results, quickly master new skills, are driven to achieve excellence and are focused on continuous learning and development (Ready et al., 2010; Garavan et al., 2012). With such a list of expectations to meet, it is no wonder such a group is considered exclusive.

On the other hand, the more inclusive approach posits that everyone is talented, and talent is therefore associated with all employees (Nilsson & Ellstrom, 2012). Talent penetrates the whole organisation and is never exclusively connected with a specific individual or group (Govaerts et al., 2011). Every employee is seen as capable of contributing value (in various forms) to the organisation, with the focus shifting onto how to best leverage and access this value from each individual (Garavan et al., 2012).

In response to such opposing stances, a hybrid approach has therefore been increasingly promoted in the literature, where differentiation can be achieved, core talent leveraged and the controversy associated with declaring certain individuals more valuable and talented than others can be mitigated. Despite theoretical indecision and debate, academics agree that talent is "the vehicle to move the organisation to where it wants to be" (Lockwood, 2006, p. 2).

Employees are however increasingly not only focused on satisfying and meeting their organizations' and customers' needs, but also, as outlined by the literature want to be engaged and provided with a memorable working experience that meets and exceeds the brand promises made to them (VersantWorks, 2009; Nilsson & Ellstrom, 2012). As explained by Sartain (2005, p. 89), "today, competing for employees is as difficult as competing for customers; building employee loyalty is as important as building customer loyalty; and treating employees right is the key to treating shareholders right".

With the current dominant theoretical view that all employees are acknowledged as potential sources of talent, organisations have consequently been called upon to dedicate time and resources to recognise and develop all their 'talented' employees (Scullion & Collings, 2011).

Talented employees therefore needs to be attracted, developed, retained and leveraged within the specific context of each organisation, as illustrated in Figure 19 (PwC, 2011; 2012b). This is no easy task, but rather an ongoing responsibility that mirrors the employee life cycle, which this model builds upon. The focus on talent is also shifting from 'what you have', to include 'what you do with it'. The role of talent management has therefore gained significance in the literature.

Figure 19: Talent cycle

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(PwC 2011, p. 15)

## Talent management

Holistically incorporating the stages of PwC's (2011) talent cycle in Figure 18, talent management is described as a set of practices that focus on the attraction, selection, development and retention of employees *in a strategic and integrated way* (CIPD, 2011c; Scullion & Collings, 2011; Garavan et al., 2012). The same old tactics are no longer considered sufficient to deliver value in the highly pressured, post-GFC environment (PwC, 2011). As noted by Stahl et al (2012, p. 25), "the range of talent management issues facing multinational companies today is extremely broad. Companies must recruit and select talented people, develop them, manage their performance, compensation and reward them and try to retain their strongest performers". This in itself is a full time focus.

In addition, talent management continues to change and develop. While previously associated solely with recruitment, it now covers a number of broader workforce, succession planning and development areas (CIPD, 2011c). Stahl et al. (2012) therefore propose the following six key principles, as illustrated in Table18, which support the CIPD's (2011c) recommendations for improved talent management. The following principles were formulated after a study of a number of successful talent management practices were explored (Stahl et al., 2012, p. 25).

Table 18: Principals of successful talent management

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(Stahl et al., 2012, p. 25)

Although the above table presents as a neat and concise list on paper, in practice such an approach is noted as requiring a comprehensive and integrated organisational wide approach (Collings, Scullion & Vaiman, 2011; Schuler et al., 2011; Vaiman, Scullion & Collings, 2012), Therefore, many organisations, although cognisant of the urgency and importance of effective talent management, are described by the literature as still unable to gain traction (Scullion, Sparrow & Farndale, 2011). This is in part attributed to the differences identified between immediate organisational 'wants' and employee 'wants'. While organisations may believe they know what their employees want, their perceptions are often noted as being incorrect. As discussed by Erickson et al. (2012) organisations often apply a blanket approach that very rarely meets the changing and diverse range of their employee needs.

In addition, he notes that organisations have been lulled into a false sense of security, believing they still have the upper hand with unemployment relatively high and low voluntary turnover, given the recent GFC (Erickson et al., 2012). Labelled the 'talent paradox', organisations are quickly discovering that although there is a surplus of labour available they are still unable to attract and increasingly struggle to retain the highly skilled talent they require and have identified as critical to their success (Erickson et al,, 2012).

Therefore, although previously associated with recruitment, talent management has been called by the literature to adopt a broader, holistic lifecycle focus, in order to support organisations' strategies and changing talent objectives in the post-GFC environment (PwC, 2011; CIPD, 2011c). Therefore, motivating and retaining talented employees are now the key talent management challenges for many organisations (Beechler & Woodard; Vaiman et al., 2012).

## Recruitment

Employee recruitment and retention are considered prominent issues that require a comprehensive and integrated organisational approach because they are seen as a key strategic factor influencing future organisational success (Martin & Hetrick, 2006).

Having acknowledged they need great employees to thrive (TriNet, 2012), organisations are recognized as being increasingly conscious of attracting these key performers as part of their talent management strategy (Dahlstrom, 2011).

To attract desired employees, organisations are called to offer a differentiated and more valuable proposition than their competitors (Ramlall, 2012), because greater labour market flexibility gives employees greater mobility and choice (Dahlstrom, 2011). Recruitment strategies are therefore becoming more targeted and personalised (Dahlstrom, 2011).

## FIT

In order to remain effective, recruitment practices as noted by the literature are changing to respond to this increased complexity (Dahlstrom, 2011). This has meant acknowledging diversity (discussed in a subsequent section), language variations and the changing nature of roles, including increased flexibility and outsourcing options (Sangeetha, 2010). The literature promotes organisations adopt a more individualistic approach that targets individuals with matching core values, in addition to impressive credentials (Dahlstrom, 2011).

The literature's recommendations as to how to facilitate genuine alignment between themselves and employees are unfortunately, contradictory. While on the one hand organisations are told to identify and clearly articulate their own values and remain true to their organisation's objectives, on the other hand, they are also told to adopt the values of their desired employees (IBM, 2012; Kwan et al., 2012). Dahlstrom (2011) suggests organisations focus on articulating and presenting their values to potential employees in a personalised and attractive manner. This is said to be best achieved by allowing current employees to describe their roles, experiences and the organisation's culture to potential candidates as part of a holistic communication approach (Sangeetha, 2010; Dahlstrom, 2011). Organisations cannot and therefore shouldn't try to be everything to everyone (Dahlstrom, 2011). Instead, by focusing on what they do well, organisations should, as noted by the literature, be able to attract their targeted candidates (Chhabra & Mishra, 2008). Employer branding, is increasingly promoted as the best way to incorporate these complex messages into a targeted and manageable strategy for organisations to apply.

## Retention

Although recruitment strategies continue to develop (Dahlstrom, 2011), with the impact of the GFC eroding employee loyalty and an increase in voluntary turnover anticipated as the market stabilises (Galpin & Whittington, 2010; Lejeune, 2012), the theoretical focus within talent management has re-oriented on retention (Hagan Porter, 2011).

Given the poaching of employees apparent even during the GFC, talent is noted as remaining in demand regardless of the economic environment (Chafetz et al., 2009). Consequently, basic reward strategies are no longer considered sufficient to retain employees (Lejeune, 2012). Employees are understood to be demanding broader and more individually targeted initiatives, and organisations are called to respond to keep them satisfied, and more importantly, engaged (Rosethorn, 2009).

The concern for employers is understanding how to action these recommendations (Deloitte, 2010). Although employers are aware of the increased expectation and need to focus their strategic efforts on employees, many are unsure how to go about doing this effectively, given the current competitive environment and increasingly diverse employee needs (Deloitte, 2010).

Although normative and highly demanding in its recommendations, the literature promotes an organisational focus on improving their employees' commitment, as well as reducing turnover and its associated costs (Pingle & Sodhi, 2011; Lejeune, 2012). Theoretically, improving commitment and attractiveness includes a broad and aspirational array of overlapping activities, from the creation of an inclusive and flexible working environment (Ramlall, 2012), to providing employees opportunities to develop and be challenged (Deloitte, 2012a), to acknowledging and meeting diverse employee needs and rewarding high performance (Ramlall, 2012).

The theoretical recommendation, although overly idealistic and realistically problematic, is that organisations focus increasingly on developing a comprehensive and holistic retention approach, including all stages of the employee lifecycle, as detailed in Table 19, as opposed to relying on disconnected or stand-alone initiatives (Deloitte, 2010; Mahal, 2012). While some positive change in visible for the majority such practices are overly demanding and merely aspirational.

While little detail is provided as to how organisations actually achieve each recommendation, nevermind combining them into a holistic process, the literature promotes enhanced employer-employee relationships as a means of improving employee commitment (Deniz-Deniz et al., 2003; Dennis et al., 2008).

Table 19: Effective employee retention practices

| Literature | Causes of Employee Turnover | | |
|---|---|---|---|
| **Job Analysis** | The appropriate skills and competencies are not included in the job description. | Incumbents do not have a realistic job preview of the position before starting. | The critical success factors of the positions are not fully defined. |
| **Recruitment & Selection** | Candidates only possess the skills that are needed to perform effectively, but may lack the attitudes, personality traits, and behaviours that ensure organisational "fit" and promote commitment. | Some organisations are not using behavioural-based interview questions, which are designed to elicit examples from the candidates about their work history and how they behaved in previous job situations. | Advertising is limited to traditional sources such as newspapers and not fully utilising technology and sources more accessible to women and people of colour. |
| **Compensation & Benefits** | Pay is not tied to performance. | Compensation philosophy does not support the mission and culture of the organisation. | The benefits offered do not appeal to and meet the needs of the various categories of employees. |
| **Career Planning & Development** | Employees do not understand what skills are required to grow professionally and to be rewarded based on performance. | Promotions are not based on performance. | Career planning and development efforts are not tied to the organisation's business objectives. |
| **Training & Development** | There is no systematic approach to training and development. | Training and development efforts are not assessed. | A demonstrated lack of commitment to the employee's long-term development results in a lack of commitment from the employees. |
| **Effective Supervision & Management** | Command and control style of management is resisted by employees in today's workforce. | Managers not functioning as coaches and facilitators. | Manager perceived to be unfair. |
| **Diversity Management & Initiatives** | Communication, decisions, strategic planning and other forms of decision making that do not acknowledge differences such as age, colour, religion, gender or sexual preference. | Little or no diversity training designed to change the myths of diversity, to educate participants about the realities of diversity and to offer ways to respond to the challenges of valuing and managing diversity. | Workforce population does not reflect the demographics of the geographic area of the organisation. |
| **Flexible Work Arrangements** | The organisation does not allow and promote flexible work schedules. | A lack of respect from an employee trying to balance work, career, education and community. | The organisation not making short term investments to meet the needs of the employees as far as tele-commuting and job-sharing. |
| **Exit Interviews** | No exit interviews are conducted. | Confidentiality is not assured. | No analysis is done or not utilising the data collected in the interviews. |

Adapted from Ramlall (2012 p. 196)

## The role of the line manager

With the focus on employees, one way of managing such recommendations is leveraging the role of line managers. The role of line managers is described by the literature as increasingly important for effective talent management (Hart, 2012). Line managers are often responsible for employee recruitment and retention and therefore noted as being an important influencing factor in the level of employee engagement (CIPD, 2011a; Hagan Porter, 2011; Barclay & Barclay, 2011), all critical stages of the employee lifecycle.

According to a study conducted by Leary-Joyce (2010, p. 3), "in total, 70% per cent of people leave their managers and not the job". The desire to retain and engage employees is a critical focal point for the literature. Therefore, with such a large number of employees negatively affected by their relationship with their managers, finding and growing great managers is considered by the literature as crucial for effective talent management (Hart, 2012).

A valuable group of talented employees themselves, managers' ability to develop and retain other talented employees is considered critical for organisational success (Barclay & Barclay, 2011). Unfortunately, management is often given as a reward for technical proficiency, as opposed to people management abilities:

> *A successful expert who has been doing a really good job is promoted to a people management role by way of saying thank you. Neither company nor expert asks whether they have the right skills for the job, or even whether they want to do it. It is generally the only way to progress in a company, so, it's a no-brainer that they will say yes.* (Leary-Joyce, 2010, p. 73)

Often managers are appointed who are ill-equipped to actually manage people, breaking a vital link in the retention chain, with turnover, talent loss and other negative consequences (Leary-Joyce, 2010). Therefore, meeting these managers' specific needs as well as enabling them to meet the needs of their direct reports should be an important focus for organisations, as highlighted by the CIPD (2011a) and Stahl et al. (2012). Theoretically, effective managers are encouraged to draw on their skills, knowledge and attitudes in a holistic manner and demonstrate reflexive capabilities, as illustrated in Table 20 (Gitsham et al., 2008).

Table 20: Reflexive abilities: Learning to do and be

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(Gitsham et al., 2008, p. 3)

In addition, Galpin and Whittington (2010, p. 18) recommend managers adopt a number of characteristics and skills to improve their role and employee engagement. These can be encouraged through the inclusion of people management targets in each manager's performance review goals (Hart, 2012). These include:

- sharing risk and rewards with employees;
- demonstrating high standards of moral conduct;
- empowering employees;
- creating a joint sense of mission;
- clearly communicating expectations;
- encouraging innovation and creativity;
- identifying and acknowledging each individual's need for personal growth and achievement through mentoring; and
- creating learning opportunities within a supportive environment.

Adapted from Galpin & Whittington, 2010, p. 18

With their own workload these normative, theoretical expectations are partly aspirational, and can, within the context of a busy organisation, become unrealistic goals.

In comparison to the old command-and-control world of management, the literature notes that employees increasingly want a more human, compassionate and balanced leader who treats them as human beings, as opposed to human 'doers' (Barclay & Barclay, 2011). The literature consequently appears to be shifting its recommendations towards a more personalised management style, labelled 'compassionate leadership' (Barclay & Barclay, 2011). Therefore by simply getting to know employees by building relationships with them and having informal conversations about what employees want, is said to enhance retention and engagement and save time and money spent on replacing employees (Barclay & Barclay, 2011; Hagan Porter, 2011).

While a range of authors provide the same suggestions for individualised and personalised management strategies, 'how' and 'where' managers have an opportunity to learn how to implement these strategies is less clearly articulated. Despite theoretical recommendations, personalised management targets are yet to be fully integrated into managers' job descriptions and performance reviews. Although further empirical evidence is required to provide a clearer picture of current practices (Gitsham et al., 2008), the importance of great managers remains unchallenged. As Barclay and Barclay (2011, p. 25) assert, "one thing is certain, very few people leave good jobs. And most people in good jobs will tell you they work for great managers".

## Engagement

Engaging employees as a means of proactive retention is considered a critical success factor (Barrow & Mosley, 2005), and a means of 'prevention rather than cure' of high staff turnover (Rosethorn, 2009).

[Unfortunately,] *in the midst of urgent economic reality, managers have overlooked some critical but elementary tasks in terms of their employees. Yet the need to engage employees is particularly crucial during a recession, when mantras such as 'do more with less' seem to replace happy talk about the value of human resources. Often, employees are required to take on extra duties after their colleagues are laid off. But, with no financial incentive for doing so, effective commitment to the organisation begins to wear thin.* (Galpin & Whittington, 2010, p. 14).

Evolving from past research on empowerment, motivation, organisational commitment and high levels of employee involvement, engagement is noted as centering on better understanding employees' attitudes and perceptions of their working environment (Simon, 2010). The literature and discussion on engagement is immense, with a number of arguments and critiques spanning a number of years. However, given the purpose and scope of this study, engagement is only touched on as a secondary focus. While important, the following discussion is meant to provide background and context, as with previous theoretical review, and is therefore not considered all-inclusive.

Buckingham and Coffman (1999, p. 248) note that "the right people in the right roles with the right managers drive employee engagement" and enhance customer loyalty (Welch, 2011). They define an engaged employee as one who could answer 'yes' to all twelve questions in the Gallop workplace questionnaire, which is detailed below (Forbringer, 2002, p.1).

## Q-12 Workplace questionnaire questions

1. Do I know what is expected from me at work?
2. Do I have the material and equipment I need to do my work right?
3. At work, do I have the opportunity to do what I do best every day?
4. In the last seven days, have I received recognition or praise for doing good work?
5. Does my supervisor, or someone at work, seem to care about me as a person?
6. Is there someone at work who encourages my development?
7. At work, do my opinions seem to count?
8. Does the mission/purpose of my company make me feel my job is important?
9. Are my co-workers committed to doing quality work?
10. Do I have a best friend at work?
11. In the last six months, has someone at work talked to me about my progress?
12. This last year, have I had opportunity at work to learn and grow?

(Forbringer, 2002, p.1)

While the above questions appear simplistic in nature, they have been carefully designed and selected, as, only engaged employees are seen as able to answer these questions positively. The questions use extremes to assist with this process of differentiation, increasing the difficulty of answering with complete agreement, thereby measuring core elements required for attracting and retaining the most talented employees (Forbringer, 2002).

These questions have consequently become the base of many organisational employee surveys to benchmark and assist development (Simon, 2010). As a result, engagement centres on better understanding employees' attitudes and perceptions of their working environment (Simon, 2010) and is increasingly acknowledged as a critical strategy (Martin & Hetrick, 2006; Rosethorn, 2009; Galpin & Whittington, 2010). This is in part due to the work done by Saks (2006), which was significant in removing the pre-conceived, negative perceptions of engagement. He focused on job and organisational engagement, establishing both as scientific constructs and removing engagement's 'flavour of the month', 'management fad' and 'buzzword' status (Welch, 2011).In the past the majority of theoretical definitions for engagement have overtly focus on employee responsibilities. However, engagement is increasingly acknowledged as a *two-way relationship* between employees and employers (Lejeune, 2012). As a result, organisations are seen as having an important role to play in nurturing their employees' engagement levels (Simmons, 2009).

As Figure 20 illustrates, engagement is *a constant balancing act* between what employees and employers want and get. Attractiveness to employees varies, depending on what the employer is offering and what the employee receives. Finding the balance between the two is desirable, although increasingly complex, with engagement the barometer that determines the level of positive association between employees and their organisation (Simmons, 2009).

Figure 20: The balancing act of engagement

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(Rosethorn, 2009, p. 180)

Establishing a more balanced and mutually beneficial partnership with employees is therefore promoted by the literature as a key organisational goal. Consequent benefits are said to include increased profitability, productivity, customer satisfaction, employee retention, motivation and commitment, which are all considered vital in helping organisations achieve competitive advantage and superior customer service (Buckingham & Coffman, 1999; Cook, 2008).

Organisations are therefore called to holistically focus on creating a work environment that provides a sense of meaning to and challenge for each employee (Galpin & Whittington, 2010). How they go about achieving this and then maintaining it given the variation in employee needs within a single workforce, as well as the increased pace at which trends and demands change, is not always possible. While keeping employees happy is one focus of an organization, be it important, employees are in fact only one of the many stakeholders an organization needs to take into consideration when making decisions. Given the opposing needs of these stakeholders the tensions created that organisations need to manage can result in not being able to keep all its stakeholders happy all of the time.

Despite these tensions, the literature still calls for organisations to focus on determining what employees' value and what rewards, development opportunities, culture and leadership styles they find desirable (see Figure 20) (Rosethorn, 2009). This complex and multifaceted process makes the difficulties organisations experience in achieving, let alone maintaining such a process easy to understand.

Finding a solution remains a focus with limited empirical evidence or guidance presented by the literature other than further aspirational and demanding goals. If not already a complex issue, throw into the mix the rapidly changing needs of organisations' current diverse employee base, and engagement quickly becomes, as the scales illustrate in Figure 21 a strategic, complex, challenging and very complicated balancing act. As a result, further exploration is required to determine whether a practicable solution is available by drawing on existing literature in a different way, as well as investigating what organisations are currently working on and applying in practice.

Figure 21: The multifaceted process of engagement

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(Rosethorn, 2009, p. 40)

## Diversity

*Five decades ago, the case for diversity was a compliance conversation that mainly centred on workplace race and gender differences and was largely motivated to action by civil rights legislation. The diversity topic has broadened significantly in scope to include a wide range of other identity and cultural categories, including age, ethnicity, religion, sexual orientation and physical ability differences.* (Paul et al., 2011, p. 109)

Diversity is an increasingly accepted and respected matter of social and organisational fairness and consciousness (Paul et al., 2011). As a result of the major shifts in the world's demographic profile, diversity has been noted as an increasingly important factor for organisations worldwide (Pinto & Pinto, 2011). Diversity management has remained a 'hot-button' issue for many organisations, who are focused on driving greater affinity with and understanding of their customers (Pinto & Pinto, 2011).

Theoretically, diversity calls for increased focus on the understanding, accepting, valuing, acknowledging and celebrating people from various socio-cultural backgrounds within an organisation (Beechler & Woodward, 2009). This is done through the recruitment, retention and reward of a heterogeneous mix of employees within an equitable work environment (Pinto & Pinto, 2011). Organisations are called upon to acknowledge this new reality and embrace diversity as a competitive strategy despite its many challenges (Paul et al., 2011).

Diversity is described as one of the most difficult challenges of modern organisations (Henry & Evans, 2007; Pinto & Pinto, 2011). Building on the issue of tensions, discussed above, some of the issues diversity creates require management to consider prejudice, discrimination, conflict and culturally specific employee needs and preferences when business decisions are made (Pinto & Pinto, 2011).

The focus within the diversity literature has come full circle. While the diversity debate arose around race and gender issues, at the time this research began, it was focused on the generational debate. Now, however, the debate appears to be reverting to emphasise issues of ethnicity and woman in leadership.

With cultures and values gaining greater strategic attention, ethnicity has once again taken centre stage (PwC, 2012b). In addition, the literature notes, that with the rise of MNEs and organisations operating in a number of different locations, ethnicity and cultural issues are becoming a standard component of daily operations (Beechler & Woodward, 2009; Bondy et al., 2010). Even within local settings, organisations' workforces are increasingly multicultural (Blowfield & Murray, 2008; Claydon, 2011; Visser, 2011). As a result, understanding and managing different cultural preferences is seen as increasingly critical (Pinto & Pinto, 2011).

Women continue to dominate the diversity agenda (Beechler & Woodward, 2009; Colaco, Myers & Nitkin, 2011). Gender is a high priority in the literature and increasingly for business (Paul et al., 2011; Fontenot, 2013). In particular, the current focus is on women's' leadership roles at a management and board level (Evans, 2010; Hafsi & Turgut, 2013). Emphasis has been placed on ensuring woman are treated equally, paid fairly and not disadvantaged when re-entering the workforce after parental leave (Beechler & Woodward, 2009; Al-Manasra, 2013). Improvements are slowly gaining traction, with woman better educated than ever before (Jonsen, Maznevski & Schnider, 2010; Fontenot, 2013), but progress is still slow (Al-Manasra, 2013).

Gender and ethnicity are important areas in the diversity debate, and shifts within the literature reflect their renewed importance and need for it to be acknowledged. However, the issue of age diversity and the associated discussion around generational differences constitutes the main focus of the following review. Diminishing birth rates and growing life expectancy have contributed to what has been labelled the 'greying of the OECD' over the past few decades (D'Addio, Keese & Whitehouse, 2010). For many years these issues were approached with a 'wait-and-see' attitude, in line with the raising of the retirement age, but never to the point of requiring priority leadership intervention, as they are now starting to receive (Cahill & Sedrak, 2012).

Many organisations now have three distinct generations, including baby boomers, generation X and millennials, currently working alongside each other. Issues or tensions between these different cohorts are said to arise due to a lack of understanding (Lunsford, 2009). Such misunderstandings can result in decreased job satisfaction, productivity and even retention. Theoretical literature argues that these issues usually revolve around leadership, culture, engagement, work-life balance, communication, teamwork and technology differences (Twenge & Campbell, 2008; Myers & Sadaghiani, 2010).

The millennials and baby boomers have been given the most attention in the literature, in terms of the one group joining and other group exiting organisations. The millennials already make up 25% of the global workforce, which will increase to 50% by 2020 (PwC, 2012a). With their valuable technological capabilities (Next Step, 2008), they are increasingly seen as the future of organisation's workforces, skills base, talent and subsequent long-term strategy achievement (PwC, 2012a). On the other end of the age spectrum, baby boomers are edging closer to retirement. Organisations are consequently said to becoming more conscious of retaining this talent segment, because of the core skills they provide that businesses still require (Mountford, 2010; PwC, 2012a). As a result, with both segments still valuable employee groups, increased attention is called for from the popular literature to be placed on better understanding each generational group and how best to leverage their differences to meet more noticeable talent shortages (Versantworks, 2009; PwC, 2012a).

Despite the increased attention on diversity, in both the literature and popular press (De Meuse & Mlodzik, 2010), questions still remain as to whether these apparent differences are actually real (Lester, Standifer, Schultz & Windsor, 2012), and whether they are as simple as they appear in the literature (Hole et al., 2010). De Meuse and Mlodzik (2012), after comparing peer-reviewed studies with popular media, note that very few consistent differences exist between different generations in workplaces. This supports their view that making sweeping generalisations about all individuals within a group is difficult at best (De Meuse & Mlodzik, 2012). In addition, Lester et al. (2012) also conducted a study to gain a better understanding of how employees of different generations view these apparent generational differences. They conclude that while some differences were acknowledged, the vast majority were perception based, as opposed to real (Lester et al., 2012).

Although the differences between generations are at times exaggerated, De Meuse and Mlodzik (2012) highlight the positives to be gained by way of increased innovation and creativity from a multigenerational and diversified workforce. With organisational conflict inevitable regardless of life stage, gender, culture or age, management should always be aware and sensitive to these differences (De Meuse & Mlodzik, 2012). Therefore, organisations should focus on demographic shifts at all levels and the strain these differences will place on talent management practices, and should, according to the literature, work on developing and retaining talent cross-culturally (De Meuse & Mlodzik, 2012).

In addition, many of the talent strategies and generational differences identified in the literature assume congruence between countries (Hole et al., 2010). If these differences were based on and influenced by social and political events, Hole et al. (2010) believe that differences must then exist between countries and cultures as well. In line with an increased focus on ethnicity, they note that "claiming that 'millennials are millennials' wherever they are in the world is tantamount to blithely saying that 'customers are customers' the world over" (Hole et al., 2010, p. 87).

The discussion over generational differences is mixed. What is clear is that while diversity is an increasingly important organisational strategy (Paul et al., 2011), recruitment, engagement and retention strategies should adopt a holistic approach that not only considers age, but cultural differences, social settings and gender preferences as well (Hole et al., 2010).

## Summary and assessment

As illustrated by the above models the focus by academics and management consultancies on internal strategic alignment and external reorientation is becoming an important issue in HRM development.

The continuously forward-focused, improvement-orientated models, as well as the overly positive theoretical HRM discussions, all support a common *hope* that "HR will be able to contribute and achieve its goal of delivering sustainable competitive advantage that will result in organisations that are always fit for the future" (Sears, 2010, p. 24). Curiously it would appear that despite previously being unable to meet increasing demands, the literature's solution to such failings is to promote further models that are increasingly demanding and aspirational and still normatively based and empirically unsupported.

Seemingly unaware of such observations, the role and structure of HRM remain dominant theoretical themes, with the literature continuing to promote large and dramatic leaps forward for HRM which are unrealistic and provide limited guidance for practical inclusion into dynamic and complex organisations. In addition, given the limited results currently visible in practice, it may be worth trying a more incrementally-focused approach. If HRM is able to take the first small step and use the space the GFC has created as an inflection point for positive development, it could potentially initiate the desired change process.

However, while the GFC may have provided an opportunity for HRM to regroup, what HRM does with the opportunity remains to be seen. Human resource management is encouraged by the literature to take stock and establish where it is currently placed within the more turbulent, flexible and responsive organisational environments it now needs to operate in. While the environment continues to change the constraints still fundamentally restraining HRM's practical advancement remain unchanged. The issue of best fit versus best practice is still being debated in the literature. with issues of culturally embedded and historical practices coming to the fore. How HR manages these ingrained practices, as well as balancing the inherent role conflict it endures between supporting management and advocating for employees remains unclear.

In additions with diversity an increasingly central business issues along with talented and best fit employees, HRM's service scope is seemingly increasingly expanding with limited practical guidance as to how it can manage such demands. While the literature calls for HRM to establish where it wants to be, most importantly, how it is going to go about achieving this, and the barriers and practical obstacles it will face in doing so, are for the most part ignored or glossed over.

While the literature provides an endless array of extensive recommendations, they remain for the most part normative and overly prescriptive. With limited uptake in practice than would be hoped for by the literature, it would appear, as noted above that a number of barriers may still exist to effective application. With many stakeholders and consequently a number of tensions to manage and negotiate, adopting and following the literatures recommendations is not always straightforward in practice. In addition expecting both line and HR managers to adopt and suddenly take on a multitude of additional roles and responsibilities is not only idealistic, but unrealistic and consequently not overly helpful.

Expecting HR managers to behave as ethical stewards with limited guidance as to how to balance the needs of organisations with its employees and other multiple stakeholders can be seen as problematic. In addition, while the whole employee are increasingly recognised as core competencies and recruitment, retention and engagement have all finally obtained equal status and importance, expecting both HR and line managers to be able to negotiate the complexities associated with ensuring consistency and increasingly individual and personalised management style, without adequate practical support is unrealistic.

There are still considerable gaps between theory and practice. While this study highlights this and the need for further practical and incremental guidance, it also celebrates the successes of the minority. While many are still unable to overcome culturally embedded and historical practices, advances are being apparent with some moving, if in different ways towards these aspirational goals and contributing positive changes as a result. Further empirical data is therefore required to understand what these organisations are doing to affect change.

As a result, a number of questions remain which require practitioner insights. Where and how does HRM gain the necessary skills and capabilities recommended by the literature? How do they build their knowledge and better align themselves to the business? How does HRM deliver more strategically? Why are HR professionals not already insight-driven, strategically in-tune leaders? A transformational change in HRM is widely supported and increasingly demanded by the literature, yet how HRM goes about achieving this change and improved integration still remains unclear.

With the current literature still normatively based, aspirational and demanding, what appears to be needed is a fresh perspective to assist HRM in starting to answer some of the above questions. As a result, the following sections explore the degree of interaction HRM has with other areas within the organisation in a bid to explore if a more practically viable solution is possible. This discussion draws on the limited, generally segmented and again normatively dominated literature to examine loosely alluded-to relationships between HRM, CSR, EB and by extension, Marketing.

# Relationship perceptions

## Introduction

With stakeholders, as noted by certain authors, collectively demanding greater transparency from business, organisations are consequently being held to high levels of accountability (Ogrizke, 2002; Inyang et al., 2011). This evolving relationship between business and its stakeholders is seen as reflective of an increased "interconnectivity, interdependence and increased transactivity of organisations with its social, political, economic and ecological environment" (Schoemaker, Nijhof & Jonker, 2006, p. 449). The significant impact and legacy of the GFC has intensified this demand and recent empirical surveys suggest that the crisis has enhanced, as opposed to deterred, corporates focus and investment in CSR and sustainable business practices (Gond, et al., 2011).

A common theme has been that of greater collaboration and partnership within organisations' internal processes and departments to provide a holistic and consistent response to external pressures. Despite this persistent call by the literature, the relationships between these concepts and functions remain weak and with limited empirical evidence to support the sometimes dramatic and heroic recommendations and claims made in theory. The tensions present in the literature also do little to support increased practical uptake of the proposed developments, with numerous stakeholder demands and priorities needing to be balanced and addressed by organisations. In addition, as the literature under review adopts a predominantly stakeholder, as opposed to shareholder centric perspective, the context within which the literature is framed does not necessarily match the context within which organisations need to operate in practice.

Interestingly, while overlaps are indirectly alluded to by a number of authors, analysis of purposeful and more direct relationship are much less common. As a result, the following section draws on literature that does focus on the links between these concepts, with the aim of providing a starting point for the thesis' empirical analysis. A review of the overlap between CSR and HRM is firstly presented, followed by an assessment of link between CSR and EB. As the relationship between HRM and EB was covered in the EB section, only a summary of this relationship is presented in this section. Finally, the overall relationship between CSR, EB and HRM is assessed

# CSR & HRM

Authors of recent literature appear .convinced that an organisation's function in society has changed (Schoemaker et al., 2006; Lis, 2012). This literature consequently calls for organisations to respond to their constantly changing stakeholder demands and build social issues into their strategies in meaningful and visible ways (Inyang et al., 2011). These suggestions are however generally normative and lack explanations as to how organisations should implement such changes.

Despite this lack of practical guidance organisations are said to be slowly realising that CSR is not a fad or optional extra anymore (Tench, Bowd & Jones, 2007). Corporate social responsibility is noted as being increasingly recognised as a strategically important value generator for business (Lam & Khare, 2010). Drawing on the literature's claims and evolving beyond philanthropy, CSR should now include management systems and strategic business practices that demonstrate increased social awareness and consideration (Ogrizke, 2002; Gond et al., 2011). It is therefore predicted by certain authors that being proactive about CSR and integrating it into business policies and processes will result in increased competitive advantage for companies and value for customers (Inyang et al., 2011).

In order for CSR to be successful, Lam and Khare (2010) call for a systematic process of implementation that has top management commitment, as well as organisational support and buy-in. While it is imperative that top management drives CSR, it would appear that CSR has remained within the executive realm and not extended to include the input of other key organisational functions (Inyang et al., 2011). This exclusive approach has probably detracted from the effectiveness of CSR implementation. Employees as well as the role of HRM have been neglected in this process, which, according to Lam and Khare (2010, p. 4) negates the "potential to foster an organisational wide CSR culture as well as develop competencies to enhance CSR".

## The role of employees

Employees are often promoted by the literature as a key organisational asset (Sroufe, Liebowitz & Sivasubramaniam, 2010). Inyang et al. (2011) refer to employees as the 'DNA' of an organisation, its key source of competitive advantage, and the most strategic stakeholder in terms of CSR involvement and bottom line impact. Employee understanding of, support for, and involvement with CSR are consequently presented as the means of bringing CSR strategies to life (Strandberg, 2009). Establishing productive and reciprocal relationships that meet the needs of employees through effective people management practices are presented as prerequisites for establishing effective external stakeholder relationships (CIPD, 2003; Bonfiglioli et al., 2006). How these relationships are initiated, developed and maintained is not an area the literature generally addresses. Again the focus remains on the 'what', with little explanation as to the 'how'.

Responsible not only for customer service delivery, but community project interaction and environmental work initiatives implementation, the literature identifies employees are an important CSR driver (Sukserm & Takahashi, 2010). Despite this acknowledgement, the dominant theoretical focus on employees and CSR tends to be externally focused on employee-delivered activities, *with very limited attention given to internal practices that are employee-focused*.

## Employee-focused CSR activities

Recognising the lack of attention paid to internal practices, Vuontisjärvi (2006) identified and compiled a list of the most commonly included employee-focused CSR policies and practices. Based on the analysis of the annual reports of Finland's 205 largest companies, these include (Vuontisjärvi, 2006, p. 337):

- Training and staff development;
- Pay and benefits;
- Participation and staff involvement;
- Values and principles;
- Employee health and well-being;
- Measurement of policies;
- Employment policy;
- Security in employment;
- Equal opportunities (diversity); and
- Work-life balance.

Although the areas of research are slightly different, the results of Gond et al.'s (2011) empirical study, focused on identifying areas of HRM and CSR overlap, support Vuontisjärvi's (2006) conclusions (see Table 21). With only a few years difference between these studies, it would appear that during this time, diversity in particular has dramatically increased as an area of focus for business. For many these activities would traditionally be associated with the HRM function. However, it would appear that in line with the move by the literature to now consider employees an important stakeholder group, their treatment and activities associated with their wellbeing have gained strategic emphasis. Again it is useful to note that the title employee-focused CSR is not another way of conceptualising CSR as a subject, but more a means of identifying those areas within CSR that are focused on employees.

**Table 21: Assessing HRM's practical contribution to responsible leadership**

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(Gond et al., 2011, p. 125)

My previous research builds on Vuontisjärvi's (2006) criteria, Gond et al.'s (2011) model, and other well-known global reporting indicators. It established the following set of employee-focused CSR criteria, as illustrated in Table 22 (Raubenheimer, 2008).

Table 22: Employee-focused CSR activities

| Common Areas of Focus | Examples |
| --- | --- |
| Training and career development | Life-long learning emphasis and spending per employee |
| Diversity | Organisational demographics, anti-discrimination, equal opportunity promotion, minority and disability group inclusion, women in management programs, age-neutral policies and cultural inclusion |
| Supportive working environment | Work–life balance, part-time and flexible working options, employee participation and involvement, two-way communication and family support including childcare facilities and maternity and paternity leave policies. |
| Health and Safety | Employee well-being, education, counselling and workplace policies and practises |
| Remuneration and benefits | Share plans, employee appraisals, performance standards and bonus schemes |
| Employee engagement and satisfaction | Surveys and employee empowerment |
| Employment Relations (ER) | Union relationships, collective bargaining and freedom of association |
| Organisational values | Codes of ethics, mission statements, values and business principles |
| Employment policy | Layoffs, restructuring policies, turnover, retirement, recruitment and selection policies and job creation initiatives |

(Raubenheimer, 2008, p. 95)

## Good HRM

These areas capitalise on both CSR and HRM and are referred to by Gond et al. (2011, p. 123), as 'good HRM'. This overlap is illustrated in Figure 22 below, and presents a socially responsible approach to HRM practices. The literature argues that the CSR–HRM overlap is growing due to an interdependence being established between CSR and HRM. On the one hand, HRM is called to increasingly leverage CSR and utilise it within core HRM practices. On the other hand, CSR practices are considered increasingly reliant on HRM for their increased effectiveness (Gond et al., 2011). According to this literature, CSR should therefore be leveraged within recruitment and retention to promote socially responsible organisational behaviour. It is important to note that CSR "can affect virtually all HRM processes, from pay and compensation to career and talent management, job descriptions or incentive design" (Gond et al., 2011, p. 123).

Figure 22: Socially responsible HRM

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(Gond et al., 2011, p. 123)

With the above activities noted as crucial, an organisation's CSR purpose is being influenced by a number of factors, including country of operation, customer demographic, industry, international institutional standards and local and international trends (Blowfield & Murray, 2008). Therefore, the mix of CSR issues will evolve over time and vary from company to company, which makes it impossible to prescribe the exact combination of issues included in a company's CSR policy at any particular time (Werther & Chandler, 2006). This lack of clarity and room for debate doesn't seem to have assisted in these theoretical recommendations being more readily adopted in practice. However, a best fit, as opposed to best practice approach, is promoted (Marler, 2012), which should supposedly assist in more personalized practical implementation. However, what the list in Table 24 does provide is a starting point for this thesis' empirical research.

## HRM as CSR leaders

> *The power of CSR for HR is that it incorporates what HR is already doing, but integrates it with the business and with other key functions of the company and ties the whole package to strategy and the business case.* (Fox, 2007, p. 44)

Human resource management is posited recent literature as being in a unique position to support an organisation's CSR performance, with capabilities specifically targeted at employees. Human resource management policies and practices are described as forming the framework for an organisation's culture and are therefore perfectly positioned to embed CSR values of corporate citizenship into an organisation's culture (Inyang et al., 2011). This is regarded as then being able to create awareness among employees of CSR values, to foster ethical goals, and HRM's organisational standing (Lam & Khare, 2010). In fact, certain researchers are concerned that HR

professionals may be missing out on an important opportunity to capture core competencies that customers will want and competitors will be unable to duplicate, by not stepping up to take a proactive lead with CSR (Sroufe et al., 2010).

> *CSR is not something that can happen overnight. It takes organisational initiative, effort, and perseverance, in addition to individual knowledge, skills, and ability. Ever since the debut of strategic human resource management about three decades ago, HR has increasingly been gaining recognition as an organisation's strategic partner, but there is still a long way to go. Being able to take on a crucial role in CSR, which has a trend towards prominence in the management world, will provide HR a great opportunity to raise its strategic profile and have a deeper and broader positive influence on employees and humanity overall.* (Lam & Khare, 2010, p. 13)

Human resource management is therefore called upon by some of the literature to take ownership of CSR and drive the process holistically from crafting policy, implementing it, to involving employees in the process (Inyang et al., 2011). This includes a range of responsibilities incorporating:

- leading and educating employees on the value of CSR;
- developing responsible and sustainable CSR practices;
- communicating CSR activities to stakeholders ; and
- providing direction, control and action plans for implementing CSR initiatives
  (Inyang et al., 2011, p. 124).

Human resource management's functional focus should be concerned with all activities that relate to the successful and sustainable attraction and retention of talented employees (Gond et al., 2011). While the literature advocates this approach, how HRM adopts and integrates CSR without top management support remains to be seen. The question therefore remains as to whether HRM taking a practice lead of CSR would in fact assist in their pursuit for enhanced strategic influence, as opposed to being yet another unrealistic and overly ambitious theoretical suggestion? According to the literature, being sustainable should include a focus on "developing innovative social and environmental practices that promote collaborative efforts across functions, create unique social capital and, build long-term economic value for a firm" (Sroufe et al., 2010, p. 35).

This is in also in line with Ulrich's (1998) suggested role for HRM as 'change agents' (Gond et al., 2011). Corporate social responsibility is seen as being about managing changes in philosophy and behaviour (Sroufe et al., 2010; Lam & Khare, 2010). Leading and facilitating a sustainable culture through CSR is consequently seen by some, as critical tasks for HR managers as change agents (Sroufe et al., 2010).

It therefore makes sense to certain researchers (Glade, 2008; Melynyte & Ruzevicius, 2008) for HRM to lead CSR initiatives, as "CSR does not change, so much as broaden the HR agenda, and focuses on effective implementation" (CIPD, 2003, p. 4). Corporate social responsibility is described as providing HRM with the opportunity to contribute to business success, improve employee engagement, and help HRM develop the skills it needs to become better integrated into a businesses' strategy formulation (Lam & Khare, 2010). It could therefore be seen as one option of 'how' HRM could go about meeting the predominantly normative theoretical recommendations made by the literature.

## Benefits of collaboration

As well as providing a way for HRM to better align itself strategically within an organisation, CSR also serves as a genuine point of differentiation for a company (Bhattacharya et al., 2008). It has been noted in the literature as acting as a "draw card in a crowded labour marketplace, and can grab the attention of a certain type of highly skilled, highly motivated employee" (Fox, 2007, p. 45). It should therefore help a company position itself within the market and build credibility and trust with current and potential customers and desirable employees (CIPD, 2009; Inyang et al., 2011). This then results in a further win-win scenario, as highlighted by Fox (2007).

Another area where CSR and HRM are said to naturally interact is recruitment and the attraction of talented employees (Lis, 2012). According to the literature, organisations with a reputation for high quality CSR practices are seen as potentially more attractive to employees (Kim & Park, 2011). In line with the call from employees to be increasingly CSR conscious, organisations should, as outlined by the literature, leverage their employee-focused HRM capabilities to meet these increasingly important stakeholders' needs (Lis, 2012). Corporate social responsibility could therefore be considered an effective tool for HRM to leverage to attract desirable employees (Lis, 2012).

Human resource management's CSR role can be further extended into the realm of retention. In recent literature HR practitioners are called upon to educate and lead an organisation's employees to better understand and connect with the organisation's CSR goals (Inyang et al., 2011). With human capital considered the number one intangible value driver of an organisation (Inyang et al., 2011), the interface between CSR and HRM is further highlighted as good business sense (Lockwood, 2006). In addition, Lis (2012) notes the subsequent flow-on effect this would have for organisations' competitive advantage and HRM's enhanced strategic alignment and success.

Corporate social responsibility is therefore seen as comprising a "legitimate, compelling and increasingly important way to attract and retain good employees" (Bhattacharya et al., p. 37). Being able to attract talented CSR-orientated employees would further foster a CSR-focused culture. In turn, this would attract and create a greater supply of talented and CSR-focused employees, which would then assist and ease HRM's recruitment role (Lis, 2012). Such a virtuous circle is highly desirable given the current concerns over talent shortages and the race for core labour.

*Everybody wins because engaged and motivated workers are more likely to deliver competitive, innovative solutions that result in better financial performance. Society benefits through the products and services delivered. And the circle is completed, because workers themselves form a large part of society and those products and services affect the quality of their lives.*
(Jarboe, 2009, p. 37)

As well as benefiting the organisation's internal and external stakeholders, CSR can benefit an organisation through cost savings and improved image and reputation (Lam & Khare, 2010). In addition, by allowing employees to be involved and have some control over their work, the key social aspects of CSR - productivity, engagement and quality of life - can be improved (Lam & Khare, 2010).

These benefits reinforce findings from a study done by the World Business Council for Sustainable Development (WBCSD, 2010) that found 75% of CEOs saw employees as a key driving force for corporate citizenship and 60% noted employee motivation as one of the key benefits associated with successful CSR implementation. Five further benefits of employee- and HRM-driven CSR were found (see Table 23).

Table 23: Benefits of HRM-driven CSR

| Benefit | Details |
|---------|---------|
| **Behavioural change** | The gains of CSR in terms of cost savings, risk reduction, reputation enhancement and innovation arise due to behavioural changes of employees in relation to how they work, learn and pursue goals. |
| **Innovation** | If employees are able to make clear connections between issues that matter to them, their community and business, they will be motivated to address CSR-related concerns. |
| **Attraction and retention** | A commitment to CSR helps attract and retain talent. |
| **Motivation and productivity** | Employees are motivated when an organisation has purpose. They will go the extra mile, take initiative and work collaboratively if they feel valued. |
| **Reputation** | Employees can both strengthen and damage an organisation's reputation. The strongest driver for CSR, reputation, is dependent on employees playing a key role as front line ambassadors, because without them CSR becomes a mere public relations exercise. CSR – HR = PR |

Adapted from WBCSD (2010, pp. 4-5)

## Barriers to effective collaboration

However, despite the attractive benefits and increased stakeholder pressure, there appears to be limited practical uptake of such a collaborative strategy in practice. Sroufe et al. (2010) argue that this is due to a potential lack of understanding of the policies and actions required for successful CSR implementation. This is understandable given the vastness and continued expansion and development of CSR as a comparatively immature theoretical subject area. The vast majority of organisations prefer to wait and watch and learn from a few trail-blazers to determine what is tried and tested. This again puts greater emphasis on the need for increased empirical results in the literature. This is problematic, because with limited leadership, organisations will remain hesitant and progress will be slow. In addition, there appears to be a number of barriers and challenges for organisations to overcome.

Sroufe et al. (2010, p. 39), drawing on the answers provided by a small sample of American executives, suggested the following three reasons why organisations do not foster or continue to build sustainable business practices:

- lack of commitment and buy in from both management and employees;
- lack of resources; and
- cultural and institutional resistance to change.

In addition to these three barriers, Lam and Khare (2010) note that HRM, while itself regarded as a key driver of CSR integration and development, can also be a barrier. If HRM doesn't understand and recognise the benefits of CSR fully, there is less opportunity and potential for CSR to grow and become a core part of the organisational culture (Lam & Khare, 2010). Consequently, with limited empirical studies available, it remains to be seen whether practical implementation reinforces or contradicts the literature's positive assessment of CSR and its benefits.

> *Recognising the need for a strategic, rather than a piecemeal approach to sustainability, the HR function can facilitate, if not lead, the sustainability effort by laying the groundwork, designing systems that help build a sustainability culture, and become the champion of the organisation's transformation to sustainability.* (Sroufe et al., 2010, p. 42)

## Summary

The literature focused on the relationship between HRM and CSR appears to have increased recently, especially since this research was first initiated in 2008. Theoretically, the overlap between CSR and HRM is seen as mutually beneficial to both areas. Corporate social responsibility is described as not only able to dramatically enhance HRM's strategic alignment within an organisation, but also further enhance HRM's ability to develop core competencies by recruiting and managing 'best fit' employees. In turn, this is noted as helping organisations meet customer needs through improved employee service, which should, according to the literature unlock sustainable competitive advantage.

Therefore, a virtuous circle can be drawn from the above theoretical discussion. By HRM embracing and incorporating CSR into its activities with the support of top management, CSR is theoretically endorsed as able to consequently be embedded into an organisation's culture. This is then said to result in improved talent attraction through an enhanced CSR-focused reputation, as well as increased employee buy-in and subsequent retention. According to the literature, with the support of employees, CSR can promote improved business outcomes as well as HRM's strategic standing and greater business alignment. This in turn promotes further CSR integration into the business, driven and developed through successful and proven HRM leadership.

However with limited empirical support and clarity around CSR as a subject matter and with many organisations still conceptually CSR as a purely community focused or externally and environmentally orientated function, the connection with HRM is not always an easy connection to make. In addition, with the rapid developments in breadth and focus of CSR, many organisations although cognisant that it may have progressed beyond a management fad, have not yet committed to invest in it to the extent required for the literature's recommendations to be effective.

Despite these potential barriers, parts of the literature are still confident that by HRM gaining a comprehensive understanding of CSR and leveraging it within its core functions, it has the potential to dramatically update its practices and possibly ease its workload. Corporate social responsibility could also help to answer many of the 'how' questions facing HRM by potentially assisting HR managers to gain the skills necessary to become more strategically aligned. The question remains, though: Has this started to become mainstream *practice* for organisations?

# CSR & EB

The past few years have seen a sudden spike and a growing body of research considering and investigating the overlap between HRM and CSR. In contrast, the literature focused on the intersection of CSR and EB seems to come more from the early 2000's, with more recent literature increasingly focused on corporate Marketing (Hildebrand, Sen & Bhattacharya, 2011), corporate communications (Pollach, Johansen, Nielsen & Thomsen, 2012) and corporate identity (Abratt & Kleyn, 2012; Hildebrand et al., 2011).

As a result, the theoretical connections drawn between CSR and EB are much more subtle and indirect. Although CSR and branding are still generally considered separate areas of study (Polonsky & Jevons, 2009), CSR is increasingly considered by the literature to be a core component of an organisation's brand (Werther & Chandler, 2008). In addition, CSR has increasingly being adopted within the Marketing discipline and considered beneficial to building corporate brand equity and organisational image (Chahal & Sharma, 2006). As a result, theoretically, a key area of overlap between CSR and EB would appear to be an organisation's reputation (Brammer & Pavelin, 2005; Gardberg & Fombrun 2006), which Melo and Galan (2011) describe as the 'missing link' between CSR and branding.

The following section will discuss the impact of CSR on an organisation's internal and external reputation, as a means of meeting both customers' and employees' growing socially conscious needs. In addition, CSR's application as a branding tool and means of developing organisational trust will be addressed. Theoretically, while the relationship between CSR and EB is considered mutually beneficial and interdependent by some, while for others barriers still remain that hinder collaboration.

"[Corporate social responsibility] can help raise an organisation's legitimacy and reputation in the eyes of external stakeholder, which can lead to higher sales, lower costs, as well as long term sustainability" (Lam & Khare, 2010, p. 3). Theoretically CSR is consequently described as a key driver of corporate reputation, based on its ability to develop hard-to-duplicate core competencies and competitive advantage (Melo & Garrido-Morgado, 2012). Although limited explanation is given as to how this can be practically achieved, Melo and Garrido-Morgado (2012) propose that this is only possible if CSR is fully embedded within the corporate reputation

According to Simmons (2009), the external application of CSR within the reputational space has been leveraged by Marketing to attract and keep customers. However, with the strategic approach to CSR based on a multiple stakeholder approach, a holistic and integrated approach to branding appears to be taking hold (Hildebrand et al., 2011). Internal (employer branding) and external (consumer) branding are consequently regarded by some as becoming more aligned (Simmons, 2009). Therefore, if a CSR-orientated reputation influences external stakeholders in terms of customer loyalty, it could potentially, as noted by Lam and Khare (2010) also be more internally focused on attracting, motivating and retaining employees.

Employee attitudes, like those of customers, are seen as being heavily influenced by how fair and responsible they consider an organisation to be (Rupp, Ganapathi, Aguilera & Williams, 2006). Employees are "beginning to add ethical issues to their list of considerations" (Ogrizke, 2002, p. 221) when looking at organisations for employment opportunities.

> *The majority of the generation of 20 and 30 year olds buy into an understanding that life consists of something more than the material side...The greed associated with the 1980's and early 1990's is tempered by a desire for organisations to behave in a socially responsible way. During our last round of graduate recruitment, a surprising number of people asked 'what are your policies regarding social responsibility?' That has never happened before.* (Ken Costa, Vice-President of UBS Warburg, as cited in Ogrizke, 2002, p. 221)

Although these authors' assessments pre-date the GFC, given the GFC scandals and the ever increasing media attention on organisations, the focus on socially aware, sustainable, more transparent and trustworthy business practices, appears to have only intensified since then (Sears, 2010; Gond et al., 2011).

The literature considers reputation to be a precious intangible asset (Branco & Rodrigues, 2006). It functions as both a means and a signal to constantly remind organisational stakeholders of the firm's key characteristics (Simon, 2010). Therefore, as noted by Melon d Garrido-Morgado (2012), the image a company wants to project should be in line with present and future stakeholder expectations (Melo & Garrido-Morgado, 2012).

Drawing on management practice and behaviour, Melo and Garrido-Morgado (2012) go on to argue that engagement in CSR is seen as the most effective means to generate sustainable competitive advantage while still meeting the needs of diverse stakeholder groups. Corporate social responsibility can therefore be seen as a way to improve the organisation's image, strengthen its brand (Porter & Kramer, 2006), and result in what Melo and Garrido-Morgado (2012) call a 'good' reputation.

Due to customers' as well as potential and existing employees' increased demands for greater transparency and CSR engagement (Sears, 2010), CSR, according to Ogrizke (2002) should be taken more seriously by businesses. Integrating CSR into an organisation's recruitment messages and then ensuring delivery once employment commences is reliant on a well-developed and integrated CSR approach (Simmons, 2009). Consequently a well-developed CSR strategy becomes a prerequisite for such a scenario. Given many organisations are still unsure of CSR and how to effectively go about implementing it, embedding it into a recruitment strategy would not be possible. As a result such integration would not even be a consideration.

Stakeholders are said to have become more discerning in their assessment of organisational reputations and skeptical of those who incorporate CSR superficially (Arendt & Brettel, 2010). As promoted by the literature, authentic CSR initiatives transcend Marketing ploys to provide a true representation of the organisation's actual policies and processes (Arendt & Brettel, 2010). Having CSR policies and practices in place that involve HRM and the active participation of employees, will, according to Inyang et al. (2011), ensure an organisation's CSR efforts are more than public relation exercises (CSR – HR = PR).

As noted by Hildebrand et al. (2011) an organisation's CSR responsibilities should therefore be integrated and should involve a number of different departments, as well as employees. These responsibilities are seen as being dependent on effective communication and reciprocal interactions both within and outside an organisation (Kitchin, 2003). Given historical tensions, for many organisations although cooperation and coordination is required between functions, this in many instances still tends to be project based, as opposed to a means of conducting day- to-day strategizing and ongoing operations. Consequently while communication may be improving, reciprocal interactions are for many a work in progress. However the literature, despite such practical considerations, still suggests that all corporate communications should therefore be coordinated with a common starting point (Arendt & Brettel, 2010). Ideally they should also all be based on a sustainable corporate story that contributes to the creation of a positive employee valuation proposition, reputation (Martin & Hetrick, 2006) and organisational identity (Arendt & Brettel, 2010). However, achieving such a theoretical ideal in practice is for many organisations not a reality.

Regardless, the literature promotes the importance of corporate identity, which is defined as including the impressions, image and personality that an organisation presents to its stakeholders (Arendt & Brettel, 2010). Managing identity is theoretically addressed as requiring an organisation to establish a favourable reputation with its stakeholders, which can be done through the effective communication of a CSR strategy (Lam & Khare, 2010). Corporate social responsibility is therefore considered a critical factor in organisational identity building because it is theoretically understood to be able to facilitate corporate image and reputation attractiveness and consequently increase overall organisational performance (Arendt & Brettel, 2010).

## CSR as a branding tool: Building trust by delivering on promises

Corporate social responsibility becomes a strategic branding tool in the literature when it is communicated with stakeholders (Morsing, 2006). By leveraging CSR within its employment proposition, an organisation's CSR can become an intrinsic part of their psychological contract. This supports Backhaus and Tikoo's (2004) promotion of CSR as a means to attract desirable employees by offering something employees consider valuable (Rosethorn, 2009).

Based on its empirical research, the CIPD (2003, p. 18) regards healthy and effective relationships as dependent on "trust, fairness and the confidence that the other party will deliver". Organisations by leveraging CSR in their value proposition and through their brand reputation should be able to convince employees and customers that they can be trusted (Ogrizke, 2002; Melo & Garrido-Morgado, 2012).

While branding, corporate identity and reputation are theoretically assumed to be the communication base for CSR, CSR in turn can be seen as the authentic and performance delivery base for brands. "Brand-based companies today need to not only be well known, but also well regarded" (Werther & Chandler, 2005, p. 318). While visibility and penetration of a brand is still a priority, it now also needs to incorporate a more socially responsible focus (Bolton et al., 2011). Therefore, while CSR should be leveraged in an authentic manner externally within the value proposition, CSR practices, as clarified by Simmons (2009) need to ensure that they are in line with and reinforce those promises internally. As Hildebrand et al. (2011, p. 1360) explain "by communicating it [CSR] internally and engaging employees in CSR activities, managers will successfully promote congruence between the corporate identity as perceived by external stakeholders".

Consequently, the two concepts can be regarded as interdependent. A great employer brand cannot last if it is not making promises in line with stakeholder demands, or not actually delivering on those promises. In the same way, while CSR can still contribute socially without employer branding, it does, according to Hildebrand et al. (2011) lose its strategic alignment, external voice, effectiveness, and engagement levels are also dramatically hindered. Therefore, by "rooting employer branding in the philosophy of CSR, employer branding is transformed into a sustainable and trustworthy value-creating process" (Aggerholm, Andersen & Thomsen, 2011, p. 119).

Corporate social responsibility has also been shown to be an increasingly important factor in differentiating an organisation from its competitors (Bhattacharya et al., 2008; Simmons, 2009), and is just as important in determining an employee's desire to be employed and stay employed (Ogrizke, 2002; Hildebrand et al., 2011). Employer branding, in turn, is theoretically defined as focused on articulating why an organisation is distinctive and how it can generate value for its employees in order to promote recruitment, ensure retention and build commitment (Amble & Barrow, 1996; Mosley, 2007; Rosethorn, 2009). With both CSR and EB working collaboratively, the imperative for sustaining and building a company's talent, customer service and strategic competitive advantage is enhanced (Martin et al., 2005; Rosethorn, 2009; Hildebrand et al., 2011).

While such a relationship looks great on paper, why uptake of such a seemingly benefit generating relationship is not more prevalent amongst organisations again raises the question why? What is happening in practice that hasn't been taken into theoretical consideration is unclear. However, given the above discussion and these theoretical recommendations rely heavily on a number of assumptions, including existing and effective CSR application within the organisation to begin with, it would appear that barriers tor practical success are still of concern.

## Barriers to success

Despite these positive theoretical claims, many organisations are still "struggling to understand and buy into the demand to be socially responsible, let alone, reconciling it with the realities of today's global hyper-competitive marketplace" (Hildebrand et al., 2011, p. 1354).

Given the barriers unique to each concept, it is easy to understand why organisations are yet to connect the dots between these concepts in practice. While EB is further along the path to organisational acceptance and greater practical implementation, CSR, with its conceptual ambiguities, is yet to be embraced by mainstream business. As a result, the possibility of gaining benefit from improved alignment may never become a reality for many organisations. The integration of CSR and EB can therefore be seen to be dependent upon at least a reasonable degree of individual organisational success for each concept.

In addition, the integration of such concepts is generally reliant on their currently independent management functions coordinating their efforts and working together. With CSR still generally an independent, or increasingly marketing associated concept and EB theoretically considered a part of HRM, historical rivalries, hierarchies and traditional roles still seem to play out and hinder greater collaborative progress. Like all organisational practices there are costs associated with developing new frameworks and coordinating new efforts. Cost considerations therefore provide a further constraint to greater practical application. The literature's claims given their relatively normative and 'new' status are also underdeveloped and lack empirical support and critique. As a result their aspirational and 'heroic' assumptions are not always well aligned with the practical realities of organisational operations.

Despite these concerns, this literature promotes integrating CSR initiatives with EB as the logical next step for HRM management (Hildebrand et al., 2011). While both provide value separately, together, or at least aligned, they are seen to both gain greater influence by reinforcing and enhancing each other's effectiveness (Blumenthal & Bergstrom, 2003; Simmons, 2009). The appeal and strategic success of EB is based on its ability to create value (Werther & Chandler, 2005; Hildebrand et al., 2011), but also on its need to be credible, aspirational and sustainable (Martin, 2009).

## Summary

Unlike CSR and HRM, the alignment between CSR and EB is defined by a more difficult conceptual integration. The literature's promotion of greater alignment in response to greater consumer and employee social consciousness appears to support a mutually beneficial relationship between CSR and EB. This is also supported by the increased importance of an organisational reputation, and a trustworthy employer–employee relationship. Achieving a successful relationship in practice is very difficult, given the current barriers still faced in adopting both concepts, as well as the limited empirical data on such relationships in practice. Clearly, further investigation is required to determine whether successful integration is not only possible, but actually already happening.

## EB & HRM

While the discussions regarding the overlap and relationship between CSR and HRM, and CSR and EB revolve around 'what' and 'how', the discussion about the overlap between EB and HRM is more focused on 'whom'. In order for HRM to become a successful business partner and provide a genuine point of difference for an organisation, it, as outlined by the literature, in addition to incorporating CSR into its people management strategy (Bhattacharya, Sen & Korschun, 2008), needs to better understand EB and other corporate-level concepts (Martin, 2009).

Human resource management is therefore called to work on becoming "credible with Marketing, communications and public relations specialists…to lead and deliver strategies that create and maintain corporate reputations and brands" (Martin, 2009, p. 232). While large and possibly unrealistic expectations, given previous strained relationships between these functions, the literature nonetheless calls for HRM to provide the support EB requires. The literature therefore urges HRM to effectively integrate CSR into the EB value proposition (Hildebrand et al., 2011).

In addition, in order for HRM to effectively contribute to EB, it needs to work more collaboratively with Marketing and the Communication functions within the organisation (Martin, 2009; Martin et al., 2011). Theoretically, the relationship between HRM and EB is much more easily acknowledged, recognised and accepted, given the natural overlap and focus of both on employees. However, its effective realisation in the literature remains a difficult-to-achieve proposition, if based on greater Marketing and HRM collaboration.

## EB, CSR and HRM

Employer branding and employee-focused CSR are portrayed as being both concerned with the traditional activities of HRM, such as recruitment, retention and communication (Martin et al., 2005). With the recognition that consistency between internal EB and external customer brands is key (Blumenthal & Bergstrom, 2003; Martin et al., 2011; Hildebrand et al., 2011), HRM is seen by the literature as able to achieve this alignment and internal delivery promise through CSR (Martin et al., 2005; Simmons, 2009), assuming a CSR strategy is in place.

With its ability to ensure brand values and CSR initiatives are reflected in policies and practices for people management (CIPD, 2003; Hildebrand et al., 2011), some of the literature promotes HRM as the facilitator of both EB and CSR (Martin et al., 2005). Internal commitment is made externally visible and results in economic viability and social legitimacy (Werther & Chandler, 2005).

In the recent literature, significant strategic organisational benefits are promoted through the alignment of CSR and EB (Melo & Garrido-Morgado, 2012). It is also seen as a great opportunity for HRM, already equipped with some of the skills to manage these employee-focused areas (Inyang et al., 2011), to take the lead in these two increasingly important and strategically valuable organisational functions. By taking the lead, HRM can promote itself as a steward and strategist (Caldwell et al., 2010), an employee champion (Sroufe et al., 2010) and organisational guardian (Sears, 2010).

Human resource management can also become business savvy and dynamic (CIPD, 2010), as well as focused on aligning itself to strategic business goals through value creation and delivery that is talent- and future-focused (Rosethorn, 2009; Martin, 2009). Such theoretical claims were previously seen as aspirational and with limited guidance as to how HRM could go about achieving such unrealistic advances. However, it would now appear that, although normatively, CSR and EB may provide HRM with a tangible way of at the very least progressing towards a greater strategic organisational role.

Academics suggest that HR professionals should draw upon the CSR and branding literature to develop a new, integrated framework of corporate value creation and strategic communication (Werther & Chandler, 2006; Martin & Hetrick, 2006; Simmons, 2009; Sears, 2010; Lam & Khare, 2010; Visser, 2011; PwC, 2011; Deloitte, 2012a; 2012b; CIPD, 2012a; Stahl et al., 2012). This integrated area of research remains important, following Martin et al.'s (2005, p. 76) comments supporting a holistic and integrated strategic organisational framework:

> *[Integration is] more than a passing fad based on three important international trends: the importance of corporate and global branding, the development of the service-based economy in all advanced economies, and the growing importance of intangible assets and intellectual capital as sources of strategic advantage.*

These trends continue to remain driving factors and have been further intensified as a result of the recent GFC (Sears, 2010; Gond et al., 2011). Due to these trends, theoretical focus has shifted to take more of a strategic approach to CSR, EB and HRM in the quest to create, 'shared value' (Porter & Kramer, 2011). Shared value is defined by Porter and Kramer (2011, p. 65) as "the connection and mutual benefit to both organisation and society" (Porter & Kramer, 2011, p. 65). The focus is therefore on how an organisation, its stakeholders and its CSR and EB policies come together to create this elusive shared value (Hildebrand et al., 2011). The proposed theoretical answer would appear to be HRM in the first instance, with greater exploration highlighting the need for HRM to take a more active role, while working with other organizational functions.

Within this context, values are not predefined, but are instead "contextualised, contingent and continuously renegotiated with stakeholders according to their expectations" (Aggerholm et al., 2011, p. 110). Employer branding therefore shifts from a linear communicated transmission of employment propositions to a dynamic process of negotiated identities (Aggerholm et al., 2011). In addition, HRM becomes sustainable, integrating socially responsible practices in an ongoing process of "negotiating socially responsible employer-employee relations" (Aggerholm et al., 2011, p. 110). The CIPD (2011d) conducted a study to investigate the drivers of a sustainable organisation. A review of their study and its findings can be found in Appendix 1D.

Sustainable HRM is conceptualised by Ehnert (2009) as a cross-functional task where sustainable competitive advantage and value creation become the focus. Sustainable HRM is defined as the "long-term oriented conceptual approaches and activities aimed at a socially responsible and economically appropriate recruitment and selection, development, deployment and downsizing of employees" (Thom & Zaugg, 2004, p. 217).

It therefore extends purely economically effective and efficient HR practices to include CSR and focus on creating value through current and potential employees, with a long-term focus on sustaining a high-quality workforce (App, Merk & Buttgen, 2012). Aggerholm et al., (2011), takes this concept a step further by reconceptualising EB. Employer branding becomes the point of intersection between CSR, HRM and CB, as illustrated by their model in Figure 23. Despite limited practical uptake at present, given the need for significant collaboration, theoretically the sustainable organisation is anchored within the organisation's vision, mission, strategic goals and strategies, and is based on integrated management (Aggerholm et al., 2011).

Figure 23: Conceptualising EB in the sustainable organisation

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(Aggerholm et al., 2011, p. 114)

## Summary

Given the many recommendations and barriers identified, it is clear these numerous, although integrated areas of focus cannot be managed or restricted to one department in an organisation (Hildebrand et al., 2011). However, within traditional HRM and Marketing domains, political struggles around functional territories and practice labelling could undermine or halt any development in this area (Gond et al., 2011). The available literature remains overly normative and consequently aspirational. With limited empirical support, the current research lacks criticism and therefore continues to downplay the tensions and inherent and fundamental constraints practical restricting progress.

Despite these concerns the literature merely emphasises the role of top management in setting the tone and fostering, supporting and promoting greater understanding and collaboration between Marketing and HRM as an important precondition for success (Punjaisri & Wilson, 2007; Martin et al., 2011). However, with traditional feuding and different approaches, even clear direction from the top may be harder in practice than it appears in theory (Aurand et al., 2005). Regardless of the practical difficulties, the recommendations remain in the literature.

Lam & Khare (2010) promote HRM as an essential component and key player in this strategic journey. However, due to the complexity and enormity of this change process, top management, strategists, marketers and HRM all have to collaborate, according to others to develop an "integrated brand architecture for a more socially responsible era" (Simmons, 2009, p. 693).

The theoretical support and discussion for the development of these employee-focused concepts appears to be growing. What remains to be seen is what organisations are actually doing on a practical day-to-day basis. The literature remains predominantly normative and fragmented between these three segmented areas. Its support for more integrated collaboration is also very limited. As a result, what remains to be seen is whether an integrated and holistic sustainable framework is practically viable, if it may already be in place, and if it can provide the benefit and success it theoretically promises.

# Conclusion

Conducting this literature review was a lengthy and difficult process. Not only does it focus on three relatively exclusive bodies of literature, it also draws particular attention to the overlap between these areas. Given the rapid expansion and multitude of areas of importance identified within each, it was as difficult to discern what to include, as it was to determine what to exclude. As a result, given the size and time available, this review focuses on the existing, promoted and potential overlap between the selected three areas of focus, as well as providing sufficient background to each for context and improved understanding. As such it is not exhaustive, given this specific focus, and does not, at times, cover all aspects or arguments of particular concepts

While people management and the employee lifecycle seem to be a dominant focus in each of these areas, limited empirical data within each subject area seems to have not only hindered greater collaboration but also brought into question the effective practical application of such theories. This review reflects the overly positive and normative literature available, which lacks any significant critical assessment. Therefore the same questions and lines of critique reoccur throughout the above discussion. Firstly, with the literature supporting and promoting the adoption, and value of these management concepts it is interesting why organisations are still hesitant or not more readily adopting these theoretical claims in practice. Secondly, the concepts under review all theoretically favour a people-orientated or stakeholder approach. This, in practice, creates ongoing tensions for organisations in practice, which not only have to manage such varied and increasingly demanding stakeholder assertions, but as a business will always have to balance these with shareholder claims.

Thirdly, with limited empirical data available and the concepts undergoing continued change, the normative recommendations made by the literature are at times overly idealistic and present vast leaps forward that are not easily adopted in practice. The lack of guidance and practical integration for how organisation best manage and embed these supposedly beneficial concepts may consequently explain why such a gap still exists between theory and practice.

Although this research is based on a complex and vast body of literature, this discussion does still highlight a number of key themes. Over the last few decades, theoretical developments are visible for each of the three subject areas CSR, EB and HRM. Overly normative and idealistic, this 'black and white' approach provides little guidance on implementing the smaller in-between steps that organisations need to take to achieve large jumps forward. This is especially true given the complexities and multitude of intersecting parts that make up large modern corporations.

The literature has also moved to favour a best fit, as opposed to best practice, model. While organisational adaptation is possible, keeping up with the many contingent internal and external organisational developments makes the process of best fit difficult to predict and keep up with. Understanding an organisation's current strengths and weaknesses consequently becomes even more important.

This fast-paced business environment has been put into context by the events of the recent GFC. It has provided a rare opportunity for organisations to take stock of their current strategies and practices. While it is important to note that many of these arguments have been present in the literature for a number of years already, and will most likely continue for many years to come, they seem to have been once again brought to the fore. Consequently, although generally perceived as negative, the GFC seems to have been a catalyst for positive change in terms of CSR, EB and HRM development. With the external environment increasingly unpredictable, the GFC has prompted organisations, still striving to remain competitive, to refocus on their internal resources, notably employees, their skills, capabilities and intangible value. Talented employees and their lifecycle stages have consequently gained increased attention in the literature. This focus has been driven by a number of prominent HRM-orientated themes that have re-emerged. The attraction, engagement and retention of talented employees by line managers have all become important themes in this reorientation.

Recruitment previously received considerable attention in the war for talent literature. However, with the shift of focus inwards, employee retention and engagement are now equally important. Identifying and addressing employees' diverse and changing needs (including greater emphasis on diversity and social responsibility), now match the focus previously reserved for customer relations. Employee engagement has therefore become a large area of research focus, as a means of managing this relationship-based process.

Employees are being acknowledged, not only as part of the delivery process for CSR and branding to customers, but also as an additional target audience. As discussed by the literature, employees are demanding a broader array of 'benefits' from their employment relationships. Being able to provide more socially orientated environments that deliver what they promise, in addition to the standardised financial and progressional benefits, is increasingly seen as important for organisations. A key theme in the literature, CSR is expected to provide an improved internal environment, and EB is expected to promote socially responsible internal practices externally to support a holistically consistent management approach to the employee lifecycle.

Overall, the literature presents an increasingly complex picture of the internal organisational environment, focusing on several parts, people and areas that are called upon to collaborate and coordinate their efforts to achieve success. However, success in practice doesn't always mirror that in theory, with the often overly simplistic theoretical recommendations impracticable and unrealistic.

With the current refocus on employees in the CSR, EB and HRM literature, HRM and it capabilities have become more central to the recent theoretical debate. Although empirically based research is starting to emerge, the majority of HRM literature remains normative and unsubstantiated. The literature promotes HRM as a strategic function and ideal organisational business partner. However, beyond this assertion, it provides limited insights into how HRM goes about achieving this position in practice.

In addition, the models, recommendations and best practice lists surrounding this advancement have been relatively conformist in nature, and for the most part, consistent for the last twenty years. Human resource management has experienced mixed results with this progression in practice, with its role, skills and capabilities called into question, as well as its influence and subsequent degree of success varying dramatically between organisations.

Human resource management requires a new way of *practical* advancement. How this is achieved still remains unclear in the literature. Surprisingly, given the increased focus on CSR and the natural overlap between the functionality of EB and HRM, these links are yet to be promoted as a means for HRM advancement. With all three subject fields refocusing on employees and improving one or some of the stages in the employee lifecycle, it would appear that greater collaboration is almost inevitable between these areas, if currently only aspirational. However, the barriers to success are for the most part neglected and remain inaccurately identified. In particular, overcoming historical tensions between Marketing and HRM has further hindered practical integration. Therefore, although there is great potential for the advancement of HRM, such constraints have hindered its development, theoretical progress and therefore practical success.

Thus, the literature's lack of practical focus and transferability leave it incomplete. Therefore, a number of questions remain unanswered. First, with a multitude of varying theoretical definitions and attributes, how well these concepts are practically understood and positioned within the post-GFC environment remains, for the most part, unknown. Second, while these concepts are progressing from new to norm and their benefits are increasingly promoted in the literature, what role they play within organisations and what barriers hinder their development, are currently unclear. Third, although empirically-supported research is increasing, how HRM is practically positioned post-GFC, and whether it can function as a strategic business partner, requires further investigation.

Finally, questions of how these increasingly employee-orientated concepts are intentionally or unintentionally aligned, and whether their alignment provides any organisational benefit (including sustainable competitive advantage) need to be addressed. Answers to these questions would significantly add to the limited empirical research and provide further insight into current practices and organisational successes.

Therefore, this research aims to gain insights into current employee-focused practices and to paint an empirically-based picture of organisations' current employee management strategies and desired future progress. It seeks to explore the following two key questions within the New Zealand and Australian financial industry:

- theoretically, what areas of common focus exist between these three bodies of literature and, as a result, what major themes are currently being advocated for people management? and

- how closely aligned are organisations' people management practices to the theoretical suggestions promoted by the literature?

# Chapter Three: Research Design

## Introduction

The purpose of this chapter is to outline and provide justifications for an appropriate research design. In order to best answer the research questions, a specific methodological framework is needed and will be subsequently discussed.

The exploratory literature review presented an overview of current literature and academic research surrounding the three main research areas, namely Corporate Social Responsibility (CSR), Employer Branding (EB) and Human Resources Management (HRM). This study explores the potential and existing relationships between these, as well as seeking to establish how they function together within a practical organisational setting, given the currently limited empirical evidence available. As shown in the previous chapter, the existing literature highlights the ongoing development and divided nature of these fields, and the gaps that still exist between them.

The following two research questions have been formulated to begin the process of addressing the theoretical gaps identified, by adopting both a theoretical and empirical focus:

## Research questions

The key questions this research aims to explore are:

- theoretically, what areas of common focus exist between these three bodies of literature and, as a result, what major themes are currently being advocated for people management? and

- how closely aligned are organisations' people management practices to the theoretical suggestions promoted by the literature?

Given the three large areas under review, and in order to provide a more focused approach, the following sub-questions have been identified to assist in answering the two main research questions above:

- How well understood is CSR?
- How important is CSR and what role does it perform?
- How well understood is EB?
- How important is EB and what role does it perform?
- What role does HRM currently perform?
- What is the nature and impact of the relationship between employee-focused CSR and EB?
- What is the nature and impact of the relationship between employee-focused CSR and EB and HRM?

These questions aim to provide an initial overview of the 'what', 'why' and particularly 'how' these concepts are understood, positioned and applied in both the theory and in practice.

## Overview of chapter

In order to investigate these questions, this research employs a qualitatively dominant mixed methods approach. Although drawing on pragmatic viewpoints, this study leans heavily on a constructivist epistemology, in which an interpretive theoretical perspective is adopted. This chapter begins with a discussion and justification of this approach, followed by an overview of the phenomenological methodology, and an explanation of the qualitative dominant research methods used. Data collection methods include secondary documentation, questionnaires and semi-structured interviews. Research participants and the process of data analysis are then addressed. Subsequently, the importance of research validity and reliability, and how these requirements will be observed in this study, are discussed. In addition, ethical issues and the specific actions taken to ensure compliance with ethical standards are identified and clarified. A brief summary of these sections concludes this chapter.

In short, this chapter outlines how I went about investigating and examining the questions highlighted by existing academic literature, within a particular organisational context, so that other researchers can understand how I researched my topic and reached my findings.

# Research Design

The research design provides the overall structure for this study. It defines what types of data are needed and how they will be collected and analysed, in order to begin to answer and investigate the research questions. When establishing a research design, it is important to understand the theoretical and methodological perspectives adopted by the researcher, and to provide context and philosophical background, thereby ensuring the research is sound and the outcomes convincing (Crotty, 1998). This chapter is therefore focused on demonstrating "how the research was constructed, how the findings were generated, analysed and interpreted, and how conclusions were drawn" (Phillimore & Goodson, 2004, p. 12).

## Mixed methods

Mixed methods is considered a third and alternative approach to the qualitative and quantitative extremes of social research (Teddlie & Taskakkori, 2009; Creswell & Plano Clark, 2011). It is described by Johnson, Onwuegbuzie and Turner (2007, p. 113) as "an approach to knowledge (theory and practice) that attempts to consider multiple viewpoints, perspectives, positions and standpoints (always including the standpoints of qualitative and quantitative research)".

This definition is expanded upon by Creswell and Plano Clark (2011), who identifies not only the intention of considering multiple viewpoints, but the use of more than one approach to the research design, data collection and analysis within a single study.

Not driven by a set philosophical perspective, a mixed methods study, due to the variety of practical issues and demands to consider that are dependent on how the elements of qualitative and quantitative elements are combined (Descombe, 2003), should address a number of decisions. These, as outlined by Creswell and Plano Clark (2011) include:

- The level of integration between the qualitative and quantitative strands;
- The priority of the qualitative and quantitative strands
- The timing of the qualitative and quantitative strands; and
- Determining where and how the qualitative and quantitative strands will be mixed.

The following section will address each of these four decisions by outlining and discussing the specific design adopted for this study.

Given the exploratory nature of this research and the lack of empirical data to support the normative claims in the literature, a mixed methods approach has been adopted to assist in "providing superior research findings and outcomes" (Johnson et al., 2007, p.129),). This also allows a richer understanding, fuller picture and a more meaningful description of the two research questions (Johnson et al., 2007; Teddlie & Taskakkori, 2009; Creswell & Plano Clark, 2011). Specifically, the two research questions draw on both a deductive and inductive approach to enquiry, whereby not only are the questions driven by the normative claims in the literature, but also, given the lack of empirical data available, open to more inductive methods. As a result, a mixed methods approach that combines these two approaches into a research design that is most responsive to new insights (Creswell & Plano Clark, 2011) has been selected.

As noted by Johnson and Onwuegbuzie (2004, p. 20), mixed method researchers mindfully create designs that "effectively answer their research questions; this stands in contrast to the common approach in traditional research where students are given a menu of designs from which to select".

## Qualitatively dominant approach

With three possible priorities available along the research continuum, as illustrated by figure 24 below, this study adopts a qualitative dominant approach. Qualitative dominant mixed methods research is defined by Johnson et al. (2007, p. 124) as:

> "the type of mixed research that relies on a qualitative, constructivist-poststructuralist-critical view of the research process, while concurrently recognising that the addition of quantitative data and approaches are likely to benefit most research projects"

Figure 24: The three major research designs, with mixed methods subtypes

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(Johnson et al., 2007 p. 124)

## Embedded design

Driven by the qualitative paradigm, this study adopts an interactive approach to integrating the quantitative elements of this research (Creswell & Plano Clark, 2011). As discussed in greater detail below, participants were first asked to complete a questionnaire. This data was then collected and used to structure the subsequent semi-structured interviews. The structured nature of the questionnaires meant that they were used as a starting point during data analysis which consequently was used to inform and drive the analysis of the semi-structured interviews. Interpretation of results drew on both sets of data.

This qualitatively embedded approach, as illustrated in figure 25 below, therefore also draws loosely on the sequential design discussed by Creswell and Plano Clark (2011), given the use of the questionnaire in the first instance to build and drive the subsequent semi-structured interviews during both data collection and analysis.

Figure 25: The embedded design

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(Creswell & Plano Clark, 2011, p. 70)

## Constructivist dominant epistemology

Epistemology, according to Denzin and Lincoln (1994), refers to the 'theory of knowledge', and how we, as observers, view the world. Most mixed methods research draws on a pragmatic approach (Descombe, 2003).

> *Pragmatism, on the other hand, rejects positivism, on the grounds that no theory can satisfy its demands (objectively, falsify-ability, the crucial experiment, etc.); and rejects anti-positivism, because virtually any theory would satisfy them. As such, the pragmatist proposes to reorient the assessment of theories around a third criterion: the theory's capacity to solve human problems (Rorty, 1989; Stitch, 1990). To a pragmatist, the mandate of science is not to find truth or reality, the existence of which are perpetually in dispute, but to facilitate human problem-solving. According to pragmatist philosopher John Dewey, science should overthrow the notion, which has rules philosophy since the time of the Greeks, that the office of knowledge is to uncover the antecedently real, rather than, as is the case with our practical judgments, to gain the kind of understanding which is necessary to deal with problems as they arise"* (Powell, 2001, p.884).

Pragmatism rejects dualism and views knowledge as being "both constructed and based on the reality of the world we experience and live in" (Johnson & Onwuegbuzie, 2004, p. 18). Pragmatism promotes human and scientific enquiry as equality valid and important (Johnson & Onwuegbuzie, 2004). However, given the exploratory nature of this research and the desire to ascertain what organisations are currently doing with regard to their people management practices, in light of limited empirical data, a qualitatively dominant and therefore constructivist view drives this research.

A constructivist epistemology builds on this by stating that this view of reality is created by the observers, who give meaning to what they observe and therefore construct reality around their active experience of it (Jonassen, 1991). Meaning is constructed as opposed to discovered, and comes about due to our interaction with the realities we acknowledge exist in our world (Crotty, 1998). Different individuals may therefore experience the same reality in a different way and draw a different meaning from it, because they are influenced by many variable environmental and social factors, for example, culture and religion (Crotty, 1998).

This research seeks to gain insights into how individuals holding managerial positions in financial organisations view and understand the relationship between CSR, EB and HRM within their organisations. Therefore, a constructivist epistemology that recognises and acknowledges that their experiences will vary, allows for a 'reality' of the situation to be constructed that incorporates more than one viewpoint and hopefully provides a more accurate assessment of the actual occurrences within each organisation. A deductive approach, although secondary, is also included given this enquiry is informed and guided by the literature.

Table 24 outlines some of the main characteristics of the three main epistemological approaches, which are positivist, constructivist and mixed. This provides further context as to the possible available options and the differences between them.

Table 24: Epistemological approach comparison

|  | **Positivist** | **Constructivist** | **Mixed** |
|---|---|---|---|
| **Approach** | Quantitative – e.g. experimental or survey | Qualitative – e.g. grounded theory, case studies | Mixed – qualitative and quantitative |
| **Ontology (Nature of reality /world view)** | Singular reality – confirm or reject hypotheses | Multiple realities – different people experience reality differently – multiple perspectives | Singular and multiple – single hypotheses tested, but multiple perspectives provided |
| **Epistemology (Researcher and participant relationship)** | Distant and objective – impartial, detached data collection by researchers | Close and subjective – researchers interact with participants during data collection | Practical – researchers collect data according to research question requirements |
| **Axiology (Role of values)** | Unbiased and value free – formal checks eliminate bias | Biased and value laden – Recognised and discussed, due to close participant interaction | Multiple – both biased and non-biased stances included |
| **Methodology (Research process)** | Deductive – researches test pre-existing theory | Inductive – researchers start with participants' views and build a theory | Combined – combination of quantitative and qualitative methods |
| **Rhetoric (Research language)** | Formal – researchers use agreed-on definitions and scientific variables | Informal – researchers use literary, informal style, based on participants' language | Formal or informal – researchers use both styles |

Adapted from Creswell and Plano Clark (2007, p.24)

In addition, each approach provides the researcher with certain advantages and disadvantages, which need to be understood, taken into consideration and then accounted for when selecting one. Table 25 presents some of the main advantages and disadvantages of the three different approaches. Subsequently, framing this research within a constructivist dominant epistemology that draws on and includes pragmatics assertions provides the best context for and understanding of the rules used to make sense of the research questions. This study consequently considers qualitative and quantitative methods as complimentary and makes use of elements of both for this research.

Table 25: Advantages and disadvantages of the three epistemological approaches

|  | **Positivist** | **Constructivist** | **Mixed** |
|---|---|---|---|
| **Advantages** | • Controlled variables<br>• Predictable, replicable outcomes<br>• Precise and specific measurement and documentation<br>• Accurate and reliable through validation | • Recognises the influence of question on identity focus<br>• Generates new theories<br>• Provides in depth information and understanding<br>• Verification as accurate and reliable<br>• Context recognised in results | • The research question is the primary focus<br>• Advantages from both qualitative and quantitative methods can be gained<br>• Acknowledges the weaknesses of both qualitative and quantitative methods<br>• Provides multiple perspectives for dealing with one problem |
| **Disadvantages** | • Difficulty with hypotheses' verification over time<br>• How objective is objectivity?<br>• Particular world view imposed<br>• Order and logic (static) are limited when compared with newer chaos and complexity (flexible) views<br>• People and complexity of social reality cannot be reduced to clearly defined variables | • Difficult to replicate<br>• Researcher bias can influence results<br>• Conclusions not easily transferrable to other contexts<br>• Time consuming analysis<br>• Descriptions without judgements are not helpful for improving issues | *Qualitative:*<br>• A loss of depth and flexibility when quantifying qualitative data– rich multidimensional data becomes dichotomous and singular<br>• Integrating structured and unstructured data is complex and time consuming<br>*Quantitative:*<br>• Quantified qualitative data is of limited use for statistical analysis<br>• Small sample size is not appropriate for robust statistical testing |

Adapted from Creswell and Plano Clark (2007); Hussey and Hussey (1997) and Grbich (2007)

## Interpretive theoretical perspective

Qualitatively dominant, I apply an interpretive theoretical perspective or paradigm, to this research. A paradigm refers to the "progress of scientific practice based on people's philosophies and assumptions about the world and the nature of knowledge, and, in the research context, about how research should be conducted" (Hussey & Hussey, 1997, p. 47). It provides a basis for research methodology.

Interpretivism is defined by Creswell (1994, p. 8) as "an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting". The power of the interpretist approach "lies in its ability to address the complexity and meaning of situations" (Black, 2006, p. 319). It does this by creating an intersubjective relationship between the researcher and participant, where the researcher listens to and observes the descriptions and explanations of the participants' everyday life experiences (Grant & Giddings, 2002).

Interpretivism calls for researchers to 'play back' what participants tell them, as well as make an effort to not only understand the meanings the participants ascribe to their experiences, but also to interpret these 'self-understandings' in ways that the participants may not have recognised or been able to deduce themselves (Grant & Giddings, 2002).Thus, in order to maintain credibility in the interpretation of participants' explanations, the researcher needs to be able to identify and understand their own beliefs and understanding of the subject under review.

## Phenomenology methodology

My strategy or research methodology draws on the interpretist theoretical perspective and dictates the specific methods that I use to gather data (Crotty, 1998).

Phenomenology, according to Waugh and Waugh (2004), is derived from the Greek 'phainomenon' and 'logos', meaning 'reasoned inquiry'. Associated with the work of Edmund Husserl, phenomenology explores and obtains a deeper understanding of the meaning of complex experiences (Waugh & Waugh, 2004). In addition, it allows researchers to gain insight into the ways in which individuals make sense of and understand their own behaviours and experiences (Conklin, 2007).

This research focuses on and investigates the complex relationships and links between three diverse and often segregated subjects, as well as seeking to investigate how these concepts are utilised and understood by individuals working with them in practice. As a result, a inductively orientated phenomenological approach is adopted (Wise & Millward, 2005). It requires the researcher to purposefully select participants that have experienced the concepts under study (Goulding, 2005), and then "decipher the essential description of the contents [they describe] and the particular underlying structure that relates the elements into a unified experiential" (Conklin, 2007, p. 277). This approach provides an appropriate methodology for this specific research.

In undertaking a phenomenological study, Moustakas (1994) provides some useful methodological considerations. These include:

- Focusing on the entire experience, as opposed to any selection of individualist parts.
- Investigating patterns of meaning, as opposed to cause and effect workings.
- Experiencing the investigation as subjective and thereby focusing both participants and researchers on "I" statements; and.
- Exploring relationships between people, cultures and groups to obtain the best data.

The above points highlight specific issues that are all relevant and useful in guiding this investigation. They provide practical guidance for what to focus on and include, as well as what to avoid in this exploratory research.

## Exploratory approach

Given the predominantly normative nature of current literature, as well as the limited focus on links between CSR and EB and what subsequent impact this may have on HRM, this study adopts an exploratory approach in order to address these issues. According to Hussey and Hussey (1997), an exploratory approach is best suited to studies where there is only partial information available, as is the case with this research. Given the limitations of empirical research and the predominance of relationship-focused literature using an exploratory approach allows for the generation of important observations and a better understanding of the research area, as opposed to testing a pre-existing theory or premise which, in this case, does not exist (Hussey & Hussey, 1997; Marshall & Rossman, 1995).

Expanding upon the exploratory approach, a more quantitatively orientated descriptive view is adopted to allow for a more comprehensive focus on determining the answers to the 'who', 'what', 'where', 'when' and 'how' questions (Maykut & Morehouse, 1994; Zikmund, 1997). This view allows for the description and documentation of notable characteristics (Rossman & Rallis, 1998). Further, this approach also enables the collection of facts, in line with the outlined research questions to be addressed, including: 'who' is responsible for the application of employee-focused CSR and EB within an organisation; 'what' these concepts mean and 'how' they are defined, positioned and applied practically; 'what' HRM's current role is; and 'why' these concepts have or have not been aligned and applied holistically within an organisation.

## Comparative study

While exploratory in nature, this research has a comparative element built into it due to the nature of employment relations. Given the inclusion of multiple organisations from two geographically distinct regions, I hoped to explore the extent to which people-focused functions and strategies compared across organisations and different countries.

However, unfortunately given access issues the initially intended comparative study had to be abandoned, given the inability to voluntarily obtain the desire organisations required for a comprehensive review. However, despite these difficulties, this research retains a degree of comparison, if now only loosely included.

As a result, it is still important not to lose a sense of proportion when assessing the vast amounts of often complex data generated by comparative studies (Eisenhardt, 1989). Care must still be taken to avoid producing theories and findings that are phenomena or organisation specific, and focus instead on identifying relationships that are important and contribute to the generation of a broader theory (Eisenhardt, 1989).

There are, however, benefits to be gained from adopting a specific approach. As outlined by Eisenhardt (1989), unique findings are more likely to be generated when adopting a comparative approach. Having to analyse the findings from one 'case', and then comparing them with another/others, forces more methodical and in-depth analyses of themes and findings, as well as highlighting converging and diverging concepts (Eisenhardt, 1989; Ackroyd & Hughes, 1981). In addition, data gathered from a comparative study is likely to be more dependable and accurate, and immune to biases associated with a single source case study (Eisenhardt, 1989). Utilising a number of qualitative methods, as well as applying the principle of data triangulation, also ensures accuracy and provides a broader assessment of phenomena under question (Jick, 1979; Robson, 2002).

Unfortunately, given the voluntary nature of this research the required organisational spread for a valuable comparison was not obtained. However, given that participants come from both New Zealand and Australian financial organisations, certain areas can still be explored.

## Qualitative-dominant Methods

While there has been, and continues to be debate as to the superior benefit of one approach over another, it is important to recognise that "qualitative and quantitative methods are tools, and their usefulness depends on their power to help answer the research question asked" (Zikmund, Babin, Carr & Griffin, 2010; Kvale, 1996, p. 26). Although each paradigm lies on the extremes of the research continuum, there is a vast space between them (Eisner, 1991). As a result, in line with a mixed approach, the nature and context of the research questions should dictate which methods are utilised (Leedy & Omrod, 2010). Table 26 summarises the contrasting characteristics of qualitative and quantitative inquiry.

Table 26: Comparison of qualitative and quantitative methods

| | Qualitative | Quantitative |
|---|---|---|
| **Purpose** | Descriptive<br>Exploratory research – discover ideas<br>General research objectives | Prescriptive<br>Confirmatory – test hypotheses<br>Specific research questions |
| **Approach** | Observation and interpretation<br>Attention to detail<br>Focus – complex and broad<br>Emphasis on uniqueness | Measurement and testing<br>Reliance on statistics<br>Focus – concise and narrow<br>Emphasis on generalisation |
| **Research question** | Exploratory and interpretive<br>Holistic | Confirmatory and predictive<br>Reductionistic |
| **Methods** | Exploratory research design<br>Inductive analysis of texts/words<br>Individual interpretation<br>Molecular process with many propositions | Descriptive and causal research design<br>Deductive analysis of individual<br>Units/numbers<br>Statistical analysis<br>Linear process with few propositions |
| **Data collection** | Predominantly unstructured, free-form | Structured response categories given |
| **Researcher involvement** | Intimately involved<br>Results are subjective | Uninvolved observer<br>Results are objective |
| **Samples** | Normally small in a natural setting | Normally large to improve generalisation |

Adapted from Zikmund, et al. (2010) and Leedy and Ormrod (2010)

Qualitative methods have been selected as the main approach for this research. This will allow for the collection of deeper, richer data from participants. According to Marshall and Rossman (1995, p. 39), qualitative methods allow "searches for a deeper understanding of the participants' experiences of the phenomenon, and [are] driven by a desire to understand actions and behaviours". In order to gain insight into the financial sector's operational systems, subjective and individual experiences will be useful in relaying personal experiences and interpretation of policy effectiveness. In addition, a qualitative focus will create a context for social behaviour as described by participants (Rossman & Rallis, 1998).

Qualitative-dominant methods, including subjective assessments of 'reality'; understanding through underlying meaning, and context specific emphasis are an appropriate means to facilitate answering the research questions posed. In contrast, the objective, universal view of reality that quantitative research maintains, along with less of a social context orientation, but more of a focus on hypotheses testing, means that such an approach is useful as a supporting application in this research, in line with a more deductive approach adopted when leveraging the literature to guide this enquiry (Hussey & Hussey, 1997; Marshall & Rossman, 1995).

# Data Collection

Before data collection begins, it is important to establish and outline the specific steps that will be taken in order to maintain a consistent process (Yin, 1994; 2003; 2009). It is important to note that although protocols specifically designed for case study frameworks have been borrowed, they have only been used as a guideline to improve data collection. This research is not based on a case study and therefore does not stringently adopt all case study protocols. Instead, it draws on specific recommendations as a means of organising and managing data, applying data collections processes consistently between organisations and enabling relevant conclusions and recommendations to be made.

While flexibility should be maintained, data collection is focused on addressing the research questions and ensuring a systematic process guides the use of methods, data collection and analysis (Yin, 1994; 2003; 2009). By utilising three types of data collection, as well as maintaining a clear chain of evidence, it is hoped credibility and reliability of results will be improved.

In order to ensure final conclusions can be easily linked to not only the data collection methods, but also to the research questions, a clear chain of evidence needs to be established and maintained (Yin 1994; 2003; 2009). Table 27 below illustrates this point.

Table 27: Data collection process

This table has been removed by the author
of this thesis for copyright reasons

(Yin 1994; 2003; 2009)

Research structure is established through the completion of a literature review. Subsequently, data is collected through secondary documentation, questionnaires and semi-structured interviews. Finally, questionnaire and interview data is transcribed and analysed using content and thematic analysis. The focus is on drawing out key themes that support subsequent conclusions.

The data collection methods used in this exploratory study, specifically secondary documentation, questionnaires and semi-structured interviews, are discussed in more detail in the following sections. The reason for selecting more than one data collection method is to provide the research with a degree of triangulation.

## Triangulation

Triangulation has evolved from the military and navigation field term, where multiple reference points are used to locate an object's exact position (Smith, 1975). It has been adopted by researchers as a term to describe the increase in accuracy and improved judgement obtained by using a variety of techniques to investigate a single phenomenon (Robson, 1995).

Denzin (1978) presents a classic framework outlining four types of triangulation. These are:

- *Data triangulation*: using a variety of data sources/perspectives;
- *Theory triangulation*: using more than one perspective/theory to interpret and analyse data;
- *Investigator triangulation*: using several researchers to gather and interpret data; and
- *Methodological triangulation*: using multiple methods to collect data.

An additional triangulation type has been suggested by Freeman (1994, p. 97).

- *Time triangulation*: using the same method to collect the same data over a period of time or from multiple sites.

This research makes use of two of these identified triangulation types: methodological triangulation, (secondary data, questionnaires and semi-structured interviews) and data triangulation (interviews with a variety of New Zealand and Australian managers). While these two forms of triangulation dominate this research, triangulation was also utilised as an overarching principle to "enrich our understanding by allowing new and deeper dimensions within the research to emerge" (Jick, 1979, p. 604).

In addition to these within-method forms of triangulation, this research, by default of its mixed methods approach also makes use of between-method triangulation. This according to Denzin (1978, p. 14) results in the "bias inherent in any particular data source, investigators, and particularly method will be cancelled out when used in conjunction with other data sources, investigators, and methods". This will consequently support superior explanations to be constructed of the observed phenomena (Johnson et al., 2007).

Triangulation is beneficial for a qualitative-dominant study like this one. It improves the significance of data collected through the use of a number of different collection methods, as well as prompting insightful and creative data collection and interpretation. Further benefit, as outlined by Buchanan (1999), can be gained by using 'methodological' and 'data' triangulation to ensure corroboration, adequacy and improved data quality. A brief discussion of each follows below.

*Corroboration*: The use of multiple methods reduces the vulnerability of a study and increases data validity (Patton, 1987; 2002). As outlined by Jick (1979), corroboration also confirms or disconfirms findings based on alternative results or viewpoints. This in turn will help to reduce intrinsic bias that is a common issue and associated downfall of single-method research (Ackroyd & Hughes, 1981).

*Adequacy:* Due to the complexity and multiplicity of organisational research, a single methodology is generally inadequate to gather sufficient data to best answer the research questions (Patton, 1987). Multiple-method triangulation not only improves the accuracy of data collected (Robson, 1995), but also increases the reliability of findings (Freeman, 1994).

*Data quality improvement:* To maximise the quality of data obtained from the research, triangulation combines the strengths of a number of varying methods to produce a richer data output, otherwise lost in a single-method study (Buchanan, 1999). "No method is an island. Each is linked, often implicitly, with other approaches" (Buchanan, 1999, p. 115).

Although triangulation provides several research benefits, it is not without its limitations, and there are therefore a number of factors to consider (Robson, 2002). Combining methods needs to be well structured and planned. According to Jick (1979), triangulation or mixed method studies are difficult to replicate, especially when qualitatively focused and not pure mixed method (Johnson et al, 2007). In addition, they are time consuming and, as noted by Robson (2002, p. 103), "so resource-hungry as to be impracticable". Triangulation should therefore be used only if it is integral to the design of the study, as it will undermine itself if methods are poorly chosen, or not suitable to the research questions (Hussey & Hussey, 1997). Table 28 highlights when triangulation is used in the various stages of analysis in this study. The following sections outline each of these data collection methods in more detail.

Table 28: Data collection triangulation

| Data Collection Method | Triangulation Type | |
|---|---|---|
| | Methodological | Data |
| **Secondary data – website documentation and reports** | | X |
| **Questionnaires** | X | X |
| **Semi-structured interviews** | X | X |
| • NZ vs. AUS managers | | X |
| • Content/thematic analysis | X | |

## Secondary documentation

This study grew out of a review of secondary documentation. The financial sector is unique in that a large amount of information regarding their organisational policies is made publically available. Since 2000, the major banks have all included a corporate responsibility section on their websites. This includes key areas of non-financial focus for the banks, driven by a number of international standards bodies, which dictate environmental, community-orientated, human rights and governance thresholds. These are generally presented in an annual Corporate Social Responsibility report.

Interestingly, a previous review of these CSR reports (Raubenheimer, 2008) noted the notable progress the New Zealand and Australian banks were making in comparison to a number of their European counterparts. During the first decade of the twenty-first century environmental and community based initiatives, in line with the sustainability focus of the literature, dominated.

Drawing on Vuontisjärvi's (2006) framework, presented in greater detail in the discussion chapter, the review of these reports and other supplementary documentation focused on employee-based initiatives and programs. This information provided a useful foundation upon which to gauge the formal policies in place within these large financial organisations. In addition, it allowed for the better formulation of the questionnaires and semi-structured interviews, allowing us to do our 'homework' on the organisations before interviewing participants.

Although valuable as background and a starting point for subsequent stages of data collection it is important to note that the published information is all presented from the perspective of the financial organisations and that ultimately they have control as to what they include or exclude in what could be perceived as online marketing material. Interestingly, the topics presented in the reports varied slightly and adopted different focal points from year to year. Whether this was to hide poor results or limited progress cannot be ascertained. Regardless, caution should and was taken to ensure the information gathered was treated as a potentially biased and supplementary, as opposed to central form of data.

## Questionnaires

Questionnaires feature predominantly in quantitative research and tend to be structured with closed questions that are inflexible in terms of answering and do not generally allow the participants to qualify their responses (Baker, 2003). In comparison, the questionnaires used in this research, draw on the qualitative questionnaire that can be unstructured or semi-structured, resulting in questions that are more open and participants can not only answer in their own words but also provide greater clarification for their responses (Baker, 2003).

As there are three areas of focus in this research, a more open and unstructured questionnaire, in conjunction with semi-structured interviews, is advantageous, because this combination allows a greater number of questions to be investigated in detail, in line with a more targeted research approach that is focused on answering the research questions. Allowing participants to complete a questionnaire prior to participating in an interview was advantageous in a number of ways. Being able to review the participants' questionnaire answers provided the researcher an opportunity to gain initial insight into the participants' perspectives. It also provided the participant with an overview of the areas of focus for the interview. With less time needed to cover basic demographic questions, more time was then available during the interview to gain further insights and explore areas of particular focus. This approach also assisted in making interviews more targeted and therefore more valuable for the researcher, as well as more engaging for the participants.

The questionnaire, like the literature, is structured according to the three areas of focus. It starts with a brief introductory section, followed by a section on CSR and EB. This is then followed by a section focused on HRM and recruitment, and retention strategies. Refer to Appendix 2D for a full copy of the distributed questionnaire.

## Semi-structured interviews

> *At the very heart of what it means to be human is the ability of people to symbolise their experiences through language. Interviewing then, is a basic mode of inquiry. Recounting narratives of experience has been the major way throughout recorded history that humans have made sense of their experience.* (Seidman, 2006, p. 8)

Semi-structured interviews have been selected as the principal data collection method for this research. The favoured 'digging tool' of social researchers, according to Taylor and Bogdan (1998), semi-structured interviews allow for large amounts of information to be gathered. This is due to the flexibility they provide the interviewer to gain further insight from participants through the use of probing (Robson, 1995; Nachmias & Nachmias, 2000).

Interviews, according to Kvale (1996), go beyond the spontaneous exchange of the everyday to a planned questioning and listening exchange. They are "conversations with a purpose" (Robson, 1995, p. 228), and, in qualitative terms, are flexible and dynamic and focused on gaining rich, contextual information (Nachmias & Nachmias, 2000).

In contrast to quantitative interviews, which are by nature structured and based on rating scales and forced-choice answer selections (Taylor & Bogdan, 1998), qualitative interviews were used in this research which focus on allowing participant's personal views to develop, based on their personal experiences, attitudes, beliefs, behaviour or relationships (Marshall & Rossman, 1995). This allows the participant's view of the world to be explained and presented to the researcher (Maykut & Morehouse, 1994; Hussey & Hussey, 1997). This approach was seen as much more advantageous given the research questions being explored and insights sought. Due to the subjective nature of this data, specific measures, need to be implemented to ensure possible biases are minimised (Hussey & Hussey, 1997).

While subjectivity is an issue within semi-structured interviews, other potential shortcomings include the higher costs associated with dispersed respondents (geographically, in the case of this research), implementation and time (Nachmias & Nachmias, 2000). As noted by Mason (2002), interviewer bias can also be problematic due to the perceptions of the interviewer and the interactive nature of the personal interview. The presence of the interviewer may be perceived as intimidating or threatening by the participant, and therefore affect their responses and can lead, in some instances, to informant bias (Nachmias & Nachmias, 2000).

Informant bias therefore needs to be acknowledged and taken into consideration. Depending on the nature of the questions and the participant's personal experiences and comfort level, rather than be honest, participants will provide the socially perceived 'acceptable' answer (Hussey & Hussey, 1997). Another issue to be aware of, also discussed by Hussey and Hussey (1997), is that depending on the sequence of the interviews and the different answers provided, the questions raised and issues explored may dramatically change, if not carefully monitored. In addition, the participant's mood at the time of the interview, their memory, and the structure/wording and understanding of the questions, may all cause data bias, and all need to be considered and planned for.

Taking all these issues into consideration, Alvesson (2011) is particularly harsh on the use and subsequent interpretation of interviews. He notes that the interview is in fact "a complex social event, [that] calls for a theoretical understanding, or rather a reflexive approach in which a set of various theoretical viewpoints can be considered and, when there is reason for doing so, applied" (Alvesson, 2011, p. 4).

He goes on to note that "interview talk may say more about role-playing and adapting to social standards in the name of impression management – including how to appear authentic – than about how people really feel or what social reality is really like" (Alvesson, 2011, p. 3).

## Eight key problems faced by interviewers – the 8 Metaphors

1. The social problem of coping with an interpersonal relation and complex interaction in a non-routine situation.
2. The cognitive problem of finding out what it is all about (beyond the level of the espoused).
3. The identity problem of adapting a self-position which is contextually relevant (and/or comfortable for the interviewee).
4. The 'institutional' problem of adapting to normative pressure and cognitive uncertainty through mimicking standard forms of expression.
5. The problem (or option) of maintaining and increasing self-esteem that emerges in any situation involving examination and calling for performance.
6. The motivation problem of developing an interest or rationale for active participation in the interview.
7. The representation/construction problem of how to account for complex phenomena through language.
8. The 'autonomy/determinism' problem of a powerful macro-discourse operating behind and on the interview subject,

(Alvesson, 2011, p. 76)

In order to then better manage the complexities and richness of the interview as indicated by Alvesson's (2011) eight metaphors, he proposes a reflexive pragmatism that requires "epistemological awareness rather than philosophical rigor…and vary one's horizon by looking self critically at favoured assumptions and lines of enquiry" (Alvesson, 2011, p. 108). Further explanation is provided in table 29 below.

Table 29: Reflexivity and pragmatism defined

| Reflexivity | Pragmatism |
|---|---|
| "conscious and consistent efforts to view the subject matter from different angles, strongly avoiding the a priori privileging of a favoured one, including a focus on the details of texts." | "willingness to postpone some doubt and still use the material for the best possible purpose(s). Builds on an awareness that time, space and patience are not unlimited and are a withholding of limitless reflexivity." |

It is therefore important to consider alternative viewpoints when analysing interviews and ensure care and caution is taken to not over state or emphasise interviewees' opinions or take them as 'gospel' (Alvesson, 2011). However as Kvale (1996, p.105) notes "it is still crucial for social science to use interviews for studying people's understandings of the meanings in their lived worlds, describing their experiences and self-understanding and clarifying and elaborating their own perspectives on their lived world".

Even Alvesson (2011, p. 39) notes the value of interviews in an exploratory study and that "data are about constructions and must be interpreted. Still, interviews accounts are seen as providing clues – perhaps indirect and uncertain, but still clues – to the 'interiors' of the interviewees or the ;exteriors' of social practices (meaning respectively facts)".

A number of known strategies were consequently established and employed to mitigate these raised concerns and potential bias. Table 30 provides an overview of strategies suggested in existing literature (Arksey & Knight, 1999; Siedman, 2006).

Table 30: Strategies to mitigate challenges associated with interview

| Potential Interview Issues | Proposed Remedies |
|---|---|
| **Interviewer bias and leading questions** | • Acknowledge bias<br>• Make use of probes including asking for further detail and explanation, or repeating back your understanding and asking for clarification |
| **Informant bias and willingness to share and express information** | • Build rapport and trust by being polite and open<br>• Explain the process, time required and purpose of research<br>• Outline and uphold ethical guidelines and confirm confidentiality<br>• Avoid impatience and urgency<br>• Ask permission to record the interview<br>• Encourage the participant to ask questions<br>• Conduct the interview in a place familiar to them (in this instance their places of work) |
| **Question ambiguity and informant understanding** | • Develop an information sheet and present to all participants during interviews to ensure concepts are clearly explained on paper and can be referred to by participants throughout the interview<br>• Encourage participants to ask for clarification if they are unsure what the question means<br>• Take care in formulating questions to ensure ambiguity issues are reduced |
| **Significant variations in questions asked and dispersed respondents** | • Set up semi-structured question guide that is used in every interview<br>• Ensure each participant receives the same information, is emailed the information sheet if the interview can't be conducted in person and is provided the same level of convenience |

Adapted from Arksey and Knight (1999, p. 102)

With strategies in place to reduce potentially negative impact of bias and cognisant of the potential failings of interviews, as outlined by Alvesson (2011), interviews still present researchers with numerous advantages. The quality and depth of data obtained is maximised (direct, higher response rate) due to the unlimited information available through verbal accounts within a one-on-one dialogue (Marshall & Rossman, 1995; Nachmias & Nachmias, 2000).

Semi-structured interview methodology fits in between fully structured and unstructured interviews, drawing on the advantages of both (Nachmias & Nachmias, 2000). Interviewers gain increased freedom and flexibility. Although general themes or topics are used to provide some direction for the interview, questions can be altered to clarify answers or gain further insight into personal motives, or interesting responses (Robson, 1995). Due to the exploratory nature of this research, a less limited structure will allow the participants the ability to highlight the issues most significant to them. In addition issues chosen by participants will, in most instances, be the most relevant to the research (Ackroyd & Hughes, 1981). This freedom to explore issues can occur while still preserving data at a manageable level (Hussey & Hussey, 1997).

## Sample selection and recruitment process

Primary data, as outlined above, will be collected through semi-structured interviews and questionnaires with HR and CSR managers from the New Zealand and Australian financial sectors, drawing on secondary data gathered from their respective websites. Banks were targeted first, but due to access issues discussed below, the respondent pool was subsequently expanded into the broader financial sector.

Participants for this research were purposefully selected from the HRM and CSR divisions of large financial organisations. This purposive sample method was chosen because these managers were directly involved and privy to the organisation's policies and practices for the areas under review, and they were most likely to be informed and able to discuss issues important to this research (Kumar, 2005). As supposed subject matter experts, these managers were seen as a valuable source of initial insight. Therefore the criteria for selection were only that the potential participant be a manager or responsible for one of the three areas being explored. Other demographic information including gender and age therefore were not considered in the selection process.

It is important to note the potential problem managers pose as a interview group (Alvesson, 2011). Managers can, given their position, provide more insight about participating in management and having read about the topics under discussion, as opposed to them actually having actioned them and living up to the talk. While mindful of this trap, for the purposes of this exploratory review and given the lack of willing participation, managers have been selected as the initial group to gain and establish a start and one perspective on the research questions.

Given the research took place in two geographically distant countries, the research was initiated in two different ways, depending on each country's specific ethical guidelines. As a result, while managers in New Zealand could be contacted directly, the CEO of the Australian organisations needed to be contacted in the first instance and provide consent for their employees to participate. This provided both a challenge, as well as an opportunity. Although only two Australian CEOs provided consent, once this was obtained, participants were much more willing to be involved.

Managers were contacted in the first instance by mail, which for the purposes of increased efficiency and access issues was then changed to email. This assisted the researcher's ability to contact potential participants in a timely manner, as well as ease of response for potential participants. A snowball recruitment process was utilised, where those willing to participate were asked to refer on others they thought would be both available and willing to become involved.

All participants were sent the research information sheet, consent form, qualitative questionnaire and personalised covering email. After two weeks, an additional follow-up email was sent and if no response was obtained within the following two weeks, a phone call was made to the individual. If no response was forthcoming at this point, the potential participant was excluded from the sample. For those who responded, consent was asked for in the first instance and then after the qualitative questionnaire was received, the interview was organised on an individual basis.

## Interview process

Before each interview, participants were asked to complete a questionnaire. These were systematically reviewed in line with the interview guide to determine areas of overlap, additional focus and points of interest. The interview guide was then personalised for each participant, ensuring reduced duplication, while still adhering to the original interview guide.

Each participant was also assured both in the originally distributed information sheet and at the start of each interview that their responses to all questions were voluntary and that nothing they said would be able to be traced back to them personally. This promise was made to ensure that participants felt comfortable to talk freely, to encourage increased disclosure, and to offer participant protection in line with Treaty of Waitangi principles, outlined later in the chapter.

As a result, participants' and their organisations' names will be kept confidential and any information provided that may give away their identity will be excluded. Interview transcripts will be securely stored in an undisclosed location. Participants' verbatim quotations are therefore referenced in the text according to the order in which they were interviewed (e.g. Int1, Int2 etc.). Consent was then requested to record the interview on a digital audio recorder. This method of recording is valuable because it protects against natural memory loss, enables a more seamless interview, and improves researcher interaction due to the reduced need for note taking (Bryman & Bell, 2007). In addition, these recordings can be transcribed following the interview, and provide an accurate account of what the participant said, how they said it, as well as the context in which it was said (Bryman & Bell, 2007).

Through the use of open-ended questions, the participants were asked to describe their personal experience and understanding of how CSR and EB were applied in their organisation. In addition, HRM's current organisational role was discussed as well as the impact of CSR and EB on HRM. An interview guide (Appendices 2E and 2F) was used to guide participants' responses and to probe for further explanation to assist understanding, as well as to ensure basic consistency and structure between interviews (Bryman & Bell, 2007). In line with the issues already identified, care was taken to ensure questions were kept flexible and open, leading questions were avoided, and the focus within interviews remained on 'how', as opposed to 'why'.

The length of the interviews varied dramatically, given the way the participants chose to answer the interview questions. While some stuck to the questions and provided succinct answers, other volunteered additional information and were comfortable and happy to take their time and discuss each area in greater detail.

All interviews were concluded by providing participants the opportunity to ask questions, volunteer additional information they thought was relevant but hadn't been covered, and provide general feedback and comments. The follow-up process was also outlined, so as to inform participants of what would happen next and what would be done with their interview transcripts and information.

## Contextual/industry focus

The Commission of European Communities (CEC) (2002a, p. 20), suggests that the concept of CSR "has an industry specific dimension, and that what constitutes CSR depends on the particular situation of individual enterprises and on the context in which they operate" This research draws on findings from a previous post-graduate honours level study that highlighted the fact that the major New Zealand and Australian banks were aware of and actively involved with CSR, based on a review of their CSR reports, which are made publically available.

Consequently, the banking and then the financial sector were chosen as the specific focus of this exploratory study. Access to basic banking has been viewed as "important in creating a cohesive society" (Decker, 2004, p. 716). Not only do financial institutions provide a service sector perspective, in which employees are of particular importance, they also provide an MNE perspective of large, economically powerful companies. Customer focus, as noted by Foster, et al. (2010), has become increasingly important in the financial sector, where services are intangible and cannot be sampled before purchase. In addition, after the recent GFC, in which the banks were held mainly responsible for the meltdown (Goldin & Vogel, 2010), image, reputation and trustworthiness in this sector are now—more than ever—vitally important for attracting and retaining customers, as well as employees (Bondy et al., 2012).

## Access issues

The central influencing factor of this research was the lack of access and consequent requirement for the original scope of this research to be dramatically altered in line with variable constraints beyond our control. Gaining access proved extremely problematic, possibly given the ongoing impact of the GFC. In addition, there were a number of other practical barriers that needed to be overcome as well.

Although these organisations are large and complex, the specific individuals, namely managers, remain a comparatively small group. This group was specifically targeted, because insights into their personal, first-hand knowledge and experiences regarding the application of these key functions in their organisation were sought. As a result, the group of possible participants was, from the start, a relatively small one. Originally, managers from a much broader array of departments were targeting, including marketing, HRM, CSR, Communications and PR, given the variation in responsibility allocated between organisations, as well as the desire for various perspectives from multiple subject matters. Unfortunately with access becoming so difficult, the desired mix of managers was not obtained and instead resulted in an HRM dominant participant group.

The original target sample included three to four organisations across New Zealand and Australia (eight in total). Five to eight managers from each was considered sufficient for comparison, as well as overall analysis. Therefore, the aim was to interview an average of approximately fifty managers. However, it was acknowledged from the outset that the final number would be based on the availability of individuals from each organisation, as well as restricted by this project's time constraints and the accuracy of qualitative analysis required for this study. After fourteen months of recruitment only 30 managers were recruited from only a handful of the desired and targeted organisations. This consequently mean low participation levels, as well as insufficient spread for valuable comparative analysis. However, given the almost total lack of empirical data, this, although smaller sample, was still considered sufficient for an exploratory study of this nature.

Barriers faced during data collection (July 2011 to October 2012) included the fact that the banks were, for the most part, undergoing considerable restructuring and 'refreshing' of targeted departments. While this information was not public, it became very clear when attempting to gain access. This resulted in many potential participants volunteering to be involved, only to either lose their jobs or have their roles changed during the process of recruitment for this research. This resulted in a substantial number of managers no longer feeling comfortable or being able to participate. Interestingly, another access barrier was the number of woman in management roles in Human Resource departments being on maternity leave and therefore unavailable, and their replacements' discomfort in commenting.

While managers in New Zealand could be contacted directly, access in Australia required CEO consent. As a result, the CEOs of the four major Australian banks were sent an information pack in August 2011, with an outline of research focus and purpose, the specifics required in terms of time and participation numbers, a copy of the qualitative questionnaire, and consent forms to be signed and returned via mail. Of the organisations contacted, one consented, one declined and the remaining are yet to be heard from, despite a follow-up letter and email. An additional Australian CEO of one a financial accountancy firms provided consent when the research was expanded to the broader financial sector.

Although direct contact with participants was allowed in New Zealand, access proved just as problematic in terms of finding willing participants. Initially, drawing on the banks' websites and the contacts provided within the organisations' CSR reports, information packs were sent out via mail. Email was later adopted as a faster and more convenient way for participants to respond. In addition, after consultation with my supervisor, direct phone calls were then placed to all individuals that hadn't responded. This proved beneficial, because although the information sheet provided was only two pages, a number of potential participants, after clarification over the phone, where happy to participate.

However, with the majority of managers still declining to participate, a number of different methods were adopted in order to eventually reach the 30 managers, at which point it was decided that given time constraints and poor response rates, recruitment would be abandoned. The following list illustrates the methods employed to identify appropriate managers:

- leveraging supervisor and academic colleagues' industry contacts;
- leveraging work colleagues', friends' and family contacts;
- leveraging contacts at conferences and academic workshops;
- asking willing participants to refer other colleagues potentially willing to participate (snowball recruitment);
- networking at the Oz Jobs expo in Auckland; and
- using LinkedIn and social media, including Facebook to establish connections.

In addition, after discussion with my Supervisors and approval from AUT, the scope of this study was extended to the financial sector to allow financial accountancy firms to be included, thereby increasing participation. Although this broadening of target organisations dramatically assisted in increasing n the participation numbers for this research, response rates were still extremely low at 30 managers.

While participation was confidential, and given that potential participants were under no obligation to participate, it was extremely beneficial in the case of the Australian financial organisations to have consent from the CEO, which resulted in increased willingness to participate. In addition, those individuals referred on by those already participating were more disposed to participate.

Over 14months of data collection was brought to a close in September 2012, with 29 completed qualitative questionnaires and interviews, as well as two additional questionnaires (resulting from two individuals being part of the aforementioned restructuring).

## Participants

Table 31 outlines the final participant numbers, as distributed by organisation, as well as how many questionnaires and interviews were completed for each organisation.

Table 31: Participant distribution by organisation

| New Zealand Banks | Questionnaires | Interviews | Australian Banks | Questionnaires | Interviews |
|---|---|---|---|---|---|
| Org 4 | 5 | 4 | Org3 | 5 | 5 |
| Org 7 | 4 | 4 | | | |
| Org 6 | 3 | 2 | | | |
| Org 5 | 3 | 3 | | | |
| **New Zealand Accounting Firms** | Questionnaires | Interviews | **Australian Accounting Firms** | Questionnaires | Interviews |
| Org 1 | 6 | 6 | Org 2 | 4 | 4 |

In total, this sample included 22 participants from New Zealand and nine from Australian organisations. The group included 20 females and 11 males. Figure 26 below graphically illustrate this distribution.

Figure 26: Participants' gender and age distribution
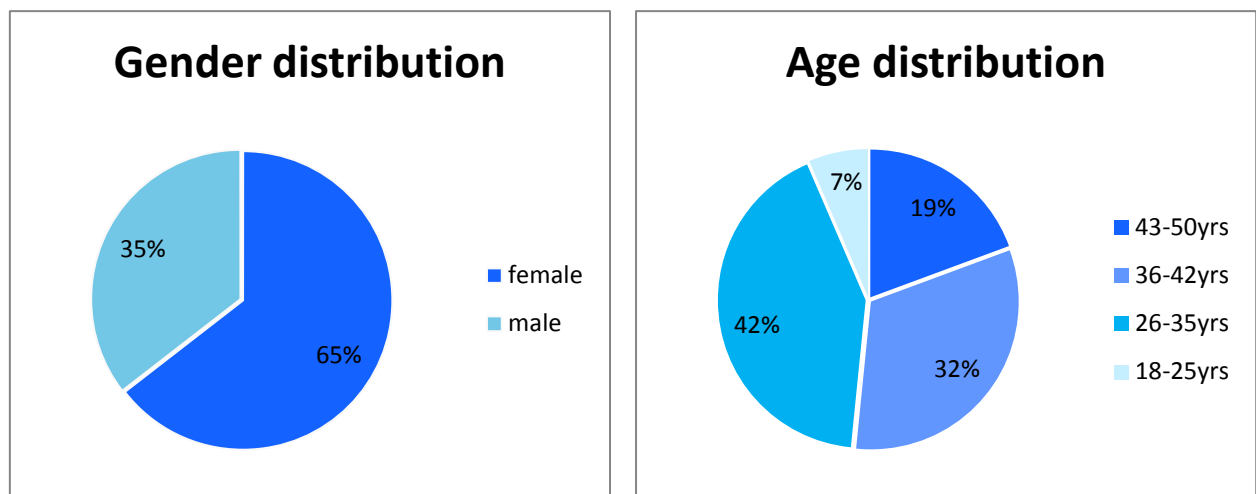


While the target number of participants was eventually reached, the distribution between organisations, as well as between New Zealand and Australia, was less than ideal for the intended analysis. Surprisingly, while recruiting managers to participate was a difficult and lengthy process, once involved, the feedback was very positive.

Those involved were not only extremely interested by the research topic, but in most instances the interviews ran over the allocated hour, as participants were happy to discuss the three areas and provide their experiences and opinions willingly. The information collected is therefore substantial, rich and comprehensive.

Access difficulties therefore resulted in a dramatically reduced sample size, as well as the inability to conduct the originally intended comparative analysis. In addition, like with many previous studies, and in supplementation of the website based secondary data, we hoped to receive additional secondary data including internal documentation, surveys and further insights into organizational practices. Unfortunately those involved were too hesitant to divulge this paperwork and many noted the rapid changes currently underway and therefore unwilling to allow access to such documents.

Industry contacts were completely lost during this time (as in the case of my secondary supervisor) and other banking-based studies put on hold (as in the case of my primary supervisor). Unfortunately access issues still remain critical and are set to continue for the next two – three years. This consequently results in ongoing or extended data collection remaining unfeasible for the foreseeable future.

While the timing of the GFC and the consequential 'shutting up shop' of the financial sector could not be anticipated and little could be done to mitigate its effect, this research still provides valuable empirical data that is currently lacking, by providing a 'voice' to managers. As a result, it provides valuable empirical insights that have been used to answer this study's research questions, but it is also hoped will provide valuable data for other researchers to explore and analyse.

## Data Analysis

By carefully and systematically transcribing, analysing and comparing these areas of empirical data with the assistance of content or thematic analysis guidelines (while following the research process carefully to increase the reliability and validity of the results gained), some initial insights into the practical relationship between CSR, EB and HR were noted.

According to Marshall and Rossman (1989), data collection and analysis must be conducted as a simultaneous process. As the method of collection can also be the basis upon which the data is analysed, it is often hard to distinguish and separate the two processes (Hussey & Hussey, 1997).

> *Experiences do not speak for themselves; nor do features within a research setting directly or spontaneously announce themselves as worthy of your attention. As a qualitative fieldworker, you cannot view your task simply as a matter of gathering or generating 'facts' about 'what happened'. Rather, you engage in an active process of interpretation: noting some things as significant, noting but not ignoring others as not significant, and missing other potentially significant things altogether.* (Schram, 2003, p. 9)

Data analysis is an innovative process involving "immersion, incubation, insight and interpretation" (Rossman & Rallis, 1998, p. 176), whereby sense is extracted from the collected data (Creswell, 2009). By applying a systematic process of organising and understanding the data, data analysis can enable a narrative regarding specific phenomena to develop (Hussey & Hussey, 1997).

However, this seemingly well-defined process becomes much less straightforward when applied within a qualitative-dominant mixed methods study such as this one, due to "no clear and accepted set of conventions for analysis corresponding to those observed in quantitative data" (Robson, 1997, p. 370). This is due in part to the large volume of data collected from a variety of different sources and with different methods, as well as through the application of a descriptive or exploratory study, characteristic of qualitative studies (Rossman & Rallis, 1998). As a result, extra care and organisation are needed when planning, conducting and analysing qualitatively dominant research.

One approach used to analyse data, as outlined by Hussey and Hussey (1997), includes the choice of using either quantifying or non-quantifying methods, as outlined in Table 32 below. Specifically, formal or informal quantifying methods convert qualitative data into numerical values (Hussey & Hussey, 1997). They are commonly associated with a positivist paradigm. In contrast, non-quantifying methods, although more problematic, are commonly associated with an interpretist paradigm (Miles & Huberman, 1984). However, if practical care is taken to resolve these problematic issues, including how the collected data is structured, condensed and presented, a non-quantifying approach can prove to be an effective method of analysis (Hussey & Hussey, 1997).

Table 32: Data analysis methods

| Quantifying Methods | Non-quantifying Methods |
|---|---|
| Informal methods | General analytical procedure |
| Formal methods:<br>&bull; Content analysis<br>&bull; Repertory grid | Cognitive mapping<br>Data displays<br>Grounded theory<br>Quasi-judicial methods |

Adapted from Hussey & Hussey (1997)

In order to overcome the inherent limitations of qualitative data analysis, a combination of quantifying and non-quantifying methods of analysis are used within this mixed methods study. I will adopt content analysis and general analytical procedures in combination with cognitive mapping.

## Content analysis

While content analysis is seen to rest in the positivist camp, others have advocated it as a useful tool for dealing with a large amount of open-ended interpretist data (Hussey & Hussey, 1997). By breaking down large amounts of data into more structured and manageable process parts, including sampling, coding units and coding frames (Hussey & Hussey, 1997), content analysis provides a number of research benefits. This method is unobtrusive and without time constraint. Once a sample is created, it can be revisited a number of times without restriction (Creswell 2007; 2009). In addition, as there are defined stages to follow, both reliability and validity (discussed in more detail later in this chapter) can be upheld (Hussey & Hussey, 1997).

However, there are a number of issues to consider when using content analysis. As noted by Hussey and Hussey (1997), summarising and reducing primary data too early in the process may result in important pieces of information being discarded, and understanding lost. While analysis may take place at the researcher's convenience, it is still a time consuming process (Robson, 1995; Hussey & Hussey, 1997; Creswell, 2007; 2009).

## General analytical procedures

Focusing on methodological rigour and systematic processing, general analytical procedures involve the creation of a data checklist, as outlined below, for the researcher to follow to facilitate analysis of large and complex amounts of data (Hussey & Hussey, 1997). A checklist is well suited to this mixed methods study, because it is defined by three different but overlapping fields.

Checklist items include:

1. Transcribing field notes or data into a legible written record.
2. Referencing and correctly labelling all data sources.
3. Initiation of coding as early as possible.
4. Grouping codes into categories to establish patterns and themes.
5. Summarising findings at regular intervals
6. Repeating analysis until data is robust.

Adapted from Hussey and Hussey (1997, p. 258)

In addition, my data analysis utilises cognitive mapping, which is based on Kelly's (1955) theory of personal constructs and described by Hussey and Hussey (1997, p. 259) as a "predict-and-control view of problem solving". Similar to mind mapping, it is very useful as a method for analysing interviews, and it provides a more graphical format for analysis (Cooper, Eden & Ackermann, 1990). Cognitive mapping is set out as a hierarchy of actions and consequences to help maintain context in interpreted meaning. While each analytical strategy is comprised of specific steps, combining specific steps with a more general qualitative analysis process provides an ideal means of analysing data on multiple levels (Creswell, 2009).

According to Yin (1994), case study analysis protocols (used to assist the organisation and structure of this research, despite this research not taking the form of a formal case study), should focus on regarding all data equally, attempting to arrive at convincing and robust conclusions, and

addressing and discounting alternative interpretations. In order to achieve this, a number of tactics can be adopted and implemented, including data organisation, within-case analysis, cross-case analysis and alternative interpretation identification and analysis (Yin, 1994; Marshall & Rossman, 1995; Miles & Huberman, 1984; Creswell, 2009; Leedy & Ormrod, 2010). The following section outlines these steps in more detail.

## Qualitative-focused research analysis process

A number of different authors have attempted to classify what they consider to be the main characteristics of qualitative research analysis (Morse, 1994; Lindlof, 1995; Hussey & Hussey, 1997). While their classifications vary slightly, there are large overlaps. They all reinforce the fact that qualitative analysis is not a prescriptive process. Although analysis is constrained in part by the methods adopted within a framework, creativity and resourcefulness also play a part (Leedy & Ormrod, 2009), so as to most adequately focus on answering the research questions, as in the case of this study.

Because qualitative data analysis is closely interwoven with interpretation and collection (Hussey & Hussey, 1997; Creswell, 1998, 2007, 2009; Leedy & Ormrod, 2009), a hierarchical, linear process is inappropriate, as discussed previously. Creswell's (1998) 'data analysis spiral', provides a more appropriate, non-linear, cyclic and interrelated process, as illustrated in Figure 27, which allows for flexibility and multiple, iterated analyses of the data.

The data analysis spiral includes four basic steps, as illustrated in the list below, which can be repeated and rearranged depending on the complexity of the study and the amount of data being analysed.

**Step 1:** *Organise and Prepare*: With the aid of a filing system and/or computer database, large amounts of data can be broken down into smaller parts and organised around broad categories or words.

**Step 2:** *Read/Peruse*: This stage needs to be done several times in order to obtain and fully understand the true sense of data as individual parts, as well as a whole. Notes should be taken outlining initial thoughts and potential categories.

**Step 3:** *Classify/Code and interpret*: General categories and themes are identified during this stage, and the data is classified according to best fit with research themes. A general pattern should start to emerge during this classification process.

**Step 4:** *Synthesise/Theorise*: Having been separated into its various classifications, themes and categories, possible hypotheses, relationships and propositions should now be drawn to help integrate and summarise the data. This can include the creation of tables, matrixes, diagrams and charts.

Figure 27: Four step research analysis process



**RAW DATA**

**Organisation**: Filing, creating a computer database, breaking large units of information into smaller ones

**Perusal**: Getting and overall "sense" of the data, making initial notes on preliminary interpretation

**Classification**: Grouping data into categories or themes, finding meanings in the data

**Synthesis**: Offering hypotheses and drawing conclusions, creating diagrams, tables, hierarchies

**FINAL REPORT**

Adapted from Creswell (1998; 2007), and Leedy and Ormrod (2009)

Analysing this study's qualitative-dominant data was a time consuming and complex process. As discussed by Creswell (1998; 2007; 2009), with such a large amount of data to work through in this research, it is critical to work systematically and to document the process used. While the interpretation of the data is influenced by the researcher, every effort should be made to reduce researcher bias (Creswell, 2009). Triangulation, used to obtain varying perspectives and to search for contradicting hypotheses, can, and as discussed above, was used to help reduce researcher partiality. The following section provides further insight into how data collected for this research was analysed.

## Data analysis

The recorded interviews were all transcribed. In addition, because the majority of participants had filled in the questionnaires by hand, these were also transcribed for ease of analysis. Thematic analysis, helpful in identifying, analysing and reporting patterns (Braun & Clarke, 2006) was then used to analyse participants' responses. The interviews and questionnaires were then both 'manually' analysed to identify the key themes and common patterns that emerged across participants' perspectives, as opposed to calculating frequencies of responses or creating theories.

This qualitative-dominant analysis is ideally suited for exploring participant discourse, both words and text. Discourse analysis identifies common words or themes across interviews and assists researchers to go beyond the text itself to find underlying meanings. It therefore supports interpretation and deconstructed reading through critical analysis even though no prescriptive guidelines are given (Palmquist, 2007).

Critical analysis is also important when analysing data, as it allows time to be dedicated to establishing what lies behind the text, and the motives and actions that resulted in the text or verbal discourse. Instead of reviewing the outcomes on the surface, what lies beneath is exposed, thereby developing and expanding the analysis of the initially observed outcomes. In light of these considerations, and with participants being asked to provide examples of their personal experiences and perspectives when responding to questions, an analysis protocol was developed. Although linear in description, this was done in a cyclical and repetitive manner. Given the lengthy data collection process, concurrent collection and analysis was carried out. Once data collection was completed, a review of all data was also done to ensure a holistic and accurate reflection of the data set.

The consistency of questions across the questionnaires resulted in them being used as a starting point for the analysis. Answers were initially grouped by commonality of response to each question. Then, themes both within and across answers, as well as differences, were noted. Mind maps, similar to cognitive mapping, were especially useful during this stage of the analysis. Data analysis followed a theoretical or deductive style, because it was influenced and guided by the themes in the literature, as well as the research questions. This approach was most suitable for this research, given the desire to consider the findings in the context of the literature and to provide accurate answers to the research questions.

A number of common themes were identified from analysis of the questionnaires, which were then used as a starting point to code the lengthier and less consistent interview transcripts, in line with the sequential design discussed earlier. This resulted in the confirmation, as well as the extension of a number of key themes. To ensure accuracy, themes were added to, changed, renamed and grouped throughout the process. In addition, although the questionnaires and interviews were initially analysed as separate data sets, they were also combined and analysed as a larger data set, within the context of an embedded qualitatively dominant approach. While predominantly deductive in approach, inductive analysis was also incorporated, so as not to exclude any potential points of interest or outliers and make full use of the benefits and advantages afforded to this research by its mixed methods approach.

With manual analysis the predominant technique adopted, researcher bias became a key component to consider and mitigate against. As a result, external advisors, as well as qualitative analysis software NUD.IST Vivo (NVivo) were used to assist with managing data analysis, as well as to provide a means of minimising pre-existing opinions and expectations. In addition, NVivo was used to store, organise and interpret the transcripts to confirm and ensure no major themes or key concepts were missed.

## NVivo

In order to improve efficacy of the data analysis process, NVivo, developed by QSR International, was used to help manage, organise and explore textual and verbal information (Richards & Morse, 2002). The NVivo system allows for a more flexible and iterative data analysis process because it provides detailed coding, node creation tools and graphical and modelling applications (Bazeley, 2007; Richardson, 2006).

Because it enables line-by-line scrutiny of imported data (in this instance, semi-structured interview and qualitative questionnaire responses), NVivo can be used to develop and apply analytical coding levels to identify patterns, themes and categories (Richards, 2005). This application allows a researcher better access to data and provides diverse ways of approaching the data, which in turn streamlines sorting, classifying and arranging data, as well as allowing for more time to be spent on exploring themes that answer the research question (Creswell, 2007). Capabilities and advantages of NVivo are outlined in Table 33 below.

While using a computer may ensure that a researcher is working more methodically, attentively and thoroughly, the human factor cannot be separated from the process, and it is important to remember that the computer software can neither hide, nor compensate for poor workmanship or limited interpretive capacity (Bazeley, 2007). Researchers, like most workmen, cannot blame their tools!

Therefore, NVivo was used to assist with the manual process of finding themes and extracting a comprehensive meaning from the participants' transcripts. In provided both a means of systematic focus for the manual process and a less subjective view of the research in terms of coding and keyword analysis. The use of a secondary and supporting analysis tool like NVivo was also important for increasing the validity and reliability of the findings, which are explained in greater detail below.

Table 33: NVivo advantages and capabilities

| NUD.IST (NVivo) | |
| --- | --- |
| **Advantages** | **Capabilities** |
| Increased storage and organisation capacity | Manage data – import data directly from word processing programs (e.g. interview transcripts, organisational documentation and reports) |
| Improved coding and theme identification | Create, organise and code to manage data |
| Coding interrelationship comparisons | Search and query data using keywords/phrases and then save searches |
| Visual pictures/ charts of codes and themes | Record memos about specific document sections and link these to other relevant pieces of text |
| Systematic, methodical and thorough | Generate reports from the data |

Adapted from Creswell (2007) and Bazeley (2007)

In addition, in order to assist with the process of data analysis, external advisors who run NVivo-based workshops and who specialise in data analysis and general research assistance, were consulted. They were able to provide guidance and insight into how best to go about organising, structuring and approaching the research analysis process; they were also able to review portions of the analysis to provide feedback and recommendations for improvements. Their input and experience ensured that the analysis was not only performed to a high standard but was best suited to the research questions.

The themes were continually refined throughout the analysis process until it was felt they had reached theoretical saturation (Birks & Mills, 2011) and minimal additional development could be achieved. Although the data provided was substantial and extremely diverse, given the analysis was guided by the research questions, when I felt that the generated themes were adequate and could handle all issues that the participants raised regarding the research focus, the analysis was terminated. These themes were then used to guide the research story as outlined in the findings chapter. Verbatim extracts were included in both the findings and discussion chapters to further support this story, as well as to enrich the evidence provided (Creswell, 2007; 2009).

# Validity, Reliability and Generality

Once the methods of data collection and analysis are selected and applied to the research, it is important, to evaluate their quality (Hussey & Hussey, 1997). This evaluation should take place continually throughout the research process, during the collection, analysis and the reporting stages (Yin, 1994; 2009). It is therefore helpful to recognise this continual evaluation as a specific process, so that it is not forgotten or lost during the other stages (Creswell, 2009). By focusing on evaluating every step in the research process, one can minimise errors, reduce bias and ensure that the data collected and the conclusions drawn are both valid and reliable (Yin, 1994; 2003; 2009). To ensure this standard is achieved, specific criteria or testing methods should be used to assess quality (Leedy & Ormond, 2010).

Different authors propose different standards for evaluating qualitative studies, including purposefulness, rigour, completeness, coherence, usefulness and consensus (Leedy & Ormrod, 2010). Hussey and Hussey (1997) also include credibility, transferability, dependability and confirmability. However, there is general consensus that the main areas of focus in exploratory research, which cover the major criteria outlined above, are reliability and validity (Yin, 1994; 2009).

Table 34 illustrates how reliability and validity are measured and during which phase of the research process they are most important (Yin, 1994; 2003; 2009).

Table 34: Tactics and measures to ensure reliability and validity

| Tests | Tactics | Research phase where tactics are used |
|---|---|---|
| **Reliability** | • Use determined protocol<br>• Develop database | Data collection<br>Data collection |
| **Construct Validity** | • Use multiple sources of evidence<br>• Establish chain of evidence<br>• Have key informants review draft report | Data collection<br>Data collection<br>Composition |
| **Internal Validity** | • Use pattern-matching<br>• Build explanations<br>• Address rival explanations<br>• Use logic models | Data analysis<br>Data analysis<br>Data analysis<br>Data analysis |
| **External Validity** | • Explore theory in single-case studies<br>• Use replication logic in multiple-case studies | Research design<br>Research design |

Adapted from Yin (2003, p. 33-34)

## Reliability

As an indicator of internal consistency, reliability is important in research findings and is determined by whether results can be replicated (Yin, 1994; Nachmias & Nachmias, 2000; Zikmund et al., 2010). In qualitative research, the influence of the researcher cannot be separated from the research, and has an effect on the interactions that occur during interviews, observations, and analysis. Therefore, this results in research that is, by nature, highly subjective (Robson, 1995; Hussey & Hussey, 1997).

Qualitative research is therefore typically classified as unreliable (Hussey & Hussey, 1997). Further limiting its reliability, subject error and bias need to be recognised and considered (Robson, 1995). Due to the "dynamic nature of the social world and given that the researcher is not an instrument in the experimental sense" (Rossman & Rallis, 1998, p. 46), achieving complete consistency and replication in qualitative research is unlikely. However, in spite of these restrictions, consistency and reliability can still be achieved (Hussey & Hussey, 1997).

This methodology section provides a clear and comprehensive overview of the research design, methodological approach, and research methods employed in this mixed methods study. A research protocol for both data collection and analysis was established to ensure consistency was maintained as far as possible, given the lengthy data collection process. In addition to manual methods, NVivo was employed to assist with further consistency. While overall duplication in qualitative data is difficult to guarantee, a high level of quality was maintained through external review, mixed methods triangulation, as well as discussions and reviews with my supervisor and professionally dedicated consultants.

## Validity

The second important measure to consider is validity. While reliability is based on consistency and the ability to replicate a study, validity is defined as the accuracy, or credibility of a study (Zikmund, et al., 2010), also referred to as trustworthiness, adequacy and plausibility by Creswell and Miller (2000). Hussey and Hussey (1997, p. 57) define validity as the "extent to which the research findings accurately represent what is really happening in the situation", and Zikmund, et al. (2010, p. 307) add that validity is ensured when we are "accurately measuring what we think we are measuring". Due to the nature of this qualitative-dominant research, validity is therefore the main strength of this research, as compared with reliability (Creswell, 2009).

Validity, as with reliability, is not an easy measurement to apply and achieve (Zikmund, et al., 2010). Like reliability, authors have provided numerous typologies of validity (Creswell & Miller, 2000). For the purposes of this study, validity is assessed according to three measures: *construct validity*, *internal validity* and *external validity* (Yin, 1994; 2003; 2009).

***Construct validity*** exists, according to Zikmund et al. (2010, p. 308), when "a measure reliably measures and truthfully represents a unique concept" and is therefore accurate and "broad enough" (Vanderstoep & Johnston, 2009, p. 60) to capture the concept being measured. As indicated in Table 35 above, Yin (1994; 2003; 2009) indicates that construct validity can be achieved by using several sources of data, generating a clear path of evidence, and having research participants review the draft findings.

Secondary documentation, semi-structured interviews and questionnaires are used in this research to increase validity, as well as research quality. While "multiple methods do not constitute a panacea for all methodological ills" (Robson, 2002, p. 87), they do, as noted by Creswell (2009), establish a means to increased validity based on the convergence of several sources. In addition, attention was given to the interviewing process to ensure that all data collected was accurately recorded and transcribed through the use of a digital audio recorder; a database was also created, whereby clear links could be established between the research questions being investigated, the relevant data being collected, and the subsequent analysis and interpretation. Participants of the research were invited to review the study's draft results, key themes and analysis in order to further guarantee accuracy and uphold construct validity (Creswell, 2009).

***Internal validity***, according to Yin (2003), refers to the extent to which a causal relationship is established, and whether there is accuracy in the claim that what happened/changed in the independent variable resulted in a change/development in the dependent variable (Vanderstoep & Johnston, 2009). To assist with internal validity, multiple organisations are included in this research, as well as multiple participants from each organisation

***External validity*** or ability to generalise refers to the "extent to which the findings from one investigation will generalise to other samples, populations, or settings" (Vanderstoep & Johnston, 2009, p. 106). External validity is important because it establishes how applicable and useful the research is, and how well it contributes to the greater body of knowledge beyond the context of the study (Rossman & Rallis, 1998). This can be difficult to achieve, given the nature of the data and the importance of context (setting and selection) in qualitative studies (Creswell, 2009). However, by applying the tactics outlined by Yin (1994; 2003), these potential issues can be minimised.

However, the purpose of this research is not to focus on findings that are applicable across all industries and countries, but rather to obtain exploratory empirical data from the financial sector in New Zealand and Australia at a specific point in time, and to provide insight into current practices as a starting point for future research.

In combination with multiple data collection methods, replication logic was used (Yin, 2003; 2009). This means that "each 'case' (in our instance organisation) is carefully selected so that it either (a) predicts similar results (a literal replication), or (b) predicts contrasting results, but for predictable reasons (a theoretical replication)" (Yin, 2003; 2009). Therefore, this research draws on the financial sector as the context of enquiry, but given the small number of participating financial organisations, focuses predominantly on establishing areas of commonality.

In order for this replication process to be helpful in improving external validity, it needs to be grounded in a "rich theoretical framework" according to Yin (2003, p.47), so that both the parameters under which a condition is likely to be found (literal), or unlikely to be found (theoretical) are presented. Therefore, although organisations' as well as participants' identities have remained confidential, and are referred to in the text according to the order in which they were interviewed, the industry they belong to, bank or accountancy firm, as well as the country in which they operate, is disclosed. It was also pleasing to note that within the number of interviews conducted, despite the unforeseen and hindering access issues, the same themes re-occurred, highlighting that a point of saturation was reached within the small group of participants. In addition, organisations from the same industries in different countries, organisations within the same country, and those operating within the NZ banking industry could be compared (Eisenhardt, 1989; Rossman & Rallis, 1998; Yin, 2003; 2009). These comparisons, in addition to guidance and themes provided from the established literature, were used to improve validity.

While both reliability and validity are important quality measures of research, and tests and strategies need to be applied to ensure research is credible and useful, Deutscher, Pestello and Pestello (1993, p.25) note that:

> *We concentrate on whether we are consistently right or wrong. As a consequence we may have been learning a great deal about how to pursue an incorrect course with a maximum of precision.*

Taylor and Bogdan (1998, p. 9) respond:

> *This is not to say that qualitative researchers are unconcerned about the accuracy of their data. A qualitative study is not an impressionistic, off-the-cuff analysis based on a superficial look at a setting or people. It is a piece of systematic research conducted with demanding though not necessarily standardised, procedures.*

What is important to conclude from these statements is that although qualitative research is not as systematically organised and easily assessed in terms of reliability and validity, it still recognises and upholds research conventions and can still contribute to the general body of knowledge and research, if through more irregular processes.

## Ethical Issues

While monitoring the processes used during data collection, analysis and interpretation, research, especially in a qualitative-dominant setting, relies on people and their understanding and interpretation of their world. As a result, great care must be taken to ensure participants are protected from harm or distress while they contribute to the research process, as well as when findings are presented and conclusions drawn.

Research ethics, as discussed by Vanderstoep and Johnston (2009), are concerned with how we treat the participants involved in our studies. Ethics, according to Robson (2002), usually classifies behaviour as good or bad, right or wrong. Highly ethical behaviour is characterised by fairness, justice and acceptability (Zikmund et al., 2010). As social science research includes both scientific and humanistic elements, researchers need to be aware of the ethical dilemmas that exist and must weigh up the potential benefits and costs to both the research and its participants (Nachmias & Nachmias, 1996; 2000).

As discussed by Robson (2002), a distinction can be drawn between *ethics*: a general set of principles outlining what we ought to do, and *morals*: whether or not specific acts/actions are in line with these accepted principles. It is critical that ethical considerations be a part of every stage of the research process (Bailey, 2007). This is important because "research involves collecting data from people and about people" (Punch, 2005, p.276), and therefore researchers need to protect their participants from harm, build trust with them, and promote the integrity of their research (Israel & Hay, 2006).

International organisations have therefore established codes of ethical conduct that provide guidance, as opposed to stringent rules for researchers to follow (Bailey, 2007). Such organisations include, most notably, the American Sociological Association (ASA) and its Code of Ethics (Creswell, 2009), and the British Psychological Society and its Code of Ethics and Conduct (Robson, 2002), among numerous others. Universities and organisations can also have what is commonly referred to as an Internal Review Board (IRB) that scrutinises all research proposals and outputs to ensure a high ethical standard is maintained (Leedy & Ormrod, 2010; Vanderstoep & Johnston, 2009).

At AUT, the AUT Ethics Committee (AUTEC) is responsible for this process and outlines ethics considerations that are specifically relevant to New Zealand-focused research. This research therefore aims to adhere to the ethical guidelines outlined by AUTEC, which are based on, but also expand on, international guidelines.

As New Zealand's society is richly multicultural, it is important that ethical considerations are appropriately applied in situations often complicated by competing sets of values and beliefs (AUTEC, 2012).To this end, the three key principles of the Treaty of Waitangi have been applied by AUTEC to establish core values upon which their ethical considerations are based and upon which researchers can model their behaviour.

These values and how they relate to this research are outlined below:

- **Partnership**: Researchers need to act in good faith, with mutual respect. This is an exploratory study that draws on both New Zealand to Australian human resource practices. The results will provide valuable information for businesses and managers in both countries and summary results of the questionnaire will be publicly available. The consent form provided to participants promotes mutual respect, and the researcher was open and honest in disclosing all information relating to the research through the use of an information sheet. In addition, participants were provided with a number of opportunities to ask questions. The interview was conducted at the participants' workplaces, at a time convenient to them, to minimise disruption to their work. By establishing a platform of mutual understanding and respect, the research could be conducted in good faith.

- **Participation**: Participation should be voluntary and participants should be treated as people, not subjects, with the right to discontinue participation at any point. Participation in this research was voluntary and was open to all willing managers in each of the selected organisations. There was no disadvantage to those who decided not to participate. None of the interview or questionnaire questions, in accordance with AUTEC guidelines and approval, were discriminatory, ambiguous or technically complicated, and therefore were respectful to and appropriate for all levels and cultural groups. This was particularly important in this trans-Tasman study. Participants were only asked to provide their personal insights and experiences.

- **Protection**: Researchers need to actively protect participants from harm and deceit, and respect cultural differences. While the researcher and research supervisor know who the participants were, their names will otherwise remain confidential, and neither the individual participants nor their organisations will be revealed for any reason. All potential participants were informed and able to withdraw from the research process at any time and were able to decline answering particular questions, as they saw fit. All questionnaires and interview transcripts are securely stored.

This research thereby ensures that the guiding ethics principles stipulated by AUTEC have all been considered and incorporated into the research design. The main ethical tenets followed throughout the course of this research are:

- informed and voluntary consent;
- respect for rights of privacy and confidentiality;
- minimisation of risk;
- truthfulness, including limitation of deception;
- social and cultural sensitivity, including commitment to the principles of the Treaty of Waitangi/Te Tiriti O Waitangi;
- research adequacy; avoidance of conflict of interest;
- respect for vulnerability of some participants; and
- respect for property (including University property and intellectual property rights).

(AUTEC, 2012)

These principles were confirmed through the granting of AUTEC ethics approval number 11/44 on June 13th, 2011. In addition, steps were actively taken to ensure that a high degree of reciprocity and care was taken to avoid any possible unethical research or behaviour not specifically stated.

# Conclusion

This chapter discusses the methodological approaches and processes applied to this qualitative-dominant mixed methods exploratory research. It outlines the dominant interpretivist and constructivist and pragmatic approaches used. In addition, it describes which qualitative-dominant methods were best suited to investigating the research questions and consequently explore he extent to which CSR, EB and HRM are aligned within the literature and practically applied to people management strategies in practice. Data collection methods are then outlined. Empirical data was collected using a multiple methodological approach, including secondary documentation, questionnaires and semi-structured interviews. The sample included participants from willing New Zealand and Australian financial organisations. Managers, who were responsible for, or involved with HRM, CSR and EB, were targeted. It is hoped that the multiple data collection methods and data source triangulation, as well as mixed methods approach will mitigate validity and reliability issues created in this qualitative-dominant research, and minimise their effect as far as possible.

However, as no data collection method is ever perfect; potential challenges and proposed strategies to mitigate these issues are discussed, with particular reference to the interview process. In addition, extreme access constraints and consequential impacts as well as an overview of other areas of difficulty encountered is subsequently presented. Data collection was a lengthy and difficult process, with the impact of the GFC resulting in a number of constraints, as well as organisational restructures that hindered access. Therefore, although the thirty managers participated and provided a rich data source to work with, it took over a year to achieve this small sample.

Chapter 3 then proceeds to discuss the process of data analysis. The predominantly manual, thematic data analysis process utilised in this research followed a detailed and recorded approach, ensuring all findings and conclusions drawn could be comprehensively substantiated. A deductive and inductive approach, focused on providing the best answers to the identified research questions was employed, and external experts and NVivo were also used to assist with each 'stage' of research analysis, to improve organisation, provide storage, reduce researcher bias and to assist in improving validity and reliability.

Although qualitative analysis is not linear, a systematic and organised process, drawing on quantitative methods was followed in order increase the quality of the results. Additional measures were implemented in order to maintain a high degree of validity and reliability, including research protocols, the creation of a database and rigourous sense checking at every stage to prevent subjective, unsubstantiated inference.

The Auckland University of Technology's Ethics committee (AUTEC) guidelines are discussed, and stringent adherence to these guidelines at every stage of this research is documented. Adherence to rigourous ethics guidelines ensured that organisations and participants were treated with respect, protected from harm and risk, kept informed about the research and that their privacy was maintained throughout the research process.

By understanding, implementing and documenting the process of the qualitative-dominant mixed methods data collection and analysis employed in this research and recognising the methodology principles that ground this research, it is hoped that conclusions reached will be of benefit to financial industry practitioners, as well as contributing to and enhancing the academic body of knowledge. The following chapter, based on the methodology outlined above, will present the findings from this research.

# Chapter Four: Findings

## Introduction

The CSR, EB and HRM bodies of literature are each, in their own right, considerable areas of research. Surprisingly, despite their extensive breadth, all three of these management subject areas tend to remain overly positive and normative in their findings. In addition, each area appears to have developed in almost complete isolation from the others. This is unexpected, given the commonality in their employee-orientated theoretical development. As a result, while much is discussed and presented about CSR, EB and HRM separately, there is still minimal academic discussion regarding the relationships between them. While some authors allude to an overlap and its theoretical benefits, empirically these relationships remain ill-defined and unexplored. To what extent any relationships exist in practice remains unclear. This thesis, as exploratory research, empirically investigates the evolution of each of these three areas and aims to better understand if and how they overlap in practice.

This chapter presents empirical data gathered from managers in the New Zealand and Australian financial sectors collected through the use of qualitative questionnaires and semi-structured, in-depth interviews. In total, seven organisations agreed to participate. Five organisations were New Zealand-based and the remaining two were the Australian parents of two of the New Zealand subsidiaries. The interview participants included 31 managers who were directly involved in either the HRM or CSR functions. As a result, a dominantly HRM perspective is presented. While a number of guiding questions were used in the interviews, the focus was on providing participants with the space to provide their personal experiences and perspectives of all three areas as well as their perceptions of relationships between CSR, EB and HRM. Interestingly, this resulted in a variety of arguments about the benefits and challenges associated with implementing these concepts.

Finding willing participants was difficult, given the timing of the research coincided with the GFC. Remarkably, despite the reluctance of many to contribute initially, the interviews proved enlightening. The depth of insight gained was much broader than anticipated. The extensive findings obtained from this relatively small sample are comprehensively presented, including those abridged for this chapter, in Appendix 3. This provides further insight in the managers' 'voices'. A summary of verbatim quotes is included in this chapter. These have been selected and tailored to focus on the key research questions.

The participants' comments were varied. Not only did perspectives differ between organisations, but also within organisations. Although conceptual understanding varied, on the whole the participants described CSR, EB and HRM as increasingly important strategic areas of organisational focus. Their comments supported the positive views adopted by the recent

literature, and mirrored its increased focus on employees. Practical constraints to effective implementation were, however, a bigger focus for participants than they were in the literature.

Participants freely promoted and described the characteristics and attributes they felt would contribute to successful implementation of employee-focused CSR, EB and HRM practices in their organisations. However, when it came to their organisation's actual implementation, contradictions between the promoted models and their current practices became apparent. For many, the described challenges still pose significant obstacles. For a select few, success was reality, as opposed to a future possibility.

The same was true when discussing the relationships between CSR, EB and HRM. Arguments for and against overlaps were provided. While that select few could again comment on the achieved success of a more integrative approach, for the majority, increased alignment was still to be accomplished and was still hotly debated.

This chapter is organised as follows. Findings relating to the contextual effects of the recent GFC are presented. While achieving cost efficiencies gained prominence for participants because of GFC-induced business pressure, so too did opportunities for improvement. Following this, the contrasting relationships between New Zealand and Australian firms within the same organisational group are also briefly outlined. Participants' responses cover the full spectrum of collaboration possibilities, from weak to strong interactions.

When discussing CSR, EB and HRM, the participants continually and consistently focused on a number of organisational concepts that they felt were important to consider in the context of the areas under discussion. These drivers emerged as key themes and areas of current organisational focus. Employee-orientated concepts, they highlight a commonality in the underlying drivers and facilitators of these three management subjects and are discussed within the HRM section. The increased focus on talent by the participating organisations, in line with increased attention on a more balanced recruitment and retention-focused employee lifecycle, is explored first. Next, employee engagement is acknowledged as an increasingly important and formalised part of the employee lifecycle. The organisations' cultures and values are consequently presented as another important and underlying driver of CSR, EB and HRM. The importance of communication to support all organisational functions' effectiveness is then presented. Finally, diversity and the debate over generational differences are discussed.

The remainder of the chapter describes the participants' perspectives regarding the conceptualisation and importance of CSR, EB and HRM. Each section is presented separately and then the perceived relationship between them within an organisational setting discussed. To gain insight into the research questions, the three sections focus on establishing how well understood CSR, EB and HRM were, and what value they were currently considered to contribute. In addition, the development, drivers and barriers to improved effectiveness are discussed. The participants' mixed views and debate regarding increased integration or alignment between these three areas is then presented. A brief summary of findings conclude this chapter.

# Setting the Scene

## The effects of the GFC

When asked what impact the GFC had on their organisation, the participants' responses focused on its impact on their business, on HRM responsibilities and subsequent impact on employees. Greater cost pressures were an ongoing concern and became more prominent during this time. However, despite its presumed negative connotation, a number of positive consequences of the GFC were also discussed by the participants. Increased adaptability, as well as providing organisations with an opportunity to do things better and more innovatively, was a persistent theme. Recruitment and engagement levels varied during this time, in line with an increase in retention and performance management. Emphasis was placed on reducing redundancies, although this was a reality for many. Attention was also focused on HR practitioners gaining a holistic and financially focused understanding of the business during this cost-driven period.

## Cost efficiencies, adaptability and innovation

Cost pressures, although acknowledged as an ongoing concern regardless of the financial climate, were seen to have increased considerably as a result of the GFC. This has resulted in a greater focus on efficiencies. Emphasis, as noted by certain participants, was therefore placed on being able to adapt and 'do more with less':

> *I guess it's about being smarter with what you have, and I guess, because costs have been such a focus, it is about doing more with less—so that's a challenge for everyone…How can we be more efficient with the resources we have? (Int21)*

As noted by one participant, the extravagances often associated with banking gave way to more frugal ways of doing things at all levels, like sharing taxis to the airport. Leveraging technology, like videoconferencing, and using currently available internal skills were other ways in which cost efficiencies were managed. Although traditionally associated with reduced capability, continuing to operate efficiently with less was described by some of the participants as positive due to an increased focus on being smarter and more innovative:

> *It has been beneficial in terms of people needing to actually become more creative when it comes to solutions to business problems. (Int19)*

Interestingly, these innovations extended to the employee lifecycle. With recruitment already commonly acknowledged as a significant organisational cost, retention was not only a desired organisational goal, but increasingly acknowledged as an effective cost-saving strategy. For example:

*Well, it certainly has sharpened our focus…and made us be far more careful about retaining talent, because bringing people in and training them up takes absolutely years, and we need to do our upmost to retain the very high quality people that we've got. (Int15)*

## Refocusing and consolidating post-GFC

The overall consensus from participants, despite the difference in geographic locations, was that despite cost pressures, the GFC provided an opportunity for them to do things better. For some, this has meant delivering on existing commitments. Focused on minimising costs and driving innovation, a number of participants noted their renewed emphasis on a leaner management model: *Kaizen*

*What our business is now trying to do is drive Kaizen. It's sometimes referred to as Toyota management or the lean manufacturing approach, so this is the idea that we're trying to reduce costs and eliminate waste, which is about driving innovation and so that's been our approach—to be innovative in these times, not go back to old ways of cutting heads and budgets. (Int22)*

In addition, a number of participating organisations have used the GFC as an opportunity to reassess what is critical, as opposed to no longer relevant. This changed focus has resulted in not only doing things better, but differently, with participants addressing issues of transparency, sustainability and organisational values.

*I think one good thing about the GFC has been focusing on making programmes more sustainable, so it's thinking about why would we be sponsoring something; what's the relevance of that? (Int29).*

*We've come through the GFC pretty well, but we have also recognised it as an opportunity where we can do things even better. We see it as a way of differentiating ourselves and also acting in line with our values. (Int26)*

## The role of HRM

Human resource management has, as a result of the GFC, been called upon by practitioners to focus on the business holistically, become financially orientated and add greater value to operations. According to the participants, its role and responsibilities have changed. With some organisations committed to minimising redundancies in response to job security concerns, the levels of recruitment have varied. Retention strategies, as well as performance management practices, have, in contrast, increased. Employee engagement levels were also variable and inconsistent between the participating organisations.

*A couple of years ago when we did our yearly survey, job security was cited as a greater concern for people. However, there was also a real, strong commitment from the business to try to avoid any impact on existing jobs. (Int1)*

*We agreed with the firm to do no redundancies during that time, so that was sort of a commitment that our CEO made to the firm, but it meant that we had to find another ways to save money. (Int20)*

Recruitment levels during this time varied dramatically. For some, recruitment decreased and became more of a stringent process, in line with cost control and an emphasis on ensuring current employees were retained; for others, internal reallocating of positions increased to meet changed customer demand, and this had an added benefit of developing skills.

> *To recruit people there was more of a process to go through. You had to put a real business case forward. They just wanted to make absolutely sure it was the right decision, but while that was happening there was also a real strong commitment to try and avoid any impact on existing jobs. (Int1)*

> *So what we ended up doing is taking these guys out of the front line, and putting them into the part of the business that works on impaired credits. Eventually they'll migrate back, but that's great because when they go back to the front line they know what happens when someone's in receivership. (Int18)*

For others, recruitment levels remained high. Accountability measures were, however, put in place to ensure these levels remained in line with business needs:

> *So we haven't touched graduate recruitment, we haven't scaled back offers or anything like that. But, having said that, behind the scenes our CEO is very much like if you want this number of graduates you make sure you have work for them to do. (Int12)*

The focus for many participants shifted to internal issues. While recruitment remained an ongoing priority, performance management took precedence. In contradiction to the approach taken by some organisations to retain employees and reduce redundancies, for others, managing non-performance was described as more of a balancing act, with clients, as opposed to other industry players, still actively head hunting.

> *What we found is that good people, regardless of the economic environment, were able to get jobs. In terms of your top stars they were getting head-hunted, not by competitors but by your clients and, that was pretty tough. (Int6)*

In addition, managing work–life commitments, motivating employees and managing salary expectations, given rewards could no longer be purely monetary, made up some of the challenges faced by HR practitioners during this time.

> *The biggest challenge is managing work–life commitments. The other thing is about how to motivate your staff. I mean you can't always give financial rewards, and that is something we've had to look at now especially. (Int23)*

As a result, employee engagement levels in the volatile and uncertain post-GFC environment varied between organisations. While some noted little impact on employee engagement, others' experiences were less affirmative. For example:

> *I think staff definitely felt the impact of the GFC. You were required to do more work. So, people would leave and they weren't replaced and then the work got spread. So it used to be you were really busy on a project and you had a bit of time to recover before the next one. For the last few years there haven't been any lulls and people are tired. (Int25)*

While HRM's focus expanded, the organisation's expectation of HRM did, too. However, this resulted in a number of mixed experiences between organisations. While for some, personal development reduced, for others the need to increase their business acumen and understanding to drive their organisational value increased. For example:

> *I think it has forced many firms, many industry disciplines, professional disciplines like HR to have greater business acumen, and to have greater awareness in terms of running a business, as opposed to being just an HR person. And so, I think that's a really healthy thing. (Int6)*

# Collaboration between New Zealand and Australia

Collaboration between the New Zealand and Australian firms from the same organisations varied dramatically. Participants' interpretations ranged from one to the other extreme. For some, collaboration was seen as limited due to differences in perceived benefit and willingness to collaborate, as well as differences between the firm's focus and influence. A lack of collaboration was described by certain participants as an opportunity cost. However, for others, collaboration was seen to be improving, be it on an informal case-by-case basis. A further contrast, given global group alignment, was the fact that for some participants, collaboration wasn't even debated, but was seen as a part of the organisation's operational model. In addition, the extent of collaboration between the New Zealand and Australian HR functions was a specific topic raised and discussed by the participants.

## Lack of collaboration

Some participants from both New Zealand and Australia were unsure of how much collaboration was happening between their respective organisations, but felt that more would be beneficial and current low levels of collaboration constituted an opportunity cost. For example:

> *It's one of those areas that are talked about a lot, but when it comes down to it, there's not as much done as one would like to think. It's not so much that something gets lost; it's that potential is not realised. So it's probably more an opportunity cost. (Int18)*

The main reasons for this disconnect and lack of collaboration was ascribed to the fact that the markets and needs were very different. Australia was seen as much bigger and 'ahead of the game' in many respects, particularly with their market and focus on Asia.

> *I think it's quite hard, because when you think about a company that's 40,000 employees versus 5,000, there's going to be a lot of differences. So, its size, and it's money, so systems can't always be shared because we can't always afford the ones that they have, but we do learn a lot from them in terms of our learning systems. (Int2)*

> *I think the markets are very different, and the needs. I think there are things that can be shared, but I would be hesitant to implement without testing the theory here beforehand, because I do think that whilst there are some similarities, there are some significant differences as well. (Int19)*

*In New Zealand we look to Australia a lot. They're looking further east up to Asia or Singapore or further afield, so they don't tend to be looking this way. So it's quite hard just to get the air time. I guess there's a different perception of the relationship and what the value would be. (Int18)*

## Two-way exchanges

Collaboration was only seen as useful and effective if both parties benefited. The perception from New Zealand participants was that there was a push for greater interaction, but mainly from the New Zealand end, and that difficulties arose around the value such a relationship for the Australians. The general perception was that New Zealand had more to gain and less to give than Australia.

*I think a lot of things do come from Australia, because they're a bigger base, and they're also connected more to Asia and globally. It's smart to watch what they're doing and to not reinvent the wheel. It's kind of like big brother; if you've got the ability to get leverage off it, why start from scratch? (Int25)*

Interestingly, there were a number of participants who noted that this perception regarding one-way value was changing. In many cases, the relationship was becoming more of a two-way exchange, with Australia increasingly learning from New Zealand.

*We have a good working relationship with them. Quite a lot of people on the team have contacts in Australia. Strangely, what we find is that we can often be a bit more ahead of Australia than what we sometimes expect, but we still appreciate having that different point of view, and sometimes if we make it really easy for them to ask for help, they'll ask for help from us. (Int5)*

*I think it is two way. My sense is that in the past it was more New Zealand learning from what was happening in Australia, but I think now it's a bit more mutual. (Int17)*

This renewed exchange has been assisted by the increased mobility of both employees and customers between New Zealand and Australia.

*A lot of our people have ended up working in Australia, either on a project basis or permanently. (Int26)*

Others, in line with this move towards improved collaboration, described the relationship between locations as informal, with independent geographic operations, but increasingly regular conversations and sharing of ideas.

*So, we're independent to achieve what we need to achieve for our parts of the business, but we do have a look and share stuff where we see it's relevant. We could always do more. (Int17)*

## Globally-focused collaboration

In contrast to those describing only tentative or informal collaboration, the remaining participants described the relationship between New Zealand and Australia as strong and established, based on the fact that their organisations were globally aligned and group focused. As a result, there were significant levels of collaboration, with an emphasis on having all geographic locations at the same level supported by locally adapted initiatives. The need for collaboration was also seen as increasingly vital for New Zealand's global positioning.

> *So, more and more I think recognising that being a global organisation and having successful strategies is about being truly global. So, it's not about what works for them, it's what works for us at an enterprise level. (Int26)*

> *They [the Australian parent companies] are absolutely happy to share with us because they don't see us as a competitor. We are part of the growing part of their family, the little sister if you like. This is part of a two-way exchange as we give back, too. I think because we're smaller, we're maybe a bit more nimble, the more innovative side of things. I think it's a little slower to get traction on some things over there, so I think from that side they do learn from what New Zealand's doing. (Int25)*

# Employee-focused CSR

## How well understood is CSR?

Participants were asked to discuss their firm's specific employee-focused CSR policies and practices. There was *no consistency* amongst participants about how they described and therefore understood CSR. Some participants took a holistic social, economic and environmental approach, while others focused only on their social policies, such as staff volunteering in the community. . In addition, organisations' CSR-related roles varied in the degree to which CSR was voluntary, proactive, strategically aligned and activity focused.

All participants highlighted the importance and inclusion of stakeholders in their descriptions. However, with employees described as both a key stakeholder group and an external stakeholder delivery function, there was no consistency in responses. Therefore, the meaning of CSR still appears to be developing. This assessment was reinforced by many participants, who, although their CSR policies have developed significantly in the last five years, revealed that there was still potential to be realised.

Despite inconsistencies, all participants felt CSR was an increasingly important organisational construct, both externally in terms of reputation, as well as internally, in terms of recruitment and retention. This focus and increased importance has in part been driven by an increasingly global focus on CSR, according to the participants.

As an ill-defined concept, CSR has faced a number of organisational challenges. Without strategic alignment, CSR was described as a fragmented add-on and often compliance-based activity. However, with time and a continued active focus that is relevant to the organisation's context and genuine in its approach, the participants saw as an opportunity for improvement and CSR success.

Finally, participants provided a number of recommendations they felt would contribute to successful CSR implementation, although not many appeared to be putting their proposed recommendations into practice. Increased alignment between the organisation's strategic purpose and CSR was promoted. In addition, a structured and values-based CSR approach that draws on current practices, but is also future-orientated, was endorsed by the participants. Despite implementation barriers, CSR was believed to have the potential to be a valuable organisational strategy.

# The evolving meaning of CSR

## Conceptualising CSR

In providing a definition, three distinct categories of CSR were noted. These were gleaned from specific answers provided in the qualitative questionnaires, and they include:

- employee-focused CSR as the main definitional focus;
- CSR holistically defined in terms of economic, social and environmental aspects; and
- employee-focused CSR defined as a subset of CSR.

The large majority of participants, as illustrated below, concentrated only on providing an explanation of their understanding of employee-focused CSR. Although employee-orientated, the organisational focus for CSR still varied dramatically between responses, ranging from proactive support and respect for employees, to capability investment and engagement improvements. For example:

- *CSR related activities that connect with and drive engagement with your employees. (Int19)*

- *When the organisation partakes in activities that proactively support its employees in a responsible way either in their role, their community or with their families. (Int27)*

A number of respondents, focused holistically on CSR as a broader social concept. These participants emphasised the sustainable social contribution of their organisation, beyond the purely financial.

> *CSR (to me) is an organisation ensuring a positive impact through its activities on the environment, clients, employees and society; playing their role in ensuring a sustainable and prosperous society. (Int14)*

The remaining respondents chose to differentiate between general CSR and employee-focused CSR when providing a definition. By doing so, they consciously or unconsciously presented employee-focused CSR as a subset of CSR. While CSR was classified as socially focused on all organisational stakeholders, employee-focused CSR was seen as the internal or employee component of that focus.

> *Corporate social responsibility focuses on corporate-led/related activities and the impact on any stakeholder connected with or impacted by its actions. Employee-focused CSR would look specifically at how corporate actions impact employees directly. (Int13)*

Table 35 provides a summary of the respondents' definitions according to the three broad types: employee-focused, holistic and differentiated CSR. As illustrated in Table 35, there is limited consistency both between and within organisations, with only three of the seven firms working to similar conceptualisations. However, because employee-focused CSR is part of the differentiated category, all organisations were able to provide some explanation as how employees were included in their concept of CSR. Depending on their focus, the participants' definitions were classified according to one of the three identified categories. The definitions are then allocated by organisation and totaled in table below to illustrate the spread between the organisations.

Table 35: Classifying employee-focused CSR definitions

| ORGANISATIONS (Country) | Org 1 (NZ) | Org 2 (AUS) | Org 3 (AUS) | Org 4 (NZ) | Org 5 (NZ) | Org 6 (NZ) | Org 7 (NZ) | Total (29) |
|---|---|---|---|---|---|---|---|---|
| **CLASSIFICATION** | | | | | | | | |
| **Employee-focused CSR** | 4 | | 2 | 5 | 2 | | 4 | 17 |
| **Holistic CSR** | 2 | 2 | 2 | | | | | 6 |
| **Differentiated** | | 2 | | | 1 | 3 | | 6 |

Note: Organisations 1–4 include the two pairs of participating organisations from the same Group.

## Stakeholder relationships

Despite variations, all participants' definitions of CSR focused on stakeholders at a local level. These definitions can be grouped into two categories, namely:

- interaction with employees within an internal/organisational setting; and
- interaction with multiple stakeholders (including employees) both within and outside the organisation.

None of the respondents adopted a purely external focus, highlighting the fact that CSR includes the interaction of the organisation with a range of stakeholders. Employees were therefore described as, in some way, part of this CSR process.

Given the research question was employee-focused, it was expected that participants would refer mainly to their employees and the internal environment or workplace. Many, as expected, described their employees as a key strategic organisational asset that needed to be connected with, developed and respected.

> *Our business is only as good as the people who work for us. The success of both is interdependent. Ensuring people are safe, rewarded and connected. (Int12)*

> *Employees are the bedrock of a company—without good employee relationships, communications, recruitment and retention, a company is not sustainable. (Int18)*

Several participants from one organisation in particular also stated that a focus on employees should be personalised and should extend beyond their time at work.

> *[It's about] having a responsibility for the care and wellbeing of staff that extends beyond the workplace, and caring about staff as individuals. (Int25)*

Building on this more externally orientated focus, the remaining participants included multiple stakeholders (internal and external to the organisation) in their responses. These inclusions are similar to the responses of those participants above who differentiated between CSR and employee-focused CSR, with an increased focus on the environment and community.

> *It is where an organisation provides employees with the opportunity to do non-paid work and help charities, as well as ensuring the employees are cared for in a responsible way and their interests are looked after. Finally, CSR is about a company looking after the environment and being ethically responsible. (Int20)*

When looking more closely at these stakeholder relationships, a distinction can be seen that is based on an organisation's intent. Employees were either seen as one of the stakeholders to whom the organisation was responsible, or they were seen as part of the process and a means by which to deliver these responsibilities to external stakeholders.

In line with this distinction, while some participants referred to their organisations as being responsible for CSR delivery and employees as a target audience, others placed responsibility on their employees as part of their CSR delivery process, making them accountable. This distinction is illustrated in Table 36.

Table 36: The role of employees

| Role of Employee | Participant description |
|---|---|
| Employees as the focus | *CSR-related activities that connect with and drive engagement with your employees. (Int17)* |
| Employees as part of the process | *Employees taking responsibility for caring for environment/community e.g. involvement in community projects. (Int1)* |

There was considerable inconsistency within and between organisations. Other than minor variations, Table 37 data reinforce those in Table 35 above.

Table 37: Stakeholder relationship focus

| ORGANISATION (Country) | Org 1 (NZ) | Org 2 (AUS) | Org 3 (AUS) | Org 4 (NZ) | Org 5 (NZ) | Org 6 (NZ) | Org 7 (NZ) | Tot (29) |
|---|---|---|---|---|---|---|---|---|
| **Stakeholders** | | | | | | | | |
| Employees/ Internal | 3 | | 2 | 5 | 3 | | 2 | 15 |
| Multiple stakeholders | 3 | 4 | 2 | | 1 | 3 | 1 | 14 |

### Employee-focused CSR

In the same way that respondents held a view as to the role their employees could and should play within the context of CSR, they also held distinct beliefs as to what their own role was and how CSR was positioned within their organisation. In comparing the definitions, the following four continuums were identified that broadly describe how these respondents characterised CSR:

- proactive to reactive approaches;
- voluntary to mandatory approaches;
- intrinsic to segmented-from-strategy approaches; and
- ideological to activity-orientated approaches.

As an exploratory investigation, it was valuable to consider all four types. The differences between a range of the participants' definitions are presented below.

> *Corporate social responsibility (to me) is an organisation ensuring a positive impact through its activities on the environment, clients, employees and society—playing their role in ensuring a sustainable and prosperous society. (Int14)*

This definition describes CSR as something the organisation is committed to (*mandatory*), with set, associated activities. It is, however, more *ideological* in its definition and doesn't describe any specific, practical activities. It also highlights the need for organisational actions to have a positive impact on stakeholders (*proactive*).

In comparison, the following participant discusses CSR in terms of compliance and adhering to a set of standards, highlighting their organisation's CSR as more *reactive* and box-ticking.

> *Corporate social responsibility is a way for companies to self-regulate, to ensure the workplace meets legal, ethical standards and internal/social norms. (Int24)*

There is a *voluntary* element to the following participant's definition, including 'understanding' and having the opportunity if employees choose, through multiple options, to get involved with CSR. However, 'what their organisation does for CSR', assumes a *mandatory* or expected element as well.

> *It is about enabling employees to understand what their organisation does for CSR, allows them to get involved via feedback, ideas or hands-on participation. (Int5)*

While *proactive*, the next definition focuses on specific *activities* when explaining how employees' skills and capabilities can be enhanced through 'investing' their skills. Although the use of 'investing' carries with it a strategic connotation, there is little connection to the organisation's overall strategic direction, because CSR is *segmented* from other operations.

> *[Corporate social responsibility is] investing in the skills and capabilities of our employees i.e., OSH and wellbeing, learning and development, talent management, performance and reward, industrial relations, diversity of inclusion, flexible working and our organisational culture. (Int30)*

In contrast, the following participant identifies specific stakeholders, but CSR is described in more general and *ideological* terms as a core and strategically aligned (*intrinsic*) part of the organisation.

> *Corporate responsibility is how we do things. It is intrinsically linked to our enduring purpose to do the right thing. Our purpose guides us in our decision making and in every aspect of our engagement with our colleagues, our customers, and our key stakeholders including community, government, consumer groups and the media. (Int22)*

When looking at the above approaches and taking into consideration the four types, it would appear that there is little consistency within and between organisations' approaches to CSR. Alternatively, these differences could also be viewed as more of process defined by stages of development.

A continuum can be drawn, from what could be considered a basic and add-on compliance approach, to a holistic, integrated, strategic and proactive CSR approach. From the information provided, the organisations can be ordered along this continuum as in Figure 28. However, although the small sample is representative of this participating group, results cannot be applied beyond the specific context of these individuals and their responses.

Figure 28: Continuum of CSR development



| Org 5 | Org 1 | | Org 2 | Org 6 | | Org 7 | Org 4 | | Org 3 |

Basic, reactive,
segmented from
strategy

Advanced,
proactive and
strategically driven
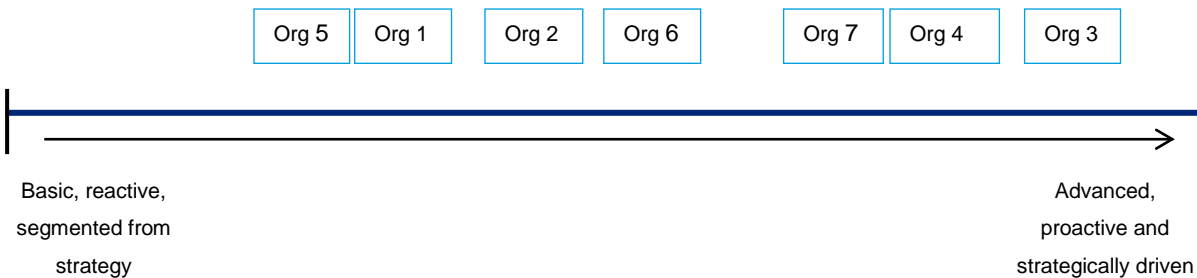
## CSR development

This continuum provides a picture of current CSR developmental progress based on the participants' reflections as to how far some of their organisations have come in this area. The general theme was that in the past five years things have progressed substantially, particularly around CSR becoming a more strategically recognised area.

> *I would like to think that after four years we've got the basics in the CSR function and now I would like to start moving more into partnerships. (Int10)*

> *The restructure is around setting up our team to pump more into CSR and give it more primacy and have it be more strategic. (Int3)*

With hindsight, certain participants were able to reflect on CSR's progress. They described it as developing from an externally focused, environmental and fragmented approach to a holistic, enterprise-focused, value-added strategy.

> *Corporate social responsibility is probably more of an enterprise profile these days. It's more something that the broader organisation is keenly interested in and celebrates its successes, whereas when I first joined I think it was sort of a department within the enterprise that focussed more on its role externally. Now I think employees are more passionate potentially or more interested in what we're is doing in the CSR space. (Int19)*

With increased interest, as well as a conceptual shift from predominantly environmental or 'green' to more employee-orientated, HRM's role within the CSR space has subsequently increased to provide a more integrated approach.

> *When I started about four-and-a-half years ago, the corporate responsibility area was called corporate social responsibility, and it sat within the community area structurally; that's probably the way that we were thinking about it at the time. How it's changed over time is that we have made community a subset of corporate responsibility rather than the other way around. (Int28)*

When this research began, CSR was still environmentally and externally orientated and was not a mainstream business function. However, it appears that during the past five-year period, CSR has moved from a position of 'new' to 'normal'.

> *I think CSR focus has been sustained and increased, probably gone from 'this is new' to 'this is just normal'. (Int6))*

> *We came out with something a while ago where everyone gets one day off a year to go and plant trees or build a house, but I think everybody does that now, so it's sort of become the new normal I guess. Everyone wants to be socially responsible. (Int18)*

In contrast, a number of other participants noted the progress beyond a basic CSR 'housekeeping' approach to a holistic triple bottom line approach that was focused on increased authenticity and context-specific impacts.

> *We need to keep making sure we keep our house in order and do all those basic things that we initially focused on and started with, because we don't want to green wash and we want to be authentic. Now we are actually looking at issues in New Zealand that we can help address; well, that makes sense for us as a financial institution to address. So that's been quite a shift over the five years I think. (Int29)*

In addition, as the following participant's comments illustrate, the definitional progression of CSR has come almost full circle. Sustainability is now a comprehensive and holistic business strategy defined by sustainable business practices, as opposed to environmental initiatives.

> *I think it has been a journey from corporate flattery or citizenship (some people call it) to corporate social responsibility, and then the social's been dropped along the way and then sustainability; that's how I've seen it. I think sustainability encompasses the triple bottom line, so I think a lot of people still view it as just environmental. But that's one of the things we are trying to do is make sure people understand it's the sustainability of the whole organisation, it's the people and community and environmental impacts as well as the economic status of the company. (Int29)*

The majority of participants appear to be focused on adopting a more strategic and holistic triple bottom line approach to CSR that is risk-focused and reputation-focused. The extent to which this aim is more ideological than practical remains uncertain. However, one organisation is pushing CSR a step further, to become a commercial product and business driver.

> *I think people started talking about corporate responsibility sort of 30 years ago; you know, they probably thought in very simplistic terms around the general public doesn't like industry or it doesn't like big business, so let's throw some money at a few worthy causes and that will change their minds. Then people started to think about corporate responsibility as a way to kind of manage risk and reputation. But what I am trying to bring through now is this idea of corporate responsibility as a business driver. (Int22)*

Interestingly, a number of the participants also noted the positive impact the GFC has had on the development of CSR. Despite this unexpected benefit, New Zealand's CSR efforts were still seen as slower to develop and more reactionary in comparison to global counterparts, who were seen to be leveraging CSR more competitively.

> *New Zealand is a bit slower than the rest of the world just because of our size, scale and location. I think a lot of it's about transparency. I think sustainability is very much linked to quality. People are becoming a lot more aware of those kinds of issues. (Int29)*

> *Corporate social responsibility has changed quite substantially' I think as with many companies. I think the global financial crisis has made us more overt about the way we manage risk and that flows through the organisation. (Int26)*

However, regardless of label, CSR is about fundamental issues, specifically transparency, and addressing these issues is going to become increasingly important if organisations want to not only survive, but thrive.

> *Sustainability really is about responding to all your stakeholders and being transparent. So whatever name you call it I think honesty and transparency and doing right is always going to be important for a brand to thrive. (Int3)*

## The importance of CSR

Despite the considerable inconsistencies between participants' understandings and conceptualisations of CSR, they acknowledged the increasing importance of CSR in response to recent social pressures and organisations' desires for holistic internal policies. Corporate social responsibility was described as an important component in creating a positive external reputation and organisational perception. This was seen as particularly valuable for the recruitment of new employees. However, in order to be successful, senior manager support for CSR was described as critical, and as a result CSR was considered worthy of increased intentional focus.

### External reputation

Corporate social responsibility was described as an important tool for creating a positive market perception of an organisation. This point is increasingly relevant given increased investor and customer interest in CSR.

> *The investor community is interested to know what we're doing from a community perspective. I think customers, particularly at a local level, are interested in what big businesses are doing to sustain their communities. We're also looking at the impact our role in our community has on the business. (Int19)*

There was, however, mixed commentary from participants as to whether this increased CSR emphasis was internally or externally driven.

> *While CSR may initially have been driven largely by customers and their need to deal with companies that share their similar values, there a similar push from employees and it may be more important. (Int16)*

For others, the focus was on shared value, with CSR described as creating value for potential recruits, as well as the broader market, clients, and the community.

> *Corporate social responsibility definitely has dual benefits. It is attractive for new employees who are passionate about particular issues, which then also enables us to get the kudos for that community contribution as well. (Int19)*

> *It is important from a shared value perspective. (Int8)*

> *We have noted a shift in terms of our employee market I guess so that's driven it, that's helped to drive CSR within the firm. At the same time, I think at the board or executive level or the media external level, there are similar sorts of themes so it seems to be getting greater attention at those levels as well. (Int6)*

## CSR as a recruitment tool

According to the participants, recruitment relies on an external image or reputation an organisation represents in the market that it can deliver upon during the employee experience. By leveraging and promoting its CSR initiatives and values, participants noted the differentiation CSR can provide by attracting potential staff. This was particularly true for younger graduates, who make up a dominant proportion of these organisations' annual recruits. This proved a key motivator for increasing CSR's organisational application.

In addition, as individuals are unable to 'test' out an organisation before joining, a number of participants noted the increased attention placed on CSR by potential recruits as a means of gaining insight into the internal organisational environment and culture. Corporate social responsibility was therefore described as an increasingly important part of an organisation's branding and recruitment processes, as it was seen to denote actual organisational delivery and commitment to recruitment promises.

> *If I think about graduate recruitment, CSR is a big driving factor in terms of accepting roles. It comes through strongly in CVs, it comes through strongly in interviews and questions from graduates which is different from previous years. (Int6)*

> *The CSR team has been invited to the graduate evening because people are asking more and more about it at this stage in the recruitment process. So it's not once they get on board, it's actually becoming part of their process. They are deciding where they want to work and its part of evaluating the culture. (Int10)*

As a result of potential recruits' and existing employees' increased awareness, more effort and focus has been placed on integrating CSR into current operations.

> *There seems to be a lot more desire for CSR from candidates coming into the firm, but as a result I think that there's a lot more structure around it. From my point of view, it seems to be a lot more organised and quite well communicated. (Int14)*

## CSR as a business case

Ensuring both employee and customer demands for CSR were met is described by participants as of great importance. As a result, CSR has gained increased operational support, with the participants also promoting a CSR business case.

> *It's obviously partly that we're doing the right thing, but there is also a very strong business case for it, too. (Int12)*

In order for CSR to be successful and effectively meet variable demands, participants noted the need for it to be owned and driven by the top management team and CEO.

> *Our [CEO] made it really clear that the non-client focused parts of the business are just as important and what it allowed me to do was stand up and say CSR is important. So, if the tone from the top isn't right then nothing will happen. In all the business planning documents and all the manager planning documents they all had to sign up to support innovation and CSR. (Int10)*

## Challenges to the relevance of CSR

Despite the increased social demand and subsequent focus on improved organisational 'supply' in terms of CSR integration and delivery, given variability within organisations' understanding, it appears that a number of challenges still remain for CSR to overcome before it can be successful.

### Understanding CSR

The issue of terminology is of concern, and was raised by participants, because CSR remains ill-defined. Not only do perspectives differ between organisations, but within the same organisations as well. Another issue was that for some of the participants, the concepts of CSR and employee-focused CSR were unfamiliar.

> *A lot of the time not just inside but outside of our organisation, some have a misunderstanding of what corporate responsibility is, and I think people often can confuse community and investment and a corporate responsibility. (Int22)*

> *I think it's more that the term is foreign. (Int19)*

The constantly evolving nature of CSR's current development could also result in confusion for employees, as illustrated by the following comments.

> *I think the big thing is that whole problem of how big or narrow is the definition in terms of what is the best way to have people thinking about it in an organisation. (Int2)*

> *I'm not sure it's ever really going to end up being a science as such where everyone agrees on corporate social responsibility; it's always going to be an evolving beast I suppose. (Int5)*

### CSR approaches

According to the participants, a fragmented and unstructured CSR approach that isn't strategically aligned or driven from the top results in a lack of traction and CSR development.

> *I wonder with CSR whether the people in the firm don't see, don't make the connection to the employee side of it, so they know that employers are involved, but I don't know whether they really understand the power that sense of purpose can have in terms of employee engagement; if it's seen as part of the HR function as you like and clearly part of the HR strategy, then people would see the synergies, whereas a stand-alone function its treated as a stand-alone discipline, so that's probably why I think people haven't connected the dots. (Int6)*

A number of participants felt that the CSR teams of their organisations were still very small and were an add-on to another function. Therefore, they were seen as still focused on overcoming questions as to whether or not they added any value, and trying to get traction and gain influence.

> *It's quite small from the way they framed it, so it was an add-on to someone else's job. (Int4)*

*They are a tiny team, there's what, two or three or them? And they don't really see them having any initiatives or any real strategies. I don't know how new it is either, but it's almost like they're sort of trying to get traction and trying to get started but there are just limited resources. (Int24)*

*It feels fairly primitive still here, like there's still a lot of conversations around really should we be doing this, why, what's the point, what's the benefit, businesses should be about making money, whereas the question overseas is much more like we're into this, we think it makes business sense, just how do we do it, how do we go about doing this authentically. (Int9)*

The financial sector was not considered overly controversial or regarded as a high risk industry. Corporate social responsibility for a number of participants was consequently much lower on the priority list. As long as compliance was achieved, CSR remained a minor issue.

*There are just so many other things above it in the priority perspective around what people value and what they want as an employee especially in banking; it's not like you're a tobacco company or something that has to compensate from a PR perspective or a message perspective because of the industry they're in. (Int4)*

For others, in contrast, CSR integration was seen as necessary to ensure organisations didn't get left behind current practices and social trends, and could remain competitive.

*So without CSR businesses are saying…hmm…if we don't do this then we're not going to attract the best people. Is it the right thing to do; yes, but at the same time if we don't we're just not going to get them. (Int10)*

In contrast to positive attitudes towards the GFC expressed by many participants, others felt that CSR wasn't always important for new candidates, given recent financial constraints and fears for job security.

*I think that at the end of the day when you're recruiting people they want to know that the remuneration package is good, they want to know what the work they're doing is, they want to know that they're going to be developing in their work so there are other things that people think about first beyond diversity practices. One to two people might [think of CSR], but not that many. (Int5)*

In addition, with tighter resources and when CSR is not integrated into the business, it is often the first to go when costs need to be cut:

*I honestly believe though that you can be more aware when you have more resources. I appreciate that that probably sounds really cynical but when you don't have a lot of resources in an organisation, you become very insular and I do believe that as the resources increase you are able to look at how you can influence in other areas. (Int27)*

## Overcoming challenges

With development and changes still occurring in the CSR arena, some participants discussed how challenges and recognised shortfalls can be overcome. Some recommended taking an active and unified approach to CSR that aligned with the organisation's strategic objectives.

*I think that in the last four to five years, because we've had somebody actually focusing on it, we've made a lot of gains and I think people are a lot more aware of CSR. (Int10)*

In addition, others promoted an emphasis on being genuine and relevant to the local organisation, focusing on relationship building and demonstrating thoughtful and lasting impacts. This emphasis, however, requires time and focus, and again was not as straightforward as described.

*So I think in terms of what we see as one of our strategic focuses is on acting local, really getting out into your local community and helping. I believe a lot of the employees are incredibly proud of our community partnerships and so that's what I think I mean by the quality of it, to prevent it looking like it could be construed as a Marketing thing. (Int1)*

Emphasis was placed on an aligned and holistically consistent approach to CSR, as a means of overcoming apprehensions about fragmented and poorly managed CSR application.

*If you are going to bother with CSR, do it well. Look at impact; don't bother so much with box-ticking activities. I think you need to look at all those CSR areas because if you do a brilliant community programme but you're doing something a little unethical in another area, it doesn't present a unified approach. (Int9)*

The focus was therefore to make CSR operational and business as usual. This required time and behavioural changes. In addition, some participants believed that stakeholder concerns need to be raised, accepted, and then integrated into the organisation's natural state of being, in order for their approach to be targeted and relevant to their organisation.

*I think it's always a journey. We want that to become business as usual but there are a lot of behaviour changes and things that need to happen and that takes time. The hope is that that just becomes the norm and we don't need to have a target because we just do it naturally. (Int29)*

*Our role [as the CSR team] is to understand the issues that our stakeholders are raising and we're not addressing and try to raise them at a higher level. Then the business to take them on and own them and hopefully become business as usual. (Int29)*

## Model for success

The focus by participants was on the need to constantly develop CSR to avoid it becoming an unaligned, compliance and reactionary add-on initiative. To prevent this, there were a number of areas the participants highlighted that promoted CSR success. In contrast to the challenges focused on above, a well-articulated, top management-supported strategy that linked CSR directly into the organisation's purpose and embedded it into the organisation, was promoted. In addition, CSR was called upon to be holistic and action-orientated, based on organisational values, built from the inside-out and directed towards future growth. This lengthy and idealistic list of attributes, very similar to attributes promoted in the literature, raises questions around actual implementation, in the face of a current lack of consistent understanding by the participants, and no clear indication by other than a select few of achieved success. These recommendations therefore draw on multiple participants' comments, highlighting the potential growth of some of these attributes in certain organisations, but supported by evidence from a select few only.

### CSR linked to the central proposition/corporate purpose

One of these select few outlined the integrated approach the company was taking with CSR. Instead of being fragmented or initiative-focused, CSR was seen as central to and reinforcing of the way the organisation operated. Linked through everything they did, all participants had incredibly the same view and understood and articulated this concept in the same way. The focus was on CSR being at the 'core', 'heart' or 'bulls eye' of their organisation, based on an 'enduring purpose' to 'do the right thing'.

> *There is a very well embedded corporate responsibility framework and at the heart of that framework is our enduring purpose which is to do the right thing. When we think about our corporate responsibility framework we look at it through the lens of getting the fundamentals right for our customers, being a good employer for our people, and managing our supply chain, managing our impact on the environment but also thinking about how we might address environmental issues through financial solutions and then through our community engagement and investment. (Int22)*

> *We call it corporate responsibility as it has both commercial and social aspects, and because it is at our core, and it is not a passing fad. It's not about social programmes "on the side" – ENRON probably had great social programmes. (Int28)*

> *We think corporate responsibility is effectively the bull's eye of the organisation, its right in the middle. (Int28)*

Other participants, although less consistent and well developed, also highlighted their focus on a holistic, as opposed to initiative-based CSR program, more aligned to the organisational business strategy.

> *One thing that we try and avoid doing is having corporate responsibility projects. What we try to do is ensure that we conduct business in a responsible manner and that is the best way of bringing corporate responsibilities alive here. (Int15)*

*That's why we've really tried to align our new CSR strategy with our business strategy, because we want them to be going onto similar paths. We want one to be supporting the other so if we do something that's good for the business but it's also good for NZ. That's the only way it's really going to work. (Int29)*

## Values-based CSR built into organisational structures

The organisation's purpose is and should be based on the key values that drive business strategy and are simultaneously reinforced by CSR. Therefore, strong, well-articulated values were seen and described by certain participants as key to meaningful CSR. In addition, CSR was considered the manifestation of these values.

*What I considered CSR to be is very much aligned to the values that we share which is a driving force in the organisation, there's a big expectation of that in what I define to be social responsibility. (Int14)*

*We have a corporate responsibility framework based around three values so individual prosperity, thriving communities, responsible growth…it is very integrated. (Int26)*

## CSR built from the inside-out

Both customers and the community are important stakeholders. According to certain participants, to meet the needs of these external groups, CSR should first focus on meeting employees' needs internally. This will create enabled and engaged employees, who in turn can meet the needs of the external stakeholders.

*Nobody's going to care about how nice you are to the community if you treat your employees badly. (Int9)*

*Our first corporate responsibility is towards our staff. (Int15)*

*Initially you need to focus on getting employee buy-in as they're the ones who are going to start doing this in the market, start giving advice, talking about sustainability and that's where real change is going to happen. (Int9)*

## Structured CSR

While some participants noted the importance of ensuring an approach to CSR is best suited to specific organisational structure and purpose, other participants noted that an active and formalised approach also has its benefits.

*So it's quite structured and organised and the reporting I believe is quite good as well for every year; we celebrate the number of volunteers we've had in the community, the number of days or hours and the dollar, but that's contributed back into the community and it's also setting a benchmark year to year around where we need to improve. (Int19)*

*The key development has been that it's a formal part of the business whereas prior it was something that people probably did in an uncoordinated fashion. (Int6)*

*I think having some formalisation is important and does add value as it just means you can be more targeted at what you do, and it actually gives a greater sense of purpose. (Int6)*

## Driving business – looking at future markets

While current practice and market trends need to be taken into consideration, sometimes boundaries need to be pushed, and again two of the organisations are already looking at taking CSR to the next level. Previous practices are now considered a norm and basic CSR housekeeping, with new projects and future opportunities gaining priority. The role of the CSR team is also changing to be more consultative and business-focussed. This new CSR model relies on a range of different people from different departments having to interact and cooperate.

*What has happened is we came up with 3 focus areas which I can talk about which are: economic solutions for environmental challenges, sustainable financial futures and demographic and cultural change. These are 3 emerging areas that they could see coming down the line that would make sense for us to focus on. Then what we did is we took these areas and did a whole lot of future swapping to see in the next 20 or 30 years what is coming down the line here in terms of demographics. What are the changes going to be? We have 4 areas, so those 3 areas plus one called operational sustainability which is all about waste reduction and keeping our house in order. (Int29)*

*So one of the things that I've been trying to work on is looking at how our work in terms of our community investment programmes, how we can help to leverage them to deliver for the business so that what we're doing is sustainable, because if the work that we do addresses a social issue, it creates revenue which adds shareholder value; no one questions our existence, but if we're just doing nice-to-do fluffy things, well really we shouldn't waste our time….I can't put my hand on my heart and say everyone here understands that, but I think there is a general trend at the top, a general understanding that this is a way that we wish to do business. (Int22)*

# Employer Branding

## How important is employer branding?

In comparison to the divergent opinions regarding CSR definitions, participants were much more comfortable and able to consistently describe EB. Although some struggled to find the words to articulate their thoughts, every participant focused on employee lifecycle touch point alignment, as well as providing answers to the five employee lifecycle questions.

- Why join the organisation?
- Why stay with the organisation?
- Why give my work my best?
- Why recommend the organisation to others?
- If I leave, why speak favourably of, or consider returning to the organisation? *(Int21)*

Based on their answers to these questions, participants highlighted the key characteristics of what they considered to be effective EB. Surprisingly, these were very similar to the recommendations they had put forward regarding successful CSR. Focused on continual development, alignment with organisational values and culture, and built on internal practices and realities, these recommendations mirrored those promoted for CSR. In addition, participants also called for the reinforcement and alignment of EB with the consumer brand (CB), the actual delivery of recruitment promises and ensuring the employment experience is consistent and therefore easy for employees to understand.

Employer branding was described as an important organisational concept. It was seen as a valuable communication tool and a means of creating competitive advantage for an organisation through differentiated employee attraction and retention. In addition, although participants lacked conviction as to the organisational ownership of CSR, many actively promoted EB as part of the HRM strategy.

However, despite this predominantly positive promotion from the participants, again only variable degrees of actual success were demonstrated. Therefore, despite their clearer understanding of EB, the challenges the participants mentioned appear to pose a much larger obstacle to success then their focus on these barriers would suggest. For some, EB was considered a terminology fad, or an overly hyped, short-lived management concept. For others, it was seen as inauthentic Marketing. In addition, if fragmentation and inconsistencies existed between internal experience and external practice, the damage was described as significant. Finally, given the nature and fast pace of large multinationals, having to continually push evolution and development of the EB strategy was also seen to dramatically hinder effective and ongoing implementation.

## Consistent EB conceptualisation

In contrast to the diverse and divergent definitions provided by the participants around CSR, their understanding of EB was considerably more uniform and focused. While not all were able to articulate themselves as clearly as others, they all focused on the need to add value to the different employee lifecycle stages by attempting to answer the five questions highlighted above.

> *An employer brand is your people brand. So effectively how you add value to your people is through the employee life cycle. I guess to me it actually is quite simply summarised by five key questions that every employee asks through their employee life cycle. So an employer brand is how you take those questions and add value to them, and I guess create a brand and add value across those different areas. So to me the questions are: 'Why join? Why stay? Why give it my best shot? Why recommend the organisation to others?' And then if you leave, why speak favourably or in some cases come back to the organisation? (Int21)*

This need for a *holistic employee lifecycle story* was also commented on by a number of other participants. Ensuring that the message is consistent and aligned from the first external touch point to every internal experience was described as critical. While straightforward in theory, this includes a complex number of intersecting variables along a continual 'never ending' journey in practice.

> *Employer branding is delivered throughout the lifecycle of the employee with the organisation. It's very important that the message that you give before someone joins is then translated across to the messages that they receive, otherwise you get people sitting there for six months thinking you promised me this and yet are not delivering.(Int8)*

When conceptualising EB, the majority of participants intentionally or unintentionally focused on the *five employee lifecycle questions*, as outlined above. Participants focused on both the internal and external perception of the organisation, in line with a focus on attraction, engagement and retention. Certain participants therefore conceptualised the EB as the organisation's image or reputation for employment. In addition, as highlighted by the following participant, this focus was required throughout the employee lifecycle and was not isolated to certain stages.

> *[Employer branding] is the firm's branding as an employer – so what potential employees regard as the firm's reputation. The employer brand defines why someone would work there. (Int20)*

> *[Employer branding is] the image of your organisation as "the best place to work" in the mind of your current employees, as well as key stakeholders in the external market. It is about attraction, engagement and retention initiatives that help enhance your company's brand. (Int7)*

While inherent to a number of participants' descriptions, a few participants specifically highlighted EB as a communication tool focused externally on potential employees, as well as internally on existing employees.

> *Employer branding is an organisation's effort to communicate what it would be like to work with them, both internal focus for existing employees and external focus for potential recruits. (Int14)*

The employee value proposition (EVP) was the focus of a number of participants' conceptualisations of EB. Specifically, the EVP was used to articulate the employment experience, including recruitment, engagement and retention practices. These were then presented as a statement of commitment and foundation for a psychological contract.

> *I usually refer to this as employee value proposition (EVP) and this refers to how we are promoted or defined as an employer. (Int11)*

> *EB is our value proposition for both future and existing employees. It is a statement of commitment that attracts the most talented and motivated people to join us by clearly articulating what we expect of our employees and what we will provide employees in return. (Int28)*

Employer branding characteristics that contributed to these employee experiences included both intangible and tangible attributes. Specifically, the roles of reputation, innovation, culture and values, as well as CSR were highlighted.

> *Employment brand—tangible and intangible attributes that employees can expect from an organisation. What is your reputation as an employer, why would someone want to work for you, do you have a good profile in the community, integrity? This is especially important in the finance sector given the collapse of institutions and impact on customers. (Int26)*

## Key characteristics: "Best practice" EB

The participants provided a clear and overall consistent conceptualisation of EB. Their definition centred on articulating an organisation's employment experience. With the specific aim of enhancing and promoting increased attraction, engagement and retention, EB was seen as a holistic and employee-lifecycle focused concept. Drawing on the participants' responses, a number of common characteristics were identified that provided additional insight into the key attributes they felt were necessary to ensure the EB offering did in fact add value. In order to function optimally, EB according to the participants should:

- deliver on its promises;
- be built from the inside out;
- align with and promote the organisation's culture and values;
- leverage and reinforce the CB;
- be a focused process of continual development and reinvention; and
- be packaged as a seamless proposition.

### Linking promises with delivery

The majority of participants noted the importance of the alignment of the external propositions made to potential employees with the actual delivery of those promises during employment. This focus, as articulated by certain participants, was therefore to provide a clearly defined 'proposition' through the EB, which was 'substantiated' by actual employment 'experiences'.

> *Your EB should provide a clear proposition which is substantiated in the employee experience through culture, organisation design, remuneration/benefits and HR practices delivered internally. (Int2)*

In addition, for a number of participants the focus was on ensuring that while aspirational elements could be part of the EB, they needed to be based upon a foundation of authenticity and truthfulness.

> *I think your EB can have an element of aspiration in it, that's fine, but it also needs to be firmly cemented in reality, because then we can go and say well the organisation is great because of a, b and c and if you deliver these through the employee experience, is when you do get the retention. (Int21)*

Inconsistency between external promises and actual delivery can result in EB turning into an 'empty sales pitch'. This is described as being extremely detrimental for the organisation in terms of increased turnover and broken psychological contracts.

> *We know that we can say with hand on heart this is what you get, this is what we are actually all about right now and you chip away at it rather than going out with an empty sales pitch, empty employment brand. (Int5)*

> *Your delivery of the EB should match the promises made, otherwise it's misaligned and your turnover will go up. (Int26)*

## Building EB from the inside

In order to try and prevent this misalignment, what also became clear from participants' comments was that creating this alignment needed to start internally and be driven by the actual employment experience. The delivery of promises should therefore not be difficult given the experience promoted is already part of the organisation's processes:

> *Brands are built from the inside. Packaging economic, psychological benefits provided by a company and identified as that of company culture creates a framework to improve retention, recruitment and commitment (value proposition). (Int16)*

According to a number of participants, the focus was therefore on having the internal experience guide the external communications. If the internal experience was the core focus, the external would naturally follow. This was achieved by monitoring and developing the internal environment and ensuring that if changes were needed, they were made internally first, so that they became part of the organisation's operating structure.

> *What you're articulating externally needs to mirror internally, you don't want to go out and be saying things that actually don't happen. You've actually got to start by being honest around what it is like to work here and then taking that out there and then if you're not happy with what that looks like then you improve the inside. (Int6)*

> *I think trying to get the internal piece right first is really, really important. Not starting externally because otherwise you get that disconnect when people join. (Int29)*

This has resulted in an active focus on leadership development and cultural engagement to enhance EB and the EVP. Improving structures and providing tools to assist line managers and the organisation involved in these ongoing processes to better manage and enhance alignment was the focus.

*So the hiring managers have a tool kit to basically help them ensure that those messages come through when they are recruiting staff. (Int26)*

*The increasingly transient nature of employment has seen greater reliance on the employment proposition or EB to attract and retain staff. Therefore, a critical people strategy over the past two years for us has been to improve leadership and culture across the bank to enhance our external EB. (Int28)*

## Fitting EB with culture and values

An organisation's culture and values were described as a key EB component to leverage to communicate the internal experience externally. They were described as a guide to ensure those employees selected to join would not only relate to and be aligned with the current organisational culture, but also reinforce those values further, creating a virtuous circle. The focus for certain participants was on ensuring employees with values that matched that of the organisation's culture are recruited. EB was therefore used to articulate these internal values.

*Employer branding is the focussed effort to tell a succinct and powerful story about your brand as an employer in the marketplace. It's designed to attract the right kind of talent to the business with a great 'values' match of candidates to the organisation. Employer branding is the first step in driving the kind of culture your organisation wants to breed. (Int19)*

In addition to recruiting these value-aligned employees, EB was also described as an important retention tool. Employer branding within the retention space was focused on ensuring the organisation's values were visible and provided substance to the intangible aspects of the employment relationship.

*Employer branding shouldn't just be used for attracting people, it's a retention tool as well but that then comes back to the values, you've got to be demonstrating them and you've got to be living them. (Int18)*

## Linking EB to CB

When asked about the connection between EB and CB, participants generally noted that they were separate, with EB focused on talent and employees, and CB focused on customers and business. However, in order to ensure the presentation of a seamless and aligned organisational branding story, the participants felt that while the target audiences of the two may be different, there should still be considerable alignment between them. Not only would they both directly impact and influence each other, but EB could also leverage off the greater resources and presence CB currently has.

In contrast to CB, EB was seen as a relatively immature concept, still developing and only slowly becoming more sophisticated. Its focus and budget were seen as significantly less than CB, and therefore leveraging off CB's greater audience and benefits was seen as valuable for EB development.

> *I think our EB is getting a lot more focused and probably sophisticated, I mean you look at employer branding as opposed to consumer branding and there's a lot more focus and resource in that area, there's a lot more spend capability and a lot of people focused on that area, whereas employer branding, it just doesn't have that kind of focus and support and I think organisations want to do it, but it's actually probably a little bit less mature as an industry in that respect. (Int21)*

Increasingly, the overlap and impact between the CB and the EB was seen as inevitable and although unconscious, unavoidable. The flow-on effects of any improvements to CB or CSR policy for EB was seen as significant. These areas all increasingly impact each other, particularly during employment management. As each is more clearly defined and aligned, greater benefit is possible for all.

> *Our employee branding today is much stronger because our brand itself is much stronger and because for example corporate responsibility and direction generally are much clearer so from that we have a clear value proposition. (Int28)*

## The EB focus

With constant refreshing and updating, it takes a number of people in the right positions to make sure the employee experience is positively shaped. The EB process doesn't just look after itself, but does in fact require constant monitoring, updating and a lot of 'behind the scenes' hard work.

> *When I started, my impression was that some things were more fluid and some things had just evolved over time and it had perhaps been a little while since someone had sat down and looked at it. What I have seen over the past couple of years is more of a real focus on it and more energy going into it and now I think it's going to be taking it another step further along to tie it in with our [consumer] brand. (Int1)*

> *It's constantly evolving, needs constant attention and constant work. (Int25)*

This increased EB focus highlights the acknowledged benefits of EB for organisations. Such success doesn't come easily, and a number of participants were cognisant of the hard work required to achieve and maintain such success.

> *I hear and read about a lot of companies that quote iconic brands like Nike and Apple and Google—the darlings of getting all these things right, but actually I think very few organisations are prepared to implement and put in place what those organisations have. There are some pretty rigorous structures and systems that those organisations put in place. We just see what's on the outside and think wow how on earth did they do it, but I think there's a lot that we could probably learn from those companies around the hard work that goes into getting to that point. (Int19)*

## EVP – packaging the proposition

Finally, certain participants noted that while many organisations had a number of the right things in place, they were losing out on the full benefits EB could offer. They weren't developing a clear and all-encompassing proposition to communicate their employment experience in an easy-to-understand manner.

With employees starting to actually receive attention, how organisations add value for their employees is a growing focus. Interestingly, while many organisations were acknowledged as having a supportive environment, benefits and development-focused initiatives for a good employee experience in place, they were still not packaging and communicating these positives effectively.

> *The things that make it up—have they been the same, I don't necessarily think that that's particularly changed. We want people who have that fit, who have a commitment to what they are doing, who are engaged in their world, who are prepared to work hard. So we need to share that with the people who want to come and join us in a packaged way that they can understand and relate to and so articulate what you want them to learn about the organisation. (Int10)*

Clearly and concisely articulating the employee experience and culture in an easy-to-understand manner was the focus of the value proposition for some participants.

> *So I think once you actually make the employer brand practicable and communicable, if that's the right word, but until you can do that and actually demonstrate what it is, people just put it in the too hard basket. You know, I think you've got to really define who you are and what you do. (Int21)*

> *We are looking at ways of most attractively packaging our EB proposition because otherwise there are just lots of words on a page. People need to describe the value proposition in just two or three words, essentially for us it's, 'Come and work here, you can make a difference'. (Int28)*

## EB as an important concept

Ensuring EB is easy to understand and provides a seamless and aligned story about the organisation's culture and employment experience was described by the participants as important. Employer branding was described as an effective communication tool. It was promoted as a means of competitive advantage creation through differentiation, enabling the attraction as well as retention of increasingly valuable, talented employees. Participants also noted the positive impact of EB on enhancing the organisation's HR strategy.

Although these desirable benefits were promoted, the degree of actual success between organisations was variable and inconsistent. A small minority demonstrated their ability to collectively leverage the above attributes to their advantage. However, for the majority success was less consistent and with 'packaging' issues blamed, it was difficult to tell if it was the delivery or the underlying practices were the problem.

### EB as a communication tool

By its very nature, EB doubles as an effective communication tool. It is promoted as a means of ensuring that the organisation's culture and organisational policies can be clearly communicated. It was not only described by participants as a means of delivery, but also as a way to communicate a message throughout the organisation.

Ensuring EB is packaged and presented consistently across a number of mediums is important to guarantee all internal, external, formal and informal messages align and reinforce the organisation's true identity.

> *EB is very important because it gives a corporation an identity, and without this you can't connect or engage. So it's really a platform for connection and engagement, a voice in the market. It's also important as a way of ensuring what and how we communicate, formally and informally, internally and externally is consistent, to uphold our integrity. (Int3)*

In addition, the range of people and departments responsible for communicating EB is considered to be extremely diverse. While this cannot be completely controlled, by looking after and continually reinforcing and demonstrating the organisation's values, managers, increasingly involved in these employee processes, can be guided to articulate the organisational brand.

> *We wanted to be able to get quite explicit with our managers who are hiring, get some simple messages for them to be able to portray and explain to people, 'Here's our brand'. (Int5))*

## How EB provides competitive advantage

In the financial sector where business models and structures are quite similar, EB provides a means of differentiation for employees to make their choice between the few market competitors. A number of participants therefore noted the increased importance of EB in the financial sector. All sectors were described as increasingly competitive and sophisticated in terms of choices available to customers and employees. As a result, leveraging EB was seen as an increasingly effective way to help organisations differentiate themselves.

> *Employer branding is becoming more important in an environment of extreme competitiveness, especially in finance where products are very similar and our brand is the only thing which differentiates us. (Int23)*

> *As the market becomes increasingly sophisticated, employers seek to differentiate themselves from competitors and are leveraging EB to do so. (Int12)*

A number of participants also noted the importance of EB as a means to combat concerns regarding talent shortages.

> *With the competition for talent it's tight and it's only going to get tighter. We need to be very clear on how we differentiate ourselves from our competitors; the way to do that is by branding ourselves in a very clear, very concise, very persuasive manner as to why people should come and work for us and what they get out of it. (Int8)*

## EB as an attraction and retention tool

With the desire to differentiate themselves from their competitors, when asked how important EB was, a number of participants described it as a valuable attraction and retention tool.

*Employer branding is an important and relevant concept. It is not a passing fad as there is a clear nexus between employer brand and the attraction and retention of talented people. (Int28)*

However, despite its positive impact on recruitment and retention, varying degrees of effectiveness between organisations were noted.

*Again, I think it is very important to attract and retain good staff. Some companies are better at utilising this to their advantage than others. (Int25)*

*Employer branding is critical, especially with knowledge workers. Firms that have it nailed have a real advantage attracting and retaining talent. (Int31))*

## EB as part of the HRM strategy

With a focus on the employee lifecycle, EB was described as an important and integrated element of organisations' people-related strategies. Human resource management was considered important in terms of EB development and implementation. Again, the focus was on holistic organisational alignment.

*Employer branding is starting to be proactively considered in everything that the firm is doing. Again, whilst it may not be named as such, elements of a successful employer brand are absolutely fundamental to any 'people' related initiative. (Int10)*

*We developed our people strategy having regard to research on employee needs and business needs to ensure alignment. Everything we do needs to reinforce the EB messages. We have major HR investment aligned to that plan. (Int31)*

## Challenges to EB effectiveness

For the majority of participants, the focus on EB has grown, and its role and importance within the organisational setting is valuable as a differentiator when seeking talent. However, with variable application success apparent in participants' responses, there appears to be a number of barriers that remain for the majority to overcome. Potential challenges were alluded to by some of the participants, although discussion was a lot more limited than would be expected given current levels of success. Debate remains around EB's sudden prevalence, and confusion still exists around terminology, as well as it being considered a management fad. A fragmented and an unaligned approach to EB also prose considerable threats to its effective implementation.

## EB as a fad

Although EB practices were considered important for certain participants, they were not seen as new or requiring a specific label. In addition, there were some participants who noted that many people found it hard to differentiate between the EB and CB and were therefore unsure how to conceptualise it.

> *Employer branding is still important. It has been around for a long time; it just didn't have a name, but all organisations have a reputation as a good or bad employer. (Int20)*

> *Employer branding is not a new concept, just because it has a label. (Int25)*

> *Many people tend to find it difficult to understand the difference between the product/company and employer brand. (Int4)*

Interestingly, in contrast to those who thought EB wasn't a new concept, others felt this misunderstanding was due to the fact that the concept was still considered 'new' and the terminology was not actively used in their organisations.

> *Employer branding is still a relatively new concept not widely understood. (Int6)*

> *Nobody would use the [EB] terminology when discussing that. (Int4)*

For other participants, EB was openly described as a fad. If based purely on company-generated information and not supported in other ways, EB was seen to be nothing more than a superficial Marketing exercise.

> *Many would just see EB as 'market perception' efforts. (Int25))*

> *I think the "our values/about us" on the website is a fad and people will realise that. (Int2)*

It was also noted that if people practices are viewed as unproblematic, leveraging EB within the people management space is seen as more difficult and unnecessary, with the investment outweighing the present return.

> *I think right now for better or for worse our people practices are in a pretty good place and so it's hard to get people to focus on really leveraging those things to get the greatest benefit because it's not a huge return on investment right now. (Int5)*

## Fragmented EB

Ensuring increased consistency between employee lifecycle touch points of recruitment, retention and engagement was reinforced throughout the participants' EB-related responses. Improved alignment within this lifecycle was advocated to prevent replication, increased costs and incongruence with the organisational brand. However, achieving this alignment, given numerous and dynamic parts of the organisation needed to be aligned, was not easy. Moving away from a detrimentally viewed, fragmented approach remained an important goal.

> *So you have to be really careful, we could…go through a whole lot of effort to talk about what it's like to work here and we're not really focused on making sure everything aligned. Organisations are always going to have that great variation in consistency which is a bit unavoidable but I think you can shift the baseline. (Int2)*

## Internal versus external EB

For the majority of participants, the focus on EB was ensuring that external brand image matched and promised only what the internal reality delivered. However, for certain organisations, it became apparent that their internal practices, while well developed and delivered, were not effectively articulated externally. This demonstrates why it's so important to present the experience in a manner that is easy for employees to understand.

> *I was kind of surprised actually with the people because it kind of gives the impression of being quite corporate but then when you actually get into the business, people are actually relaxed and quite easy going, and so I found that a little bit surprising. (Int24))*

## EB as a work in progress

These challenges remain and still pose significant barriers for the majority of the participating organisations to overcome. However, with so many changes, there was an acknowledgement by the participants that EB was an ongoing and continually evolving process of development. One could therefore always do more, and there was always more to be done.

With a greater push from internal stakeholders, EB was described as becoming a more integrated function. Drawing on both HRM and Marketing expertise, it is starting to show its value for some of the organisations, and this is seen as a means to gain further support for its effectiveness.

> *I just feel that it's becoming much better understood and it's also much better supported. Again, so it's one of those things where if you can start to prove the value, then the resources and the money to deliver on what you want to do starts to become apparent as well. (Int21)*

With iconic brands like Apple and Google setting international trends, many companies are moving towards a similar model of more fun and less formality in their branding. However, for traditionally hierarchical and formal financial institutions, this is hard work.

*Everyone is going for the whole Apple- and Google-like experience and trying to just be more fun with customers and that's what banks have to do fast. However, it's harder because we're coming from one extreme of conservatism trying to get to the other kind of side. (Int3)*

As a result, although gains are being made in the EB space, with so many variables to consider and changes to integrate, a considerable amount of work was recognised as still needing to be done. As a result, the variation in progress and success between organisations were still quite significant. However, for some who have spent the time, effort and hours getting a lot of the foundational work done, the focus is now on achieving greater integration, alignment, packaging and effectiveness.

*It's quite an extensive and quite time consuming process, I think it's one that needs to happen over time because you'd burn a lot of material if you said right this is the way it is from this day. So it is sort of progressing slowly but it's going well, there's a big appetite for it, certainly from internal stakeholders there's a desire to get better alignment and to feel like you're part of one strong presence in the market. (Int19)*

# Human Resource Management

## What is HRM's role?

When asked to describe the current role they felt HRM performed within their respective organisations, the consensus from the participants was that HRM was operating strategically. None considered the role as a purely administrative function anymore. Although the administrative side was still seen as a necessary means of people strategy operationalisation for many, for others the focus was on off-shoring administrative tasks to allow the space for an increased strategic focus.

However, it became apparent that for many participants, being strategic was still a process of transition and aspiration, as opposed to current reality. As a result, there was general agreement that HRM still needed to improve its skills, business acumen and alignment to perform its role more effectively. In fact, the list of improvements proposed by the practitioners was almost as lengthy and overwhelming as the lists proposed by the literature. When reading these findings, it is important to remember that the majority of participants were HR managers or involved directly with the HRM function. As a result, while their insight is no less valuable, their views do provide a predominantly HRM-based perspective to these questions.

## HRM as a strategic role

Talented employees are increasingly acknowledged as valuable assets that provide organisations with improved competitive advantage potential. Human resource management, as the employee function, is still relied upon to facilitate the employee lifecycle and to ensure that talented employees yield improved competitive advantage. Although this process of people management appears for the most part unchanged, how HRM achieves the organisation's desired results has changed and continues to evolve. The opportunity provided to HRM through the increased focus on employees has not been missed by the participants, as evidenced in their responses. However, whether HRM is able to develop the skills it needs to facilitate the process of gaining the most out of employees whose needs are ever changing remains debated, even within the HRM function.

Human resource management is seen to be receiving increased support from the executive team, because it is called upon to be a strategic partner to the organisation. In addition, with a more decentralised approach to employee management emerging, HRM appears to be focusing its efforts on becoming a trusted advisor to line management. In many firms, administrative duties are being offshored to facilitate this transition. The people strategy is called upon to become increasingly aligned and supportive of the organisation's business strategy. The participants noted a number of factors they acknowledged as contributing to this strategic focus.

According to certain participants, HRM's proven ability to add value beyond administrative tasks has resulted in it being considered a strategic organisational function. Assisted by the emphasis attributed to talented employees, HRM's strategic role has been further elevated.

*Human resource's role is strategic, given proven success in adding value beyond administration and their ability to build strong relationships and our culture. (Int14)*

*Human resources play a strategic role. People are the only resource we have to sell in the marketplace. So, without those highly talented and selective individuals, we will fail. Therefore, having people at the core of your business strategy is really the only way to go! (Int10)*

## Business strategy alignment

Greater emphasis has been placed on HRM to assist with enabling, delivering and executing the business strategy to achieve companies' business goals. Although always a focus for HRM, this role has gained importance. Having the executive team acknowledge and understand the importance of employee management and supporting it from the top of the organisation has further enhanced HRM's strategic role.

*I think that they [executives] understand that the business is about people and getting hearts and minds on board. So, yes, I definitely do think that there's strong support from upstairs for HR. (Int25)*

According to a number of participants, HRM has been a member of the top management team for several years already, allowing for HRM to be effectively embedded into the organisation.

*Human resource management has an executive team member. We also have for each business unit a head of people who sits on each respective leadership team. So HR is embedded at a strategic level. (Int2)*

*The HR team plays a strategic role. So it has a voice at board level and inputs to the organisation's strategy and how to achieve this through its people. (Int30)*

Human resource management's role, according to the participants, was therefore to support the business in achieving its objectives through the attraction, engagement and retention of its employees.

*Human resource's role is to work with leaders of the firm to develop a culture that attracts, develops, engages and retains talent. (Int6)*

*Human resource management is responsible for the people experience—to provide competitive advantage through stronger brand promise, enabling us to attract and retain the best people. Having highly engaged people who will provide an exceptional experience for customers is important. (Int31)*

Once recruited, HRM is responsible for ensuring employees are engaged and have the tools they need to effectively perform their roles (enabled) in order to most effectively contribute to the business strategy execution.

> *Human resource managers are responsible for designing and driving people-related strategies, initiatives and programmes, to enable higher engagement and performance out of human capital assets. (Int13)*

> *The HR role is to equip people with the tools, resources and understanding to perform at their optimum and thereby help the business to perform optimally. (Int3)*

Although HRM's strategic role dominated participants' commentaries, several were conscious of the necessity of the administrative function to balance and support HRM's strategic role. Human resource management's operational effectiveness and ability to provide the processes and systems to support the employee lifecycle were still described as important for enabling its strategic objectives.

> *The HR function is viewed as both administrative and strategic, as it has a clear mandate from both Board and Exec to drive a corporate people strategy, and concurrently is accountable for providing the policy, processes and systems necessary to administer the employee lifecycle. (Int28)*

Interestingly, a number of participants discussed the move by their organisations to start offshoring some of their administrative functions. This is still a recent development for many and therefore, although initial feedback is positive, a full assessment is not yet possible.

> *We've realised that there is an element of both admin and strategy so we actually have set up very much around providing that administrative support and the strategic support. So, it's definitely viewed as a combination and we recognise it so we've got a whole area called people services who basically do all the payrolls and day-to-day things employees need to function in their roles properly, and a lot of that is off-shore as well. (Int21)*

## HRM as a trusted business advisor

In order to embed and better cement their people strategy, a number of participants noted the importance of decentralising the operational side of HRM. The emphasis was on ensuring HRM was integrated into the line manager's role, with the support of HRM to facilitate this process.

The implementation and actual delivery of recruitment, engagement and performance management were all increasingly considered part of the functional line manager's role, as opposed to that of HRM. Human resource management's role was described as more of a support function, responsible for the creation of process frameworks. In addition, they were called upon to educate and assist managers in engaging and effectively managing their direct reports.

> *The HR team sets the strategy and provides support, but a significant amount of the implementation is done by managers and leaders. (Int20)*

*Human Resource teams put the policy framework together but it's up to the business units to interpret those and drive them and bring them to life. And so without the framework, you'd then have everybody going off in their own directions, but at the same time HR can't tell people what to do; ultimately, if managers want to drive their business in a certain direction, then they will—but it just means that everybody is singing from the same song sheet, and there is an expectation that this is the way that we profile ourselves, and I think it's to all of our mutual benefits that we do that. (Int10)*

According to one of the participants, this role reorientation was motivated by the drive to be competitive in the current labour market. High-engagement organisations were described as those whose line managers were responsible for a large majority of people management, based on the importance to an employee of their relationship with their line manager. This structure was therefore seen as desirable.

*I just think that again from engagement data, that for organisations that have high engagement, one of the distinguishing factors is the capability of people leaders to manage HR processes rather than leaving HR to manage performance. So I guess the point is, if an organisation says, 'HR will take care of that', they're not taking responsibility. (Int2)*

The role of HRM is changing. As highlighted by the participants, the focus is on becoming more of a strategic support function, as opposed to a policy administrator and implementer. Human resource management has therefore created HR advisor roles. By removing the administrative 'not so nice' areas, HR advisors or partners, as they are called, are able to focus on more business-specific development areas and embed and activate HRM policies throughout the business.

*We've got about 50–60 HR business partners embedded across the operation so that most leadership teams will have a HR business partner on their leadership team. This team's role is to activate all the HR policies around the organisation. So that means policy comes alive in each of the leadership teams. (Int28)*

HR advisors should establish productive relationships with the organisation's line managers. These relationships require HR advisors to play the role of confidants, proactive partners and to build mutual trust.

*Human resource people are business consultants or partners, so we are not a 'tell' position, we are a support, a coach—allowing the business units, empowering them to run their business and using us as consultants to create a step change around their leadership and their people management. (Int25)*

*The skills have changed and you're more of a business advisor. You're [HR] more working hand-in-hand rather than just reacting to things that are happening. You are actually going out there and looking for things that you can actually help the business units with, before they even come up. (Int24)*

However, there is still a lot of work for HRM to do in certain organisations to develop these relationships. With different people and management styles involved, relationship effectiveness was described as variable.

> *HR has to work very hard on their relationship with the business and it means they have to be very focused on every interaction they have. The way I describe it is, 'Would they write a cheque for me at the end of the session—yes or no?' I think it does depend on the individual HR practitioner and how they market themselves, how they bring values to the table and how focused that HR practitioner is on understanding the business as opposed to understanding their role. (Int27)*

## Developing and improving HRM positioning

For the participating organisations, it appears that there is general agreement that HRM has started to take on more of a strategic role. However, for many of the participants, this is still a process of transition and change. In order for HRM to achieve greater strategic recognition and influence, the participants highlighted a number of areas they believe require further improvement.

Surprisingly, despite most of the participants being HR managers themselves, their development areas were as vast and idealistic as the theoretical recommendations. By better understanding and aligning with the business strategy, HRM's value contribution was described as being significantly enhanced. Second, HRM needs to improve its business acumen, competencies and broader organisational skills. Finally, in line with the partnership model and decentralised approach identified, HRM should work on better alignment and relationship building with the different business units and their managers.

### Delivering value through HRM

Human resource management has been called upon to align its people strategy with that of the business to enable and execute the business strategy through the effective management of the organisation's employees. However, while some organisations are experiencing improved alignment, the majority appear to be having less success. Human resource management is called upon by participants to gain increased understanding of the business strategy to enable better alignment. This, according to a number of participants, involves HRM proving its worth by demonstrating and delivering value that is seen as credible with the business.

> *By showing the business that there are proven and measureable results behind HR strategy that can improve the effectiveness of businesses, HR can improve its strategic positioning within the business. (Int24)*

> *Human resource units can improve their strategic positioning by more directly supporting the business in their execution of strategic objectives. Without a clear linkage between human capital strategy and business strategy, HR is likely to become an administrative function that simply serves the employee lifecycle. (Int28)*

The participants provide a number of suggestions as to how demonstrating value can be achieved. Suggestions include:

- streamlining of unnecessary transactional processes;
- mastery of transaction and strategic responsibilities;
- designing HRM roles to meet changing needs of business;
- gaining a holistic understanding of the organisation's operations; and
- assisting line managers by better understanding their roles.

*Removing unnecessary transactional work and streamlining processes that will allow greater focus on the business will enable HR to be better strategically aligned, as well as creating better collaboration and efficiencies in the way we work. (Int14)*

*HR needs to engage with business, align its objectives to the organisation strategy, as well as continuing to get the basics right. (Int2)*

*HR has already successfully lifted our fame in terms of strategic positioning. Now the focus is on extending our strategic contribution and demonstrating the value this adds versus the value of operational HR. We [HR] need to ensure roles are designed to deliver at a strategic level, and able to provide insights to leaders. (Int26)*

*HR needs to really understand what the issues are that the business is facing, not people issues but business issues. I don't think that HR can really help, to be honest, if they don't, because you then just don't have the full picture. (Int12)*

## Skill and competency development for HRM

When asked how HRM could go about improving its organisational offering, the participants suggested a considerable list of recommendations. Participants noted the need for HR advisors to develop their business acumen, as well as relationship competencies around influencing. These tangible and intangible capabilities were considered increasingly important to their overall impact and business success.

Financial knowledge and business acumen were seen as new skill requirements for all HR managers. Understanding the larger business picture in which they operate was perceived to be of paramount importance.

*HR has a strong strategic focus and continues to aim at partnering the business to transform goals into reality. Growing strong business acumen is a key part of this. (Int30)*

As a result, there was an increase in HRM recruiting more commercially minded individuals to take on HR roles to fulfill financial capability needs.

*There are certainly a large number of people we now take on that can have better business acumen skills, and there's definitely more people in the market now who are more business savvy. Our team's a bit of a mix, some that are really there and others who really need to improve in that area. (Int20)*

On the other end of the spectrum, HRM's relationship skills were described as a major barrier for greater organisational success and therefore in need of considerable improvements. The extensive capabilities actual HR practitioners recommended were again considerable.

Human resource management's level of confidence and courage were called into question, as well as their ability to influence and engage senior managers, be comfortable around them and treat them as peers. Not only did HRM need to understand the business and its pressures, it also needed to promote and substantiate the HRM agenda, challenge and provide different perspectives, build relationships, and remain passionate and able to leverage these relationships to affect behavioural changes. With so many areas of development, improving relationships appeared to become a much larger and more substantial task than initially perceived.

> *Competencies HR needs to focus on developing are around confidence, self-belief and independence, which are all about having the confidence to take a point of view and express it even if it's not popular, as well as understanding the business strategy and being able to talk the language of the business. In addition, relationships are a focus, and obviously building trust and gaining buy-in in important to drive value at a strategic level. (Int26)*

> *So HR needs to become more purposeful, and I think further than that, it's actually courage they need. (Int6)*

If this list of improvements wasn't already long enough, not only did HRM need to understand their organisation's big picture strategy, but were also called upon to be well read and ensure they remained up to date with industry trends and best practice. In addition, being proficient in a number of these areas, agile, adaptable and quick to learn were also expected.

> *We try and stay on top of global trends so we do a lot of reading, we make it our business to read reports coming out from the big consultancies in the world, to hear what other member firms are saying, to be well connected with HR people in the New Zealand market as well and for us to step back from all of that and look at that information and think about what the future demands are going to be. We have sessions where the HR managers talk about some big picture thinking of where we think we need to be in 2–3 years' time. … but this is looking at what's new, what's next on top of that, so we try and be very future thinking and challenge each other as well about where to next. (Int5)*

## Better alignment of HRM with business units

With such an incredible list of expectations, it is easy to understand why variations are possible between HRM performance both within and between organisations. HRM is called upon to continue to pay increased attention to aligning HRM strategies with the different business units and proactively partnering with their managers, to enable greater functional HR efficiencies.

Relationship building included a dual focus. Emphasis was placed on a strategic-level relationship with top management, as well as being embedded with line managers and their business units.

*Partnering with business and key stakeholders needs to be a key focus for HR. They need to execute the basics to an exceptional level, as well as driving the talent agenda into the consciousness of leaders throughout the firm. (Int6)*

In particular, certain participants were focused on improving operational level relationships with line managers, with increased interaction and engagement, as well as better understanding each unit's specific needs.

*Human resource's continued focus should be on regular engagement with business units and understanding their specific needs and strategy. (Int18)*

Recommendations put forward by participants to improve these relationships included HRM putting in time and conscious effort, being proactive, working with line managers to diagnose problems and presenting themselves as a trusted partner who asks the right questions and has a less administratively driven conversation.

*In other companies it is very reactive so you've got managers coming to you saying, 'I've got this problem' whereas here, you don't have that so much, there is more a focus on HR being pro-active and actually getting out into the business and actually pre-empting a lot of stuff. (Int24)*

## HRM versus Marketing

The 'rivalry' between HRM and Marketing remains a hotly debated topic in both the literature and amongst the participants. Concept ownership, strategic organisational standing and the degree or need for collaboration between these mostly separate functions are all issues of current contention.

When asked about the relationship between Marketing and HRM, there were varied and polarised responses from the mainly HRM-based participants. While some felt there was no need or possibility for collaboration, others felt there was good intention, but poor implementation. Others felt that increased collaboration was important and naturally promoted through employer branding and was inevitable with both areas' consistent alignment in a central business strategy.

### HRM and Marketing as disconnected functions

For several participants, Marketing was described as having different priorities to HRM and not able to comprehend or appreciate what HRM was trying to achieve. Marketing was described as externally and customer-focused, while HRM was seen as internally and employee-focused.

*Human resource's focus is talent or people, Marketing's focus is business. Marketing wants to help the business win business and communicate from a Marketing perspective. It's around communicating externally and promoting the business, but not necessarily the talent…I think the focus is still different. (Int8)*

Interestingly, this separate operational focus was described as normal and not out of the ordinary for certain participants.

> *I think external communications and Marketing weren't as connected as they should have been. But from talking to other people that's pretty normal, and linking in our employees and how they're perceived as an employer in the market place also is a completely separate thing. (Int4)*

For others, some intersection was seen as inherent, given the natural overlap around branding. However, pre-existing conflict and a perceived mismatch in priorities prevented relations being actively pursued to develop these interactions further.

> *There is implied alignment but people just get on with doing their own thing. So I think you know there is alignment; we maybe aren't actively working as closely as we could be, but that's true of lots of things. It's like the challenge of the pace and the complexity. I think again this is because we are organised around this central proposition that should drive the internal culture conversation. (Int2)*

The differences between the two departments' budgets were seen as a significant barrier. Human resource management's branding budget in comparison to Marketing's budget was described as restrictive to HRM's capabilities.

> *It may well be that the human resources areas don't necessarily have the budget that the Marketing teams have, so a lot of HR professionals have a really good understanding of employer brand but they don't necessarily have the budget to go and do all the initiatives that they want. (Int16)*

As illustrated below, this budget variation and perceived differences in priorities results in a negative experience, despite the opportunity for greater collaboration.

> *I'm running a graduate programme for next year's intake so I've had to do quite a lot of work with Marketing around advertising the programme and promoting it. I had to work in partnership with them to promote that programme. I haven't however had an easy ride with them; it seems to have taken ages to get everything done. Marketing probably have more of a big picture view. You know that the graduate programme is just a small sort of blip on their radar, so it's probably not really a priority, whereas a new home loan rate that we're advertising is probably. If I had to say if I've found that relationship useful I'd probably say no. (Int11)*

For other participants, the common branding focus was described as a natural area of collaboration and overlap. Although the specific targets varied, both functions were described as performing similar roles. Focused on attracting and engaging key stakeholders, why conflict and a lack of collaboration remained, was described as ironic.

> *I don't know why there is that conflict. I think because often what crosses over is the branding piece, and part of that would be authenticity and that would naturally overlay into the employee piece as well I guess. (Int12)*

The importance of collaboration between the functions was described by some of the other participants as increasingly important. For some, this involved HR learning from Marketing and becoming more proactive in leveraging the opportunities that were available to them. Human resource management was called upon to more actively volunteer its services to increase the potential to work with Marketing.

> *I think we're [HR] being more proactive now and saying, 'Look, here's an opportunity we need to take it; we need to start thinking more like Marketing'. I'm not saying that we need to change dramatically, but I think that there are some attributes that we could pick up to really stack ourselves more. As a result, closer alignment with Marketing would be greatly beneficial to HR. (Int13)*

> *And certainly from a recruitment perspective, I'd say there'd be a sort of fair bit of collaboration to make sure we're on brand and have the same look and feel obviously as the rest of the organisation. Historically, Marketing have owned the values from a brand perspective and we're starting to really realise the role we [HR] do play in helping them drive that more publically. (Int13)*

Improved collaboration was seen as important due to the increasingly competitive market, as well as the opportunity to learn from leveraging others' expertise. However, this relationship was more occasional and too irregular to create lasting benefit for many participants.

> *There's more collaboration now than there was five years ago. The relationship between HR and Marketing fluctuates quite a lot. I think increased collaboration is important in terms of assisting each other around areas of expertise. (Int8)*

## An example of an effective HRM–Marketing relationship

Although, still a minority perspective, for a number of the participating organisations, Marketing and HRM were already working together effectively. This was driven by a high level strategic directive, and was based on mutual respect and innovation.

> *Someone was recently telling me about that relationship and how closely they [HR and Marketing] work and how that works for them, and why it's so important and critical to both of them, so my sense is very much that it's a very mutual respect for each other and that they work very closely together. (Int14)*

The obvious, natural and inherent connection between HRM and Marketing was seen as branding. While HRM was considered the natural leader for EB by several participants, one described ownership as a joint venture. However, what was agreed upon was the need for both Marketing and HRM to collaborate in this space in order to ensure alignment and consistency between the internal and external sides of the organisational brand.

> *Human resources would be in charge of running EB, it would be HR but it's one of these things that I think Marketing will be very involved with it as well, especially right now, because every aspect of our brand is being looked at, so it's so much more than the advertising. (Int1)*

## Alignment

For two of the participating organisations, Marketing and HRM were described as already actively aligned and operating together.

Participants from Organisation Three discussed the structural changes that had resulted from the acknowledgment that greater alignment between these functions was important and beneficial. Focused on driving improved innovation, their integrative structure, although only in effect for 18 months when we spoke, was already providing tangible benefits. Hard work, time, commitment, support from top management, and influential operational people and structure were acknowledged as critical in achieving a more integrated operating system.

> *It takes time and some committed and influential people in the right positions to change perceptions. I also believe it's about structure. We've just re-aligned our business so that people, culture, talent, R&R., are now in the same business unit as communication, corporate affairs and Marketing, so telling a seamless story and seeing the impact on reputation, employee brand advocacy and therefore 'happy staff, happy customers' play out is ultimately shifting perceptions around the role HR can play in the business mix. The proof is in the pudding as they say; tangible examples of success drive focus in the right areas. (Int19)*

The purpose of this integration was to continue growing innovatively in a consistent and integrated manner to ensure all organisational stakeholders' relationships were built on the same foundation and therefore consistent and aligned. Although structure was not seen as the 'cure to all aliments', the benefits of this active collaboration included improved efficiency, reduced costs and a blending and transfer of skills.

> *Well, we're 18 months into it and at the beginning we didn't force it, we just said there's huge advantages in here for the people—wouldn't it be great to get some Marketing skills, and then on the Marketing side how do we help encourage our employees to get out the brand, which is the strongest kind of Marketing of all—word of mouth. So what we're seeing now is that we've got talented people in our Marketing team willing to work in the people team and vice versa… (Int28)*

> *It's the best it's been in the four years I've been here, having everyone working together in the one umbrella function. It's definitely getting better and better. (Int19)*

In addition, recruitment was specifically described as becoming more efficient as a result of greater integration.

> *There's just more efficiency, too. So what would happen in the past is that different business units would each do end-to-end recruitment, whereas now the process is focused on developing a proactive pipeline. (Int21)*

Due to the hard work this organisation had done internally, they were able to then promote and highlight their achievements externally.

> *And we felt that like, we have done a lot of work to differentiate ourselves and we have got the proof points to demonstrate that and so we ran this external Marketing campaign. The intention was to...put a line in the sand and say, 'We're different from you'. And it worked, incredibly! We couldn't have done that campaign if we hadn't taken the actions that we had taken, otherwise it would just be a kind of empty Marketing campaign. (Int22)*

In comparison, although not actively and consciously pursued, the Marketing executive at Organisation Seven was asked to temporarily manage HRM, after the HRM executive resigned and a replacement was being recruited. While the intention was only a temporary collaboration, given the initial success of such a relationship, it is thought this amalgamation might be extended given the unintended benefit. As with Organisation Three, although top ownership was centralised, lower-level ownership remained more specialised as required.

> *Our General Manager who is Head of Marketing Experience is also Head of HR. So although they are quite distinct teams, they sit on totally different floors and they do quite different things. I think there is lot of overlap obviously at the top level at the moment… There's constant collaboration on different things. I think it is important. At the most senior level it's owned by the same person but then the next level down sometimes might be joint ownership or more specialisation or there will be strong collaboration where necessary. (Int29)*

# Current Areas of Organisational Focus

When discussing CSR, EB, HRM and the variations in perceived relationships between them, what emerged was that, regardless of geographic location, there were a number of important and prominent themes that were raised throughout the participants' discussion. For most of the participating organisations, these themes seem to drive a common set of motivating factors for increased emphasis on employee-focused practices. These topics were all raised by the participants in their answers to questions focused on CSR, EB and HRM and were consequently explored. They follow the HRM section as they most closely align with this area, but have been separated as, although important, they provide additional findings to those targeted in the questionnaires and interviews. The following sections will present the key findings for each of these areas, which include:

- talent;
- recruitment and retention;
- engagement;
- culture and values;
- communication; and
- generations and diversity.

## Talent

The term 'talent' was used repeatedly by the participants when discussing employees. When asked to define what talent meant to them, the participants' definitions focused on both current attributes and future potential. Talented employees were promoted as the driving force of successful companies. They were described as being technically skilled, intangibly capable, and also able to 'fit' in well with the organisation's values, culture and strategic orientation. This 'fit' resulted in them having their needs met by current organisational practices, and allowed them to be able to reinforce organisational benefits for others to connect with. As a result, a more active and structured approach was being adopted by the participating organisations to recruit and retain talented employees. Seen as a key strategic focus, talented employees were described as a means of surviving in an increasingly competitive business environment.

Talent was defined by a number of the participants as key intangible characteristics including high performance, leadership capability and future potential, as well as both hard and soft skills. Although based on the same attributes, talent varied in terms of specific roles and was seen as relative to different organisational needs. In addition to the technical capabilities, now seen as more of a base standard, talent is increasingly focused on "fit" between the individual and the organisation's values and culture.

> *Talent is based around potential and leadership capabilities. (Int28)*

> *I think we are looking for people that have the skills for the job but also looking at people that are a good fit for the company. They fit those business values and are going to head in the same direction. (Int25)*

While defining talent dominated interview discussions, one participant described the conscience and planned approach needed to manage talent that was both present and future focused.

> *How do we define talent management? It's about having a good clear view of all of our people and having a sense of their contribution to the firm now and in the future; having a good understanding of the length of time that an actual employee may stay here, and how we can best leverage that person while they are here, and I think just being really conscious about our workforce. (Int5)*

This need to attract and retain talented employees, particularly in a service-based industry, was described as a strategic focus and of vital importance to continued success. As a result, talented employees are being managed in a more structured and active way.

> *Why I think talent is so important is that it's our driving force being a people business and when you look at our business plan even on last year moving forward, it very much identified people as a strategic goal to recognise, have good structure in place to identify talent internally and develop them accordingly, but also to identify and be open to external talent coming into the organisation. I think ultimately it's just important for our success to be able to continue that. (Int14)*

According to certain participants, this increased focus is due to the current workforce being more discerning and having greater options for overseas employment. Organisations consequently have to offer a lot more than just a salary to attract and retain these highly sought after, talented individuals.

> *It's a highly competitive landscape. There's a lot more choices and people are a lot more discerning about what they do, and they're not willing to settle for just anything. So I think with that there's a lot more pressure on organisations to actually provide a lot more sort of perks and a lot more value that would attract people to work. (Int3)*

Given the increasing competition for talent and the need to offer more than a base salary to not only attract but to keep talent employees, specific talent-focused programs and processes are being developed. These are continually under review, with greater scrutiny, rigor and more clearly outlined organisation-specific definitions being implemented as the competition for talent seems to intensify.

*We have talent acceleration programs, that are a really rigorous process around analysing where people fit, and each area picks a key group of people for that year they're going to really draw on and focus on, depending on their different needs; that all kind of ties up to our greater people plan, succession planning and developing people up to our kind of executive levels that we're looking for. So there's a very strong focus on talent, and it's a very structured process. (Int25).*

With constant changes needed to keep talent needs current and relevant, the following participant highlighted the drive for talent as an intangible mind-set, as opposed to a tangible set of tools.

*It's constantly moving and changing and if you documented what best practice is today, that would be out of date next month. So we need to focus on being the very best that we can be today and then next month revisiting it and refocusing to ensure that it is still the best. So it's more of a mind-set and drive rather than set or right tool. (Int5)*

# Recruitment and retention

Talent has in particular dominated as an area of focus in recruitment. Recruitment is heavily graduate-focused in the financial sector, and has evolved to become its own function. Retention, in comparison, is less developed than recruitment. However, despite the impact of the GFC, retention has gained increased attention. Although the participants considered retention harder to control than recruitment, given the competitive business environment, retention is increasingly prioritised as a cost strategy and is complementary to recruitment efforts.

## Recruitment developments

When discussing recruitment, participants noted the benefit of leveraging a good employer brand to enhance employee engagement, emphasise the organisation's value-based profile and attract the right people to create a self-fulfilling cycle. The link between HRM and EB was consequently further enhanced though recruitment.

*If you have a good brand in the market then people will come to you. So I'd probably get one to two CVs a week. It hasn't always been that way, but we've done a lot of work transforming this business here into what we want it to be and having a great brand in the market, you find it becomes self-fulfilling. (Int18)*

Focusing on ensuring 'fit', as discussed above, was also considered an important factor when recruiting new employees. In particular, the focus was on shared value and cultural alignment.

*Some teams when they recruit people are very actively looking for someone who would be a good culture match, the smaller teams especially. (Int5)*

*A big part of recruitment is the whole organisational fit and team fit. So, you know, someone obviously has to have the right competencies, but certain skills and things can be trained but you can't train someone to fit into an environment or certain office culture. (Int11)*

Technology (particularly in graduate recruitment), has also been leveraged within the recruitment space to ensure it stays relevant and targeted.

> *There's been a real technology push in our recruitment using iPad's and online social media and they've really taken the bull by the horns there and taken those opportunities and really evolved them. So we're getting good feedback in the market place that we're one of the only groups that are doing that sort of thing and enabling people to use those out on campus. (Int13)*

In addition, innovative developments are being promoted and developed around recruitment pipelines and reassessing the interview process.

> *There's just more efficiency in the recruitment space too. So what would happen in the past is that different business units would each do end-to-end recruitment, whereas now the process is focused on developing a proactive pipeline. You may still need to advertise for specific people and roles, but now you can fill 20%-30% of roles through candidates already sitting in our pipeline. It makes massive efficiency differences. (Int21)*

## Increased focus on retention

While participants were able to easily conceptualise and explain their organisation's recruitment practices, retention was seen as a much more complex process. When asked if recruitment and retention received equal focus within their respective organisations, participants noted that while the aim was to have a balanced focus, it was cyclical, depending on organisational needs and in line with external pressures. With the impact of the GFC, increased competition for talent, increased cost consciousness and a holistic employee lifecycle approach, retention has gained an increased focus.

Retention has gained increased focus due to increased competition for talented employees, acknowledged as critical to meet client needs. In addition, reducing turnover and the large costs associated with training a new recruit were other motivating factors.

> *These days there is more and more focus on retaining probably than attracting talent, partly because that's where we are up to in the employee economic cycle. And so in this environment we have a competitive advantage in culture and the best way to take that advantage and culture forward is to source and retain talented people. So we spend more money on the things that matter to retain talent. (Int28)*

> *About four years ago, just before the recession, we had a real crunch on good talent in the country. Some parts of the business couldn't meet all of the client work that they needed to deliver on because they didn't have the right people. So I think that very quickly wakes up management to realise, 'Wow, we've actually got to get this right, we've got to set up a good environment to hire the best people and keep them here and engage them. (Int5)*

Although important, retention was described as complex. Recruitment was considered easier to control by participants as a sum of multiple parts. In contrast, retention is said to include more variables interacting over a longer period of time. These variables are often owned by a number of different people, as well as influenced by employee-manager interactions that cannot be easily controlled.

*In the recruitment world we have a very big focus on how we engage and attract candidates. But the problem is the employing experience is shared through so many different areas and focuses and when you look at the whole retention thing, it's a very complex question because the number one reason why people leave the business is because of their people leader. (Int21)*

*Our managers don't behave consistently. Therefore our employees don't have a consistent experience. So…retention can be controlled up to a point but not to 100%. (Int26)*

Certain retention-related strategies regarding improved and centralised induction programs were outlined by the participants. In addition, drawing on current talent to recommend and refer on more contacts was seen as beneficial, given these individuals were often considered to be more like-minded and therefore culturally aligned.

*A top priority for us currently is a formalised and centralised induction and training program, which varies in length depending on the role within some of the business units, and it's dramatically improving our new starter retention. (Int7)*

*It's pretty competitive out there, so we focus very much around retention, and I suppose using 'like minds' and those sorts of programmes to encourage people to put people forward. (Int13)*

A large focus for participants within the retention space was on improving consistency. The emphasis was on ensuring that the promises made during recruitment were actually delivered throughout the employee lifecycle to enhance retention. This has resulted in a focus on employee touch point alignment.

*Both recruitment and retention need to be a focus, as if people come in here and they get promised something and they find out that it's not all that flash or what they were promised then they're not likely to stick around and that is pretty crucial for retention. (Int27)*

## Engagement

In order to retain its talented employees, these service-based industries have focused on engagement and more recently enablement as measures and tools to assist with this challenging process. Engagement was described as a measure of how employees felt about their workplace and the degree of discretionary effort they were willing to give. Enablement, although closely connected with engagement, was described as the assessment of employees' working environment and whether they were provided with the tools to perform their roles effectively.

An annual and formalised practice closely linked to an organisation's culture and CSR activities, engagement surveys have become an organisational norm to gauge employee opinions. Action planning based on the collected survey results was seen as an increasingly important part of the engagement process and was increasingly driven by the CEO.

## Engagement and enablement: A key people strategy

Engaging and enabling these organisation's 'talented' employees was seen as crucial to not only retention, but also to leveraging employees' discretionary effort and expertise. With flow-on effects for clients, future talent and the broader community, engaging employees was described by participants as a vital strategic priority.

> *So engagement is absolutely pinnacle. There's always a push for employee engagement and it's one of the high ranking things on all our key performance indicators. (Int31)*

> *I think engagement is important in terms of that discretionary effort that people will give. I think engaged people will promote you to your next generation of talent coming through and have a knock on effect in terms of your client, who wants to work with people that are engaged as opposed to disengaged. I think engaged employees have a positive impact in terms of a broader focus on the community. If you engage people they're going to be happy at home as well, so I think from a broader sense engagement is really important. (Int6)*

Engagement was described by some of the participants to be about understanding how employees felt about their employment and about assisting them to understand and commit to the organisational strategy. As a result, engagement was seen as a management tool as well as a foundational element of all strategic decisions.

> *Engagement is pretty effective in terms of tracking the way people feel about their employer and it's also a very useful management tool to focus people's attention on some issues. We've been conducting engagement surveys for the best part of a decade, and it's been instrumental in achieving a whole range of changes across the organisation. (Int15)*

For one organisation, their annual employee survey was used to measure both engagement and enablement. Engagement was described as an employee's positive feeling about the organisation, willingness to work and understanding of how their roles fit into the organisation's strategy. Enablement was described as how well-supported employees felt they were within the organisations and whether they felt they had the tools and training to perform effectively. In line with the psychological contract's more exchange-orientated approach, Organisation Three acknowledged their responsibility in creating and maintaining employee engagement.

> *An annual employee opinion survey is conducted across the entire organisation. The survey asks respondents to indicate their level of satisfaction against a number of questions that measures employee engagement and enablement. The results are used by businesses to develop 'action plans' to improve our culture and business operations. (Int28)*

### Engagement as a management process

All participants referred to their organisation's annual engagement survey when discussing their engagement practices as a retention strategy. For most, this process was run by HRM and was focused on measuring and benchmarking current employee feedback to gauge how engaged and enabled employees were at a particular point in time. This information is converted into action plans for the business to run and deliver on for improved performance. A formalised and at times administratively heavy process, this survey process is driven from the top and increasingly seen as part of an organisational routine.

> *We do a survey annually that checks how engaged people are and then there is action planning that takes a very cascade approach from the top down. I think it's probably fair to say it is a burdensome task but it does bring benefit to the teams, and if your engagement is not improving then you will be held accountable for that so it's an administrative task but it's very much driven by the CEO and his leadership team - it's very much word from the top. (Int19)*

The general consensus from the participants was that the annual engagement process was important and required active management. When asked how engagement could be improved, participants noted the diverse areas they felt contributed to engagement. In particular, recognition and reward, development opportunities and supportive and flexible working environments were noted.

> *Engaging your employees includes focusing on a combination of areas, including flexible and diverse work environment, market-matched remuneration, rewards for exceptional performance, non-financial employee benefits, a clear strategy and adaptive leadership and a positive culture that is inclusive of all. (Int28)*

It was noted by participants that working in the financial industry was not always rewarding given the day-to-day, money-making focus of the industry. As a result, additional 'nice' environmental employee-focused factors were described as important for engagement. Corporate social responsibility was seen as contributing to more positive and supportive organisational environments, and therefore described as a driver of improved employee engagement.

> *If people aren't happy in their workplace and don't believe that they're working for the greater good, then nothing is good. I know I personally struggle with the fact that we make money out of making money, or distributing money. It's not always that rewarding. So having those nicer 'feel-good' CSR things in your environment—those sorts of little things are very important. (Int23)*

## Culture and values

Values and culture are seen as areas worthy of increased focus for a holistic and integrated organisational approach. They were described as hard to define and difficult to control, much like employee retention. Although unique, there is a sense that common values are being integrated into these organisation's cultures in line with social trends and employee demands. However, culture was described as another constantly developing organisational concept. While the participants felt you could never start from scratch, they believed there are ways to influence and

articulate your culture and values more clearly and ensure they stay relevant during employee recruitment and retention.

Organisational values are seen as the means of describing an organisation's culture and setting desired organisational behaviours. Values were described by participants as behavioural norms which linked everything back to the organisation's vision and purpose. They were consequently reinforced in every aspect of the organisation's operations, from job descriptions to performance reviews. Value-based behaviours were therefore recognised, encouraged and rewarded by HRM.

> *The vision is probably the guiding force for everybody, the unbeatable team, unbeatable service—but the values obviously are the behaviours that are the accepted norm in the way that we operate, so they're both integral to who we are and our culture. It's on the careers website; it's discussed in all interviews—it's in our interview templates, so it's reinforced. (Int16)*

> *Our employee reward system is very aligned back to those values, so you will get rewarded by aligning yourself to those values. (Int7)*

> *Integrity is the key value statement and a big part of that is doing the right thing, so people talk about that. It becomes a decision in meetings. You talk about the logical outcomes and go, 'Yeah, but, is it the right thing to do?' So, it's very much a living component of the decision making process. So we need a really clear statement of values. (Int4)*

To some participants, values and culture were described as a key organisational differentiator between competitors, and therefore important for employee attraction and retention.

> *When you talk to people about their experience, they always talk about the culture and the people aspect of the business and that's what they feel is different and shapes us in terms of a differentiating us from other firms. (Int14)*

> *I think the company realises that without the people, without that culture, it wouldn't be anything. So I think having that base is crucial, and I think that is the difference between one organisation and another. (Int29)*

According to a number of participants, culture should be focused on creating continual improvements, because every organisation, regardless of exerted effort has an 'existing' and perceived culture. Therefore, the focus placed on culture and values has increased with the aspiration to create a 'desired' culture.

> *It's a moving thing and it's been around since the business started so you're never starting from scratch. There's an existing culture, there's a desired culture, so I think there's a strong culture agenda here. (Int17)*

A number of participants chose to describe their current organisation's culture focus and goals as a means to articulate and describe culture holistically. A large majority emphasised a culture based on learning and development. In addition, a number highlighted their focus on providing career opportunities with an innovative focus.

*It's all about learning, it's all about development, and it's all about how you can have one career, so your career can be here and you can have a lot of different jobs, so it's very focussed on learning, it's focussed on flexibility and newish for us as an innovation, introduced in the last…three years. (Int20)*

For other participants, their organisation's cultural focus was on creating an open and 'friendly' working environment, made up of both formal and informal elements for people to enjoy, as well as develop in. While working hard was important, it was seen as important to include an element of fun.

*It's very much that everyone works hard, but it's still an enjoyable place to work. Not many people just want to come in and do their job; they want a bit more than that these days. (Int11)*

*I would say that our company is very open…[and] encouraging of development, and I think that also this is going to sound strange, but there's no ego so that plays out greatly. Everybody's actually trying to encourage everybody else, it's not seen as a threat, which is very refreshing. (Int25)*

Interestingly, although the majority of participants focused on positives regarding their cultures, a number highlighted some of the issues they were also facing around divergent cultures, passive employees and the focus on becoming less conventional, rule-based and formal.

*I think there's been quite a culture change with the people that are here as well. We've come a hell of a long way in terms of far less conventional, less perfectionistic and rule based than it previously was and a lot less formal as well, so I think a lot has broken down and changed. (Int2)*

## Influencing cultural change

While change is possible and in some instances necessary, it can flip between positive and negative very quickly. The participants had mixed views as to the degree of control and influence an organisation could have on its culture. Some felt it couldn't be controlled directly and instead, for the most part, evolved organically. However, others, although conscious of its intangibility, called for active reinforcement and focus on defining values and managing cultural frameworks, because like engagement, it was it was hard won and easily lost.

*Your culture comes from every action that you do so I don't think that you can control culture or you can decide you want to have a culture that looks like. (Int27)*

*It's hard won and easily lost, so I think to do it organically would take too long so you've got to say, 'These are our values and you've really got to push them quite hard'. The key thing is that you end up living them. So there are little things that you do every day that demonstrate it and emphasise it. (Int18)*

While cultural change was viewed as possible, actively assisting this process was still seen as a lengthy pursuit and an ongoing and evolving process. In addition, cultural change was viewed as a difficult and sometimes painful process that requires constant review and a group-focused effort driven from the top in order to be meaningful and remain relevant.

## Communication

According to the participants, communication is integral to achieving success in all organisational initiatives. Diverse communication channels were acknowledged as an important mechanism for achieving success. Generally taken for granted, or seen as an obvious given, the participants noted the increasing recognition around communicating properly, as well as tailoring one's communication approach to specific audiences.

Besides achieving organisational effectiveness, communication also enables improved collaboration, and was described as essential for engaging employees in internal and external initiatives. Communication should also be proactive and timely, in order to ensure employees understand the organisation's strategy and its many policies and programs.

*Communication is definitely of paramount importance. Whether it's directly from HR to the employees and managers or vice versa, we encourage constant communication to our employees around everything that we do. (Int8)*

*The other thing that comes to mind as well, which is inherent to actually achieve anything organisationally—you really need good communication channels. (Int3)*

*Communication is about translating the strategic stuff down to individual actions for people and ensuring everyone understands their part in that big picture. For people to understand what is available to them, it needs to be communicated. (Int3)*

While important, communication has its difficulties for large organisations because their structures are complex and traditional.

*I think that two-way communication is a challenge for all large organisations in general, but particularly ones that are quite traditionally bound, like law firms that have that whole heritage of who is in change and who can actually make decisions. (Int3)*

In order to contextualise and tailor activities, organisations are leveraging technology to access a number of communication mediums. Organisation's intranets and social media are considered key channels. While technology is increasingly leveraged, face-to-face communication is still considered important and part of the mix. In addition, the importance of communicating all external messages internally to ensure employees understand what is happening is seen as critical for the internal brand.

*We have fairly sophisticated communication tools available, intranet, senior leader communication, so a range of forums and media. (Int17)*

*It's not a one size fits all, and we do tailor our approach and our method of communication is quite a lot based on the business unit and where they're located, so you'd do things differently around what works best for each. (Int5)*

*You know we might use email, we might use intranet communications as well but we do understand that written communication is not as influential as talking about things. (Int5)*

*If you like to communicate initiatives and we do, we're very conscious that, whether it be a Marketing campaign that's going externally, we will always communicate that internally to our people so there is a strong focus on engaging our people in what's happening externally. (Int17)*

## Generations and diversity

Despite a lack of formal legislation in New Zealand, all participants highlighted the increasing importance of diversity. Although participants were asked about the effect of potential differences between gen Y and baby boomers, they instead focused on recognising and managing segment differences. In contrast to its emphasis and hype in the literature, age was classified as part of their organisation's broader diversity initiatives. Although age was acknowledged as important, it remains more of a business horizon issue for many, still secondary to gender. In addition, despite the research questions focused on the two extremes of young and old, respondents pointed out that there was increased attention given to the middle section of the workforce.

Diversity has gained increased focus, driven in part by it becoming a priority for top management. There is still a need for HRM to guide and influence effective diversity practice development in order to move it beyond traditional approaches.

*They've actually set up a management group that are looking at really driving diversity, and that's a big project that the CEO is actually looking at. (Int24)*

The need to stay applicable to the current population and specifically the organisation's customers has driven the increased focus on employee diversity. The focus for certain respondents, although common values were still sought, was on being more customer-centric, with a good mix of employees in terms of age, gender and cultural background.

*It's a really big focus for us to ensure that we have diversity. If our customers are young, then do we have team members that understand them? So it has to be very customer centric. (Int27)*

While generations or age were discussed, they were only a small part of a larger diversity focus for the participants. Work–life flexibility and woman were the two key areas of diversity focus for the participants.

*So diversity has been a big focus for us. In my impression, we are really focused on work–life balance and women in senior roles. (Int1)*

Women currently dominate the diversity agenda. Although not a focus of this research, their position in leadership, promotion cycles and related organisational policies around maternity leave were discussed by participants as central to current organisational diversity issues.

*Women in leadership—we're doing an amazing job. About half our executive team is female. That's incredible on the financial side of things. So that's almost getting to the point of business as usual. (Int29)*

*The challenge companies have is that career progression often happens in your 30's and that's a real tension with women and men—men are available more than women through their 30's. Women are starting to have more time to dedicate to their careers in their 40's but that's often perceived by business as too late. So I think there's a structural issue with actually the point in time that people tend to get through the management rings, and it's broader than banking (Int4)*

Following on from the women at work discussion, participants noted the increased focus on the middle-aged section of the workforce. Interestingly, their experience and leadership potential were being acknowledged, and organisations were investing a larger portion of time and money into this segment's development and retention, as opposed to younger generations who, with few commitments, were more likely to leave. Without being able to prevent employees wanting to do other things (such as go overseas), organisations were therefore refocusing on strategies to improve rate of employee return.

*There's definitely awareness around looking at that mid-section of the workforce that are the ones that have probably been around for quite a while and they're the solid, experienced talent and senior leaders. How many people start working at an organisation at 20 and are still there when they're35? It's pretty slim. So, focus on that mid-section and what you do with them. Within that whole meat in the sandwich are all those flexibility issues, because you're going to get a lot of mums returning to work and that whole life–work balance back. (Int3)*

*Our primary attrition area is around that senior analyst level. Yes, it's very important to retain that middle segment because that's what you core business is. You make more money from those people probably than you do from anyone else. However, with people who want to go overseas you can't offer them anything that combats that, so you then shift your attention from retaining them to getting them back—so how can you promote them to go overseas through the member firm network, so in two years' time you actually get them back. (Int8)*

## The ageing workforce: Business horizon issue

While strategies are being developed to retain that middle-aged section of the workforce, what to do with them when they get older is still being debated. There are polarised views as to the impact and importance of the ageing population. For some organisations, dependent on current culture and structures, the ageing workforce wasn't considered an area of concern. While organisational structures were seen by some as a means of side-stepping the issue of the older generation, for others, they felt that the experience provided by this group in their industry was critical. In contrast, for other participants, while older generational issues were considered important, little time or focus has been given to them, and older employees are seen as more of a business horizon issue, which

may be problematic in the future. However, on the other side of the spectrum, certain participants believed these were issues to plan for to ensure skills are not lost when baby boomers do retire.

> *We're a really young firm. We hire so many graduates, so we are very young and we've always had to deal with Gen Ys, so we are much more focussed on that. There's a real lack of focus on the baby boomers to be honest. (Int20)*

> *No, I don't think it is an issue because at the end of the day we still do like to employ people in their 50's and 60's because they've got the experience. You can't just put a whole lot of 20-year-olds in your branch, you know you need people who have been there and done the hard yards. (Int11)*

> *I think we do monitor and look at the ageing population, and that's a business horizon issue that we need to be on top of, but it's not a concern in terms of our current workforce. (Int22)*

> *Yes, it is a focus and becoming more so of a focus, and I think you will find that with that critical cusp of baby boomers leaving the workforce and obviously the issues we have already with skill shortages in certain groups, I think it will become more of a focus. (Int21)*

## The new generation: part of evolving business

Similar to the debate surrounding the ageing population, there were varied and contrasting views around the younger generations. The changes in the economic environment, given the recent GFC, were noted by some as responsible for tempering the behaviours of gen Y employees. Although now labelled gen Y, whether this younger generation was in fact any different from previous generations, was less clear cut to certain participants:

> *It's probably a confidence exceeding the competent side a little bit. I think it's also symptomatic of the economic environment. They have grown up in what has been a very buoyant economy that has obviously had a recent dip in the last few years so there's definitely a different approach in terms of expectations. (Int21)*

> *The generation one is a funny one and you could sort of argue the case either way as was anybody any different when they first came out of university, so to speak, in terms of some of the attitudes, but it does have an impact. (Int6)*

However, given this group now form a greater percentage of both the global customer and employee group, we need to, as noted by one participant, deal with it. This comment was in line with other participants', who, when specifically referring to employees, noted that while hiring a large group of graduates each year has a considerable impact, it was how their business model functioned and was part of the natural evolution of business.

> *I think we need to realise this new generation are actually our customers and our employees, so get over it! (Int23)*

> *This March we just took in 660 grads, so 10% of population every year is completely brand new of a particular generation and that has a massive impact. (Int12)*

Therefore, while there were mixed opinions as to whether managers could relate to younger employees or not, they needed to operate and work with what was available. Instead of focusing on the negatives, as one of the participants noted, the focus should be on identifying what skills younger generations contributed and future opportunities they provided. Specifically for gen Y, technology is an area of expertise.

> I'm not sure our managers are particularly tolerant, though. I think if they could write down exactly what their perfect graduate would be, it would be quite different to what they hire, but they make do with what's coming out this year of university and that's just what they have to deal with…they have to suck it up. (Int5)

> You can imagine with graduates they know more about social media and technology then any of us do. So they've got skills. (Int28)

## Managing generational differences

With various workforce segments interacting within an organisation at any given time, organisational segmentation and the potential conflict between people from different age groups or hierarchical levels was not seen as a new issue. Therefore, although conscious that mangers did have difficulties, the focus was on them acknowledging and understanding the changing work style of this younger generation.

> I think it's always been important for employers to segment their workforce and to understand the needs that each different segment has and look at meeting those. It might be generational; it might be different ethnic groups. (Int5)

> I guess some of the more old school managers…have to be a bit more understanding about gen Y and how they work these days and how everything is pretty much at their fingertips. So I think that there has to be a lot of adaptability around that. (Int11)

> I think managers struggle with how they manage different preferences, but this is the landscape, it's changing and we need our team to know and understand those changes. (Int12)

Interestingly, a number of participants noted that while everyone is different, the focus was increasingly on flexibility for both young and old employees. Equipping managers to better manage these variations was seen as important, so that old and young could work together productively.

> I read something that was saying that the younger generation is actually very similar to the older generation in wanting flexibility and I thought that was a really interesting observation actually. (Int12)

> It comes back to showing that our managers have the capability in their tool kits to address and manage different people. (Int13)

> The real challenge will be older and younger generations working together. (Int29)

# Research questions: Perceived relationships between CSR, EB and HRM

## Employee-focused CSR and EB

A relationship between CSR and EB was recognised by participants as important for greater internal consistency. However, the nature of this relationship varied considerably. Without a structured or formal approach to these issues apparent for a number of the participating organisations, many felt that informal alignment as opposed to formal integration was all that was necessary. It was hard to determine whether this was a defensive response, a form of justification or their actual belief, as minimal benefit was apparent from such an informal approach.

When asked if they thought there was an overlap between employee-focused CSR and EB, participants were in agreement that there was and should be a relationship between the two concepts. This was a given for some, because both were seen as linked into and reinforcing of the organisation's core strategy and key values. For others, it made sense that there would be an overlap between CSR and EB, because they were managed in some organisations by the same function. In contrast, in other organisations they were not the responsibility of the same function. Despite this structural separation, a close partnership between the two concepts was still seen as possible.

Driven by the same strategic guidelines and values, a common purpose and subsequent overlap between CSR and EB was described by certain participants as inevitable.

> CSR is part of a proposition of what we stand for, and therefore we care about those things and are interested in these things. So that gives you a sense of what it's like as a place to work. Is our employee brand solely driven by our CSR initiatives?- No, but again we're driven by our values and purpose, and those values and purpose are reflected in the CSR initiatives as well as employer branding and they're in a lot of our talent programmes. It shows inter-connectedness. (Int17)

With greater internal organisational consistency a key focus for all of the participating organisations, several responses highlighted the role both EB and CSR played in helping to create a seamless organisational story. This was important in ensuring employee touch points reinforced each other.

> I think one of our key objectives in the sustainability team is not to be a silo and not to create a program that's totally independent of everything else the organisation is doing. I mean sustainability by definition should be sustainable; it should be integrated. It's about creating a seamless story. -Is every touch point aligned? (Int29)

Aligning CSR with EB was perceived as creating trust and a consistent organisational experience through the delivery of promises.

> *Key benefit of an overlap is presenting a consistent face to communities we operate in; What do we stand for as an employer, what are our values? If CSR and EB are not aligned, it results in lack of trust, and we are not seen as "walking the talk". (Int26)*

Increased alignment between CSR and EB was seen as logical and was further promoted when they both belonged to the same organisational function in some of the participating organisations.

> *That person [Head of HR] is also responsible for corporate social responsibility and internal communications, so I'd say there is an overlap. (Int21).*

For other organisations, despite less structural alignment, relationships between the separate functions were still described as strong. A partnership approach was consequently seen as able to generate shared success.

> *Employer branding as a concept is driven by HR. Corporate social responsibility initiatives are divided up into two separate business units, CSR and HR. However, there is a close relationship between the two that allows for discussion and support from both sides when required. (Int10)*

Titles and responsibilities may be formally split within the organisation. However, informal collaboration with other people was described as inevitable, necessary, unavoidable and therefore a grey area in large organisations.

> *In large organisations, whilst people have a particular title, typically responsibility is diffused across the organisation. It's very rare that you will find black and white responsibility of things, often you find there's a group of people in charge of that responsibility and they work with a wide range of other people to achieve their objectives of the organisation, so you know applying a black and white model of how these sorts of places work is just a little bit unrealistic. (Int15)*

Corporate social responsibility was described as a driver for EB. Part of the EB proposition, CSR was seen to provide value and purpose to a number of key employee lifecycle stages, including recruitment, induction and engagement. A frame of reference, CSR was described as a positive attribute, and point to leverage and promote as part of an organisation's successful EB. According to the participants, while not the only component of a great EB, with increased employee interest, CSR is currently a key differentiator.

Corporate social responsibility was described as an important part of how employees perceived an organisation. It was believed to highlight to potential employees that the organisations was focused on more than the bottom line. For many participants, this is increasingly associated with an organisation being viewed as a more attractive place to work.

> *I certainly know that my HR colleagues think that it's [CSR] very important as part of the employer branding, and I do know from seeing the HR research into the way people think and feel about their employer that it's very important to them and highly valued that their employer acts in a responsible manner. (Int15)*

*From the CSR piece, I do think it's more than just a narrow bunch of efforts; I think it really does cross into the perception people have of the organisation and I think if a business has an intention that they want to be forward looking, that's going to translate into a whole lot of things... [How] they use technology and their processes, their attitude towards consumption and waste and their attitude towards people themselves and the environment. I just don't think you'd find an organisation that was saying, 'We really care about creating a great work environment for people' but 'we don't care about the community that we're part of'. The drivers would be similar. So I think if you're genuine in one area then you're more likely to be genuine in them all. (Int2)*

Corporate social responsibility was described as an important component of an organisation's external promise to attract potential employees that could then be delivered on internally as a retention tool. Although for many participants it was not considered a 'deal breaker', they did describe it as an effective way to enhance and develop the employment offering.

*For me it's just from an employer brand perspective, it's another peg to hang your hat on. It's something that candidates care about and they want to know what is your connection to the community and what is your involvement and what chance do I have, as a potential employee to get involved? So for me it's about building your employer brand story. It's one element of what makes a great employer brand. (Int21)*

Given the size of these organisations, an active focus was seen as necessary to ensure that frameworks were created around leveraging CSR effectively, both externally during recruitment and internally for retention. Such a focus was driven to ensure consistency was maintained.

*Around the touch points for candidates when they are assessing a role and they're interviewing with us or on-boarding with us, we intend to bring in a lot more information around our CSR so that candidates are being inducted before they actually even choose us, so that they understand what we're doing in the community, what we're doing in terms of our sustainability, what we're doing in terms of our engagement. (Int16)*

Corporate social responsibility was described as a key differentiator for EB to leverage, and it was seen as increasingly valuable for future operations. No longer considered a number of 'fluffy' initiatives, CSR was instead described as part of the core of some organisations' business strategies. Although CSR was acknowledged as a current differentiator, others questioned whether it would still be such a competitive advantage in the future.

*It's important to bring corporate responsibility into the brand. I see that as the way of the future, and that's how we will differentiate ourselves from our competitors. It's around leadership and culture and reputation. And so by bringing our corporate responsibility agenda into the heart of our internal and external brand is how we will do that…it's really an extension of that idea about corporate responsibility not being something kind of cute and fluffy to the side, but at the very heart of business strategy, it's at heart of everything that we do. (Int22)*

*I think in practice there probably would naturally be an overlap and I think largely because it's an age and stage thing. Corporate social responsibility is quite trendy at the moment and I think that's going to be leveraged quite a lot with the employment brand. I think in 15 years' time when everyone is doing quite similar things for corporate social responsibility, that's not going to differentiate the businesses so much. (Int5)*

When discussing the overlap of EB and CSR, the majority of participants didn't feel that integrating the concepts into the same business unit was necessary. There was a real mix of ownership approaches, with EB mostly sitting under HRM and CSR part of Marketing, or a separate unit in some instances. The participants' reasoning for this separate approach was based on current organisational structures, inadequate skill levels and the concept's level of development. As long as there was collaboration, ownership wasn't seen as an issue. While practical success from such an informal approach was not apparent, whether their reasoning was genuine or idealistic was not clear.

For others, integration and ownership were not an issue, with joint ownership described as unnecessary with a smaller management team. Emphasis was instead placed on ensuring ideas were actioned, and how best people could work together. However, structural alignment questioned in terms of potential effectiveness.

*I think that because of the size of the organisation, it is fine for them to be separate. There are so many different ways of structuring it; I think it's partly what works best for the organisation as well. (Int10)*

*I don't think there is an issue of ownership, I think it's about connection and relevance and understanding of the opportunity. (Int17)*

Most participants' focus was instead placed on building and enhancing the relationships between the two areas to ensure greater alignment and consistency. If CSR and EB were still new or underdeveloped, integrating them was not seen to add any further value.

*It's seriously beneficial for them to be aligned but I'm happy for CSR to be a separate entity and run by corporate affairs. (Int26)*

*I think alignment is important, I think less structurally and more that you need to talk to the people so that you understand what the impact of their policy decisions are going to be on your decisions. (Int10)*

*I don't think [CSR and EB] work particularly well at the minute because they're still in their infancy. I don't know what value combining them would have other than basically streamlining the process and the resources required. (Int8).*

In contrast, others felt they functioned better separately, given the specialised skills and expertise required for each were different; perception was of a clearer focus without a Marketing or HRM lens applied to them.

*Personally, I think staying the same [separate] would be the best, purely because you have experts in their fields, and so it would be better to keep them separate and collaborate, rather than pulling them under one umbrella. (Int24)*

*It's almost like it's an independent beast and has to report to both Marketing and HR, because I mean, you're looking at this for thousands of employees. So having it separate and staff-led is more focused. (Int23)*

## Overlaps between employee-focused CSR, EB and HRM

Despite inconsistencies between how participants felt CSR and EB should be aligned, there was general consensus that greater collaboration between them was important. Their individual relationships with HRM also received more mixed reactions. While the relationship between EB and HRM was established and unquestioned by the participants, views regarding CSR and HRM's perceived relationship were divided.

### Relationships between CSR & HRM

The participants' perceptions of the relationship between CSR and HRM were polarised. While the vast majority believed this relationship to be valuable, some still saw the two functions as disconnected and segregated. Others felt the relationship was dependent on how one defined CSR. When discussing community and sponsorship initiatives, the role of HRM was unclear in comparison to when employee-focused initiatives were discussed. Employee-focused CSR initiatives were therefore seen as HRM-driven by all participants.

Human resource management was described as responsible for driving, developing and substantiating many CSR initiatives. This relationship was for many structurally supported, with HRM placed in charge of CSR. The relationship was further promoted through the common focus on employees being engaged, enabled and assisted to reach their potential. Despite these supporting responses, not all participants saw the relationship as viable, established or particularly important.

Corporate social responsibility was described as focused on achieving the same goals as HRM. Driven by the same business and people strategy, a particular area of common focus was on employees achieving their potential. The two areas were also described as structurally interdependent. Participants believed that CSR was dependant on and driven by HRM to achieve its goals.

*One of our objectives is to help employees realise their potential, the whole idea of enabling society and helping people be the best that they can be. Those are all kind of messages that are articulated from a highest level and as part of our proposition, so that's where you can get all of the HR and CSR policies to support that. (Int3)*

*Yes they do overlap in that both achieve the same goals just use different tools. (Int18)*

*Definite overlap, as the policy framework for CSR is driven by HR. For instance, the CR group created the community leave policy framework, in discussion with HR with respect to the practical bits. (Int10)*

*'People' is a core element of a CSR strategy and recognises that enabled and engaged employees lead to better customer relations. (Int28)*

*Both are focused on talent and engagement and providing people with a sense of value from this work. (Int14)*

*They [CSR and HRM] are both about making the employee environment positive. Human resource management is more internally focussed; CSR is more focussed on community but there is significant overlap. (Int20)*

Initiatives focused on community volunteering and employee involvement were considered another key area of overlap.

*One of the things people get real enjoyment from is giving back to the community. I think sometimes there's an opportunity for HR to talk to individuals and understand what they want to do and then perhaps it might be more to do with CSR. (Int20)*

*There is an overlap in terms CSR and all the community side and giving back because that's a huge part of the employee value proposition. (Int20)*

Recruitment was seen as a key area where CSR could have considerable impact. It was described as being able to be leveraged within HRM to attract increasingly sought-after, value-consistent and like-minded employees.

*I think that it [CSR] probably has the biggest impact on recruitment. So through our early discussions, and then on-boarding, I think that's where it has the biggest impact. (Int14)*

## Recognised value

Although a relationship between CSR and HRM was acknowledged and seen to have the potential to add value, for some organisations, this relationship varied in its degree of emphasis by the participants and was not always actively promoted. This was due to either the informal nature of their current structures, or the existing traction CSR had independent of HRM.

*They do talk on some things from time to time but there's not a clear framework looking at this is how the two work together so you know they could conceivably be off doing two quite different things. (Int5)*

Given the lack of consistency in the participants' descriptions and understanding of CSR, increased uncertainty arose as to whether CSR was externally or internally focused. The nature of its activities and focus, according to participants, would subsequently affect who took ownership, and if increased integration with HRM was necessary or practical. If CSR was more employee-focused, it was agreed that it was valuable to align more closely with HRM. However, if it was community- and externally focused, as it still was for many participants, a relationship with HRM was not seen as necessary.

*Well, when I think of CSR I really just think community and charity work, whereas I think your definition is much more than that and I think that probably changes it because I think the employee-focused activities are all things to do with HR so I think for us it depends on where it sits. (Int20)*

Surprisingly, although mostly espoused by HR managers, this externally-focused community view of CSR seemed to dominate participants' CSR focus. The focus between CSR and employees was difficult for many of the HRM-based participants to understand.

*I wonder with CSR whether the people in the firm don't see, don't make the connection to the employee side of it, so they know that employers are involved. I don't know whether they really understand the power, that sense of purpose we can have in terms of employee engagement and from a development perspective. If it's seen as part of the HR function and clearly part of the HR strategy then people would see the synergies, whereas a stand-alone function its treated as a stand-alone discipline so that's probably why I think people haven't connected the dots. (Int6)*

However, when participants were provided with Vuontisjärvi's (1996) list, which was used as a base point in terms of the specific activities theoretically identified as employee-focused CSR, they were able to more confidently assess the relationship with HRM. Interestingly, although participants' opinions regarding alignment were mixed up until this point, all consistently agreed, after seeing the list, that HRM was responsible for driving the listed initiatives. This was done in conjunction with the business, in line with a decentralised and HRM partnership approach.

*A lot of these things are the nuts and bolts of human resource. (Int8)*

*Generally, this is all the responsibility of HR, with some overlaps with other functions and the business. (Int26)*

Diversity and flexible and supportive working environments were described as not only key areas of current organisational focus, but also requiring and benefiting from increased collaboration between CSR and HRM.

*So diversity is a huge one, it's been around a long time now and it's moved on to another level now, but that's kind of common sense because we are a relationship business, every relationship business should reflect its client base. (Int18)*

*If I think of diversity, the link there to me is more than just demographic diversity, but is also the diversity of thoughts and concepts, and I think that you get that from people who have had different experiences, and so CSR can give people different experiences and exposures that can actually impact in terms of the quality of decisions that they make in their role. (Int6)*

For others, lines were drawn between what was considered more CSR, compared with more standardised HR policies.

*I think things like diversity, supportive working environment, those to me stand out more as being corporate social responsibility. The others, they are standard HR elements, so they do form part of your standard HR suite of things that you should be doing, but you don't have to do much in those areas. However, good and progressive employers are doing more in those areas than they need to because there's a belief that you need to do more of these things to be a good sort of corporate citizen. (Int5)*

Some participants, in contrast to the promotion and support highlighted above, felt that because of their organisation's structure and specific areas of expertise, the functions should remain separate. Applications of CSR were seen as extending beyond HRM.

*Corporate social responsibility is run by the foundation as opposed to random HR people running it. I think it has been successful because I guess that has been their purpose. In my opinion, it has added credibility that it's a firm-wide initiative as opposed to an HR issue. (Int20)*

*I think CSR has a 'firmer' remit than HR. They are different functions. (Int5)*

*Having CSR owned by the whole business is very important. (Int20)*

For some, employees were only seen as promoters of CSR activity in the community, as opposed to a focus or target audience.

*As I understand it, HRM is about the people experience, whereas CSR is really about what the community, media and shareholders understand that we're about. The only areas that make sense for me in terms of common goals/policies would be when it comes to mobilising the workforce as part of the CSR effort to make the activities more human in approach, rather than them being just a big corporate giving money to charity. (Int19)*

For these participants, CSR was closely associated with Marketing, and HRM was side-lined in terms of CSR responsibility, ownership and involvement.

*I think there was the carbon neutral agreement stuff, there was the community stuff and then in the HR team itself our position around cultures, I think they were all happening isolated from each other, and I think things have come together more over time and certainly as the last few years as it's been more sitting in that Marketing function the social responsibility that public perceptions to the brand piece and that, some of that community work and the sustainable stuff has been a lot closer and probably the HR area has been a little bit on its own in some regards. (Int2)*

According to one of the participants, the overlap between CSR and HRM was further restricted, due to the lack of understanding about CSR's application and role within the organisation.

*To be honest a lot of HR doesn't know what CSR is and I think probably most people in the firm don't either. (Int9)*

*There's this really weird division where like HR and CSR don't talk. You have CSR things that naturally should be part of what HR do sort of like our learning framework that we're looking at doing; I mean, in some way that should be coming from HR saying actually this is something that employees will benefit from in terms of their career satisfaction. (Int9)*

## Relationships between EB & HRM

Human resource management and EB were described by all participants as instinctually linked. Human resource management was seen as the driver, developer, and in many instances, the implementer of EB. Again, as with CSR, the overlap of EB and HRM was highlighted in recruitment. However, additional focus was placed on a holistic model and overlap in retention, engagement, values and organisational culture.

Human resource management was described by several participants as the steward and facilitator of EB within the organisational setting. Human resource management was also seen as the best function to own EB by the majority of the participants (the majority of which were HRM managers), given it was mainly responsible for the delivery and execution of EB.

*The goals and policies of HRM are fundamental for EB. The culture and behaviours of the organisation are critical for an effective and sustainable EB. (Int28)*

*I think what we're doing in HR has a direct impact on your brand; if it doesn't then you're doing the wrong things. (Int6)*

*Employer branding is driven by HR, so it's the responsibility of the business to engage people. Through higher engagement, retention will increase, but its HR initiatives that support the business in order to do that. (Int8)*

*As to whether EB is owned by HR or Marketing, my view is it should be owned by HR because that's where the execution takes place. Definitely work with Marketing on the strategy and the guidelines and things and also leverage off that consumer and customer brand. (Int21)*

In particular, recruitment was again seen as a key area for overlap between EB and HRM. Employer branding was described as an important recruitment tool for attracting talent.

*Employer branding is led by our recruiting team and it will primarily be a tool used by them. (Int5)*

*Employer branding plays a huge role in attracting talent. (Int20)*

*Employer branding works very closely with our graduate recruitment team and so they would have a focus on both the external, but work closely with our recruitment teams to manage the internal aspect of how its communicated, but it's pretty straight forward; in terms of the internal, we have developed EVPs for each area of the business, each location and each level (Int14)*

A holistic employee lifecycle focus was acknowledged by many as providing multiple potential areas of overlap for HRM and EB. While recruitment was a key area, engagement, retention, values and people policy generally provided more opportunities for greater integration.

*Human resources and EB are about attracting and retaining talent and unplugging its productivity for the organisation. (Int31)*

*Attraction and retention of talent, as well as creation and maintenance of the right organisational culture, are important. (Int6)*

*Yes, EB and HRM overlap. As I mentioned earlier, it's about making sure the packaging matches the contents and that recruits and then employees have a seamless (brand) experience. It's such a major opportunity to build advocacy for your brand! (Int19)*

## Aligning CSR, EB and HRM

When looking at all three concepts and how they align within the organisational setting, certain participants noted the favourable outcomes around greater alignment between the three areas. A singularity of purpose, integrated and strategically aligned internal organisational approach was seen as extremely desirable by the participants. Such consistency was described as able to create a seamless organisational story capable of significant and important value creation. In addition, greater alignment with, and ownership of, CSR and EB, as valuable tools for HRM to leverage, were described as a means to improve attraction, engagement and retention of employees. The focus for a select few was therefore on creating a seamless story, which drew on and was supported by CSR, EB and HRM, and was ultimately focused on consistently delivering the organisation's central proposition to all stakeholders.

*The three sections are quite separate in terms of CSR and employment branding and I see them much more as one issue, I think CSR if anything at the moment is separate whereas employment branding and HR go hand in glove, so I think there is greater synergy between the three. (Int6)*

*All three areas need to be aligned to create greater cohesion, consistency and to substantiate each other. (Int27)*

*This has recently occurred here, where the HR function has merged with Marketing and communications. The linkage of HRM to the CSR and EB agendas creates clearer strategic alignment of the HRM function to the broader enterprise brand. (Int28)*

*All of the business strategies should be aligned and understand and acknowledge that EB, CSR, HRM will hugely assist. (Int20)*

However, for others such integration was seen as detrimental and risky to the specialisation of each of these important areas.

*Both branding and CSR are incredibly specialised areas of business. I don't believe 'ownership' should sit within HR. I think this could potentially jeopardise the profile and importance of these two areas. (Int19)*

The aspiration of certain HRM participants was that CSR and EB could be used as tools for HRM to leverage. Not only would they provide valuable improvements to HR's people management programs, but would also enhance HRM's strategic and organisational capability By taking a lead

in these areas, HRM was described as being able to demonstrate improved influence and business understanding.

> *Marketing is highly regarded in organisations; if HR can show capability in this space, there is opportunity to be seen as strategic, too. (Int13)*

Human resource management taking charge of CSR and EB was seen as beneficial in assisting with greater reinforcement and consistency within the business, given HRM's increasingly advisory role that was focused on relationship building with line managers. Instead of divergent reinvention of already existing strategies, HRM could guide line mangers to align with existing programs.

> *I think that again it's what you live and breathe every day so the way that we like to interact with our team is the way that we want to be responsible for our team and the impact we appreciate we have taken in for account all of those areas. (Int27)*

In particular, CSR and EB were seen as providing valuable and innovative ways for HRM to deliver team building, training and development opportunities to better engage and develop employees.

> *I saw a real benefit in being able to use CSR as a stretch–thinking opportunity. We've also talked about in our community volunteering space, that we would like to do more skilled volunteering, and that can also be seen as a talent development opportunity; working with an NGO and seeing another business landscape and saving them having to operate on minimal resources—that kind of stuff is really valuable for people and the whole team-building side of things, project management, all those skills that you gain from doing those kinds of things. (Int3)*

## Conclusion

The purpose of this chapter was to outline the thesis findings. These findings relate specifically to how CSR, EB and HRM are conceptualised, applied and positioned practically within an organisational setting. Explored in the post-GFC context, the degree to which they overlap and are leveraged collaboratively is also presented.

Drawing on the views of HRM and CSR function managers through questionnaires and subsequent in-depth interviews, this broadly focused data is vast and more complex than anticipated. The perspectives of the participants were extremely varied, both within and between organisations. For many participants, this inconsistency stemmed from variations and a lack of common conceptualisation of these areas within their organisation. Surprisingly, despite conflicting understandings, the promotion of all three areas as increasingly important and strategic organisational concepts and functions was, for the majority, a central argument.

Corporate social responsibility, EB and HRM were all acknowledged, although in varying degrees, as important employee-focused functions. Participants generously promoted the attributes they felt would enhance each area's organisational influence and success. This level of optimism was in line with recent academic discussions regarding the benefits provided by each area, and supported an increased emphasis on employees.

Although a number of recommendations were presented regarding the enhancement of each of these areas, for the vast majority, the constraints for practical implementation were still too great to overcome. While developments and progress were apparent, there were huge inconsistencies. The application and benefits were only shown to be part of a small minority's current operational model. For the majority, progress appeared to be either still occurring in segmented pockets, or aspirational and more ideological than practical. Application was therefore not as straightforward or effortless as promoted in the literature.

The findings and desire for development do, however, appear to be driven by the increased emphasis being placed on the importance of internal operational consistency and alignment. The attraction, retention and engagement of talented employees draw heavily on CSR, EB and HRM independently and collectively, defining them as important and increasingly strategic components to the employee lifecycle.

The impact of the GFC and subsequent context to current organisational practices was described as significant. The degree of collaboration between New Zealand and Australian firms varied dramatically. Despite increased focus on cost efficiencies, participants in both countries stressed the opportunity to do things better and become more innovative. Although competitive advantage remained critical, how this was achieved evolved in line with stakeholder demands for increased transparency and authenticity. Interestingly, retaining employees became a target, with the clear aim of avoiding mass redundancies.

The focus on talented employees to achieve competitive advantage within these new relationship-focused constraints was a significant motivation for all participants. Previously, the attraction of talent had dominated organisational focus. However, in line with a visible inward focus, engagement and retention have become more important. Retention was acknowledged as a much harder process than recruitment to manage. As a result, a more extensive array of variables and relationships need to be considered and leveraged.

Corporate social responsibility remains a poorly understood and ill-defined concept. Participants' diverse descriptions were not able to contribute to the creation of a universal definition, but instead highlighted the need for greater consistency within organisational understanding in the first instance. Despite this, employee-focused CSR concepts like diversity and work–life balance were increasingly considered important organisational strategies. Participants noted significant developments within their CSR functions over the last five years. For the majority, although development was apparent in varying degrees, practical success and consistent benefits were significantly hindered by ongoing constraints.

In comparison, EB was well understood and increasingly described as becoming a sophisticated communication tool for many of the participating organisations. By improving consistency between employee touch points, EB, like CSR, was also promoted as an important component of attracting and retaining talented employees. A holistic focus on the management of the employee lifecycle was promoted. However, the degree of success experienced by different organisations again

varied. While barriers were identified, the emphasis placed on them appeared insufficient, given their considerable and ongoing detrimental impact.

Organisational expectations of HRM have grown with the increased emphasis on employees. While effective employee management was still required, how HRM achieved this was changing. Human resource management was described by all participants as a strategic function. For many, HRM's development towards becoming a more trusted business advisor was still however very much a work in progress. The focus was therefore on HRM improving its skills, business understanding, organisational relationships and financial acumen to meet increasing expectations. Surprisingly, the participants, many HR managers themselves, were extremely harsh on their function and the considerable range of capabilities it needed to develop. Greater collaboration was promoted between HRM and Marketing to assist with HRM development; however, debate as to the effectiveness and practical success of such a relationship varied considerably.

Such diversity in opinion was again apparent when discussing the relationships between CSR, EB and HRM. Human resource management and EB were seen as naturally aligned and both employee-focused. In contrast, the relationship between HRM and CSR was dependent on how CSR was originally conceptualised. The relationship between CSR and EB centred on talent and increased policy consistency, with CSR seen as a positive message for EB to leverage. However, views were mixed and whether alignment or integration was required for such benefits to be realised, was hotly debated.

For a few select organisations, practical success was achieved through the integration and structural alignment of CSR, EB and HRM. Increased consistency and internal alignment therefore do appear possible and actual benefits achievable. However, if this model is suited to other organisations and whether it can be sustained, remain unclear.

These empirical findings, although complex and at times conflicting, are important. They provide valuable insight into the overly normative theory currently available. With the literature and organisations refocusing inwards, it is important to look inside current organisations to gain insights into current thinking, practices and challenges. Only by understanding what is actually happening, can practicable and valuable recommendations be made. These findings therefore provide important insight into what organisations are currently doing and the challenges they are facing.

The following chapter discusses the key findings in the context of the current literature, to explore these areas and their current organisational interaction in greater detail.

# Chapter Five: Discussion

## Introduction

This chapter provides a summary and discussion of the key findings of this thesis. The continuously growing body of literature and the research findings are both very large. Although they provide significant context and richness to this discussion, only those findings that assist in answering the research objectives and provide insight into the current literature gaps are discussed. In particular, the research questions are used as the lens through which to compare the main findings with the existing literature.

The research findings are important, because they provide valuable insights into increasingly complex organisational environments. Greater understanding of current practices and constraints surrounding people management strategies provides crucial empirical data to the normative and ideological literature. Being able to understand current strengths and weaknesses enables a more targeted plan for subsequent developments to be both formulated and implemented. This is both valuable for practice and supporting theory. Implications for management practitioners and academia are then presented and thesis limitations acknowledged. The chapter ends with a review of current progress.

The following research questions were formulated based on the gaps identified in the initial literature review. Interestingly, these separate strands of literature are all developing rapidly and have grown substantially during the course of this research. In line with current contextual constraints, the literature has refocused internally, with employees becoming a much more dominant theme then they were in the past. Although empirical data is increasing in certain areas, for the most part, theory remains normative and segmented when discussing these three concepts.

## Research questions:

- theoretically, what areas of common focus exist between these three bodies of literature and, as a result, what major themes are currently being advocated for people management? and

- how closely aligned are organisations' people management practices to the theoretical suggestions promoted by the literature?

## Sub-questions:

- How well understood and important is CSR?
- How well understood and important is EB?
- What role does HRM currently perform?
- What is the nature and impact of the relationship between employee-focused CSR and EB?
- What is the nature and impact of the relationship between employee-focused CSR and EB and HRM?

To gain insight into these questions, this discussion draws on the opinions and perspectives of predominantly HR managers from a number of New Zealand and Australian financial organisations. Their responses to questionnaires and subsequent semi-structured interviews provide an initial, post-GFC assessment of the current organisational applications of CSR and EB. The changing roles, increased strategic emphasis and development of HRM are explored, and the practical relationships and variable degree of overlap between these theoretically segmented areas are established.

A variety of arguments and responses were offered by participants, but with limited consistency and agreement between them. Although competitive advantage remains a key motivator for all, the progress and success of each of the participating organisations varies significantly. Therefore, they appear to fit along a continuum of people management development as a complete data set.

This research provides a rare, but only initial glance inside these organisations at a particular time. The dynamic working environment of financial organisations is empirically explored through a people-orientated lens. While the theoretical discussion is a good indicator of the benefits associated with CSR and EB, little empirical data is available to determine whether, in fact, organisations have found CSR and EB valuable. However, alongside limited theoretical direction there are some well-established contextual and organisational changes that have guided what organisations should do in their approach to people management.

## The Context

According to academic literature, today's business environment is characterised by a number of rapidly changing and increasingly interdependent variables (Inyang et al., 2011). Mounting pressures have resulted in organisations transitioning to a more customer service-centric model. This has required an internal refocus on employees and a desire by organisations to streamline and realign their operations (Inyang et al., 2011; Wang et al., 2011).

The predominantly normative theory sets out a range of arguments. It maintains that organisations need to adjust and create new strategies to stay competitive (He, 2012). Competitive advantage is described as increasingly dependent on intangible and intellectual organisational assets (Nilsson & Ellstrom, 2012). Employees and their knowledge are needed to generate and leverage success (Inyang et al., 2011; Nilsson & Ellstrom, 2012). The attraction and retention of the most talented employees are therefore considered critical.

In contrast to a comprehensive assessment of social pressures, the normative literature provides minimal insight into how to respond effectively to these changes. This is surprising, given the increased theoretical emphasis on employees as the means of customer service delivery and competitive advantage generation (Inyang et al., 2011; Nilsson & Ellstrom, 2012). This discussion aims to start filling this research gap by addressing how organisations currently structure, coordinate and develop their people management strategies, in light of the recent GFC.

## The impact of the GFC

The ongoing impact of the GFC has been far reaching (Simon, 2010). Large financial organisations have born the majority of the blame (Iqbal & Mehri, 2011), and redundancies, increased turnover and unemployment rates have been portrayed as significant organisational failings by the media and literature (Claydon, 2011). However, for banks in both New Zealand and Australia, the impact was described by the participants as significantly less damaging than the rest of the world. This is due, according to Bui's (2011), to their more regulated and conservative banking models.

Cost constraints were one serious consequence of the GFC, according to Wettenhall (2010). While participants agreed that costs had gained increased attention, they were acknowledged as an ongoing organisational concern. In contrast to expected restrictions on organisational development, the mixed picture findings suggested this wasn't the case for many of the participating organisations. Instead 'doing more with less' has resulted in a more creative approach when solving business problems. The GFC was surprisingly recognised as a means to promote positive outcomes, innovative solutions and an opportunity to draw on, leverage and subsequently develop internal and existing resources. This is in complete contrast to the dominating negative implications of such financial constraints argued by the literature (Goldin & Vogel 2010).

Adapting to changing environmental conditions was described by both participants and the literature as a necessity, as highlighted below. The participating organisations supported the theoretical view that organisations need to evolve in parallel to the turbulent environment, and in line with multiple stakeholders' demands (Bondy et al., 2012).

> *Yes you've got to look at positives in everything I guess so, although your top line growth kind of disappears and shareholders still want their return, there's only one way to do it and that's look at your cost efficiencies. You do look at things and say okay how can we do this better and cheaper? That's just common sense. The economy constricts and expands businesses moves in tandem, simple as that. (Int18)*

Prior to the GFC, growth for these large organisations seems to have been more organic and less stringently controlled. With largely unlimited resources and complex hierarchies, inefficiencies seem to have developed. The GFC therefore appears to have initiated a move towards greater consolidation for the participating organisations, acting as a stocktake mechanism of sorts. Increased internal collaboration has followed to simplify overly complicated and replicating structures:

> *We've become innovative mainly because we're building on our strengths. So I think what the global financial crisis did in this area is to say life is too short and too hard to have fragmentation in the organisation. So when you can integrate all these aspects it's so much more powerful and effective, as well as being efficient. (Int28)*

To reduce inefficiencies and peripheral add-ons, organisations are reassessing areas that have in the past been left unmonitored. Greater vertical and horizontal alignment between internal functions has been emphasised, as well as ensuring actually delivery on promises organisations have already committed to:

*So I think it's (the GFC) made everybody focus on what's absolutely essential and it's been a good opportunity to have another look at some of the things that we might have just got into the habit of doing, and stop doing things that are unnecessary and unhelpful. (Int15)*

These findings also align with the opinions of Werther and Chandler (2006), who note that organisational survival depends on profits. Profits are dependent on revenues, which in turn "only comes about through customers who are satisfied with the value the firm offers through its competent and motivated employees" (Werther & Chandler, 2006, p. 44). According to the participants, this increased reliance on employees has gradually intensified. In turn, this reinforces Barney's (1991) resource-based view that endorses employees as core competencies (Bonfiglioli et al., 2006; Rosethorn, 2009). In addition, it supports Nilsson and Ellstrom (2012) assertion, that people, as valuable intangible assets, will generate greater competitive advantage than cost efficiencies and tangible resources.

Participants acknowledged the increasingly competitive market within which they need to operate. The New Zealand and Australian financial sectors are relatively small, with only a few key competitors. The participants recognised that they all essentially offer the same base services, and that competition for customers is intense. Still a crucial stakeholder, customers remain a motivating driver. In light of skill shortages, of major concern to the participants, competing for employees is becoming just as important and a critical consideration. As a result, being able to differentiate yourself was seen by the participants as crucial in both spheres:

*I think the difficulty in a big firm environment is that you're trying to distinguish yourself from your competitors because, I probably shouldn't say this, but essentially we (banks) all fundamentally provide the same sort of services to the same sort of market. So how do you make yourself different? (Int12)*

## Talent

According to participants, differentiation could be achieved by attracting and retaining valuable employees. An organisation's most significant intangible asset: employees and specifically their skills, expertise, potential, personality and values were summarised by the participants as 'talent'. Participants consistently spoke about talent. It was described as the organisation's competitive driving force and core competency, in line with both Lockwood's (2006) and Sheehan's (2012) assessment.

While confident of its importance, participants' descriptions varied when explaining what talent included. In line with Ulrich's (2006) formula, participants considered technical competencies a basic 'hard' skill for employees. 'Softer', intangible attributes were prioritised instead. High performance, leadership capability and potential were considered common to most. However, in line with a number of academic authors (Beechler & Woodward, 2009; Govaerts et al., 2011), participants did acknowledge that talent attributes were relative to a specific context and therefore variable:

*I think 'best' is relative to your industry or profession. I don't know if you can define whether you want more entrepreneurial in spirit or more technologically-minded people or if you want people that have good process and manufacturing minds verses people that can add and subtract. I think 'best' is quite different, but there's always the need for both hard skills and soft skills so again you're trying to appeal to both. (Int10)*

According to the participants, talent was increasingly focused on 'fit', or matching employee's values with those of the organisation. These 'softer' attributes or personality traits were not considered something you could teach and posed a number of issues for training and development. Reconciling fit with an increased focus on diversity and emphasis on innovation was not explored, but does pose further issues. Regardless, the acquisition of such employees was described as an increasingly important, strategic organisational goal:

*Generally we look for high achievers. We look for people who are passionate about their work and their life outside work. Beyond that generic stuff, obviously we want people to have the technical skills and the specific experience, but I don't think you can teach people to be passionate about their work and their life. People already have it and therefore they fit with the culture that we have or they don't. (Int8)*

This focus on attracting value-aligned employees is because talented employees were recognised by the participants as being able to give tangibility to the organisation's culture and promote it to other stakeholders, both within and outside the organisation. Alignment between promised and actual employment experience was also seen as much easier to deliver on when employees shared the organisation's values. Enhanced performance, improved employee engagement and decreased turnover were desirable benefits of achieving alignment, according to the participants. This virtuous circle is promoted by Garavan et al. (2012) as a key driver of competitive advantage.

Interestingly, despite the GFC, participants were concerned with the shortage of talent available in the current labour market. Employees are therefore seen as able to be more demanding and discerning, while organisations, in need of their knowledge and capabilities, have little choice but to respond accordingly. Participants observed how their organisations are taking a more active role in managing this process by focusing on offering benefits beyond the purely monetary. These include increased flexibility, supportive working environments, technologically advanced and environmentally friendly workspaces.

Although unemployment remains high, and the GFC has tempered voluntary turnover, participants have discovered that skilled and talented employees remain in high demand. This situation is described in the literature as the talent paradox (Erickson et al., 2012). Consequently participants are increasingly recognising the need to focus on retention. With clients, as opposed to competitors actively poaching talent and the high costs associated with recruitment, retaining talented employees was described as critical to the participating organisation's desire to be sustainable (Chafetz et al., 2009).

While a number of participants' comments highlighted a move to a more exclusive approach to talent, as described by Govaerts et al. (2011), the overall impression from the participants' responses was that a hybrid approach, although more intrinsically referenced, had been adopted. As highlighted by PwC (2011), while recruiting talented employees is an important part of the employee lifecycle process, engagement, development and retention of talented employees is potentially more critical.

In line with the CIPD's (2011c) assessment of a broadening of scope, talent management was described by the participants as an active and ongoing process focused on understanding current workforce needs, as well as succession planning for the future. A more holistic approach to the employee lifecycle has subsequently gained increased recognition within the participating organisations.

## The employee lifecycle – Values based

While seldom discussed within academic literature as a complete cycle, the employee lifecycle was a re-occurring theme for participants, as part of a more holistic people management focus. This lifecycle, as described in the psychological contract literature, defines the relationship between an employee and an organisation (Rosethorn, 2009). The main stages within the process, including recruitment, engagement and retention, have received a more balanced review within the literature (Martin & Hetrick, 2006), as they have by the participating organisations. Succinctly described by one participant, the lifecycle's stages are:

> *Quite simply summarised by five key questions that every employee asks through their employee lifecycle… So to me the questions are: Why join? Why stay? Why give it my best shot? Why recommend the organisation to others? And then if you leave, why speak favourably or in some cases come back to the organisation? To me it's about adding value through those different questions that all employees ask through their life cycle. (Int21)*

In order to add this desired value, the participating organisations were focused on providing attractive answers to each question for each employee. Given the size of these large organisations, this is no simple task. Trying to stay ahead of and able to meet these increasingly diverse and continually changing needs is complex. As noted by Collings et al. (2011), this requires time, planning and considerable resource coordination. For the participants, as highlighted by the variety of their responses, organisations still appear to be struggling to gain traction in this area.

According to participants, improvements can be made by aligning all employee lifecycle touch points to ensure they reinforce each other. Until recently, both in practice and in the theory (Dahlstrom, 2011), recruitment has dominated. However, because recruitment is now recognised as only one stage of a larger process, engagement and retention are also gaining increased attention from participating organisations and theorists (Hagan Porter, 2011).

## Recruitment and retention: A balanced focus on talent

Focusing on the first question, 'Why join?', recruitment has received a great deal of attention in the literature (Barrow & Mosley, 2005). According to the participants, this is because it is easier to control than retention. Described by one participant as the sum of a number of parts, its more finite timeframe has assisted its development. In addition, engagement and retention are dependent on successful recruitment.

Leveraging a good employer brand was described by participants as a powerful means of differentiation, as well as attracting and engaging potential talent to the organisation. This finding supports Rosethorn's (2009) summation that the EB should focus on attracting talented, as well as best-fit employees:

> *Employment branding from a recruitment perspective is all about getting people to engage with us as a firm before they even apply, and I think that's really, really powerful. So you want them signed up with you before they even think about the competitors. It just makes it so much easier, and you don't need to advertise so to speak, people just want to be part of it. (Int6)*

In addition, CSR has also become an increasingly integrated part of the recruitment process for the participating organisations. Its inclusion has been driven by increased employee demand, in line with its promotion in theoretical literature as a mainstream business strategy promoting organisational values and social consciousness (Porter & Kramer, 2011).

Technology was a key area of emphasis in recruitment for participants, driven by a desire to be innovative and competitive (Ulrich et al., 2012). Leveraging technological advances was described as a means to personalise, target and keep the recruitment process relevant. This finding reinforces Dahlstrom's (2011) assertion that homogenous communication was no longer suitable for a more culturally dexterous workforce. The use of social media tools such as LinkedIn, Facebook and even iPads are being increasingly employed by participating organisations as a means of connecting with the organisation's graduate recruits. By increasing transparency and personalising communication (Dahlstrom, 2011), organisations have found an effective way to increase value alignment and consistency between employee lifecycle touch points.

Consistency was also highlighted as a key area of focus for retention by the participants. Consistency is described in the literature as an increasingly central component of talent management (Stahl et al., 2012). In order to prevent talented employees from leaving (Mahal, 2012), organisations were required to ensure that promises made during recruitment were consistent and were actually delivered upon during employment:

> *It's about aligning touch points to have one sort of seamless story. We recruit and sound a certain way and when they come on board their on-boarding and the induction experience, the material that they get should sound like us, the training that they get when they first come on board, how they're rewarded and recognised and that whole experience. So all of the major touch points for employees throughout their life cycle, we align those under one story. (Int22)*

According to the participants, aligning those touch points requires the meeting of needs and delivering of recruitment promises. If achieved, organisations will be able to improve employee commitment, and subsequently increase employee retention (Mahal, 2012). However, as noted by Deloitte (2010), there are often large gaps between what employees actually want and what organisations believe they want. With a variety of approaches to retention evident from the interviews, it was apparent that not all organisations were attuned to their employees' needs. In addition, how they intend to go about meeting these continually changing and increasingly diverse needs, on an ongoing and consistent basis, remains unclear.

In comparison to recruitment, participants found subsequent retention more difficult to conceptualise. Internally focused, retention was considered harder to control and more complicated than recruitment, because it stretches over a considerably longer period of time and includes significantly more variables, as explained by the participants and the literature (Ramlall, 2012). Focused on answering the question of 'Why stay?', retention has, according to the participants, received increased prioritisation.

According to Chafetz et al. (2012), retention has grown considerably in importance, given the increased competition for employees and their expanding demands. For the participants, the significant expense associated with recruitment and the desire to better meet customer demands have also been motivating factors.

Participants promoted a well-developed and -communicated employee value proposition (EVP) as a means to improve retention. Leveraging CSR, especially in terms of training and engagement, was endorsed by the participants as a means of enhancing the retention process. They also highlighted the fact that retention was the responsibility of a variety of different people, further complicating its effective management.

## Relationship management: The expanding role of the line manager

Values are both promoted and superseded by a greater consideration of organisational relationships (Garavan & McGuire, 2010). The consensus among the participants was that to enhance and improve external relationships with customers, suppliers, the community and the environment, an organisation's internal relationships needed to be well developed and robust. Internally, the most influential relationship was that of the line manager and employee.

The role of line managers is a key area of focus in the literature, in line with a decentralised approach that promotes departmental responsibility and facilitation of people management away from a centralised function (Barclay & Barclay, 2011; CIPD, 2011c). While the participants agreed with this approach, they were more concerned with the decreased and variable control, and inconsistency between employees' experiences that resulted from erratic manager behaviours. These concerns were raised in the literature (Leary-Joyce, 2010), supporting the participants' claims that the majority of employee turnover is directly influenced by an employee's relationship with their line manager.

This has resulted in an increased focus in both the literature and participating organisations on equipping line managers with the skills to best manage their employee relationships, as well as better understanding the needs of employees. As a result, managers are not only seen as a valuable group of talent themselves (CIPD, 2011a), but are increasingly called upon by the literature to develop their capabilities, particularly soft intangible skills (Leary-Joyce, 2010). The literature's comprehensive list of directives for improvement (Whittington & Galpin, 2010), includes a rather unrealistic mix of transactional skills, formal and informal relational skills, and a call for increased compassion. In comparison, one of the participants outlines the use of diagnostic tools and development programs currently being used to assist managers in acquiring these skills:

> *The other thing we're doing is around leadership development in terms of understanding what the key reasons are behind why people leave. Often it relates to their own experience with their managers, so really building that capability to a different level so our capability development team are building up diagnostics and feedback tools and programmes to really drive that capability into the organisation at a decent level to enhance retention levels. (Int13)*

## Engagement

For the participants, engagement has developed beyond creating 'happy' employees, (Cook, 2008). Instead, fostering employee understanding and commitment to the organisation's values and strategy is now an acknowledged focus. Engagement was consequently deemed successful by the participants when employees are willing to use their discretionary effort at work (Rosethorn, 2009). For both the literature and participants, engagement is therefore considered a core measure of the complicated process of retention (Barrow & Mosley, 2005).

For these service-focused and knowledge-based participating organisations, engagement was considered a strategic people priority, with multiple benefits. Engaged employees were considered a means of improving retention and customer service, as well as positively impacting the wider community and other employees (reinforcing Cook's (2008) promotion of engagement benefits). In addition, participants acknowledged improved productivity, competitive advantage, profitability, and employee satisfaction as other potential engagement advantages.

Engagement for participants is increasingly focused on a two-way relationship exchange. This recognises the influence of line managers on an employee's employment experience (Leary-Joyce, 2010; Barclay & Barclay, 2011). Therefore, in line with the concept of the psychological contract (Rosethorn, 2009; Edwards, 2010), the participants acknowledged the impact their organisations have on their employees' engagement levels (Simmons, 2009). For the participants, their organisation's contribution was referred to as 'enablement', and enablement was focused on ensuring employees have all they need to do their jobs well.

Participants described the process of ensuring organisational promises are delivered as important for creating engagement and mitigating the negative effects of a broken psychological contract:

> *I think the biggest part is ensuring that what we sell to someone is a value proposition that we can deliver on. I think sometimes unfortunately we don't, and that's where you have a negative impact that can break that psychological contract for someone. However, from a positive point of view, I think if it's done well then it does create that next level of engagement in terms of that person feeling really well connected to the firm and engaged in staying and progressing through their career. It has the potential to go either way. (Int14)*

Creating engagement includes providing employees something they consider valuable in exchange for their commitment and effort (Welch, 2011). The participants' emphasis was consistent with the literature (Rosethorn, 2009; Whittington & Galpin, 2010; Welch, 2011) and highlighted the need for recognition and rewards, development opportunities as well as a supportive and flexible working environment. However, the participants went one step further. Although consistent with Rosethorn's (2009) areas of engagement focus, their responses resulted in the following list of more specific recommendations for enhancing employee engagement.

- Create a strategy that is driven and clearly articulated from the top.
- Clearly communicate expectations.
- Ensure promises made are delivered on (build trust).
- Promote and reinforce a positive culture.
- Ensure 'fit' or alignment between personal and organisational values.
- Create a supportive and team-orientated working environment.
- Be flexible around hours of work.
- Ensure remuneration is fair and in line with market standards.
- Acknowledge and recognise performance:
  o reward good performance
  o include both financial and non-financial employee benefits as rewards.
- Ensure the right tools and technology are available for optimum performance.
- Ensure personal and professional training and development options are available.
- Establish and promote good relationships between employees and management.
- Provide employees opportunity to give back to the community.

Although comprehensive, the above list is extremely diverse. This is significant as it not only demonstrates the complexity of engagement, but the number of interconnected areas of influence. In addition, these areas are not static and instead change constantly along with employee needs. Therefore, engagement appears more difficult than the literature describes. The participants acknowledged the need to actively focus on engagement in a more internally aligned and formalised way (Simmons, 2009; Rosethorn, 2009), to ensure it is managed consistently.

Measuring employee engagement and enablement has subsequently become a formalised annual survey-based process for the participating organisations, because of its now proven value. It is driven by organisation's CEOs, with managers formally held accountable for their employees' engagement levels. Although conducting and assessing the survey is considered an administrative chore by the participants, the value of the results for business feedback and action planning outweighs this consideration. Regular reviews were considered vital by the participants, given

engagement drivers are constantly changing. As one participant noted, "You don't know what you don't know". For most organisations, this process has become an organisational norm.

The need for this active and formalised engagement process is due to the recognition by the participants that while engagement can be enhanced, it can just as easily be lost:

> *There will always be people being people, and life being life. There will always be swings and roundabouts and ups and downs, and an engaged workforce one period can become disengaged very easily in the next. (Int10)*

As a result, in line with Rosethorn's (2009) theoretical description of engagement creation being a constant balancing act between what employers offer and employees want, the focus for organisations needs to be on ensuring they understand what employees find most attractive (Rosethorn, 2009; Edwards, 2010). With a more globally orientated, culturally and generationally diverse workforce to manage, engagement becomes increasingly difficult, with further distinctions drawn between employee needs. Diversity has subsequently gained increased practical and theoretically attention, not only as an influencing factor on engagement, but as an important issue in itself.

## Diversity

When asked about generational differences, the participants focused on age or lifecycle stages as only a small part of their organisation's broader diversity focus. For the participants, diversity is still heavily dominated by gender matters, in line with current literature (Beechler & Woodward, 2009; Paul et al., 2011). Women were the participants' core diversity focus. Their pay, promotion, role in leadership, maternity leave and subsequent reintegration back into the workforce remained the current focus of the participants' diversity discussion.

In contrast to the consensus between participants regarding the importance of gender issues, their comments regarding age and generations varied considerably. Interestingly, the same debate was mirrored in the literature between academics and management consultants (De Meuse & Mlodzik, 2010). Popular media and consultancies noted extreme differences between generational groups. However, whether these were actual differences or stereotyped perceptions that could be easily simplified and labelled, was debated (De Meuse & Mlodzik, 2010; Lester et al., 2012).

The CEOs of the participating organisations are driving their diversity agendas, thus elevating their strategic emphasis. This follows Paul et al.'s (2011) recommendations for diversity to be integrated into top leadership accountability. According to the participants, this elevated focus is driven by a desire to be customer-centric and meet customers' needs by matching the employee base with that of the customers. In particular, the older generations were targeted in this regard in both the literature (Mountford, 2010; Reed, 2011) and by the participants:

*I remember an organisation in Australia, where they got rid of a whole bunch of people that were in the "twilight" years, I guess you'd call it. They then went through a period of hiring them all back because they realised that it didn't match their customer base. When customers come into the branch, they want to sit down and have a talk to someone that understands them and can relate to them rather than the spotty young person who's fresh out of Uni. So like anything it comes back to this point about diversity, you actually need a spread of people. (Int18)*

Having a mix of both young and old employees was described by participants as important. However, it was also seen by some as another challenge to add to the recruitment checklist, on top of line managers' already overwhelming and expanding focus.

When discussing their older workforce segments, opinions between participants were spilt. For some, as reflected by their organisational structure and younger demographic, their concerns around an aging workforce were minimal. For others, although their organisational structures were similar, their focus was described as a 'business horizon' one. Therefore, preparation around awareness, role flexibility and reduced physicality (Mountford, 2010; Reed, 2011) were discussed by these participants to ensure risks associated with experience and skill losses could be mitigated if they became an issue in ten years' time, when the majority of the current 'older' workforce would start retiring (PwC, 2012a; Cahill & Sedrak, 2012).

On the other end of the scale, the younger generations are stereotyped in the media as undisciplined, demanding and focused on instantaneous gratification and promotion (Sheehan, 2012; Pellet, 2009). Interestingly, the impact of the GFC was described by the participants as actually reducing this segment's stereotypical behaviour:

*I think what the GFC's done is to help give younger employees a sense that you know life isn't always certain. I think that was one of the criticisms of Gen Y was that life had always been good. They've had it pretty easy. Their parents have not been through depressions or terrible recessions so they were used to life being pretty easy. But I think now Gen Y's have realised that yeah things can go wrong and they need to sometimes make some sensible decisions, rather than gallivanting around the world just because they want to. (Int5)*

Given graduates' annual *en masse* recruitment into these financial organisations, certain participants noted that while their impact required some adjustment, they were in fact no different to previous generations. In agreement with De Meuse and Mlodzik (2012), participants conceded that conflict between employees was also inevitable. Graduates were seen by the majority of participants merely as part of their evolving world of business, and participants' focus was instead on leveraging their capabilities in both the innovation and technology spaces. This supports the Next Step's (2008) study finding that technology use and skills are the most valued attribute of this younger group. In addition, the participants also recognised this was their business model, and they needed to therefore focus on "turning lemons into lemonade".

The participants agreed that various workforce segments would continue to have to interact with each other within the business setting. Therefore, while participants realised that recognising and better understanding these culturally, generationally and gender diverse groups' different working and communication styles was important, it was just as important to ensure collaboration between the groups was productive. In particular, the focus was on assisting managers to better understand and work with their younger employees to improve these relationships, as well as employee performance and productivity levels. This perspective was in agreement with the academic literature (Meuse & Mlodzik, 2012; Lester et al., 2012).

The literature focuses on the polarised ends of the workforce (PwC, 2012a). Interestingly, in contrast, the participating organisations focused on the middle section of the workforce, which for them has gained increased attention. Described by one participant as the "meat of the sandwich", this workforce segment is increasingly acknowledged for their experience and leadership potential, in line with certain organisations' desire to be sustainable. As a result, greater investment in development and engagement is being targeted at this group. With higher mortgages and greater family commitments, this segment was described as less likely to leave than their younger uncommitted counterparts, who have received the attention, investment and focus of the literature (PwC, 2012c; Solnet, Kralj & Kandampully, 2012).

The participants discussed each segments' needs in association with their employee lifecycle stage. Remarkably, although stereotyped as opposites, each segments' needs were focused on flexibility and work-life balance, in varying degrees and forms (De Meuse & Mlodzik, 2012; Solnet et al., 2012; Lester et al., 2012). According to the participants, ensuring diversity, flexibility and work-life balance are all promoted during recruitment and subsequently implemented during employment, has become an organisational priority. It is important to note that despite their acknowledged significance for attracting and retaining diversified and talented employees, most of the participants didn't associate these issues with CSR.

# Corporate Social Responsibility

Drawing on Vuontisjärvi's (2006) employee-focused themes, the following areas, as displayed in Table 38 below, have been identified as key employee-focused CSR issues. They were presented to the participants during the interviews to provide clarification and guide discussion.

Table 38: Areas of employee-focused CSR focus

| Focus Areas | Focus Area Components |
|---|---|
| **Training and career development** | Life-long learning emphasis and spending per employee |
| **Diversity** | Organisational demographics, anti-discrimination, equal opportunity promotion, minority and disability group inclusion, women in management programs, age-neutral policies and cultural inclusion |
| **Supportive working environment** | Work-life balance, part-time and flexible working options, employee participation and involvement, two-way communication channels and family support including childcare facilities and maternity and paternity leave policies |
| **Health and safety** | Employee well-being, education, counselling and workplace policies and practises |
| **Remuneration and benefits** | Shared plans, employee appraisals, performance standards and bonus schemes |
| **Employee engagement and satisfaction** | Surveys and employee empowerment |
| **Employment relations (ER)** | Union relationships, collective bargaining and freedom of association |
| **Organisational values** | Codes of ethics, mission statements, values and business principles |
| **Employment policy** | Layoffs, restructuring policies, turnover, retirement, recruitment and selection policies and job creation initiatives |

Given the majority of participants were HR or CSR managers, it was astonishing that most of them were surprised as to what was theoretically considered employee-focused CSR. For many of those interviewed, it would appear that employee-focused CSR remains a poorly grasped concept, with CSR confined to the realm of recycling and environmental care. The participants' social understanding was, for many, dominated by community volunteering. This is more in line with the earlier sustainability literature, which focused on environmental and resource conservation and community involvement (Dunphy, 2003; Yoon & Tello, 2009; Claydon, 2011).

## Poorly understood and inconsistent conceptualisation

Corporate social responsibility remains a broadly focused and poorly conceptualised area. In parallel with the significant theoretical breadth and depth of CSR (Garavan & McGuire, 2010), the participants also presented a varied and diverse range of definitions when explaining and conceptualising CSR.

Although participants were asked to define employee-focused CSR, a large proportion focused on CSR more holistically, describing employee-focused CSR as a subset of CSR or focused on societal impact beyond the organisation. The participants appeared conscious of Elkington's (1997) TBL approach to social, environmental and economic organisational goals in their descriptions. However, as per Carroll's (1991) pyramid of organisational responsibilities, these participants focused more ideologically on philanthropic behaviour, with little insight into actual practice.

Although still varied in opinion, the majority did include engagement, capability building and employee care in their CSR descriptions, in line with the theoretical support for these inclusions (Nilsson & Ellstrom, 2009; Garavan et al., 2012). Although still inconsistent, this does indicate a shift, possibly GFC-induced, away from the dominant theoretical opinion that organisations view employees as separate labour issues (Bolton et al., 2011; Cheruiyot & Maru, 2012).

In line with the literature (Young & Thyil, 2009), the participants agreed that employees were important organisational assets. The role they played in terms of CSR did, however, vary. Some, in agreement with Bolton et al. (2011), described their employees as vital to the implementation and delivery of CSR. In contrast, others believed employees should also have their needs met through CSR, as a valuable stakeholder (Yoon & Tello, 2009). Regardless of their role, all participating organisations agreed that a relationship with their employees was important, as per stakeholder theory (Freeman, 1984; 2004).

Two broad perspectives emerged regarding the role of employees in CSR. However, when discussing their organisation's role, the participants' views were even more dramatically varied. In line with the progressive continuums of CSR development discussed in the literature (Mirvis & Googins, 2006; Castello & Lozano, 2009; Visser, 2011), the following four continuums were drawn from the participants' definitions:

- proactive to reactive employee-focused CSR;
- voluntary to mandatory approaches;
- intrinsic to or segmented from the organisation's strategy; and
- ideological or activity orientated.

The detailed variation between the participating organisations' approaches to CSR was quite remarkable. The participating organisations appear to be at very different stages of CSR understanding and implementation. For some, CSR was still a compliance and reactionary issue, but for others, progress was being made towards greater proactivity and strategic integration (Bondy et al., 2012).

One organisation did stand out above the others. Every participant from this organisation was able to provide the same clear and consistent description of what CSR meant to their organisation. They could all articulate its aim and purpose and explain the subsequent value and benefits being experienced as a result of CSR being intrinsic to how they function:

> *Corporate Responsibility (CR) is how we do things. It is intrinsically linked to our enduring purpose – to do the right thing. Our purpose guides us in our decision making and in every aspect of our engagement with our colleagues, our customers, and our key stakeholders including community, government, consumer groups and the media. For us it is about our purpose in action every day by our employees: doing the right thing, helping our customers and communities, belief in potential. It is at the core of our business. (Int28)*

Theoretically, certain variations between organisations were expected. In order for CSR to remain relevant, a localised and context-specific CSR approach is promoted by academics (Preuss et al., 2009; Visser, 2011). However, variations within the organisations were problematic. This fragmented approach illustrates the peripheral and incremental challenges CSR faces (Visser, 2011). Without a consistent focus and common understanding, effective CSR implementation is dramatically hindered in such large, complex organisations (Garavan & McGuire, 2010; Kiron, et al., 2013). The participants' comments therefore provide limited assistance in the formulation of a universal definition of CSR as it is practised (Freeman & Hasnaoui, 2011).

The understanding and meaning of CSR and employee-focused CSR appear to be still developing, just as its definition is still evolving in academic literature (Visser, 2011). However, the participants' comments are still valuable, because they highlight that a more holistic and integrated approach to CSR is emerging that is value-centred, and better understood and communicated to employees.

## Developments

Despite the internal variation in understanding and application, the participants felt CSR had experienced significant progress and gained strategic attention within their organisations in the last five years. As with theoretical recommendations (Yoon & Tello, 2009; Cheng & Ahmad, 2010), this was motivated by the participating organisations responding to a greater push from employees and the community for CSR. Certain participants also felt that the integration of previously segregated organisational functions had further enhanced organisational understanding of CSR and its application. Now CSR is becoming an organisational norm.

> *I think CSR focus has been sustained and increased, probably gone from this is new to this is just normal. (Int6)*

Interestingly, it would appear that the definition and progression of CSR have almost come full circle. Sustainability is again being promoted, but opposed to referring to purely environmental initiatives, now appears to be associated with sustainable business practices and a comprehensive and holistic business strategy:

*I think it has been a journey from corporate flattery or citizenship (some people call it) to corporate social responsibility and then the social's been dropped along the way and then sustainability that's how I've seen it. Lots of companies use it. We used to use corporate responsibility here. Now we use sustainability. I think sustainability encompasses the triple bottom line so I think a lot of people still view it as just environmental. But that's one of the things we are trying to do is make sure people understand it's the sustainability of the whole organisation, it's the people and community and environmental impacts as well as the economic status of the company. (Int29)*

To stay sustainable, organisations need to adapt to their environments (Pinto & Pinto, 2011; Marler, 2012). The impact of GFC was significant and was described as both good and bad. For some, particularly those organisations where CSR wasn't well integrated and seen as an add-on cost, the GFC was seen as detrimental to CSR in terms of loss of funding and application. However, as outlined by other participants, the demand for greater organisational transparency and authenticity brought about by the GFC, has enhanced the focus on CSR. For these organisations, CSR has been promoted as a means of managing risk and reputation, as well as providing tangibility to their organisational values, in line with the literature (Claydon, 2011; CIPD, 2012a). The role and importance of CSR have both subsequently improved.

## Importance and role

Despite the lack of consistency in understanding and approach, the participants unexpectedly described CSR as an increasingly important organisational tool for their respective organisations. The role of CSR was described as both internally and externally applicable by the participants. Externally, CSR was seen as valuable in creating a positive organisational reputation. The literature promotes an internally-driven business strategy (McShane & Cunningham, 2012), as with theoretical debate surrounding stakeholder salience (Seitanidi, 2009). However, the participants' opinions differed as to whether CSR was driven by investor and customer demands (CIPD, 2012c) or by employees. Others, in line with Porter and Kramer's (2011) combined values approach, described CSR as being able to provide shared value for both customers and employees, and believed that it should consequently be driven by both.

In addition, CSR was described as means of recruitment differentiation, particularly for graduates. According to the participants, promoting authentic and well integrated CSR-based initiatives around values, diversity, development and flexibility, reinforces and provides valuable cues for participants with regard to the actual employee experience. Unable to 'test out' employment before they start working, potential recruits were seen by the participants to associate a well-articulated and genuine CSR program with an attractive workplace. Leveraging CSR to translate organisational values into policies that align and are attractive to talented employees improves attraction and retention (Dahlstrom, 2011). CSR was therefore described by most of the participants as an increasingly important organisational tool.

With the participants mostly HR or CSR managers, it was not surprising that the majority were in favour of and positive about the benefits associated with the effective application of CSR.

However, many were again unable to support their ideological endorsement of CSR with practical examples, highlighting further inconsistencies in successful application. Therefore, despite the participants' shared endorsement and acknowledgement of the importance and increased demand for CSR, its practical application appears to be more complicated and challenged than the literature would suggest.

## Challenges

Although participants were predominantly positive in their CSR outlook, they were explicit in noting some of the current challenges facing improved CSR application. A key concern for the participants was the lack of understanding regarding what was meant by and included in CSR. Without a shared understanding, as illustrated by the participants mixed responses, CSR would not provide value or be able to be applied effectively, as outlined by Freeman and Hasnauoi (2011).

With no common goal, the second challenge identified by the participants was the issue of an unstructured and fragmented approach to CSR. If CSR is not strategically aligned and driven from the top (Ballinger et al., 2013), its impact can become diluted and more detrimental than beneficial (Visser, 2011). In addition, CSR without traction and development is the first area to suffer in terms of cost cutting, and therefore appears inauthentic (Gokulsing, 2011).

According to some of the participants, their lack of traction was attributed to their CSR initiatives and teams being too small and possibly 'add-ons' poorly integrated into other organisational functions. For others, CSR was still struggling to legitimise itself as important and had not gained strategic support. While strategic alignment is important in theoretical literature (Kiron et al., 2012), so too is authenticity (Sears, 2010; Arendt & Brettel, 2010; Inyang et al., 2011). A number of the participants noted the harmful impact of CSR done as a compliance exercise with a segmented CSR team set up to 'tick the boxes'. This situation creates rhetoric and come across as an artificial and hollow Marketing ploy (Gokulsing, 2011). However, as one participant noted:

> *It's always a journey. We want things to become operational and business as usual, but there are a lot of behaviour changes and things that need to happen and that takes time. (int29)*

A number of participants were confident that these challenges could be overcome. When asked, they were able to provide recommendations for not only overcoming these specific challenges but also for focusing on improving CSR performance.

## Recommendations for successful CSR implementation

The one organisation identified, whose participating managers were all able to consistently articulate their organisation's CSR purpose, provided most of the following recommendations. Although other organisations also provided input into this discussion, none was able to draw consistently on their organisational experiences.

First, instead of fragmented, initiative-based CSR projects, CSR should be strategically aligned, driven from the top and embedded into the organisation's operations, in line with theoretical recommendations (Kiron et al., 2012). For these participants, making CSR central to the business strategy resulted in it being linked to all other functions and reinforced throughout the organisation:

> *There will be a thread through our core activities that link through to our CSR initiatives. So it's a strong sense of embedding or reflecting how the CSR issues are linked to our organisational purpose, which should be linked with our leadership development agenda. (Int17)*

To remain authentic, this central purpose and the organisation's CSR strategy should be based, according to the leading organisation's recommendations and the literature (Gokulsing, 2011), on the organisation's key values. These participants felt that while customers, the community and environment were important CSR components, effective CSR initiatives should start internally with the organisation's employees (McShane & Cunningham, 2012).

> *For us if our core is healthy and if we're doing the right thing by our employees then the additional community initiatives that we have around education, hardship and so forth, they find their rightful place and are much more powerful as a result. And are also then used by the community so much more positively because the community can see that our core is real. (Int28)*

Therefore, an actively managed, structured and context specific or 'glocal' (globally-conscious, locally-specific) (Visser, 2011) approach to CSR was promoted by these participants, as a means of improving its application and effectiveness.

For many participants, as a result of the current GFC-related market pressures, customer demands, employee expectations and resource innovation appear to be driving their current and extremely variable CSR policies. Interestingly, two of the participating organisations are already focusing on the future. With the desire to be forward thinking, anticipate future trends and areas of impact, CSR is described in these two organisations as a business driver and revenue generator, as opposed to a 'fluffy' cost (Visser, 2011; Claydon, 2011).

The variability between the participating organisations' understanding and application of CSR is substantial. For a select few, these recommendations appear to be both operational and yielding visible benefits. However, for the majority, considerable work would still appear necessary to facilitate practical success. Despite the positive impact and benefits associated with CSR promoted in the literature (Bondy et al., 2012) and articulated by the participants, it seems that a lack of common understanding is the first challenge for many organisations to overcome. In addition, aligning CSR with organisational values, and improving CSR legitimacy and top management team support need to be resolved. By adopting a proactive, structured and integrated approach to CSR that is built on long term commitment, organisations can, as demonstrated, enhance recruitment, retention, reputation and ultimately competitive advantage.

# Employer Branding

## EB defined

Employer branding is a well understood concept. Although participants at times struggled to articulate their thoughts, their descriptions of what EB entailed were consistent. This was in stark contrast to the participant's inconsistent CSR descriptions. The participants spoke of their reputation or image as a good employer, and mentioned adding value to each of the employee lifecycle stages of recruitment, engagement and retention (Dell & Ainspan, 2001; Rosethorn, 2009).

Their focus was on ensuring that the employee lifecycle and all touch points within it were aligned and consistent. Consistency was a key theme in the EB literature (Rosethorn, 2009; Wilden, Gudergan & Lings, 2010). As per the literature the participants stressed the need for all touch points, including both external and internal messages, to be actively managed, to guarantee they match and reinforce each other in a seamless approach (Rosethorn, 2009; Foster et al., 2010).

The participants' descriptions were focused, although for the most part implicitly, on providing answers to employee lifecycle stage questions, as outlined in Table 39 (Minchington, 2012, p. 18).

Table 39: The employee lifecycle stage questions

| Lifecycle stage questions | Lifecycle stage |
|---|---|
| **Why should I join the organisation?** | Recruitment |
| **Why should I stay?** | Retention |
| **Why should I give my best?** | Engagement |
| **Why should I recommend the organisation to others as an employer and business?** | Motivation |
| **Why should I re-join?** | Attraction |

Adapted from Minchington (2012, p. 18)

In order to effectively answer the 'Why join?' question, participants were highly conscious of the value an effective EB strategy could bring if it was *equally* focused on answering all five questions. As a result, the focus of the participants' descriptions was on promoting their organisation's reputation as a positive place to work with attractive benefits and development opportunities.

## Importance and role

The role of EB and organisational positioning were described as increasingly sophisticated. According to the participants, well-articulated EB was a means of creating valuable competitive advantage through differentiation, as specified in the literature (Backhaus & Tikoo, 2004). In the financial sector, where the market, customers, basic business models and service offerings are very similar, EB provided an attractive way for organisations to differentiate themselves from competitors:

> *Banks can be quite similar and en par in terms of what they offer in everything from pay to working conditions to the positions that are available. We have four or five main competitors that are all quite similar in the market. You need to differentiate yourself, so it's very, very important to have great EB at the moment to do this. (Int7)*

Reinforcing concepts espoused in the literature (Stahl et al., 2012), participants described EB as a strategic communication tool, increasingly critical for the attraction and retention of talented employees. Its ability to articulate the organisation's values during recruitment and reinforce them for retention, were particularly valuable to the participants. Some did recognise that the degree of EB effectiveness between the participating organisations varied depending on their proficiency of application.

As an increasingly well understood and utilised recruitment tool, the participants also described EB as an HRM priority, developed by the recruitment team. There is, however, considerable debate in the literature regarding whether EB should be 'owned' by Marketing (Backhaus & Tikoo, 2004) or HRM (Martin et al., 2005; Franca & Pahor, 2012). The literature, in contrast to the participants, concludes that a collaborative and partnership approach should be adopted for greatest EB effectiveness. Instead, the majority of the participants felt that with HRM already focused on the employee lifecycle, EB should be increasingly integrated into the organisation's HRM strategy. Further discussion surrounding this issue of ownership will follow in the relationship section below.

## Successful EB attributes

Characteristically, the participants' responses focused on highlighting the key attributes they felt EB should include for its successful implementation. First, EB was described as needing to be based on the organisation's values, as well as reinforcing and promoting them, in order to attract talented and like-minded employees (Foster et al., 2010).

> *EB is very important and critical to have in our modern society in order to attract talent to business. People want to be associated with a brand that matches their aspirations. (Int30)*

This focus on 'like attracting like' is in line with Cable and Judge's (1996) assertion that the best fit employees are most attracted when they can align their values to that of the organisation.

Second, ensuring consistency was described as vitally important, as highlighted in the participants' definitional focus above. Participants felt that this could be achieved by aligning EB's advertised promises and the actual experience of employment, an approach endorsed by the literature (Wilden et al., 2010).

> *Our EB is about who we are perceived to be by our people and others as an employer. It looks at external perceptions and internal experiences. It looks at matching, attracting and retaining people by being clear on our proposition and promises and delivering on them in people's experience in the organisation. (Int31)*

Fulfilling the psychological contract was therefore a top priority for the participants. By actually delivering and demonstrating they could be trusted (Martin & Hetrick, 2006), organisations could prevent any mismatch between what was promised during recruitment and the reality of the organisational experience after joining. Any un-met expectations were described as costly, as this mismatch has been shown to lead to dissatisfaction and disengagement of employees, the breaking down of trust and subsequent increased turnover (Moroko & Uncles, 2008).

Third, while aspirational elements were acknowledged as part of the participating organisations' EB, the focus was on ensuring these remained authentic and real. This was in agreement with recent literature, for example the recommendations made by Cable and Turban (2003), Moroko and Uncles (2008), and Franco and Pahor (2012).

> *It's not just what the business would like to be out there with. In some ways it may be a little bit aspirational, but trying to paint that picture. It also depends on that employee experience, it has to be authentic because if your EB is X and the employee experience is completely different you're going to get a disconnect, and that's where I think your brand suffers. (Int12)*

Fourth, in order to prevent this disconnect, the participants explained how they have refocused on their internal organisational environment. Before external promotion, the participating organisations are ensuring policies, practices and values are firmly embedded within the organisation's employment experience, as discussed by Foster et al. (2010). This then ensures improved consistency, as the promises made are already being delivered operationally. They described EB as needing to be "built from the inside out" (Martin, 2009, p. 219). In addition, many participants are actively communicating with and assisting managers and other employees to better understand and engage with the organisation's values. This follows Foster et al.'s (2010) assertion that in order for current employees to deliver EB, they need to agree with it and live it themselves.

Fifth, the participants promoted a seamless and consistent branding proposition. As a result, they felt EB and consumer branding (CB), despite their different target audiences, should be more aligned (Barrow & Mosley, 2005; Moroko & Uncles, 2008). In addition, as a more developed and mature concept, participants felt that EB could be patterned after CB and leverage off its greater resources and market presence (CIPD, 2010). Unfortunately, despite the theoretical promotion of greater HRM and Marketing cooperation continuing for almost two decades (Glassman & McAfee, 1992), the participants noted that this is not always possible. They acknowledged it as an

opportunity cost, but for many this lack of cooperation had a long history that was not questioned, with collaboration at best confined to basic recruitment activities.

Although described as a well-developed organisational concept, it was apparent that there was still opportunity for EB's promoted benefits to be experienced by many of the participating organisations. Technology was increasingly being leveraged and dedicated EB positions developed to assist progress. A number of the participants acknowledged that while certain iconic brands seem to effortlessly benefit from their branding, a considerable amount of time and energy actually goes into getting and keeping them successful. Having the right people in the right positions, collaborating and working hard was therefore acknowledged by the participants as essential for EB success.

Finally, the EVP, or employment promise, was highlighted by one of the organisation's participants as a means of communicating and demonstrating added value for potential and existing employees. The EVP is described in the literature as the essence of EB (Franca & Pahor, 2010) that captures the tangible and intangible organisational attributes, values and benefits that the employment relationship should be based upon (Rosethorn, 2009; Minchington, 2012). For participants, the EVP was described as a means of presenting all those elements in an easy to understand package that articulates what the employment experience is all about (Edwards, 2010).

> *We realised we actually had a lot of key components of the experience. We had good employee benefits, supportive working environments, diversity, excellent training and career development, but we hadn't packaged it up as a proposition and explained it well, and supported it. So I think sometimes businesses are doing some of these elements but they're not really wrapping it up as a well understood, clearly conveyed and communicated employer brand and I'd say it's probably just a focus thing. (Int21)*

It was clear that some organisations may be doing a number of the 'right things' to attract talented employees. However, it was apparent that many of the participating organisations were still having difficulty communicating their employment experience in a clear, consistent and easy to understand way that both current and potential employees could relate to (Rosethorn, 2009).

With the promise or proposition of value being established during recruitment, the actualisation or delivery of that value is necessary *during* the employee experience. This simple proposition is: if delivery on these promises can be made and expectations met, the equation is completed, resulting in increased retention (Rosethorn, 2009). However, while this simplified theoretical equation appears easy, it is increasingly challenging in practice. Delivery is not a one-off exchange, but rather an ongoing process with multiple employees, who all have different needs and are at different stages in the employment lifecycle. Despite these challenges, and with competition for talent (Weinrich et al., 2011), the EVP is increasingly seen as important and therefore a greater organisational priority to the participants.

The process of retention remains a moving target and therefore cannot be fully controlled (Rosethorn, 2009). Ensuring that what is promised is based on the reality of what is delivered in a seamless and aligned story was seen by participants as a means to influence and improve talent

retention. This is especially true for the participating organisations, which are large, with hundreds of employees and many departments that have to interact and work together. As noted by the participants, if everyone starts on the same page with a common understanding of the key areas of focus and goals, it is hoped that inconsistencies between employees' experiences can be minimised.

Employer branding was well understood by the participants. They actively promoted its benefits as a means of continued differentiation for potential, new and current employees to make employment choices between market competitors (Kotler, 1997; Rosethorn, 2009). However, EB was acknowledged as still facing a number of challenges in these participating organisations' quests for effective application.

## Barriers

For every promoted attribute, the participants identified a corresponding challenge. With considerable variation in participating organisations' EB effectiveness, for some, many of these challenges may still be an issue. Employer branding has already developed quite substantially, but continues, according to the participants, to change and evolve to become better understood, integrated and sophisticated. However, continually changing what is already a complex process has created challenges around consistency (Rosethorn, 2009). The constant need for refreshing and updating to remain relevant is noted by some as a barrier for successful implementation. As a result, certain participants, in line with the literature's recommendations (Rosethorn, 2009) suggested that instead of leaving EB to organically evolve, it should be actively managed.

Using EB as a label was described by those in favour of its active management as a way of improving understanding of the concept. This was seen as important given its usefulness in attracting best 'fit', talented employees, and enhancing lifecycle touch point consistency. In contrast, others saw the EB label as confusing and unnecessary. It was interesting that while some believed the label was unnecessary because the concept of EB existed long before it was labelled, for others the label was described as confusing because it was foreign or relatively new:

> *I don't think anyone races around saying what is our employer brand? You wouldn't find that term in any sort of documents that I've ever come across. It's intangible and its common sense really. You want good people to come and work so you've got to give them a reason to do that. (Int18)*

In addition to being confusing, EB has come under criticism as being the latest management consultant fad or 'flavour of the month' promotion. It was therefore seen by some of the participants as lacking authenticity and more of a superficial Marketing tool, in line with concerns discussed in the literature (Cable & Turban, 2003). In most instances, these participants belonged to organisations where the concept and application of EB was in its infancy or implemented by a small team as a separate project, not tied into or connected through the whole employment lifecycle. This resulted in fragmented and unaligned initiatives.

In contrast, the majority of the participants acknowledged and agreed that ensuring the external matches the internal experience of employees was important to avoid this fragmentation, replication and cost. Interestingly, for most there was a fear of over promising and under delivering. However, two participants, both relatively new recruits to the same organisation, were both *under promised* during recruitment, despite both feeling they had been delivered more internally since:

> *I don't know how we are supposed to be portrayed, but I do know what I thought it was like before I worked here. I knew I expected to work for a bank and I think a lot of people think we are more a conservative kind of bank, when internally there are some wonderful people here. Offices are open plan and it's much more fun and dynamic than I ever would have expected before I actually stepped inside. (Int2)*

Given the success of large companies like Google and Apple, the trend is for organisations to move towards a more informal and fun branding approach. However, as highlighted by the participants, for their large, traditionally hierarchical organisations, this transition is a hard and lengthy process. Therefore, while some were still starting out, others were already focused on the next levels of integration and effectiveness.

In summary, the application of EB is still advancing and becoming more sophisticated, particularly in the area of recruitment. Levels of effectiveness still vary considerably. According to the participants, EB is an effective communication tool when based on a well-developed EVP, and is embedded in the organisation's values and actual employment experience. In addition, when it consistently aligns all employee lifecycle touch points, EB was seen by the participants to be an important strategic tool. This overall positive outlook provided by the participants was in line with the theoretical promotion and support for EB. However, there are still a number of challenges regarding the use of EB as a label and its fragmented, often unaligned and superficial application, that need to be addressed. These challenges still present considerable practical barriers for some, explaining the great variation in application levels between the participating organisations.

## The role of Human Resource Management

The role and structure of HRM remains the focus of ongoing theoretical debate that has now spanned several decades (Guest & Woodrow, 2012). While HRM's responsibility for the management of an organisation's employees remains unchanged, the level and practical role of how HRM best approaches this role appears to vary dramatically between organisations. On the whole, it lags behind the theoretical promotion of its advancement and strategic elevation (Sears, 2010; Deloitte, 2011). In addition, HRM has held its traditional reputation as a bureaucratic and more administratively-focused function (Drucker, 1955; Guest & Woodrow, 2012). This has resulted in scholars and the participating organisations questioning HRM's ability to act strategically to ensure these areas are developed to the levels now required (Sisson, 2001; Batt & Banerjee, 2012).

Managing the employee lifecycle has and remains the core focus of the HRM function (Guest & Woodrow, 2012). The 'how' as opposed to the 'what' is the main focus and remains for the most part unanswered. According to the participants, how HRM goes about most effectively managing this process requires a more holistic and integrated approach. The participants discussed their current HRM-based practices as well as suggestions for HRM development. They provided insight into how HRM roles have changed, how business unit relationships have been prioritised, and how HRM needs to improve its business acumen to more strategically align and better contribute to the business strategy.

## Strategic alignment

Despite HRM's ongoing struggle to legitimise itself in the literature (Martin, 2009), when asked what role HRM currently played in their organisations, the participants *all* described it as strategic. The desire for HRM to become a strategic function was important to the participants and has had a long history of theoretical support (Ulrich, 1999; Sears, 2010; PwC, 2012a). This was, however, not surprising given HR managers dominated the participant demographic.

This assertion of strategic orientation was based on the participants' views that HRM was contributing value beyond purely administrative tasks. According to the participants, this strategic elevation and support has been assisted by a number of factors, including their organisations' increased recognition of the value of employees and their capabilities for competitive advantage, as promoted by the literature (Dahlstrom, 2011). In addition, HRM, responsible for driving and maintaining the organisation's culture, has gained strategic attention, with the business strategy acknowledged as increasingly underpinned by the organisation's culture and values (Garavan et al., 2012). Interestingly, HRM appears to have already been part of the top management team for some time, as outlined by the participants.

Human resource management has subsequently realised the importance of becoming more strategically orientated and focused on better aligning its people-focused and business strategies (Guest & Woodrow, 2012). As explained by the participants, this is due to having increased organisational pressures and expectations, as well as HRM's ongoing responsibility for creating value by successfully executing the business strategy through the organisation's employees (Sears, 2010).

> *HRM is responsible for driving a corporate strategy to develop a workforce capable of executing enterprise strategy. The HRM function focuses specifically on four strategic pillars: developing leadership and talent, increasing organisational capability, positioning the right people in the right roles at the right time and enabling appropriate rewards based on differentiated performance. HRM is also responsible for managing the human resource systems that support the enterprise management of the employee lifecycle. (Int28)*

Administrative tasks were therefore still seen as part of HRM's role by most of the participants, although none of the participants described HRM as purely administrative. In line with Ulrich's (1998) vision of shared HRM services and Reilly and Williams' (2007) call for operational mastery, the participants acknowledged the importance of administrative processes to support the employee lifecycle.

The literature promotes the need for greater strategic alignment between HRM and the business (Malik & Aminu, 2011; Chiu & Selmer, 2011). How HRM actually goes about achieving this, other than waiting for the organisation to create alignment opportunities, is unclear. In answer to this question, the participants promote a two-way relationship between the organisation and HRM, where the organisation supports HRM's advancement, but HRM also provides management with proven value (Batt & Banerjee, 2012). Human resource management's role, according to the participants, should focus on supporting the business to achieve its strategic objectives. This was described as including the attraction, engagement and retention of talented employees, understanding the business' specific needs, and partnering with the business in a more proactive and decentralised approach to embed HRM practices throughout the organisation, in an insightful, business-savvy partnership. This list of recommendations is vast and in line with the literature's unrealistic expectations. This is surprising given the majority of participants were HR managers and would therefore be responsible for achieving this list.

## Trusted business advisors

With HRM called to be both an effective administrator as well as a strategic contributor, some of the participating organisations are offshoring their administrative HRM functions like payroll. There has been limited external communication about these organisations' offshoring strategy. As they are all still in the early stages of transition, the effectiveness, as well as possible negative consequences of such a move, remain to be seen. The motivation behind this move, according to the participants, is to allow additional time, resources and space for HRM to focus on more strategic demands:

> *Normally I think largely why HR gets a lot of a bad rap is because those HR people are often the ones that are dealing directly with the business and often it is around disciplinary hearings and that 'not so nice' stuff. But what I've noticed here is that the 'not so nice' stuff is given to the employee relations team, which means that those HR business partners really get to focus on the 'good' stuff and how it drives some of those initiatives through. I think that's a really good structure. (Int25)*

There has been a focus on HR managers becoming a strategic support function for the business, and transitioning to business advisor roles to support line managers. This is in line with Ulrich's (1998) development of his strategic partner role to that of a more collaborative and supportive strategic player (Guest & Woodrow, 2012).

All the participating organisations appear to have adopted a more decentralised business model. Responsibility for employee engagement and ensuring consistency throughout the employee lifecycle touch points have fallen to line managers to facilitate. According to the participants, this is driven by a desire to further embed HRM into their organisation's operations, through greater shared ownership with the business leaders (Leary-Joyce, 2010; Barclay & Barclay, 2011).

As outlined by the participants, this new HRM advisory role is focused on ensuring that business leaders are able to effectively manage their ever expanding employee responsibilities. According to the literature, many of these managers are in their current positions due to technical excellence (Leary-Joyce, 2010). Often, with limited training and organisational focus, they remain ill-equipped to manage their increasing relationally-based workload. With its expertise in the area of employee relations, HRM is regarded as well suited to assist with this responsibility.

> *The role of HR has changed and I think at one point in time some years ago it was all things to all people. I think there was a shift to move a lot of stuff to the front line, and I think that was a bit of an error because what happened is you have people who are functionally good at their job, technically good at whatever and then suddenly having to manage a team. So because they're good at their job and they've done a whole bunch of deals doesn't mean they can run or manage other people. It's very, very different and I think the shift has come back the other way. We've seen more of a partnership approach with HR, where they're working alongside management and forward thinking, rather than functional things around payroll and leave policies. (Int18)*

According to the participants, a number of business leaders are, despite increased pressures and time constraints, accepting this partnership role. However, for others, given HRM's administrative reputation and lack of proven results (Batt & Banerjee, 2012), this approach is proving less effective. Therefore, while progress is visible, the degree of success again fluctuates between the participating organisations. According to the participants, this has resulted in HRM focusing increasingly on developing effective, trust-based relationships between HR advisors and these business leaders (Ulrich et al., 2012). The participants stressed that it has not been easy, and they provided a number of recommendations to assist HRM in enhancing these relationships and their role.

## Further improvements

Participants considered the business advisor role a key strategic tool for HRM to improve its organisational standing and strategic effectiveness (Sears, 2010). However, they also stressed that HRM needs to develop its capabilities to support this role's effectiveness. The participants therefore called for HR advisors to align themselves with the business strategy and demonstrate they understood and could contribute to the organisation's objectives (Deloitte, 2012a).

> *By showing the business that there are proven and measureable results behind HR strategy that can improve the effectiveness of businesses, HR can improve its strategic positioning within the business. (Int24)*

Participants argued that this could be achieved through HRM streamlining and removing unnecessary administrative work, while ensuring that HRM 'basics' are mastered and functioning optimally (Reilly & Williams, 2006). In addition, gaining a better understanding of the business leader's roles and putting their needs and those of the business ahead of HRM's, was promoted by the participants. By understanding the specific business pressure points in light of cost constraints imposed by the GFC, it was felt HRM would be better able to direct and facilitate the business units to achieve their goals (Sears, 2010). The participants therefore all agreed that HRM's business acumen and commercial business knowledge (or business savvy as described by the CIPD, 2011a), needed to improve in order for HRM to fully understand this wider organisational focus.

> *I think you do have to earn your stripes in terms of having basic HR skills and knowledge. You need financial knowledge and a strong understanding of the business you're operating in. If you're [HR] sitting in a meeting and talking about the strategic impact of the business wanting to go into a certain market and what it means from an HR perspective, you need to understand the business. (Int20)*

With a desire to become more financially competent, a number of the participating organisations have recruited non-HRM trained individuals to join and manage their HRM teams. This has been done in conjunction with increased training for more traditionally focused, current HR managers.

In addition to financial skills, HRM's relational skills were also described as needing considerable development. Human resource management's role has become a large area of focus in the literature (Ulrich, 1998; Reilly & Williams, 2006; Sears, 2010). The literature's often unrealistic theoretical promotion of HRM as a superman figure with complex responsibilities has come under criticism (Caldwell, 2001; Tamkin et al., 2006). Surprisingly, the superman ideal appears to have been adopted by the participants in the diverse range of relational capability improvements they promote:

> *I think people are starting to get their heads around the fact that having really good talent management is going to be essential for success. HR as a profession is going to need to be very good at helping businesses figure out how to be aware of and how to manage their talent. We know as a profession you need to be business savvy, able to coach people, able to understand the financials. We know that good HR practitioners are well read, well researched and know how to leverage other people to help them. So like any other profession really, it is continuing to evolve, but I think good practitioners need to be very lithe and able to turn their hand to a number of different things quite quickly. Something senior HR practitioners that I talk to, seem to all agree on is that a good HR practitioner can learn very quickly or can adapt very quickly. (Int5)*

The biggest cause of HRM's misalignment with the business appears to be its lack of skills (Choo, et al., 2010). In line with the CIPD's (2012a) recommendations, the participants were also focused on and conscious of HRM acquiring new skills to support its role as advisor. However, their relational skills list was again *very extensive*:

- Exert influence;
- Be confident and courageous;
- Engage management;
- Understand business pressures;
- Push HRM agenda with business strategy;
- Challenge and provide a different perspective;
- Be passionate and trust-worthy;
- Demonstrate value;
- Master basic HRM administration;
- Remain well informed and well read;
- Stay on top of global trends and their local application;
- Be agile and able to adapt; and
- Learn quickly and be skilled in multiple areas.

Both surprising and concerning, this substantial list, including both intangible and tangible attributes, supports the theoretical discussion. Although aligned with Meisinger's (2005) competent, curious, courageous and caring-focused HRM skills, the participants' recommendations provide more specifics when describing what organisations are currently focused on.

Participants charged HRM to drive positive change. The participants continue to hope, even as certain organisations are experiencing change (Sears, 2010), that over time HRM will deliver on its expectations and value will consequently be created for the business units.

> *What I've gathered is that around six or seven years ago, HR probably wasn't really doing that well here. They didn't have the partnership that they have now with the business. It was something that they consciously worked on by building relationships with people in business, trying to understand the business and understand how HR can modify what they're doing to partner with the business better. (Int24)*

The participants acknowledged that not all HR advisor and business leader relationships would be equal. With a number of environmental and personality attributes contributing to these relationship dynamics, HRM as the business resource was called to adjust and put the business first. HRM should therefore work to better align itself with the business unit's specific needs when assisting them to effectively manage employees. In addition, HRM needs to prove its worth and partnership value, which as noted by the participants, requires time, effort and continual focus.

## HRM versus Marketing

In addition to partnering with the business units, the issue of collaboration between HRM and Marketing remains a hotly debated topic for the participating organisations, as in the literature (Aurand et al., 2005; Sartain & Schumann, 2006). The participants' views were conflicting. With no Marketing managers included in this research, the following discussion provides the HRM perspective only.

For a number of the participants, HRM and Marketing were seen as separate, disconnected functions. Due to different priorities, Marketing's perceived superiority by HRM, along with its larger budgets, meant that any collaboration was considered improbable (Aurand et al., 2005). The feeling among these participants was that this fragmentation wasn't out of the ordinary, because Marketing didn't understand the internal talent-focused environment.

> *There is no collaboration between HR and Marketing because Marketing have other priorities. They are externally focused and their view of employees is how do we get employees to understand the brand messages and saying the right thing for our customer? (Int4)*

For many, the relationship was seen as more ideological. While there was good intention for alignment, practical collaboration was completely absent. Alignment was implied, but to avoid conflict both continued to focus on their separate initiatives. Interestingly, the participants noted the relationship between the two functions varied depending on the people working within each department at the time.

Other participants believed collaboration and active alignment were important in terms of providing a seamless story, especially in terms of the organisation's brand (Marten et al., 2005; Franca & Pahor, 2012). In addition, the competitive nature of the current market was noted as a motivating factor for improved teamwork. These participants' current focus, although still more ideological that practical for the majority, was focused on improving the HRM–Marketing relationship, understanding each other's strengths and weaknesses, and leveraging opportunities for greater partnership in practice.

With a centralised strategy and purpose, the conflict between HRM and Marketing was described by certain participants as ironic, given they should share a number of goals. Integrating HRM and Marketing was instead described by this small group as an innovative development and natural strategic advancement (Martin et al., 2011).

> *We've become innovative mainly because we're building on the strength of bringing Marketing and communication together. So I think what the GFC did in this area is to say life is too short and too hard to have fragmentation in the organisation. So when you can integrate all these aspects it's so much more powerful and effective, as well as being efficient. So now bringing people, Marketing and communication together is seen as the next step in that story, so it's building on being even more innovative. (Int28)*

Drawing on each other's strengths, including Marketing's acknowledged branding experience (Moroko & Uncles, 2008), was viewed as mutually beneficial. Although further support was also provided by promoting consistency between CB and EB (CIPD, 2010), for many this support appeared to be based on their beliefs, as opposed to their organisation's actual practices.

## Summary

Human resource management's strategic role, despite years of academic debate and promotion (Guest & Woodrow, 2012), appear only now to be gaining increased focus and exhibiting visible progress for the majority of the participating organisations. With so many interacting and overlapping variables to consider, it is hard to pinpoint the exact reason for this. For many of these participating organisations, the impacts of evolving global pressures and social expectations appear to have culminated with the GFC. Significant progress has subsequently been made in people management in the last five years.

Redesigning its roles and overall structure, HRM is called to take on greater responsibility as a strategic function. According to the participants, building its business acumen and drawing on a more holistic range of knowledge sources to support its relationship management focus, are both increasingly considered core HRM skills. With line managers increasingly required to understand and consistently manage the employee lifecycle touch points and process, HRM's role as a supportive talent management advisor is increasingly critical. However, with such an extensive list of skills to develop and still predominantly theoretical suggestions discussed by the participants, the reality of such developments being put into practice still appears elusive for many.

# Relationships

## The HRM and EB relationship

In contrast to the inconsistencies between the perceived Marketing and HRM relationship, the overlap between HRM and EB was instinctive and automatic for the participants. Employer branding was described as an important tool for HRM to leverage during recruitment to communicate the actual employee experience externally. With recruitment described as HRM's success story, EB's role was unquestioned by the participants and described as strategically beneficial for HRM's organisational positioning (Martin, 2009). According to the participants, reinforcing that experience internally was more difficult, given the increase in time required for interactions and uncontrollable variables:

> There is quite a large role for EB in attracting talent. There isn't the same focus in the retention space, although there should be. There's a lot of talk and I think we're moving more into that space of re-engaging people. (Int20)

*I think it [EB] is probably the most obvious in recruitment. You're trying to communicate that to external candidates but then internally trying to make sure that the employee experience matches that as well. The challenge there is more so internally. Externally I think HRM own that piece and are responsible for that but from an internal perspective it really depends on what the employee experiences and obviously that's not in our control. It's really up to the experience in the business. (Int12)*

The majority of participants felt EB should be positioned within HRM, as they were considered the subject matter experts and almost solely responsible for EB's execution and development. This is interesting, as it contrasts with the literature, where Marketing still contests HRM's ownership of EB (Backhaus & Tikoo, 2004; Walker & Higgins, 2007).

Employer branding's role as a recruitment communication tool (Rosethorn, 2009) was clear and increasingly leveraged by the participants. The internal, more holistic lifecycle and retention-focused role of EB was also acknowledged as critical, in line with Foster et al.'s (2010) assertions. However, using EB as a retention tool was described as incredibly difficult and only starting to gain increased focus for some of the participating organisations, driven by their desire for greater internal and external alignment. Therefore, although the participants understood and felt confident in promoting the benefits of EB throughout the employee lifecycle, its actual application beyond recruitment remains unclear.

## The HRM and CSR relationship

The theoretical discussion and support surrounding the relationship between CSR and HRM has developed significantly since this research began. The literature now generally appears confident of the beneficial connection between HRM and CSR (Lam & Khare, 2010; Gond et al., 2011; Inyang et al., 2011). However, the participants were still hesitant about this relationship (Sroufe et al., 2010), and opinions were divided.

The debate over the ownership of CSR was definition driven. For those for whom CSR was still an externally and environmentally orientated initiative (the majority), it was questioned and unclear why HRM would need to be involved beyond coordinating employee volunteers. In line with the theoretical promotion of CSR as a reputation enhancer (Lis, 2012), leveraging CSR during recruitment was seen as a possible link by these participants. However, the external environment was seen as Marketing's domain, and HRM participation was therefore not seen by many as necessary:

*If I was to reflect on your employee-focused CSR points, then I absolutely agree that CSR should be owned by HR. But in terms of my definition which is less internally but more externally focused on the community, then I don't think that [HR ownership] is necessary. (Int14)*

Employee-focused CSR was still a foreign concept to many of the participants. However, when presented with the list of employee-focused CSR activities during the interviews, *all* the participants associated these areas with HRM. *All* participants promoted HRM as, at the very least, actively involved in these areas (Inyang et al., 2011; Lis, 2012). For most, many of the activities were described as already managed by HRM.

> *I'm quite surprised to see what's there because in my understanding that's not what I would have called corporate social responsibility, so it's quite interesting to see that defined that way. (Int14)*

This was particularly interesting, as it highlighted a considerable lack of understanding of a more holistically-focused CSR, beyond its popularised community and environmental application. This illustrates that for many of these participating organisations, the social elements of CSR may in fact not be as fully developed and leveraged as some alluded to. In addition, it also reinforces a more fragmented and non-integrated approach to CSR (Inyang et al., 2011). The considerable variability in CSR application and understanding between these participating organisations is therefore further explained.

In contrast, other participants' responses highlighted their organisation's integration of an internal and employee-focused CSR focus. Employees were considered a central component of their CSR strategy and fundamental to its successful implementation (Sukserm & Takahashi, 2010).

> *Being a corporate that is socially responsible involves investing in the capability of our people. (Int16)*

For these participants, investing in a more holistic CSR strategy including social employee-focused considerations was based on employees and the organisation both reaching their potential (Inyang et al., 2011). Corporate social responsibility was described as a strategic tool for HRM to leverage during recruitment, as well as retention, to build and reinforce the organisation's values-based reputation and practices (Sroufe et al., 2010).

Both HRM and CSR were acknowledged by these participants as having a common focus on engaging and enabling employees. An active relationship between them was consequently described as interdependent and mutually beneficial. Human resources management was described as a driver of CSR practices and a means of substantiating its goals (Gond et al., 2011). In return, by effectively leveraging CSR, the participants felt HRM could enhance its skillset, extend its influence and contribute to the creation of a sustainable organisation. This in turn would increase HRM's ability to strategically contribute to the business' success (Lam & Khare, 2010).

> *There is and needs to be collaboration as, for CSR to achieve its stated goals, it has to be substantiated through HRM. (Int25)*

Despite this promotion, other participants were less supportive, with a number of reasons given as to why CSR and HRM should remain separate, including: current organisational structures, the need for specialised areas of expertise, a lack of CSR development and employees only seen as external CSR delivery mechanisms. However, a segmented structure cannot support an aligned

approach. This is further hindered by the lack of collaboration between HRM and Marketing. For certain participants, CSR ownership was seen as yet another responsibility for HRM to carry:

> *There is crossover between CSR and HR around raising the profile of the business in the eyes of external people and some of those external people being potential employees, but I just can't see how those links are particularly strong at the moment and I don't know what benefits we would see from strengthening them. You know the negative half of my brain just sees it as just another job that HR are going to have to do on an already pretty full plate. (Int8)*

Of the participating organisations, only a select few appear to have boldly taken action and are now experiencing the proposed theoretical benefits of greater CSR and HRM alignment (Lis, 2012). However, given an ongoing lack of understanding, the vast majority are unwilling to take the lead or push status quo boundaries. Progress in this area therefore remains extremely mixed and slow. It remains to be seen whether the success of the minority will impact and encourage the majority to take action, especially given increased competition and pressure for reduced replication as a result of the GFC. Employees currently dominate corporate agendas. With HRM the acknowledged people function and the reorientation in CSR onto employee-focused initiatives, aligning CSR and HRM would seem the next logical development?

## The CSR and EB relationship

Corporate social responsibility and EB are both considered key components of the participating organisations' talent-focused strategies. According to the participants, an overlap and relationship between CSR and EB was therefore important, and they concentrated on enhancing recruitment and retention (Mosley, 2007; CIPD, 2009). In order to deliver this employee lifecycle story seamlessly, greater alignment between CSR and EB was promoted as a means of creating consistency between lifecycle touch points.

> *So it [CSR] demonstrates that we back up that proposition. It's sort of the proof that we would lean on. I think that they [CSR and EB] are interlinked as employees are looking for evidence that the organisation they are joining has integrity and is doing the right thing, and isn't all just about the bottom line. (Int19)*

According to the participants, EB was focused on externally articulating and internally reinforcing the employee lifecycle experience to build trust. Corporate social responsibility was seen to provide an accurate reflection of the organisation's responsibilities and internal experiences for the EB to reinforce, as well as a means of providing tangibility to the organisation's values, leadership style and culture.

> *The key benefit of an overlap is presenting a consistent face to the communities we operate in, about what do we stand for as an employer: our values. If CSR and EB are not aligned it results in lack of trust, not seen as 'walking the talk'. (Int26)*

The participants therefore described CSR as a key component of the EVP and as a driver of EB (Melo & Garrido-Morgado, 2012). Corporate social responsibility and EB could therefore both be used to ensure a positive working environment to attract, engage and meet the diverse needs of the participating organisations' talented employees (Simmons, 2009).

> *The EB is what attracts you here and CSR is what keeps you here if that makes sense - the value proposition. When I interviewed I got told it's a great place to work, you get all this development and so for me that is the employer branding and then when you get here CSR is the flexibility, support and development, so that's where they would overlap. (Int18)*

By providing potential recruits with a comprehensive, consistent and holistically-focused information pack, EB was focused on understanding and answering their employment questions as honestly and effectively as possible. With candidates described as increasingly interested in the organisation's diversity and flexibility initiatives, development opportunities, supportive working environment and values, CSR and more specifically employee-focused CSR was described as fundamental to include in EB.

> *A supportive working environment, diversity is huge, training, career development, and organisational values, so they're all really strongly included, those are all a huge part of our brand now. (Int20)*

Participants felt that with greater employee discernment (Arendt & Brettel, 2010), CSR initiatives leveraged by EB needed to be authentic and based on actual organisational practices, as opposed to hollow Marketing ploys. However, the majority of participants described CSR as an optional addition to their EVP only, in contrast to the literature, which describes CSR without HRM substantiation as PR (Inyang et al., 2011). Still externally orientated, the more traditional volunteering and sponsorship activities were not seen by the participants as recruitment 'deal breakers', but rather another 'piece of the puzzle' or a 'peg for EB to hang its hat on'.

For a small minority however, theoretical benefits were realised, and CSR was believed to be a key differentiator for EB to leverage. Until all organisations are doing the same thing and operating at the same level within the CSR space, CSR will remain a means for organisations to highlight their unique value proposition to potential and existing employees. It could take some time for CSR to become a norm, given the current divergence between the participating organisations. While currently a differentiator, CSR may reach a point where it is considered basic table stakes, and those organisations that haven't kept up will be unable to compete.

While the active coordination between CSR and EB was seen by all the participants as a means of positive value creation, the type of relationship necessary to achieve this was hotly debated. For the majority of participants, integrating CSR and EB, still considered as separate functions, was described as unnecessary. Instead, alignment based on improving communication and coordination between the two, was recommended to ensure consistency was maintained (Simmons, 2009; Rosethorn, 2009). Whether this is actually practiced seems unlikely, however, given the lack of examples participants could give of such occurrences. With CSR and EB only starting to gain traction in some of these organisations, and their development still in its infancy for most, it would appear that it was not yet possible to leverage them individually, let alone integrate them.

Some participants have subsequently promoted CSR and EB as separate functions, possibly as a result of this realisation. Current organisational structures, the perceived need of specialised skills and individual focus, were all provided as justification for this decision. While valid and in line with a best fit approach (Marler, 2012), the overall impression from the interviews was that little thought had actually been given to their integration. For a few participants, greater alignment had been considered. However, with no obvious benefits - possibly due to a lack of their individual development - the effort and coordination required was not considered worthwhile. Structure was therefore not seen as restrictive to the alignment and collaboration of CSR and EB.

For other participants, CSR and EB alignment was established and reinforced through their integration and management as one function (Hildebrand et al., 2011). Structure was seen as a means of clearly connecting the dots, so that people could identify the overlap between CSR and EB. Formalising this process of alignment meant less thought and effort was required to coordinate collaboration. Instead, people could focus less on if and when to coordinate, and rather on how to do it most effectively.

> *I think it makes sense to make sure that there is a unified approach, one that utilises resources effectively and doesn't replicate attempts, given how the two fit together [i.e. both CSR and HRM should be dealing with employee-focussed CSR, which is essential for good EB]. (Int9)*

Both CSR and EB were considered valuable recruitment and retention tools. Their alignment and collaboration was described by the participants as important to their employee lifecycle consistency and talent management strategies (Inyang et al., 2011). Despite its promoted benefits by some, how CSR and EB were aligned was, for the majority, not a structural concern. Increased communication and coordination between HRM and Marketing was instead their main focus. However, given the levels of coordination between these two are at best mixed, how this is effectively achieved in practice is unclear. Therefore, although the relationship between CSR and EB was considered important by the participants, it appears for many that their recommendations were still theoretical rather than practical.

## HRM, CSR and EB: Alignment for consistency

In line with theoretical claims (Martin et al., 2011; Hildebrand et al., 2011), CSR and EB were described by the participants as a means for HRM to develop and improve its strategic alignment, develop its employee-focused processes and increase its expertise. By taking greater ownership of these areas and thereby gaining a more holistic and strategically aligned portfolio, participants felt that HRM would be able to develop its business understanding and breadth of influence (Melo & Garrido-Morgado, 2012).

Corporate social responsibility and EB were described as valuable recruitment, engagement and retention tools for HRM to leverage. By doing so, participants felt HRM could align lifecycle touch points to create a more positive employee lifecycle experience that would result in a seamless organisational story for employees and stakeholders.

*The alignment of CSR and EB strategies with HRM is critical for developing a sustainable employer value proposition. Our internal employee survey indicates that our people value our CSR agenda and it is an increasingly important brand differentiator. The ultimate benefit of this alignment is we consistently deliver on our core beliefs for our employees, customers and the community. (Int28)*

Given their recognised importance to employees, participants felt that by integrating CSR and value-based experiences into their recruitment proposition, they would enhance their EVP and subsequently the success of their EB in attracting talented, like-minded employees (Rosethorn, 2009). Engagement and retention would in turn be easier for HRM to manage, with value-aligned employees actively reinforcing values and better engaged with the organisation's value-driven practices. This creates an attractive, virtuous cycle (Backhaus & Tikoo, 2004; Dennis et al., 2008). In addition, CSR was seen as an innovative means for HRM to provide employees with training and development through skilled volunteering opportunities, as well as improving their focus on quality.

The majority of the participants were surprisingly positive and encouraging of a more aligned approach between the three areas. The key motivation for such a relationship was the participating organisation's desire for greater internal consistency (Foster et al., 2010). The participants recommended aligning all people-related strategies as a means of best achieving these desired organisational synergies. Unifying each area for continued reinforcement would, according to the participants, create greater strategic alignment and subsequently competitive advantage through improved people management (Malik & Aminu, 2011; Nilsson & Ellstrom, 2012).

Clarity of purpose, as a sustainability principle, was described by certain participants as further reinforcement for greater alignment between the three people-orientated areas. Consolidating and creating an easy-to-understand and navigable structure was also seen as a way to reduce replication and ensure greater reinforcement of CSR and EB.

*I believe wherever you can have singularity and clarity of purpose and organise around a big mission, you gain positive business effects. This example is no exception. I believe you can tell a seamless story here and make sense of the investment the corporate makes in the community, mobilise employees and build passion as one massive team, tackling massive social issues. It's incredibly empowering. It also makes sense to try to recruit like-minded individuals who will appreciate this about the culture and be on-board from day one. (Int19)*

As the organisation's people management advisor, HRM was seen as the means to ensure this consistency was achieved. As their relationships with the business leaders developed, they were described as best positioned (assuming they are trusted and have demonstrated their input to be valuable to the business), to ensure initiatives, strategies and projects are aligned with the organisation's key proposition and talent agenda.

*I think HR has quite a strong focus on both CSR and EB, so they can see it more readily. Sometimes you have business units going off and wanting to do their own thing. If you've got a good relationship with HR then when you discuss a project HR can say well hang on, we've already got that as a company, let's connect it to this, or, that's actually moving away from the branding that we want to project. So it's about everybody having their eye on it. But I guess it does come down to HR to make sure that they see branding being utilised in every opportunity, rather than reinventing things all the time. Keep aligning back, keep aligning it back, because it's that reinforcement that's actually gets the consistency. (Int25)*

While a strong overlap and mutual benefits from increased alignment between CSR, EB and HRM are promoted by the participants, the extent of an actual relationship for the majority is still unclear. Whether these connections and subsequent benefits are a true reflection of current organisational practices, or are more ideological hopes of the participants, is difficult to determine. While a number of examples were presented, they were from the few participants who have consistently demonstrated the practical application of these concepts in their organisations. On the whole, the promotional commentary by the remaining participants appears to be aspirational and overly normative and simplistic like the literature.

The impact of the GFC appears to have increased the participating organisations' focus on reducing replication, waste and costs to ensure their sustainability in the future (Garavan et al., 2012; Guest & Woodrow, 2012). The emphasis for the participating organisations has shifted from an externally based approach to a more internally and externally balanced approach. This has included an increased focus on authenticity (Whittington & Galpin, 2010), relationships (Barclay & Barclay, 2011; Ramlall, 2012), and talent (Nilsson & Ellstrom, 2012). Although organisations are more value driven, for many participants, the post-GFC period appears to have been a time of reflection, with only a few of the participating organisations actually taking action.

*I think the whole connection between all three of those is really consistency. So you can't be seen to be doing something in one area and then completely going the opposite with the other. So, if we look at the employee branding stuff. If what we say in the glossy brochures, this is what we do, this is how we feel and our people are valued, but you come in and you find, as part of the HR practice that there really isn't the opportunity for that, then there's huge disconnection and you're going to lose that value. So you've got to make sure that everything's consistent and you're backing up what you say. (Int25)*

It would appear that for some of the participating organisations, internally based people management functions and concepts appear to be developing more innately and intrinsically over time. For others, however, they are actually being consciously directed to enhance each other's efforts to promote a more consistent and seamless story (Mosley, 2007; Walker & Higgins, 2007).

## A practical example of the integrated approach

Out of the seven participating organisations, two have taken practical action to support a more aligned and integrated approach. For Organisation Seven, this increased collaboration came about almost by accident, with internal movement and structural changes resulting in the head of

Marketing temporarily taking ownership of the HRM function. Although only ever considered a provisional fix, following some visible positive impacts, this combined function is now being more seriously considered as a permanent role. The ownership of Marketing and HRM therefore falls to this one person at the very top of the hierarchy. However, due to a variation in specialisation and expertise, joint ownership through more specialised managers was described as making up the levels of management below that executive.

This model was consciously and purposely applied at Organisation Three, which has consistently been referred to throughout this discussion. Interestingly, this organisation was consistently ahead of the other organisations in terms of understanding, implementation and focus. It would therefore seem that having all areas operating efficiently increases the opportunity for greater alignment. Also, by aligning these areas, they are more effective collectively, as well as on an individual basis. With structure seen as an important part of their increased collaboration, the Marketing, communication and HRM functions, as well as CSR, culture and corporate affairs have been realigned into one business unit. This new structure has been in place for just under two years and is already described as successful.

Having these functions merged into one unit was described as rare, as it is large and with multiple complex areas to manage. Initial interactions were not prescribed, but were encouraged to evolve based on participants' interactions. The potential benefits of increased consistency were instead promoted as a means of motivation. The teams are described as already collaborating much more effectively. Efficiencies have improved and people in both Marketing and HRM are working together well, and are also described as willing and eager to work in the same team.

The team is managed by one executive, with the individual areas of Marketing and HRM the responsibility of separate managers who report directly to the top executive. Although it is acknowledged that this structural alignment alone cannot solve every problem, such alignment was promoted as a means to improve collaboration and present a unified package. This alignment then mirrors the consistent goals the company wants to achieve in the Marketing, communication, corporate affairs, CSR and HRM areas of the business, while still retaining specialised foci and unique skills.

Physically grouping and connecting the dots for people both within and outside these departments has substantially contributed to the tangible people management success these two organisations appear to be experiencing. Significant progress has been achieved by increasing alignment between the internal and external brand, driving a central proposition and value-based strategy, and having all key contributors united and collaborating more closely. These organisations are therefore well ahead of the other participating organisations, who in comparison have more segmented structures. Real, tangible benefits from increased integration appear possible in practice for these more advanced corporations.

# New Zealand versus Australia

Originally, a key focus of this research was the comparison of Australian and New Zealand banks. However, given the uneven spread of willing organisations, the comparative component of this research was refocused. While no significant conclusions can be drawn from a comparison, the participants were still asked to provide their opinions on current collaboration between their New Zealand and Australian businesses. Unsurprisingly, the participants' remarks varied from uncertainty to strong, globally-focused alignment.

For those for whom collaboration was minimal, different market sizes and spheres of influence, as well as different conceptualisations of values, were described as the main reasons for such segmentation between the two countries. For others, greater and more effective collaboration was seen as valuable, but was described as dependent upon two-way collaboration and a willingness from both parties to engage.

With Australia seen as bigger and more developed, some participants felt the perception was that New Zealand had more to gain from Australia, as opposed to the other way around. Australia was therefore described, mostly by New Zealand participants, as less willing to collaborate with no significant benefits for them to gain. However, given the large opportunity cost associated with a lack of coordination, other participants noted that effort was being directed at developing a more mutually beneficial two-way exchange between the two countries. In line with such a move, mostly New Zealand participants felt perceptions were changing, and Australia was actually increasingly learning from New Zealand. In contrast, for the remainder of the participants, given their organisation's group-focused strategy and desire for international alignment and operational consistency, collaboration was described as important, necessary, and therefore part of these processes.

# Emerging Themes and Questions

This research focuses on providing insight into a broad range of exploratory questions. Initial understanding of CSR, EB and HRM and their perceived practical overlap has been gained. However, as a result of this enquiry, a number of new questions and further areas of interest have developed. These will be discussed briefly below.

## Why are there such variations in approach?

Although developments are being made and progress is visible from the participants' responses, the variations between them are still substantial. With general agreement of the benefits associated with these concepts and their greater alignment, it was surprising that such differences should exist in terms of practical implementation.

According to the participants, CSR was considered a key differentiator for EB to leverage, as a way of gaining competitive advantage. This is only possible if there are differences between organisations' stages of development. Corporate social responsibility is not yet considered an organisational norm for many of the participating organisations. In particular, although environmental and community-based initiatives are growing in popularity, employee-focused CSR is not readily accepted or understood in many organisations. This general lack of consistent CSR understanding and conceptualisation consequently restricts its effective implementation.

Certain participants described EB and CSR as fads and 'flavours of the month' and therefore not worth any effort more than necessary to meet compliance. In contrast, the literature, although overly normative, promotes a progression of CSR from a state of new to normal, and highlights an increase in CSR's importance (Nijhof & Jeurissen, 2010; Gokulsing, 2011; Bondy et al., 2012; Kiron et al., 2012).

With some organisations being proactive and further developing their CSR and EB agendas, this increases pressure on other organisations in the same market to follow suit. To ensure they don't get left behind and can maintain their competitive position, the need to step up has significantly increased for the participating organisations.

Unfortunately, although organisations may now be aware of the need to develop and incorporate CSR and EB into their business strategies, the normative literature provides minimal guidance on practical implementation. Limited examples of success are presented, and possible barriers and challenges are not overtly considered. Therefore, for many organisations, the focus is still on whether to start, as opposed to focusing on how to start. This has consequently resulted in a mix of understandings, policies and organisational practices.

## Varying degrees of progress

Despite varying perspectives and practices, CSR, EB and HRM continue to be in a state of development and transition for each participating organisation. When comparing their advancement and using the literature as a guide, they could be seen as progressing along a continuum, with each organisation at a different stage of development.

It is hard to pinpoint the exact reason why such variations in progress have occurred, given the complex nature of these large organisations. However, with similar pressures and products, greater consistency between these organisations would seem more easily achievable. Intangible elements, including talented employees, relationships, values and cultures therefore all appear to have a significant impact on organisational performance levels. Having the right people in the right place at the right time, may as a result carry greater merit.

For those organisations already experiencing success, a more simplified and holistic approach has been adopted, with all aspects of the business consistent and tied back to a central proposition. This contrasts with the complex, separate and replicating structures of many of the less successful organisations. While these organisations are not doing badly per se, whether this will still be the case as the market changes is uncertain. Ideological rhetoric seems to no longer be sufficient. Instead, a consistently understood and actively coordinated internal people management approach appears necessary for future organisational success.

## Why is progress taking so long?

Although the literature has been promoting the benefits of effective CSR, EB and HRM for over three decades, the level of practical progress over this period has been minimal for many organisations.

On the one hand, participants' responses are consistent with the language and recommendations of the literature. Unfortunately, on the other hand and again consistent with the literature, their recommendations were often normative and ideological. Practical examples were provided in certain instances. However, with a number of visible contradictions, their general commentary was mostly aspirational, as opposed to being reflective of current practices.

The literature is predominantly normative and frequently simplified into easy-to-understand models. The practical application within such large, complex organisations may, as a result, take longer to implement than anticipated. Given many of these areas draw on the literature and are built on existing structures, this may further complicate and extend the time needed to effectively make changes and actually reach a point where developments can be made. Alternatively, it is possible that the lack of progress indicates the ideal promoted will never actually be achieved for some of the participating organisations.

The participants understood that CSR and EB need to be developed internally before they were promoted externally, given they were heavily based on these organisations' cultures and values. However, these concepts are not easy to control. They are made up of a number of intangible and constantly changing variables and are dependent on the coordination of different relationships and organisational functions for success. As a result, the hard work and effort required to facilitate them is often too much for many business managers. Constantly having to refocus on multiple competing areas, results in the status quo being maintained.

Working together as a people management team is not easy. While each area brings its own unique skill set and expertise, each also has its own, sometimes conflicting personal motivations and areas of prioritisation. In addition to these inbuilt dynamics, overcoming other organisational barriers presented by time, context and personalities also poses a threat to the successful implementation of these concepts.

As a result, strategic levers may need to be used to activate this process. Generational changes, the increased focus on talent, and structural HRM changes can each contribute separately or collectively to promote progress. The impact of the GFC has provided organisations with an opportunity to refocus and consolidate and could also be seen as a positive catalyst for development.

## Is there a future for HRM?

There have been significant changes in the structure, role and focus of HRM in the past five years. While still technically part of the HRM function, and theoretically discussed a number of years ago already, a number of the participating organisations are starting to offshore their more administrative tasks. Still in their early stages, the success of these ventures remains to be seen.

The participating organisations are moving towards a more decentralised business model. This has meant line managers are increasingly expected to manage traditionally HRM-owned roles to improve their relationships with employees. With limited current training for line managers and the majority of managers still skilled in mainly technical aspects, this leaves space for a role for HRM.

With improvements in training and talent management becoming more integrated into the line manager's role, if HRM doesn't provide any additional value, its future could be increasingly uncertain. However, line managers are already responsible for an array of duties including both strategic and operational tasks. Increasing their workload further, with what can at times be legally driven and administratively heavy work is not likely to be well received. If HRM can alleviate this pressure and prove to be a valuable asset and resource, their role will continue and potentially become more essential and depended upon. Therefore, while this possibility seems unlikely, it would appear that the post-GFC environment has culminated in what could be considered a critical 'turning point' for HRM. What HRM does with this opportunity, only time will tell.

While the relationship between HRM and line managers is therefore critical, HRM's relationship with Marketing is another area of focus and concern. The success and benefits of CSR and EB applications are increasingly based upon better collaboration between Marketing and HRM. Another potential reason why progress has been so slow is the relative importance of this relationship to the business. With increasing areas of overlap, working together despite historical differences could dramatically improve both functions' output, as well as talent-focused initiatives. How this is achieved seems to depend on the people involved in both functions and the degree of emphasis placed on this by top management in terms of structure and strategy.

## The issue of alignment for managers

The focus on greater alignment between these key areas appears throughout the participants' commentary. Their perspective as managers, while valuable, only provides one view from the organisations' broader stakeholder group. With different and often contradictory interests and motivations possible between management and employees, the practical impact of this proposed alignment may vary from the ideals proposed by management and the experience of employees. The participants' emphasis on improved alignment is normatively proposed as a straightforward process. Although barriers are alluded to and practical success achieved in some areas, the time and complexity needed to support greater alignment is not an overly emphasised component of the participants', at times, 'glossy' focus. The contradictory approach presented by the participants is therefore concerning. They desire increased alignment, but within a segmented structure. They promote multiple benefits, but demonstrate minimal action. They endorse success, with only minimal acknowledgement of the difficulties and complexities to be overcome.

An organisation is a dynamic setting with a number of variables to consider, including multiple stakeholder groups, functions, changing engagement motivators and relationship dynamics. These develop across time, within the internal and external organisational environment. The participants' emphasis and focus on these areas is visible, and they have goals and ideals in place. However, the effort, time and work needed to achieve practical success in these complex and constantly changing organisations may be more difficult and less straightforward than originally anticipated by both the participants and the literature.

# Current Progress

The literature, although supportive of these areas' improved application and strategic alignment, can only provide a number of normatively based suggestions for development. Interestingly, many of the participating organisations are picking up on these theoretical directives, although practically, they place a lot more emphasis on the perceived barriers.

Despite complexity and rapid environmental changes, organisational progress is evident. The stages of development between the participating organisations remain inconsistent, with varying perspectives and strategies evident between them. However, unlike the normative literature, the participants provided empirical insights into current developments. Based on this background research and drawing on the experiences of companies that have advanced most considerably, the continuum in Table 40 illustrates the key shifts in CSR, EB and HRM. These provide a summary of the above discussion and illustrate what has been achieved in practice.

Table 40: Current progress

| Previous Approach | Current Progress |
|---|---|
| Externally orientated strategic approach | Internally driven strategic approach |
| **Corporate Social Responsibility** ||
| Environmental CSR initiatives | Social CSR strategy |
| Employees = delivery mechanism for CSR | Employees = target audience for CSR |
| CSR = fragmented add-on initiatives     = Marketing ploy | CSR = strategically aligned     = authentic |
| **Employer Branding** ||
| Idealistic and aspirational EB | Authentic, values-based EB |
| Recruitment-focused EB | Holistic (recruitment, engagement and retention) EB |
| Superficial application | Strategic communication tool |
| CB and EB segmentation | CB and EB alignment |
| **Human Resource Management** ||
| Administrative function | Strategic function + effective administrator |
| Centralised approach | Decentralised shared ownership |
| Expected organisational support | Two-way relationship with organisation |
| People management | Talent management |
| Disciplinary and legislative advisor | Trusted business advisor |
| Competency development | Financial and relational skill development |
| **Overall** ||
| Organic development | Actively managed development |
| Replicating structures | Reinforcing structures – singularity of purpose |
| Financially driven | Financially and socially driven (values driven) |

Drawing on these developments, the following models conceptualise the new relationships that are possible, as well as the changes to structure that are being applied to support this progress.

Figure 29: An integrated CSR–EB–HRM relationship
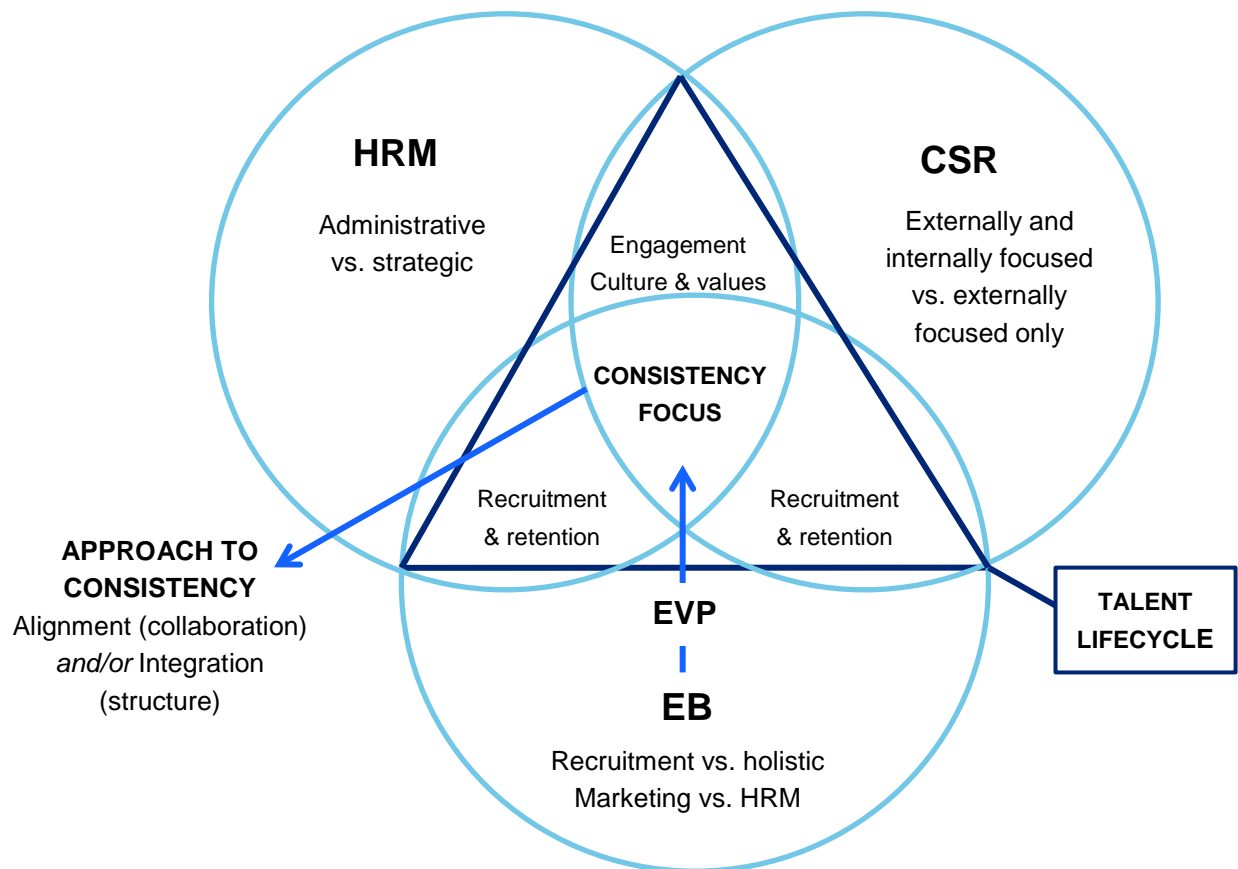


Figure 29 visually represents the relationships that exist between the three areas of focus. The current quest within HRM is to overcome its purely administratively-focused reputation by becoming a more strategically orientated contributor. Corporate social responsibility within the area of people management needs to progress from a purely environmental and community-orientated initiative to a more holistic and socially inclusive function. The challenge for EB is therefore twofold, to both become more holistically orientated, and to work towards a dual ownership model.

Corporate social responsibility and HRM interact mostly during engagement and culture enhancement, common focuses for both. Corporate social responsibility and EB, and EB and HRM appear to overlap mostly during recruitment and retention. Recruitment, retention and engagement represent the three main stages of the talent or employee lifecycle. The overlap between CSR, EB and HRM therefore resides within the talent lifecycle. This overlap is currently focused on improving internal consistency within an organisation's holistic people management practices. However, whether collaborative alignment is sufficient, or more formalised structural integration is necessary to achieve this consistency, requires further empirical exploration. Although the majority of participants supported an aligned approach, success was most evident for those few organisations who adopted a more formalised and structurally integrated model.

Figure 30: An integrated structure
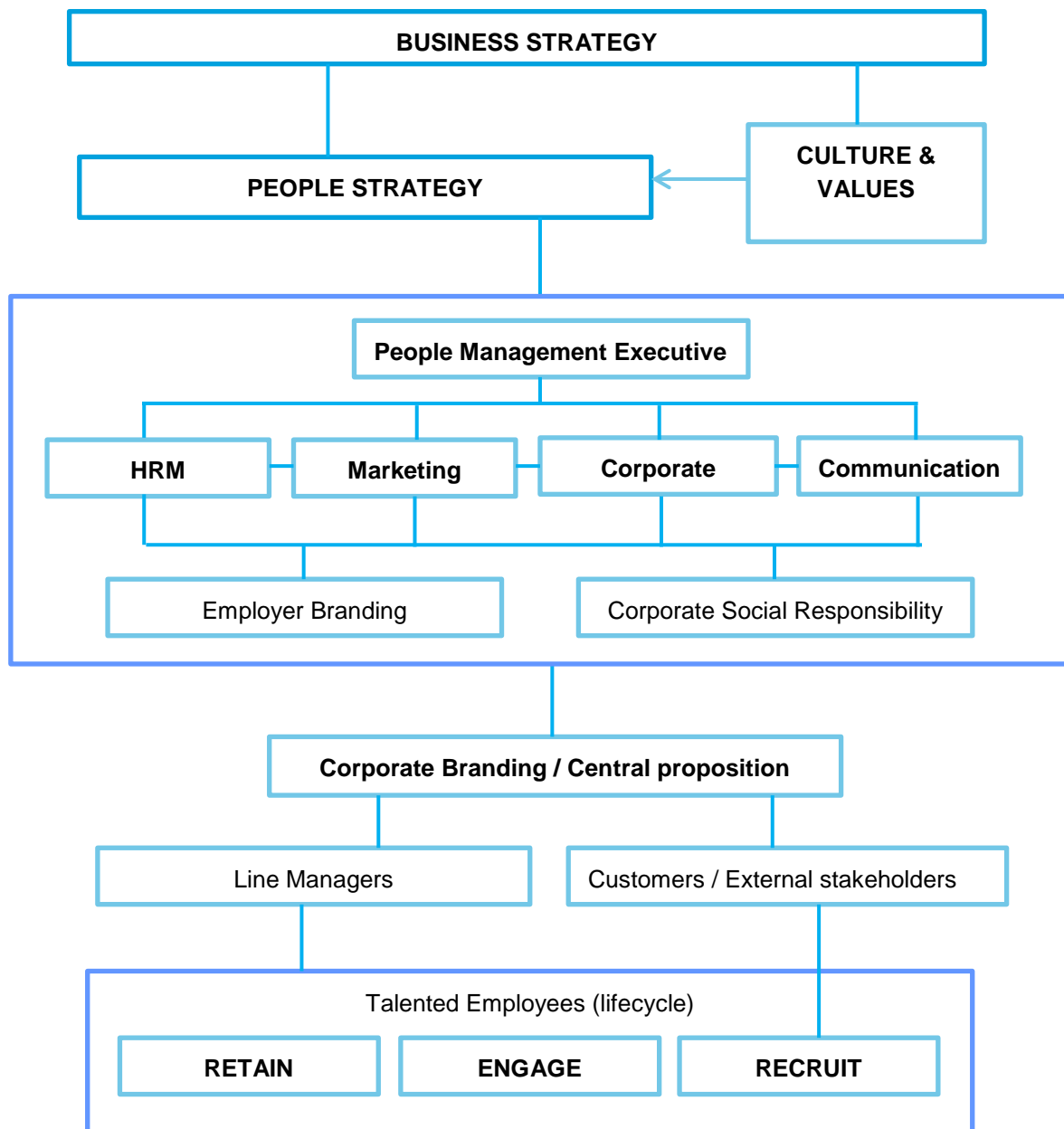


The integrated approach to organisational structure, implemented for improved consistency is illustrated in Figure 30 above. It draws heavily on the recently implemented models of the two most advanced organisations (Organisations Three and Seven). Culture and values have gained focus, now considered core components of the business. Consequently an organisation's people management strategy has also become a key strategic consideration. A unified people management-focused function is therefore promoted. It incorporates a number of specialised functions, including HRM and Marketing, which are called to collectively take responsibility for ensuring the consistency of a central organisational proposition and brand. This requires HRM and Marketing to actively work together with other core functions, to best leverage CSR and EB.

Therefore, while collaboration is basically enforced, the functions still have separate managers to assist with ensuring their functional specialisation is maintained and leveraged. Consequently, a single brand is consistently presented to the organisation's line managers (internally) as well as the organisation's customers (externally). These policies and practices are then leveraged and communicated to recruit, engage and retain talented employees and customers in an authentic, trust-building and unique way.

While for some of the participating organisations this integrated approach is already a reality, for the majority, it still remains a theoretical ideal. Current progress is encouraging, although developments are still needed. With many changes and developments yet to be implemented, what the future of HRM will look remains unclear. However, by being aware of current successes, challenges and possible opportunities, future practice can hopefully be less rhetorical and a more integrated people management approach may become more of a practical reality?

# Chapter Six: Conclusions and beyond

This chapter provides an overview of the contribution this research has provided to both practical application and theoretical discussion. As it is not possible to cover all aspects of a research topic, the limitations of this research will also be addressed in this section. In addition, with a number of emerging themes identified, as well as diversified scope, the potential opportunities for future research that can build on and expand upon these initial findings will be discussed. The thesis' concluding comments will then be presented.

## Thesis contributions

This thesis investigated the developments in people management in recent literature and then practically within the New Zealand and Australian financial sectors in the period following the GFC. By specifically focusing on the employee-focused areas of CSR, EB and HRM, this research has sought to add to these three bodies of knowledge by examining the relationships and subsequent benefits of the theoretically proposed integration between them. Such a contribution is important and necessary, given the literature recommends what developments are needed, debates who should be responsible for these developments, but, on the whole, neglects to provide sufficient insight into how to actually go about achieving these recommendations in practice.

The research explores the benefits as well as challenges associated with recent people management developments. Current practices, as well as adjustments, developments and implementation strategies have been identified and assessed. This exploratory research adds valuable empirical data to the currently overly normative body of literature. It focuses on gauging how the overtly positive benefits promoted in theoretical literature compare to actual organisational practices. It does so by providing a "voice" to managers, which given current access issues and limited empirical data in this area, makes even a small and introductory sample valuable.

While a substantial amount of literature is available for each of these areas of focus, these disciplines remain for the most part fragmented and are continuing to develop in segmented strands. The theoretical focus on the relationships between these employee-focused areas of management has developed significantly since this research first began. However, the literature still only focuses on two of the three selected fields at a time and generally remains marginal and underdeveloped. As a result, this exploratory thesis aims to address this research gap and begin to provide organisational insights into areas of overlap between all three fields. With limited empirical data regarding practical successes and failures, the actual mainstream uptake of such theoretical claims may remain unchanged and marginal. Therefore, this research highlights the gap still

present between theory and practice, as well as the lack of integration in the literature, despite its call for organisations to adopt a more integrated approach to its people management practices.

Although not originally a focus of this research, the sudden impact of the GFC has resulted in a number of unintended changes and developments in the employment market. This has affected the pressures, approaches and subsequent rapid policy changes organisations have implemented during this relatively brief time. While many of the discussed issues have been debated for many years already, this research highlights some of the unpredictable people management practice changes organisations have made during this volatile and cost-constrained period.

In response to such a dramatic global event, the participating organisations have generally refocused internally, shifting away from a previously externally focused strategic approach. This has resulted in what may be considered a turning point and opportunity for people management. The GFC provides, therefore, an interesting backdrop to explore such developments, given the subsequent increased focus on people management by both organisations and the literature.

With a growing acknowledgement of the functional and collaborative responsibility of the employee lifecycle within organisations, this research provides practical insights for not only management practitioners, but also line managers and higher level executives more generally. Specifically, given the reluctance by organisations to take the lead with new practices (Sroufe et al., 2010) and invest time and energy in unproven strategies, this research provides actual, if only preliminary, examples of the challenges as well as achieved benefits of a number of financial sector organisations. The included organisations provide a broad range of currently adopted people management approaches, illustrating a variation in stages, developments, successes and areas of future development, even within a relatively small sample. While these remain specific to each organisation, general insights and experience can be drawn and built upon to assist others in their future people management endeavours in both theoretical and practical approaches.

Finally, this thesis provides an initial assessment of the current overlap and possible relationship benefits of CSR, EB and HRM. More importantly, it also provides an alternative lens through which to view strategic HRM. Given the increased focus and importance being placed on employees, the role of HRM, and its capabilities and effectiveness, have again been brought to the fore (Sears, 2010). In need of a new way of practical advancement, HRM may be able to practically improve its core people management-focused capabilities, as well as its organisational credibility by leveraging CSR and EB. As these thesis findings demonstrate, a more holistic, collaborative and structurally integrated people management approach may provide HRM with some answers to questions regarding its organisational future and success.

## Study limitations

This thesis has sought to add to the body of knowledge, as well as provide some initial practical insights and learning for practitioners to draw on. Given the vast subject matter under review, this exploratory study was unable to answer all questions and cover all possible areas of focus. The

following limitations have therefore been identified: the sample size and its specific participants, the context, timing and consequent access issues encountered, and the researcher and participant interpretations, in terms of a predominantly interview-reliant study.

Using the literature as an initial point of comparison and reviewing the literature prior to data collection may have altered the emphasis placed on certain participants' comments. This may have resulted in biases whereby certain ideas and responses have been better represented in the findings and discussion. However, given the predominantly deductive nature of this research and the acknowledgement of such an issue, the literature review was constantly updated during the research process to ensure the latest research was included as deemed necessary and to achieve enhance accuracy in reflecting the wider body of knowledge.

The limitations regarding the sample size and its members need to be acknowledged. This research focuses specifically on the financial sectors in New Zealand and Australia. It was originally hoped that a greater cross section of this industry would be included in this study. However, given limited access and a lack of voluntary participation, this was not possible. Although the financial sector was chosen because of its large service-oriented MNEs, with businesses in both New Zealand and Australia, this did restrict the research to only one industry. The spread of participating organisations also didn't result in the hoped-for match between the New Zealand and Australian businesses from the same group. All of these factors have restricted comparative analysis.

Access to and the areas of specialisation focus of the participants are both serious limitations. The participants were targeted given their level of seniority and people-focused roles within their organisations. While a broad range of managers were sought from various areas of specialisation and focus, unfortunately beyond the HRM function, other managers were not readily forthcoming. In addition, because this research took place when there was a significant amount of restructuring happening in the financial sector as a result of the GFC, this prompted further hesitation to participate. In the end, a total of 31 managers were able to participate, with 29 available for subsequent interview. Unfortunately, possibly due to restructuring at the time, further secondary data from interviewees regarding policies, practices and internal strategies was not forthcoming, as generally gained through previous studies. This consequently also reduced initial triangulation options. Surprisingly, despite these challenges and the reduced access, those who participated were very engaged during the interviews. This may possibly be due to the increased focus placed on these areas as a result of the GFC. Participants consequently needed little prompting to explore the topics under review during the interviews. The resultant data was consequently significantly more in-depth than expected and provided fruitful, if only initial insights. However, based on the sample size and selection, the findings are only representative of the participants' viewpoints. Findings therefore cannot be generalised to other organisations or other industries.

As a predominantly qualitative study, the interview process, the participants' interpretations and the researcher's analysis need to be considered and their limitations acknowledged. While participant recall during interviews is an inherent issue, given they were asked for *their* opinions and experiences, it is assumed the responses are specific to each participant. In addition, the researcher's bias may have added further interpretation to the findings. It is also important to note that given the majority of data gained was obtained through interviews this can contribute further biases and additional limitations, which need to be understood and managed. There is ongoing discussion surrounding the apprehension interviewees have around the roles they feel they need to play and the social standards they seek to conform to while answering questions. This may impact what they say and how they say it. Such concerns need to be acknowledged and their impact considered.

In addition to such potentially skewed perspectives, the conformist nature of specialisation and experience of the participants should also be highlighted. Since the majority of participants were HR practitioners and people management their specific area of focus, their opinions are probably biased and therefore require further research to be verified. While this was beyond the scope of this particular study, further exploration, as discussed below, with other specialists would be advantageous to providing a more holistic assessment. The impact of access was a major factor in the final scope of this research. However, given its ongoing impact and the lack of any significant empirical data currently available, for the purposes of this exploratory study, such limitations should be noted and considered, without preventing this research entering the public domain for others to leverage and build upon.

## Future research focus

This research has provided valuable empirical insight into current people management practices. It has highlighted the different degrees of alignment and collaboration between separate people-related functions within the financial sector. However, given the exploratory nature of this research, and the smaller than hoped for sample size and its particular make up, there are a number of further areas of study that can be investigated to continue to build upon the field of people management.

Further empirical data is clearly required for a number of reasons. The existing literature remains predominantly normative, and a more specific focus on actual practices is therefore needed. Future research could expand to industries beyond the financial sector to explore the people management practices within other large service-based organisations. Research could also compare multiple industries within one location, or try to draw similarities between industries in different countries. This would allow greater insight into the transferability of findings. The current literature still provides a predominantly 'Western' perspective. However, with the 'East' increasingly dominating labour and business markets, a comparison between the two could be interesting.

In addition, a more in-depth analysis or case study approach could be adopted. This could explore in greater detail the multiple factors influencing outcomes, particularly within those organisations that appear to be either lagging or considerably ahead of their competitors. For example, one organisation within this study appeared to be significantly more advanced than the others within this particular sample. It is unclear why, and further investigation is therefore necessary to better understand these differences.

This research presents an HRM-based and management-specific perspective of the issues under review, which is reflective of these organisations' drivers and processes. An employee perspective should also be gained to provide a more balanced assessment of current progress and an alternative perspective to that presented. In addition, managers from other disciplines, including Marketing, as well as both more senior and more junior operation managers could be included to provide a more rounded pool of perspectives.

Another area of focus could be to explore a number of the relationships that have been raised as a result of this research, including the relationship between HRM and Marketing, and line managers and employees. In particular, exploring the development of these relationships in greater detail and the variables that contribute to their success and failure, would add valuable knowledge to these underdeveloped and often stereotyped areas.

## Concluding remarks

The context and timing of this research proved influential and ultimately restrictive, although it was not initially a research focus. The impact of the GFC has resulted in increased cost efficiencies, but reduced voluntary turnover. However, it also appears to have acted as a catalyst for surprisingly positive employment changes, as well as increased practitioner and academic focus on the field of people management.

With an increasingly turbulent international environment to compete in, the organisational focus appears to have shifted inwards, most noticeably in the literature. When this research started, employees were often under-represented in HRM, branding and CSR literature. They have subsequently become a more central focus to each, due to them being recognised as a core component of competitive advantage for organisations. Acknowledged as key organisational stakeholders, employees, and in particular, 'talent' has gained significant theoretical attention.

Previous research within these management fields has been overly conformist, normatively-based, and for the most part, conducted in isolation. However, the focus in each field remains consistent. Recommendations regarding what should be done and who should be responsible to advance each area, has consistently dominated previous literature, with little explanation as to how this is done and consequently whether it is in fact practicable.

This thesis therefore builds on this research, and explores what financial organisations are currently doing to improve and develop their people management strategies. It also starts to address this theoretical gap by providing some very valuable, given current and ongoing access constraints, empirically-based research into how a number of organisations are actually advancing.

While the literature remains predominantly black and white on these issues, and sees minimal difficultly in achieving its recommendations, this research provides some initial insights into the vast expanse of grey that practice fits into. Participants' responses demonstrate the significant variations not only between organisations, but within them as well, highlighting severe inconsistencies. Participants' views varied in their understanding, application, degree of active focus, perceived benefits, acknowledged challenges, and degree of collaboration and subsequent alignment or integration they believed was needed for success.

Based on the reviewed literature, it would appear that the participating organisations are progressing along a continuum towards the same goal of improved competitive advantage. However, given these stark variations in practical approach, whether or not they will all reach this target and whether in fact their current paths will lead them to the same target, seems improbable.

Why such variations exist remains unclear. Organisations are complicated systems, including complex structures, unpredictable people and multiple overlapping functions that compete for contingent targets in a dynamic and rapidly changing business environment. While the literature's people management-focused research adopts a stakeholder-dominant view, organisations, in contrast, need to manage both their stakeholders and shareholders. The tensions that arise in attempting to balance what can often be contradictory and even conflicting interests, is not adequately addressed in the literature. In addition, the current context (post GFC), has resulted in a unique period of change and refocus for people management practices. In this light, it is not difficult to see why simplistic and unproven theoretical recommendations are not readily being applied in practice.

The findings of this thesis, despite its exploratory and restricted scope, provide an initial assessment as to whether the theoretically promoted benefits are achievable in practice. Most of the participating organisations still appear to be talking about how best to go about leveraging CSR and EB within their people management strategies, and in many cases are sceptical of their application. However, others are starting to take action in varying degrees, and do demonstrate that success is possible in various forms. A holistic people management approach that focuses on the employee lifecycle from recruitment through to engagement and subsequent retention is explored within this research. This holistic approach also focuses on the various functions and people involved throughout the employee lifecycle and how they can be better coordinated and leveraged for greater effectiveness and efficiency.

While the findings highlight that there is agreement regarding the need for greater alignment and consistency between these concepts, inconsistencies remain in practice around who should be responsible, how they should be coordinated and structured, and where functions should overlap. Such decisions can be increasingly linked to the condition of the organisation's internal and external stakeholder relationships. In order for the external employee-customer relationship to function optimally and deliver the desired customer service and subsequent competitive advantage organisations desire, a number of internal relationships have been identified that need to be optimised to support this. The line manager–employee relationship is increasingly seen as key to employee engagement. This relationship should be supported by the line manager–HRM business advisor relationship, which has come under criticism as being too tactical and not strategic enough. This relationship is subsequently supported by the increasing collaboration promoted between HRM and Marketing, as the traditional EB and CSR concept owners respectively, as well as influential people-management players.

For one organisation, a balance has been reached. Human resources management, Marketing, CSR and corporate affairs have been structurally integrating into one department with a single executive. Each functional area still has its own dedicated manager to ensure the benefits of both alignment and ongoing specialisation are optimised. While this is only one example, and highlights an organisation-specific model, all the discussed benefits, appear to have resulted from this structurally-integrated approach. This indicates that such a multiple-layer approach requires buy-in from a broad range of functions to ensure sustainable competitive advantage can be achieved. It appears that a more holistic people management approach, which draws on both CSR and EB, and is driven by a combined Marketing and HRM partnership, may not only be possible, but practicable.

The findings of this thesis therefore provide important implications, if only one perspective and starting point, for both academics and management practitioners. This initial empirical research adds to the currently normative and segmented theoretical discussion surrounding people management by promoting future increased collaboration between previously segmented research areas. This research provides an alternative means for HRM to legitimise itself strategically, and models a specific and practically viable development path to achieving this development in the volatile post-GFC environment.

It provides HRM, previously stereotyped by many as administrative, with a practical and achievable means of not just surviving but flourishing. By not having to develop something completely new, or 'reinvent the wheel', HRM can draw on what it already has at its fingertips. This model won't miraculously remedy all ills and may require a variation in approach depending on each organisation's specific needs. However it does demonstrate that ongoing hard work, time and effort can result in a practicable strategy that previously reluctant or misguided organisations can draw upon as an example that is achievable and realistic.

In this increasingly fast-paced, technologically dependent, dynamic and competitive global environment, people remain a key asset and are an increasingly important organisational focus. Human resources management has been given a rare opportunity as a result of the organisational reflection bought on by the GFC, and organisations' apparent willingness to develop and retain their talented employees. Human resources management consequently needs to take greater ownership and leverage its increased strategic inclusion to influence the way people management is practically run. In addition, researchers need to work with and observe practitioners more closely to begin to narrow the gap between theory and reality, and present models that draw and build upon practicable solutions. While it would appear certain organisations have flourished, as a result of this improved integration, for the majority, such a focus is merely an aspirational target.

With a clear focus on the '*what*', '*how*' HRM and organisations go about turning such aspirations into practical initiatives now needs to be the key focus. Already proven to be successful by some, by drawing on already available resources and combining efforts between functions with overlapping responsibilities may not only enable HRM to become more effective, but assist organisations to be more effective and integrated functions, as well?

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# Appendices

# Appendix 1: Literature review extracts and supporting information

The following extracts provide contextual insights and additional information to the theoretical discussion presented in the literature review. While important to consider, they are therefore supplementary to this research's argument.

## Appendix 1A: Corporate Social Responsibility (CSR)

### CSR's rise in prominence

With their influence, power and economic strength, large MNEs are increasingly taking a dominant position in society (Blowfield & Murray, 2008). In certain countries, this has even extended beyond the role of government (Smith, 2003). Responsible for the delivery of many of the necessities of modern life, including food, housing and medicine, businesses have been recognised as the "engines of society that propel us towards a better future" (Werther & Chandler, 2006, p. 5) not only financially, but also socially.

> *I think many people assume, wrongly, that a company exists simply to make money. While this is an important result of a company's existence, we have to go deeper and find the real reasons for our being [companies] is to make a contribution to society, a phrase which sounds trite, but is fundamental.* (Dave Packard, co-founder of Hewlett-Packard, as cited by Handy, 2002, p. 54)

In line with increased theoretical attention, CSR is being promoted as a leading topic for many international bodies. The World Business Council for Sustainable Development (WBCSD) and the World Economic Forum (WEF) have both noted the need for business to focus more on corporate competitiveness. In addition, corporate governance (including increased integrity, accountability and transparency) and corporate citizenship (beyond compliance and philanthropy) have been promoted as part of a holistic approach. As identified by the WEF (2003, p. 2), the holistic approach to corporate governance "play[s] a crucial role in shaping the agenda for business leaders in the coming decades".

With greater public awareness, as well as technology providing enhanced organisational transparency, there is significant pressure to adhere to these increasingly prolific international standards (Bondy et al., 2010). The reasons for this increased global corporate consciousness (Claydon, 2011) are summarised below.

> *[The changes are due to a proliferation of media and NGO exposes on violations of corporate behaviour in regard to human rights, environmental principles and labour laws. These exposes have resulted in increased expectations from stakeholder and consumer groups; combined with guidelines provided by law, corporations have taken great strides towards improving their image and social contributions throughout the world.* (Hill, 2006, p. 519)

In response to these pressures, businesses are "working harder than ever to demonstrate that they are responsible corporate citizens" (Bolton, Kim & O'Gorman, 2011, p. 62). This is no easy feat given this requires "effective management of the company's wider impacts on and contributions to society (namely CSR), making appropriate use of stakeholder engagement" (WEF, 2003, p. 2).

Corporate social responsibility is therefore taking a more prominent position on corporate agendas (Claydon, 2011). There is growing international agreement that CSR not only remains a mainstream business concept (Werther & Chandler, 2006), but increasingly should be "at the heart of business" (Bevan, Isles, Emery & Hoskins, 2004, p. 35).

> *CSR activities aren't optional anymore. The evidence is clear. We know that unless we place such activities at the heart of our business strategies, we won't deliver the performance benefits clearly available. CSR is no longer about buffing up one's corporate reputation. It's about doing good business.* (Paul Bateman, HR and Operations Director, Boots Group, as cited in Anonymous, 2004)

## Defining CSR – a lack of consistency

> *CSR is an eclectic field with loose boundaries, multiple membership, and different training/perspective; multidisciplinary. It draws on a wide range of literature; interdisciplinary.* (Carroll, 1994, p.14)

> *Corporate social responsibility means something, but not always the same thing to everyone. To some it conveys the idea of legal responsibility or liability. To others it means socially responsible behaviour in the ethical sense. To still others, the meaning transmitted is that of 'responsible for', in a causal mode. Many simply equate it with a charitable contribution. Some take it to mean socially conscious. Many of those who embrace it most fervently see it as a mere synonym for legitimacy in the context of being proper or valid, while a few see a sort of fiduciary duty imposing higher standards of behaviour of businessmen than on citizens at large.* (Garriga & Melé, 2004, p.52)

As the above quotations illustrate, an unclear definition is problematic and adds to the difficulty of analysing practical implementation and theoretical development of CSR (Godfrey & Hatch, 2006; Garavan & McGuire, 2010; Freeman & Hasnauoi, 2010). A number of years ago, CSR was judged by Carroll (1999) to be a dynamic or umbrella concept that overlaps and is synonymous with, other concepts relating to business' relationship with society. Corporate social responsibility is in and of itself an internally complex area (Matten & Moon, 2008; Garavan & McGuire, 2010).

However, despite this complexity and breadth of scope, the dominating theoretical themes and areas of focus of many CSR definitions are very similar. Main focus is on:

- understanding and managing all stakeholder relationships (Werther & Chandler, 2006; Bondy et al., 2012), in balance with profit maximisation (Blowfield and Murray, 2008);
- the desirability and effectiveness of balancing market-based solutions with societal and environmental challenges (Blowfield and Murray, 2008) in decision making (Bondy et al., 2012).
- going beyond purely philanthropic contributions to social good (Husted & Allen, 2007) to include operational and strategic considerations (Bondy et al., 2012)
- going beyond compliance to be voluntary and self-regulated (Blowfield and Murray, 2008; Bondy et al., 2012).
- embedding both organisational practices and values (Bondy et al., 2012)

In order to better understand the scope of theoretical CSR exploration, a few key definitions, which contribute to the aforementioned themes are discussed below. They shape a period characterised by Claydon (2011, p. 405), as one of "constant defining and modelling, re-defining and re-modelling".

Carroll (1979; 1991), one of CSR's most prestigious scholars (Garriga & Mele, 2004), presents CSR as a construct that "encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time" (Carroll, 1979, p. 500). He states, in line with his model of CSR, that a socially responsible business "should strive to make a profit, obey the law, be ethical and be a good corporate citizen" (Carroll, 1991, p. 43). This highlights the notion that CSR comprises four key responsibilities, including economic, legal, ethical and discretionary elements (Carroll, 1979; 1991).

The Commission of European Communities (CEC) (2001, p. 6) Green Paper on CSR defines it as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". A widely accepted definition, it outlines the importance of social and environmental issues as well as economic organisational priorities. In addition, it highlights the significance of stakeholders within CSR and stresses its voluntary nature and multi-faceted breadth.

Reinforcing the CEC's more balanced organisational approach above, the World Business Council for Sustainable Development (WBCSD, 1998, p. 8) defines CSR as a "continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce and their families, as well as the local communities and society at large" While they introduce the need for organisations to behave ethically, they also promote a more diverse range of stakeholders.

The World Bank's (2003) definition addresses the sustainability of an organisation's actions, a reciprocal relationship with its stakeholders, and a wider international sphere of influence.

> *[Corporate social responsibility is] the commitment of business to contribute to sustainable economic development, working with employees, their families, the local communities and society at large to improve their quality of life, in ways that are both good for business and for [international] development.*
> (World Bank, 2003, p. 3)

While these definitions provide a comprehensive overview of CSR, some authors, including Blowfield and Murray (2008), prefer to describe CSR in terms of a company's values and codes of practice, including fairness, integrity and honesty. In addition, the size, wealth, power and sphere of influence of a company are also seen to impact and dictate the responsibilities of an organisation (Windsor, 2001; Matten & Moon, 2008). Therefore, an MNE's CSR responsibilities and activities will be considerably different to those of a small to medium-sized enterprise (SME) (Matten & Moon, 2008).

Werther and Chandler (2006) add to this debate by further distinguishing organisational responsibility differences between industries. They conclude that with so many variables to consider, it is "impossible to prescribe what mix of responsibilities a company faces" (Werther & Chandler, 2006, p. 7). Instead of focusing on a non-existent universal definition, organisations are encouraged to build their CSR policies and strategies around their key stakeholders and strategic priorities (Werther & Chandler, 2006; Blowfield & Murray, 2008; Claydon, 2011).

Cramer, Jonker and van der Heijden (2004, p. 216), describe how CSR requires a "mental shift in communicating (internally and externally), as well as being transparent as a company, towards employees, clients and other stakeholders". Organisations are therefore encouraged to work towards building lasting and cooperative relationships that, while recognising and understanding the international context, focus on the specific strategies and priorities of their local business and stakeholders (Preuss et al., 2009). One of these key stakeholders is the organisation's staff (Garavan et al., 2012).

## Employee-focused CSR

> *Mma Ramotswe had a detective agency in Africa; at the foot of Kgale Hill These were its assets: a tiny white van, two desks, two chairs, a telephone and an old typewriter. Then there was a teapot, in which Mma Ramotswe – the only lady private detective in Botswana – brewed redbush tea. And three mugs – one for herself, one for her secretary, and one for the client. What else does a detective agency really need? Detective agencies rely on human intuition and intelligence, both of which Mma Ramotswe had in abundance. No inventory would ever include those, of course.* (McCall Smith, 2003, p. 3)

Employees are increasingly acknowledged as the most important asset of a business (Pfeffer & Veiga, 1999; Young & Thyil, 2009). Employees are the face of their respective organisations and are expected to be ambassadors for their organisation's CSR programs (McShane & Cunningham, 2012). They should therefore provide vital input into both the creation and implementation of the CSR process (Bolton et al., 2011).

However, Bolton et al. (2011) note that CSR media and literature have focused mainly on external environmental and community initiatives, pressures and outcomes. Employees have received negligible attention in the CSR literature, due to the fact that they are still treated as a separate labour issue and not as a central and integrated component of CSR (Cheruiyot & Maru, 2012). As a result, "employees remain something of a by-product of CSR activity rather than an integral part of the process. The actual engagement of employees with, and the role they play in, the creation of the CSR brand is barely acknowledged" (Bolton, et al., 2011, p. 64).

However, in order to deliver flawless services and keep up to date with rapid technological advances and developing core competencies, organisations need the expertise of skilled employees (Bonfiglioli et al., 2006). It is upon these skilled employees that organisations are dependent for knowledge and know-how, as well as improvements in customer service and business performance (Bevan et al., 2004; Nilsson & Ellstrom, 2009). Therefore, understanding, engaging and developing employees is of vital importance to all organisations (Bonfiglioli et al., 2006; Nilsson & Ellstrom, 2009; Garavan et al., 2012)

> *The relationship between a business and its employees can be regarded as a precondition for CSR: if a company does not assume a high level of responsibility for its employees, how can it be responsible to its customers or to the social or natural environment in which it operates.* (Vuontisjärvi, 2006, p. 333)

Employee-focused CSR will be the focus of exploration for this research, because this topic has received little emphasis to date. Although CSR is a broad and multifaceted area, in this research CSR will refer to the internal and employee-related functions of an organisation's social responsibilities. This could then be considered more of a micro focus, in contrast to a more community involvement, environmentally conscious and therefore more externally and macro-focused agenda.

Although components of CSR are separated for the purpose of closer examination, CSR still includes social, economic, environmental and community initiatives, and can therefore never be neatly separated into parts in practice. As outlined by Porter and Kramer (2006) and Claydon (2011), the various aspects of CSR should align and reinforce each other for maximum organisational effectiveness. However, given the increasingly diverse and constantly expanding body of literature surrounding CSR (Freeman & Hasnaoui, 2010), it is worth clarifying its meaning to prevent any confusion within the context of this study.

## Sustainability

Running in parallel with CSR development, sustainability has evolved from increased pressure on organisations as the main consumers of the world's natural resources (Yoon & Tello, 2009). Organisations are increasingly being compelled to commit to business programmes and strategies that engage in environmental protection and resource conservation (Yoon & Tello, 2009; He, 2012). Therefore, as explained by Dunphy (2003, p. 3) "the central challenge for this century is to

create a sustainable global economy and society supported by organisations that are not only sustainable themselves but also sustaining in their impact on society and the biosphere".

Launched by the World Commission on Environment and Development (WCED) (also known as the Brundtland Commission) as a "global objective to guide policies orientated to balance economic and social systems and ecological conditions" (Seghezzo, 2009, p. 539), 'sustainable development' as a concept took hold (Dilling, 2010). The Commission's 1987 report, 'Our Common Future', states that development is only sustainable if it "meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 8).

Nearly three decades on, the meaning of sustainability, like CSR, remains disputed (Seghezzo, 2009). Despite considerable development, with no single global definition, sustainability is described as a value-based symbol (Dilling, 2010). Despite this lack of consensus, sustainability is considered the central theme of this century "as economic growth was in the last century" (Dunphy, 2003, p. 3). Yoon and Tello (2009) agree, and acknowledge that the world is facing growing environmental challenges in terms of fossil fuel emissions, global warming and natural resource over-consumption, as well as social challenges including poverty and disease, which are all taking their toll.

However, to add to the confusion of this area's poorly defined labels, although sustainability began as a concept that focused predominantly on environmental issues, it has since expanded to integrate environmental protection with economic growth and social equity (Branco & Rodrigues, 2006). As a result, additional terminology including 'triple bottom line' and CSR, have been linked into the sustainability debate (Garriga & Melé, 2004).

Therefore, some researchers have considered these terms as mere variations on the same theme (van Marrewijk et al., 2004; Branco & Rodrigues, 2006), while other academics believe that although they are linked, they focus on different areas of importance (Garriga & Melé, 2004; Morimoto, Ash & Hope, 2005). Branco and Rodrigues (2006, p. 113) in turn describes CSR as "the business contribution to sustainable development."

More recently, human sustainability (in line with the focus of this research) has been added to the sustainability mix (Garavan & McGuire, 2010). This is seen as an important dimensional extension, "as physical sustainability considers the consequences of organisational activity for material and physical resources; social sustainability might consider how organisational activities affect people's physical and mental health and well-being – the stress of work practices on the human system" (Pfeffer, 2010, p. 35). While this inclusion of a social and human dimension is an important extension of its previously environmentally dominated focus, it is described as mere terminology development, with CSR seen as an extension of sustainability (Garriga & Melé, 2004; Morimoto, et al., 2005; Branco & Rodrigues, 2006). A more diversified approach to sustainability does, however, seem to be more widely supported.

> *[Sustainability is] an ideal towards which society and business can continually strive. The way we strive is by creating value, creating outcomes that are consistent with the ideal of sustainability along social, environmental and economic dimensions.* (Garriga & Melé, 2004, p. 62)

Both CSR and sustainability remain evolving and poorly defined areas of study, because the terms are interchangeable and overlap. An example of this would be Dyllick and Hockert's (2002, p. 131) definition, which state that 'corporate sustainability' includes "meeting the needs of a company's direct and indirect stakeholders (employees, clients, pressure groups, communities, the environment, etc.), without compromising its ability to meet the needs of future stakeholders as well". This aligns sustainability and CSR in terms of scope, especially when focusing on specific organisations and their increasingly sustainably focused activities (Dunphy, 2003).

## The historical development of CSR

The need for businesses to be socially responsible is not new. In writings by the ancient Egyptians, Chinese and Sumerians, rules of commerce called for trade to ensure the wider interests of the public in which they operated were protected (Werther & Chandler, 2006). Public concerns over the operation and excesses of the Dutch East India Company were common during the 17th century, and the first large-scale consumer boycott can be dated back to the 1790s in England over slave-harvested sugar (Werther & Chandler, 2006).

However, as discussed by Blowfield and Murray (2008), the biggest change in working life came with the Industrial Revolution. Urban living increased substantially, child labour became commonplace, factories and mines were responsible for increased worker injuries and fatalities, and the raw materials needed to power the new industrial age were sourced through slave labour in America and Africa. However, the actions of corporations did not go unnoticed, and with increased civil unrest, the governments of many countries took action (Blowfield & Murray, 2008).

In the UK, the first Factory Acts, instigated by Robert Owen, were passed in 1819, and in 1842, mining laws were also passed to prevent poor working conditions (Blowfield & Murray, 2008). Owen believed that a man's character was moulded by the surroundings and conditions under which he worked and lived, and that business should facilitate a positive environment accordingly (Blowfield & Murray, 2008).

Corporate philanthropy, one of the pioneering aspects of CSR, was also famously promoted by Scottish-born Andrew Carnegie (Cochran, 2007). After making his fortune manufacturing steel for the American railways, Carnegie sold his business. He subsequently "embarked on a philanthropic quest that saw him donate $350 million to charitable and other philanthropic causes. These included the building of libraries, the establishment of educational trusts, and contributions towards creating such iconic buildings as the Carnegie Hall in New York and the Peace Palace in the Hague" (Blowfield & Murray, 2007, p. 44). However, corporate power grew, and free trade flourished until the end of World War I, which brought a change in social thinking (Blowfield &

Murray, 2008). Businesses were forced to consider their impact on society with the formation of the International Labour Organisation (ILO) in 1919.

The 1930s saw the start of the academic debate surrounding CSR. Columbia professor Adolf Berle and Harvard professor Merrick Dodd featured in a series of articles in the Harvard Law Review (Cochran, 2007). While Berle argued that businesses were only responsible to their shareholders, Dodd contested that business was in fact accountable to society as a whole, and modern corporations were "permitted and encouraged by law primarily because they are of service to the community, rather than because they are a source of profit to its owners" (Dodd, 1932, p. 1149). Berle finally conceded to Dodd's argument (Berle, 1954).

The end of World War II saw another social shift. Governments again stepped in, promoting and enforcing the equitable distribution of benefits, and the notion of the welfare state concerned with health care, wages and education—now the concerns of the CSR agenda—took hold (Blowfield & Murray, 2008). This increased social concern lead to the UN's Universal Declaration of Human Rights, now used by international CSR initiatives and organisations (Blowfield & Murray, 2008). Figure 31 provides a summary of the changes in CSR focus that have occurred between the 1930s and the turn of the 21$^{st}$ century.

## Figure 31: Corporate social responsibility timeline

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(Blowfield & Murray, 2008, p. 57)

The 1950s also saw an increase in environmental activism after a number of deaths in the UK and USA due to smog. As a result, the US Air Pollution Control Act was passed in 1955, followed in 1956 by the UK Clean Air Act (Blowfield & Murray, 2008).

In addition, Bowen's icon 1953 study, 'The social responsibilities of business' attracted considerable attention, and is now considered the modern beginning of CSR literature (Carroll, 1999). Bowen (1953) details the specific responsibilities of businesses. They were called upon to adopt a considerable amount of responsibility for society "if the economic system of free enterprise is to continue and prosper" (Bowen, 1953, p. 5).

While much had been talked about, protested and debated about up until this point, it was not until the late 1960s and 1970s, when the rise of mass social movements associated with activism against the Vietnam War occurred, (Maak, 2008) that NGOs, including organisations like Greenpeace, founded in 1971, established themselves and became the 'social conscience of modern corporations' (Cochran, 2007). This increased the social awareness of the environmental degradation associated with industry (Blowfield & Murray, 2008). In addition, as noted by Maak (2008), equal labour rights for women gained increased attention, and academia started to take serious notice of CSR as an emerging business interest. Organisations during this time "were no longer simply involved in an academic debate about ethics of different degrees of social responsibility. Instead, they were pragmatically responding to various social pressures" (Cochran, 2007, p. 450).

Although only extending to the turn of the 21$^{st}$ century, Table 41 illustrates the key changes in CSR development. The view of business ethics as an oxymoron has been criticised (Claydon, 2011). Corporate social responsibility has instead developed from an ethical obligation to a managerial priority with financial performance now one of many organisational benefits associated with effective CSR (Lee, 2008).

Table 41: Trends in CSR research


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(Lee, 2008, p. 56)

Kim, Kwak and Koo (2010), reinforcing Lee's (2008) arguments, also note a shift in the focus of CSR over this period. They describe the shift as progressing from philosophical and philanthropically orientated at the middle of the 20th century to more responsive and CSR philosophy within the first decade of the 21st century (Kim et al., 2010). Interestingly, although with hindsight CSR's development can be considered significant over this period, this was a gradual process and didn't jump dramatically from stage to stage, but, as depicted by Blowfield and Murray (2008) and in Figure 30 above, slowly progressed and changed over many years.

The 1960s were thus considered the first phase of significant CSR development (Frederick, 1994). During this time, CSR was characterised by "doing the right thing", or CSR1 (Frederick, 1994, p. 151). By the 1970s, this view developed further to describe a more responsive behaviour or "corporate social responsiveness" (CSR2) (Frederick, 1994; 1998). The 1980s were than marked by an increased focus in defining CSR (Carroll, 1999), and clarifying and integrating various definitional strands (Lee, 2008). This includes the work of Carroll (1979), which was seen as significant in terms of treating economic and social goals as compatible, as opposed to incompatible trade-offs (Lee, 2008).

In addition, while most theoretical CSR emphasis had been on individual responsibility up until this stage, Davis (1973) was one of the first CSR theorists to propose a shift to viewing companies as institutions, as opposed to individuals, which led to a new discussion of responsibilities (Carroll, 1999; Blowfield & Murray, 2008). Davis (1973) believed companies should be open to public input and scrutiny, should factor public concerns into their business decisions, and that by doing so, companies could gain long-term economic rewards.

The concept of long-term economic reward went against all prior philanthropic dogma that CSR should not provide any business benefit (Cochran, 2007) and was solely for the benefit of society. Porter and Kramer (2002, p. 5) proposed that "social and economic goals are not inherently conflicting but integrally connected". As a result, instead of trying so separate them, business should focus on issues and projects that provide both financial and social return, because simply throwing money at good causes without any reciprocal competitive advantage gains was seen to have limited long-term impact on either the cause or the business (Cochran, 2007). Instead, companies should use their business strategy as a guide, and focus on philanthropic activities that are in line with and complement their core focus (Cochran, 2007; Maak, 2008).

The last years of the 20th century and the turn of the millennium have broadened the field of CSR even further. The world market now includes both developed and developing nations. However, despite this, the majority of academic CSR research has, until very recently, been based in the USA and UK, providing a predominantly Western perspective regarding CSR (Preuss et al., 2009). However, with an increase in research now focusing on China, India and the East, cultural differences are being highlighted (Egri & Ralston, 2008). The divergent ways in which societies define their relationship with business are increasingly observed and acknowledged (Werther & Chandler, 2006).

Claydon (2011) was possibly the first to discuss CSR on a cross-cultural level. In contrast, earlier authors Beesley and Evans (1978, p. 13) noted that despite the differences between countries and cultures, "common ground lies in the perception of a relative shift from government to companies as the source of social improvements and the means to promote specific items of social welfare". As a result, modern literature calls for increased attention to be paid to how businesses respond in an increasingly global environment and decide which socially responsible activities and strategies will be most appropriate and beneficial to their local situations.

## Stakeholder theory

### Theoretical criticisms

Stakeholder theory has come under criticism. Williamson (1993) argues that the direct principle-agent model between owners and managers is corrupted when outside stakeholders are considered. Stakeholder theory is therefore described as irreconcilable with any legitimate business because it "undermines basic property rights and corporate responsiveness" (Doh & Guay, 2006, p. 56).

Stieb (2009) also notes that stakeholder theory is insufficiently descriptive in proposing only how a company should act without taking into consideration how companies do act. It therefore neglects to provide any guidance as to what groups an organisation should include as stakeholders, as well as how much power or compensation they should receive in decision making processes (Stieb, 2009). Stakeholder theory therefore poses more questions than answers (Stieb, 2009). In addition, while it may be feasible to acknowledge and respond to multiple stakeholders' needs, as opposed to merely responding to shareholders' demands, stakeholder theory is unable to explain how CSR-related behaviours are actually implemented (Claydon, 2011).

Most infamously, Freeman's (1984) stakeholder assertions were rejected by Milton Friedman (1962). Friedman (1970) believed organisations' sole responsibility was to that of its shareholders. In line with this view, he noted that business had no responsibility other than to "make as much money as possible" (Friedman, 1970, p. 5). He argued that the business of business was to maximise profits for its shareholders and that CSR only distracts companies from this duty, considered by him as nothing more than a significant and unnecessary cost He concluded that "the social responsibility of business is to increase its profits" (Friedman, 1970, p. 50).

These contradictory assessments have become marginalised in both theory and practice. There is still widespread belief that stakeholder theory has demonstrated its usefulness when assessing the strategic and normative challenges an organisation faces in the modern business environment (Maak, 2008).

This ongoing desire to identify and fulfil the needs of various stakeholders is driven by the fact that "addressing stakeholder needs can be correlated with a firm's survival, economic well-being, competitive advantage and the development of trust and loyalty among its targeted customers" (Mitchell, Agle & Wood, 1997, p. 866). Corporations should therefore adopt CSR as a means to build effective relationships with their stakeholders and "promote socially responsible actions and policies that effectively respond to stakeholder demands" (Pirsch et al., 2007, p. 128).

### Stakeholder-orientated CSR

According to the stakeholder-orientated CSR, if multiple stakeholders recognise the importance of CSR, organisations need to translate those needs into objectives and organisational policies (Cheng & Ahmad, 2010). Specifically, Pedersen (2009) identified three key responsibilities within the stakeholder environment after interviewing 1000 operational managers from eight large MNE's in various sectors, as shown in Figure 32.

Figure 32: Stakeholder-orientated CSR: Three key responsibilities

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Pedersen (2009, p. 162)

These responsibilities include those most closely associated with the firm's core business activities and values. The common focus is on producing high quality products, maintaining a good working environment for employees and minimising the organisation's environmental footprint (Pedersen, 2009). However, despite these stakeholder theory ideals, the respondents' actions were more reactively focused on risk avoidance and compliance as opposed to a more desirable proactive approach (Pederson, 2009). The differences between a reactive "do no harm" and proactive "be a positive force" stance are illustrated in Figure 33.

Figure 33: Reactive versus proactive responses to CSR action

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(Pederson, 2009, p. 163)

## Support for strategic CSR

Strategic CSR is defined by Werther and Chandler (2006, p. 7) as the "idea that CSR should be integrated into the firm's strategic perspective and operation because of the long-term benefit this brings to the organisation". It does this when it "yields substantial business related benefits to the firm, in particular, by supporting core business activities and thus contributing to the firm's effectiveness in accomplishing its mission" (Burke & Logsdon, 1996, p. 496). Such a view of course assumes that the CSR policy in place is sufficiently developed and has top management support so that it can in fact be integrated into an organisations strategic directive. For many organisations however this is not the case which would indicate barriers still remain.

With limited regard for such practicalities, CSR continues to be promoted by the literature, without much supporting guidance for implementation, as the logical choice for ensuring sustainable competitive advantage (Kanter, 2011). It does so, by encouraging companies to seek profit generation through innovative social action (Porter & Kramer, 2011). In addition, CSR has the

potential, according to the literature, to "take into account legitimate stakeholders claims, focus and expand on work in those areas where competitive advantage can be created, as well as assigning the appropriate allocation of resources to meet societal needs" (Husted & Allen, 2007, p. 595).

According to PwC (2012a), a company's strategy determines and explains how it will achieve its mission and vision and how it will navigate and respond to the competitive environment in which it operates. While companies exist for many different reasons, their continued operation and ultimate survival depends on the profits they achieve, which in turn, are dependent on the revenue they generate (PwC, 2012a). This revenue is generated through "customers who are satisfied with the value the firm offers through its competent and motivated employees" (Werther & Chandler, 2006, p. 44). This business cycle, while considered economic and financially driven, actually acknowledges that it is dependent upon social stakeholders, namely customers and employees.

In addition, Werther and Chandler (2006) suggest that profit generation also varies dramatically from company to company. Although it is acknowledged as a critical factor for a firm's survival, it "is so broad a mandate that it offers little guidance about where to begin or what to do. Instead, insight comes from understanding society's specific needs, which the business seeks to meet" (Werther & Chandler, 2006, p. 44).

By incorporating CSR, which is heavily inclusive of social elements, into business strategies, their effectiveness should not only result in improved competitive advantage, but should also create sustainable competitive advantage (Claydon, 2011; Kanter, 2011; Kiron et al., 2013). Werther and Chandler (2006), go on to define sustainable competitive advantage as the result of ensuring that the tactical execution of a strategy is acceptable to the societies and environment in which a company operates.

## Werther & Chandler's (2006) conceptualisation of strategic CSR

The balance of power and influence is shifting from companies to stakeholders (Werther & Chandler, 2006). This shift has been driven by certain factors, including a multitude of stakeholder demands, the expansion of operating environments to include global, environmental and social issues, and the loss of control over information exchange and acquisition due to technological developments.

Therefore, as illustrated by Werther and Chandler's (2006) models in Figures 35 and 36, ensuring that the business strategy is supported by the company's organisational design and its core strengths (SWOT analysis) will contribute to it generating competitive advantage. However, CSR can optimise this process by aligning the organisation's strategies with the market in which it operates and more specifically, with the stakeholders it serves. The complementary and supportive theoretical relationship between CSR and business strategy is therefore illustrated. Table 42 provides concept definitions and further explanation for Figure 34 and Figure 35, as adapted from Werther and Chandler (2006, p. 44).

Figure 34: CSR as an organisational filter

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(Werther & Chandler, 2006, p. 46)

**Figure 35: CSR as a strategic object**

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(Werther & Chandler, 2006, p. 60)

Table 42: Concept definitions and explanations

| **Vision** |
| --- |
| The vision answers why an organisation exists. It shapes the strategy of an organisation. |
| **Mission** |
| The mission states what the organisation is going to do to achieve its vision. It also shapes the strategy of an organisation. |
| **Strategy** |
| The strategy determines how the organisation is going to undertake its mission (how the competitive environment will be navigated). It influences the organisational structure. |
| **Tactics** |
| The tactics determine when and where the strategy will be implemented and by whom. |
| **Competencies** |
| Competencies are the actions an organisation performs, above its capabilities. Core competencies are the actions an organisation performs well and which other organisations find hard to match. They represent the strengths and weaknesses of a firm that affect the way in which its strategy can be executed and how it competes in the external environment. |
| **Structure** |
| This organisational design supports and facilitates the strategy by optimising and coordinating the functions within the organisation. |
| **Environment** |
| The external environment of an organisation includes the social, cultural, legal, stakeholder, market and technological constraints in which it operates. It provides opportunities (needs in society), as well as threats to the strategy execution, dependent on the organisation's competencies. |
| **CSR Filter** |
| A conceptual screen allowing strategies and tactics to be assessed as to their extended impact on the organisation's stakeholders. The CSR Filter adds additional (social) considerations to the mix beyond pure profit maximisation and has the aim of taking a viable strategy and optimising it for all the organisation's stakeholders. |

## Stages of CSR integration and development

Clarkson (1995) developed the 'RDAP framework' that separates CSR into 'de-active', 'defensive', 'accommodation' and 'proactive' phases. In reinforcement of these stages, the notion that business moves from a 'stubborn resister' to 'active citizen' was put forward by Zadek (2000), who also designed four phases of CSR, namely 'defense of reputation', 'cost-benefit orientation', the 'strategic business case', and the 'new economy case'.

Dunphy (2003) contributes to this discussion by proposing that organisations' progress through six stages before CSR is fully integrated into their business strategy. These stages include 'rejection', 'non-compliance', 'compliance', 'efficiency', 'strategic proactivity' and finally becoming 'a sustaining corporation'. Blowfield and Murray's (2008) five stages of CSR include seven behavioural dimensions that change as a company develops towards CSR integration (see Table 43).

Table 43: Stages of CSR Development

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(Blowfield & Murray, 2008, p. 105)

Castello and Lozano's (2009) framework also draws on behaviours or strategic factors, calling for the ideal of CSR citizenship as the desired and ultimate level of strategic CSR integration. Including three stages, their model is illustrated in Table 44.

Table 44: Strategic CSR factors

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(Castello & Lozano, 2009, p. 382)

While each model includes different stage classifications, they all support and recognise that CSR integration is a journey that does not happen instantaneously. In addition, CSR should be embedded into a business, its strategy and operations, in order to be effective. As illustrated by Blowfield & Murray (2008), integration may require considerable behavioural changes, as well as hard work focused on sources of irresponsibility, as opposed to mere add-on compliance (Visser, 2011). Given many organisations are built and continue to operate on norms that in some instances have been in places for many years, identifying and then changing certain behaviours can be a lengthy and sometimes unsuccessful activity.

In addition, unfortunately, these CSR models outline ideals with no single development pathway. Therefore, although when theoretically presented each stage/type or phase is distinct, in reality companies may exhibit features from one stage in one area and features from different stages in other areas at the same time (Blowfield & Murray, 2008). Despite this potential barrier, it is helpful to recognise these framework stages to better understand the different CSR purposes companies pursue in order to achieve their strategic goals (Blowfield & Murray, 2008; Castello & Lozano, 2009). Therefore, strategic CSR is described as the facilitator and translator of traditional business strategies into value for the dynamic, demanding and constantly evolving competitive landscape 21st century organisations have to compete in (Kanter, 2011).

## Ernst & Young's (2002) strategic CSR model

As illustrated in Figure 36, Ernst and Young (2002) provide their interpretation of strategic best-fit CSR. Their interpretation focuses on a combined CSR and business performance outcome of increased business value (Porter & Kramer, 2011). By considering and consulting their key stakeholders and understanding their current performance, CSR strategically applied to core areas within an organisation should have a positive effect for both key stakeholders and the organisation itself (Ernst & Young, 2002). This combination then produces improved business value.

Figure 36: Ernst & Young's model of strategic CSR
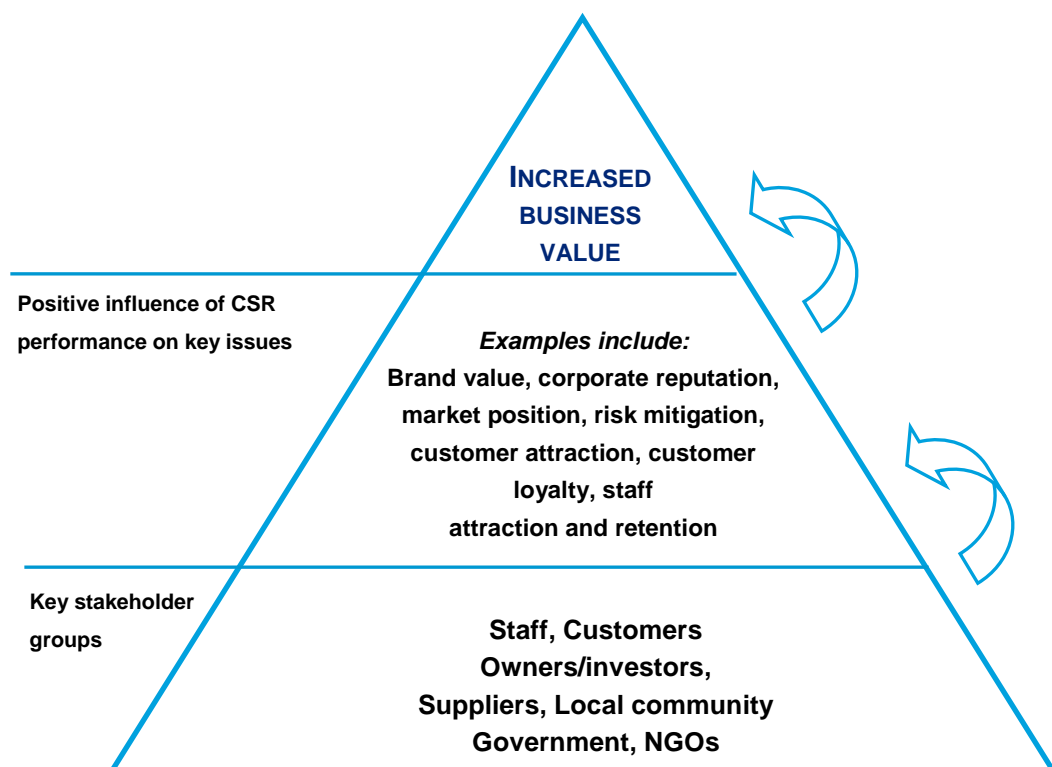


Adapted from Ernst and Young (2002)

# Appendix 1B: Employer Branding

Branding, as a mark of identification, is present in Egyptian hieroglyphics, indicating that cattle were branded as early as 2000 BC (Rozin, 2002). The concept of modern branding has developed substantially from its etymological base. It cannot be created and permanently imprinted in a one-off exercise. However, like cattle branding, it still requires the coordination of a number of different individuals within an organisation, a unique and singular brand image, and alignment and consistency monitoring during the ongoing process of application. Branding is a balancing act of constant change and development, because the needs of an organisation's highly prized customers change at an ever increasing rate (Rosethorn, 2009).

## Definitions

Dell and Ainspan (2001, p. 4) define EB as establishing "the identity of the firm as an employer… encompassing the firm's value system, policies and behaviours towards the objectives of attracting, motivating and retaining the firm's current and potential employees" . In addition, EB is defined by Sullivan (2004, p. 1) as "a targeted, long-term strategy to manage the awareness and perceptions of employees, potential employees, and related stakeholders with regards to a particular firm".

These definitions all identify EB as a means to promote why an organisation is a desirable employer and what differentiates it from competitors (Backhaus & Tikoo, 2004; Edwards, 2010). These authors highlight the strategic nature of EB and the need to recruit and retain the best talent. In addition, holistically focusing on core organisational elements, including values, communication, policies and practice, throughout the employee lifecycle is considered vital in order to motivate and gain commitment from employees.

*Attractiveness* is defined by Berthon, Ewing and Hah (2005, p. 156) as "the envisioned benefits that a potential employee sees in working for a specific organisation". Some academics have differentiated attractiveness from EB equity (Woodsie & Walser, 2007; Franca & Pahor, 2012). However, for other researchers, attractiveness and equity are intrinsically linked, with attractiveness seen as a precursor for and determinant of EB equity (Ewing, Pitt, de Bussy & Berthon, 2002). Therefore, the more attractive a potential employee believes an organisation to be, the stronger that organisation's EB equity will be, and vice versa.

*Brand equity*, as a Marketing concept, is defined by Aaker (1991, p. 15) as "a set of brand assets and liabilities linked to a brand that add or subtract from the value provided by a product or service to a firm and/or a firm's customers". Subsequently, EB equity is described by Backhaus and Tikoo (2004) as the effect of brand familiarity or knowledge on both potential and existing employees to the degree that it compels them to apply for a position with an organisation, or, alternatively, remain with and support their existing organisations.

*Employer brand equity* is the desired outcome of EB, and the key determining factor that will differentiate companies that otherwise have very similar recruitment, selection and retention programs (Backhaus & Tikoo, 2004). Perceptions of an organisation's reputation are therefore an influencing factor for EB equity (Cable & Turban, 2003).

## Attractiveness and EB equity

The focus in the literature remains on the recruitment and retention of talented employees due to their ability to add value, enhance performance and act as a critical source of competitive advantage (Priem & Butler, 2001; Dennis et al., 2008). A new, technologically advanced facility can only create value and contribute to competitive advantage when it has a skilled workforce to operate and use it (Boxall, 1998).

> *The most important component of our brand is the employees. The people have created the magic. The people have created the experience.* (Smith & Wheeler, as cited in Mosley, 2007, p. 127)

According to King and Grace (2005), employees possess experience, knowledge and skills, which enhance productivity and contribute to the economic value of an organisation. Therefore, the aim for organisations is to focus on how best to be most attractive to these types of employees (Schneider, 1987; Cable & Judge, 1996). In theory, this is achieved through the alignment between an organisation and employees' values. The greater the consistency and identification between an employee and an organisation's reputation and values, the more attracted they are said to be to it (Cable & Judge, 1996).

There have subsequently been a number of studies conducted to investigate and establish the influencing factors that contribute to an employer's attractiveness to potential employees. As outlined by Edwards (2010), studies have shown that an existing positive reputation makes it more likely that a prospective employee will apply for a role with an organisation. This therefore, according to Foster et al. (2010), draws on all internally and externally branding efforts, to promote an integrated and reinforcing approach to an organisation's branding that includes both CB and EB holistically and in a consistent manner.

Cable and Graham (2000) carried out research regarding employer attractiveness and reputation, and found that job seekers' perceptions of an organisation's reputation were dramatically affected by its level of profitability and perceived successfulness. This finding confirms that of Turban and Greening (1997). They also noted that the higher an organisation was rated on a variety of different aspects, including profitability and socially responsible behaviours, the more attractive they were seen to be (Turban & Greening, 1997). Therefore, organisations shouldn't focus on profitability at the expense of other areas, because a holistic, well-rounded approach with multiple reinforcing parts appears more valuable. Consequently, EB messages aimed at increasing the awareness of an organisation's attractiveness should, as discussed by Edwards (2010), provide information on a range of organisational successes and benefits.

In a subsequent study, Cable and Turban (2003) identified that the degree of familiarity the job seeker had with the organisation, as well as the overall external rating of that organisation's reputation, were the two key factors that helped to predict whether a job seeker viewed a company's reputation positively and therefore were increasingly attracted to it; they also noted that EB campaigns had little effect when merely connected to fragmented job advertisements. Instead, EB requires a long-term and carefully planned program (Cable & Turban, 2003). This highlights the need for EB to be a well-integrated and authentic strategy that aligns with the organisation's values, and is consistent with the needs of current and potential talented employees.

This discussion is in line with the ideals of *social identity theory*, which, as outlined by Underwood, Bond and Baer (2011), asserts that individuals gain their personal worth through their membership and identification with a specific social group. This is also true in the case of organisational settings.

# Appendix 1C: Human Resource Managament

## Defining HRM

With the overall aim of ensuring organisations achieve success through their people (Armstrong, 2008; Sears, 2010), HRM is defined as "the management of work and people towards desired ends" (Boxall, Purcell & Wright, 2007, p.1). Armstrong (2008, p. 5) adds to this definition by describing HRM as "a strategic and coherent approach to the management of an organisation's most valued assets – the people working there, who individually and collectively contribute to the achievements of its objectives".

Like many concepts in the management field, there are a number of definitions. However, there is general consensus that HRM is a diverse, commitment-orientated and management-driven field based on social and moral business values, but above all it is people-focused (Armstrong, 2008). In essence, HRM is focused on the development and maintenance of the employer–employee relationship (Sahoo et al., 2011).

## Strategic HRM

Strategic HRM purposefully orientates itself away from HRM's transactional history and is described as being concerned with "seeing the people of the organisation as a strategic resource for the achievement of competitive advantage" (Hendry & Pettigrew, 1986, p. 4). Purcell (1999, p. 28) defines strategic HRM as "focusing on actions that differentiate the firm from its competitors", while Batt (2007, p. 429), describes strategic HRM's central premise as based on "a close fit or alignment between business and HR strategy".

Strategic HRM, focused on creating competitive advantage through employee management, is presented in the literature as the means of achieving this increased business value (Guest & Woodrow, 2012). However, developing HRM strategies is only the beginning, because "achieving the desired results of any strategy hinges on effective execution" (Deloitte, 2008, p. 2). While strategic HRM has the right aims and intentions, in order to be effective within an organisation, HRM needs to actually deliver on these objectives (Armstrong, 2008; Sears, 2010). Although a lot of literature has focused on promoting the benefits available from having a strategically orientated HRM policy, in contrast limited explanation is provided about how organisations can best formulate as well as implement such strategic HRM policies. This lack of practical guidance is problematic and could explain why some organisations have struggled to capitalise on such recommendations and make advances with their people polices.

## Human Capital

Human capital is also considered one of the three key elements that make up intellectual capital, as illustrated in Table 45 (Intan-Suraya & Chew, 2010; CIPD, 2012a).

Intellectual capital is more commonly referred to as innovation (Martin et al., 2011). It is viewed as highly desirable in the literature and refers to all knowledge that is utilised by an organisation in the generation of competitive advantage (Ordóñez de Pablos, 2004; Intan-Suraya & Chew, 2010).

Table 45: The three components of intellectual capital

| Intellectual Capital Component | Definition |
|---|---|
| Human Capital | The knowledge, skills, abilities, experience, commitment and capacity to develop and innovate possessed by people in an organisation. |
| Social Capital (relational) | Knowledge that is embedded in the structures, networks and procedures that is derived from relationships within and outside the organisation. Includes both internal and external social capital depending on source. |
| Organisational Capital (structural) | The institutionalised knowledge possessed by an organisation, which is stored in databases, hardware, software and manuals, routines and culture including the HR policies and processes used to manage the organisation's people. |

Adapted from Intan-Suraya and Chew (2010), and CIPD (2012a)

While similarities have been drawn between HC management and strategic HRM, the CIPD (2012b) notes a key difference in that strategic HRM is focused on the HRM function holistically, while HC is focused on the value of employees and how that value can be measured. Therefore, while both highlight people as assets and call for an integrated and strategic approach to people management, HC complements and strengthens the concept of strategic HRM, rather than replaces it (CIPD, 2012a).

## Global versus local HRM orientation

Strategic HRM, in addition to the inherent conflict it has in meeting management and employee demands, faces another challenge in its need to perform on a global stage, where the tussle to be global and local creates further tension (Martin et al., 2011).

Martin et al. (2011) discuss the value and contribution of the opposing global and local logics. On the one hand, organisations are called upon to adhere to global standards by authors who promote the search for best practice and organisational legitimacy through social responsibility (Martin & Hetrick, 2006; Devinney, 2009). On the other hand, organisations are told to be responsive to local stakeholders, in line with support for competitive differentiation and best-fit talent (Porter, 2008; Becker, Huselid & Beatty, (2009).

These opposing ideologies create tensions for HRM regarding global and local values, inclusive or exclusive talent strategies and balancing innovation (see Table 46) (Martin et al., 2011). To deal with these tensions, a 'strategy as practice' perspective is proposed by Martin et al. (2011). It focuses on the actions taken during strategising to work through these conflicting issues by combining various organisational resources to reach an outcome that has meaning within a specific context, at a given time (Martin, et al., 2011). Therefore, by focusing on HR managers who are responsible for these strategies, and how and why they came to the strategic decisions they did in the past, could provide insight into how to resolve these irreconcilable global and local logics (Martin et al., 2011).

Table 46: Three strategic logics and strategic HRM

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(Martin et al., 2011, p. 3)

Almost thirty years ago now, Legge (1978) highlighted the key challenges that HR practitioners still face today. The ability of HRM practice to perpetually elude the achievements advocated by HRM theory remains an ongoing concern (Batt & Banerjee, 2012; Guest & Woodrow, 2012). Human resource management's ability to align itself as a strategic function, in order to deliver results in line with organisational success factors, consequently remains inconsistent. With a number of tensions, as illustrated above, underpinning all HRM activities, current projects and future calls to action, the role and base expectation for HRM and HR managers becomes increasingly complex and multifaceted.

## Recommended HRM practitioner roles and responsibilities

In order to building upon its core skills adopting the following roles and responsibilities are recommended as an effective way to respond to the increased demand for HRM to encapsulate both professional effectiveness and business performance (see Table 47) (Ulrich et al., 2012). With a number of characteristics and or competencies to master, Ulrich et al. (2012) do go on as illustrated below to provide some explanation as to what each role would entail. The complication comes in with the need to master six different roles.

**Table 47: Recommended HR practitioner roles and responsibilities**

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(Ulrich, et al., 2012, p. 3)

Figure 37 illustrates how these roles fit within the organisation's two spheres of internal and external influence.

Figure 37: The internal and external focus of HRM's roles

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(Ulrich, et al., 2012, p. 3)

According to the literature, HR managers need to focus on developing their skills and capabilities in order to enhance their ability to deliver value.

## The resource-based view (RBV)

The RBV contends that competitive advantage is best generated from within a firm (Bonfiglioli, et al., 2006). Initially developed in the 1990s, it has re-emerged in the literature as part of the general refocus on employees and the generation of competitive advantage from within an organisation. A company's ability to outperform its competitors is consequently seen as dependent on the unique interplay of its internal resources over time (Prahalad & Hamel, 1990; Wernerfelt, 1994).

Organisations tend to be able to easily identify their resources, which have been classified into three broad categories by Barney (1986; 1991), as illustrated by Table 48. The RBV provides a means for organisations to differentiate between their numerous intangible and tangible resources and determine which are most influential as tools to leverage competitive advantage (Simon, 2010). Increased attention is therefore being placed on intangible resources (Barney, 1991; Russo & Forts, 1997; Rosethorn, 2009).

Table 48: Three broad categories of organisational resources

| Type | Resources | Tangibility |
|---|---|---|
| **Physical resources:** | property, plant and equipment | Tangible |
| **Human resources:** | know-how, judgement, experience, commitment and insight | Intangible |
| **Capital resources:** | culture, systems and intellectual property rights | Intangible |

Adapted from Barney (1986; 1991)

Intangible resources, including both human resources and organisational capabilities, are increasingly promoted by the RBV, described as more unique and less easily traded (Barney, 1991; Russo & Forts, 1997; Rosethorn, 2009). Achieving competitive advantage from these resources is therefore described as possible, as explained in Table 49 below, because they are valuable, rare, inimitable and non-substitutable (VRIN) (Barney, 1991; Boxall, 1996).

Table 49: Characteristics of intangible resources that contribute competitive advantage

| VRIN Resource Characteristic | Description |
|---|---|
| **Valuable** | Help the firm implement strategies to be effective and efficient by exploiting opportunities and minimising threats |
| **Rare** | Not available or possessed by a large number of other firms/competitors |
| **Inimitable** | Other firms/competitors cannot copy or obtain the resource |
| **Non-substitutable** | The resource cannot be substituted by a strategically equivalent resource that delivers the same effect |

Adapted from Barney (1991, p. 102)

## The capability-based view

The identification of VRIN 'bundles' (Wernerfelt, 1984; Barney, 1989), is only the starting point. More importantly, how an organisation uses and develops their resources will determine the level of success they gain from them. As Wu (2010) notes, the mere existence of appropriate bundles of resources is insufficient for competitive advantage creation in a volatile economic environment.

Consequently, organisations are also considering organisational capabilities in their current quest for competitive advantage. Organisational capabilities are defined as the "ability of a firm to manage, develop, assemble, integrate and capitalise on these unique internal assets (resources) that will lead to difficult-to-copy resource 'bundles' that can lead to higher performance through competitive advantage" (Dennis, D'Intino, Houghton, Neck & Boyles, 2008, 2008, p.26).

Capabilities can include an organisation's culture, values, image and reputation (Dennis et al., 2008). However, their exact application can vary so drastically between firms that the literature seems to have shied away from providing any specific application guidelines.

## Core competencies

What is clear is that organisations are increasingly dependent on employees' knowledge and expertise to drive new product and service developments, and consequently an organisation's ability to be competitive (Nilsson & Ellstrom, 2012). A resource with all four VRIN characteristics is highly desirable and referred to as a *core competency* (Prahalad & Hamel, 1990). As a result, companies "need to hire employees who are able to share knowledge and develop firm-specific competencies, as…the core competencies of an organisation lie in the knowledge and skills of its people (employees)" (Bonfiglioli et al., 2006, p. 406).

## Talent

First coined by three McKinsey consultants in the mid-1990s, the 'war for talent' became a popular and fashionable term when discussing the changing demographics of people at work (Rosethorn, 2009). This focus, according to Beechler and Woodward (2009, p. 274), marked the change in the corporate world, with "people, not machines, capital or geography becoming the new source of competitive advantage". The 'old reality' (people need companies) was replaced by the 'new reality' (companies need people) (Beechler & Woodward, 2009, p. 275). Interestingly, in light of current concerns over skill shortages and the impact of the financial crisis, McKinsey's comments regarding jobs always being available during the highs and the lows of business, but talent remaining a scarce and valuable resource, still seem to ring true.

The ongoing 'war for talent' is therefore focused on finding, developing and retaining employees that can make a contribution, are committed and have the capability to create purpose and find meaning in their work (Ulrich, 2006; Beechler & Woodward, 2006).

According to the literature, the desire for talented employees is motivated by a number of factors. Their knowledge, increased level of customer service and their ability to enhance an organisation's perceived security and stability are described as highly desirable (Garavan et al., 2012; Mahal, 2012). Talented employees are therefore seen as important because of their ability to model desirable behaviours and enable others within an organisation to buy into the organisation's goals (Lejeune, 2012). They achieve this by demonstrating and driving the organisation's values, enhancing other employee engagement and therefore improving overall organisational performance (Garavan, et al., 2012).

Employees are demanding increased time and attention from their employers (Rosethorn, 2009). Organisations are consequently called by the literature have to respond appropriately, cognisant that the right employees with the most appropriate skill sets are an increasingly valuable resource (Pfeffer, 1994).

According to Beechler and Woodward (2006), four significant factors affect the characteristics, quantity and quality of talent. These are listed in Table 50 below. Common talent characteristics are therefore seen to be moulded by the external and internal organisational context. As industries, economic pressures and organisational requirements change, they dictate what talent should include for a specific organisation (Govaerts et al., 2011). Confusingly then what an organisation may consider as talent this month, may, depending on its business' needs, the external environment and its strategic direction may change quite dramatically and quite quickly. While supporting a more inclusive talent model, managing such variability is no easy task for organisations.

Table 50: Four factors that influence talent

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(Beechler & Woodward, 2006, p. 275-276)

In the literature, talent remains a core competency (Garavan et al., 2012). However, its specific make-up cannot be prescribed (Beechler & Woodward, 2006). With all employees therefore acknowledged as potential sources of talent, organisations are theoretically called upon to dedicate time and resources to recognise and develop all their 'talented' employees (Scullion & Collings, 2011).

## Recruitment

Recruitment is defined as the "process of identifying and hiring the best-qualified candidates (from within or outside an organisation) for a job vacancy, in the most timely and cost effective manner" (Sangeetha, 2010, p. 93). While focus has shifted towards retention, recruitment remains a key component of the employee lifecycle and therefore talent management process (CIPD, 2009).

The working world has become "more flexible, more freelance, and more collaborative" (Dahlstrom, 2011, p. 10). In addition, with international mobility a new norm and skilled labour shortages a new challenge, employees' options are increasingly described as open (PwC, 2007; 2012b). Employers, to find and keep the right people, therefore need, accordingly to the literature to be increasingly innovative to differentiate themselves from other organisations by offering potential candidates something they consider valuable (Barrow & Mosley, 2005).

## 'Fit'

While qualifications remain important, they are now seen as only a starting point, in comparison to the increasingly desirable intangible and values-based soft skills. As a result, cultural "fit" has become a key recruitment focus in the literature, where individuals with values that align with or are desired by organisations are targeted, (Yaniv, Lavi & Siti, 2010).

Personality targeting or person-organisation fit (POF) is defined as the compatibility between an individual's values and the perceived organisation's values (Saleem et al., 2011). Striving for greater alignment between employees' values and an organisations' mission, vision, culture and philosophy is said to produce many organisational benefits (Chhabra & Mishra, 2008). According to the literature, benefits include increased employee commitment, satisfaction and organisational identification (Cable & De Rue, 2002), decreased voluntary turnover and improved brand perception alignment (Yaniv & Farkas, 2005: Yaniv et al., 2010). However, given this fit involves the organisation's mission and culture, these changes cannot be mere superficial add-ons, but rather embedded and holistic to be truly effective.

## Engagement

Aligning employee and organisational values and enhancing working relationships are based on the underlying organisational desire to enhance employee engagement (Rosethorn, 2009). An increased focus on maximising employee output and stretching organisational resources may be necessary during a tightened economy. However, the literature promotes increased employee investment, with employee engagement the goal and increased profitability the result (Simon, 2009; Rosethorn, 2009). "You can cut all the costs you want, but if you neglect your people, cutting costs won't make much of a difference" (Simmons, 2009, p. 64). In practice, however, organisations will probably have to balance both, given current GFC-related market pressures.

Engagement theoretically came to the fore during the 1990's with the work of Kahn (1990), who asserted that if three psychological conditions were aligned, an employee's performance could be enhanced. These include the specific elements of the work (meaningfulness), social conditions, including management styles, policies and culture (safety), and the degree to which an employee is present and focused on their work (availability) (Kahn, 1990). While Kahn is considered the academic parent of engagement (Welch, 2011), the term 'engagement' is acknowledged as first coined in 1999 by the Gallop consultancy firm (Little & Little, 2006; Schaufeli & Bakker, 2010). The term caused substantial commotion in the business world at the time and has remained popular ever since (Shuck & Wollard, 2010).

Cook (2008, p. 3), characterises engaged employees as "being committed to the organisation, believing in what it stands for and being prepared to go above and beyond what is expected of them to deliver outstanding service to the customers". More recently, Albrecht (2010, p. 5), defined employee engagement as "a positive work-related psychological state characterised by a genuine willingness to contribute to organisational success". In line with these descriptions, most definitions appear to centre on and include three dimensions of engagement, which are cognitive engagement, or how positively an employee thinks about the organisation; emotional engagement, defined as how positively an employee feels about the organisation; and behavioural engagement, described as how proactively an employee achieves organisational goals for customers (Kahn, 1990; Schaufeli & Bakker, 2004; Welch, 2011).

Despite recognising the benefits, organisations still struggle to 'create' an engaged workforce (Simon, 2009). With so many influencing factors, engagement is dynamic, and requires continual monitoring, development and adaptation to ensure it remains at a high level (Simmons, 2009).

## Appendix 1D: The sustainable organisation

With the aim of investigating performance drivers within sustainable organisations, the CIPD (2011d), in its 'Shaping the Future' research, explored six case studies to gain a better understanding of practical processes. Focused on the intersection of people, financial, environmental and societal spheres, the CIPD's (2011d) study resulted in eight key themes and ten insights that they believe will guide organisations to perform better in the future. These are outlined in the Figure 38 and Table 51, and provide a good summary of the keys areas discussed in the literature review.

Figure 38: Characteristics of a sustainable organisation

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(CIPD, 2011d, p. 12)

Table 51: Characteristics of a sustainable organisation defined

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(CIPD, 2011d, p. 3)

Developed from the above themes, the following ten recommendations or insights were made by the CIPD (2011d, pp. 4–6) for organisations to consider creating change and fostering long-term and sustainable competitive advantage.

- The organisation change response needs to be truly agile and enduring, not a knee-jerk reaction that quickly dissipates.
- It's a fine balance between alignment and flexibility.
- Shared purpose can only be achieved by finding the human connection beyond profit or short-term efficiency measures.
- Collaborative leadership brings sustainability, so don't default to directives when the going gets tough.
- Middle management have a valuable transforming and translating role but are often bypassed rather than refocused, reskilled and leveraged.
- An over-focus on today's needs is not true talent management, it's talent tunnel vision.
- Truly understanding employees' locus of engagement can avoid risk of over-attachment and underperformance.
- Perceptions of unfairness undermine employee engagement.
- Process-heavy organisations are often insight-light.
- Leaders don't always know best about the long-term vision.

# Appendix 2: Ethics and participant communication

## Appendix 2A: Ethics Approval



# M E M O R A N D U M
## *Auckland University of Technology Ethics Committee (AUTEC)*

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To: Erling Rasmussen

From: **Dr Rosemary Godbold and Madeline Banda** Executive Secretary, AUTEC

Date: Friday, 20 May 2011

Subject: Ethics Application Number 11/44 **Towards an integrated people management approach? An exploratory study into the relationships between Corporate Social Responsibility, Employer Branding and Human Resource Management in the New Zealand and Australian financial sectors.**

---

Dear Erling

Thank you for providing written evidence as requested. We are pleased to advise that it satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 14 March 2011 and that on 2 May 2011, we approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 13 June 2011.

Your ethics application is approved for a period of three years until 2 May 2014. We advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 2 May 2014;

- A brief report on the status of the project using form EA3, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. This report is to be submitted either when the approval expires on 2 May 2014 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of AUTEC and ourselves, we wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Dr Rosemary Godbold and Madeline Banda
**Executive Secretary**
**Auckland University of Technology Ethics Committee**

Cc:Kirsty Raubenheimer kirsty.raubenheimer@aut.ac.nz

# Participant Information Sheet

**Project Title**

PhD Thesis

Towards an integrated people management approach? An exploratory study into the relationships between Corporate Social Responsibility, Employer Branding and Human Resource Management in the New Zealand and Australian financial sectors.

**An Invitation**

This research forms the basis of my PhD thesis, which I am currently working towards completing at AUT University. Your participation in this research is voluntary and, you may withdraw from this research at any time.

I would like to invite you to take part in the [insert country name] section of a comparative PhD thesis study of corporate social responsibility and employer branding and their effect on human resource management practices. This research focuses on a number of financial organisations in New Zealand and Australia, who have been identified as being actively engaged in corporate social responsibility practices.

**What is the purpose of this research?**

This research forms the basis of my PhD degree. It seeks to explore the relationships that exist between employee-focused Corporate Social Responsibility (CSR) and Employer Branding (EB) and, in particular, investigate what relationship exists between the two concepts, as well as the affect such a relationship may have on Human Resource Management (HRM). Set within the financial sector, this study will provide a New Zealand and service sector perspective, as well as assessing if developments are occurring across countries.

By establishing what type of connection exists between employee-focused CSR, EB and HRM, it is proposed that such a relationship be advantageous and if strategically managed and integrated into business models can be of future benefit to all employees. This analysis will therefore build on current academic literature, as well as providing insight into current industry practices and possible future developments.

**How was I identified and why am I being invited to participate in this research?**

As this research is focused on HRM, CSR and EB, you have been asked to voluntarily participate in this research, given your position and its involvement with one or all of these areas, within your organisation.

**What will happen in this research?**

This research involves an introductory and background questionnaire that will need to be completed by each participant and once collected will then be followed by a 30-60 minute interview that includes a set of semi-structured questions. These interviews will be arranged directly with you as a participant, at a time convenient to you, and take place in your workplace. These both aim to investigate your understanding and opinions of CSR and EB and how you see and experience their effect on HRM in your organisation. All interviews will all be audio taped, but all names of both yourself and the organisation will remain confidential and not be used or mentioned in any research.

**What are the discomforts and risks?**

Minimal risk or discomfort is anticipated for all participants. As all participation is voluntary, agreeing to or disagreeing to take part in this research with be neither advantageous or disadvantageous to any potential participants. The questionnaire and interview questions may raise issues of potential misuse or under-utilisation of corporate social responsibility, employer branding and Human Resources within your organisation, which may cause feelings of discomfort. However, participants do not need to answer any questions they are not comfortable with.

**What are the benefits?**

This research aims to expand on the currently limited theoretical literature surrounding these concepts to explore how organisations are leveraging these concepts and whether or not these practices can be better used to promote and strategically enhance Human Resources within organisations. Interview participants may also enjoy having the opportunity to share their personal experiences and insights and help to contribute to the improvement or strengthening of current practices.

**How will my privacy be protected?**

The names of participants and the organisation will remain confidential. Although your name will be recorded during the interviews and questionnaires, only the researcher (myself), and my supervisor will be privy to this information. Your names and that of the organisation will however, not be recorded in any of the research findings or analysis and any direct quotations included in the final research thesis will be reported anonymously.

**What are the costs of participating in this research?**

The only cost associated with this research, for the participant, is the time they give to participate in the background questionnaire and follow-on interview.

**What opportunity do I have to consider this invitation?**

Upon receiving this Information Sheet, you will be given a week to consider this voluntary invitation to be included and have your organisation participate in this research. At the end of this week, the researcher (me) will contact you directly, to see if you are happy to proceed and have your organisation participate in this research. Please do note, non-participation will not be disadvantageous in any way.

**How do I agree to participate in this research?**

In order to participate in this research (including interview and questionnaire), you will be asked to sign the research Consent Form which accompanies this Information Sheet.

**Will I receive feedback on the results of this research?**

Yes. You will be provided with a transcript of your interview, for your approval and then, if you wish to receive a copy, you will be provided with the results of the research thesis. All participants will also be given a summary report of the research findings.

**What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Professor Erling Rasmussen, *erling.rasmussen@aut.ac.nz, phone (+649) 921-9999* ext. 5916

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Madeline Banda, *madeline.banda@aut.ac.nz, phone (+649) 921 9999 ext. 8044.*

**Whom do I contact for further information about this research?**

*Researcher Contact Details:*

Kirsty Raubenheimer, PhD student, Faculty of Business, AUT University, Private Bag 92006, Auckland, New Zealand, Email*: kirsty.raubenheimer@aut.ac.nz*

*Project Supervisor Contact Details:*

Professor Erling Rasmussen, Faculty of Business, AUT University, Private Bag 92006, Auckland, New Zealand, Email: *erling.rasmussen@aut.ac.nz*

**Approved by the Auckland University of Technology Ethics Committee on 13 June 2011, AUTEC Reference 11/44.**

## Appendix 2C: Participant Consent Form

# Consent Form

**Project title:** ***Towards an integrated people management approach? An exploratory study into the relationships between Corporate Social Responsibility, Employer Branding and Human Resource Management in the New Zealand and Australian financial sectors.***

*Project Supervisor:* **Professor Erling Rasmussen**

*Researcher:* **Kirsty Raubenheimer**

○ I have read and understood the information provided about this research project in the Information Sheet.

○ I have had an opportunity to ask questions and to have them answered.

○ I understand that notes will be taken during the interview and that the interview will also be audio-taped and transcribed.

○ I consent to the potential use of direct quotations from the interview transcript, which will be confidentially reported.

○ I understand that I may withdraw myself or any information that I have provided for this project, at any time prior to completion of data collection, without being disadvantaged in any way.

○ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.

○ I agree to take part in this research.

○ I wish to receive a copy of the report from the research (please tick one): Yes○ No○

Participant's
signature: ...................................................……………………………………………………………

Participant's
name: ...............................................……………………………………………………………

Participant's Contact Details (if appropriate):

……………………………………………………………………………………..

……………………………………………………………………………………..

……………………………………………………………………………………..

Date:

***Approved by the Auckland University of Technology Ethics Committee on 13 June 2011***

***AUTEC Reference number 11/44***

# QUESTIONNAIRE

**AUT**
UNIVERSITY
TE WĀNANGA ARONUI O TAMAKI MAKAU RAU

## Instructions

This questionnaire has been designed to make completion as easy and fast as possible. It aims to gauge and gain your insight into your current organisational processes, specifically focusing on Corporate Social Responsibility (CSR) and Employer Branding (EB) and their relationship with your HRM function, with the specific focus on recruitment and retention policies.

It is part of a comparative PhD thesis that aims to gain a better understanding of current organisational practices in New Zealand and Australia; specifically focused on establishing if current trends are congruent within financial organisations across borders and cultural differences. It is hoped that if currently underutilised, these concepts can be better applied and leveraged for maximum output.

This questionnaire will take approximately 45 min to complete. Please answer the questions to the best of your ability, providing your honest opinions and, wherever possible, provide as much detail as you can.

This questionnaire will be followed by a one-on-one interview between yourself and the researcher, where additional questions will be asked and questionnaire questions investigated further. It will also provide a chance for you to ask any questions of their own, or raise any issues or concerns.

However, if you have any concerns or require any further information before the interview; please contact the researcher, Kirsty Raubenheimer (below).

# THANK YOU FOR YOUR CO-OPERATION AND WILLINGNESS TO PARTICIPATE.

For additional questionnaire information contact:

**Kirsty Raubenheimer**, PhD student,

Faculty of Business, AUT University, Private Bag 92006, Auckland, New Zealand

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# SECTION I: INTRODUCTION

Name: ..............................................................................................................................

Age range: 18-25yrs ☐    26-35yrs ☐    36-42yrs ☐    43-50yrs ☐ 51-60yrs ☐    61+yrs ☐

Gender: Male ☐        Female ☐

Ethnicity (please specify):.................................................................................................

Position title: ..................................................................................................................

Length of time in current position: ....................................................................................

How many direct reports do you currently manage? .........................................................

What position did you hold previously? .............................................................................

Qualifications (Please list) ...............................................................................................

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Main responsibilities in current position (please be as specific as possible) .......................................

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How much interaction do you have with other departments (please select the most appropriate)

Every day ☐    2-3 times a week ☐ Once a week ☐ Fortnightly ☐ Infrequently ☐

Please specify which departments:

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# SECTION II: CORPORATE SOCIAL RESPONSIBILITY

Employee-focused Corporate Social Responsibility (CSR)

There has been a lot of talk about CSR and sustainability, in the media particularly.

1.  What do you understand by employee-focused CSR?

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2.  Is this description similar to how others in your organisation would describe it?

YES :☐ How and why are they similar?

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NO : ☐ How and why are they different?

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3.  Do you think CSR is an important and relevant concept, or just another passing fad? (Why?)

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4.  Given you and your organisation's understanding of the concept, is CSR actively and
    consciously applied to people strategies in your organisation?

YES ☐ Please provide an example of where and how it is applied?

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NO ☐ Why do you think this is the case?

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# SECTION III: EMPLOYER BRANDING

Employer Branding (EB)

Employer Branding has also received increased organisational attention of late.

1. How would you define EB?

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2. Is this description similar to how others in your organisation would describe it?

YES: ☐ How and why are they similar?

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NO : ☐ How and why are they different?

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3. Do you think EB is an important and relevant concept, or just another passing fad? (Why?)

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4. Given you and your organisation's understanding of the concept, is EB actively and consciously applied to people strategies in your organisation?

YES:☐ Please provide an example of where and how it is applied?

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NO: ☐ Why do you think this is the case?

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# SECTION IV: HUMAN RESOURCE MANAGEMENT (HRM)

The following section focuses on more specific question regarding HR's role in relation to employee-focused CSR and EB.

1. What is HRM's current role in your organisation? (please outline specific activities)

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2. As a function, is HRM viewed as an administrative or strategic component of your organisation?

Administrative: ☐ Why do you believe this is?

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Strategic: ☐ Why do you think this is?

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3. In your opinion, which role (in question 2 above) should it fulfil and why?

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4. How do you believe HR can go about improving its strategic positioning within your organisation?

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5. Do you think there is any overlap in the goals and policies of HRM and CSR?

YES:☐How are they similar?

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NO: ☐How and why are they different?

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6. Do you think there is any overlap in the goals and policies of HRM and EB?

YES:☐ How are they similar?

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NO: ☐How and why are they different?

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7. In your opinion, would there be any benefit in aligning CSR and EB strategies with HRM?

YES ☐lease explain how and where you think benefit can be gained?

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NO: ☐Why do you believe there is no benefit to be gained?

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8. Who is currently in charge of EB and CSR initiatives?

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9. Do you think HR's organisational standing and strategic business alignment could be improved by them taking ownership of EB and CSR?

YES ☐Why? Can you provide an example of HRM's standing changing as a result of CSR or EB?

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NO: ☐ Why not? Who should have ownership and why?

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# SECTION V: RECRUITMENT & RETENTION

After discussing HR as a departmental unit, the following section specifically on your recruitment and retention strategies.

1. Who (which department) is responsible for your recruitment programs?

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2. What recruitment programs do you currently have in place? (Please provide some example of current/past campaigns and what they involve)

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3. Who are the focus of these recruitment campaigns? (Do you target different group?)

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4. What mediums and channels do you use for your recruitment? (Please be specific)

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5. What are your key recruitment messages?

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6. Who is responsible for interviews and vetting candidates?

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7. How long does your recruitment process take? (please outline your recruitment timeline)

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8.  Who is responsible for the final selection of new employees?

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9.  On what grounds are candidates not selected?

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10. How many individuals do you have approaching you for employment?

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11. Why do they want to work for you?

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12. Do you have an induction program?

YES:☐ Why is this important?

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NO:  ☐Why is this unnecessary? (Please skip to question 18)

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13. What all does your induction program cover?

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14. Who is responsible for induction program?

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15. Does induction vary between older hires and graduates?

YES:☐ Why and how are they different?

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NO:  ☐ Why are they the same?

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16. What training is included in your induction program?

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17. How is this training delivered? (e.g. electronic tutorials, classroom, focus groups?)

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18. Post induction do you have any subsequent follow up sessions with new recruits?

YES:☐ What are these for and how many do you have?

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NO: ☐ Why is this the case?

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19. Do you conduct employee surveys of any kind?

YES:☐ What are they for, how often are they conducted and how are the results measured and

used?.....................................................................................................................................

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NO: ☐ Why are no surveys used?

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20. What benefits, above wages, are employees entitled to?

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21. Are all employees entitled to these benefits? (Please state any exceptions that may apply)

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22.How do you motivate employees?

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23.Do you have performance reviews?

YES:☐Who is responsible for this process and how are employees educated about this process?

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NO: ☐Why is this the case?

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24.Against what criteria are employees' performance measured? (Please list all that apply)

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25.How often is employee performance assesses and what is involved in this process?

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26.How often is this process reviewed and by whom?

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27.How do you reward high achievement and performance? (please provide detail as to who can provide awards, what criteria are used to judge achievement and what rewards look like)

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28. Who is responsible for your retention programs and what does this process involve?

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29. What is your current turnover rate?

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30. How does this rate differ between graduate and older hires?

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31. Are employees interviewed before they leave the organisation?

YES:☐ Who is responsible for taking the interview and what questions are asked?

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NO: ☐ Why are no interviews held? What does happen?

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32. What do you do with the information collected from these interviews

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33. Have there been any changes in turnover rates over the last 5 years?

YES:☐ What has changed and why?

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NO: ☐ Why do you think nothing has changed?

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34. Have you implemented any new strategies to tackle turnover?

YES:☐ What have you done differently and how has it helped?

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NO:    Why has nothing new been done?

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## THANK YOU FOR TAKING THE TIME TO COMPLETE
## THIS QUESTIONNAIRE

# INTERVIEW GUIDE

## SECTION I: INTRODUCTION

Outline process and purpose of the interview. Ask permission for audio recording and answer any questions/address any concerns. Assure confidentiality.

## SECTION II: CORPORATE SOCIAL RESPONSIBILITY
1. How has CSR, as a concept and function, changed/developed over the last 5 years?
2. Who would be responsible for the following activities? (CARD I)
3. Does HRM play a role in managing your CSR practices?
4. Do you feel having HRM involved in CSR is/would be valuable?

## SECTION III: EMPLOYER BRANDING
1. How has EB, as a concept, changed/developed over the last 5 years?
2. How would you define EB? Would you agree with its theoretical definition (CARD II/III)?
3. Who is currently responsible for managing EB?
4. Does HRM play a role in managing your EB practices?
5. Do you feel having HRM involved in EB is/would be valuable?

## SECTION IV: PERCEIVED RELATIONSHIPS
1. Is there a relationship/ overlap between:
    a. CSR and EB?
    b. CSR and HRM?
    c. EB & HRM?
2. Do you think any benefit would be possible from greater alignment between these areas?
3. Is CSR leveraged during recruitment and retention? How?
4. Do you think it's important for CSR to be included in recruitment and retention? Why?
5. Is EB leveraged during recruitment and retention? How?
6. Do you think it's important for EB to be included in recruitment and retention? Why?

## SECTION V: ADDITIONAL ISSUES
1. Are generational issues of particular concern within your organisation?
2. How has the GFC impacted your organisation?
    a. How has the GFC impacted the role of HRM?
3. How much collaboration is there between the New Zealand and Australian firms?
    a. Do you think greater collaboration would be of value?

## SECTION V: CONCLUSION
Concluding comments and a chance for the participant to provide any additional comments, ask questions they may have and provide participants with an opportunity to provide any additional information they feel relevant that was not directly asked about.

Any documentation available for access will be collected or access organised.

Details will be provided to the participant regarding what will happen next and how and when they can review their interview transcripts.

Finally participants will be thanked for their time and participation.

# CARD I

# Employee-focused CSR activities

**Training and career development**, for example life-long learning emphasis and spending per employee

**Diversity**, including organisational demographics, anti-discrimination, equal opportunity promotion, minority and disability group inclusion, women in management programs, age-neutral policies and cultural inclusion

**Supportive working environment**, including work-life balance, part-time and flexible working options, employee participation and involvement, two-way communication channels and family support including childcare facilities and maternity and paternity leave policies.

**Health and Safety**, including employee well-being, education, counselling and workplace policies and practises

**Remuneration and benefits**, including share plans, employee appraisals, performance standards and bonus schemes

**Employee engagement and satisfaction**, including surveys and employee empowerment

**Employment Relations (ER)**, including union relationships, collective bargaining and freedom of association

**Organisational values**, including codes of ethics, mission statements, value and business principles

**Employment policy**, including layoffs, restructuring policies, turnover, retirement, recruitment and selection policies and job creation initiatives.

# CARD II

Employer Branding is defined as:

*"the two-way deal between an organisation and its people – the reason they choose to join and the reasons they choose – and are permitted – to stay. The art of employer branding is to articulate this deal in a way that is distinctive, compelling and relevant to the individual and to ensure that it is delivered throughout the lifecycle of the employee within that organisation"* (Rosethorn, 2009, p. 19)*.*

# CARD III

## Employee Value Proposition

| **Employee Value Proposition** | | **Employee Experience** | | **Brand Strength** |
|---|---|---|---|---|
| The unique and differentiating promise an organisation makes to its employees and potential candidates<br><br>**RECRUITMENT** | **+** | Actual delivery of the promise throughout the employee lifecycle<br><br>**RETENTION** | **=** | Attraction of the right candidates.<br>Employee engagement and retention.<br>Differentiation from competitors<br>Customer engagement and retention |

*(Rosethorn, 2009, p.20)*

# Appendix 3: Findings - Comprehensive overview of participant's commentary

# Setting the Scene

## The contextual effects of the GFC

### Cost efficiencies, adaptability and innovation

*Efficiency is always a driver of corporates, you know, they never say, 'Oh, let's spend more money,' and efficiency is an on-going thing, regardless of the economic environment. I think it just becomes more pressured and more noticeable in the economic tough times. (Int21)*

*Generally people are tightening their belts and that's definitely been happening for a while. Cost is always a key focus with businesses, but I think there's a real conscious effort at the moment. (Int3)*

*It's a really interesting time, but of course it will be with the market shifting again from an economic perspective; it's about doing more with less, which continues to be a theme. (Int13)*

*My perception of banking prior to that [GFC] is they will get big bonuses, they're always out having lunches and dinners and drinks and all that sort of thing. Some of that still happens but I think it has definitely been cut back. (Int11)*

*I think traditionally banking has been about really working hard and then really playing hard as well, and splashing out on all sorts of big bonuses. There definitely has been that cut back on spending to the level of sharing taxis if there are five people going to the airport around the same time; we get an email with their names so we can organise to share a taxi rather than five people getting separate taxis. (Int11)*

*We have become more streamlined and efficient and some of the business units have become a little savvier. (Int24)*

*I think we became definitely more innovative. We worked on a process of continual improvement, so we definitely pulled back on our expenditure which allowed us to retain our people. (Int27)*

*It forced everybody to be more innovative in terms of how they attract, retain and engage people. (Int6)*

*It [the GFC] did mean we had to be a bit cleverer in the way we worked and really change little things like using videoconferences instead of flights. So when we were doing training sessions we couldn't afford to get an external speaker, we still can't even, we've still got bans now, so we would have to hunt around and find out what expertise each of us had. So in some ways it was really good. (Int20)*

## Refocusing and consolidating post-GFC

*So we need to deliver the things we have committed to deliver, rather than coming up with new ideas all the time. There is therefore a big push for us organisationally around Keizan, that's basically how we do business; it's all about reducing complexity, increasing simplicity, getting rid of excess. (Int19)*

*I think certainly that we're saying, Okay, there will be pulling back on certain programmes, or we're not going to implement anymore project teams around certain aspects of the strategy and instead just focus on what we're doing, execute that well. (Int13)*

*We need to monitor and need to be vigilant around what we're choosing to spend money on, so there's been quite a lot of transparency there. So you're able to get different outcomes in different ways, it just might not be the way that you want to do it. (Int14)*

*We have taken responsibility very seriously and we've come through the GFC pretty well, but we have also recognised it as an opportunity where we can do things even better. So I think it's more about recognising the opportunity and the value that it adds rather than this is negative and it's a whole lot of compliance and cost to our business; we see it as a way of differentiating ourselves and also acting in line with our values. (Int26)*

*It [the GFC] has actually been pretty good because we now have to focus on how we add value to the business rather than simply the operational stuff. (Int8)*

## The role of HRM

*Executing properly is probably one of the key focuses, too, but the fact that through 2009–2010 we didn't run any redundancy programmes, I think we've held up better than some. So I think they have managed it really well in that regard. (Int13)*

*How did it affect us? I think people focused on job security. A couple of years ago when we did our yearly survey, job security was cited as a greater concern for people because they were very worried about their jobs, you know seeing banks going belly up all over the place. However, there was also a real strong commitment from the business to try and avoid any impact on existing jobs. (Int1)*

*All of the other big four did a number of mass redundancies, and again we were very much in the mode of saying, 'We don't do that; we don't need to do that. (Int12)*

*Everyone sort of felt good when the GFC didn't mean a whole lot of restructuring or panicking or firing from our team. (Int20)*

*To recruit people there was more of a process to go through. You had to put a real business case forward. You had to have it approved by certain people and might be as far as the GM of HR had to approve a case for hiring a new person so there was more of a process there. They just wanted to make absolutely sure it was the right decision but while that was happening there was also a real strong commitment to try and avoid any impact on existing jobs. (Int1)*

*So what we ended up doing is taking these guys out of the front line, and putting them into the part of the business that works on impaired credits. Eventually they'll migrate back, but that's great because you get these guys who have never been through a*

*crisis before in a deeply stressful situation and then when they go back to the front line they know what happens when someone's in receivership. (Int18)*

*When the global financial crisis hit and I believe that a lot of organisations made cuts, we actually did the opposite and recruited more. So, an example of that could be our graduate intake. So, a lot of large organisations decreased how many graduates they took on board, we increased. So we did exactly the opposite of what the market did. Now that the tables are turning and people are hiring a bit more, we're not doing so much, so we've plateauing. (Int31)*

*So prior to the financial crisis is all about introducing new talent initiatives and then you get into the financial crisis and its actually park those and focus more around performance management, more around getting more out of existing people. (Int6)*

*What we found is that good people regardless of the economic environment were able to get jobs. We used to preach it but then we saw it, and then we experienced it. So, there was an element of people hunkering down and not wanting to go, so you had to work harder with managing those people so managing them up or out, but in terms of your top talent and these are your top stars they were getting head-hunted, not by competitors but headhunted by your clients and that was pretty tough. (Int6)*

*In the HR function we were very involved in managing non-performance. That really came to light during this period. So, we had to help doing that and managing salary expectations because salaries didn't really go up at all. (Int20)*

*Well we can't get money to lend other people therefore we change our lending criteria. We have to say no to people that we said yes to before. How are we going to manage that? How are we going to help clients that are in financial strife? How do we help our employees to have those discussions, without breaking down themselves, because some people ended up being at the receiving end of tough conversation, after tough conversation with people? How do we continue to stay in business, and how do we help our staff cope with the customers and the problems that are coming in the door? That's what mattered. (Int4)*

*Some of them feel they worked and worked and worked and worked! Yes, and so there are no rewards for it, and it's just a little bit of a vicious cycle. So I think with some companies are going to have to be quite careful coming out the other end of it. If there's a boom and suddenly there are more jobs available, you lose your loyalty a little bit. (Int25).*

*I think that people have just had to deal with it really because at the end of the day you still want to stay in the job, and if you start kicking up a fuss about those sorts of things then you're not really going to do yourself any favours. So I think that people have pretty much accepted that's the way it is these days. (Int11)*

*Yes, they are still hiring and I'm not seeing corpses around the building of people who've been slaughtered during that patch. People are still energised and happy and the fact that I've said the [engagement] survey just came out and the results have gone up, speaks volumes. (Int25)*

*Certainly as a team I think everyone sort of dug deep and it's during a bad time that you do really work out who can shine though that. (Int20)*

*From an internal HR perspective it was about not spending money, so things really tightened up for us. Travel went out the window. There were some projects and things that we were working on, so for instance the focus on our own training and the focus on our own development that was very much put on hold. (Int20)*

*So, looking at employee engagement, I think it [the GFC] has had a positive impact, because people now know that a bonus is actually a bonus, and that's not a common concept. (Int23)*

*I think what its, what the GFC's done, is to help give younger employees a sense that, you know, life isn't always certain. I think that was one of the criticisms of gen Y, was that life had always been good beyond, you know, terrorist threats, which New Zealanders don't really worry about too much. They've had it pretty easy, you know, their parents had not been through depressions or terrible recessions, so they were used to life being pretty easy. But, I think, now gen Y's have realised that things can go wrong and they need to sometimes make some sensible decisions, rather than gallivanting around the world just because they want to. (Int5)*

# Collaboration between New Zealand and Australia

## Lack of collaboration

*I don't think so to be honest, there used to be. Well I think it would be a good thing to utilise and look there may be pockets that do it I just don't know about it. (Int20)*

*No collaboration happens that I'm aware of, there may be, but I'm not sure. (Int12)*

*Not really. It would be good if there was more. I would really like to have more interaction with HR groups, with not just Australia, but a lot of other member firms. It would be really interesting. (Int24)*

*I think to make anything work, when you collaborate, you need both parties coming in and saying this is what we're going to do. In New Zealand we look to Australia a lot and it's in our culture. You watch the news at night and there's always an Australian component. You go to Sydney, you flick on the news and you'd be lucky if they put the New Zealand exchange rate up. They're looking further east up to Asia or Singapore or further afield, so they don't tend to be looking this way. So it's quite hard just to get the air time. I guess there's a different perception of the relationship and what the value would be. (Int18)*

## Two-way exchanges

*It's better than what it was, not that it was a bad relationship, it was just a non-existing relationship and I think it's improved and, we're driving improvements with that relationship. The challenge we have, is what's in it for the Australian firm in terms of engaging with us? So there's lots of leverage that the NZ firm can get out of the Australian relationship, but there's less that they can get out, perceived less, that they can get from a NZ relationship. So that's the challenge that we're sort of working through. (Int6)*

*I think more and more there is collaboration. I think especially with this new CSR strategy. Like our previous plan was NZ only and very focused, whereas this is a lot more collaborative. So especially around the diversity space, hopefully we will be utilising a lot of what Australia has done in this area. (Int29)*

*I think a lot of things do come from Australia because, say for example a lot of the work I do in the diversity space. Australia is ahead in the diversity game. They are ahead because they've had legislation and other things come in way in advance, so therefore they've had it on their radar. Whereas, we don't have that legislation piece, so being able to see what they've done, and take the gems from it is very valuable. So, in that case, we've been getting lots of ideas from what Australia's been doing. I guess, because they're a bigger base and they're also connected more to Asia and globally. that it's smart to watch what they're doing and to not reinvent the wheel. Or, if they've done a piece of work, it's kind of like big brother; if you've got the ability to get leverage off it, why start from scratch? (Int25)*

*We have a good working relationship with them. I wouldn't say, well we do collaborate, but not a lot with them. It can be a little bit competitive as an actual fact, which I think is quite funny. Quite a lot of people on the team have contacts in Australia. We tend to approach Australia more than what Australia approaches us, and maybe it's just that our team wants to be progressive and wants to be well connected. Strangely what we find is that we can be often a bit more ahead of Australia then what we sometimes expect, but we still appreciate having that different point of view, and sometimes if we make it really easy for them to ask for help, they'll ask for help from us. (Int5)*

*I was talking to someone the other week over there about firm values actually, and they're thinking about revitalising theirs, which is a project that I ran about 4-5 years ago. So I was telling her some good books that I enjoyed and what we did and what the outcomes were and she found it really interesting, and she was saying I can't find those books, so I said I'll send you those books and she was blown away. Maybe it's that New Zealanders are a little bit more collaborative as well, but she was blown away that I would post books over to her team to have a look at. I just thought well that's just common professional courtesy surely. So just culturally it's a bit different. (Int5)*

*Yes we are getting more and more collaborative because of our global strategy and also it's where our customers are going. We're seeing more and more customers going off shore. So we better start talking to our counterparts, because it's embarrassing when a customer has great service in New Zealand and then goes to Australia and gets bad service because Australia sees them as small. (Int23)*

*So we're independent to achieve what we need to achieve for our parts of the business, but yes we do have a look and share stuff where we see it's relevant. We could always do more. We're not on the phone to the guys every day, but I find we do collaborate and share their practice where that opportunity is there. (Int17)*

*Well, they have their own HR functions, so it's quite independently run. So we're focused on the Australian region from an HR perspective and NZ does their own thing. So it's not like there's shared services across both countries. But you know, we still bounce ideas off each other and use the same recruitment resource. So there are a few areas we work together on, even though, yes, operationally we are focused on our regions. (Int21)*

*It's more around knowledge sharing, from an HR perspective. (Int8)*

*We run very separate initiatives, but we do talk to each other. For example, recently we had an internal corporate responsibility conference, so we had a one day conference which we invited senior business leaders for across the business to participate in and then we had a second day which was just my team and we had the NZ team as well, so we work together in that regard. (Int22)*

*We communicate on a regular basis; we're not running a lot of initiatives together. We do share some talent management tools, but our policies are different. (Int16)*

## Globally-focused collaboration

*So, yes, I think the relationship is actually quite strong. Again, it depends on the area of the business, but there's a very general – it really depends on your lens and experience but from my understanding and knowledge, yes it's a very strong relationship. (Int21)*

*So more and more I think recognising that being a global organisation and having successful strategies is about being truly global. So, it's not about what works for them, it's what works for us at an enterprise level. It happens at two levels. (Int26)*

*Yep we have quite a strong relationship with them. They use the same CSR model. We have a regular meeting every 2-3 weeks to discuss work in progress with their head of sustainability around some of our other work, global committees and things like that. And we often if something comes up that we were interested in doing we have no problems saying, hey, can you send us how you did it, or all the information because they acknowledge that we're a tiny team too and it's sort of best interest to get the group up to a certain level. So, having said that, we follow in some areas but we also lead in others. So we are seen as a bit of an incubator for some things. (Int3).*

*Definitely collaboration with HR is important, because we're trying to do things globally. So every single staff member, no matter where they are, will attend the same courses that are adapted specifically for their local region - we're one bank. (Int23)*

*I think NZ have to be on the same path because of global supply chains. I think we are quite behind and I think it's surprising and also a shame, because it's our point of difference. It's where countries like China, it's why they want to do business with us, because of our quality and if we lose that then game over! (Int29)*

# Employee-focused CSR

## How well understood is CSR?

### The evolving meaning of CSR

*CSR related activities that connect with and drive engagement with your employees. (Int19)*

*When the organisation partakes in activities that proactively support its employees in a responsible way either in their role, their community or with their families is a good definition of CSR. (Int27)*

*Corporate social responsibility is going beyond the business requirements and looking at how the organisation can help others and society in general. (Int8)*

*To me CSR is about sustainability and corporate collaboration in the community. Employee focussed is the engagement of employees in that process and those outcomes. (Int23)*

*Policies and procedures to ensure employees are valued and respected. These could be in the form of flexibility, support, training and development, and an appreciation of social and cultural diversity. (Int11)*

*[Corporate responsibility] is taking into account employee's values, personal circumstances and ambitions. Work/life balance initiatives. It includes equal opportunities and is about integrity, collaboration, respect, accountability, excellence. (Int18)*

*[Being responsible] comprises employment practices that recognise and support needs of employees beyond just the work place. (Int2)*

*When the organisation partakes in activities that proactively supports its employees in a responsible way either in their role, their community or with their families that's seen as CSR. (Int27)*

*Taking into account employee's values, personal circumstances and ambitions is part of CSR. (Int18)*

*Our purpose guides us in our decision making and in every aspect of our engagement with our colleagues, our customers, and our key stakeholders including community, government, consumer groups and the media. (Int22)*

*To me, CSR is an organisation ensuring a positive impact through its activities on the environment, clients, employees and society. (Int14)*

*For us it is about our purpose in action every day by our employees: doing the right thing, helping our customers and communities, belief in potential. It is at the core of our business. (Int28)*

*Employee-focussed CSR would look specifically at how corporate actions impact employees directly. (Int13)*

*Employee-focussed CSR is about treating employees well, e.g. working conditions, development opportunities, meaningful work, as well as being explicit with employees about the company's CSR agenda. (Int26)*

*Corporate social responsibility can focus on a number of areas, employees being one. (Int7)*

*Employee-focused corporate social responsibility is making sure your employees are taking responsibility for socially responsible activities. (Int23)*

*It is about enabling employees to understand what their organisation does for CSR, allows them to get involved via feedback, ideas or hands-on participation. (Int5)*

*I would like to think that after four years we've got the basics in the CSR function and now I would like to start moving out into doing more of the things like the whole internal network—moving more into partnerships, so if you look at all the strategic frameworks and the research it's all about moving beyond compliance, moving beyond even just fundraising and out into strategic partnerships. (Int10)*

*The restructure around setting up our team was more to I guess pump more into CSR and give it more primacy and have it be more strategic and I always say supported by more budget, so more man power, more strategic position, but having a team also helps to increase our visibility in our organisation. Our whole consultant approach is quite unique I think in terms of organisations, most of them will have a sustainability team and they do the projects, so you can tick the box, and it's like we've got a sustainability team so we're sorted. (Int3)*

*I've been here for about seven years and certainly when I came I don't think we really talked about it, I think we just sorted out our impact in the environment, but it was probably from quite a selfish perspective in terms of what our client's think of it and not really what our employees wanted to do to give back to the community. (Int20)*

*I think when I joined it was a bit buried and quite initiative focused so I think at the time, there was a bit of green stuff a bit of reporting but not long into that we took the position on being carbon neutral and set some goals around it. So that kicked it into a lot more focus and sourcing more sponsorship from the execute team and slightly heavier topics like getting stuck into vehicle policy so it was around that environmental carbon neutral piece that it gained momentum. (Int2)*

*I guess our focus is on the environment and community all that sort of stuff so that is what I understand as sustainability, so more external to the working environment and then CSR would be more internal, more I mean I don't work here because of the community volunteering, but it's good for us to be involved with that outside of work. (Int11)*

*So from my perspective we've gone from a position of doing zero for CSR to five years later we now have a CSR team with two full time staff and one part time and I believe whose primary focus is to engage the business on corporate and social responsibility issues both with regards to work and life. From an HR perspective it is something that we've also increased our involvement in although the strategy and initiatives are driven by the CSR team. (Int8)*

*I think there was the carbon neutral agreement stuff, there was the community stuff and then in the HR team itself our position around cultures, I think they were all happening isolated from each other and I think things have come together more over time and certainly over the last few years. (Int2)*

*I think that it provides a lot of those underlying assumptions that people have, maybe assumption is too high of a word, that businesses need to do more than just make money, they need to be seen to be part of the community in some way and also being part of what makes it a good place to go to work so it's more than just fair wages these days. There's a whole underlying set of assumptions that people make now that perhaps weren't there 100 years ago. (Int10)*

*I guess it's a case of once one bank moves in that direction everybody follows suit so whether it is things like staff leave days in the community. We came out with something a while ago where everyone gets one day off a year to go and plant trees or build a house or do this or do that and then we sort of use that also as a team building exercise so it's sort of a dual thing now, but I think everybody does that now, so it's sort of become the new normal I guess. Everyone wants to be sociably responsible. (Int18)*

*In the past people have only engaged in CSR when there's been a financial benefit to the business. Now it's around adding value not necessarily adding profit. It's all what we call shared value yet in terms of basically helping another organisation it's not for profit. (Int8)*

*It's had much more focus in the last five years so I'd say that we are well established now with our corporate social responsibility strategy and its aligned with some of the other areas in our business i.e. community. I think elements of it have always been there from the beginning. There has always had an element of community involvement in everything that they've done from sponsorship in the 1950s to where we are today spending ten million dollars in the community every year. This is all part of our triple bottom line reporting, the CEO's strategic priorities set by the business planning process which is the senior leadership team. (Int16)*

*I think it has been a journey from corporate flattery or citizenship (some people call it) to corporate social responsibility and then the social's been dropped along the way and then sustainability that's how I've seen it. Lots of companies use it. We used to use corporate responsibility here. Now we use sustainability. I think sustainability encompasses the triple bottom line so I think a lot of people still view it as just environmental. But that's one of the things we are trying to do is make sure people understand it's the sustainability of the whole organisation, it's the people and community and environmental impacts as well as the economic status of the company. (Int29)*

*I think people started talking about corporate responsibility sort of 10 or 20 or 30 years ago, you know, they probably thought in very simplistic terms around the general public doesn't like industry or it doesn't like big business, so let's throw some money at a few worthy causes and that will change their minds. So companies were kind of throwing money at a few worthy causes, usually the chairman's wife's favourite charity and guess what, nobody changed their opinion of big business and industry, what a surprise and you know, and then people started to think about, they started to align their community investment dollars in a more strategic way, more aligned with their business. Then people started to think about corporate responsibility as a way to kind of manage risk and reputation. But what I am trying to bring through now is this idea of corporate responsibility as business driver. I was employed to bring a commercial lens to the work that we're doing in the CSR space. (Int22)*

*During that time the world has moved on. There has been massive change, the global financial crisis, people's perceptions of what leadership is has changed as well. You see companies; overseas particularly big global companies like Unilever and Nike are really using sustainability and corporate responsibility as a competitive advantage. (Int29)*

*New Zealand is a bit slower than the rest of the world just because of our size, scale and location. In the last two years when I was at the consultancy even during the global financial crisis in the UK which felt the pinch, we grew massively. So the demand was increasing; I think a lot of it's about transparency. I think sustainability is very much linked to quality. People are becoming a lot more aware of those kinds of issues. (Int29)*

*Corporate social responsibility has changed quite substantially. I think as with many companies. I think the global financial crisis has made us more overt about the way we manage risk and that flows through the organisation. You're thinking about social responsibilities, the impact of failure of financial institutions or communities that we live in, so in New Zealand, we've seen some very significant examples of mum and dad investors losing a lot of money and retirement plans have been impacted and that kind of thing. So I think that's kind of brought it to the fore a little bit more. (Int26)*

## The importance of CSR

*The investor community is interested to know what we're doing from a community perspective, obviously it's in our interest to be promoting what we're doing from a CSR perspective, and trying to mitigate negative publicity. I think customers particularly at a local level are interested in what big businesses are doing to sustain their communities. We've got a number of community partners who have got a number of significant charities that we support or causes that we support and I suppose we're also looking at the impact our role in our community has on the business. (Int19)*

*A lot of how that's driven is the extent to which it's emphasised internally and then I guess, customers sort of, well you're always aware throughout your corporate affairs teams what pushes the public's buttons and how to moderate that. (Int18)*

*Corporate social responsibility definitely has dual benefits. It is attractive for new employees who are passionate about particular issues or causes and they want to give their time and we come to the party and give them those two days paid to do that, which then also enables us to get the kudos for that community contribution as well. (Int19)*

*Corporate social responsibility is important from a shared value perspective. So by increasing, by associating, by doing CSR work essentially the way I think of it you're associating yourself with other organisations that are normally community driven, not for profit, that kind of thing. By associating yourself with those brands you're basically saying to potential employees and clients, look at us, we aren't just about the financials, we are interested in helping other organisations grow or providing value to other organisations and because of that from a recruiting perspective we are an employer of choice, we are for more than just a business driven career....We're not doing this for our benefit however if we get any benefit out of it, fantastic. (Int8)*

*I think that's such a great message to employees you know that we actually are going to pay you to go do something for somebody else, I think that's a really strong message that you send to your people and also to the market too. (Int12)*

*No-one wants to work for a place which has a bad reputation … now you know that if you were considering moving to a place like that you would actually take that into consideration. (Int18)*

*I think that there's a lot more research and things that have come out that supports it (CSR) and so it's not just a nice idea. Organisations can see that it has value. People are getting that research and seeing the value and I think that's making an impact as well. (Int25)*

*Research would indicate I'm not saying necessarily us, but research would indicate that there are certain generations that place a higher value on corporate social responsibly and assessing organisation, so graduates for example, gen Y are very particular about joining an organisation that displays those priorities. (Int16)*

*So there's been a quite strong posture in terms of our sustainability policy so that's something that we're really proud about, our dedication to sustainability and over time I think it's something that's really influenced a lot of people under 30 who are working here. So when we get our graduate drive a lot of the reasons they say they pick us is because of our sustainability policies. (Int31))*

*Generation y that are coming in are a lot more aware of these sorts of things and a lot more encouraging of it than say, the older generations. So it almost seems like they're almost the ones that are driving it a little bit or driving a little better, a bit more awareness. (Int24)*

*When you're new and you interview you get a perception of it from the outside and then it takes a bit of time to settle in and then you get to know your way around and so I guess from a CSR side it is something that is really promoted here and when I interviewed here they talked a lot about it around things like flexibility and on-going training and development that you'll receive and also their responsibilities with the community and it's called social cultural diversity and so I've very much seen evidence of that since I've been here… people go into a company and they promote all these things that are meant to happen but then nothing really happens but from what I've seen so far they do commit to that here. (Int11)*

*The CSR team has been invited to the grad evening because people are asking more and more about it at this stage in the recruitment process. So it's not once they get on board its actually becoming part of their process. They are deciding where they want to work and whether it's a comparative thing or whether it's part of evaluating the culture, so is we're doing things in this area then perhaps they're doing all these things as well. It gives them some reassurance that these things will also be okay and so to*

*me and certainly some of the feedback and some of the statistics and studies are actually showing it as quite important, and having simple things like the whole volunteer day increases engagement and increase retention. (Int10)*

*I think it's [CSR] going to be more and more a marker for people of an organisation that is forward looking and forward thinking. If they say I have to fill in 4 forms of paper and it's all a big waste and hassle and everything seems to be bureaucratic and the organisation is really inefficient, all these things people add up in terms of gosh there's a lot of waste there and a lot of people wasting time and it all looks a bit of a mess and I don't know if I want to work there. (Int2)*

*I think people are becoming more aware of corporate responsibility and they want to work for employers that stand out in that space, who have a policy and back that up with concrete action. I think people will be looking for that more. (Int26)*

*I think it's something that is important, I think employees do have attachment to the community programmes that we operate and I think it does affect their decisions around where they work. (Int22)*

*Our employees feel passionately about it and get involved and they feel like it's a part of us, part of them, part of the brand and what we do and it's the reason why a lot of people join. (Int29)*

*Well I think because people are looking for that whole work/life balance a lot more than they used to, that when they're looking for a company that's not just about the job. So I think it's [CSR] really important because, it means that you are looking for the brand of the company when you are going to work there and also, are they keeping the staff happy that are there. (Int25)*

*I think from a recruitment perspective it's a piece of the pie you know—t all adds up to wow that's a great package and that's what I want. (Int12)*

*I think it's [CSR] an intentional thing that is part of what we want to stand for as a firm. (Int14)*

*CSR has probably become more visible and more of interest to people coming into the firm and it seems to be an area that they would ask lots of questions about and what do we do in that space which has obviously heightened the need for it from a branding proposition point of view…and we make a lot more effort around talking about what we do and advertising that internally and sharing our success in that area. (Int14)*

*I think there has been much more of a strong focus on it. I think that companies are realising the impact that it has and that business cases that aren't so directly related to profit but show increased employee engagement are much more readily accepted I think. (Int25)*

*I think there has been a sort of deliberate focus and policy on CSR for the last 12 years. To create clearer goals, someone sat down and I don't know the background to it but they sat done and took a really good look at it [CSR] and decided what we needed to focus on. So that's been a really big focus for the past three years or so. (Int1)*

*But if there's a business reason behind it I think it's more likely to be successful because you get the buy in at all levels. Otherwise the managers get frustrated and*

*are like, 'Oh why are you off work, I've got this job to do and you're going around. (Int12)*

*Ultimately, the person responsible for CSR is the CEO. It has to come from the top. (Int15)*

*It needs to be driven more top down. If you look at our CSR framework it's introduced by our CEO and he sponsored it through. He's obviously made the decision around resources and having a plan to deal with this specifically so there's no doubt about its importance. (Int26)*

*For CSR to become who you are and how you just do business, your recruitment strategies, the advice you give in the marketplace, I think you need that to be coming from the leadership, like the senior managers. (Int9)*

## Challenges to the relevance of CSR

*I think that's quite a key thing that in many respects the big issue with CSR is that it is so ill defined so it does mean different things to different people. People seem to have very different opinions to what is included. (Int12)*

*I think it's more that the term is foreign but I'm sure the definition would be sort of being addressed. We've got a few key areas within the CSR space that are a focus and one of them is employees. (Int19)*

*It was a new word to me, I hadn't heard much of it until I got here but they're really big on that here. (Int11)*

*From my level I wouldn't have heard that term used. It's probably something that's talked about at a more senior strategic level. (Int27)*

*I think that may reflect my job because I work in the communications area I sometimes, I mean just yesterday I mentioned that person in the CSR area who talked to me about how well we're doing and some goals we are working on. I know about that because I was talking to her about it in relation to something that I want to write, so it is possible, I feel like I'm fairly informed but that doesn't mean the average employee is; we certainly try. (Int1)*

*I think the big thing is that whole how big or narrow is the definition in terms of what is the best way to have people thinking about it in an organisation because I think that one of the challenges that we have is that if we ask people to, if we talk about say environmental impact and we want to really educate and involve people around that you start up a piece of work with some initiatives to that and then you want to talk about fair treatment and maybe diversity and people start getting really confused as to how does this relate to that and how do you want me to do this. So, it's how do you cut under it to the underlining principles, that's how I view it. (Int2)*

*I don't really have a strong opinion on corporate social responsibility, I think it's a reality that we work with them, I think that it's something that's evolving and I'm not sure it's ever really going to end up being a science as such where everyone agrees this is corporate social responsibility, it's always going to be an evolving beast I suppose. (Int5)*

*I've always had an interest in it from a sustainability perspective and I realised that in New Zealand particularly we do things that are quite fragmented, there wasn't a*

*strategy, we were doing things because it was the right thing to do rather than from any sort of we want to focus on these things and this is why and this is what we want to get out of it. (Int10)*

*I think that because of the size of the organisation and the relationships that we have because it's a reasonably small leadership group, I think it is fine. There are so many different ways of structuring it whether it's in or whether it's out, whether it's in the business units or whether it's driven centrally. (Int10)*

*I wonder with CSR whether the people in the firm don't see, don't make the connection to the employee side of it, so they know that employers are involved, but I don't know whether they really understand the power that sense of purpose can have in terms of employee engagement and, so I talked about graduates being really interested in CSR but you know if you spoke to a number of managers within the firm I'm not sure that they would automatically say that it is important that we do CSR from a hiring talent perspective. They'd say we're doing it because we're doing our bit or things like that. So I think it's still an evolving area and part of that I guess is in terms of what helps connect the dots say if its seen as part of the HR function as you like and clearly part of the HR strategy then people would see the synergies whereas a standalone function its treated as a standalone discipline so that's probably why I think people haven't connected the dots. (Int6)*

*If you try to have too many fingers in too many pies I think you just dilute what you're doing and we seem to be all over the place. I think you really do need to have some identifiable clever things that have community respect. (Int9)*

*It's quite small from the way they framed it, so it was an add on to someone else's job and it ends up often being around what are some of the key messages that we want to get out and how do we communicate those, so it often ends up being an area that is responsible for internal communications and external communications because there's a dimension of what we're reporting and how are we being perceived in the market, definitely not part of Marketing. (Int4)*

*It feels fairly primitive still here like there's still a lot of conversations around really should we be doing this, why, what's the point, what's the benefit, businesses should be about making money, whereas the question overseas is much more like we're into this, we think it makes business sense, just how do we do it, how do we go about doing this authentically. New Zealand from 2006 it feels like most companies will have an active CSR department or somebody who's looking after that, so it feels like it's on radar it's just it feels like it's a controversial thing like really should we be doing this whereas overseas they don't dig into those questions. (Int9)*

*It's obvious that there's a theoretical connection although not many people are playing in that space so much because in organisations the actual links and collaboration between those teams is pretty slim as well. (Int3)*

*So the focus is on getting things up and running and planning and helping people understand what it actually means and how it fits strategically, but employees they probably at the moment would not associate us or our vision or picture with CSR. So it's about making sure we're on the strategy page. (Int3)*

*I think in terms of organisations, most of them will have a sustainability team and they do the projects, so you can tick the box. It's like we've got a sustainability team so we're sorted. (Int3)*

*So when I came in here we have CR because global has said you should be doing this and I think the management group, some are really like yes this is great but I think for the majority they're like really why have we got this kind of thing. I think they are like we'll do it if it doesn't cost us anything. So it's like we don't really see how this is going to be part of our strategy, we don't see that it's going to make us competitive and so it's a very limited view. It's definitely not embedded throughout the culture which I think it is your ideal CSR model is that sustainability and corporate professional responsibility should be part of everything that you do and ideally I don't actually think you should have a department that's looking after it because I think that's a bit of a scapegoat. (Int9)*

*There's a lot of self-selection about industries so that whole green sustainable thing as long as it's being managed and it's not bad then it's not an issue and therefore it's a hygiene factor – it's just not an issue. (Int4)*

*If you just think about it, there are less and less people who are coming onto the job market and so good people are going to be increasingly wanted and so without CSR businesses are saying hmm if we don't do this then we're not going to attract the best people. Is it the right thing to do—yes, but at the same time if we don't we're just not going to get them. (Int10)*

*I think it's continued on through that period GFC period (CSR's importance), I think it's definitely taken, I think people have probably less focus. I used to run grad recruitment for us and certainly when we go on campus for hiring people it was almost their top thing. What does your firm do for the community and I'll be quite honest that's not really the question anymore. I think it's much more around security and some questions that perhaps that generation never had to worry about around how secure is the firm, how secure are your roles, do you do redundancies that's much more in their mind, so definitely I think, I think maybe individuals aren't quite as focussed on it but as the firm we're still pretty focussed. It's still quite high profile. (Int20)*

*I think that in the last 4–5 years because we've had somebody actually focusing on it we've made a lot of gains and I think people are a lot more aware of CSR. That doesn't mean to say that we weren't doing all the right things, at a more ad hock basis but we've just had that level of focus to allow us to grow and build on what we have done before and create a visibility about it I guess. (Int10)*

*If they try and align what they're doing with what the business is trying to achieve and show them the benefits of doing CSR, I think that it would help them to get more buy-in. (Int24)*

*You can take sponsorship as an example with its different levels to being seen to be doing something verses being genuine in your efforts so as well as doing those visible things there's other stuff and you can somehow discern the quality of intention. And I think that's where it comes together otherwise it will just look like competition, so that competitor has their banner up at the tennis so we need to get ours up, oh look they're getting some good leads out of sponsoring that local theatre we need to be seen supporting that verses you know is that actually what we believe as an organisation? You know we are an important part of this community and we want to support them and we also recognise that as an employer we owe a responsibility to our people, so is it actually that important, and is it a good relationship? (Int2)*

*So I think in terms of what we see as one of our strategic focuses is on acting local, really getting out into your local community and helping. And if we're talking about dollars or employees time where could it make the most difference, so absolutely no doubt we like any big organisation will sponsor some big kind of high flying organisations that aren't necessarily sort of a charitable cause but to me where I believe a lot of the employees are incredibly proud of our community partnerships and so that's what I think I mean by the quality of it, to prevent it looking like it could be construed as a Marketing thing. (Int1)*

*If you are going to bother with CSR, do it well look at impact don't bother so much with box ticking activities. So if you're going to be competitive, if this is going to be something that you can actually put your hand up and say look we're a good corporate citizen then I think you need to look at all those CSR areas because if you do a brilliant community programme but if you're doing something a little unethical in another area it doesn't present a unified approach. (Int9)*

## Model for success

*We don't really call it CSR, we just talk about corporate responsibility. There is a very well embedded corporate responsibility framework and at the heart of that framework is our enduring purpose which is to do the right thing. When we think about our corporate responsibility framework we look at it through the lens of getting the fundamentals right for our customers, being a good employer for our people, and managing our supply chain, managing our impact on the environment but also thinking about how we might address environmental issues through financial solutions and then through our community engagement and investment. So really our corporate framework is very well embedded in the business and we have a corporate responsibility council which is chaired by our group executive, strategy and finance, the most senior strategic and financial person in the business to sit on the board and the other members of that council include our group CEO and all of the other group executives. So you don't get much higher than that! (Int22)*

*We think corporate responsibility is effectively the bull's eye of the organisation, its right in the middle. And so when we think about corporate responsibility the first thing we think about is how it is as a whole as doing the right thing for its stakeholders rather than thinking of it as a set of community initiatives, so it's much deeper and broader and bigger. (Int28)*

*The constant link to our organisational purpose which we see as, based on three things doing the right thing, helping customers and communities and a belief in realising potential, so because of that, because they are constants and I suspect a lot of work was done a while ago on it the key areas that we want to be involved in it's had sort of an enduring focus, maybe the only thing that's changed since we've started is maybe communicate to those areas a bit more in some cases. (Int17)*

*I'm nervous about CSR being seen as the custodians of being good. Do you know what I mean? Like we can be as good as we like, but if people in the organisation aren't doing the right things in their jobs day in day out for customers, for the people that they look after in their teams, thinking about how they are spending money on the goods and services that we need to do our jobs, thinking about our impact on the environment, thinking about the consequences of their action on the community and our reputations, it doesn't matter how good I am. (Int22)*

*That's why we've really tried to align our new CSR strategy with our business strategy because we want them to be going onto similar paths. We want one to be supporting the other so if we do something that's good for the business but it's also good for NZ. That's the only way it's really going to work. (Int29)*

*What I considered CSR to be is very much aligned to the values that we share which is very much about thinking globally and ethically, behaving in line with the values and ensuring that there's consideration to the impact externally and again going back to, I think a driving force in the organisation, there's a big expectation of that in what I define to be social responsibility. (Int14)*

*So when I think about CSR I think about the culture piece, you know what are the underlining principles that are around people thinking beyond themselves—some self-awareness and understanding the impact of their own behaviour that you can get to that conversation with people and they start directing all these things, what is my impact on my community, what is my impact as an employer, on my team and the way I treat people, what is my impact in the way I consume. (Int2)*

*I think that it [CSR] reinforces those things that are important, it's an output from what we're saying is actually our culture to actually delivering them something. (Int14)*

*Our people and CSR strategies are built around values, teamwork and excellence, all of which have direct links to our purpose. (Int28)*

*I think CSR relates to the company values and what they're trying to achieve as to where they put their efforts or how they display that. And I think that people are trying to be a little different with that. So it's not just about seeing what other companies are doing and creating those. You have to do what's going to work for your company. (Int25)*

*Our first corporate responsibility is towards our staff and that's about fair wages, good conditions and how we behave as an employer so our first corporate responsibility is to the people we employ. (Int15)*

*You're never going to be that effective if your focus is purely external sponsorship because companies aren't going to want to throw all this money into the community because they're probably not going to see huge returns in that sense unless you're maybe like the 'Vodafones' of the world where you might get customers buying into that but initially you need to focus on getting employee buy in as they're the ones who are going to start doing this in the market, they're the ones that are going to start giving advice, talking about sustainability and that's where real change is going to happen. (Int9)*

*So it's quite structured and organised and the reporting I believe is quite good as well for every year we celebrate the number of volunteers we've had in the community, the number of days or hours and the dollar but that's contributed back into the community and it's also setting a benchmark year to year around where we need to improve. (Int19)*

*What has happened is we came up with three focus areas which I can talk about which are: economic solutions for environmental challenges, sustainable financial futures and demographic and cultural change. These are three emerging areas that they could see coming down the line that would make sense for us to focus on. Then what we did is we took these areas and did a whole lot of future swapping to see in the next 20 or 30 years what is coming down the line here in terms of demographics. What*

*are the changes going to be? We have four areas, so those three areas plus one called operational sustainability which is all about waste reduction and keeping our house in order. We have an executive sponsor for each of those and we have a group of the most relevant people to respond to each of those areas. They will be responsible for delivering their targets and we really wanted to have a mixture of (so for example you could say that demographic and cultural change could just be led by HR) but we really wanted to make it not just a "hygiene factor" and not just people talking to the same people that they usually would, so a whole mix of people. So those four groups are supported by our sustainability team that acts as a secretariat makes sure everything is happening and keeps everyone on track and then they feed up to and report quarterly to our executive team. So there is accountability and they feed into group as well for reporting. (Int29)*

*So we have led the industry in terms of looking at fees and charges. We look to ourselves and say, 'Is this actually right for the customer? Is this fair to the customer?' And if it is not fair to the customer, we cannot put our hand on our heart and charge that fee. And so we've actually led the industry in the removal of a whole range of fees that our competitors have not removed…at the time, people were pretty nervous about this and you know in the investor community I think still looks slightly scared at it, but the issue is that we will bring us probably our one millionth new customer this year because of that work that we have done to date, and you know we talk about this as our fair value journey, so it is about an exchange of fair values. If a fee is not fair and we cannot justify it, we will not charge it, but if we believe that we have provided a service that actually delivers value to our customers that they could not otherwise get for themselves, then we will charge a fee because that is a customer exchange. It's a fair exchange. It's a fair exchange of values. So because of the work that we have done to remove all those fees that I mentioned before, you know we are seeing an increase of customer numbers to the bank and that is a classic example of what really is shared value. That idea that you can respond to issues but also create value for your shareholder. (Int22)*

*So one of the things that I've been trying to work on is looking at how our work in terms of our community investment programmes, how we can help to leverage them to deliver for the business so that what we're doing is sustainable, because if the work that we do addresses a social issue and it creates revenue which adds shareholder value, no one questions our existence but if we're just doing nice to do fluffy things well really we shouldn't waste our time….I can't put my hand on my heart and say everyone here understands that but I think there is a general trend at the top that, a general understanding that this is a way that we wish to do business. (Int22)*

*I was creating new financial products with services that will address a social issue but provide an investment return for investors. So, we've done bits and pieces and what we have suggested to our CR council was, look we need to think about this in a holistic way, we've got people doing bits and bobs here, there and everywhere. Let's think about this in a holistic way about what we're going to do and how we're going to address this because it is an exciting area. We'd all like to think that there was, that we could create models of investment where we could address the social issues and create returns for investors. You know that is kind of the Holy Grail, but we are trying to put some arms and legs around that now but it's quite exciting. (Int22)*

# Employer Branding

## How important is employer branding?

### Consistent EB conceptualisation

*First of all we're looking externally how we're viewed, so a consideration score. So do people feel we are a friendly organisation that they'd want to work and would they want to work here? And if they did think we were great would they actually apply for a job? Because that could be two different issues. If they apply, do they actually get it? That's another issue. If they get it, which is great they're in the door, do they stay? What's the internal culture like? And that's not just about diverse culture it could be about their manager and them not getting on or something like that. Once they are in and stay, do they progress? So there are a lot of issues that need to be taken into consideration. So it's a whole employee life cycle. There are so many variables. (Int29)*

*So if our brand represents what we're trying to do then we've won the battle. So there's always a long way to go you know we need to make sure every touch point represents that whole picture. So you need to go out to graduates with a seamless story. So, is every touch point aligned and I think that's the key and a never ending journey. (Int29)*

*I see that as why people want to work here. I see it as how are we promoted and seen as an employer to the market. (Int11)*

*Employer branding is the image a company wants to project – or the image they have to those outside of the organisation. (Int24)*

*The brand is attributed to an employer from external people, potential employees and existing employees. (Int5)*

*[Employer branding] is the way in which the external audience or customer views the organisation via the images, messages and work that it does. (Int13)*

*A company's reputation for how good it is to work for, from an employee's perspective. (Int9)*

*It captured in the proposition (the promise) that the business represents as a place to work to current and potential employees. (Int17)*

*How a company is perceived internally and externally. Branding relates to 'would I want to work for that company, do business with that company' and "Am I proud to say I work for that company'. (Int25)*

*I usually refer to this as Employee Value Proposition (EVP) and this refers to how we are promoted or defined as an employer. (Int11)*

*So what we try and look at in terms of EB is, what is our employer value proposition? So what differentiates us from the market? So really it's about attraction, engagement, retention initiatives to help enhance our company's brand. (Int7)*

*As a visible employee value proposition, it's very important and here to stay as global competition heightens. Companies must strive to provide great environment and opportunity and security. (Int16)*

*Articulating what the organisation's value proposition is from an employee perspective i.e., what is the experience an employee has at that organisation. (Int12)*

*Being an employer of choice is just being a go to company like the Apples and Googles of the world where people just know you're an innovative company, you've got a great culture and they really want to work with you. It's like being the cool kids in school, everyone wants to be a part of it, they don't quite know why but it's that whole aspirational thing. (Int3)*

*The perception of our brand for the purposes of employment (as opposed to business development) is a good definition of EB. So, are we an employer of choice? Do we look after our staff, our communities? Do we have a good reputation? Are our organisational values aligned with both our staff and the people we recruit? How do we communicate internally and externally? (Int3)*

*"What are the things that make up how an employer presents itself out in the job market?" "How does an employer differentiate itself from its competition in terms of attracting recruits?" "When people are looking at us as a prospective employer, how do they evaluate the softer things, such as culture?" To me, these things make up EB. (Int10)*

## Key characteristics: "Best practice" EB

*Your EB has to be backed up so you can come out with this idea or this story about what it's like to work here but it has to be substantiated with those things…So you can only deliver on that, you can only if you actually have things in place to make it true rather than spending all this effort on the story on what it's like to work here. (Int2)*

*We did a lot of focus groups to actually try and get the essence of what we stood for, so I think you need to do those regular surveys and tapping into research, just to make sure that what you're saying with your value proposition actually aligns to the employee experience piece. (Int21)*

*First and foremost you've got to deliver what you say you're going to deliver so if you haven't joined us and you're looking at joining us then this is what we offer so back to the branding stuff, this is what we're like and if you come in and join and you buy into it and then you deliver against that that drives engagement, if you say that you know it's all about X, Y, Z and then you do A B C once they arrive, that's not going to work so I think doing what you're saying you're going to do and then doing it is important. (Int6)*

*So EB is focusing on actually delivering the promise of what we can offer employees. (Int29)*

*You know we're obviously very focussed in recruitment on the first component of the actual value proposition, so what are we saying? But the thing is unless you can follow through on the reality of what the business is like…I think your EB can have an element of aspiration in it, that's fine, but it also needs to be firmly cemented in reality because then we can go and say well the organisation is great because of a, b and c and if you deliver these through the employee experience, is when you do get the retention. (Int21)*

*So we've always had an aspirational EB, so we're trying to make it true but aspirational, so for instance for us one of the things we couldn't talk about, we could talk about work life balance but we had to be really clear that work life balance means for us making your work enjoyable and part of your life and being able to manage for instance when you came into work and when you left work, what we couldn't say is about not working long hours because it's not true, so for us it was about really understanding what our values are and what we could say and then we used a lot of market research about what people wanted to say and try to address that in a truthful way. (Int20)*

*You have to be careful when you're out at events and meeting people and doing recruitment that you don't make these promises…we have in the past gotten a little bit carried away, gotten a little bit excited when we're talking to people and they say overseas travelling, but it doesn't work that way and that's quite a concrete one but it's just an example of when they get here and they get all excited after 18 months because they think they can go now but in fact they can't. So we have gotten a lot more honest about laying it all on the table you know this is what the expectations are, if that's the case then you'll be doing this kind of travel and this is the way that life is and yes it's fun but you're at the client until seven o'clock every night and then you go home and you have these expectations and no you can't do that until you're a senior or a manager and that's at least five to seven years away. (Int10)*

*I think it's a more comprehensive approach to sort of say this is what we currently are, we know that we can say with hand on heart this is what you get, this is what we are actually all about right now and you know then if there's a need to evolve it becomes something different and you chip away at it rather than going out with an empty sales pitch, empty employment brand. (Int5)*

*So to demonstrate that kind of authenticity, and to be careful about it because if you don't implement or if you come across as all talk but no action you're going to have the opposite effect to what you want. (Int9)*

*Employer branding in terms of how it affects culture I think the biggest part for us is ensuring what we sell to someone is a valued proposition. I think sometimes unfortunately we don't and that's where you know negative impact that can impact on that psychological contract for someone. From a positive point of view I think you know if it's done well then it does create that next level of engagement in terms of that person feeling really well connected to the firm and engaged in staying with the firm and progressing through their career, it has the potential to go either way. (Int14)*

*What you're articulating externally needs to mirror internally, you don't want to go out and be saying things that actually don't happen. You've actually got to start by being honest around what it is like to work here and then taking that out there and then if you're not happy with what that looks like then you improve the inside, you know the people surveys that we do, the practices we put in place to improve the quality of the relationship that our people have and the enjoyment I guess they have, the quality of their work experience would drive that brand so you focus on internal and the external comes. (Int6)*

*Fortunately for us what our employees said we were like internally was something that we were pretty happy with so we didn't have to try and reengineer or make shifts for us as an employer before we presented that externally to the market. So very simply that's what we did, just distilled from existing employees. (Int5)*

*I think trying to get the internal piece right first is really, really important. Not starting externally because otherwise you get that disconnect when people join. So I think we recently had a whole brand refresh and that will continue to be rolled out. We have in our brand team we actually have an employee brand specialist whose role is to connect the dots and so she ran a lot of the new EVP when that rolled out. (Int29)*

*You can't present yourself externally in one way and then seen different internally, so that alignment of our, who are we and how are we trying to present our self to the outside world, all of that has to be in sync and that's how we think about it and that's we not only structure it that way but why we operate it that way. (Int28)*

*What we tried to do in terms of promoting our employment brand, it wouldn't have worked if we had gone external first, so if we had started promoting stuff to our target audience on Facebook and our own people didn't have access to Facebook there would have been disconnect between our brand so actually going and engaging with those internal business units in terms of what we were trying to do and why this was critical and getting their following and getting their support so we launched internally months before we launched externally. (Int6)*

*Through our EVP project what we've done is produce a toolkit for hiring managers to say okay this is what we've found out. We did some internal research about what's good about our brand, why would anyone what to work for us and so the hiring managers have a tool kit to basically help them ensure that those messages come through when they are recruiting staff. (Int26)*

*I think the fact that we are starting our EB from an internal culture exercise and not just a brand exercise has meant that it is well embedded. I'm confident and optimistic that it's got more depth and truth to it. (Int2)*

*For the last three years it's been a decent, well a whole lot of effort actually put into defining the 'what' and then also the 'how' that is taken to market but I think structurally the effort was really sound. It was based on some really good research the propositions resonated with kinds of people that we employ and are looking to recruit so it was very thorough and it worked quite well and it has won some awards. (Int19)*

*We hire people who are some of the most talented people in the country and its quite a small number of people, and fortunately around here our managers understand how it benefits them personally from having the best people working for us so it's meant that I think they've become quite focused on providing a good quality work experience for our people. (Int5)*

*Employer branding is important as organisations compete for talent and seek to create high performance organisations. It's also important to be able to hire the people that fit your desired culture and are aligned with organisation values. (Int26)*

*I think the quality of person that you work with if you have people that you just really are misaligned in terms of your values whether it be a co-worker or a boss or even direct reports, you know that would have an impact in terms of engagement, so I think making sure that you do have people who share the same values, but not everyone will fit into the same cookie cutter but people respect each other I think that's really healthy. (Int6)*

*I think because it consists of tangibles and intangibles obviously the tangibles can be quite readily shaped so how will I be remunerated and rewarded, what kind of things will I experience by the way of HR policies. The intangibles are to some extent controllable by the way your organisational values are stated and how they are lived up to day to day… so you can shape it through you policies but there's obviously an element of the intangible things that you can't control because they're about the interactions between managers and their staff for example. (Int26)*

*I can't point to any specific research or anything but certainly anecdotally it's a sense that you have, that people are looking for companies to work for who they admire, they feel that they are valued, aligned, you know people want to work for a good company. (Int22)*

*I think historically because recruitment is part of the people space it's very easy for job advertising and for job advertisements etc. to be disconnected from the broader Marketing push. In my mind this is a lost opportunity as there are some good stats around organisations who actually drive their recruitment the same way they do their external Marketing and advertising, getting greater alignment, being clear in the market about who they are, what they stand for and I think companies that do that well are the ones that have a greater differentiation in the market. (Int19)*

*I'd say the only real issue I've observed is that there's been a heavy amount of focus placed on visual identity of the employer 'brand' rather than on the 'what' we've been saying. This focus is shifting as there's a realisation that we're probably not as lined up with our 'customer' brand and employer brand as we could be. (Int19)*

*The employer brand does tag along but I guess the benefit of employer brand is that you are, particularly when you are going out to look at potential candidates, I mean they are influenced by being a consumer or a customer. So what we're trying to do more is increasingly leverage on what happens in the consumer and customer markets because it makes sense, they've got much lighter spend, they've got a reach into a much broader audience than what we do. So the more we can tap into what they do, it actually can support the employer brand, the better for us. So it's about working out and identifying, - the stakeholder lens is different as people are thinking or assessing you from being an employer but if you can leverage from the good will created by your consumer brand, why not. (Int21)*

*We hear at the moment that people want to work here because we're doing bold things, we're said to be courageous and that has the effect that hey that must be a pretty good place to work. We've got great leaders we know that must be a good place to work so I think whether you like it or not you're always, everything you do with your consumer brand ultimately is sending a signal about your employee brand as well. (Int17)*

*Well they [EB and CB] are linked obviously. So people's perception of the consumer brand are going to influence your employer brand because assume that we are focussed on people and community and those things are all true, they will influence our employer brand as well. The two are not often mixed together apart from the career side. Every individual contributes to the employer brand by the message that they send out around how empowered they are in their work, what benefits they enjoy, how we go about getting things done, so those things are going to come from the inside out. (Int16)*

*I think it's been a working progress and I think I don't know the exact timing but they are perhaps a couple of months away from rolling out the complete change in our tone of voice. Put it this way I think when I started my impression was that some things were more fluid and some things had just evolved over time and it had perhaps been a little while since someone had sat down and looked at it. What I have seen over the past couple of years is more of a real focus on it and more energy going into it and now with this brand refresh I think it's going to be taking it another step further along to tie it in with our [consumer] brand. (Int1)*

*By being labelled employer branding has meant it has gained an increased and more active organisational focus. (Int20)*

*So I think we're doing this really well but conscious of not resting on our laurels and saying ok we've got it pretty good, you know, employee branding, let's just leave it there. It's constantly evolving, needs constant attention and constant work. (Int25)*

*So again I think that there is a lot more focus on it with companies being very careful about how their EB comes across and what connections they make with sponsorships and community partners. Things like that are a lot more strategic now I think Marketing has changed hugely with technology. Things can go viral pretty quickly so I think there's much more of a focus on it and you have people focused on just the social media side of things now as well. (Int25)*

*There is definitely improved and dedicated EB focus. You can actually see a lot more employer brand people floating around, in fact a woman that works with me is unfortunately leaving to take on a new employer brand manager position which just shows that there is a lot more focus and recognition of the need to have someone actually look at how we package and position things. (Int21)*

*We have been awarded for our approach to employer branding over the past few years. There are a good number of people in the right positions who have been working hard to get this right for us in recent times. (Int19)*

*The fortunate thing is people are just not paying lip service to people being the most important asset and they are working out ways that they can try and add value and I think that's what's happened. But in terms of how you wrap that up as employer brand is different. (Int21)*

*So I think once you actually make the employer brand practicable and communicable, if that's the right word, but until you can do that and actually demonstrate what it is, people just put it in the too hard basket. You know, I think you've got to really define who you and what you do. (Int21)*

*In my experience we regard many inter-related issues and attach them under this umbrella of employee branding. So, the absolute proposition of why would I want to work here relative to anywhere else. There's the work environment, there's benefits, there's development there's all the tangible and intangible stuff that would be the employee value proposition, and we tend to roll that up into: what's the overall effect of the culture. Like a consumer brand, what's the promise that a Ford would give me as a car, what is the promise we can give? If I want to think what it's like to work here, what are the people like, what's the leadership like, all of that in sort of our employee brand, so the culture about what it's like to work here, the values, the behaviours? (Int17)*

*Well we are actually still working on it; we are looking at ways of most attractively packaging our EB proposition because otherwise there are just lots of words on a page. People need to describe the value proposition in just two or three words, essentially for us its, when it all boils down for a company that is trying to do the right thing and make a difference and we have a very powerful role in deciding to do good and so it's about coming and working here, you can make a difference. (Int28)*

## EB as an important organisational concept

*I think EB is communicated through a whole range of mediums and it has been a focus, especially over the last 2–3 years, there's been a real understanding of how much difference that can make in terms of attracting the right people to jobs and holding onto them and so on. I think one of my roles is working in the communications area where we're trying to make sure that employees are aware of what they need to be aware of so hopefully they feel proud of the organisation and informed, so even if something is going wrong they know about it and if something is right they can celebrate with everyone else, so that's a big focus for us. (Int1).*

*So yes, our EB was very much reinforced, we try through various mediums to, I guess, really reinforce the messages. (Int20)*

*You do run the risk of people presenting different things to external groups and internal groups, I think employers of businesses need to have simplicity of communication and have the same messages that are being used and the more that you can have them matching up or being very strongly aligned the better otherwise you're going to confuse people as to what you are actually about, what are you. (Int5)*

*The employer brand is the reason why people join, choose to stay and it is important to articulate that deal and make sure it is compelling and people understand it and it is relevant and consistent throughout. (Int6)*

*I think the branding has always been there because people have always had a perception of who we are and what our culture is like, I think where it has evolved is that we've got smarter in terms of how we communicate it and bring that message to market, bring it to the community, bring it to life. (Int6)*

*In order to be perceived as an employer of choice you just have to do the right thing over a long period of time. If you look after your staff, word on the street is that it's a good company to work for. Word of mouth is very important. If you do it for a long period of time, you end up with lots of people that have worked there or lots of people that know someone that works there so its self-perpetuating. (Int4)*

*Word of mouth was just so powerful, before I joined here I looked at the people who were currently employed and asked them some very pointed questions because you know that glossy brochure you read about a company is not what I wanted to know, I wanted to know but how do they treat you as an employee. (Int25)*

*So our branding has evolved to be much more live, so Facebook as an example bringing our people to the candidate as opposed to bringing HR to the candidate, our people answering the questions as opposed to HR answering the questions, so it's much more real. (Int6)*

*EB adds value; it's a differentiator, its progressive and it beyond being perceived just as an financial services firm I suppose. It's always about what's our differentiator, what's the bit that makes us different to our competitors and to other organisations. (Int13)*

*Well I think all banks are pretty much the same. The same products and we're all pretty much paying the same, so we've got to have some differentiation. There are a lot of people who will go from one bank to another bank and it's like, well why would I stay at this one? (Int23)*

*Employer branding is important and relevant due to competitiveness, choice for customers and employees. Enable longevity of the business. (Int13)*

*You're talking to the marketer who is probably most passionate about this as an opportunity to differentiate out there. Few brands tell a seamless story to customer, potential recruits, investors/shareholders, employees and the community. I'm passionate about lining up these stories. (Int19)*

*Being an employer of choice is around clearly distinguishing yourself from your direct competitors and giving future employees a reason to join you above others. (Int8)*

*Employer branding is important—people are key differentiator in a commoditised industry. (Int18)*

*Yes – in particular EB is applied and considered in the development of our people strategies around culture and diversity. In particular, workplace flexibility is a critical people strategy that is proving to be a strong differentiator for our employer brand. Previously, respondents valued work-life balance more than pay – highlighting that we are on the right track with our commitment to flexible working. (Int28)*

*Employer branding is important and relevant especially in terms of recruiting and attracting talent. EB can help a company differentiate itself from other companies therefore attracting better quality candidates. (Int24)*

*A strong employer brand makes it easier for companies to attract and retain talent essential for creating meaning and value for current and future employees. (Int7)*

*Employer branding is incredibly important; and a big part of our ability to attract talent but also to commit the value proposition internally for talent to more within the organisation rather than leave. (Int14)*

*Definitely both recruitment and retention focused because you know if people come in here and they get promised something and they find out that it's not all that flash or what they were promised then they're not likely to stick around. So I think it's pretty crucial for retention because I guess that is what helps us enjoy our jobs you know, why you enjoy working here, that's what makes me stay here. I think it's probably more focused on retention but there is a project on the go at the moment in HR around how we are perceived in the market and how we can attract the best talent. (Int11)*

*There is increasing competition for people in the marketplace. It is well known that there is a global talent shortage and organisations are developing programs and initiatives that will help them continue to attract the people they need to be successful. Going forward, this is only going to be exacerbated by the changing attitudes that gen Y's have around work; so having an attractive EB will be more important, not less. (Int10)*

*The importance will depend on the demand – so when jobs are in high demand, EB will be less important. However, increasingly this is a crucial part of why top grads and hires are choosing where they want to work. Generation Y want work–life balance, and the places that will treat them well and give them what they want are the ones that will attract the best. (Int9)*

*There has been a big focus on it and I guess it's kind of swings and roundabouts depending on what the employment market is. We're very conscious of wanting to attract the best people and retaining talent and there's also a big emphasis on performance management. Now if you get the right people in the right seats at the right time you shouldn't have to performance manage. (Int18)*

*[Employer branding is a] very relevant and important concept, particularly given changing demographics, the changing nature of work and competition for talent. (Int17)*

*People say life is too short; I want to work for a company that is fundamentally good. (Int28)*

*My understanding of what an EB is has been formed in some sense by the work that has been done by HR. My involvement with looking at how we manage our high talent people, how we recruit and induct our lateral hires. The HR team have been actively developing an EB that people can point to as our differentiation in the market. (Int10)*

## Challenges to EB effectiveness

*Employer branding is still important. It has been around for a long time – it just didn't have a name but all organisations have a reputation as good or bad as an employer. (Int20)*

*Employer branding is not a new concept, just because it has a label. (Int25)*

*Employer branding is definitely there, there is definitely that branding and yes that falls under a theory but we don't talk about it in a theory, it's not a new thing for us. If it's something that you are already working on, like we have been and then suddenly that becomes a new theory, you know for example, leadership is always something that is being innovative, it is always part of your business you know, it doesn't mean that you change your way. (Int27)*

*It's been around forever except it hasn't been termed so it's a horse and cart thing you know from an HR perspective you drive all the talent initiatives and that has an impact on your brand and now it's called a brand and you don't want to say hey this is our brand and now we've got to live up to it you've just got to evolve it. (Int6)*

*I'm not sure how others would describe or define it. (Int3)*

*I'm not sure if others would describe EB the same way as they may not have heard of it. (Int27)*

*I haven't really heard the word employer branding used or EB until very recently, when it came up in terms of us being more proactive around it and going out and actively defining what it is and putting it out there for people to respond to rather than something that you discover once you're here, so I would say it's quite comparatively recent. (Int10)*

*I think that if people just view the employer branding as messaging like an external branding exercise. Someone sent me a link a while ago and said look at this, this must be a great place to work. It was a little video that you could see on their career site—it had employees saying how great it was to work there, you don't know how real that is, even if it is true for them and those individuals really believe it I think in any organisation you can find some people that have good things to say. It becomes more transparent what the experience of organisations and what cultures are like and all that sort of stuff—people will start to see through it. So if that's all they're doing and all they're seeing it as and they're not seeing it as something like a deeper commitment from their leaders to a core set of values then it's a fad if its only continued to be done at that superficial level. (Int25)*

*I think the global war for talent has been the focus of the last decade so lots of clever management consultants have written books on employer branding and linked it with employee engagement and attraction and retaining and all those areas. It depends who you're asking, I mean I think any good, strong brand, any well-known organisation really, the employer brand writes off the consumer brand because if you're an innovative brand delivering strong products and service with a market then generally it's the people that behind that are being empowered and managed in a way that engaged them and that's the employer branding in my view. (Int16)*

*Employer branding has had a bit of a development process around recognising things that we've needed to answer and we need to be clear and consistent on, so that it was valuable and grounded in reality and integrated work for the whole business, that it becomes something that we can provide for our culture, the right focus for that employment brand piece…everyone was setting up their own programmes and so everyone was trying to tackle behaviour change and capability building and leadership. We just got agreement from the execute team that the blueprint summary about the whole organisation include pieces that are non-negotiable and so it was actually about lets clarify it and provide more meaning and context for people so that people can connect with it more. (Int2)*

*If you read research it says don't do new things for your employees just tell them what you're already doing and it's really trying to get Marketing across the board and so we need some mechanisms to do that because everything looks different internally. A department will come up with this and someone else will come up with something and everything's got different fonts and different look and feel and they're all under*

*websites and you know, so you don't get that reinforcement from a brand perspective. (Int4)*

*The branding around what does the EB look like comes directly from Marketing and if you need to do something in the recruitment space to hook different people in you do it under the radar. (Int4)*

*I do think EB is taken into consideration in our working strategies. The CSR department has EB strategies, in terms of Marketing what we do. However, I don't know exactly how HR, who oversees people strategies, manages this, and seek to create a good EB, or how effective this is? (Int9)*

*I was pleasantly surprised after joining, as things were probably a lot better in a number of different areas. Because I came from a very good company, I guess I had high expectations of things but no, I see them making great connections and like I said, I think they do some things much better here. (Int25)*

*We've just had our company engagement survey come out and I was blown away by the results of the strong engagement and the positive things that are put in about that employee brand and the kind of employee value proposition stuff. That's obviously really valued and it seems to be quite appreciated by staff. Yes, I mean you can always do more, but I think that everybody's got their eye on it and as I said, it's not an end game, it's like continually focusing and continually looking at ways to improve it. (Int25)*

*I think it's definitely becoming a lot more sophisticated and defined. I think in the past it was very much like HR people trying to use pictures to make things look pretty whereas now it's very much seen as an integrated approach with Marketing expertise and how we apply it from this perspective, it's absolutely getting more sophisticated. (Int12)*

*To make things a little bit more fun and relevant to your everyday person which again is in step with what everyone is doing. Everyone is going for the whole Apple Google-like experience and trying to just be more fun with customers and that's what banks have to do fast. However, it's harder because we're coming from one extreme trying of conservatism to get to the other kind of side. (Int3)*

*However, as I mentioned, there's some work to do to achieve better alignment with the full external (customer) brand communication. That said, we've applied the same tone of voice principles with great success to both recruitment and customer advertising to speak with one voice and have one 'attitude' or personality out there. There's now talk about the increasing need to make sure that the 'packaging' matches the 'contents' so that when people are attracted to our employer branding, apply, win a role and join, they don't have a fundamentally different 'brand' experience when they start work, i.e. we need to re-engineer employee touch points like induction and on-boarding to make sure this tone, style, message has great synergy. (Int19)*

*There are high levels of relevance of the topic of EB, but we're still in the early stages of formally integrating it into our people strategies. That said we have a strong behaviours based framework that means the specifics are there even if the overall concept is not fully integrated. (Int17)*

# Human Resource Management

## What is HRM's role?

### HRM as a strategic role

*The role of HR is strategic, due to its ability to add greater value to business and return greater profit. (Int5)*

*The role of HR is strategic. Human resource management has a lot more to offer companies than just administration and tick the box processes. (Int24)*

*I think that HR adds value by bringing a different perspective because it's easy for the business to focus on outputs and revenue. So thinking about it from a people point of view, thinking about the impacts that whatever it is the business is talking about might have on culture, long term goals and strategy that might be important to the firm more broadly. (Int14)*

*The role of HR is strategic. People are number one key differentiator. (Int18)*

*[Human resources is a] strategic function. People are crucial and there needs to be a focus on them for sustained success. (Int8)*

*Those iconic companies I mentioned earlier use culture as a strategic weapon. They're purposeful and relentless when it comes to building, maintaining and capitalising on the right culture to drive business performance. In my view, HRM is a serious strategic lever. (Int19)*

*The role of HR is strategic, to deliver on our strategic priorities. We support all initiatives in some shape or form and have a CEO direct report for HRM. (Int16)*

*Human resource's role is focused on enabling the business and its people to achieve the best outcomes and reach its potential. (Int30)*

*Business strategies include HR objectives, as the organisation-wide strategy and mission is explicitly underpinned by culture. (Int2)*

*It is strategic, because we have and do contribute to strategy and align our initiatives to execute the business strategy. (Int31)*

*We also have HR managers whose role is strategic and who help align the people strategy with the business strategy. (Int23)*

*In some organisations if you're working in this area you have to work really hard to make the business case to the execute team to get the investment to do things and to get people to understand the importance of it. Here, we actually get asked a lot to do work in these areas. "We want to see some major traction on diversity, shape and plan tell us what it is", or "we want to see some acceleration around our culture" and that's board and the execute team directives. (Int2)*

*If we don't have that buy-in from the exec and the relationship with the exec it will be a lot harder for us. (Int24)*

*Human resource management has representation at board level, so it's positioned pretty well. (Int3)*

*The head of HR sits on the leadership board, so she has equivalent responsibility as everybody who runs a business unit. And so she sits at the top table. So it's (HR practices) definitely prolific. (Int23)*

*There's a general manager in HR who sits on the executive team with the CEO and the GM's of all the other business units. So I think HR is at that level very much seen as a strategic partner. (Int11)*

*Human resource's role is definitely strategic and sits on par with the other business leaders, as the people experience is absolutely vital to what is on our CEO's agenda. (Int7)*

*Human resources has always had a seat at the table in terms of the exec team so I think that people have always been the priority for us. (Int16)*

*The role of HR is strategic. Human resource management has representation at business leadership teams and is a dedicated subcommittee of the Board. (Int27)*

*So last year the business identified six strategic priorities and using that HR was able to put together I guess a people plan or people priorities and agenda of activities that would actually support the achievement of those six business priorities. (Int26)*

*Human resources is very well situated and positioned within a strategic framework to ensure the corporate strategy links in with the people strategy. (Int28)*

*Human resources develops and facilitates production of a people plan, contribute to business strategy, and support strategy execution including building capabilities and bringing people with us. (Int31)*

*Human resource's role is to attract, retain and engage talented people – these are the crux of our profit stream as a service providing organisation. (Int8)*

*Human resources is strategic, so that it has the capability to achieve objectives for the organisation with the right people with the right skills, and in the right place. Human resource management does this or helps enable it. (Int16)*

*The role of HR is to attract, develop and retain talent and get the right people in the right seats. (Int18)*

*Human resource management is a thriving hub and a critical part of how the business brings the best out in employees and ensures change is embedding within the organisation effectively. (Int19)*

*I think HR has had to step up strategically, because at the end of the day banks are pretty similar. Let's face it, a mortgage is a mortgage is a mortgage and so are the other products. The only points of difference you truly have are your people and you've got to have a better person than the guy over the road. (Int18)*

*HR should fulfil accountability for both strategic and administrative components because any disconnect between them increases the likelihood of inconsistencies that undermine the employer brand. Most importantly, the role of HR is to deliver commercial value to the business strategy. (Int28)*

*Our people are our most significant resource so they have to be included at a strategic level. However no strategy is successful unless embedded in the organisation so it has to be administrative also, but in the sense of embedding not transactional. It's not just ticking a box for us. (Int3)*

*Human resource's role covers the full spectrum of HR activity – strategic to operational. (Int26)*

*Human resource management needs to be both strategic and administrative. You can't have credibility talking strategy without credibility as administrators. (Int31)*

*Both administration and strategy are key roles. They need to work together—i.e. strategy, design and implementation. (Int17)*

*[Human resource management is] both administrative—it's work we have to do, and strategic—the value of people and the importance of their capability, engagement and performance. (Int4)*

*In my view it's a bit of both strategy and administration, a part of it is just simply conducting pay roles and so on and those sort of very traditional personal management things and part of it is about the strategic workforce management. (Int15)*

*So in terms of having a team sitting in Sydney which is our central location you know supporting us from a transactional point of view, that's gone through a process of transitioning and it's just gone live in India recently and I think generally speaking it's really good I don't think we've noticed a massive difference which is good in a positive way. (Int14)*

*There is an operation that's been used in the US for quite a while, which we have setup in India to actually take on a lot of the transactional services that we did locally and that's been through both technology and process realignment. We've also tried to tap into what our PAs do as well across the organisation but that's sort of yet to reach its full potential but there's a lot of scope in HR and I think the next thing we're looking at is our performance management system and off shoring the administration around that. Its early days so there are still teething problems and things to manage. We'll managed and we've got a pretty fantastic team in India so I think it's just a matter of working through those issues but I probably don't get to hear as much as other people do in the team as to how that is progressing but I think it's been okay so far. (Int13)*

*We have just off shored a whole lot of functionality of our HR teams and so if you have a HR enquiry it goes to Manila… It's taking a little while, with the language barrier, the idiosyncrasies are a little bit weird. But that's okay, it will work. We still have our New Zealand based ones. I also have an HR person there for all my conversations. So you still have those people there but it is that general booking of training rooms, booking of food for training have been off-shored. So hopefully we've got it right now. (Int23)*

*There is a strong emphasis on leader led activity, e.g. engagement survey results communicated to staff by leaders not HR. (Int26)*

*Human resources can drive the people strategy with policies,, but at the end of the day it's the frontline managers and the leadership team who need to own that and need to embrace those activities as something that is important for them to want to leverage and put in place. (Int5)*

*We take that approach that it's not HR's responsibility to implement these policies – that's a leadership responsibility to drive engagement and then HR's role is to provide some of the mechanisms and support. In a way it's like saying, with culture for instance, if I'm responsible for the culture framework and the culture plan for the organisation, I'm not singularly accountable for the culture of the firm though, that's that real leadership piece. If it's not owned and supported and advocated by leaders it's not going to succeed. So, this is a bit of an opinion, around HR, there's this kind of idea I suppose that HR has to provide things to the business where I actually think that sometimes is the other way—people leaders they are the ones that are almost working for HR in way. (Int2)*

*People are our focus and our role is to ensure that they are given the attention they need and to assist in coaching and educating our leaders to provide them with the skills necessary to manage their people effectively. (Int14)*

*Our model is very much the functional manager or leader and the individual are responsible for their development and then working with the HR community around policy and implementation. So the individual and the manager take the lead, and HR will help with policy issues or as required. Human resources might be a subject matter expert but in an organisation this size you need some subject matter expertise but it cannot be led by one person alone. (Int17)*

*Our job as HR is to help the business understand what the issues are. For example what do they need to do to engage with their employees, what do they need to do to be the subject matter experts, but we're not there to do it for them so to speak? (Int12)*

*It's about trying to increase that standard capability in people leaders to do that HR stuff well. It's very clear that a people leader is accountable for the recruitment and the performance evaluation process and coaching and things like that and at points you might get HR involved if something gets a bit more formal or has the potential to go in a certain direction, but ultimately it's not HR's responsibility. (Int2)*

*The role of HR is to partner with the business in achieving its vision and goals. We provide the business with expertise that allows strategic and proactive management of their workforce, assist by providing a framework to identify talent and develop them. (Int14)*

*The HR team are seen as trusted advisors within the firm and work closely with the executive to align with the business and service line strategies. (Int24)*

*The HR strategic role in the organisation is to challenge thinking in the business to see if different approaches are needed to drive better business outcomes. We act as trusted advisors to the people leaders. (Int5)*

*With some HR and manager relationships you'll end up being a confidante and they'll talk to you about things that maybe they can't talk to people in their teams about. They just want to kick around some ideas with somebody who's not their boss, who doesn't*

*report through to them, who they can trust and who they know understands their business. (Int5)*

*I think it's certainly that the proof is in the pudding. We [HR] can advise them of various things and understand their business more holistically, so I think that there's a level of trust that has developed in that capacity and the fact that we've looked at our admin process and looked at how we can automate those or self-service around some of those is starting to create the environment where people can have capacity to start stepping into that more valuated strategic role on a more on-going basis. (Int13)*

*The HR people provide a business partnership role with a track record in delivering high quality programmes and service. (Int13)*

*I think HR is more prominent in terms of strategic importance within the firm then what it was seven years ago but it's not quite there yet so it's still got a way to go before it's able to influence at the strategic level as it could do. (Int6)*

*I think HR needs to continue to demonstrate value add by aligning with and better understanding the business strategy. (Int12)*

*Really, HR needs to focus on continuing to develop talent initiatives that add value to the business strategy and can be clearly seen as doing so. (Int16)*

*I've seen the shift though the years around HR. When I presented the people priorities this year, the managers were a lot more engaged around it because they understood the value of having seen what had been done the year before so they were much more engaged with giving feedback and comments. They were much more engaged around it so they do get the value of an integrated HR approach. By delivering something with credibility will help us to improve our strategic positioning, as the managers can actually see the difference it made to the business. (Int26)*

*I think the key projects for HR to do is to keep demonstrating value, drive credibility in terms of knowing what you do and drive value in terms of the initiatives that you have. (Int6)*

*Removing unnecessary transactional work and streamlining processes that will allow greater focus on the business will enable HR to be better strategically aligned, as well as creating better collaboration and efficiencies in the way we work. (Int14)*

*The HR team can improve its business contribution by delivering value in both transactional and strategic areas, by understanding the business strategy and needs. (Int4)*

*I think you [HR] do need to get into the business and understand the business drivers and what are the key issues they're facing. What keeps that business unit up at night? You (HR) need to understand those stress points to be able to really add value. That's where HR maybe wasn't so good in the past because sometimes you've got very different personality styles where HR might be very strongly people orientated and some of your operational business areas might be very process and strategy driven, that there would seem to be a bit of a clash. Whereas I think now the operational people see that they don't necessarily have strengths around people so they're willing to incorporate some of their ideas and really work with them, but likewise I think the change is that HR people are also seeing, 'I need to understand the business a lot better'. (Int25)*

*I think it [the GFC] has forced many firms, many industries disciplines, professional disciplines like HR to have greater business acumen to have greater awareness in terms of running a business as opposed to being just an HR person. And so I think that's a really healthy thing. (Int6)*

*I think probably the strongest focus is in commercial skill in terms of new skills needed for HR. I think what we see these days and this is industry wise phenomenon is that you're seeing a number of non HR people coming into senior HR roles. If the HR community has a strong commercial feel then actually that opens up a whole new realm of roles that they can have outside the HR function, so in the same way that non HR people come in, then HR people can go out. (Int28)*

*I think HR needs to probably recruit people who are more commercially focussed, more interested in how they add value to the business rather than just making employees feel good and demonstrating that as a support function they're not just a cost centre they are actually helping generate revenue. (Int19)*

*There are certainly a large number of people we now take on that can have better business acumen skills, but there's certainly others that are still developing and there's definitely more people in the market now who are more business savvy. We have hired some external HR people recently who are really strong in those areas so there's definitely people in the market who can do it and I think, our team's a bit of a mix, some that are really there and others who really need to improve in that area. (Int20)*

*There has been a shift in the skills now required to be a good HR practitioner, because and I'm saying because, because my background is not HR and by having the background in the business I'm seen as more valuable to the business. (Int27)*

*Relationship building is important for HR's continued success for sure and I think influencing is the other thing that's probably has become more important. Yes the ability to influence. And so to be able to influence better you need to understand their side of things and the business as well. (Int25)*

*I would say that it's really critical for HR to have a broader skill set, including things like soft skills in terms of being able to influence people and build relationships are critical for success in our role as HR. So what is important and where they're at in terms of their business life cycle, how mature they are as a business and then understanding their specific needs dependent on that. (Int14)*

*I think baseline is experience and confidence, you've got to be good at what you do, I think that that's paramount and I think that in terms of being good at what you do executing very well on those things so all the bread and butter HR hygiene factors, basics, you know employer relations, performance management, you name it, being seen as exceptionally strong in all of those disciplines helps. In addition to that I guess it's relationships, so the stronger, well your ability to build relationships and grow those relationships with very senior people across the firm is fundamental which is not an HR skill, and then with those relationships actually being able to leverage—so there's the bit around people are happy to engage with you but how do you actually influence those people to drive behaviour change or action and that's probably starting to get into the cream of the cream and in my mind the attributes around the influence the credibility of those relationships. Then I think its attributes such as understanding the business so having a broader knowledge then just your field of discipline, understanding the pressure points, having different perspectives, ownership of the firm, being passionate around the firm as opposed to what you do personally. I think is*

*all paramount and then I think there's sort of the top layer which is around the confidence side and being able to articulate so being comfortable and confident to engage with people at a very senior level and treat them as a peers, so I think that's absolutely paramount at the top. (Int6)*

*The HR team need to continue to influence our managers and the firm to do the right things so we sort of talk as a group about being courageous and challenging and pushing the HR agenda and we do and have varying levels of success with influencing but we're certainly in many instances sort of sitting at the table with managers when they're trying to figure out where to next or what do I do. (Int5)*

*Human resources need to focus on building strong relationships with key people in the business, deliver quality work, be attuned to business needs, be abreast of best practice HR and share as needed. (Int5)*

*The HR team needs to be well positioned and operating at a strategic level whilst also being embedded in the business. (Int17)*

*I believe that the only way HR could be improved is continuing to create good relationships with the business units. Being as close to the business in terms of understanding their specific needs as possible, without constraining them in terms of how they wish to do business. (Int10)*

*To improve, HR needs to work more closely in the business units. (Int27)*

*Yes the role of HR has changed and it can only. It has to understand the business unit to be useful. (Int18)*

*Human resource management works closely with managers to help them figure out why people are not preforming so well, diagnose what's happening here behind performance issues with our people, it's usually something to do with engagement, how supported they feel, do they understand what is required of them because we hire very clever capable people, so it would take probably something not going right for people not to want to perform at their very best so we try to diagnose that quickly in partnership and support of the business units. (Int5)*

*If you [HR] talk about paperwork and changes that need to happen then that's all that they're going to come to you for but if you [HR] talk to them about the business, so tell me about your business, what are you challenges, what are the issues that you need to address, what can we do around that, I feel that it's a different conversation that you [HR] needs to have. (Int12)*

*Continue to provide (and improve) our systems to allow employees and parties to access HR administration themselves and do a number of people tasks and queries for themselves. (Int20)*

*I think it's still evolving to be honest, I think it is improving and I think one of the big pieces that really did help was around exhilarating the execution of business strategy, not just people strategy but business strategy so I think the fact that HR own that project and help the business to understand their data, their results and, help them extract insight and then action it, I think that certainly helped HR's strategic standing. And I think that in terms of the team, I think it also depends on the conversations, like the way that you position yourself with the business. (Int12)*

## HRM versus Marketing

*I think some Marketing departments just don't get employment branding, they don't get internal verses external branding; you know they're completely oblivious it's all about customer campaigns. (Int4)*

*No collaboration because Marketing have other priorities and are externally focused and their view of employees is how do we get employees to understand what the brand messages are for our customer? How do we get them saying the right thing for our customers? (Int4)*

*I haven't really had too much involvement with the Marketing team to really know that yet. Certainly in other companies I've worked at, yes, you're right, they've been polar opposites. (Int25)*

*There's some overlap in terms of how people leaders are advised to behave and manage people and things like that but not, there's no meetings between the two. (Int3)*

*Human resource management doesn't have a budget…Well, they just have different roles and the budget for branding activity is for customer branding. So it's more just what is the role of this department and what do they need to be doing and what do we have to do to get that in the budget for next year was kind of the start of the conversation. (Int4)*

*I think, I mean I haven't really seen too much of it myself but I imagine it would be how it would work. You know for example I'm running a graduate programme for next year's intake so I've had to do quite a lot of work with Marketing around advertising the programme and promoting it on Facebook and all that sort of thing. I had to work in partnership with them to promote that programme. I haven't however had an easy ride with them it seems to have taken ages to get everything done. Marketing probably have more of a big picture view, you know that the graduate programme is just a small sort of blip on their radar, so it's probably not really a priority whereas a new home loan rate that we're advertising is probably. If I had to say if I've found that relationship useful I'd probably say no. (Int11)*

*They are both important and there is overlap, and the thing is there has always been this conflict between the two areas which is quite ironic considering the two areas actually have – you know one's effectively looking after its customers, one's looking after its people, so you know they're both imperative functions but it is strange that the conflict that previously existed whereas actually, you know, when you think about it with the people and customer lens they should be working it together to get the results. (Int21)*

*I think Comms works very well internally with the business and very well with HR. Marketing, well I couldn't really comment on here. I think Marketing often think externally so therefore their link with HR, they would think well that's our people, they don't really think so much on that. I have seen Marketing teams which have an internal and an external focus, in which case you'd want the internal Marketing to really be working extremely closely with HR. But I think there's definitely room for external Marketing to not just think in the external space but think about how that does relate to the internal branding as well. (Int25)*

*Oh I think that underlying conflict is the reality to be honest but I think there are little pockets of opportunity for example with us refreshing our values at the moment so that's just been launched this week and we had a separate project group looking at culture and how the values play a role in culture and refreshing all of that from an HR perspective. So when we heard that Marketing was picking up a refresh of values across the organisation from a Marketing perspective we decided to jump onto this rather than being the behind the scenes function and see what role we can play in supporting Marketing and collaborating with Marketing on driving that. It's a good an example of where HR has really stepped in and said we'll work alongside Marketing to drive this process and campaign and we can see the flow on effect that we will pick up in terms of how that feeds into our systems and processes down the track as we change and redefine these values. So I think we've been more on the front foot this time which has been a really good thing to see and you know gives a good sort of platform I suppose to say that lets keep doing this, going forward. (Int13)*

*Recruitment always gets branded as being innovative and that's probably the key in HR where we've got that tag which is excellent but getting that sort of feedback in other areas has not been huge. (Int13)*

*That collaboration is becoming more and more important so now we have an internal communications person who was previously in Marketing. We're now working together on on-board initiatives and building better collaboration. It is important to collaborate more effectively because of the competitive nature of the world that we live in for customers and for employees. (Int16)*

*There's more collaboration now than there was five years ago. The relationship between HR and Marketing fluctuates quite a lot. I think increased collaboration is important in terms of assisting each other around areas of expertise so for example, we're experts in recruitment and we know the message that we need to get out in the marketplace. Those guys are experts in Marketing and they can probably advise us as to how best get those messages out into the market. (Int8)*

*I'd say there is pretty good collaboration here. They're both internal functions so HR and Marketing probably have a good relationship. It's finance and Marketing who usually have issues, as finance doesn't want to spend any money and Marketing is like I'll just go spend on advertising, which isn't always tangible or measurable so you do have different philosophies but not any worse than in any other organisation. (Int23)*

*HR and Marketing already collaborate effectively because I think because of the positioning within the group so it's seen as something that we want to be consistent with around the world. So they're both taken quite seriously and it's looked at a very high level, a strategic level, not just small innovative here or there but seen as something critical. (Int26)*

*It seems like there's quite a lot of integration between Marketing and HR. The people that we have are very strong and quite innovative so from that I think we have the right subject matter experts for HR as well. (Int12)*

*HR is in charge of the EB, but it's one of these things that I think Marketing will be very involved with it as well especially right now because every aspect of our brand is being looked at so it's so much more than the advertising. (Int1)*

*I mean, three or four years there wasn't really a clear view on the employer brand and what we stood for and what the values were that we offered. So we did a lot of work and there was the combination of HR and Marketing in particular, but we did a lot of focus groups, a lot of sections to actually try and get the essence of what we stood for, so I think you need to do those regular surveys and tapping into research, just to make sure that what you're saying with your value proposition actually aligns to the employee experience piece. (Int21)*

*Employer brand probably fits with us in the recruitment area but again it's also one of those things and we can only really influence that kind of first question of why join? So the other HR areas can influence more the retention questions but we also, from a, how we felt the immediate and you know that kind of connection unit on brand guidelines, we actually work in with Marketing as well. So to me it's a joint ownership between Marketing and HR but it actually makes sense to sit employer brand within the HR space because that's where all the execution happens. But we've learnt from Marketing skills and abilities around building a brand and building those kinds of guidelines. So to me employer brand should be in HR but definitely work hand in hand with Marketing. (Int21)*

## Alignment

*In terms of our organisational structure how we're organised, I fit in what's called people Marketing and communication, so our group executive, my boss, is the group executive for people Marketing communications which is people and culture, Marketing and corporate affairs of which I sit in that area. So the people who head up those HR areas are my peers on that team. We're very much talking right now about our, you know, the alignment of that internal and external brand and in a way that's why we have been organised the way… why we've been brought together is very much to drive that as a team. (Int22)*

*It's really interesting, so it's called PMC, so People, Marketing and communications; it all fits under one general manager who reports to the CEO. So from that perspective they have been forced together, you know to work in one operation, that's why there's at the moment quite a big focus on the internal brand and what are we going to with that. So there is that much more of a connection than there probably is with other businesses. I think previously it was quite disconnected, they'd obviously done that for a reason to bring those two areas closer together and yes that was the rationale for forming this new division. (Int21)*

*I think it [structure] is one factor and I think it's an important factor about it probably not going to solve every problem. (Int19)*

*To co-ordinate and drive the group's agenda around our people, our Marketing to our customers and our relationships and communications with shareholders. (Int28)*

*So now bringing people, Marketing and communication together is seen as the next step in that story, so it's building on being even more innovative. (Int28)*

*It's rare to have those three [Marketing, HRM, corporate affairs] together partly because it's a lot of work because they are big areas all on their own but it saves a lot of time because otherwise you've got sort of overlap because you've got to if you're running Marketing you've got to convert the person running people whereas if you have all believers you've got no excuse for not having strong collaboration and we know that when there is collaboration in these areas there are huge advantages. (Int28)*

*There's just more efficiency too. So what would happen in the past is that different business units would each do end to end recruitment, whereas now the process is focused on developing a proactive pipeline. So rather than when we get, you know, if a recruiter gets that job, they put an ad up, hopefully the right candidates come through. They then met those candidates, short-list them, and give them to the hiring manager. Now they'll engage the sourcing partner and the sourcing partner would have built up a pretty qualified pool of candidates and sometimes you may still need to advertise for specific people and roles even if it can fill 20%-30% of roles through candidates already sitting in our pipeline it makes massive efficiency differences. (Int21)*

*There is this idea that there are four big banks and you can't differentiate between them, they're all the same, you know they're all bad, we hate them…but because we had done all this work, leadership work on removing the fees, increasing lending to business, all that kind of work. We felt, you know, we are different, we are not one of the pack anymore and part of our goal is to be number one in terms of our employee engagement; number one in terms of customer satisfaction; and number one in terms of return to shareholder. And we felt that like, we have done a lot of work to differentiate ourselves and we have got the proof points to demonstrate that and so we ran this external Marketing campaign. The intention was to you know, to put a line in the sand and we're different from you. And it worked, incredibly! We couldn't have done that campaign if we hadn't taken the actions that we had taken, otherwise it would just be a kind of empty Marketing campaign. Because we had done that hard work around getting the fundamentals right for our customers we could call that out. (Int22)*

*Yes (overlap) because otherwise one can go off very differently to the other…, as you will land up with a conflict if you do your own separate thing. For example, if your corporate social responsibility team focused on doing a healthy eating program in schools and then the employee branding team was giving Burger King vouchers for their initiatives they would contradict each other….because we always joke about our low carbon footprint and then keep getting printouts and little fliers and it is like, 'Shouldn't they have just emailed this to us', but no.* (Int23).

# Current Areas of Organisational Focus

## Talent

*I would personally define talent as your people whose potential and performance are heading in the direction that they will be a future leader. We have different ways to measure talent as there is no one way across the firm of saying talent is this. But for us talent is really important because we do see them obviously as the future leaders and our expectations, when we hire our grads, are that they are talent. So there's an expectation that hopefully we are hiring all top talent and that they will stay with us and they will continue on to be promoted. (Int20)*

*Talent means high preforming and high potential. (Int17)*

*I believe you can look at somebody and tell whether they're one of us or not, you know you're going to fit our culture and it's just your personality. It's always been an important consideration and difficult because it's not something you can measure, either you've got it or you don't. (Int10)*

*Some of its about cultural fit, some of it is about technical fit. (Int26)*

*Talent are the people who align their own values to the values that we have. Our values are really important and they're key to kind of tick off when you're interviewing someone. (Int7)*

*Overall, we're looking for people that have very full lives and actually have a lot of interests outside of work and that's something that we're really focused on and what we ask a lot in some of our phone screening questions is: 'what are you passionate about outside of your study, outside of your work?' As we want to hire people who have full lives, who are interested in lots of different things, are doing a lot of things and yes, rather than people that are just simply focused on work. (Int24)*

*How we define talent management, it's about having a good clear view of all of our people and having a sense of their contribution to the firm now and potential contribution in the future; having a good understanding of the length of time that an actual employee may stay here, how we can best leverage that person while they are here and I think just being really conscience about our workforce. So not just being passengers and letting things just happen to us, but making it our business to know about our people and to know about how they're finding their work experience. Are they operating to their optimal levels, yes or no? If no, how can we get more out of that person, partly for that persons benefit too. So to me it's about being very conscience and planned about your workforce, being clear on succession and looking at the numbers of people coming through, trying to find your gaps. Do we have gaps in succession plan? Do we have gaps in skillsets? What we need now, what we're anticipating in the future, so just being very conscience about your whole workforce as a whole pool of talent and how to manage that. (Int5)*

*It's a highly competitive landscape and when you've got young people who are not our parents' generation anymore, people aren't willing to just go and work in one place for 30 years. There's a lot more choices and people are a lot more discerning about what they do and they're not willing to settle for just anything. So I think with that there's a lot more pressure on organisations to actually provide a lot more sort of perks and a lot more beyond business value, add things that would attract people to work. I also think as a nation in New Zealand that's a huge challenge we're facing in terms of retaining talent. We've got a massive amount of talent overseas and I guess part of that employer choice proposition here is how we actually keep good people in New Zealand before they jet off again. (Int3)*

*When I say talent, it's the type of employee that everyone wants to have: highly skilled, hard worker, good attitude, good personality; that sort of high achiever type, and there's a lot of competition around for them. So if you have really high achieving people you don't want to lose them and other companies would be the same. So I think companies are doing all they can to try to get the best talent and that's not with money these days it's in includes many other things: cultures, flexible working arrangements, nice, environmentally friendly building, latest technology—phones and computers, all those other sort of benefits that you get which aren't just monetary and so are all things we actively promote and invest in to attract and retain talented employees. (Int11)*

*It's been redefined over the last 18 months. So we have quite a big talent pool here, but nowadays it's only actually 3% per cent of the employee base where it would have been up around more like 30% in the past, because it recognised different kinds of talent, whereas these are the true high performers, future leaders. We have a talent programme here which now offers an annual admission to that group, whereas if you were part of talent in the past you never dropped off before. Now it's reassessed year on year. (Int19)*

*I think in terms of recruiting talent that's something that the business is working through at the moment. We've defined what we consider talent to be once you're in but how do we attract those people? So probably still something that varies business by business unit. Obviously, if you're coming in as a legal practitioner then you're a talented person and that's going to be quite different to somebody in Marketing, and we're looking at this at the moment around what is talent enterprise-wide, what are their values and their attributes and qualifications that we were looking for agnostically? (Int19)*

*We focus on best practice, so having the most proactive, progressive processors, procedures, leveraging the best technology, being prepared for future trends, being slick about how we go about doing things, and you know making sure we have the most talented and the most capable people in our team working on the right things. So it's all of those things that tie together. However, it's constantly moving and changing as if you documented what best practice is today that would be out of date next month. So we need to focus on being the very best that we can be today and then next month revisiting it and refocuses to ensure that it is still the best. So it's more of a mind-set and drive rather than set or right tool. (Int5)*

# Recruitment and retention

## Recruitment developments

*I think it (EB) contributes to the personal profile of the organisation. So people will go oh they do this or that or I heard they're in that green building in town or they do that community programme. It's a reasonable driver of people's decision making process and appeal of an organisation as to what they perceive the values or the profile of the organisation to be. (Int2)*

*If you have a good brand in the market then people will come to you. So I'd probably get one to two CVs a week and have even had someone come from the competition to say look I want to introduce myself and I like what you guys do and if an opportunity comes up...It hasn't always been that way. So we just recently advertised for a role and we had 60 people apply, four years ago we would've had two, but we've done a lot of work transforming this business here into what we want it to be and having a great brand in the market, you find it becomes self-fulfilling. (Int18)*

*During interviews, we do have customer scenarios for people to work through as part of the recruitment exercise so that gives you a feel for peoples' values and their natural fit with us, how they will manage their customer relationships, that sort of thing. (Int26)*

*Some teams when they recruit people are very actively looking for someone who would be a good culture match. The smaller teams especially, as if you've only got maybe 10 people in your team and you're hiring another person that 1 person can influence things a lot more than if you're a team of 70 hiring 1 person. And I guess hiring managers they'll have different preferences around the kind of person they bring in as well so it's not the same answer across the board I don't think. (Int5)*

*A big part of recruitment is the whole organisational fit and team fit. So, you know, someone obviously has to have the right competencies, but certain skills and things can be trained but you can't train someone to fit into an environment or certain office culture. If it's a really loud and sort of outgoing team and then you get someone that is quite introverted and quiet and shy they might not fit in so well. You can't really force them to be outgoing, whereas at least you can train them on some of the skills that they're lacking on the technical side and give them development for that. You can't influence the way people are and what sort of office they enjoy working in. (Int11)*

*We try and employ people who are in line with the company values so we only start with potential high performers and they'll have to weed people out after a couple of years but no system is perfect. So whilst that might look very good as an objective and written down on a piece of paper somewhere it's a moving beast. (Int15)*

*You'll always get people who are driven by money and that's fine but more and more these days particularly with the recession and salaries haven't really gone up too much, people are looking for other things and that means flexible working hours or the on-going training, development that side of things as well so when I'm speaking with people that are interviewing with us they will always ask about the other benefits not just what their pay checks are going to be. What's the culture like or what are some of the other benefits of working at the company? Those are the questions that I get quite a lot. (Int11)*

*We have developed our own iPad application so our recruiters have gone to campus with iPads that focuses on a 1 on 1 with the candidate and takes them through just what they're interested in and they get a customised experience based on what they tell the recruiter what they're interested in and the candidate can enter their details onto the iPad and when they get home to check their emails they've got an email from us with links to a page, basically customised based on what they told the recruiter through that experience, the area that they've indicated they are interested in, so they get a really customised recruitment experience. That's cool. (Int12)*

*There's just more efficiency in the recruitment space too. So what would happen in the past is that different business units would each do end to end recruitment, whereas now the process is focused on developing a proactive pipeline. So rather than when we get, you know, if a recruiter gets that job, they put an ad up, hopefully the right candidates come through. They then met those candidates, short-list them, and give them to the hiring manager. Now they'll engage the sourcing partner and the sourcing partner would have built up a pretty qualified pool of candidates and sometimes you may still need to advertise for specific people and roles but it can fill 20%-30% of roles through candidates already sitting in our pipeline. It makes massive efficiency differences. (Int21)*

*The whole recruitment process I find quite bizarre because you'll sit down and you'll interview somebody and you'll probably spend a maximum two or three hours with that person really, ask a whole bunch of pretty scripted questions: give us an example of when you've managed conflict whatever, and everyone can sort of act their way through that. So for such an important decision it seems quite an odd way to go about it but I don't know what the alternative is. You can do you psycho-metric testing and even then that's not wholly accurate either, so we have a plan in place where if employees recommend somebody to us and we take them on then we actually pay them, and because quite often it's who you know. (Int18)*

*There's been a bit of work done to make sure the communications we do in recruitment is consistent with our advertising communicators because they are inter-related, Making sure the recruitment advertising highlights what our values and purpose are. (Int17)*

## Increased focus on retention

*I think we're pretty good about having a balanced focus between recruitment and retention. Our goal as an HR team is we have a people objective to attract, retain and engage the highest talent in the market. I think we actually do have a focus on retention especially because it's hard in this country. (Int8)*

*I think there is always going to be life cycles of things. Things always need to be refreshed as the external environment changes. I think it's a very competitive sector. Everyone is conscious of talent being poached. So I think there is an awareness of not wanting to lose the best people. So making sure that you have the whole package to get people to stay, it's not just about the salary it's about a lot of different things. I think it's constantly looking at that and tweaking it and making sure it's right. (Int29)*

*I think retention is as big of an issue as recruitment. I'd say it's a life cycle thing as well and I'd say retention is almost becoming more important. I think we have a really strong grad program so I don't think there is as much need to do anything different with recruitment. We probably attract quite good candidates already. Possibly due to previous work, so it's become business as usual. I think the employee experience is probably getting a lot more prominence now. (Int29)*

*During the last couple of years you might say some of that retention is being stimulating by a slowing job market but even before that by increasing our culture and engagement focus we were able to reduce turnover. (Int2)*

*I mean if you look at the cost of training somebody up and the experience he will have and the upcoming talent shortage in certain areas, I think people are being careful about retention. I mean retention is interesting, you do want to retain good staff but you also do need a bit of a change in energy and new ideas coming in. I think the main emphasis would maybe be on the retention side but it has an impact on the attraction side as well. (Int25)*

*Would I say recruitment and retention are equal? No. Do they receive the same amount of attention? Yes. But I think the retention side is a lot harder. So I think that we do place a lot of effort on it and I wouldn't say it's a massive focus balancing out the two but I think there are dedicated resources to recruitment that can focus on that, whereas retention is part of the service line and the business' responsibility. So I think it receives weighed attention based on turnover and financial results and economics and external environment and all of those things. I mean it absolutely receives a lot of attention on an on-going basis but it does fluctuate a little bit. (Int14)*

*What is interesting though, the employer brand person often does sit at the start of the employee life cycle and the brand continues all the way through. But I think it makes sense from the perspective, if you can influence that front end piece more than you probably can through the retention side. (Int21)*

*Retention is made up of so many variables, so it is actually quite hard to control. It's harder to control the employee experience than it is to control the employee value proposition for recruitment. So I would say that the complexity does really come into that employee experience and yes, I think what happens is the ownership is spread across so many different areas when it comes to the experience piece, because it's owned by the people leaders. So that adds more complexity because a number of people have their own lens on it and that will dictate the employee experience. Whereas a recruitment value proposition could be quite controlled and it's basically made up of the sum of a number of parts aligned into one, while retention is actually owned by a number of different parts (Int21)*

*I haven't seen any specific programmes based on retention, obviously as a line manager you don't want to lose good people so that's about training and development and engagement and giving people new roles and opportunities. So I haven't seen a structured programme around retention like we do with graduate recruitment for example. We do absolutely focus on internal talent and when opportunities come up we are filling roles with existing talent. We do a lot of on that, now that includes, that's retention. (Int17)*

*I think we're very aware of the retention piece and what we need to do but often it's a matter of looking at what is the actual reality of the experience of the employees: do the two marry up or do we have work to do internally. Often we find that we do have work to do internally to deliver on that promise. (Int13)*

*What we need to focus on is that we need to make sure that we continue to follow through on what we're selling to people. (Int5)*

*So if you're living through on that promise, if you're delivering on that recruitment promise then people will be more likely to stay with you, and if they leave they're more likely to remain as part of that talent community which has many benefits for the firm as well. (Int6)*

*At the moment the employer brand messaging and look and feel is quite separate it's sort of reserved for the recruitment process and then when you are on board you actually end up having things look and feel a little bit different and they're probably not as pointed or clear because we're such a big complex organisation, but we're wanting to move those closer together and become part of Marketing to tell our story. (Int19)*

# Engagement

## Engagement and enablement: A key people strategy

*I think engagement is more critical for a knowledge based workforce. A knowledge based workforce we know through research is more likely to not exert discretionary effort if they're not wholly engaged and that's because what their contributing, which is their deep seeded knowledge in their brains; you kind of need everything to be right for that person to function and offer that freely. People don't often know that they're withholding things if they're just a little bit annoyed with something right now then no their brain isn't going to be thinking this is great I'm just going to pour my heart and soul into this. So I think that the knowledge worker which we mostly employ – we're trying to engage them as much as possible. (Int5)*

*We've actually got to get this right, we've got to set up a good environment to hire the best people and keep them here and engage them. (Int5)*

*It's not just I'm happy at work or I'm unhappy at work and that kind of thing, so it's really about your people are they happy but do they understand what your strategy is, are they committed to it, do they help you achieve it because if they don't then you can't progress the business forward. (Int12)*

*So those engagement scores are really important and obviously for all strategic priorities across all business units so it's absolutely vital to any new strategies that are formed and are taken as gold so really vital for any strategic priority in any of the business units. (Int7)*

*Definitely in our culture survey, that's one of the things that it looks at, is engagement. Yes. Because that you know strongly relates to the strategic retention piece. Word of mouth was just so powerful, as you know that glossy brochure you read about a company is not what you want to know, you want to know how do they treat you as an employee. (Int25)*

*So we have annual surveys which benchmark you from last year's results. It benchmarks you against your business unit so your particular area of your business unit gets measured and also benchmarked against best practice organisations. So it's a really thorough in-depth review as to how you track across these different areas and for us what it measures is, I mean there's a whole range of questions in different areas but what it ultimately measures is engagement and enablement. So engagement means that connection between the individual and the business and enablement is how easily people feel they can get on with their jobs. (Int21)*

*Our employee survey measured two core aspects with detail underneath, and the two core aspects are engagement and enablement, so obviously how engaged are our people and how enabled are they to do their jobs well and so they're the two things we measure and corporate social responsibility and our initiative in that area are measured within that employee culture feedback, more reflection on how we try and link CSR internally is really just to get our people engaged in them you know make them aware and link them back to our organisation through organisational purposes. (Int17)*

*Well its engagement and enablement but I guess it's about putting a line in the sand as to where you are at a particular point in time. So I think, why to me it is important is that you don't know what you don't know. So unless you are measuring and reviewing things, how do you know whether you are making improvements and whether you're making traction? What I do like about it is the fact that it wraps up the business unit level and it wraps up to the overall business so you know, it definitely mapped against high performance organisation so you can really see where your areas of improvement are required to get to that best practice standard so that's why I think it's vital. (Int21)*

*So we measure engagement and enablement and they are the two key measures for the company. Every year the organisation runs a survey of our employees and we track those measures of engagement and enablement. (Int22)*

## Engagement as a management process

*So we have an annual people survey. We leverage that carefully. We use it as a bit of a living tool really and we have made improvements across the organisation over recent years. (Int5)*

*So we go out and do a really comprehensive survey once a year. It gives us a lot of information and material and when we get that back we publish all the results and that's all put into your KPIs around staff engagement and then we'll go through that with the regional managers. They'll then take it back to their teams and they'll workshop it and then they'll present it to their regions and say here's the feedback, these are the concerns and this is what we're going about them. (Int18)*

*Our engagement matrix have increased drastically over the past 5 years looking at, the engagement survey gives you a number, it's a number index from zero to a hundred and what that does is it highlights areas where people aren't engaged so it enables you to put initiatives in place to attempt to rectify and improve that. (Int8)*

*So to talk about engagement, we actually measure engagement scores, we track them over time, we measure them against the business unit, we measure them against high performance organisations, so I'd say it's a fundamental thing that we do. It's a big programme, it's all done centrally but then it's spread out to the different business units and the different areas of those business units take responsibility for their own team's results and driving them further going forward. (Int21)*

*Focus is on the classic Gallop Q12 areas which is loosely what our annual people survey uses as well and so I think people need to know what's expected of them, they need to have the right tools and technology, they need to have focus on development, they need to be recognised and appreciated, they need be in an environment where they've got good quality relationships. Those are the basics. For us, I think, we also try to provide the 'wow' factor of enabling our people to play to their strengths which when you've got a very talented workforce its quite tricky to do to keep our people really mentally engaged in their work. I think in our field of work that if we can meet peoples' needs to be mentally engaged in their work that's kind of the wow factor for us. (Int5)*

*And then I think it's probably the recognition, so I think if people know what to expect of them, they're very clear around it, they're delivering against it, they're enjoying the people that they're working for, they're growing and developing themselves personally and professionally and they're getting recognised for that whether it just be a sincere thank you or remuneration or whatever is a driver of them then that all drives engagement as core things for me. (Int6)*

*I think what organisations have discovered over the years is that 'enjoying their jobs' is much more than being intellectually engaged or even having a lunch room. There are a lot of inputs into that and that's where companies that have ended up being great companies to work for whether they're meat packing companies or professional services have that supportive working environment, good relationships between the management and the staff, you have opportunities to grow and develop and learn in whatever your field is and you've got the opportunity to work flexibly if you can and people are sympathetic if you're unwell and have to leave and come back, so if they're in place and to me that increases engagement. (Int10)*

*You're disengaged if you don't like your job and you hate your manager and you don't think you're getting paid well then you're probably not going to go out and promote your company to your neighbours as a good place to come and join whereas if you're happy at work and getting treated well and getting rewarded its more likely that you will. (Int11)*

*If people aren't happy in their workplace and don't believe that they're working for the greater good. I know I personally struggle with that we make money out of making money, or distributing money. It's not always that rewarding. You do have the ones where you get people to buy their first homes or setting up businesses that make a real difference - that's great, but your day to day job is still about making money. So having those nice things in your environment - those sorts of little things is very important. OK we talk about how we recycle and that's really important for a lot of people but it's not just waste not want not. (Int23)*

*I think sense of purpose, so creating a sense of purpose for people in terms of why is it important they do this particular job or this particular way, why is it important, are they serving a bigger cause, I think that's important in terms of engagement. Feeling as though there is something in it for them, so if people are growing their skills, they're learning, doing things that are important to them personally and their values then I think that's going to drive better engagement. (Int6)*

*There is also a general understanding that you know an encouragement of people to participate in our community investment programmes and to volunteer their time and give their money to the things that are important to you, because there is also a general understanding, and we have the evidence to back it up, that employees who are engaged in a community initiative, are more engaged in the work place. (Int22)*

# Culture and values

*If you define culture as the way we do things around here and you can't navigate that to the top then some people use the quote that culture is what people do when nobody is looking but if you think about it in that sense, culture is what culture is. (Int28)*

*Culture is just all about what people around you find normal and normally do so that's the main way that its communicated is through peers and work colleagues. And then we have more purposeful things like our values which are in people's annual performance reviews and we have a values month every year. Teams will do things like monthly or weekly value awards where they're sort of encouraging the right behaviours as well so there's a whole range of different ways to reinforce it. (Int5)*

*When we reward and recognise we demonstrate those values and through our Marketing and communications it's clear that those values are part of who we are. So we're trying to become clear about being a value based organisation and what that means in every sphere. (Int19)*

*It's (culture) being developed and grown all the time. It's always in development phase with our values, so our values are always being added to so they are snowballing in terms of their impact on everything to do. Our employee reward system is very aligned back to those values so you will get rewarded by aligning yourself to those values. (Int7)*

*Organisational values are about integrity; integrity is the key value statement and a big part of that is doing the right thing, so people talk about that. It becomes a decision in meetings. You talk about the logical outcomes and go, 'But is it the right thing to do?' So very much a living component of the decision making process. So we need a really clear statement of values. (Int4)*

*it's funny because even when you have a hard management decision to make coming back to those values is quite a good anchor point because you're sitting there thinking okay well I might want to do this or I might want to do that and it's 50/50 call and there are ramifications on each and think okay well we're a values based organisation so we will do what is in line with our values. I've done this only in the last two weeks with a pretty difficult situation and then you say okay well if we apply our values this is going to be the outcome and then you get good will as well which brings momentum as well. (Int18)*

*We're really differentiated based on reputation and culture, so you can certainly shape it in a positive way just as we know culture can be shaped in a negative way, so I think it is more of an organic evolving thing. (Int17)*

*The one key point is that the company has been extremely receptive. All of the executives have been welcoming these CSR focused initiatives. I think that is because there is a strong culture and people are the centre of the culture. I think the company realises that without the people, without that culture, it wouldn't be anything. So I think having that base is crucial and I think that is the difference between one organisation and another you know how they actually value those people and what they mean. (Int29)*

*People have always had a perception of who we are and what our culture is like, I think where it has evolved is that we've got smarter in terms of how we bring that message to market, bring it to the community, and bring it to life. (Int6)*

*From my sense it's highly accountable, focus on collaboration, strong values focussed on the enterprise. It's a moving thing and it's been around since the business started so you're never starting from scratch. There's an existing culture, there's a desired culture, so I think there's a strong culture agenda here and that is evidenced in what we're doing in the market around our reputation agenda. (Int17)*

*There is always a lot of opportunity so I think it's quite a progressive culture. As much as a bank takes risk you are encouraged to think outside the square and if mistakes happen well that's life, that's how you grow it's a growing pain thing so you've got to have that confidence in your people. I think it's quite progressive from that perspective. I used to work at another bank for ten years before I came here and it was very different and employee career development and things like that just weren't on top of the agenda and so it really does make a difference. (Int18)*

*It's all about learning, it's all about development and it's all about you can have one career, so your career can be here and you can have a lot of different jobs so it's very focussed on learning, it's focussed on flexibility and newish for us is innovation, introduced in the last probably three years. That is the kind of key thing for us so if you want to go somewhere and change your job and think differently and come up with new products and services that's where we are different, so that's probably a key value. Our internal values include seven areas of focus which define what our actual culture is like. (Int20)*

*I think we talk about soft on people, hard on performance. It might not be out there in the market space but it's certainly how we position the culture so I think that's definitely very strong in the culture that comes through. So it's part of the objective of the current research we're doing to really see how we need to reposition our values in amongst the new terminology that we're using to define the organisation. The innovation piece has been growing into you could only do it here and we provide you opportunities, those sorts of things really come through quite strongly. (Int13)*

*It's very much everyone works hard but it's still an enjoyable place to work. So it's things like morning teas and staff events that sort of thing so it's very open and friendly environment, if it's done right. You know sometimes too much of that, you know everyone is busy so you don't always want to have to go along to those sort of things, but it's good for moral. Not many people just want to come in and do their job, they want a bit more than that these days. (Int11)*

*We have identified that having a coaching culture is really important. So, not just formal objectives and feedback, but continuous conversations and focus on developing those skills in managers, so that people can continue to develop and feel open and talk about things. So open, honest and transparent in leaders those would be fundamentals. (Int29)*

*I think people do appreciate the internal culture as being quite nice and friendly so people do come and say our people are really friendly and willing to help.*

*I would say that they're very open to development, very encouraging of development and I think that also this is going to sound strange, but there's no ego so that plays out greatly when the managers are very encouraging of developing people and sharing information. That to me makes a really big difference because people are not battling to prove themselves and pushing other people down. Rather everybody's actually trying to encourage everybody else, it's not seen as a threat, which is very refreshing. (Int25)*

*So you've got to provide and give people that 'why do we behave differently' in the organisation. We had good performance this year so there is a real appetite around lifting the bar and so the behaviour messages around here are if you like it, own it, do it, listen and engage with it, make it easy, so focusing behaviour in the organisation towards customer. (Int2)*

*I think we are very much focused on individuals achieving their goals, so high engagement and high empowerment would be our biggest focuses. And, also always looking for a way to make things better for our customers, as well as very leadership focused. (Int27)*

*It's almost like two cultures, like when you look at grad recruitment and the new people that are coming in they bring this new culture that with them and it's faster this and it's increased technology and it's more awareness about what's happening around them and wanting to have lots of information. And then you've got the older generation which have a little bit more of a corporate culture. (Int24)*

*I think there's a little bit of, in some areas there's a sense of, there's this challenge around a passive element you know and some people feel that more than others and sense that large organisation piece as well. So if we're to look at the types of culture messages we're trying to drive is a lot more around this forward thinking, progressive attitude. (Int23)*

## Influencing cultural change

*I think culture is something that needs to develop organically. I think it's something that's quite broad and ill-defined and hard to define. (Int129)*

*Your culture comes from every action that you do so I don't think that you can control culture or you can decide you want to have a culture that looks like, I think that you can create an environment that allows a culture to grow however. (Int27)*

*The shape of the culture plan, it's not just a communications exercise, it's not just some look and feel posters and screen savers, we've got it very well defined – hence the leadership stream, these are all the process enablers. (Int2)*

*But leadership and management can say at this time in the environment that we're in, here's 3 or 4 words that we'd like you have top of mind when you're thinking about how to do things and we're going to view remuneration, the way we communicate on our intranet. to highlight what we're doing in these areas. So that's the best way to – I don't think you can own culture or harness culture or fully get your hands around culture, a bit like social media, but what you can do is soak it in which direction and people will follow and they will say okay if these are important aspects for us to demonstrate at the time then they start acting that way and then others start to follow and the organisation becomes more aligned. (Int28)*

*It's hard won and easily lost so I think to do it organically would take too long so you've got to say: these are our values and you've really got to push them quite hard. The key thing is that you end up living them. So there is no point having a whole bunch of slogans that make you feel good and mission statements that mean nothing, plaster it around the place if you're not out there living it. So there are little things that you do every day that demonstrate it and emphasise it and. (Int18)*

*I think it's pretty rare that cultures move forward dramatically in say a 2-3 month period unless there's a huge burning platform and some kind of crisis. But culture has to be something for you to evolve and culture can go backwards very quickly if there's poison in the system. (Int28)*

*Culture development and change needs a hybrid of people from different teams, mainly in HR that would be critical in terms of forming things like values, codes of ethics. When it comes to mission statements and business principles it's probably more a strategy function in terms of coming up with it and then in terms of communicating it would be more the employee communications team so which is part of Marketing. So it's a whole bunch of people. It's kind of built together and then everyone has different responsibilities. (Int19)*

*They have tried everything to change this team's culture and then all it took, was a new guy who came in to head it up. They had tried four people to head this up and still the culture was bad in this one team, and he just said, we're going to get over this and said no, I'm not going to allow it and people were punished for demonstrating those wrong behaviours and they're not there yet, but it's actually amazing how far punishing those unwanted behaviours is what actually needed to happen, rather than going into that circular downward spiral, but it was tough. (Int23)*

## Communication

*Communication is definitely of paramount importance. Whether it's directly from HR to the employees and managers or vice versa, we encourage constant communication to our employees around everything that we do. We've implemented initiatives such as the proactive career conversations and the recognising high potential people and actually driving their career forward and proactively having a conversation about how they can progress throughout the business. (Int8)*

*The other thing that comes to mind as well which is inherent to actually achieve anything organisationally - you really need good communication channels. We have a number of different business units but it's very much operated in more a silo type way and that's just how it's been happening, but there's definite desire to facilitate more collaboration across them with the assistance of communication. (Int3)*

*So there's a lot of collaboration that goes on, so it's [communication] back and forth as opposed to top down. (Int28)*

*There's a very strong focus on communicating to engage our people about what is happening in the business. (Int17)*

*I think it's more that we have to operate through a number of channels and communication devises to make sure everyone gets engaged. (Int28)*

*Communication is everything. I mean as an employee myself I don't like getting left in the dark and just hearing things down the line. I'd rather have it come through in a timely manner. So I think communication is really key. (Int11)*

*We have fairly sophisticated communication tools available, intranet, senior leader communication whether it be communications about people in the front line dealing with customers, so a range of forums and media. (Int17)*

*We have quite a few channels actually. We have our intranet site, so we use that a lot; email would obviously be another one, face to face within the business, and I think it's a little bit cyclical depending on if its review time and whatever is going on in the business. (Int14)*

*We use a total mixture of communication. So there is an intranet for everyone that's gone through a bit of a rewrite. Every business unit have their own user page. It's a customised homepage you can put your own widgets in and things on it as well. So as well as that news functionality there are email updates, the RSSV for those specific needs, like if a system is down it affects customers or things like that that you need to get a message to them quickly. There is a whole cascade process for some things as well, to ensure everyone knows what is happening. (Int2)*

*You know we might use email, we might use intranet communications as well but we do understand that written communication is not as influential as talking about things. As a team we realise that we are less influential talking to a whole team of people than it would be more influential coming from a business leader or someone's manager if they want to get change. (Int5)*

*There's internet, for some of the specific functions. There's sort of a regular update with what's happening in their space in terms of the markets internationally and then HR have a monthly community call which means they get everyone around the country on a video hook-up in one room and they share news and they give out awards for the month for key people who have shone and things like that. Most areas of business will have some sort of key catch up whether it's at a high level in terms of most of the area or in just small team meetings. (Int3)*

*Intranet, email, people leader briefings so people leaders will get sent briefings on current news and stuff and so when they sit down at their team meetings on Monday they will be able to discuss them, so that's probably our main forms of communication….Intranet's probably a really important piece. We have a corporate affairs team that really holds that and it's quite important to our internal brand so there is a big team on that. So internal branding and how we communicate internally is really essential and a lot of investment goes into our internet and how it's formed and different sectors of it and it's really a massive focus. (Int7)*

## Generations and diversity

*The board is immensely focused on diversity. So, in this organisation, it's not the case of us having to really sell it, it's that the appetite and the emphasis on importance, on priority is there. It's more a case of us influencing and shaping the thinking because people will default to approaches that may not be effective or sustainable or they default to what they know or understand like a metric. We need to influence senior management. Our diversity approach needs to be more than that. (Int2)*

*Diversity is something that we're addressing now through the senior management advisory groups because there's definitely a case to answer around that and the current research tells us we should be thinking about. (Int10)*

*Something we're quite conscious of is we don't want to set ourselves targets which then run counter to actually what New Zealand's population is looking like. So they've got to be quite flexible and responsive. We don't want to go down the whole path and actually realise we've got a lot of 80 year olds and country is all 20 or whatever. So it's quite a difficult area but I think flexibility is really the key. (Int29)*

*It's a really big focus for us to ensure that we have diversity and that does mean that we need to look at if our customers are young then do we have team members that understand them, do we have team members where we've got our technology that is associated with them and vice versa. So it has to be very customer centric. (Int27)*

*Generations are not a major focus, but it is a part of diversity as a whole. (Int24)*

*Well part of our diversity focus is a number of different targets, so our focus has been more on the gender piece now, but another area we are looking at is age workforce and it really is around that flexibility and the opportunities around part-time work, flexible work, and those kinds of options. (Int21)*

*With diversity I think we will be looking more at gender stuff. It keeps changing as when you talk about diversity it's just so many different things. But I don't think the generational part will be very big. (Int24)*

*No we don't tend to take a generational approach to looking at employee needs. We think about it from a life stage perspective, so what do people need mainly focused around flexible work practices. (Int26)*

*Women in management, as a metric has started to appear. It was being reported as best practice by Australia and they started to care about it so therefore, it became something that we started to report on and take seriously. (Int4)*

*I haven't seen any formal programmes based on different generational groups, we do have formal programmes around maternity leave for people returning from maternity leave and keeping people engaged over maternity leave. (Int17)*

*There's definitely awareness around looking at that mid-section of the workforce that are the ones that have probably been around for quite a while and they're the solid experience talent and senior leaders. My understanding and this is from brief conversations with people, is that you can put the young people in talent programmes but the reality is how many people start working at an organisation at twenty and are still there when they're thirty-five? It's pretty slim. So they're pretty much there for about two to three years max before people go and do their OE and change it up. So focusing on that mid-section and what you do with them. Within that whole meat of the sandwich is all those flexibility issues because you're going to get a lot of mums returning to work and that whole life work balance back. (Int3)*

*I mean the interesting thing with graduates is there's a lot of research around, if you focus your resources on really attracting graduates, it doesn't have as good a payback as actually focusing on some of your current staff. So if you invest a lot at that level, they are quite likely to move on. So where do you want to focus your resources? (Int25)*

*I think where we see our greatest level of turnover is at that sort of three year mark with our senior analysts. There is still a fair bit of work done to try to really understand what it is that fuels that, you know that level of wanting to leave or the dissatisfaction amongst that group and then how we can actually provide a discrete proposition to get them over that hurdle and looking forward into a more senior capacity in the organisation. So that's one component of our organisation where we do feel a lot of pain around losing people. (Int13)*

## The ageing workforce: Business horizon issue

*I don't think having an older workforce is a big issue here. I don't think it's something that we focus on. (Int7)*

*Last year we focused on flexible work practices and the ageing workforce that was raised as part of a project, but it's never actually been seen as a key priority. It's been raised at different points but never really gotten any traction. I think it's our business model and I think it's also a little bit about our culture, I think we're quite young in the way we work and operate probably. (Int14)*

*No I don't think it is an issue because at the end of the day we still do like to employ people in their 50's and 60's because they've got the experience. Some of that older generation do have a whole lot of knowledge and experience that we can draw upon. You have to be able to earn peoples trust and respect in banking and so a lot of that comes from experience. You can't just put a whole lot of twenty year olds in your branch, you know you need people who have been there and done the hard yards. (Int11)*

*I mean, we are very conscience of retaining the older workforce, but haven't explored it, haven't done anything about it. (Int6)*

*Is there anxiety and the ageing workforce? Probably. Are we doing anything about it? Probably not. I suspect that that will only really come alive as a real issue in say about a decade when we're really starting to struggle to retain corporate knowledge. It hasn't hit here yet but it probably will in the reasonable near future – next decade. (Int15)*

*Diversity has been a big thing. They've sort of cranked it up to the next level over the last I'd say six to twelve months. One key part of that is that the population is ageing. I'm not aware at this stage of any policies in place specifically but what I do know is that it is very much on the agenda and there are a number of working groups to be set up to look at different aspects of diversity and ageing and the fact that one in four people by 2015 would be over sixty-five. So I'm not aware of specific policies but I think at the moment they're just trying to gather the information and conclude what's the right thing for us. (Int1)*

*It's something that seems to take care of itself. We're not doing any inter-generational, strategic implementation. We do have extended hire but it's not something that we're managing on mass… interesting though it could well become a problem. (Int16)*

*The baby boomers can't afford to retire. Let's face it they've spent all their money on their kids or on a holiday house. They can't afford it, so they're not going to be retiring at fifty-five and that's the reality. (Int4)*

*I think we're preparing now because these issues will hit in ten years or so it will be my generation who'll be seventy. I think it will take a while so we just have to get there and see what happens. (Int29)*

*I think with the aging population coming you know we'll need to be more flexible and have the kind of environment that allows people to work when they're older but not necessarily full time. (Int29)*

*The aging population I think it's definitely an issue and you're bang on in raising it. (Int3)*

*I know we've got the capacity and the framework now to do that [retain older employees]. There's this belief in the depth of experience of older people and retaining them. (Int2)*

## The new generation: part of evolving business

*It's probably a confidence exceeding the competent side a little bit. And what I mean by that is that, you know, I think it's also symptomatic of the economic environment. They have grown up in what has been a very buoyant economy that has obviously had a recent dip in the last few years so there's definitely a different generation approach in terms of expectations. They have higher expectations, they want more work-life flexibility and they're prepared to ask for it. I think that's the biggest difference, is that they're prepared to ask for what they want whereas other generations were probably not as outspoken in that respect. (Int21)*

*That was an issue pre-GFC where it was an employee's market so employers were forced to think like that. But the market has done a 180 and it's flipped on its head and I don't think you have to consider that to the same degree. I used to do some coaching on one of our programmes which was full of gen Y around career development opportunities and the first question this guy asked me, he was quite a young guy in his twenties, "when can I get an internment up to New York?", "why?", "Oh because if you don't I'm going to go and work somewhere else!". Well that's the wrong attitude so knock yourself out, which is all quite bizarre, yet if you had people on that programme today they'd be absolutely thankful to be there and realise it's actually a privilege position. So I think that part of the market has a different interpretation of what an employer should provide now. (Int18)*

*And this is again that's my general view I'm not sure how it bears out in the facts and figures around turnover but I would suggest if you were to look at turnover and you did the breakdown by age groups I would say you would say you would definitely get higher turnover in gen Y but it's not all just because they're gen Y. They are also younger and are more likely to travel, they're more likely to take risks they probably don't have the family commitments that a lot of the gen X's are now into in terms of schooling and education for their kids, all that sort of stuff. So I can't give you the figures but I would imagine it would be much greater turnover in the gen Y bracket. (Int21)*

*The generation one is a funny one and you could sort of argue the case either way around the generations as was anybody any different when they first came out of university, so to speak, in terms of some of the attitudes, but it does have an impact. Times have changed and so expectations have changed, technology has changed and skill sets that any new generation comes into the workforce with is different. Exposures and experiences that people have had are different, so I think it is really important and will have and has had an impact on the firm. So you do need to be very aware of that and you've got to actually think about and manage different generations as they come in. (Int6)*

*This March we just took in 660 grads out of the country so 10% of population every year is completely brand new of a particular generation and that has a massive impact if you think about 10% of your work force coming in at one time effectively around one date that's a massive impact. (Int12)*

*I think that the lucky thing is that our managers, their children are the age of these young people that they've recently hired so they kind of understand these people. They shake their heads at them and think, my son or my daughter is doing that same thing. I don't get it - what's it all about? But they just know you have to work with them because they won't change. (Int5)*

*I'm not sure our managers are particularly tolerant though. I think that they just realise that if you're going to hire 100 people a year from a university cohort you're going to have a bunch of people that are kind of the same and you just have to, you know life gives you lemons; you make lemonade, that's just what you've got. So I think if they could write down exactly what their perfect grad would be it would be quite different to what they hire but they make do with what's coming out this year of university and that's just what they have to deal with… they have to suck it up. (Int5)*

*They do things differently so you have to manage. So some of the things that we find is grads are very demanding and so it takes a lot more effort to sometimes bring them down to pace. But in saying that, some of the people who've been around for a long time, it's OK to let them leave as well. Our workforce is quite young and because they've done things that way ten years ago, do we really want to be doing the same thing now? (Int23)*

*A couple of years ago we recognised that the graduate demographic had changed and we needed to basically speak their language more than just pumping out a corporate message. By doing that we started a Facebook page as an avenue to communicate with these guys, to generate and engage a sustainable online community, one where there wasn't a corporate message being pumped, but it was a more realistic message around communicating and engaging with the students and with generation Y. (Int8)*

*You can imagine with graduates they know more about social media and technology then any of us do. So they've got skills. Whereas in the old days you'd think it's all in the training, you know one day they will know something. That's a very dated view. These days we question how do we get them to move on to some of the big things like our larger campaigns quicker? They represent a generation of people, yes, but we don't tend to, you know, walk around and try to put people in boxes. (Int28)*

## Managing generational differences

*I think there's always going to be conflict between someone who has twenty years' experience and someone who doesn't and so I think there's always conflict, always can be conflict between a manager and employee. (Int6)*

*It's about how the young people work which I think is challenging managers the most. So just a simple one - a lot of our young people like to wear headphones while they work and listen to music. The older managers can't imagine how people can work well when they have music running where young people can't imagine how you can work well without having music running and that's just one example of how they operate differently and so to get the best out of them is quite different. (Int5)*

*I guess some of the more old school managers; they have to be a bit more understanding about gen Y and how they work these days and how everything is pretty much at their fingertips. They like having things happen immediately and are used to going onto Google and getting the information straight away. They don't need to do a couple of hours of research to find an answer to a question. So I think that there has to be a lot of adaptability around that. (Int11)*

*I think manager struggle with how they manage different preferences, if that makes sense, but on the other side Australia talks a lot about innovation and social media – we do a lot of that, so it kind of works both ways if that makes sense. I'm not sure if it's the same in New Zealand but Australia has taken the approach, well this is the landscape, it's changing and we need our team to know and understand those changes. (Int12)*

*We recognise the differences in people. Many of our partners may not understand why Brad doesn't want to work sixty hours a week and yes so you battle with that and it's around communicating to the older generation that the needs and the wants of the younger generation have changed and therefore we need to have flexible work practices in order to accommodate people otherwise they'll go elsewhere. (Int8)*

*One size doesn't fit all but everyone has different needs, for whatever it is, whether is family commitments or study or whatever it is or you just want that flexibility. (Int12)*

*It comes back to showing that our managers have the capability in their tool kits to address and manage different people. I think that there's also the argument that people are just people at the end of the day and they may have different drivers but it may not be as generational as people say it is or it might be but rather than put people in boxes which we are still inclined to do, we try to say well how do we tap into what we know these groups of people like or these individuals like and try to address it from that perspective. (Int13)*

*So getting both (old and young) to work together is also really, really important. (Int29)*

*The real challenge will be older and younger generations working together and that will really depend on how gradual the change is. But I think that will probably at the same time there is a lot of cultural change so it will be interesting. (Int29)*

# Research questions: Relationship perceptions

## Employee-focused CSR and EB

*I think the thing is that all our initiatives come from one central place and so when HR decided to have their strategic priorities everyone has those strategic priorities, there's no one leading the other. There would never be strategic priorities that are put in place that would ever be detrimental to other ones you've got on other business units so very much they're aligned as they come from a central point. (Int7)*

*I mean you can't fully merge them (CSR and EB) because there are areas of specialisation, but within those areas of specialisation I think we see that these things are all built to achieve our objective of what is our story. (Int17)*

*Again it's about consistency and a united front. We are all heading towards a common goal, as there is so much more to gain if you are heading in the same direction. (Int25)*

*I think the interesting thing around it is when you're talking about the branding and responsibility, it comes down to some really key small areas and I guess they are the moment of truth. I mean it's great to have all sorts of theory but when it comes down to moment of truth of what is actually happening in the organisation that is where the overlap is evident. (Int27)*

*We briefly had a head of HR and another executive who looked after community, now they're combined. (Int16)*

*Yes they (EB and CSR) have always been very integrated. (Int22)*

*Employer branding and CSR initiatives are the responsibility of the group executive, people Marketing and communications. (AH28)*

*Employee-focused CSR and EB initiatives are often headed up by HR, but are also initiated by the head of CSR. (Int9)*

*It [employee-focused CSR] certainly lies within our sustainability team as well as being linked in really closely with our HR team. So it's very much a partnership between us and the Marketing and experience team so they might perhaps lead the initiative but then incorporate us and make sure that it aligns with all our HR functions systems. (Int7)*

*How it's currently run (corporate social responsibility sits more on the Marketing side and Employer branding sits more on the HR side) with having us incorporated really closely works really well. I don't think it's siloed at all because you're so much integration and at the end of the day someone has to own the strategic priority and it was owned by them however were really, really closely aligned so like I said we have daily contact in terms of any of the CSR things for flexible working policies and woman in leadership, they're critical for our own success of our own strategies. (Int7)*

*I think it's (CSR) really fundamental so we have one our EVP's we lead with is around realised potential. For different people it means different things for some it's about having the training development, support to move their way through to leadership roles, for others it's about becoming the best specialist they can possibly be in their chosen area. But for others it's actually about having the work life balance and then there's another section is employees that are motivated by being involved with the community they live and work in. I think it's really important from the employer brand perspective that you have commitment, you follow through on them and you actually have the recognition of that is also important. (Int21)*

*I certainly know that my HR colleagues think that it's (CSR) very important as part of the employer branding and, I do know from seeing the HR research into the way people think and feel about their employer that it's very important to them and highly valued that their employer acts in a responsible manner. (Int15)*

*Yes it's important. By doing CSR work, essentially the way I think of it is you're associating yourself with other organisations that are normally community driven, not for profit, that kind of thing. By associating yourself with those brands you're basically saying to potential employees and clients, look at us, we aren't just about the financials, we are interested in helping other organisations grow or providing value to other organisations and because of that from a recruiting perspective we are an employer of choice, we are for more than just a business driven career. (Int8)*

*From the CSR piece, I do think it's more than just a narrow bunch of efforts, I think it really does cross into the perception people have of the organisation and I think again this is my personal view, if a business has an intention that they want to be forward looking that's going to translate into a whole lot of things, that's going to translate into the way they use technology and they're processes, they're attitude towards consumption and waste and their attitude towards people themselves and the environment. I just don't think you'd find an organisation that was 'we really care about creating a great work environment for people' but 'we don't care about the community that we're part of', the drivers would be similar. I think in an organisation that says we believe in doing the right thing by our people and that it is also good for business wouldn't believe that we shouldn't be too concerned about our impact on the environment or the community. You know I just don't think you'd get that, so I think if you're genuine in one area then more likely to be genuine in them all. (Int2)*

*Yes. I think things being done in the CSR space probably have a greater visibility externally and that represents your firm and that represents your entire brand including the employment brand so I see it links. So if we're out there in CSR getting involved in things that don't fit with our brand that will have an impact on our employment brand and obviously the type of people that we recruit, if its reinforcing things that are in line with our values as a firm then that will have a knock on effect in terms of your employment brand. (Int6)*

*Absolutely there is an overlap, as a lot of times when you're going through and looking at what you offer as an employer you're talking about a social responsibility. (Int27)*

*The overlap between CSR and EB is important and adds value. I mean the whole point in terms of recruitment, setting up a meeting saying what are we doing? How can we communicate it better so that our graduates or just any new employee knows what we're doing, all of those CSR things are part of employer branding. (Int3)*

*So when we talk about brand proposition and talk about how to bring grads in and what do grads look for and how do we sell the firm to grads and to laterals, we've had discussions about where corporate social responsibility fits into that and how much of a driver it is. (Int5)*

*For me it's just from an employer brand perspective, it's another peg to hang your hat on I guess in respect of, it's something that candidates care about and they want to know what is your connection to the community and what is your involvement and what chance do I have, a potential employee, have to get involved? So for me it's about building your employer brand story. We have a really good reputation whether it's community programmes and activities, so you know, why wouldn't we capitalise on that to build an employer brand story? So to me it's one element of what makes a great employer brand is that strong CSR focus. (Int21)*

*Corporate social responsibility is an element that you need to consider when building your employment brand. Well you don't have too but you know you can and so we do have a corporate social responsibility team and the firm believes in that element and as an employer we need to ask the question how and where does that fit into your employment brand. (Int5)*

*I don't know if it would be deal breaker for somebody, but I think that it just adds like it's another notch. I think it's just one piece of that EB story. (Int12)*

*I think sense of purpose is the key, so creating a sense of purpose for people in terms of why is it important they do this particular job or this particular way, why is it important, are they serving a bigger cause, I think that's important in terms of engagement. Feeling as though there is something in it for them, so if people are growing their skills, they're learning, doing things that are important to them personally and their values then I think that's going to drive better engagement. (Int6)*

*I've seen a really interesting trend now with showing interest in the employees' family has a really big impact. So whether that is events that are created for employees but also where their families can be included or little perks that extend out to their family. I think that's huge. It ties also in with the employee branding thing, because that speaks volumes and the kids talk about "oh I went here with my dad or my mum" and you know, you have people of different generations wanting to work for the same company because they see how their parents were treated there. I've seen companies where, the parents have worked on a project that's been quite intense for a while and then the family is sent a thank you or recognised for "look I know your mum and dad have been super busy, here's a thank you". It's those kind of things, I think they speak volumes and make such a difference. (Int25)*

*I think it's (CSR) certainly very much part of our external branding and our value propositions to the market so we position ourselves as people focused and different to our competitors by having that level of corporate social responsibility and focus on people which is a key differentiated for us. So I don't think it's just a compliance piece at all. (Int13)*

*It's important to bring corporate responsibility into the brand. I sort of see that as the way of the future and that's how we will differentiate ourselves from our competitors. It's around leadership and culture and reputation. That's how we will differentiate ourselves and so by bringing our corporate responsibility agenda into the heart of our internal and external brand is how we will do that….it's really an extension of that idea about corporate responsibility not being something kind of cute and fluffy to the side at*

*the very heart of business strategy, it's at heart of everything that we do. It's not about the group of people in the CSR team doing some nice things with community. It's about corporate responsibility as our purpose in action, so that if that's doing the right thing, it's about all day every day in everything that you do. (Int22)*

*I don't necessarily think that it's the structure that maters I think it's having a good relationship and alignment between the HR team and the operational side of the business and no matter how that works and however it works best and where CSR resides isn't the issue its where the rubber hits the road is the issue. (Int10)*

*To a certain extent my personal views are I'm not too fussed on where it happens to sit in the team. So I kind of think that it is more about how people are working together and so long as those people are opening their eyes and not just focusing solely on what's happening with HR and what's happening with Marketing but understanding how they might work together with other people, will make all the difference. Having said that it's possible sometimes just physically being near people can make a difference so it's possible that if the CSR team moved over to say HR or the employment branding team somehow became more closely aligned with the CSR team who knows what might be possible. (Int1)*

*I personally would think it's neither here nor there who's responsible for them, the important thing is that an organisation actually does it and has somebody who is responsible. (Int15)*

*I don't think it [ownership] matters as much as ensuring that there's that you know, consultation and collaboration around how it's driven because I think CSR is a really important engagement tool for employees, but as to whether it should be owned by HR, I don't really have a view on that. (Int21)*

*It's seriously beneficial for them to be aligned but I'm happy for CSR to be a separate entity and run by corporate affairs. I think because of the positioning within the group so it's seen as something that we want to be consistent around the world, so they're both taken quite seriously and it's looked at a very high level, a strategic level, not just small innovations in different countries. (Int26)*

*I think that I'm kind of relaxed around that stuff, some people think that if you create a formal structure that it would drive it, personally I think if you've got good relationships with the CSR people and whoever is driving that within business and you both can see where the benefits are it can work. So it doesn't restrict it. (Int6)*

*For CSR I think there needs to be a link, there needs to be an understanding of CSR and in my mind preferably some level of coordination with that. So that it's not talking in two different languages, so that you can kind of leverage both of them. I don't think CSR has to be driven by HR but I think there has to be a connection between the two somehow. (Int5)*

*The CSR team works very closely with HR and so even though structurally we were under different parts of the business, there was always going to be a big link there and I think there has to be. I don't think you can operate independent of each other. So I think alignment is important, I think less structurally and more you need to talk to the people that you need to understand what the impact of their policy decisions are going to be on your decisions, the things that we do and the things that we support have to align with that policy, so to me the alignment comes more at a doing level. (Int10)*

*It's important for there to be an overlap between CSR and EB, but not in terms of sitting within HR, but a more collaborative approach would benefit both. CSR has broader application than just applying to EB. It also is deeply important for customer perception, advocacy. so alignment with other organisation priorities is equally important. (Int24)*

*We do need them all aligned to make it all digestible and easy for audiences to understand. (Int31)*

*In our organisation, corporate social responsibility sits in between HR and Marketing but probably more Marketing because it's our internal branding that aligns with our external branding and that's a pretty big beast. So it needs to be its own separate team but should align with Marketing strategies as well. (Int23)*

*No I don't [see any benefit to having CSR and EB under the same department] to be honest because you've got two different strategies which have a degree of overlap and I'd see that as being more in awareness so as long as the left hand knew what the right hand was doing you can be consistent. But to have corporate affairs and Marketing thinking about our position in the market relative to our peers, thinking about employee branding, it's just not the right types of people. (Int18)*

*It's almost like it's its own beast and has to report to both Marketing and HR, because I mean, you're looking at this for thousands of employees. If you put it under Marketing, Marketing will use that budget to do pretty fluffy things like they always do. Marketing will give you a whole lot of tennis balls or chocolate bars on your desk. If it's run by HR you'll have it linked into engagement and those things. So having it separate and staff led is more focused. (Int23)*

*I think they should sit separately, but HR should have a strong relationship with the teams that own CSR. The success of EB and CSR I think relies on the teams who are independent of any other areas within the business and can therefore concentrate solely on these issues. There is quite a different expertise and knowledge required by having these sitting under HR or any other service line there is a risk that they may not feel completely understood or appreciated. (Int24)*

## Overlaps between employee-focused CSR, EB and HRM

### Relationships between CSR & HRM

*The head of HR and CSR sit on the corporate responsibility covenants committee which is chaired by the CEO, so yes. (Int15)*

*Yes, as both CSR and HR are about enabling potential. (Int3)*

*Both CSR and HR are about building healthy and sustainable organisations and delivering superior results over the long run. (Int31)*

*They align and need to be consistent to get any traction and be seen as accurate. (Int25)*

*Where you have CSR and the HR teams working more closely together so you're looking at all the initiates that you have say under HR or looking at all the initiatives you have under CSR and what you're trying to achieve and actually just saying lets leverage off an area of the business which is important to get an outcome. I think the closer that you work together as I said before whether it's formal or informal you're going to get better outcomes. (Int6)*

*Yes, CSR and HR overlap as they both can drive engagement and development of people. (Int6)*

*Well, I think the reality is that when you're talking about managing human resources you should always have a social responsibility hat on so every time that you're dealing with a team member you're also affecting their family and I think that however you deal with any scenario or any people policy has a social impact, so you should always be aware of that. (Int27)*

*There is probably an opportunity for us to really understand what employees want to do, so if we talk about work life balance and having people here who are happy to be here and enjoying it I think sometimes one of things people get real enjoyment from is giving back to the community or what they get from a particular role. I think sometimes there's an opportunity for HR to talk to individuals and understand what they want to do and then perhaps it might be more to do with CSR so that way yes but otherwise for us it would probably be separate still. (Int20)*

*There is an overlap in terms CSR and all the community side and giving back because that's a huge part of the employee value proposition. So that, for me is the overlap in terms of we work a lot on that but then we need to work with the foundation who run our community initiatives to understand what they're actually doing and using that information. A lot of those initiatives are selling tools for our employees to encourage them to go out into the market place and say these are all the things we are doing to give back to the community. So there's that overlap and I think the other overlap is also around, I guess employee policy but also how we treat our people with things that happen. (Int20)*

*I think that it [CSR] probably has the biggest impact on recruitment. So through our early discussions, and then on boarding, I think that's where it has the biggest impact; you know when you've been in a company for a while, you tend to accept things as the way they should be in normal practice. (Int14)*

*I think that's probably something that would be really good and we could even facilitate that as a team. I have had a conversation with the person in HR who works in the recruitment space around how she can include some more CSR related policies in that recruitment side of things because she's obviously seen the value and the people probably started asking for it, well that's what she said, so that would be a way for us to technically link those two teams. (Int3)*

*The HR function should be set up with CSR in mind, as a focus but they don't think in those terms. (Int9)*

*A lot of the stuff we're doing around our culture and the relationship between the internal and external brand, again it's early days but I think that's working well, I don't think we've really worked out where CSR will fit in our external communication as such, we haven't spent a lot of time on it because it kind of hasn't been a priority because the CSR initiatives have a bit of traction already, but it's interesting that where in a lot of places you often hear the CSR people saying we need to make ads and tell people that we do this stuff well we try to have been, we've got other things to tell first to change the drive differentiation in the market then talking about CSR, so it's not a pressure situation that we need to scream about CSR to tell our story we know the role it plays and that is not to say we won't and we do already do stuff to communicate it. (Int17)*

*Yes, there is an overlap. Key area would be in terms of offering employment and development opportunities. Also policies such as volunteer leave, parental leave benefits provided in addition to those required by legislation. I think CSR is a key differentiator for us in terms of, I suppose a natural flow on how we treat our people internally to what we do externally in the community and in the market place too, beyond the services that we provide so I suppose it will become more obvious in the way that we recruit and the way we market and try to attract people that are obviously more socially aware to say that we've got set initiatives and we do set things in the community and so I think it's probably not as obvious at the moment but it will build from here. (Int13)*

*In terms of the link with HR, if HR are doing some work, rolling out initiatives and programmes to help bring alignment with our values and to make sure the culture and how we do things reflects with what people's personal values are, it seems to me that CSR have a role to play in really helping encourage people to take part and get involved in CSR. But going back to these sorts of employee-focused CSR activities, I don't know if there is a view here at the moment that that comprises CSR. (Int1)*

*I wonder with CSR whether the people in the firm don't see, don't make the connection to the employee side of it, so they know that employers are involved, but I don't know whether they really understand the power that sense of purpose can have in terms of employee engagement and from a development perspective in terms of engagement from an employee perspective, so I talked about graduates being really interested in CSR but you know if you spoke to a number of partners within the firm I'm not sure that they would automatically say that it is important that we do CSR from a hiring talent perspective, they'd say we're doing it because we're doing our bit or things like that. So I think it's still an evolving area and part of that I guess is in terms of what helps connect the dots say if its seen as part of the HR function as you like and clearly part of the HR strategy then people would see the synergies whereas a standalone function its treated as a standalone discipline so that's probably why I think people haven't connected the dots. (Int6)*

*Pretty much all of them sit in HR. (Int20)*

*So the strategy for these lies in HR, but in terms of delivery it's very much in the business…We've got a very strong programme around people leadership and as a people leader. So anybody with people reporting to them is a people leader and as a people leader you have a whole range of responsibilities which are on that card and we are very much working to build the skills and capacities of our people leaders. (Int22)*

*A lot of those activities, I mean for me speaking as an employee outside of HR, these are the things that would help make my job better and because HR is responsible for a lot of those areas and things like development I've talked about a lot, salary and benefits. All of those things add to why you want to work here and why you would be happy to work here and more positive about being a staff member. (Int11)*

*These accountabilities are all in HR in the people function. The organisation's people values is a shared brand in HR just because we've got the blueprint the single organising document if you like and the central proposition and does drive brand and the internal culture. (Int2)*

*It's a lot more HR based and a lot more mixed so the expectation would be that HR would carry the large majority of responsibility. (Int14)*

*So HR can facilitate and support. I think HR drives these things and guides but absolutely has to be business owned for any of these things to work. (KvP4) I think all of those, probably organisational values is across HR and Marketing and the business, it's sort of more collective, but for the rest, I think that we (HR) are the custodians and we might link in with some other functions to market or position the activities within these headings but certainly we would own those. (Int13)*

*Looking at all of those they do all fit under our HR or people area, but what I see us doing very well is that it's not an HR people thing, it's an everybody thing, so that when we are running projects, there's a lot less of it being an HR run initiative but it's almost like we're molding it, shaping it, and helping support the people leaders, but it's delivering through them and that's much more powerful. (Int25)*

*I think things like training and career development does sit with HR but it is also with the managers across the business, but HR are ultimately responsible for developing those programs and facilitating those programmes as well. Diversity again is probably an HR initiative, but it's important that everyone is aware of that; a lot of the, sort of, women in leadership and no discrimination - those sort of things - they are again more HR driven. Supportive working environment, they are sort of HR policies, but I think it's across the business as well. (Int11)*

*So diversity is a huge one, it's been around a long time now and it's moved on to another level now, but that's kind of common sense because we are a relationship business, every relationship business should reflect its client base, so you've got to have people who communicate with an understanding the cultural differences, work life balance, part-time, flexible, that's all part of it, I mean it's almost a given now, we're very flexible around that. (Int18)*

*If I think of diversity the link there to me is diversity is more than just sort of demographic diversity but the diversity of thoughts and concepts and I think that you get that from people who have had different experiences and so CSR can give people different experiences and exposures that can actually impact in terms of the quality of decisions that they make in their role, it just shapes their thinking, brings different perspectives so again if there's an opportunity to leverage off more CSR type initiatives or activities to drive better diversity activity. I could probably go through the whole list and just see similar links. (Int6)*

*Personally in terms my impression a lot of these, I think just about everything here in in fact is a big focus, I know the HR team have been working on all sorts of things over the last couple of years, they've made big changes but it's not seen, I suspect as part of our CSR we have a separate big focus as they sit in our Marketing and brand team so it's quite separate from HR. In terms of what I think couldn't tick overlap box the only thing to me would be diversity. (Int1)*

*I would think that some of them are much more HR focused, for example remuneration, employments policy, training and career development. We started getting some of the crossover I mean obviously some of the health and safety stuff, supportive working environment because that supports all the downstream effects, diversity and I think some of the overarching stuff is around the organisational values because without that you don't get anything. (Int10)*

*CSR is run by the Foundation as opposed to say random HR people perhaps running it or just different people may be getting involved. I think it has been successful because I guess that has been their purpose so I think they have been very strong on it and we have volunteers and people whose normal role might be an analyst, but they may be this year one of the foundation championships so that will be a key part of their role and they might be the person who organises going to the blood bank or particular roles and I think possibly it's taken, in my opinion added credibility that it's a firm wide initiative as opposed to an HR issue. (Int20)*

*Having CSR owned by the whole business is very important. (Int20)*

*No. I think they deserve particular focus. In addition to all areas of generalist HR, I don't think you would get the same value as having dedicated resources. (Int14)*

*Off the top of my head HR here is not really seen; I don't think people see it [HR] in the CSR sense. I think CSR and this is my impression, it is viewed as something that employees can get absolutely involved with, but I don't see the HR side of it as sort of involved with CSR although they do a lot of great things for employees. (Int1)*

*Although engaging employees in CSR is an important part of our EVP, I wouldn't see that as reason for further overlap. (Int4)*

*Minimal in our organisation since we have CSR teams which is important as the CSR team should also overlap with Marketing. (Int23)*

## Relationships between EB & HRM

*Yes, HRM is a key mechanism for delivering against EB. (Int4)*

*I think HR creates the framework as driven by the needs of the business. EB is an important issue within the business, as seen in the marketplace, as provided by feedback...so HR helps to develop the concept to something that the business can actually use. (Int10)*

*Goals, policies of HRM can shape and drive EB. (Int6)*

*Employer branding is driven by HR so it's the responsibility of the business to engage people and through higher engagement, retention will increase, but its HR initiatives that support the business in order to do that. We can't have the conversations the counseling managers have but we can give them the tools with which to have those conversations. (Int8)*

*I think that HR teams if you like are the stewards so they probably drive a lot of it but ultimately people that own it, the people that work within that firm so your leadership will set the tone of it obviously. (Int6)*

*Employee branding would probably be more an HR type function that then disseminated out through the business units so they're complimentary strategies but they do serve different purposes. (Int18)*

*Well there is a natural overlap here, as HR are the ones who carry out most of the EB strategies. (Int9)*

*Human resources and employer branding absolutely, I think because there's that recruitment piece, there's the engagement piece, when people sign up to work with an employer and they feel what they brought was delivered on you're going to have engagement and turn over issues. (Int5)*

*Employer branding works very closely with our graduate recruitment team and so they would have a focus on both the external but work closely with our recruitment teams to manage the internal aspect of how its communicated and then external would be through grad and different forums like that but it's pretty straight forward, in terms of the internal we have developed and I don't think they've been launched yet but they've gone through a process of developing EVPs for each area of the business, each location and each level. (Int14)*

*Yes, EB and HRM overlap. Absolutely, overlap in recruitment branding, staff benefits, people policy. (Int16)*

*Yes, there is an overlap between HRM and EB. Talent attraction and retention, employee engagement, policy setting around desired behaviours and values. (Int17)*

*Yes, there is an overlap between HRM and EB, enabling people, enabling organisations, enabling society e.g. building business, builds family, builds community. (Int3)*

*Both EB and HR are about positioning value propositions internally and externally. (Int13)*

*Yes, they [EB and HRM] are very much aligned, as the strategy needs to align with branding and CSR. (Int23)*

## Aligning CSR, EB and HRM

*Three sections quite separate in terms of CSR, employment branding and engagement I guess and I see them much more as one issue, I think CSR if anything at the moment is separate whereas employment branding and HR sort of hand and glove so I think there is greater synergy between the three really all impact on each other. (Int6)*

*So one of my peers is general manager of CSR initiatives and some of my other peers are heads of people and culture so, and we're all part of the same division with people, Marketing and corporate affairs, because at its highest level, our responsibility to what is our story, what is the story for us in Australia whether that be externally to consumers or to shareholders or to the media or to employees or to community partners so it's kind of saying probably to answer your question more directly, we are the inter-relationship between all of those things. (Int17)*

*Both branding and CSR are incredibly specialised areas of business. I don't believe 'ownership' should sit within HR. I think this could potentially jeopardise the profile and importance of these two areas. I do however believe that as per the above structure there should be one group executive that reports to the CEO that has responsibility for the whole bag including EB, CSR and HRM. This ensures that the areas work together and the collaborative effort can be represented at the highest tables. (Int19)*

*It is always best to have all people related strategies aligned to ensure synergies and cohesive approach to employees. (Int5)*

*Human resources will hopefully, will eventually benefit from a strong employer brand because by attracting people who are more in tune with our values and culture it makes our job easier as far as retention and engagement go, but we're not yet at that point. (Int8)*

*Yep there is opportunity for HR to develop. As a good example is an organisation called the Omega Foundation. So I was in a group of people we were on a bit of a management programme for a few years and we were encourage to take part on that so it was a great way for us to mentor someone for 16 weeks outside of the bank and help them to become integrated. I did it twice, and I've used it as a development tool for my team as well and of course then that's feeding into the Omega Foundation and helping to grow our city so it's another win–win. Part of my development plan, an opportunity came up to be on the school board, I ended up doing that for six years and was chairman for five and it was a great development opportunity for me in terms of managing people and it was great for the school as well. (Int18)*

*Whilst some aspects may stand alone there are definite benefits of aligning in order to heighten retention attraction outcomes. (Int13)*

*In terms of training and career development and I think of grad induction where we had an initiative whereby the graduates were put into teams and as part of that team they were to build a bike and the purpose was that that bike would then be given to someone from a refuge so that's part of our core development programme for a new starter so that would come under training and development if you like. The skills that, there were two things that happened in that exercise: one that you're obviously having people learning new skills being instructed how to build a bike, having to communicate together, having to work together, team work, all of those sort of good positive skills. Half way through the exercise you have the little children turn up who will be the recipients of that bike, immediately the impact is that the people who have been building the bikes realise that actually the quality of the job needs to be really, really good so they go back and they actually redo some of their work to make sure that its good because it sends a purpose that I'm going to give it to this kid. I don't want those brakes to fail so that's using CSR if you like to drive better quality developments. So these people had a much better appreciation for delivering quality end products to clients which is good in our firm, much better in terms of a sense of ownership, much better learning in terms of communicating, working together to get a right outcome as opposed to trying to look good, trying to win the race so that's an example where the two can leverage each other. (Int6)*