

THE YEAR AHEAD: 2015

Whether you believe in New Year's resolutions or not, making a list of challenges can help you achieve your goals. We ask four leaders for the three hot topics facing their professions in 2015

“**HR professionals** should also consider the wider implications of lifting wages for the lowest paid – the **positive** effect on **employer brand**, **social mobility**, **diversity** and **productivity** are all well-established, but too many businesses remain locked in a race to the bottom”



HR

Robert Jeffery

Editor of *People Management*, the magazine of the Chartered Institute of Personnel and Development (CIPD)

1. Redefine the employment contract

If you don't work in the HR profession it would be reasonable to assume that a contract is the thing you signed that stipulates your hours of work, salary and the inadvisability of running amok at the Christmas party. But the implicit, partly psychological, contract between business and employee is far more interesting. It includes why we work, how we feel about our employer and how much discretionary effort we're prepared to make along the way.

HR has traditionally been the enforcer of a paternalistic model of employment that seeks to set boundaries and parameters, but that's not a good way to motivate talented individuals, and in a post-Wikileaks world it looks increasingly outdated. *Glassdoor* – the workplace review website where employees swap notes on their employers – is putting power in the hands of your staff and is potentially more disruptive than any trade union.

Businesses can respond in a number of ways but doing nothing isn't an option. They can follow Netflix, which has notably ditched its performance management structure and instead encourages self-discipline among small, nimble teams. Or at the very least, they can ditch some of the processes, and trust people to make their own decisions and create a self-policing culture.

2. Tackle inequality

CEOs now earn on average 140 times more than regular employees – a gap that has skyrocketed over the past couple of decades. You don't have to be Russell Brand to think something's wrong with such numbers but inequality inside organisations is perhaps more

pervasive and damaging. The Living Wage movement continues to gather pace and there is anecdotal evidence that many of our brightest young graduates are turning their backs on industries they perceive to be inequitable, such as banking.

There are sound legal reasons for tackling pay inequality too. Birmingham City Council was landed with a bill of more than £1bn for failing to pay men and women equally. As a bare minimum, HR must encourage absolute transparency around pay inside organisations. But HR professionals should also consider the wider implications of lifting wages for the lowest paid – the positive effect on employer brand, social mobility, diversity and productivity are all well-established, but too many businesses remain locked in a race to the bottom.

3. Be more confident

For too long HR has been a relatively insular profession that talks about itself without reference to the wider business. CEO of the Chartered Institute of Personnel and Development, Peter Cheese, has led the charge for HR to gain the same respect as finance or marketing. To name just two examples, 1) he says too many HR professionals 'ended up' in the role and 2) he wants to introduce more pride and greater professional standards.

But HR has its own part to play. Most HR directors have a vital contribution to make to businesses because they have an innate understanding of employees. With intangible assets (mostly people) making up at least 70% of corporate balance sheets, it ought to be HR that holds the key to better organisational strategy.

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Risk Management

Barry Holt

Director of Policy and Research at the International Institute of Risk and Safety Management (IIRSM)

1. Break down silos

One of the problems that must be addressed by the risk management community is what the term ‘risk management’ actually means. As a profession, risk management has evolved from different disciplines, each of which has developed into a silo. For example, for most city institutions the term means dealing with financial risks, whereas for other organisations, including one I have worked for, the term was synonymous with health and safety.

In fact, if we ask professionals from disciplines such as environmental, quality and project management, as well as business continuity, they would probably all think their discipline was what risk management meant rather than it being an element of an overall management system.

The need for an overarching concept, such as enterprise risk management, was demonstrated by the Deepwater Horizon oil spill incident in the Gulf of Mexico. It started as an explosion leading to loss of life but subsequently extended to cause major environmental harm and loss of profit and reputation for BP. Joined-up thinking is needed in the future.

2. Change the perception of a risk-free environment

Whenever there is a major incident – resulting from the failure of a quality management system, financial controls or health and safety management – there is a feeling in the media, and the public, that the risks should have been totally eliminated.

If we consider risk as a function of scale of impact and likelihood of occurrence, in order to eliminate

it totally we must achieve zero probability, which is impossible unless the activity in question stops altogether. We must accept that even in industries such as aerospace where the likelihood of failure must be extremely small, there will still be a finite probability of it occurring.

We talk glibly about a one in a million chance but we often fail to recognise that the event could actually happen today. On the contrary, a problem when assessing risk is the feeling that an event has never happened before therefore it will not occur in the future. In one extreme case this was a factor that contributed to the loss of the Challenger space shuttle and the lives of its crew.

3. Establish a risk culture in organisations

The concept of a risk culture has developed as a result of investigations into the causes of major losses. Initially it arose in the report into the Challenger disaster (mentioned above), when concerns about the condition of rubber O-ring seals at low temperature were ignored under pressure to avoid a delay in the launch.

Adapting a definition from the health and safety executive*, a risk culture is “the product of individual and group values, attitudes, perceptions, competencies and patterns of behaviour that determine the commitment to, and the style and proficiency of, an organisation’s (risk) management”.

Where an organisation has a mature risk culture, the likely impacts on business objectives are considered at all stages to ensure that negative effects are minimised, while maximising opportunities.

*Health and Safety Commission, 1993. Third Report: Organising for Safety. ACSNI Study Group on Human Factors. HMSO, London.



Quality

Simon Feary

Chief Executive at the Chartered Quality Institute (CQI)

1. Effectively communicating the concept of quality

It’s not difficult to identify three resolutions but I’m going to start with the profession communicating with top management in a way that resonates. I believe this is central to repositioning the profession and essential if we are able to deliver the benefits that business, economy and society need.

The profession is poor at ‘talking business’. Our default language is ‘techno-speak’ and it’s not a language understood in the boardroom. Until we address this characteristic we’re consigning ourselves to middle management and alienating those whose hands are on the levers of power.

The key deliverable of the quality profession is to protect reputation. It’s not making sure we retain our ISO certificate, about product quality or ensuring processes are efficient (although these are all important). A quality professional has the scope to protect a brand and its reputation through governance, assurance and improvement. Reputation and brand are concepts the boardroom understands. We have to convince the profession to talk in those, and similar, terms.

2. Making our profession fit for purpose

Our stakeholders have told us very clearly that the quality professionals they encounter in the marketplace don’t demonstrate enough of the competencies that business and industry need. We have to do some re-engineering to make sure the quality practitioners of tomorrow are fit for purpose.

This year saw us redefine the Competency Framework for the profession, which included those elements business is asking for. The follow-on job for 2015 will be to translate the framework into a new professional structure, and develop new qualifications and training products that address the requirements of our customers.

3. Spreading our message to the international quality communities

We all operate in a global marketplace and, to be truly effective, any change we make in the UK must be accepted internationally. Repositioning quality is hugely ambitious and must include us convincing our fellow travellers abroad of the merits of what we’re doing.

The success of this ambition will require all of us who champion quality to preach the same message – right now we’re singing off different hymn sheets or not singing at all. We have already started the conversations but like all challenges to the status quo, we don’t expect instant acceptance. The world doesn’t work that way.

Are there risks? Of course, and more than a few. But to me, the chief risk is that we do nothing. The quality profession is not contributing anywhere near its potential and in order to make sure that it does, we need change within the profession. Change is seldom easy, nor quick. I suspect our endeavours will continue through 2015 and for a number of years after.

But if something is worth doing, and repositioning the quality profession has to be, then we must be prepared to accept whatever risks and challenges we encounter along the way.

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Health and Safety

Jan Chmiel

Chief Executive at the Institute of Occupational Safety and Health (IOSH)

1. Changing the agenda for occupational safety and health, from legislative compliance to organisational competence

Whenever I start to talk about safety and health the conversation can either be a positive, uplifting experience, or I can find myself on the receiving end of a harangue about jobsworths, fun police and work-prevention officers. And there has to be a reason for that.

It would be fair to say that misuse of ‘health and safety’ by officials looking for a way to not do things, backed by a relatively hostile press, has certainly had an effect – but that’s not the whole story.

This negative vision has been reinforced by an over-reliance on compliance, with regulations as a driver for safety and health decisions at an organisational level. You can see how it would come about. When budgets are tight and choices have to be made, it’s easier to use compliance as an argument to achieve funding or commitment to safety and health.

It’s much harder to persuade the budget holders that competence in safety and health across the organisation will deliver greater, more sustainable benefits operationally and financially than concentrating on compliance ever could.

So this year IOSH will be aiming to bring about possibly the most important change in safety and health in the past 10 years. We will be delivering a framework for competence that the world of work can use to help build lasting value in every organisation, in every industry, simply by investing in the safety and health of their workforces.

2. Give members the tools to help organisations identify safety and health as an investment

The key to changing the UK’s attitude to safety and health is in the people who work in it, so my second resolution is to ensure that every one of our 44,000 members has access to the tools they need to share the competency in safety and health message clearly.

Identifying safety and health as a core business value is our job. Delivering value in each and every organisation is our members’ job. But they need the opportunities to show the value their skills can deliver and the tools to help them do that – from access to education and professional development, to examples of best practice and case studies. We have to strive to deliver what they need, when they need it.

3. Lead the way to a world of work that is safe, healthy and sustainable

My third resolution is the easiest and hardest to deliver on. We are the largest professional body in the world for occupational safety and health and our members are the lifeblood of the profession. They care about workers in every industry and are focused on ensuring every organisation has a workforce to produce, service and deliver whatever it is they do.

By protecting the people they protect a business’ reputation. By underpinning the safety and health of the workers, they improve business resilience and ensure profitability in many ways. IOSH has to take the lead in helping organisations to understand that. ■

Quality resolutions for 2015

Adams Mamudu
Alpha Beta Zeta Consult
I will strive to ensure that the 12 principles of quality management govern all we do in the company through buy-in of customers – internal and external.

Robert Doyle
Amey
I will focus on technological advancements to give a more efficient and focused compliance, governance and improvement regime.

Dave Smith
Sealed Air
I pledge to uncover and expose the hidden costs that result from inefficient processes and poor product quality.

Graham King
BAE Systems MAI
I will satisfy my customers by providing a safe product that is right first time, without rework, to specification, cost and schedule.

Andrew Betts
Momentive Speciality Chemicals
I pledge to introduce a new analytical MOT to meet customer demands, reduce variation and improve right first time metrics through Lean Six Sigma.

Mike Gray
MG Training and Development – Pirii Australia Pty Ltd
We will never compromise the quality of our training services. We will strive to improve the quality of auditor training in Australia whenever we are able.

There’s still time to make your quality resolution... make your pledge at thecqi.org/Pledge-Wall

