Proceedings of the 8th International Conference on Economic Management and Green Development
DOI: 10.54254/2754-1169/121/20242314

Development Strategies for Service-based Human Resources Business in Digital Age: The Case of Leadership Factory

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Abstract: This research mainly takes the leadership factory as an example and, through analysis, points out the future development path for service human resources business. During the COVID-19 period, the development of the human resources industry was hindered, as reflected in the development of products, markets, and human resources itself. Service human resources companies have seized the most important product demand during COVID-19 and completed product changes. However, with the end of the epidemic era, market saturation also means that products need to be updated and iterated accordingly. Market diversity, uncertainty, and the development of the times have brought difficulties and risks to enterprises. Therefore, companies need to gain a foothold in the new era market. This study found that companies can specify their future development plans through five aspects: digital technology, diversification, professional capabilities, market penetration, and sustainable development capabilities. This research conference provides ideas for the future development of most service-type human resources business.

Keywords: Digital Age, Service-based Human Resources Business, Leadership Factory, VRIO Model, Ansoff Matrix Model

1. Introduction

Due to Covid-19, the leadership industry has been greatly negatively affected. The rapid development of digital technology brings new challenges and opportunities for the operation and management of human resources (HR) companies and organizations. The development of digital technology has brought about rapid technological advancements. Through innovation and transformation, digital technology can innovate existing processes, cultures, and customer experiences to match the ever-changing corporate and market expectations [1].

After the end of COVID-19, in recent years, the widespread application of technologies such as digital human resource management systems, online training, and performance management technologies have improved human resource management efficiency and intelligence. Artificial intelligence, big data analysis, and other technologies improve the accuracy and timeliness of data support for human resource decisions. This article will comprehensively analyze the strengths, weaknesses, and potential risks of the Leadership Factory, including using VRIO and the Ansoff Matrix Model to assist in market and product analysis.

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2. Literature Review

Current research covers strategic positioning, HR practices, leadership culture, information technology (HRIT), and cross-border management. Some current studies have shown that the Internet market is sluggish, and the development of the human resources industry has been negatively affected to a certain extent, resulting in market saturation [2]. Changes in demand, sustainability, Policy, and economic conditions are considered comprehensively [3].

At present, due to the impact of COVID-19 on the global environment, the market is full of many unstable factors, and at present, there is not much research on the operation and management of service-type human resources companies, so it is important to provide effective suggestions for the future of these companies.

The study aims to evaluate the development direction and risks of the same type of enterprises in the current market environment through the multi-faceted analysis of The Leadership Factory and provide reasonable recommendations.

3. Case Description

The leadership factory was formed in 2007 and is based in Stirling. As a service firm, we offer strategic, leadership, and management solutions to ambitious organizations [4]. Tack TMI acquired Leadership Factory, a strategic, leadership, and management solutions supplier, on Monday, January 31, 2022. With over 110 years of expertise and professional knowledge, Tack TMI offers services in 37 languages to over 55 countries/regions globally. Tack TMI is part of the GI Group, Italy's largest global human resources organization and one of the world's top service providers dedicated to labor market development [5].

4. Case Analysis

4.1. Advantage Analysis

According to the VRIO Model (as shown in Figure 1), the value of a leadership factory is measured by whether its benefits contribute to the organization's ability to achieve strategic goals, build competitive advantages, or better answer customer needs [6]. For example, leadership factories create products that add value to the organization, educate employees, and provide clients with strategic and management assistance [4]. The Leadership Factory's strength is its ability to deliver complete and customized services to corporate clients. This implies the organization will gain from it and create the groundwork for future growth.

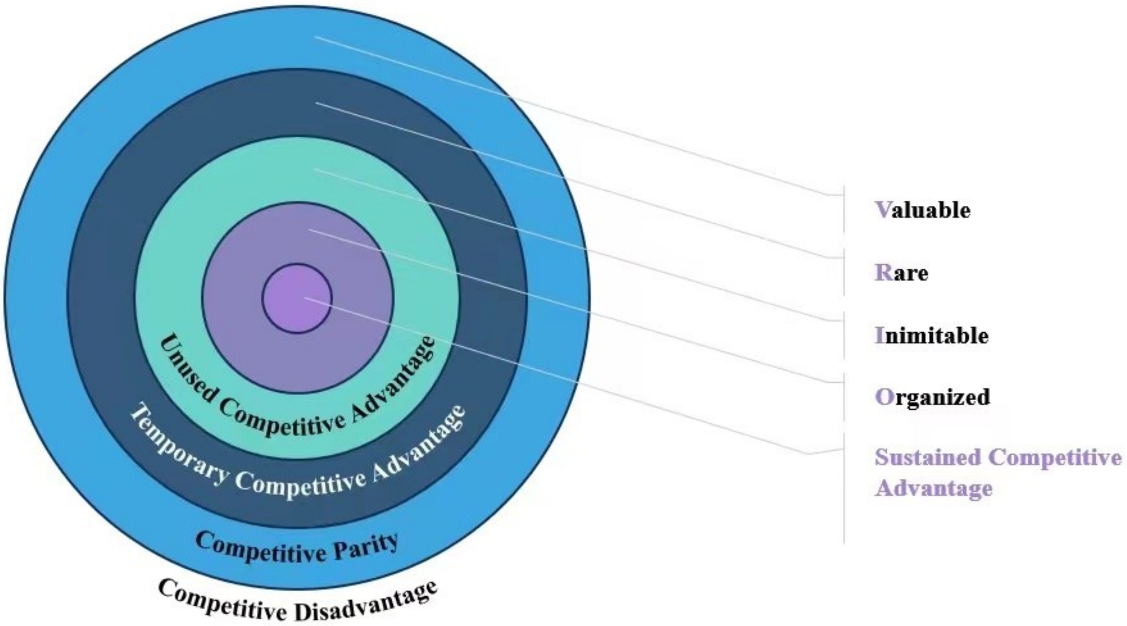

Figure 1: VRIO Model [6].

The rarity is proportional to the uniqueness of the benefit. The methodologies, procedures, and resources employed in developing leadership factories are distinct and difficult for rivals to imitate. The Leadership Factory's most significant scarcity advantage is in products and resources. The purchase of Tack TMI provides financial backing and a global client base.

The degree to which rivals may imitate their advantages is known as imitation. The advantages of a leadership factory are hard to duplicate because of the special training programs, strong organizational culture, exclusive contacts, and exclusive knowledge. Following its acquisition by TACK TMI, it gave The Leadership Factory the resources, broader market reach, and stronger brand image it needed to preserve and grow its initial advantages. Additionally, the leadership factory's capabilities are very well matched with the organization's strategic goal, allowing it to enhance its benefits and make a more meaningful contribution to its success [7].

By considering product and market characteristics, the Ansoff Matrix Model is frequently used to assist businesses in identifying possible growth strategy directions [8].

Using market penetration analysis, strategies for growing a product or service's market share may be developed [9]. Using Internet marketing, the leadership factory first penetrates the market. Businesses use Linked In as a marketing platform for business operations, breaking news, and project promotion. Images from events and client comments are shared on Twitter. Additionally, the brand is enhanced by the leadership factory's collaboration with neighborhood nonprofits to benefit the environment and the general public.

Market Development. Since it doesn't need significant investments in R&D or product development, market development is the least risky approach [10]. Customers now arrive in a wider variety, giving businesses more chances to stand out. In addition, Gi Group offers comprehensive people development services, which align with The Leadership Factory's focus on the market.

Product Development. In the early days of Covid-19, firms prioritized their workers' mental and physical well-being. Recognizing this market demand, the leadership factory partnered with New Wave Learning to launch Energize Me, a programme that uses interactive intelligence technology, human touchpoints, and creative material to help users manage stress, enhance their health, and

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perform better. First-mover advantage theory [11] states that the Leadership Factory seized the opportunity.

Diversification. Diversification strategies are often the riskiest, and the rewards are huge [12]. The Leadership Factory's existing HR services business can achieve synergies with the market. It attracts customers in new markets by adding products, services, and features. Minimizes the company's exposure to risks due to industry downturns, enhances brand image, and protects the company from fierce competition [3].

4.2. Risk analysis

The main social media platforms for promotion are Twitter and Linked In. However, a single promotional plan can be unoriginal, making marketing dull and hard to set apart from competitors [13]. Furthermore, a single kind of promotion might turn off and alienate potential customers. Concurrently, the Leadership Factory has taken part in several public welfare initiatives, which have improved the company's reputation. However, The Leadership Factory won't be able to continue making money from the original market if COVID-19 ends and the market eventually reaches saturation.

As opposed to market penetration strategies, plans for diversification are viewed as higher risk since they include more risk owing to inexperience in operating in new markets and the inherent difficulties associated with developing new products. The Leadership Factory opted to diversify, putting itself in a highly risky situation. Diversification frequently necessitates a large increase in human and financial resources, harming resource allocation for core activities.

For these reasons, it is suggested that businesses implement a diversification plan only when their present goods or markets no longer provide chances for future growth. Companies must properly examine risks and the chances of attaining profitable results before pursuing diversification [3].

About the product: V-learning and Energize Me are micro-learning applications with comparable functional features. Energize Me is a decompression product, whereas V-learning is a learning platform. Making plans enables people to acquire the core competencies for stress management, health optimization, and performance enhancement. First of all, young people have several means of decompression in the age of digital technology.

Exercise, socializing, and meditation [14] can all replace online learning to release stress. Secondly, at the micro level, micro-learning can only solve symptoms [15]; the sources of stress at work are different; it may be from the self, life, colleagues, etc., so Energize Me treats the symptoms rather than the root cause.

The Leadership Factory is a small business that was based in Stirling. Following the acquisition, it will operate in a new market with several well-established competitors, unknowns, and shifting conditions. The products did not update or change simultaneously, and the benefits of the larger environment were ended. This suggests that the leadership factory will need help to continue operating in a highly competitive or saturated market [2].

5. Suggestion

The leadership factory needs to clarify the market and self-positioning, their main target customers, and service scope.

Building a suitably experienced team is necessary to ensure the advantages of The Leadership Factory, and this program is perfected in terms of recruitment, training, performance, promotion, etc.

Establishing a good customer relationship is the key to long-term stable cooperation, and providing customized and high-quality services, timely understanding of customer needs, and giving solutions is the key to cultivating a stable relationship.

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Human resources are also developing rapidly with the changes of the digital era. Enterprise learning and innovation are effective ways to ensure competitiveness, always pay attention to the development trend of the industry and change business strategies with changes in the market. The leadership factory should continue using AI and AR technology to update and iterate more suitable products for the current era.

In a highly competitive market, The Leadership Factory can improve brand awareness and gain more attention opportunities through various promotion strategies such as combining online and offline promotion, more participation in industry activities, and improving the quality of its publicity.

6. Conclusion

First of all, the digital transformation and application of technology are the most important points and service human resources enterprises should actively adopt new technologies, such as digital technology and artificial intelligence, to improve service efficiency and quality, such as the most suitable technology combining AI and AR to expand more online learning modules. Secondly, the quality of service is the standard to measure the industry, enterprises need to meet the diverse requirements of customers, to provide a variety of service products, such as the company's development strategy can be considered from performance management, career planning, salary and benefits; Third, their own talent training and development affects the professionalism of the enterprise, as a provider of human resources services, we need to pay more attention to our own human resources development and training, and the professional business ability of employees is the core competitiveness of enterprise development; Fourth, corporate image and popularity are the basis of market development, enterprises need to choose the most suitable market penetration plan through product market research, and promote enterprises and products from different dimensions; Lastly, businesses should prioritize sustainable development and social responsibility, actively engage in social welfare initiatives, consider the well-being of their workforce and workplace, and support the sustainable growth of businesses.

This study aims to close the gap in the academic community's knowledge of connected research directions. Indicate the path contemporary service HR firms should take going forward; assist your company or organization in improving problem-solving techniques.

The current research may have many limitations and uncovered aspects, including only the pre-pandemic and mid-to-late periods. The conclusions only apply to some companies, and the research content will be enriched by comparing similar companies in different countries in the future. There are also methodological deficiencies in the research, which are reflected in the model, which cannot perfectly interpret the characteristics of the enterprise as an example. At the same time, the findings of current research and suggestions for the future development of the industry, as well as the factors that may affect the industry, will change with time and the market and can only be used as a certain reference.

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