

Hourglass

*Making the most
of your people*



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Letter from the editor



Over the past few months, a number of high-profile organisations have appointed new HR directors. This in itself is hardly unusual, but what has drawn much comment is the fact that several of these appointments were of legal specialists, rather than career HR professionals. Add to this the news that other companies, most notably British Airways, has extended the remit of its in-house lawyer to encompass HR, and a trend begins to emerge. Are we seeing the beginning of the end of the HR generalist?

Legal experience and HR certainly are a natural fit in some respects – the HR function does, after all, demand a working knowledge of employment law. But some observers, as Nick Martindale discusses in his article on page 8, see the trend as a comment on the ability of HR as a profession to prove its worth as a value-added function in the boardroom, and in particular as an indication of the failure of the Ulrich model. The value of HR goes well beyond legal compliance and the danger is that if this trend continues, the nuances of the function will be lost. As one HR director puts it succinctly in Nick's article: "The biggest difference between legal and HR is that in legal if you're chatting you're not really doing your job and in HR you're not really doing your job *unless* you're chatting."

But as the debate continues, HRDs must still respond to the everyday challenges of the job. The phone hacking scandal will have rung more than a few alarm bells about cyber security, and Lesley Meall discusses the options on page 28. Elsewhere we discuss how companies are dealing with the challenges of employee absence, which costs businesses across the developed world billions of dollars a day, and the ever-present issue of parental leave. These are just a taster of the problems that the HR function addresses on a daily basis – proof that it remains one of the most demanding roles in business.

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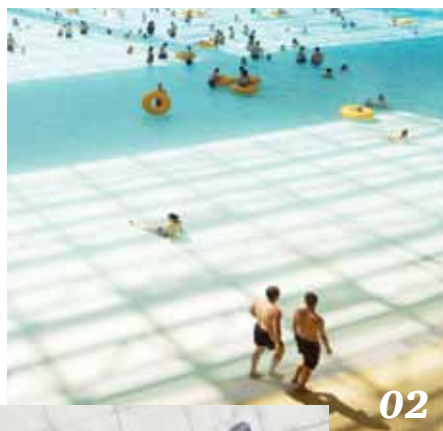
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As we all get back to work at the end of the summer, it's well worth taking steps to minimise any dip in employee morale.

The start of a new term for HR



Written by

Michael Rendell
Partner and Global
Head of Human
Resource Services
at PwC



I don't think many people can be immune to the 'back to school' feeling that September brings. Some of us will have enjoyed a summer holiday, and sunnier days often bring sunnier dispositions to the office.

While some people will be ready and eager to get back into gear, it'd be unrealistic to assume all employees feel this way. Economic pressures show little sign of easing, so many of us will be working longer and harder for less. Add to that the looming prospect of colder, darker days and it's probably fair to say we may see a few more gloomy faces at work.

So without meaning to sound the harbinger of doom, it's worth businesses taking extra steps to minimise any dip in morale. As HR professionals, we're all too aware of the link between engagement and performance, but I was still startled by some recent PwC research highlighting the direct connection between morale and absenteeism.

The poll of more than 1,000 workers revealed that almost two thirds who've called in 'sick' over the last year did so because they were bored or depressed with their jobs. 'Sickies' also seem to be contagious, with a third of those polled saying they'd be more likely to pretend to be ill if they see colleagues getting away with it. So this is a problem that can easily snow ball, with absenteeism costing the UK alone an average £32bn a year.

Interestingly and perhaps surprisingly, US workers take around half the amount of unscheduled leave as their UK counterparts. The problem also varies considerably across certain sectors. For instance, technology firms record some of the lowest absence levels – perhaps highlighting that these firms put innovation into all that they do, including improving employee engagement.

Philip Smith's article on page 24 looks at this issue in more depth, considering how employers can reduce and minimise the impact of absenteeism.

In my view, employers' ability to embrace flexible working patterns will become ever more important to keeping staff motivated so they're less likely to take unwarranted absence or want to leave their job at all. The launch of a recent UK Government consultation on flexible working and parental leave reflects growing momentum in this area and the sense that many workplaces don't suit the needs of today's workers.

Much has been written on the costs and challenges for employers of such proposals, which include extending to all the right to work flexibly. While fully appreciating these concerns, particularly for smaller businesses, I think that the long-term benefits should more than make up for the upfront costs. Flexibility is not just a one way street. Those employers that accommodate workers needs should find that they're more likely to offer greater flexibility in return.

But most importantly, those employers that embrace a flexible approach will be able to tap into a much larger talent pool. A recent PwC survey of so-called millennials shows they prize flexible working above any other benefit. Firms that can satisfy their requirements are more likely to attract young talent, and also retain it, by adapting to workers' changing needs and wants. This should make for a more diverse workforce, with hopefully greater female representation at the top.

Demand for flexibility is only likely to increase further now retirement ages have been pushed back and people face working for longer. Some people may seek a more gradual, phased retirement, while others may wish to take chunks off during their working life to compensate for working for longer.

There's a huge amount for employers to think about but a huge amount for those ahead of the pack to gain.

Technology firms record some of the lowest absence levels – perhaps highlighting that these firms put innovation into all that they do, including improving employee engagement



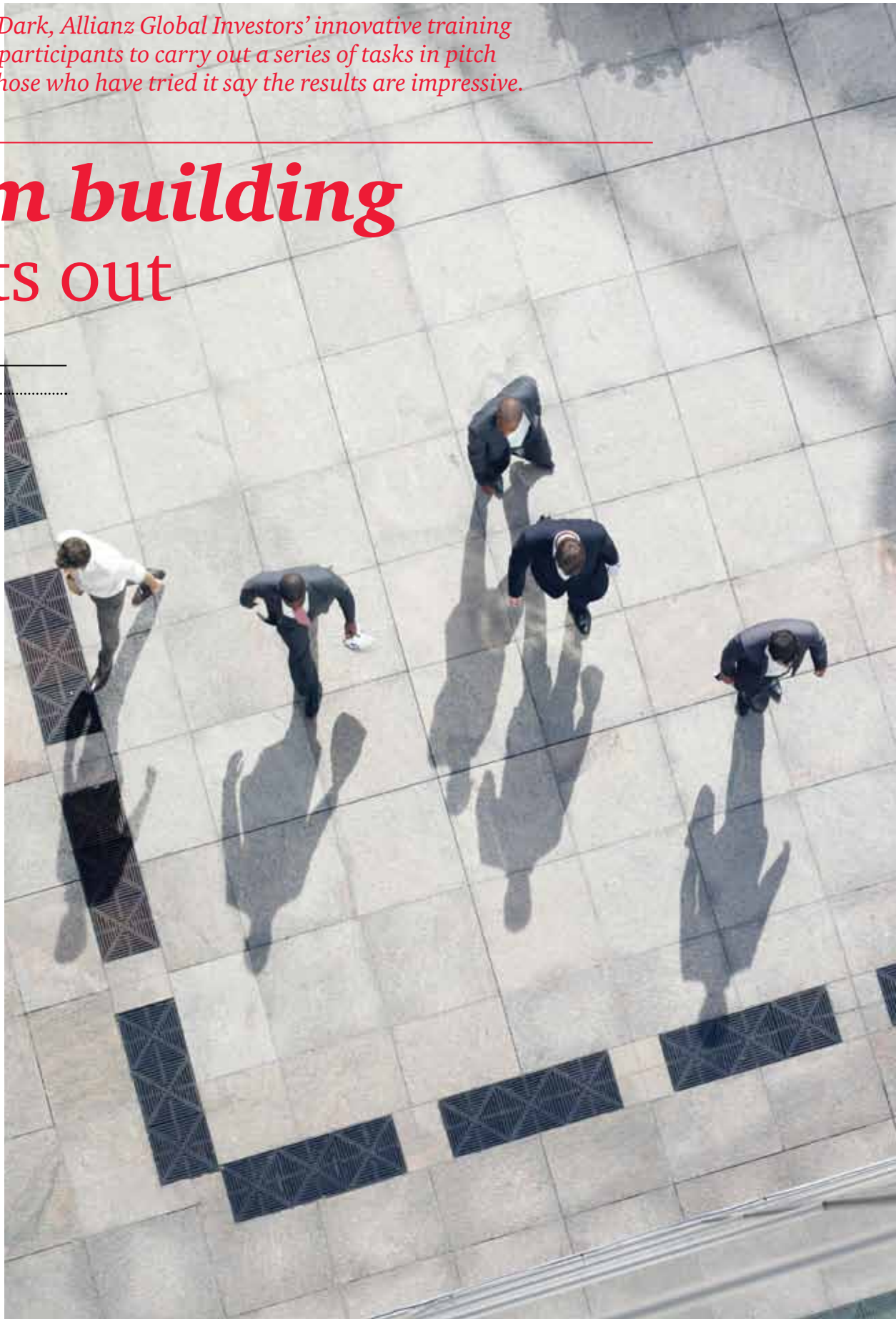
Dialogue in the Dark, Allianz Global Investors' innovative training technique, asks participants to carry out a series of tasks in pitch darkness. And those who have tried it say the results are impressive.

Team building

Lights out

Written by

Sarah Perrin



You're enveloped in total darkness, unable to see anything of your environment. You hear the roar of vehicles' engines and realise you're standing beside a road. Alongside you is a group of people you don't necessarily know, and your task is to guide them all safely across the road. Could you succeed?

This is one of the potential challenges facing participants in Dialogue in the Dark training sessions, which involve completing a series of tasks in complete darkness. The training is run by Allianz Global Investors (AllianzGI), a global asset management firm with over €1tr of assets under management and around 4,750 employees. The company opened its Dialogue Training Centre in Munich in March 2009, offering its unique approach to AllianzGI employees and now also to external clients.

Since then the novel development technique has been experienced by employees at all levels, including staff running the company crèche.

Dialogue in the Dark participants receive a short briefing, then are given white sticks and asked to enter a pitch black space accompanied by trainers (some of whom are blind or partially sighted). They must try to complete, under time pressure, a series of tailored tasks designed to deliver certain outcomes for specific groups. While frequently used to help team building, for example, the Dialogue in the Dark approach can also support leadership development, diversity awareness, communication skills and creative thinking.

Some of the dark rooms mimic particular environments, such as a city park, which participants must move around, avoiding obstacles and collecting objects. Others are used for the

'You're immediately pulled out of your comfort zone and brought into a totally different environment. It quickly builds trust among the group. If you don't communicate, if you don't trust what others tell you – you're lost.'

The investment was a bold one at the time. "We invested in 2008, a horrible year for financial services, a time when probably most other companies started to reduce investment," says Beat Bucher, Global Head of HR at AllianzGI. "As an HR manager, I'm proud to be in a company that did something like this at such a time. Today we have good uptake [of the training facilities] both internally and by external companies." Around half of participants are Dialogue in the Dark first-timers – but the others are returning for a second, third or fourth go. "That tells me they see this as adding value to them and their teams," Bucher says.

He sees the darkness as an 'enhancer' of training: "You're immediately pulled out of your comfort zone and brought into a totally different environment. It quickly builds trust among the group. If you don't communicate, if you don't say 'Watch out! There's something on the ground', if you don't trust what others tell you – you're lost."

First to experience the benefits back in 2009 were around 230 members of AllianzGI's top management team. "We put them through workshops in 11 rooms simultaneously," says Angelika Antz-Hieber, Head of AllianzGI's Dialogue Training Centre. "It was the best-rated annual event in the history of AllianzGI."

completion of specific tasks, such as creating structures from children's building bricks, forming shapes from a length of rope or sorting jumbled items – all completed in total darkness. "The exercises are designed in a way that encourages learning and development," Antz-Hieber says. "Sometimes we might even provoke failure in an initial exercise to make people aware of what's important in order for them to be successful."

Some exercises involve no props at all – just people's voices. For example, the 'leadership stockmarket' requires participants to argue why they should be the leader. "The people most successful are those who come across as authentic, where what they say and how they say it fits, and where there's emotion," Antz-Hieber notes.

Some tasks emphasise the importance of developing a common language with terms that everyone can understand. Almost all Darkness in the Dark sessions are conducted in English, which can be difficult for non-native speakers who are asked to describe complex objects in the dark. "It's important that everybody talks the same language not only in the dark, but also if you work in intercultural teams in everyday business – and especially if you mostly communicate by phone," Antz-Hieber says. "We're a global company, so most teams aren't sitting together."

This is a crucial learning experience which makes working together more effective.”

Throughout the Dialogue in the Dark experience, participants’ reactions, interactions and behaviours are observed. These are later discussed during a reflection session held in the light. “We have small periods of meditation or reflection in the dark,” Antz-Hieber says, “but the major outcomes – what we learnt, what typical behaviours we displayed, what hindered us from being successful – these we discuss in the light, so people can take notes if they want. You also need to get back into a more cognitive mode in order to really analyse what happened.”

‘It has unique power because you have to open up your mind, use your senses and respect everyone – otherwise you’ll fail. You depend so much on each other.’

Thomas Linker, Managing Director responsible for retail sales and retail distribution for AllianzGI in Germany, has experienced Dialogue in the Dark twice – initially in 2009 as part of the management team exercise, and most recently this January with members of his own team. The 2009 experience was particularly challenging for Linker. “Since I was a kid I never liked the darkness,” he says. “I was really afraid of it. But the [Dialogue] experience was so powerful, so enjoyable, I thought it was something I had to do with my people as well.”

For Linker, the experience emphasised the importance of clear communication and the need to listen to others. “With the management team, we had one exercise which didn’t work, because people weren’t listening to each other – everyone felt they had the solution. And we failed.”

Linker hoped that the three teams reporting to him (working in customer relationship management, sales support and product specialisms) would gain similar insights. “Every team was working well, but I wanted them to cooperate more with each other,” he says. A two-part training plan was therefore developed, the first involving a Dialogue in the Dark experience and the second a group session to discuss how the teams could work together more effectively.

The teams thoroughly enjoyed the darkness experience and emerged ‘really motivated’, Linker says. “It has unique power because you have to open up your mind, use your senses and respect everyone – otherwise you’ll fail. You depend so much on each other.” These insights enhanced the quality of the group discussions that followed. Team members listened attentively to each other, and came up with ideas to encourage cooperation in their daily work, such as new formats for updating each other on individual team developments. “If you want to improve working across teams, you need to listen carefully and express yourself explicitly and clearly,” Linker notes. He believes his team members are still benefiting from the Dialogue in the Dark experience: “The style of working and the way people communicate are consistently better than they were before.”

One of Linker’s team, Claudia Sonnenberg, Head of Customer Relationship Management for the sales channels of AllianzGI’s tied agents in Germany, helped to plan the Dialogue in the Dark session by briefing Antz-Hieber on the three teams and their challenges. “Angelika customised the programme for us,” Sonnenberg says. “It was really fantastic – a great experience. You have such positive energy afterwards.” Sonnenberg’s darkness experience included the road crossing challenge. “You hear the cars rushing. It’s a bit rainy. You are told, ‘Now please cross the street.’ How do you do it? You can’t do it if you don’t trust each other, listen to each other. But we solved it.”

She feels the darkness session had a real impact on the afternoon discussions in the light. “In the dark we learned we need common understanding in our teams and between our teams,” she says. “We learned that we first had to listen to each other and to express precisely what we wanted – what was the goal for the team.” In the afternoon, participants continued to express themselves clearly and to listen to others carefully.

The benefits are still being felt, months later. “You can see how attentive everybody is in meetings. They listen carefully to each other, repeat it to make sure they have understood correctly. These things we learnt in the darkness. Our teams are working together. They have synergies. They set up cross-border meetings without help from the bosses.” How does she rate the experience on a scale from one to 10? “10 plus!”

Marc Hommel, Pensions Partner at PwC, joined an afternoon Dialogue in the Dark training session in April 2011. “You build a closeness with the other people very quickly,” he recalls.



No1.

“It was the best-rated annual event in the history of AllianzGI.”

“You have to work together collaboratively, as a team. There’s some physical touch, because you are trying to stop people falling over. So there’s physical contact as well as the emotional contact around trying to succeed at the challenges you have been given. You instantly become mutually supportive of each other. It’s a good ice-breaker for teams.

“And from the teamwork point of view,” he continues, “you learn there’s always more than one way to do things. Your way isn’t necessarily the best way. It also heightens your listening skills, because your sight is essentially turned off.” Hommel also gained huge admiration for the blind facilitator, who was ‘perfectly bilingual’ and appeared to have a sixth sense in terms of knowing when individuals might be about to fall.

Ben Wilkins, International Mobility Director at PwC, joined the same session as Hommel. How did he find the experience? “It’s quite uncomfortable at first, because you don’t want to bump into someone, but you gradually realise everyone else

is in the same boat and you start to work as a team. The information flow became better and better. We started helping each other out, moving round various obstacles in the dark, performing different tasks.”

The final challenge required the group to think up a motto to describe their experience, then write it out by attaching letters to a magnetic board – identifying the required letters by touch from a jumbled pile. “We came up with ‘The dark taught us to trust’,” Wilkins says.

“There were people whose first language was English and those whose first language was German, and the cooperation engendered was incredible. You came out of the experience feeling much more connected to the people there and it accelerated the development of informality, trust, the ability to work together as a team, to agree common objectives. When you’re all in the same situation, you start to work together. It was really powerful.”

For further information on Dialogue in the Dark, see www.dialogue.allianzgi.com

A number of companies have recently appointed lawyers to head their HR function. Is this a sign that the days of the HR generalist are coming to an end?

HR careers

March of the lawyers

Written by

Nick Martindale



The decision by British Airways to expand the remit of its General Counsel, Maria da Cunha, to include overseeing the entire HR function makes her just the latest senior HR appointment to be filled by someone with a legal background. Whether this is sufficient to constitute a trend is debateable, but it does suggest a growing willingness on the part of organisations to look outside the traditional HR function for leaders and, in doing so, raises questions around the future role and make-up of the discipline.

Mark Brewer, founding partner at HR recruiter Fraser Jones, says such a move isn't uncommon, and reports strong interest in such a switch from mid-ranking employment lawyers. "There are some very logical reasons why this might be the case and why it might accelerate in the future," he says. "HR is becoming much more exposed around legislation and potentially more confrontational around strikes over cutbacks, inflation and pay. If you're looking to fill a very senior HR role and you have two candidates who are great but one is a qualified lawyer, you can see that there would be some quite attractive reasons for going for the lawyer – particularly if they have an employment law background."

As well as reflecting the growing prominence of employee and industrial relations in the current climate, Matilda Venter, Director within PwC's HR consulting business, suggests those with a legal background can also better help manage people-related risks within large firms. "Organisations are beginning to look at the inherent risks in how people behave and how they can embed the right principles and ways of working so people will do the right things for the business," she says. "From a legal perspective it's about creating greater awareness of that risk and the compliance issues, and how you address those."

Angus MacGregor is HR Director at a leading law firm, and made the transition from employment lawyer to HR via a role as an in-house HR lawyer. He points out that the skills associated with legal training – thoroughness, execution and drafting – lend themselves fairly seamlessly to HR. Perhaps significantly, though, he also believes a major attraction for organisations to hire former

lawyers for such posts is the perception that it professionalises the function.

"If you get a lawyer with a professional qualification it brings more of a mark or brand than a [general HR] qualification," he says. "People respect lawyers and what they have to say. It's unreasonable because there are some poor lawyers, but it allows you to go up the food chain in terms of contributing to the senior table more quickly. That's why there are five or six of us now who have been put into reasonably senior positions."

This is something that resonates with former employment lawyer Susan Gordon, now HR Director and Company Secretary at financial services firm Oriel. "It raises the bar for HR," she says. "Typically people making the transition from law to HR are more senior, so rather than people seeing HR as an administrative function they recognise that it's an important part of the business." In her case – at a relatively small firm – the move was perhaps more obvious; Gordon has kept her practising certificate as an employment lawyer and last year found herself involved in a case that would otherwise have incurred significant legal costs for her employer.

"That was going back to what I was doing in practice. But in more day-to-day HR it's been very useful because I've been able to review all the HR documentation from a legal perspective, reading the contracts of employment and looking at things like restrictive covenants," she says. "It's also useful knowing what you can and can't ask candidates at interview and being able to market Oriel to candidates in a way that you have to get used to as an employment lawyer when trying to win business."

Not everyone, though, is in favour of the trend to recruit for senior positions from outside the function. "It's a particular sort of thinking and not a helpful one," says Peter Reilly, Director of HR Research and Consultancy at the Institute for Employment Studies. "HR wants to try and solve business problems and get involved with the organisational strategy and there's a risk that if you come from a legal background you see the world through a particular viewpoint about

'People respect lawyers and what they have to say. It's unreasonable because there are some poor lawyers but it allows you to go up the food chain in terms of contributing to the senior table more quickly.'

risk management. By the time you get to senior positions, it's not helpful to appoint people who don't know much about HR."

MacGregor, too, admits that while his legal background has been helpful, it hasn't proved as beneficial as he initially thought. "I'm quite good at getting things done, thinking round problems and giving reasonably good advice," he says. "But that's very narrow when you look at it from an HR perspective because you're expected to be strategising, looking ahead and coming up with solutions, which is not necessarily a lawyer's training. It's been quite a difficult journey to move from reactive execution to strategy and creative thinking."

Whatever the relative merits and drawbacks, it's hard to see bringing in talent from other parts of the organisation as anything other than an implicit admission of the failure of HR to make its case as a specialist function in its own right. "If you're appointing non-HR people to those positions it's saying something about what you think about the rest of the function," says Reilly. "There are still questions about whether there's enough talent in the HR function itself to reach the top and whether the chief executive trusts the function to do what he or she wants."

Companies are now looking for a new breed of HR leaders, suggests Brewer at Fraser Jones. "HR has traditionally said why you can't do things rather than enabling it to do things in a safe, people-oriented and legally compliant way," he says. "That's started to change. There are more leaders in HR who really are businesspeople first and foremost and just happen to be in HR as a career."

A recent study by PwC identified six key traits that were seen by senior business figures as essential in business-facing HR roles: technical HR knowledge; consulting; relationship building; business competence; external market insight; and analytical and financial skills. "HR people score very highly with technical knowledge but often fall short in most other areas," says Venter. "It's interesting that more clients are beginning to talk to us about how we train our own consultants to be effective and have consultative working relationships with clients."

Our most recent CEO survey, meanwhile, listed talent management as the number one concern among chief executives; potentially giving HR the opportunity to play a more strategic role and demonstrate the value it can bring to the wider organisation. "This is something they've been concerned about for a number of years and it's not

something they think is fixed," says Neil Roden, Partner in PwC's HR consulting business. "The question is whether HR can grab that strategic agenda while still doing the transactional elements."

The divide between helping organisations strategically, through embracing new markets and getting to grips with an increasingly legislated environment, and the push for greater efficiency raises fundamental questions about the future of HR, says Sue Brooks, Managing Director at Ochre House. "One of the biggest challenges is how organisations can put a strategic HR model over a very operational business model," she says. "How do you turn from being a function that protects, controls and guards into one that's influencing, challenging, advising and managing change? They are two completely different roles and require very different skills. Realistically, HR can't respond to this on its own."

A willingness to fill positions with candidates from outside the function also poses uncomfortable questions about the ability of HR to nurture its own talent, and with that the qualifications and training on offer. "The qualifications haven't been as rigorous as they would be for other professionals and they tend to focus mainly on technical issues," suggests Roden. "There's a need for more general management and business qualifications. You have to understand the company you're working for, who its customers are, what its products are and what markets it's in."

Part of the problem here could lie with the Ulrich model, suggests Brooks, which encourages people to specialise early in their careers when a generalist background arguably provides a better grounding for the business partner approach. "How do you get the necessary experience to be a business partner when you might be specialising very early in your career in recruitment or compensation and benefits?" she asks.

Where skilled individuals are coming into HR tends to be more in talent management, she says; something which is rapidly becoming distinct from the traditional HR remit. "I can see the whole area around talent management – helping people to make sure they know what they've got and what they need and supporting companies in making those decisions – becoming a very distinct discipline. It will require very different skills and be populated by very different people from various disciplines within the business," she says.

Attracting a new generation is the single most important issue facing the HR profession, says Reilly, and one that will take several years to play out.

“People who were in their 20s in the 1960s and 1970s could see that industrial relations was at the heart of the business,” he says. “I don’t know if that has been replaced by an equivalent recruiting proposition and if it’s seen to be dull and repetitive then people won’t come through. But until HR builds that capability it’s going to continue to face these criticisms and discussion about why it can’t have its own appointments to senior positions rather than imports from elsewhere.”

“There are still questions about whether there is enough talent in the HR function itself to reach the top and whether the chief executive trusts the function to do what he or she wants.”



Case study: From law to HR

Helena Peacock, now Legal and HR Director at Penguin Group, was offered the opportunity to include HR as part of her remit in 2006 after working closely with the HR team in her role as in-house lawyer. “My background was very general; I’d only touched employment law very sporadically so I certainly wasn’t an expert,” she recalls. “I did think about it quite hard because being quite experienced in the legal field it was quite a step to take.”

At a senior level, there’s a large degree of overlap between the two disciplines, she says. “As an in-house lawyer you’re listening to people’s problems and trying to solve them and it’s the same as an

HR director. It’s taking a common sense approach, which is what you use when you’re an in-house lawyer.”

Peacock believes her background also gives her an advantage in spotting potential legal issues, although she admits she has had to rely on her team to show her the ropes with some of the HR and payroll systems. “The biggest difference between legal and HR is that in legal if you’re chatting you’re not really doing your job and in HR you’re not really doing your job *unless* you’re chatting,” she says. “The strain for me is finding enough time on the HR side to chat and enough time on the legal side not to chat.”

Hourglass – HRD interview

The John Lewis Partnership has become one of the UK's retail success stories. And, says its Personnel Director, Laura Whyte, holding the company to account is at the centre of everything it does.

HRD interview

Partners in success

Written by

James Ashton





Laura Whyte

Personnel Director for John Lewis Partnership

The second week of March is always an exciting time to be employed by John Lewis, the department store group. Hundreds of staff gather at the flagship branch in London's Oxford Street to hear an important piece of news. Unlike most retailers, John Lewis is owned by its employees, which means when the company does well, so do they. In March, they find out what their hard work through the winter months and the hectic Christmas trading period has yielded. It is when John Lewis, where Middle England flocks to spend its money, reveals the size of the annual staff bonus.

Last March, the mood was jubilant. Staff thought they had done well, but not this well. The bonus pot for 76,500 workers was nearly £200m, far higher than the £151m they split in 2009. Despite the continued gloom in some quarters of the high street, it meant staff received a bonus equivalent to 18% of their salary, or £2,700 for the average member. "That was a very special moment," said Laura Whyte, who has been John Lewis' Personnel Director for almost three years. "There's something very compelling about that announcement. Everyone gets very excited about it."

It's on days such as that one that John Lewis justifies how it operates. The group, which runs 28 department stores, four 'at home' shops and the 250-strong Waitrose supermarket chain, was put into a trust for its staff, who are called 'partners' internally, by the founder, John Spedan Lewis, before his death in 1963. It means that everyone, from the shop floor upwards, shares in the spoils of success. What makes the role unique for Whyte – who runs personnel for the John Lewis side of the business, but not Waitrose, which has a separate management structure – is that everyone has a say in the running of the organisation as well.

Its customers may hold it to its price-matching pledge, 'Never Knowingly Undersold', but John Lewis's staff take its promise to them extremely seriously too. Holding the company to account is at the centre of everything it does. The John Lewis Council is made up of elected staff members who sit alongside executives to give the workforce a voice at the highest level of the company. What they have to say often comes up from the grassroots. In each John Lewis branch there's a local staff forum, and below that there's even a committee in each store department. When the council meets three or four times a year, councillors can ask anything they like.

"In the last year, the council were increasingly challenging me about the policy on pay banding – how we link reward to performance," Whyte said. "They flagged up fairly clearly that they believed there was some inconsistency in how the policy was being applied between branches. I undertook a review of the policy and went back to the council in January saying, 'here are the points you made and here are the developments that we have recommended to the management board. That has now been accepted, so here is how your influence has been brought to bear'.

Then there is *The Gazette*, an in-house weekly newspaper run independently of management. Any member of staff can write in anonymously to raise a matter of concern. Only the chairman of the group can block publication – and then only if the letter is defamatory. The rule is that John Lewis must publish a response within 21 days.

It sounds as though Whyte could be forgiven for trying to engineer anything controversial, such as a large-scale change programme. But a strategy to centralise some support functions, including call centres, has just drawn to a close after more than two years. Previously, there was a call centre team in each branch, but they've been consolidated in two locations, Didsbury and Hamilton. Out of John Lewis's 27,000-strong workforce, some 3,000 staff were affected, but Whyte managed to redeploy 80% of those elsewhere in the business.

"We've been very fortunate," she said. "Our customers have stayed loyal to us and because we're not stock-market quoted, we're able to make some of our decisions over a longer timeframe than some of our competitors. So when we get into things like looking at organisation and structural change, we can take time to make sure that we take the workforce with us."

‘Because we’re not stock-market quoted, we’re able to make some of our decisions over a longer timeframe than some of our competitors, so when we get into things like looking at organisation and structural change, we can take time to make sure that we take the workforce with us.’

It clearly works, as staff turnover stands at 14%, roughly half the retail industry average. One of the main advantages of that to Whyte is that she knows she stands to make a good return from training.

There are two main programmes. The first is the Selling Academy, which focuses on customer service and product knowledge, giving staff the chance to progress through three tiers of expertise on merchandise. The second is Horizons, which builds leadership capability, including for those who want to make the first step into management. John Lewis’s management board features three executives who came up through the graduate training scheme, as did many of the branch heads.

“The one thing I am confident about is where we have a partner with ambition and aptitude, we have a framework to support them,” she said. “With learning and development, I favour a pull-push approach. For me it’s about partners wanting to pull from the offer rather than managers pushing it. Learning is at its most effective when there’s a huge appetite for it.”

Training for managers is bespoke. It could take nine months for one candidate to work through the programme, or two years for another. Whyte also leads an annual appraisal round where leaders at every level of the group are invited to identify future talent. As well as improving the skills of the existing workforce, Whyte has been involved in one of John Lewis’s biggest recruitment drives. The group will take on 1,200 staff this year, with the September opening of a new department store next to the Olympic Games park at Stratford in East London, as well as several homeware shops. “We’ve been delighted with the calibre of candidate we’ve seen in recent years,” Whyte added.

On top of that, there’s the company’s first overseas foray, with the opening of a sourcing office in Delhi that will have 20 staff by the year-end. “It’s been tremendously exciting because it’s all about how you take the partnership philosophy, ways of working and cultural norms and translate that into an international environment when the employment expectations in Delhi are vastly different than they are in the UK. It’s been a learning curve for me and my team.”

Whyte feels no pressure from operating under another rule that dates from John Spedan Lewis, the company’s founder. The constitution he left behind states that: “The pay of the highest-paid partner will be no more than 75 times the average basic pay of non-management partners, calculated on an hourly basis.”

Rivals say this rule has hamstrung John Lewis’s ability to recruit the best talent to its boardroom, but those at the company say it is another tool for creating a happy ship. “There’s an overall philosophy around fairness and relativity which makes that rule completely appropriate for our organisation,” Whyte said. “It doesn’t limit my ability to recruit because I think there are always certain people out there for whom the job is about more than just personal wealth creation. Our salaries are market competitive and when you add in a final salary, non-contributory pension and the other benefits we know we benchmark well against the competition.”

Whyte started out as a registrar at John Lewis, an employee engagement role that could be likened to that of an agony aunt. There are 24 registrars across the group, operating independently from the personnel team. “At board level you have a partner who is the equivalent of minister without portfolio, possibly akin to a non-executive director, bringing to bear an independent view of the decisions that are being made and advising senior management,” she said. “The role of personnel director in John Lewis is about pure operational human resources functions such as recruitment and retention.”





Whyte's own team is 300 strong. She has a personnel manager in each department store leading a team handling areas such as learning and development and recruitment locally. A typical department store has 600 staff overall, rising to 2,500 for the flagship base in London's Oxford Street. The 'at home' shops are smaller, with typically 200 staff, so personnel is managed centrally. In head office, there are four heads of department that serve under Whyte, covering partner development, personnel operations, head office and organisational development.

The in-store personnel managers gather on a monthly basis. They meet with their respective branch managers just as regularly. Whyte's own ambition is to visit every shop every year, but she doesn't quite manage it. "Typically I visit two shops a month. It is very important for me to see how the personnel experience for the partners works on the ground. It keeps me grounded – and a day in a shop is always a real joy."

The founder's constitution states that: 'The pay of the highest-paid partner will be no more than 75 times the average basic pay of non-management partners, calculated on an hourly basis.'

CV: Laura Whyte

Laura Whyte joined John Lewis 29 years ago as a trainee assistant registrar. It wasn't her first job – she had spent six months with the Halle Orchestra in Manchester as the general manager's assistant, planning concert schedules and corporate sponsorship.

In 1987, she transferred to the Peter Jones store in Chelsea and was a selling department manager until 1994. Then, she was appointed registrar at Caleys (a former John Lewis store in Windsor).

After working at Bracknell and Kingston she became an assistant chief registrar in 2000, and then divisional registrar in 2003. Laura was appointed as the Personnel Director (John Lewis) in November 2008.

"Did I know I'd found an organisation that worked for me?" she said. "Yes, definitely, but if you'd asked me in 1982 if I thought I'd end up on the management board, I would probably have laughed. I've been hugely fortunate in that a lot of people I've worked with have helped me find the next role."

Qualifications: BA in English from Oxford University, plus a Prince of Wales' Cambridge Programme for Industry qualification from when Whyte looked after corporate and social responsibility for John Lewis.

Specialisms: Understanding what makes people and organisations tick, leading complex change programmes. "Retail never stands still," she added.

More companies are employing ex-offenders as part of their commitment to corporate social responsibility. But what are the risks and how can HR manage them properly?

Corporate social responsibility

A second chance

Written by
Beth Holmes



‘Fuelling this drive for inclusive recruitment policies is better for you as a business and for society as a whole.’

A report released earlier this year by Business in the Community (BITC), as part of the research programme undertaken by the Transition to Adulthood Alliance, found that individual businesses are making great progress towards improving employment opportunities for young adult ex-offenders. The report consulted eight high-profile UK employers – including Marks and Spencer, Timpsons and the property group Lend Lease – that are pioneering successful employment schemes for groups facing barriers to work. But the research also found that while some employers are breaking new ground, there’s still the feeling that there’s a lack of adequate publicly-shared information on how companies should make recruitment decisions when hiring ex-offenders.

A 2010 report from Working Links called *Prejudged: Tagged for Life*, found that fewer than two in ten UK employers have knowingly employed ex-offenders. But nine in ten state that they are open to doing so in principle. This mismatch could be due to prejudice on the part of employers, pointing to the need for programmes and incentives to influence employer behaviour.

Susie Perrett, Director of Work Inclusion at BITC, says: “BITC has a long history of working and promoting people furthest from the workplace, including ex offenders.” She points out that two of the biggest reasons to reoffend are where you live and whether or not you work. “If you’ve no means, you’re likely to feel the need to reoffend,” she says. Indeed, back in 2008, the Ministry of Justice found that prisoners who have problems with both employment and accommodation on release from prison had a re-offending rate of 74% during the year after custody, compared to 43% for those with no problems. This figure of 43% is the one likely to cause a problem for would-be employers. It’s still almost half the offending population. And it’s the fear associated with this that the BITC is determined to tackle, in order to change the very culture of recruitment and the blueprint of a potential employee. It’s not an easy task.

“Employing ex-offenders is not something employers fall over backwards to do,” admits Dianah Worman, Diversity Adviser at the Chartered Institute of Personnel and Development. Indeed many companies have recruitment policies that actively weed out anyone with a criminal record, leading to an exclusive rather than inclusive recruitment policy. There can be some valid motivating factors for this course of action.

“Currently, some companies do Criminal Record Bureau (CRB) checks on people, and that may then bar candidates from working with vulnerable people, such as children or the elderly,” explains Perrett. “And the postal service, for instance, has licence conditions that prevent an ex-offender from working there.”

For companies that don’t do CRB checks, which are costly and time consuming, new recruits generally have to sign a declaration, stating any spent convictions. It’s at this stage that those working in the field want to influence employer behaviour. And that means understanding the positives for both the company and the employee should someone who has had a criminal record be recruited. “We want companies to have an inclusive recruitment policy and for people to feel okay about declaring a spent conviction,” says Perrett.

“Talent must be seen on an inclusive basis,” agrees Worman. “The fact is that companies need to have a wider view, instead of taking employees off the shelf. Ex-offenders often come with more obvious baggage but we need to engage more employers into seeing that it’s not a hassle.”

“Who’s more risky?” asks Perrett. “The person who might be released from an open prison, who is screened randomly for drugs and alcohol, is on a temporary licence, will be screened for diseases, has no excuse for being late, and is highly motivated. Or an employee about which you know nothing. Do you know what any of your other employees did the night before?”

Employing ex-offenders is also a social issue, points out Worman. “Through corporate social responsibility (CSR) programmes companies are enabling people, the economy and individuals. Fuelling this drive for inclusive recruitment policies is better for you as a business and for society as a whole. There are many big social implications around reducing reoffending and focusing on rehabilitation.”

This is particularly critical, says Perrett, in the practical ways in which society and business can help those who have got into trouble, get back on the right path: “If you take on an ex-offender six weeks before release from an open prison you’re enabling them to get back into the workforce and maybe save for a deposit on a flat.”

And, as Worman says, in tough economic conditions, the pressure can pile on and people from all walks of life are susceptible to making mistakes with serious consequences. “A lot of people are disaffected,” she says, “and get involved with drugs or crime. People fall foul, and business can play a role in pulling that back as well as gaining access to a potentially valid and loyal employee. Someone just out of prison is job-ready, has possibly had some training, both in technical skills and the softer skills required for the workplace.”

If changes are really going to be made by companies committed to an inclusive recruitment policy, HR will be at the forefront of how the strategy is managed. “HR needs to get people on side,” says Worman. “It needs to cultivate social understanding and put it on the agenda

Employing ex-offenders

BITC has identified three critical factors for success to help companies committed to reducing re-offending through employment. It encourages companies to:

Work in partnership and share the risk.

Companies should work with voluntary organisations or statutory bodies responsible for young adult offenders who’ll better understand the barriers to employment they face. Together they can create sustainable pathways to work for these individuals.

Provide work experience opportunities.

Work placements offer young adults the opportunity to prove themselves, build their confidence, and enhance their employability. At the same time, it allows companies to test whether a person is suitable for employment.



Consider the circumstances and personal journey of the individual. This includes realistically assessing risk and ensuring the company protects the individual and those with whom he or she comes into contact. Ideally only one or two colleagues should be involved in this process.

by explaining why it's important." But this doesn't mean, she adds, that everyone in the organisation should be aware of exactly who's an ex-offender and who isn't: "When you recruit an ex-offender, the Data Protection Act means that you shouldn't tell anyone else at the organisation, except a core group that needs to know." This makes risk assessment critical. "You also need to make sure that the employee has the right type of support," she says. "Simple things like when they get their first pay cheque, have they got access to a bank account?"

The UK Government is about to respond to its consultation on the sentencing and rehabilitation

of offenders in England and Wales, which called on employers to create more avenues into work for ex-offenders. Edwina Hughes, Campaign Manager: Reducing Reoffending, BITC, says: "We're delighted that the Government has officially recognised the vital role employers play in reducing re-offending rates. Clearly there's a lot of excellent work already taking place amongst UK employers but at the moment these are isolated pockets of success. Businesses need encouragement and support to share their experiences on how to work safely and constructively with young adults who've been in trouble with the law."

Case Study: Chapelfield Custody & Community Project

Since opening in 2005, the Chapelfield centre has created a new retail quarter in Norwich, with over 90 shops and restaurants, including House of Fraser, Apple, Zara, Disney and Wagamama. Chapelfield is owned by the FTSE 100 company Capital Shopping Centres Group plc, one of the UK's largest property companies and a real estate investment trust. It's the UK's leading regional shopping centre business and runs 14 centres across the country.

Launched in June 2009, the Chapelfield Custody and Community (CCC) project is a partnership with HM Prison Norwich and City College Norwich. It aims to break the cycle of re-offending by providing serving prisoners with practical work experience and training, then helping them to find jobs. Recent figures from the Ministry of Justice state that, nationally, less than 26% of prisoners leave prison with a job. Of the 64 serving prisoners who have successfully completed the CCC programme, Chapelfield has helped to secure jobs for 83% of them.

Davina Tanner, General Manager of Chapelfield Shopping Centre said: "Taking a sustained approach to corporate responsibility and integrating it into our business strategy is pivotal to the way that every centre within Capital Shopping Centres operates. We know that we can't build a successful business without constantly showing our commitment to being a better business.

"One of the main benefits that the Custody and Community project has had for Chapelfield is to improve the motivation of all our staff and,

in addition, providing personal development opportunities for the Chapelfield team. Working with prisoners has changed people's preconceptions in a positive way.

"From a commercial point of view, the additional resource we've gained through providing work experience to prisoners has enabled us to maintain Chapelfield shopping centre to an exceptionally high standard and dramatically improve our recycling figures. In terms of our community impact, we've achieved very exciting results so far and the project is developing all the time. Importantly, we've engaged with lots of other local businesses that are now employing prisoners. It's this engagement that will ensure the project is sustainable.

"64 serving prisoners from Norwich Prison have completed the project since it launched less than two years ago and we've helped to secure jobs for 83% of them. Having a job means that offenders have a real alternative to crime on their release; and reducing re-offending is our core objective."

Trevor Pereira, Commercial Director of Capital Shopping Centres said: "Our shopping centres are at the heart of their communities, and we're always looking for opportunities to provide positive benefits back into these communities. The Chapelfield team have really embraced this project, resulting in business benefits to the centre, real opportunities for prisoners and reduced crime for the community."

Do new mothers feel pressured into returning to work too early for fear of their career prospects being damaged, and how can HR help?

Parental leave

Mum's the word

Written by

Jenny Hirschhorn





“This is a great opportunity for businesses to review internal policies and practices around parental leave and to make sure there’s clear and up-to-date information and guidance for staff.”

“If you want to have a baby, congratulations, but don’t expect your employer to be excited for you and don’t expect your employer to pay.” Those were the immortal words with which Katie Hopkins, a former contestant on *The Apprentice*, signed off when she featured on the BBC’s *The One Show* in May. Leaving the show’s hosts open-mouthed with horror, Hopkins had kicked up a storm of controversy by suggesting that women should return to work no more than three weeks after giving birth.

It wasn’t the first time that she’d made her contentious views on this subject public. Writing earlier in the year in a tabloid newspaper, Hopkins, a mother of three, said, “Three weeks after giving birth [to my first baby], I returned to the office. I was back in my suits, ready to talk to smart people in the real world about real things, and to be really needed – for more than my ability to change a nappy.” And when she expressed these opinions on her own blog, a minority of responses were in agreement with her.

So was her worst transgression to dare to voice an opinion that’s held by many people? The evidence certainly seems to suggest that’s the case. A recent survey by MyVoucherCodes.co.uk revealed that over a third of new mothers feel pressured into returning to work, with the majority of them fearing the impact on their career.

And, in spite of increasingly generous parental leave entering the statute book, according to Maternity Action, which campaigns on behalf of pregnant women and new mothers, over 30,000 women lose their jobs each year as a result of unlawful pregnancy discrimination. Rosalind Bragg, Director at Maternity Action says, “These were the findings of an Equal Opportunities Commission report in 2005, and in our view things have only got worse since the economic crash.”

There can be little doubt that parental leave is one of the most complex issues in HR management today, and it’s a constantly shifting one. The introduction in the UK this year of significantly enhanced entitlement to paternity leave, as well as proposals to extend this further from 2015, means that it’s not just mothers with growing families who need to be managed, but fathers, too.

It remains to be seen whether large numbers of fathers will take advantage of the new rules. Since April they’ve been allowed 26 weeks’ additional paternity leave if the mother returns to work before using her full leave entitlement. And in four years’ time parents are expected to be able to share the overall leave allowance between them, even taking leave at the same time.

But with just £128.73 currently payable in statutory parental pay between the sixth and 39th week of the eligible period, economic pressures are still likely to be the deciding factor in who takes care of baby since, in most families, the father is the higher earner. Nevertheless, in a growing number of cases it's the mother who's the main breadwinner, and it's here that the opportunity to delay the date when a new baby has to enter formal childcare will be most welcome.

Some companies with particularly generous maternity leave policies do choose – entirely voluntarily – to top up employees' maternity pay to much closer to their full salary than the statutory allowance. And it's likely that there will be pressure on these companies to treat male and female employees equally. So it's quite possible – indeed, likely in the longer term – that fathers will receive the same benefits.

Some companies with particularly generous maternity leave policies do choose – entirely voluntarily – to top up employees' maternity pay to much closer to their full salary than the statutory allowance.

While acknowledging that parental leave is something of an administrative headache for HR professionals, Mike Emmott, Employee Relations Adviser with the Chartered Institute of Personnel and Development, believes that the changes to paternity leave will not increase that burden. "I just see that as equalising the playing field, so there'll no longer be the feeling that it's a particular problem to employ women of childbearing age." He believes that prejudice will slowly disappear as almost any employee will be a potential parental leave taker.

But what about the fears of those parents who worry that their careers will suffer? Are they founded in reality? Here, Emmott is in little doubt. "I attribute quite a bit of the pay gap that exists for women in their 30s and 40s to their failure to cash in on early promotion because of gaps in their work experience or the fact that they were simply not around when opportunities for promotion came along." A natural conclusion would be

that fathers taking paternity leave could suffer a similar fate.

Jo Lyon, Director and co-founder of coaching and consulting company Talking Talent, says there are other factors at play. "I believe that career prospects aren't affected as a direct result of taking the leave, but what changes is people's priorities. Once you have children you have an outside responsibility. That changes people's identity and who they want to be so they make different choices."

Whatever the law, parents will continue to be wary. They may feel that if they take their eye off the ball their managers will see it as a black mark against them. This is where the HR managers can really make a difference. Lyon says the HR manager's role is absolutely crucial in smoothing the return to work. "Unconscious biases often exist amongst line managers against flexible working and it's HR's job to challenge those unconscious biases. Coaching plays a vital role in enlightening everybody not just about the process but how to be emotionally intelligent."

What's clear is that it's not just adhering to the letter of the law that's important when it comes to administering parental leave. Lyon says the real need is for deep cultural shifts – bringing about meaningful adjustments in thinking and behaviour at all levels. This is a great opportunity, she continues, for businesses to review internal policies and practices around parental leave and to make sure there's clear and up-to-date information and guidance for staff.

Ian Sharland, Director of Baby Sensory, the baby development group which hosted the filming of Hopkins's piece, believes that however unsavoury her views, anything that sparks a debate on the issue should be welcomed. Sharland, who had extensive experience of talent management in the corporate arena before joining Baby Sensory, says that it's vital that parents appreciate what an important role they play when they're with their babies. In his former position as a senior manager, he found himself struggling against the culture of his organisation when he tried to encourage an easier way for new mums to gradually reintroduce themselves to the workplace.

"In the war for talent," he maintains, "if you foster a sense of community amongst your employees and they're happy to cover for each other, you create loyalty that can only be to the long-term benefit of the business."



Sharland advocates a much more open environment in which prospective parents are encouraged to let their employers know what their plans for having a family might be well in advance – without having to fear for their jobs or their prospects. “It would be beneficial all round to be able to plan ahead,” he says. It would give managers the chance to develop the skills of other members of the team, turning what could be perceived as a threat into an opportunity.

This is all very well for big business, which has the flexibility – and the cash – to implement such policies, but experts speaking on behalf of small and medium-sized enterprises are far less welcoming of the trend towards more generous parental leave.

John Walker, National Chairman of the Federation of Small Businesses said on the subject, “Parental leave in its current form acts as a barrier to employment. We all want adequate, flexible maternity and paternity leave. But it should be up to elected governments, with parents and their employers, to decide how much their economy can afford and how it’s to be delivered.”

His view was shared by David Frost, Director-General of the British Chamber of Commerce, who said: “Our economic recovery is far from secure, but ministers are yet again tinkering with employment legislation. These kinds of laws create huge uncertainty for employers, and prevent them from taking on more staff. [Just recently] the UK Government won praise from business when it said it would streamline some costly employment regulations. But this announcement shows they’re giving with one hand and taking with the other.”

Clearly this is a topic that will go on raging and one on which people will continue to disagree. But one thing everyone can agree on is that the later stages of pregnancy and the care of a new baby put demands on families that cannot be ignored. The economic reality is that where a household has two significant incomes, it can rarely afford to give one of them up, and at the top of the list of priorities must be the welfare of the children concerned.

*Absenteeism costs businesses across the world billions of dollars a year.
What can HR do to tackle the problem?*

Absenteeism **Fit for work**

Written by

Philip Smith

‘Ten days absence for UK workers is on a par with Western Europe, which has a median average of 9.7 days per worker. But what’s more interesting is that this is twice the level found in the US, which averages 5.5 days.’





Just looking at the numbers is enough to make you feel ill. The UK economy lost 190 million working days to absence last year. And that cost £17bn, a survey from the Confederation of British Industry (CBI) and pharmaceutical company Pfizer, has found. According to their Workplace Health Survey this includes nearly £3bn from 30.4 million days of ‘non-genuine sickness absence’. Extrapolate that across Europe, and you can understand why the continent might be feeling a bit sick at the moment.

The CBI found that during the depths of the recession in 2008 and 2009, levels of employee absence declined, pushing lost time down to a record low of just under 6.5 days a year on average. There was a concern that, as the economy started to recover, the downward trend would

‘Organisations need to track it and understand who’s off sick so they can understand the business impact, and quickly follow up with individuals. Many organisations don’t do this.’

be reversed. But the survey found that in 2010 sick leave was only marginally up on 2009, and down by almost a quarter since the 1980s. These results suggest the illness of sick leave isn’t terminal, but that doesn’t mean that employers can afford to be complacent. As Katja Hall, Chief Policy Director at the CBI, says: “There’s been no let-up in the cost of absence to the UK economy, which runs to billions of pounds. Although many organisations have been successful in bringing down levels of absence, the gap between the best and the worst has widened.” In particular, Hall points out that more days were lost to ‘non-genuine sickness absence’ than in 2009. “Sickies are unfair on colleagues and damage employers’ competitiveness at a critical point in the recovery,” she says.

The CBI also raises a serious concern over the perception that some days of paid sickness are an entitlement. Around a fifth of employers cite this as one of the three main causes of absence in their workforces. But genuine illness, unrelated to the workplace, is the major driver of absence among both manual and non-manual workers. Post-operative recovery time was the second most common cause in both groups. After that, the reasons diverge. Work-related injury ranks third highest among manual workers, while there was no clear third place reason for non-manual workers – personal problems ranked equally alongside caring for dependents, waiting for appointments, travel disruption and work-related illness or injury.

But whatever the causes, it’s clear that workplace absence has a cost, a cost that needs to be understood by senior executives so that they can be among the best and not the worst at bringing down their levels of absence.

“In order to address the issue it is important that organisations value it,” says Richard Phelps, Partner in PwC’s HR consulting business. “They need to track it and understand who’s off sick so they can understand the business impact, and quickly follow up with individuals. Many organisations don’t do this,” he says.

Phelps says there are a number of steps that HR professionals can take to address absence levels. First, they should put in place a system to measure absences at a meaningful level. This should be done at division level and across different

employee groups. The second step is to quantify the impact on the business: “Once the business understands the impact, then line managers are more likely to want to address it.”

The next step is for the HR function to proactively work with line managers to identify parts of the business and/or individuals with a regularly high level of absence. Then at an individual level, it’s important to make contact with the absent employee quickly to establish whether there are any issues that need to be addressed. “That kind of proactive approach tends to ensure that absences are kept to a reasonable level, and helps identify patterns of absence that are unreasonable,” Phelps says, adding that such issues should be addressed in a positive way; for instance, it could

be that someone is regularly absent because they have child care issues. In this situation, would the provision of crèche facilities reduce such absenteeism, or would a more flexible working environment help? “Once you’re clear on the causes of absence it may be that the organisations needs to think about what they can offer,” he says.

If stress is identified as an issue, or indeed general fitness levels, counselling services could be offered. “If an organisation sees people working long hours, or at weekends, then you can be proactive and say that this has got to stop before you get sick.” Organisations should help their employees understand the importance of staying well – subsidised gyms and making fresh fruit available at the same time as removing fizzy drinks from the canteen and vending machines could all become self funding if they help reduce the absence rates. Such steps take on even greater importance when dealing with long-term absences. It can be very difficult to get someone who’s been off work for six weeks back into the swing of things again.

PwC’s own research suggests that the CBI’s figures could be on the conservative side. The firm’s most recent survey suggests that absenteeism was costing UK business approximately £32bn a year. And the firm admits that this is a conservative figure as it’s based on individual salaries and doesn’t include the cost of bringing in temporary staff to cover for those not in the workplace and any subsequent loss in productivity.

The firm’s research points out that a median figure of ten days absence for UK workers is on a par with Western Europe, which has a median average of 9.7 days per worker. But what’s more interesting is that this is twice the level found in the US, which averages 5.5 days. In the Asia-Pacific region this figure falls even further to 4.5 days.

“One might assume the perceived US work culture of long hours and short holidays could lead to higher stress and sick rates. Our data suggests otherwise, or perhaps demonstrates that strong employee engagement and commitment can override workplace pressures. For a variety of reasons, there seems to be a hunger among workers in US and Asia to go the extra mile,” Phelps argues. Of course, it can also be argued that employment law is such that there’s less protection in some regions around the world for regular absenteeism. But it’s clear that employers in the UK and the rest of Western Europe can invest more in the health of their workforce.



Stress will always figure highly in any analysis of absenteeism, but it’s an issue that employees are not happy to raise. According to Mind, the mental health charity, work is the most stressful part of people’s lives. But one in five employees believe that if they mention their stress levels they would be first in line for redundancy. Cable & Wireless Worldwide’s People Director, Debbie Meech, says: “The issue of stress in the workplace highlighted by Mind research is something that should concern any employer and be a key consideration when it comes to allocating resources to support wellbeing in the workplace. The recession has been hard on employees and no organisation can say they’re stress-free.”

Meech says that organisations need to monitor carefully all signs of falling wellbeing, including rising absence rates, as indications of increasing stress levels: “At Cable & Wireless Worldwide, we’ve decided to take a positive approach



towards the wellbeing of our colleagues and have recently launched a programme focusing on three important areas: healthy mind, healthy body and healthy lifestyle. We recognise that we're at the beginning of this journey, but it's an important issue that can have dramatic consequences as Mind research has highlighted."

Paul Farmer, Chief Executive of Mind, said that one in six workers has a mental health issue such as stress, depression or anxiety. Workers are under more pressure than ever before as staff numbers decrease, work increases, and people worry if they'll even have a job to go to tomorrow. "Rather than shying away from the issue, it's more important than ever that businesses invest in staff wellbeing and encourage an open culture, where staff can come forward about the pressures they are feeling and be supported," he said.

Dame Carol Black, the UK's National Director of Health and Work, addressed the issue of workplace wellbeing in her seminal report back in 2008, Working For A Healthier Tomorrow. Research for the review concluded that there was considerable evidence that health and wellbeing programmes produced economic benefits across all sectors and

all sizes of business: in other words, that good health was good business.

Earlier this year the UK government announced an additional £12m of funding for health and work programmes, including the Fit for Work Service and Occupational Health Advice lines. The two schemes have already proved successful in providing support for both employers and individuals in the early stages of sickness absence. More recently, the Department of Health has published practical guides on chronic conditions for both employers and employees. The guides are designed to help organisations support their employees who are suffering with long-term health conditions. The guides focus on the management of chronic conditions in the workplace and have been endorsed by Black. And Investors in People has launched a new award to recognise employers who've strengthened their organisation by investing in the health and wellbeing of employees.

So it appears that progress is being made and that businesses, and governments, are waking up to the benefits of a healthy workforce. But, as the PwC and CBI figures suggest, there's still some way to go in finding a cure for the cost of sick leave.

The latest research from PwC helps to underline the true extent of disillusionment among UK workers and their attitudes to absence.

The report found that one in three employees admits lying to take time off work and while good weather, hangovers, and romance are motivations for 11%, 18% and 5% of 'skivers' respectively, the majority (61%) claim they are simply bored and depressed with work.

Neil Roden, HR consulting partner at PwC, says: "With UK absenteeism levels double those recorded in the US, it's vital British employers get to grips with the problem to ensure the UK remains competitive. If people are bored and depressed with their jobs, employers need to think creatively how they can get people back in gear. Rather than a sign of laziness, unwarranted leave can mean people are under-used.

"Prevention may be easier than cure given the lengths people go to cover their tracks. Illness is the favoured excuse for 83% of 'skivers', with four out of ten even faking symptoms around the office in preparation for a day off. Some 16% sniff at work, another 12% pretend to lose their voice, while 5% have even used props such as bandages, crutches and make-up."

The illness of choice is the one most difficult to prove: half of all excuses involve gastro related problems.

The most far-fetched excuses used by survey respondents include:

- I fell out of the loft.
- My rabbit ran away and there were foxes in the area.
- I was beaten up by a bouncer.
- I was unable to open a hand from a clenched fist.

The UK's phone-hacking scandal proved that no one is immune to intrusion from the press, or safe from unscrupulous hackers. So what can we do to protect ourselves?

IT security

It could be you

Written by

Lesley Meall

The days when hackers overlooked mobile phones in favour of laptops or desktop machines are behind us.

The scandal surrounding the hacking of mobile phones by private investigators working for a tabloid newspaper has made us all more aware of how vulnerable our love affair with smart phones has made us. Being able to say you've had your phone hacked may be a badge of honour if you're a C-list celebrity, who expects everybody to find you as interesting as you find yourself. But for the rest of us, it's a wake-up call. Because while voicemail hacks, unethical journalists, and the (alleged) bribery of the police may generate more column inches than mobile data hacking, the latter is the biggest threat to businesses.

It's not that your voicemail messages aren't important; they are. But in most cases, they're just not as valuable to hackers (or their customers) as the vast amounts of corporate and personal data

that you now have squirreled away in your phone. Because as Rob Rachwald, Director of Security Strategy with the security specialist Imperva explains: "The digital age has created a huge global black market for data," and the latest mobile devices have become its happy hunting ground.

The days when hackers overlooked mobile phones in favour of laptops or desktop machines are behind us. As with most criminal acts, perpetrators now follow the path of least resistance, and this increasingly leads to your smart phone, or tablet device. Because while they perform the same functions as a personal computer, they don't come equipped with anything like as much built-in security, and with so many personal devices walking in and out of the enterprise (and accessing its most sensitive data), this is a serious problem.



The amount of mobile malware (malicious software) recorded in 2010 leapt 46% by comparison with that recorded in 2009, and it's hardly surprising. "Mature online exchanges exist, that resemble eBay in structure, only their focus is on selling personal and corporate data of all kinds," reports Rachwald. According to estimates from another security specialist, McAfee, the size of the market is annually worth a cool \$1tr. So the data held on your smart phones and tablets is very easy to market and sell – almost as easy as it is to acquire.

Fortunately, most mobile phone users (and their employers) will find that protecting the voicemail and the data on their mobile phones (and similar devices) is not beyond their capabilities (see boxes). As well as using the built-in security, you can easily add anti-virus software, pop-up blockers, and endpoint security software. Encrypting the memory cards and memory in them isn't much of a stretch either – and although businesses must pay for some of this software, individuals can access a lot of it for free.

Nonetheless, alarmingly high numbers simply don't bother. According to a recent international smart phone security survey, conducted for the security specialist Kaspersky Lab, users routinely keep sensitive information on their phones. Some countries are more lax than others and some workers are less diligent than others. The British are particularly lax when it comes to security, with just 47% bothering to use password protection, and executives in sales are particularly unlikely to protect their mobile devices.

If you can't hear the soundtrack from Jaws thumping away in the back of your mind by now, you need to turn up the volume because there's something nasty heading your way. The survey found people storing all sorts of valuable information on their phones, including the PIN codes, passwords and user names needed to access personal and corporate email (and other sources of corporate data), and while it would be easy to point the finger of blame at the individuals concerned, the survey found that only 31% of employers required the installation of security software.

You may well be wondering why – and the IT department may need to take some of the blame. In 2009, when Credent Technologies conducted a mobile usage survey among IT security professionals, it found that 35% had not password protected their own mobile phones. "People responsible for IT security are not much better at protecting the information on their business phones than most of their co-workers, who don't necessarily know any better," comments Andrew Kahl, Senior Vice President of Operations and the co-founder of Credent Technologies.

More recent surveys don't show much improvement. Apparently, we're more interested in exploiting the benefits of the latest and greatest devices than exploring the risks. It's understandable. But we're so keen to use our lovely new toys that we all too often do so before the safeguards are in place to protect us from our own enthusiasm. "People think first about what they need to do to get the job done, and security second," says Mark Fulbrook, UK Director of Cyber-Ark Software, "so a lot of organisations still don't have the basics in place."

But where do you begin? "Start by looking at your policies, then your people, and then the technology," advises Gareth Niblett, Chairman of the information security specialist group at the British Computer Society. He suggests that it's vital for employees to understand what is and isn't acceptable behaviour, and appreciate the potential implications of their actions. "Make sure that you instil good IT security housekeeping rules, and emphasise the importance of respecting company data among employees," adds Fulbrook, because they are key to the success of any security policy.

Draw up a mobile usage policy that clearly defines what is and isn't expected of those who use their smart phones and tablets for work (whether the device belongs to them or the company). And if you already have a policy, make sure it's up-to-date. Advice can potentially span numerous areas, such as the policy on forwarding emails from the corporate system to your personal email,

Prevent voicemail hacking

Mobile phone providers tend to use 0000 or 1234 as the default PIN number for voicemail access, so make it more difficult for hackers to access by resetting the PIN. Some operators force you to change the PIN in order to remotely access your voicemails from other phones; it's easy enough to do. In most cases, you simply call your voicemail and then select the option to reset your PIN; you'll probably find it on the menu to 'change mailbox features'.

But if somebody really wants to get into your voicemail, or you are targeted as part of an automated attack, this alone will not be enough to protect you; there are only so many permutations for a 4-digit number. If you don't use the remote access facility to check your voicemail from phones other than your mobile, why not just turn off this feature, so that nobody else can exploit it – though not all service providers allow you to do this.

the use of personal mobiles and tablets in work environments, and procedures to follow in the event of loss, theft and much more – and you might want to ask all staff to read and sign it.

When you do focus on the technology, taking a data centric approach may be the most effective use of your resources. After all, enterprises are now awash with numerous devices capable of accessing their most sensitive data. If you want to protect this without hampering legitimate mobile users, one of the best approaches is to make data secure at source. “Nothing protects data better than encryption,” says Eric Domage, a security specialist with the research giant IDC, and putting it in place doesn’t have to be a big budget exercise.

There are lots of free encryption tools available online, and software such as email management and operating systems often includes encryption features. “If you’ve already paid for Microsoft Windows and it’s got embedded encryption, then use it,” he suggests. The same is true of all of the security features that are provided in smart phones and tablets, the specialist applications that are available free online, and the simple precautions that are listed in the box below. But whatever you do, be prepared to feel inadequate at some point in the future.

“Hack attacks are almost entirely automated, and on a massive scale,” warns Rachwald. They already



account for as much as 50% of internet traffic, and this seems unlikely to diminish any time soon. “Hacker forums exemplify the spirit of web-based collaboration and education,” he explains, with a mix of tutorials, advice, and technology designed to steal data, which all helps to ensure a continuous supply of expertise. “The worst news,” says Rachwald, is that “the good guys will always be behind the curve, because hackers, by definition, are early adopters.”

Prevent data hacking

For most business users of smart phones and tablet devices, data hacking is a more serious problem: it’s more likely than voicemail hacking and more difficult to protect against. Bluetooth, SMS, spam, the internet and infrared connections are among the many areas of vulnerability, but you can easily take steps to minimise the risks.

Avoid public wi-fi – It’s insecure and you can log onto a rogue connection without realising. Don’t use it to check emails, do mobile banking, or access corporate networks, without protection such as encryption or digital certificates.

Turn off Bluetooth – If you must use it, keep it in ‘hidden mode’, never put it in ‘show all’ mode, and resist the temptation to use it in busy public places. Hackers can easily use the wireless connection to gain remote access to your phone.

Delete your browser history – It may be inconvenient, but doing this every now and again will clear your phone’s browser history, cookies and cache, which

will make it more difficult for hackers to get at useful data.

Turn off auto-complete – Another inconvenience, but a phone (or tablet device) that is saving usernames and passwords to help you log in more quickly next time, is also making life easier for a hacker.

Use password protection – Not all hacks are remote. If you set a password to lock the screen (or opt for a touch screen ‘image’), then valuable data will be more difficult to access if your phone or tablet is lost or stolen – and backup your data, just in case.

Forward at your peril – It’s risky redirecting corporate emails to insecure personal web-based accounts. Organisations may want to scan outbound email for compliance violations and/or encrypt sensitive data.

Invest in security software – It can protect your devices from hacking, viruses, and unauthorised access attempts if it is lost or stolen, with features such as encryption, remote data-wipe, and admin tools (so that businesses can manage multiple devices).

In brief...

Benefits under scrutiny

One in four private employers in the UK is considering cutting what they see as their employees' over-generous holiday entitlement, according to a new report from MetLife. The nationwide study of medium and small companies, which covers 99% of private employers, showed that 27% felt they were too generous with holidays and 25% were considering cutting the paid holiday allowance for their employees. But a third of employees said they would accept fewer holidays, provided they received a pay rise as compensation.

The research is part of a larger international study by the insurer on employee benefits, *The MetLife 2011 International Employee Benefits Trends Study*. The report looks at the views and practices of employers and employees in terms of employee benefits in two mature economies, the UK and Australia, and in two newly industrialised countries, India and Mexico. The study identifies emerging trends in employee benefits, as well as a series of challenges facing employers.

You can find out more information at <http://www.whymetlife.com/international/>

Tomorrow's leaders

The Chartered Management Institute has published a report, *Tomorrow's Leaders*, which details the findings of its research into managers' views of young people, the educational system in the UK, and the possible future impact of both on business. In a similar study in 2000, 79% of managers questioned said that failures in the education system were contributing to a skills crisis in the UK. The CMI has now revisited the issue, and its findings confirm that the concerns still linger. The report identifies a number of areas where specific initiatives could help to improve the employability of the next generation of workers.

You can read the full report at <http://www.managers.org.uk/research-analysis/research/current-research/tomorrows-leaders-march-2011>

Volunteering and the next generation

A new report by the Institute of Employment Studies has found that volunteering is particularly helpful in helping vulnerable and low-skilled young people re-engage with learning, as well as raising their career ambitions. The report, *Volunteering: Supporting Transitions*, also found that young people see volunteering as a way of improving their employability in the future. In a wider social context, added the report, volunteering increases the ability of young people to work within and across authority structures. This suggests that if organisations provide volunteering opportunities to a wide range of young people, this will help break down social barriers and will lead to greater community cohesion.

Managing an ageing workforce

The Chartered Institute of Personnel and Development has released the results of a new survey which suggests that employers need to do more to adjust for the requirements of all workers, to help them carry on working if they have physical or mental health difficulties, or caring responsibilities. The report notes that this is particularly important in light of the abolition of the default retirement age.

The report also argues that older workers are often neglected when it comes to training and performance management.

You can read more about the survey at <http://www.cipd.co.uk/hr-resources/survey-reports/employee-outlook-focus-ageing-workforce.aspx>

A glass a day keeps stress away

A study by research scientists at Queen Margaret University in Edinburgh has suggested that a daily glass of pomegranate juice delivers a measurable reduction in the stress hormone levels of employees.

The researchers observed the physiological effect on 60 volunteers from a range of working environments of drinking 500ml of pomegranate juice daily, over a two-week period. The study found that drinking the juice resulted in a significant reduction in the levels of the stress hormone cortisol, as well as a reduction in systolic and diastolic blood pressure in all of the volunteers. The volunteers also showed an improvement in their mood and most reported that they were more enthusiastic and active, and less nervous. The full results of the study will be presented at an international conference in Barcelona in October 2011.



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References and further reading

Perrin

For further information on *Dialogue in the Dark* you can visit www.dialogue.allianzgi.com

Martindale

You can read our *Global CEO Survey* at <http://www.pwc.com/gx/en/ceo-survey>

Holmes

You can read the *Working Links* report *Prejudged: Tagged for Life* at http://www.workinglinks.co.uk/media_centre/latest_news/prejudged_tagged_for_life.aspx

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attracting, motivating and
mobilising for growth

When

1-4 November 2011

Where

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Rethinking talent

Save the date



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