

# Strategic HRM in Practice: Case Study

## G's Fresh Group and the Farm of the Future

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# Introduction to the Research

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More than 30 years after the concept first started to be adopted in the UK, the Institute for Employment Studies (IES) have been researching the contemporary state of Strategic Human Resource Management (SHRM) at UK employers.

The aims of this research have been to:

- assess the reality of strategic HRM in UK employers and HR functions today;
- to document and assess how it has evolved and how it is changing;
- to address some of the key questions raised by prior work in the field; and
- to bring together research and practice in this area.

Despite major structural and economic changes in the workplace, our study highlights three core questions that have underpinned work in this field:

1. In terms of policy, how strategic are HRM policies and HR functions? What impact do they have on organisational performance, how can this influence best be leveraged?
2. In terms of practice, how well do employers implement and 'land' HR policies?
3. Most fundamentally of all, what is the purpose of strategic HRM and do employees as well as employers benefit?

These questions of impact, implementation and ethics underpin much of the research and policy work in the field and lie at the core of this research.

Our qualitative case study work on this project has been designed primarily in order to address the 'how' questions in this research amongst a range of deliberately different employers: how did you develop the HRM strategy?; how did you decide what to include and prioritise?; how well is it working in practice?; and how can it be improved?.

## G's Context and business strategy

The food and farming sectors are perhaps not the first place you might look for examples of leading-edge, purposeful and future-oriented, strategic HR management practice, with a popular image of small-scale production and low cost, often migrant labour. G's Group was founded by Guy Shropshire planting three acres of celery in a Cambridgeshire field in 1952. Today G's very much belies that traditional image, with an innovative and people-oriented strategy, although the business remains family-led, with Guy's son John the current chairman, and with the third generation of Shropshires developed through and active in the business and poised to take on the most senior roles.

Through internal expansion, domestic and international partnering and acquisition, G's has now grown into a £500 million turnover, fully vertically integrated, major group of

market-led family farming businesses. They produce and sell three million units of fresh produce a day (lettuce, celery, beetroot, radish, mushrooms, onions) and over a billion products pa in the UK, Europe, Africa and the USA; invest more than £15 million pa; employ over 7000 employees at peak harvest periods; and supply all of the biggest UK retailers with fresh produce, as well as the major supermarket groups across the EU and America.

You will struggle to find a heavily-detailed business strategy and plan at G's. But instead you encounter their 'PPV' (Promise, Philosophy and Values) everywhere throughout the organisation, from the chief executive's office through to the mushroom farm worker washroom and EPR appraisal forms. The promise is deceptively simple, 'to supply quality, fresh produce that delights our customers every day'. But that has driven and continues to ensure major adaptations and changes in the business:

- from their original expansion into Spain and most recently Senegal to ensure winter salad supply; through to
- directly sourcing and housing EU seasonal migrant labour on UK farms, initially predominantly from Poland, but now heavily from Romania and Bulgaria; and in recent months (under a UK government pilot scheme) from the Ukraine.

## Values-based and Technology-driven

The underpinning philosophy at G's is that 'as progressive growers we make a difference by developing our people, caring for the environment and supporting local communities'. This interaction of the needs and activities of growers, customers, staff and community significantly predates the contemporary corporate fashion for customer/'crowd'-led innovation and corporate social responsibility (CSR). Their CSR strategy includes actions for each of these four groups of stakeholders, including on renewable energy, ethical sourcing, community and charity partnerships. And in terms of their people, they have commitments on fair wages and human rights – all aligned to the UN's sustainable development framework.

In a sector which can be so affected by the vagaries of the weather never mind government migration policy, G's strategy also needs to be highly flexible and able to accommodate external 'shocks'. The uncertainty over Brexit in the past three years has generated a huge amount of planning and work for the Group, be that in ensuring that customers will be able to get their fresh and highly perishable produce from overseas on time, to considering alternative sources of labour if the proposed EU migrant worker restrictions for average and lower paid employees are implemented.

This helps to explain, too, their significant investment in innovation which has a renewed emphasis in the current business strategy. It has always been at the core of the business, with Guy Shropshire himself patenting a straw planting machine and mobile packaging rigs, and pioneering laser field levelling. Today mechanisation and automation are also driven by worsening labour shortages and rising employment costs. It includes trialling over 100 new crop types each season, generally in partnership with customers. It also means that recruiting and retaining their natural and data science graduates, two of whom

IES met with, is just as important to the business's future performance as sourcing sufficient farmworkers overseas.

One of their Cambridgeshire farms IES visited, Second Willow Farm with its advanced greenhouse plant-raising facilities, produces over a million lettuces pa and employs just 6 staff, with heavy use of technology and various planting trials underway there. The Group has made a deliberate move to boost their in-house technology capability with a new team led by their former finance director James Green created to identify and test new applications, having seen that the technology is often ahead of the often somewhat conservative practices of the farming community. Be it in better crop management, developing a measure of the taste of celery, or improved back support for crop pickers, the aim is to test and benefit from the latest technology, moving their farming methods towards more productive and evidence-based practice.

But the technology/human interactions and balance in continually seeking to drive up productivity and quality is a fine one. At the nearby state-of-the-art mushroom growing facility at May farm, while more automated mushroom beds are being tested, productivity is still heavily dependent on the skills of the individual pickers and how well they farm and harvest their own beds. They are paid on a piece-work, weight-of-mushrooms-picked basis and the best ones can earn more than three times the level of their guaranteed UK National Living Wage (NLW).

## Values and the Group HR Function

'The Company is, at its heart, a family business with very strong values for its people, its customers and its suppliers' proclaims the Group's website. G's five corporate values of trust, efficiency, quality, expertise and 'can-do' might also be replicated in any well-run company. As we have seen in our other research case studies, the main challenge, rather than defining a set of values linked to the people strategy, is actually delivering on them.

What differs perhaps at G's is the relentless focus on practicing them 'continually, investing and innovating', and the broad and influential role of the HR function and its policies in 'delivering our promise'. How does G's live its values? Group HR prioritises the very practical task of developing and updating the Group competency-based framework to help ensure that everyone understands what the values mean for them and how they can practise them. And all staff from factory workers to HR managers spend time on a farm as part of their induction, to really understand the business literally from the ground up.

The Group and its HR function come across as very 'hands on' and 'can do', but also highly evidence and data-focused, with their HR scorecard covering a wide range of workforce metrics. Justifying and then implementing the investment in a new comprehensive UK HR information system is an important objective for Group HR to support 'Great performance' over the next year, which is subject to the same type of cost-benefit analysis as investment in new farming machinery or a new joint venture or acquisition.

Group HR Director Beverly Dixon was recruited into her newly-created post ten years ago and developed their first group-wide people strategy.

## The People strategy: The plans and priorities

G's current people strategy for 2019-22 is driven by a 'people vision' that is characteristically straightforward: that 'People in G's know that they: are part of a strong results-orientated team; work in a healthy, safe, ethical and sustainable environment; (and) are energised and valued'.

The strategy to deliver this vision again highlights three components:

- 'Great People - A diverse and talented pipeline for the future.
- Great Culture - Internally and externally recognised as a great place to work.
- Great Performance – A highly effective organisation that consistently delivers results'.

Each of these is then broken down into four to six 'priorities' and then more specific and measurable, annual objectives. For example, 'a great culture' is defined as being 'internally and externally recognised as a great place to work'; and the five Group HR priorities for it include: 'We will be a great place to work'; 'We will live our values'; and 'We will anticipate and embrace change'.

'Great people' means building 'A diverse and talented pipeline for the future'. And the priorities for the Group HR function on this include: 'Move talent - early leadership to senior leadership'; 'Diversity in leadership – increase'; and 'Employer/employee value proposition - build (seasonal workers, young professionals and apprenticeships)'. The four first-year deliverables under 'Great People' include: ensuring effective leadership development programmes are in place; delivering an improved careers and succession planning process; and successfully operating the apprenticeship levy.

It is perhaps the clearest and most practical people strategy amongst the case studies IES have carried out. Which makes the actions to deliver on it and their relative success or failure very obvious.

## The People Strategy: drivers and delivery

One of the four action areas under G's Group HR priority of 'Building a Great Culture' is, with typical honesty and directness at G's, to 'walk the talk'. So what does the Group HR function actually focus on, how does it contribute to the delivery of strategy? And how does the Group ensure in such a dispersed business that it actually practices what it preaches on these very clearly specified values and people management objectives and standards?

While all of its activities are important, the strategic impact and influence of the Group HR function at G's appears to stem from two primary, heavily externally-focused drivers: its workforce planning and labour supply activity; and its work on ethics and compliance, neither areas where UK HR functions have historically prioritised and excelled. These are reinforced by a third driver and common thread running through many of these HR

activities, stemming from the internal character and values of the business and its leaders, which is staff and management development.

## **Driver 1: Workforce planning**

Workforce plans and statistics are visible throughout the organisation, with the focus on this area starting much earlier than the contemporary focus in many employers induced by Brexit uncertainty in a tight UK labour market with record levels of employment. In a still labour-intensive industry with significant seasonal variations and complex supply chains, sourcing sufficient labour cost efficiently is as important as sourcing produce, with the latter depending on the former.

The permanent workforce of c1,500 in the UK increases to 2,700 with seasonal workers; and the Group's international workforce grows similarly to over 8,000, spanning ten nationalities, at peak times. Planning the supply and management of this workforce is therefore critical. For more than a decade now, each year the HR function co-ordinates production of a detailed month-by-month annual workforce plan, involving analysis of local and international employment markets – employment rates, labour shortages and so on. The internal trends in returners each year and early leavers during a season, rates of sickness absence and so on also need to be incorporated in the plans and forecasts.

Not only the planning and sourcing of that workforce but their day to day management and productivity is key for each of the Group's sites in delivering their planned, often narrow, profit margins. At the May Farm mushroom facility IES visited HR manager Lewis Jenkins who is clearly very focused and involved with the rest of the management team in the delivery of production targets and constantly examining ways week by week, month by month, to improve their productivity and quality of produce.

Similarly, at the £10m prepared produce factory at Barway each morning workers, before their shifts start, meet up with their supervisor to review and discuss the previous day's performance and targets for that day, covering: people, finances, safety, cost and delivery. This is an active and direct employee involvement and performance management process.

## **Driver 2: Ethics and Anti-slavery**

The other critical area for the Group and the wider sector, where HR plays the leading role, is ethics and compliance. HR and labour audits are just as important as financial audits in this business, affording HR an equivalent level of influence. The risks of migrant workers being exploited and enslaved in the UK has become an increasing concern in government and for even well-meaning employers. The reliance on agencies to supply low skilled labour in sectors such as agriculture presents significant risks of being the unwitting hosts for such exploitation. It is estimated that there are 70,000 migrants coming into the UK illegally each year and more than 6,000 referrals and 1,100 cases of enslavement were detected by the The Gangmasters and Labour Abuse Authority (GLAA) in 2018.



The GLAA was set up as the lead investigative agency for labour exploitation in the UK in 2005. Its role is to work in partnership with police and other law enforcement agencies to protect vulnerable and exploited workers. Their role was strengthened under the Modern Slavery Act in 2015 and the proposed creation of a single Labour Market Enforcement body under interim director Mathew Taylor should strengthen and integrate preventative activity even more.

But co-ordinated by Sharon Cross, Ethical Working Director who works for Beverly, G's values, policies and practices have been well ahead of government and leading the vast majority of employers in this area. By the mid 1990's the Group was carrying out compliance audits on its employment agencies and labour users. Twenty years ago, they adopted a new strategy of reducing reliance on external providers by increasing their direct recruitment overseas themselves, which is still at the core of their current approach in order to ensure both effective and ethical labour supply.

In 2011 in conjunction with the implementation of an ethical trading and sourcing approach for their products, G's put in place a full ethical labour audit regime and, as growing evidence of the national problems and risks emerged, an ethics strategy and fully dedicated ethical team was set up in 2013. This strategy expanded and enhanced their existing risk assessment tools and saw the implementation of the Group SLA, also in 2013. The Group's modern slavery strategy launched in 2017 and is based on four pillars: preventing (for example through transparent recruitment systems), detecting (including through HR reporting and monitoring), managing and embedding (with site champions trained by the GLAA, and all team leaders trained on awareness).

Sharon's team's work focuses on:

- compliance, such as auditing their supply chain;
- internal people management, such as dealing with any grievance raised and whistleblowing of potential issues; and
- specific projects and providing day to day advice to sites in the Group.

The emphasis internally and externally has not just been on carrying out due diligence and ensuring compliance (with 10 incidents reported to GLAA intelligence over the past two years, and more than 350 'yellow flag' warnings raised), but also partnering with suppliers, industry forums, government (in the UK and abroad) and other stakeholders to support the raising of standards and implementation of good practice in labour supply and management. This 'beyond compliance' aspect of their ethics programme includes an extensive ethical training scheme for sites and managers across the Group.

That more than 200 delegates from employers, governments and agencies attended G's conference hosted in Ely in January 2020 on 'Working Together to Prevent Modern Slavery' illustrates both how vital this area is to the Group's continuing success and how influential Beverly and Sharon's work is externally in this field.

### Driver 3: Leadership and staff development

If the first two areas involved, at least initially, a high degree of response to external drivers, the other obvious area of investment and focus in G's people management strategy is internal staff development. As Beverly Dixon explains, in a family-owned business, a vital personal priority for her since she joined a decade ago has been to ensure the training and development of family members to enable future succession to occur, which as the third generation of Shropshire's are preparing to assume senior roles, she is proud to be close to delivering.

Now it is a key part of the HR function's work under Matt Price, an experienced training professional who was recruited in as Head of L&D. The G's leadership development strategy Matt has developed follows Dan Pink's three-step motivational model of creating clarity of purpose, building mastery through developing skills, and creating the environment for autonomy. The strategy not only aims to develop leaders directly so that they are equipped to deal with their business challenges now and in the future, but also to provide the people management tools to support them in developing their own management teams, such as on-boarding support, continuous feedback methods and personal development planning.

The strategy breaks down into senior/executive level; middle and senior managers; and first-line managers. It involves a wide range of practical activities and tools, from personal talent profiles and 360 feedback, through to masterclasses and succession planning.

Current initiatives include a review and re-design of the successful two-year ILM-accredited Graduate Management Training scheme which Beverly originally introduced into a somewhat sceptical business. Concerns at retention rates and costs have seen it evolving into a more flexible, early careers programme covering apprentices and hi-potentials, as well as the traditional university graduate recruits, who continue to work in many of the Group's functions, including Lucy Newstead currently working in HR as a Learning and Development Adviser. The continued inclusion of a week's placement spent working as an operator in the fields or factory in the scheme highlights the business-focused and hands-on nature of the development activity and the whole HR function and its policies.

A new 'Thrive' Farms Development Programme has been designed and launched by Matt and his team recently to address the 'future of farming' and the significant skills gaps that current changes are creating. These are evident in areas such as robotics, technology, and data management, but also reflect the identified need for a stronger focus on personal wellbeing and improved project and people management. One of the outputs resulting is the Farms' Executive Development Programme for selected executives in the Group. They gather at least three times a year to share knowledge, learn new skills and jointly solve farming concerns within G's. At each meeting they review and often visit examples of businesses around Europe that are revolutionising their sector in areas such as data management, technology and people management.



Interestingly, in a low margin business, all the of Group's leadership and wider training and development activity is fully charged back to and funded by the businesses, so it has to be fully aligned with their needs and supported by them, or else it just won't run.

Illustrating Group HR's wider sense of responsibility and purpose, Beverly is also currently working with the Agriculture and Horticulture Development Board (AHDB) and their skills Leadership Group (SLG) to address the under investment in people development generally in the sector compared to other industries that are competing with farming for talent. They have developed a new sector skills strategy with a core recommendation to set up a professional body for agriculture and horticulture in England – similar to the Construction Industry Training Board – and applying some of the techniques practiced at G's more widely across the sector.

## **Other Critical Components: Health and Safety, Reward Management**

With high rates of fatal and serious injury, agriculture, forestry and fishing tops the Health and Safety Executive's list as the riskiest industry sector in the UK. Physical safety has always been a primary concern for the Group, with a chemical scare on the Barford farm last Summer resulting in the precautionary hospitalisation of a number of workers, highlighting its importance.

G's Group HR function has, however, broadened the emphasis in recent years onto wider employee health and wellbeing. 'Promoting a healthy, safe place to work' is another important priority for Group HR at G's, in common with many other UK employers. The seriousness and commitment with which it is pursued in G's possibly is less common; and initially at least, running counter to a traditional culture in the firm and industry which was described to IES as 'very male and macho', valuing physical strength and long working hours. Guy Shropshire initially made his business pay by setting the example of working long hours as well as exploiting the latest technological advances.

With typical thoroughness and a change/action orientation, the Group appointed a new Health and Safety Manager, Sharon Stockdale, to lead and re-focus this vital area. She has developed the Group's occupational health and wellbeing strategy which integrates into its health and safety policy and is designed to support all stages of colleagues' careers. There is a strong self-awareness and self-management, preventative focus. Healthy jobs, bodies and minds are all acted on, again with a strong focus on strategy and leadership to drive change from the top.

The health and wellbeing element of the 'Thrive' leadership programme was designed in 2016 and is reviewed each year to ensure it supports and is relevant to G's leaders. To date it has delivered training to 60 of its key managers and leaders. It involves workshops to maximise energy, improve sleep and maintain positive psychology and includes a one-hour review of each leader's current health and wellbeing. Leaders are given three toolkits to spread the learning on, with animated video's and telephone coaching for them to cascade the learning to their teams, meaning many more colleagues can benefit from the sessions. In discussion with IES, Sharon identified this as being key to breaking the 'long hours' mindset which has traditionally dominated the business and been role-modelled by its leaders.

A wide variety of other HR activities are incorporated within the G's people strategy, including over the last 12 months, a complete review of reward and recognition practices and implementation of a common job evaluation-based framework. While autonomy and devolved management is key to the success and operation of the Group, this has been designed to address the growing number of anomalies and apparent unfairness in pay arrangements across the Group as it has grown.

As well as its permanent employees, the seasonal migrant workforce is fully recognised and rewarded at G's beyond the level of minimum legal compliance, and the Group is keen to promote the value of this workforce. Average pay rates are £9.76 per hour compared to the NLW level for over 25-year olds of £8.21; and G's estimate that these workers spend £12.5 million pa in the local economy. The Barway hostel which IES visited houses up to 500 migrant workers and includes an associated social centre. Over 40% of this workforce returns to G's each year.

## Summary and conclusions

As soon as you are welcomed in the chief executive's office with a breakfast of beetroot and yoghurt with your coffee on your arrival, you know this is a Group HR team that knows its product and its business. It's strategic and influential role stems partly from the fact that HR knows and reflects the Company so well in many senses – the practical 'can do' action and measurement orientation, the emphasis on supporting autonomous and entrepreneurial managers with training and tools, rather than complex HR system and process. But Group HR is also playing a leading role in challenging and changing that traditional culture, by for example:

- allaying a new emphasis on mental wellbeing and resilience to the traditional priority of safety and safe working practices;
- using action learning with executives to deliver a paradigm shift in all aspects of the Group's business and operation; and
- grafting more modern methods of ensuring pay equity and consistent treatment onto the traditional local business and individual productivity-driven pay approach.

HR has to practice what it preaches to achieve and maintain this level of strategic influence, as well as demonstrate a clear return on its own costs and investment projects. Rather than using the dangers of worker mistreatment and modern slavery in its supply chain to brow-beat managers into compliance, the function instead uses the attention this generates to promote and support a 'best practice' approach to people management at all levels in the organisation.

Like other successful people management strategies in this research, the work of the HR function at G's combines a breadth of vision and ambition at the macro level with attention to detail and specific actions at the micro level. The people management strategy is perhaps the most straightforward and clearly broken down into specific actions and steps of any of the case studies IES has profiled. But simple is hard, and without the typical HR 'comfort blankets' of jargon, market-copied-practice and lengthy HR-controlled procedures and processes the success or failure of the function and its continued funding is very clear for all to see.

This is a function which positively embraces its vision of 'thrive', to deliver great performance by having great people in a great place to work and spreading the benefits out from the Group into the wider farming sector and society. Having built a strong platform of being so critical to the Company's day-to-day operation through its workforce planning and ethics and anti-slavery activity, the HR team have grabbed the opportunities to challenge and change the Group culture, to drive the farming of the future agenda, and to improve the image of the Group and the wider sector as an employer and community partner.

Look at Beverly Dixon's diary and it is dominated with time devoted to genuinely strategic and purposeful activity, be that:

- internally, such as aligning labour standards and practices in a putative overseas merger; or
- externally – meeting with government representatives to talk through community initiatives in Senegal, or skills with the industry's SLG, or improving the enforcement of labour law in the UK.

Her example and this case study might help to reassure those academics that our research has encountered who fear for the future strategic impact, purpose and morality of the HR function and people management policies in UK employers.

## A Final Word

*'Farming today is an innovative and capital-intensive industry, but it has not been seen as a great place to work. We are trying to change that and traditional opinions and practices, growing through a balance of in-house development and recruitment from outside the sector to get the best out of people while they are with us'*

*'We are a really lean function but we have established a common language and approach to leadership development and its value across the Group, set up some common reward principles and a framework, now this feels more like a Group'*

Beverly Dixon, Group HR Director, G's Group

This case study was based on interviews, discussion and farm visits with:

- Sharon Cross, Ethics Director
- Beverly Dixon, Group HR Director
- Matt Esser, Plant Manager Barway Factory
- James Green, with Ian Flint and Karen Covey
- Lewis Jenkins, HR Manager, May Farm
- Francois Miglierina, May Farm Manager
- Lucy Newstead, L & D Adviser

- Matt Price, Head of L & D
- Sharon Stockdale, Head of Health and Safety

About the author: Duncan Brown is IES Principal Associate having previously led the HR consultancy division. He has more than 25 years' experience in HR consulting and research, with firms including Aon Hewitt, PricewaterhouseCoopers and Towers Perrin. He also spent 5 years as Assistant Director General at the Chartered Institute of Personnel and Development (CIPD).

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