



# Newsletter

January 2017



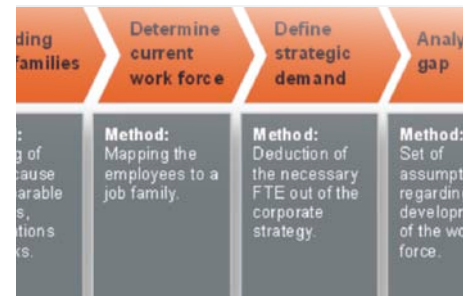
The EAPM Delegates Assembly in Manchester approved unanimously the new EAPM Statutes.

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Izy Béhar, Jorge Jauregui and Md. Musharraf Hossain discussing HR “around the world in 60 minutes”.

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A toolbox free-of charge to support SMEs in implementing effectively strategic workforce planning has been developed by the German Association of Human Resource Management (DGFP).

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## Editorial

by Rick Holden



I feel very privileged to have been asked to be your Newsletter Editor and look forward to meeting many of you at future EAPM events and meetings. Your contributions must continue to be at heart of the Newsletter – supplemented as appropriate with pertinent reference

to current research, debates and issues in the world of HR and potentially interesting publications to support your practice.

A few words about me. I have been involved in people management and development for most of my career; initially with Cadbury Schweppes before a move into teaching and research. I am Research Fellow at Liverpool Business School and have a part-time position at Leeds Beckett University. Throughout my career, I have been interested in, and have tried to address, what I call the theory-practice tension. And I hope this can be appropriately and accessibly reflected in future editions of EAPM Newsletter. The HR profession can only develop and advance through professional development and a reflective, questioning approach to its practice and deployment. The EAPM newsletter provides a critical resource in this respect.

Barbara Orlik has done a terrific job in managing the Newsletter over 2016 and I am already indebted to her in helping my transition into the role. From 2017 onwards, each Newsletter edition will focus on a particular theme. The first such focus will be Digitalization in People Management and Learning. So, I encourage you to submit articles on this theme between now and the middle of February to Barbara at [Orlik@dgfp.de](mailto:Orlik@dgfp.de):

My best wishes for 2017.



Rick Holden, EAPM newsletter editor

# Welcome from EAPM President Bob Morton



**Bob Morton, EAPM President**

**W**elcome to this edition of the EAPM newsletter. We reached the end of the year having achieved some important milestones in the history of EAPM, particularly the modernization of our statutes and the creation of a new structure of committees in EAPM with the aim of broadening involvement and energizing us to focus more on people issues and topics that our members consider key to HR in Europe.

The Delegate's Assembly held in Manchester in November saw the unanimous approval of our new statutes and the secretariat has al-

ready begun the work on underpinning them with appropriate guidelines and rules of procedure. These will be circulated to all members for approval over the next few months. I must express my personal thanks to Even Bolstad and the working group which developed the new statutes (Max Becker, Dana Cavaletu and Barbara Orlik) and to our Secretary General and her team who gave unstinting support to the working group. In particular I wish to thank Barbra Orlik the International Manager of DGFP for her efforts in co-ordinating the review process. Our Secretary General will lead a strategic planning process at our next ExCom meeting in Athens in February to build on the changes and identify and agree mid-term objectives for EAPM.

Now we have completed the statutes we will move onto a focus on the discussion and development of HR issues relevant to our members across Europe. One of the areas already identified for further action is involvement in the creation of HR standards being developed by ISO through their technical committee (TC260). EAPM has already had a strong involvement in the standard on HR governance through Izy Behar's chairmanship of that ISO committee. We want to extend our influence and input to the remaining standards committees and a working session on ISO and

HR standards will be held in conjunction with our February ExCom meeting. We will be contacting all members to invite participation in this workshop which will be led by Wilson Wong who is the liaison from TC260 to the WFPMA. I would like to see a stronger representation of EAPM member's views on standards and encourage you to get involved. This workshop will be open to all EAPM members and details will be forthcoming from the Secretariat.

During the past year there have been a number of approaches and discussions on HR certification and qualifications and I am proposing to set up a working group to consider a way forward for greater collaboration across Europe. More details will follow on this after the February ExCom.

We have experienced a tumultuous year in terms of economic and political change as well as the social changes wrought by demographics and technologies. We now need to focus on what the world of work will be like in the future and how we ensure our HR practices are putting people back at the centre of work and putting the 'human' back into human resources. I hope you will join us on that journey.

Bob Morton

## There was hope in Istanbul!

by Bige ŞANLI, Organization and Business Development Director, PERYÖN

**T**he 16th World Congress on Human Resource Management, organized by the People Management Association of Turkey (PERYÖN), took place on October 20-21 in Istanbul Haliç Congress Center.

The Congress was celebrated with a record high participation of 2500 people. The agenda of approximately 50 sessions over two days included the latest trends in human resource management, 'best' practice and some issues that have never been discussed before in the 'business world'.

**If you are looking forward for a change, change as soon as possible!**

Opening the Congress, Jorge Jauregui, the President of the World Federation of People Management Associations (WFPMA), addressed

human resource management and change. Jauregui stated that: "We have to create the change we want in the world. If you are looking forward for a change, you have to change.

Human resource management professionals have to make more efficient use of their impact area in today's world full of uncertainties. The most significant necessities are the respect to other cultures, the integrity and synergy in our conduct and actions. We need experiences, creativity, initiatives to fight against uncertainties and tolerance. Achievement of this is the most important goal of team management."

**A manager is also a storyteller.**

The Congress hosted a 'storyteller' during its first session. Judith Malika Liberman outlined how our stories add meaning to life. She

explained the importance of communication through stories and said: "Being a good storyteller is a way to be a good manager. Put some taste and a difference to what you are telling. You should add something to hear, something to feel to your stories so that people can understand you. Because understanding is difficult, you need to add something from you to explain yourself."

**Extraordinary results with extraordinary managers**

Yiğit Oğuz Duman, one of the former presidents of PERYÖN and co-founder of Duman Consultancy, attracted great attention through his speech on expectations from a leader. Duman highlighted that leaders should focus on extraordinary qualities rather than the perfection. Duman said that: "Companies and leaders cannot survive through



Opening speech of the World Congress by the WFPMA President Jorge Jauregui



**Ygit Oguz Duman's presentation on "Extraordinary Leadership for extraordinary results"**

ordinary competences while the world is facing an extraordinary period. It is time to change the approach which has just focused on shortcomings of the development up until now and to focus on the strong sides."

### Leadership tips from world-known guests

The 16th World Congress on HRM welcomed several world renowned speakers. During his session, Arthur Carmazzi, an influential leadership 'guru', stated that training programs on leadership are of utmost importance. However, they often had the lowest ROI at the companies where implemented. He emphasized that in the creation of new leadership, it is an important element to change the perception of leadership training. Jim Selman, the founder of Paracomm International, highlighted the importance of leaders in achieving organizational change. He suggested that if people did not believe in organizational change they had a tendency to keep the existing struc-

ture unchanged. The real responsibility of a leader, therefore, was to persuade the whole organization. David Clutterbuck, perhaps best known for his books on mentoring in management, suggested that we needed non-linear and more complex systems for talent management. In today's business environment it was harder to come up with leaders compared to the past. Clutterbuck emphasized that what we needed today was not to set talent pools but to establish pipelines, waves and dynamism of talent.

### Migration

One of the most important sessions of the Congress was the impact of migration, which has increased significantly over recent years, on organisational life. The session dealt with the theme of integration of qualified migrants into the business life in Turkey together with the participation of Turkish experts and authorities. Syrian migrant Majd Alabd enriched the session with his views.

### Equality and justice

A key message of the Congress was the need for organisations to work with a perspective of equality in terms of different cultures, beliefs, ideas and people. HR has a crucial role to play to help organisations to grow based on science, innovation and knowledge within an equal and fair structure and, to strengthen the spirit of entrepreneurship and creativity. Many speakers pointed to the fact that personal, corporate and social values were the most important pillar of a healthy future for companies.

### Evaluations of world presidents

Jorge Jauregui, President of the WFPMA, moderated a session titled "Around the world in 60 minutes". The session hosted MD. Musharraf Hossain, President of Asia Pacific Federation of Human Resources Management and Izy Béhar, the Past-President of the European Association for People Management. The presidents presented examples and illustrations



**"If we could change the stories, we could change the world" – Speaker: Judith Malika Liberman**

of people dynamics from their own region and, shared their perspectives on the digital transformation, diversity, demographics and employee loyalty.

### Those who work from heart ...

The Congress ended with a unique session named "Those who speak from heart". Kubilay Özerkan, the Managing Director of Metro Cash&Carry Turkey, Ediz Hun, one of the most famous actors of Turkey, and Yonca Tokbaş, the famous journalist who changed her carrier from scratch, told how one could change her/his carrier and life by giving examples from life. The last and very important word of the Congress was the necessity of a management structure with intimate

and real leaders to achieve wholeheartedly loyal employees.

### A summary reflection...

The 16th World Congress on Human Resource Management in Istanbul was a motivating and energizing event. In spite of the challenges faced by both Turkey and the world, PERYÖN and WFPMA hosted a successful event. The Congress had a wide spectrum of content from innovation, law, entrepreneurship and to the approach of senior management teams. Parallel to the young and dynamic labor force profile of Turkey, such content supported with new ideas and success stories enabled participants to enhance their knowledge in all different fields.

The messages of speakers from around the globe and from within Turkey, highlighted that HR management is not an ordinary function but a substantial power that can change organizational and professional life. Speakers stressed that HR professionals carry a huge responsibility of catching up with the rapidly changing business world. Creative, flexible and extraordinary HR practices were critical.

With the participation of over 2500 people, the Congress set an example and delivered a message of hope to the world. In line with the motto of "Let's connect the people to connect the world", the HR professionals have given a fabulous unity message as a whole.

There was hope in Istanbul!



Izy Béhar (EAPM Past President), Jorge Jauregui (WFPMA President) and Md. Musharrof Hossain (APFHRM President)

# A new approach to organizing Human Resources Management

by Matthias Mölleney and his team of Master students  
at the HWZ University of Applied

The triple-pillar model, based on Prof. Dave Ulrich's well-known concept, has now become widely accepted as an HR business model, particularly in large companies. It consists of three core areas: the HR Business Partner, the Centre of Expertise, and the HR Service Centre. However, the latest developments in the world of work with fluid structures, self-organizing teams and digital processes are increasingly challenging this model.

HRM should be more focused on strategic HR work and be able to operate within the business on an equal footing. This presupposes that it is perceived by line management as an equal partner. There are also difficulties with regard to clearly defining the interfaces in processes, and in delineating the future responsibilities between HR roles. Agile organizations require an agile HR management which covers the networking structures of the business well.

## The basic idea of the HR network organization

The idea of the HR network organization is based on fully integrative, supportive and formative HR functions in line departments, and in creating an active network between them. The network consists of „network experts“ (NEx), who are coordinated and supported by a central „network partner“ (NP). The NEx are not HR specialists in the conventional sense, but employ



ees from various line departments who take over an HR role for a certain period in addition to their specialized tasks. The central NP manages the network of NEx, and is responsible for comprehensive standardization, processes, and critical special cases.

## HR network partners (NPs) and HR network experts (NEx)

NP are experienced HR professionals who manage and develop the network of experts in the specialist departments. In medium-sized and large organizations, the role of NP

must be divided among several people. These various NPs function like their own network of various competence centers, each responsible for the centrally managed tasks and running them in cooperation with the NEx. For example, an NP in charge of human resources development might be responsible for centrally managed leadership development and for managing the company-wide process of talent development, and which in turn is implemented in the decentralized individual business units by the NEx. The NP's area of responsibility thus covers the entire HR process, and requires a great deal

of knowledge in the respective specialist fields, but also a personality which, together with the NEx, enables the engagement of line managers and employees toward achieving their objectives.

The NEx's remain under the disciplinary auspices of their original line supervisor. With regard to HR they are managed by the responsible NP. The NEx's core responsibilities include standardized processes, such as recruitment and onboarding, employee appraisals, personnel development, and resignations. For precedent-setting or special cases, an NP is always involved.

### **Tasks that are carried out centrally or in the network**

There are also tasks in the HR network organization that are carried out by NPs centrally, which require in-depth knowledge and central management (e.g. compensation and benefits). The respective NP bears the overall responsibility, and, together with management, develops the company's overarching strategy in these matters. In the case of compensation and benefits, this means that the NP defines the total budget for salary increases and the guidelines for exception requests, while the NEx, together with the respective department managers, undertake implementation within prescribed guidelines.

Certain standardized processes, such as payroll or other administrative tasks, as before, will also be centrally established in so-called HR service centers. Regarding operational issues, the NEx work directly with the specialist units in the shared service center.

### **Success factors and management factors in an HR network organization**

The success of such an HR organization stands or falls with the capabilities of those occupying NP and NEx positions. Both NPs and NEx need a high level of acceptance within the organization, but also the ability to influence without conventional powers. A critical prerequisite for success is clear regulation of competencies and responsibilities. Disciplined implementation of the standard HR processes is also essential, so that the overall quality level can be maintained.

Added to that is the need for management support via appropriate performance metrics (KPIs). These enable the company to have improved operational and strategic personnel planning, which is becoming increasingly important. In order for personnel-related KPIs to have greater relevance, their format has to be adapted to the controlling or financed-based metrics.

### **Implementation in an HR network organization**

Ideally, the HR management itself, for example based on feedback gathered regarding their reputation (such as an employee survey), will be the driving force behind the transformation in an HR network organization, and will persuade the executive management to shift HR responsibilities to the line departments.

The introduction of an HR network organization requires consequent rethinking, mainly due to replacement of the previous HR business partner role with a new network structure, whereby the accompanying change management plays a particularly important role. In addition to dialogue with the concerned line departments and their opinion leaders, focused reflection within HR on the new organizational model is necessary. The existing HR management should be responsible for the change process, and should receive professional support from the communications department.

Selection of the NP is determined by management in conjunction with the employee dialogue and based on a detailed role description, so that responsibilities are clearly defined from the outset. In a further step a clear profile is also created for the NEx. This is tested and discussed with a selected group of line departments, so that potential ambiguities and uncertainties can be resolved from the beginning. Ideally, NEx will be selected from among their colleagues. If the business culture is not mature, this selection can also be made by management, as long as strict care is taken regarding acceptance among line department personnel. The selected NEx are then initiated and trained in their role by the NP. They will learn the standard processes which they will be responsible for in the future, as well as about cooperation within the future HR network. The new organization will then be gradually introduced, tested, and optimized in the pilot business unit.



# Proekspert: Adopting a holistic approach to HR

by Tiina Saar, Workplace Happiness Advocate, Proekspert

I joined Proekspert five years ago as a Workplace Happiness Advocate. Proekspert is a software company with a workforce of 155. I was struck in my early weeks by a lack of overt enthusiasm, well-being and yes, let's say it, happiness amongst employees. Manufacturing lines, solar panels, cranes, heart monitoring equipment, banking and payment solutions are all things that the company's software had brought into life. However, the employees were quicker to be critical and modest than proud of themselves. This is relatively commonplace in engineering because the work requires very high qualifications and the only acceptable outcome is an excellent one.

Unfortunately, excessive criticism has negative consequences. The energy in the organisation may turn aggressive, new initiatives are gunned down and people don't dare to introduce new ideas anymore. They don't like talking about themselves much because there's nothing to be proud of. Inside they feel that things used to be better in the past. In the end, this may turn a company that is both unique and creates high value into one that is full of distant and self-critical nerds.

Change was needed and in consultation with colleagues we decided on transformation rather than tinkering at the edges. We began to conceptualise a holistic approach to HR strategy and adopted an adjusted form of the American social psychologist Ann E. Hale's healing circle philosophy as the underpinning to a programme of innovation and change. The cen-



tral idea mirrors climatic 'seasons'. Every 'season' has a clear mission in promoting development and maintaining the whole. If the full development cycle is not covered then sooner or later, problems ensue. For example, if the adjustment phase, i.e. 'Spring', is skipped, then the employee will not move on to the relationship creation phase and just keep to themselves. If the relationship phase is skipped, then the employee will never get to professional self-realisation.

So here are some of the HR innovations, aligned to each of the seasons, and which have been introduced into working life at Proekspert.

### 'Spring': a caring recruitment culture

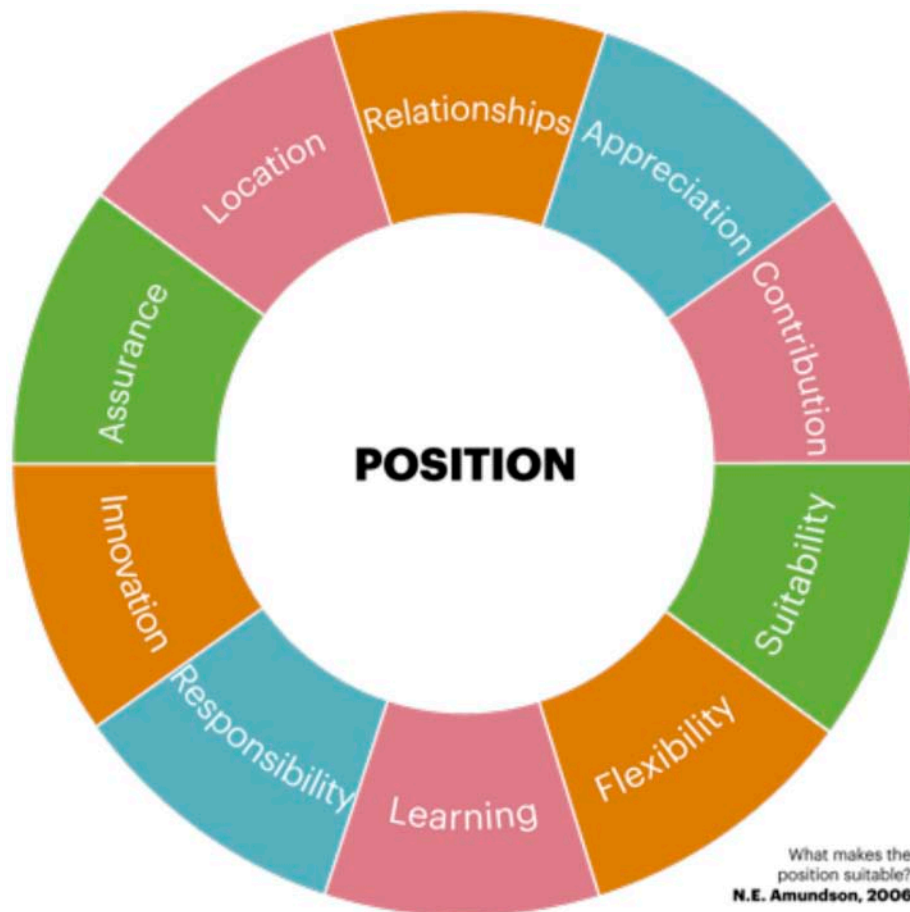
'Spring' is always dedicated to a new beginning and adjustment. When new employees come to an organisation they are in 'Spring'.

They need time to understand where they've ended up and what's expected of them, which requires support and encouragement. We started with openness to the IT labour market. We made an introductory video conceptualising interactive recruitment campaigns which were supposed to result in smarter engineers receiving a cool award at our office. For example, instead of using a regular job ad to find software development engineers we used a comic strip with a hidden logics task. All the candidates we met, even the ones we didn't conclude contracts with, received thorough personal feedback and recommendations to improve their CVs.

However, the biggest change was introducing an induction programme. Before, the tell-tale sign that a new employee could cope was how quickly they learnt to swim. Now we dedicate a lot of time to the new hire so they get an idea of the organisation's identity. During the first two weeks they are able to speak to around ten different in-house leaders and our CEO also meets each and every new employee.

### **'Summer': Summery hustle and bustle facilitates a sense of family**

'Summer' is the time to create relationships in the healing circle philosophy. The goal is a functioning communication system, good relations, a healthy in-house climate, growing into a team and synergy. Three years ago I carried out some resignation interviews where I heard good people complain that their work is quite fascinating but no one showed any interest



in how they were doing otherwise. We therefore made it our priority to focus on middle-management's communications skills. We decided to do it big: we established a training centre, ProUniversity, which provided not only professional training but also psychological and communication training. Managers had a separate mentor programme aimed at improving conflict resolution, negotiation, feedback and support skills.

Since employees were critical of information distribution, management minutes were made public, we organise at least three annual information days with after-parties, there's a forum on the intranet where everyone can express their opinions, and every other week we hold Managing Director information

briefings to discuss important matters in the lounge. Once a month we publish an in-house newspaper Hello World. Why should a software company publish a print paper when there are other channels and faster ways of distributing information? Well, it's a nice change to virtual work to produce something visible and tangible every once in a while. Feature profile stories are much more enjoyable to read on paper.

### **'Autumn': dedication and health hand-in-hand**

I found 'Autumn' to be the most complicated challenge. It is aimed at helping employees grow professionally. Software development is an area I am not very familiar with.

We started with organising professional training at our ProUniversity. Then we created a voluntary career system where all employees were able to test themselves to discover which area they could evolve in. In order to better disseminate information in-house we started providing engineers with training skills and encouraging them to become mentors. As a result, a programme of internal training called the “Sharer” was born, bringing in experience from customer projects, new frameworks and even hobby projects.

Aside from professional growth, ‘Autumn’ is also about professional vigour. Again, we started big: weekly health lectures, breakfast, an office masseuse and exercise classes. Initially the outcome was that the focus shifted too much from working to eating and exercising! But we now have a balance in the form of offering quality health check-ups, a very ergonomic work environment, fruit Wednesdays, health lectures and a gourmet breakfast once a month. The message is that the work environment must support a balance between body, mind and spirit. Our latest project in this “season” is “talent shadow”, which means that our employees can be job shadows in other companies and observe different fields and professions and learn from these experiences.

### **‘Winter’: looking back leads to a new beginning**

‘Winter’ is the time to draw conclusions, run analysis, look back and learn from experience. In order to give employees feedback on what can help them on their road to self-realisation we tailor-made performance discussions, following career counselling methods with regard to Proekspert’s particular organisation’s needs. We used Amundson’s (N. E. Amundson “Active engagement: the being and doing of career counselling” Ed. 3. Ergon Communications) ‘wheel of values’ to ask people what they value and how our company corresponds to those expectations. Life has shown that the more we correspond to people’s values, the more satisfied and dedicated they are.

One of the trickiest things was to come up with a fit for purpose recognition system. In my first year, I launched the “Performer of the Year” selection and got seriously burned. Some employees thought it a bit naïve and organised an election campaign. That year the recognition was done through a thick veil of humour, but last year’s “Project of the Year” selection was a much more dignified undertaking. In addition, we created a recognition system for daily praise where you can pat colleagues on the back for their efforts and give them a treat. Just choose “Give Kudos to your friend” in the recognition system by entering the person’s name, the reason, choose the treat and thank-you note with a small gift like

a cinema ticket, box of chocolates etc. which magically ends up on the colleague’s desk.

Many companies introduce such initiatives but don’t call it the healing circle. However, the key is comprehensiveness, to make sure we don’t forget any sector. At Proekspert, this philosophy helps us keep things balanced. Critically, the changes to our approach to HR was accompanied by a radical company restructure. In the summer 2013 management levels were removed; replaced by teams supporting the company’s main activities. Proekspert is an organisation free of managers! In this context the healing circle philosophy supports our current culture, where every employee’s skills and decisions are trusted and the majority of the management and responsibility has been given to the employees. Autonomy is key for happy work life. The feedback and sense of well-being is evident amongst the workforce. They want to participate in strategic thinking, develop ideas and be creative. They are motivated to work for democratic culture where they feel themselves equal and engaged.

## Progress towards HR Standards

from the British Standards Institution (BSI)

Standards are a defining characteristic of professions but, until recently the HR and HRD fields have lacked any agreed standards of practice to guide and characterise the value and treatment of employees. In July 2015 the British Standards Institute (BSI) published the first UK national overarching people management standard, officially titled: 'BS 76000 Human resource - Valuing people – Management system – Requirements'.

The standard is based on the premise that people, as an organization's biggest asset, are inherently valuable and should be treated as such. By respecting this basic principle, both organizations and the people who work on their behalf can benefit from a more equal and sustainable working relationship. As a management system standard, BS 76000 provides a framework for organizations to put processes in place which will help catalyse that relationship.

The standard is relevant for an organization with employees, volunteers or temporary staff - not just those who employ HR professionals, says the BSI. "Businesses that demonstrate this understanding are increasing their attractiveness as employers. Not only is this a great way to draw and keep the best talent, it raises the bar and boosts reputation. BS 76000 was developed following a 100-day public consultation that involved employers, academics, and industry bodies such as the CIPD, Chartered Institute of Management Accountants (CIMA), Federation

of Small Businesses, University Forum for Human Resource Development and TUC. See <http://www.bsigroup.com/en-GB/about-bsi/media-centre/press-releases/2015/july/New-people-management-standard-is-published-/> for more details.

Since the publication of this standard work has started on the development of a 'sister-standard' BS 76005 Diversity and Social Inclusion. This draft standard was released for a 60 days public consultation process on 1 November. Any interested person, from any country, is encouraged to contribute their comments on this draft standard accessed via the consultation page – <https://drafts.bsigroup.com/Home/Details/59220> (Note: Certain browsers may restrict access to this web site).

Work is also underway on a new BSI published document, PD 76006 A Guide to Learning and Development. This document will be a user-friendly and accessible framework to help organizations of all sizes and types to generate a more resilient business through a 'well-developed' work force. The guide will be relevant for all Learning and Development Professionals, Training and Talent Managers and Generalist HR Professionals. The drafting group includes senior Training and Development practitioners from private and public sector organizations and employee representative organizations such as Union Learn <https://www.unionlearn.org.uk/>. The aim is to complete the drafting of this new guide by April 2017 ready for its launch in May 2017.

Both BS 76005 and BS 76006 will sit within the overarching BS 76000 framework. In this sense they might be regarded as subordinate to, or 'siblings' of, BS 76000.

### The International Perspective

There is a clear relationship between BSI, as a national standards body and the International Standards Organisation. BSI are constituents of ISO. Constituents can create 'developments' e.g. standards and PDs, but if there is something already published by ISO, then the ISO document takes precedence. So most national bodies avoid making standards where there is already one at ISO level.

BSI, and other national standard bodies in Europe are subordinate to the European Standards body (CEN), which in turn is subordinate to ISO. Whilst it is hoped that the initiatives being developed by BSI will become internationally recognised, through ISO, in due course it should be noted that ISO have also now published four standards: ISO 30400 (Human resource management – Vocabulary); ISO 30405 (Human resource management – Guidelines on recruitment); ISO 30408 (Human resource management – Guidelines on human governance) and ISO 30409 (Human resource management - Workforce planning).

**Ed Note:** Thanks to Valerie Anderson and Mark Loon, University Forum for HRD and BSI Drafting Group for this update on developments in HR Standards.

## Building an ethical profession

by Mary Connaughton, Director, CIPD Ireland

The changing world of work raises numerous implications and challenges for people management and development. This article focuses attention on ethical and related challenges for the HR profession.

The World Economic Forum have signalled the arrival of the 'Fourth Industrial Revolution'. The speed, scope, and impact of current breakthroughs has no historical precedent and is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of work, workplaces, jobs, production systems, management and governance. With billions of people connected by mobile devices, with unprecedented processing power and knowledge in their hands, the possibilities are unlimited. And they will continue to grow as a result of emerging breakthroughs in fields such as artificial intelligence, robotics, the Internet of Things, autonomous vehicles, 3-D printing, and nanotechnology. (WEF, The Future of Jobs, 2016)

The changes are driving new industries and creating different - and fewer - jobs than in the past. Furthermore, the type of jobs being created tend to require higher levels of education and specialized study, while those disappearing involve physical or routine tasks. Future jobs will increasingly require complex problem-solving, social and systems skills, with people management a central construct – see Figure 'Top 10 skills in 2020'.

### The gap between ambition and practice

Despite all these opportunities, we know that work is not always a force for good, with many people experiencing negative situations and low trust environments. In addition, there are significant signs of disengagement and erosion of trust with traditional political systems, as our societies lurch from one scandal to the next. As widely accepted norms for managing the employment relationship change, HR and L&D professionals have a huge opportunity to play a greater role in developing organisations that are fit for the future.

Whilst HR should have the power to positively impact people's lives by making sound, ethical decisions - for the benefit of all concerned, CIPD research (2015) has identified a considerable gap between ambition and practice, and as a result is proposing a more princi-

pled approach to decision-making. When 10,000 HR practitioners, line managers and business leaders were asked whether people should have a say in what happens to them at work, 66% said it would be the right thing to do but only 24% always apply the principle in their current practice. When this group were asked whether the long-term interests of people, organisations and society justify sacrifices in the short-term, 70% said it would be the right thing to do but only 23% always apply the principle in their current practice. The survey indicated that people management professionals feel they have to compromise on their principles because of current business needs and pressure from the business leaders in particular.

### Healthy workplaces

We also face a growing concern over the health and wellbeing of people at work. By making the health and wellbeing agenda more central, good work and good working environments can contribute to a more equitable and healthier society. Compensation and income adequacy is necessary, at times requiring a challenge to a concentrated profit motive, but always with an eye to maintaining labour cost competitiveness.

A separate CIPD Employee Outlook (2016) survey of 2,000 UK employees found that almost a third of employees surveyed said they had experienced a mental health problem at some point during their working life, up from a quarter in 2011. But just 4 in 10 employees

### Top 10 skills in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgement and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

felt confident in disclosing unmanageable stress or mental health problems to their current employer or manager. A culture of health and wellbeing in the workplace is associated with improved business performance as well as a healthier society.

### Sustainable work

In order to make work better, we need to build a more human and sustainable future of work. As new work and roles emerge, designing jobs for human beings is part of that jigsaw. A primary concern for HR should be a thorough understanding of the work people do, and what enables them to do it - we need to reduce our focus on policies and processes and put the human back into job design. A 2016 survey of HR practices in Ireland (CIPD Ireland 2016) found that 70% of the HR community expect to see an increase in job redesign activity over the next two years. Trends like globalisation, automation, diversity, flexible working and the 'gig' economy are forcing us to think more radically about how work gets done, and HR needs to be at the forefront of that conversation. The future of work should be supported by technology and automation, not driven by it. Technology should enable the best in humans so that we can work smarter, not harder, and support the kind of work and working lives we all aspire to. We need to support organisations, of all sizes and at all stages of growth, to move towards a culture of empowerment and enablement that gets the best out of, and for, every person. People have to be recognised and treated as the greatest drivers of innovation and value, in an environment that fosters a sense of responsibility. There is growing demand for this

in the younger generation's search for purpose and meaning in work, with less acceptance of a workforce that is disconnected from its sense of purpose. Addressing these is fundamental - and providing managers with the skills to deliver these outcomes – and will also help to minimise challenges associated with attracting, developing and retaining staff.

### The HR Profession

More than ever, the HR community has to come together as a profession, reflect on our core purpose, and provide stronger leadership. We need to understand the business context as much as any other business function, but it shouldn't be about HR carrying out the will of the business; as the experts on people we must advise and challenge the business on important decisions and place people at the centre. By combining our specialist expertise in human and organisational behaviour with commercial understanding and good situational judgement, HR professionals can help find solutions that create value for everyone – from employees to shareholders.

HR management and development must be practised with:

- a strong ethical focus
- a shared body of knowledge based on a deep understanding of human beings and organisations
- a collective identity that stands for public good over self-interest.

The CIPD have developed this agenda into three principles - see Figure:

## CIPD principles for better work and working lives

### 1. Work matters

- Work can and should be a force for good; for organisations, workers and the communities, societies and economies they are part of.
- The ultimate purpose of work is to contribute to long-term individual and societal well-being.
- Everyone deserves the opportunity to benefit from work.

### 2. People matter

- People and their careers are worthy of care and investment; not just because they have the greatest impact on an organisation's success, but because they are human beings with fundamental rights and needs.
- People and their needs warrant the same thought and consideration as other business outcomes, such as shareholder value, economic growth, customer satisfaction and productivity.
- People deserve a meaningful voice on matters that affect them.

### 3. Professionalism matters

- For the HR and L&D community, professionalism means:
- An ethical duty to use the profession's unique knowledge of people and organisations to champion better work and working lives;
- Striving to create situations where work benefits everyone – whether workers, organisations or the societies they are part of;
- Being an ambassador for the profession and an advocate of good HR, acting with integrity, and using expertise responsibly, for the public good.

The three principles for better work and working lives – work matters, people matter, professionalism matters – represent a set of fundamental beliefs that, in any situation, will help make good decisions when there are no obvious solutions, rules or precedents to guide us.

By adopting a principles based approach, we can lead with a focus on added value – addressing the central question of ‘what am I trying to achieve.’ This has to take into account the kind of person we each need to be to make judgements of value, and the different pathways which could lead to the overall goal.

This places a focus on making the best possible decisions rather than following a set of rules. HR professionals need to develop the skills

and courage to make sound expert and ethical judgements, to earn their place as trusted advisors to the business and so build a future where business leaders are unafraid to bring humanity into the conversation. Part of ensuring work is a force for good means increasing the influence of HR in the wider world of work.

As the CIPD, we want to be a source of strength behind our members, and welcome feedback on the principles identified above.

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# Engagement and Performance

by Sérgio Sousa, APG Board Member (Portuguese Association of People Management)



For several years, performance and engagement have been identified as key priorities for organisations to succeed (BCG, Deloitte, CIPD, CEB). Although the establishment of a robust link between these elements and organisational goal achievement and strategy needs additional evidence, it is widely accepted that a skilled and engaged workforce will be more productive and innovative and this will help the organization to gain competitive advantage.

On the engagement side, motivation - intrinsic or extrinsic - plays a critical role. Research and practice make evidence of mix between soft and hard motivational components that act as a foundation of engagement, from the compensation system to the leadership style. But if the former stands as an unquestionable motivational factor for most of the organisations, the latter (and other soft components) makes the difference when addressing the wider scope of talent management.

Regarding individual and team performance, the depth of the problem

and its implications requires a wider understanding of the underlying factors. Most of the critical building blocks of an effective performance management assume the form of an integrated system connecting learning, career and successions, assessment, capabilities management and a strong communication and feedback processes. And in this realm, line management responsibilities and employees that take ownership of their own development makes all the difference.

In a wider perspective of performance management practices, the Portuguese context is no different from the majority of the Western countries. Line manager performance assessment, more as an 'evaluation' than a real exercise of feedback for development, predominates over more robust 180 and 360 wider talent management solutions. As in many other countries, there is plenty of space for further improvements in the development of line management to make them proficient, engaged and motivated to coach their team members in a path of continuous learning, skill

development and personal growth. In the engagement dimension, line management and staff share similar constraints: they all need greater accountability for making change happen, to commit to help the business take action and succeed. Whilst numerous Portuguese organisations embrace regular use of 'engagement surveys' and 'organisational climate surveys', there remains a remarkable difference between their implementation, the drawing of conclusions and an approach of structured improvement initiatives, connected with a talent management strategy. People management practices across Europe suggest that this is a reality at country and international levels and within local and global organisations, and again, a priority for human capital investment in future years.

However, the same rationale (of country comparison) cannot be sustained in the light of macroeconomic and social context variables. Factors like the overall market size, the predominance of SMEs, some characteristics of the organisational



culture at country level and even the geographical location have a relevant impact in organisational design and development, and certainly in the wider spectrum of people development policies and practices.

As motivation at work results from the interaction between the employee and the organisational environment, the social and economic context plays a fundamental role and in this context, it should not be difficult to understand that the impact of economic downturns (e.g. the 2008 financial crisis) in Portugal are even more relevant and require an organizational strategy bound to innovation and competitive advantage by differentiation.

The relationship between current performance management practices and outcomes in terms of non engagement and motivation remains complex. It requires more practice based research and analysis. Additional arguments may include the required psychological safety and the meaning of work that comes with trust and the perceived impact of any one employees' individual contribution. This requires not only enhanced leadership on behalf of line managers but also conscious efforts on behalf of the organisation to build a cohesive cultures of accountability, ownership and a positive outlook.

Easier said than done; but for Portuguese organisations and in all likelihood in a few other European countries, if we want collective

results, motivation and to reach HR deliverables that impacts economic and customer value, we need to start 'from the basics'. To know how we lead and grow our people, what we stand for and how we work together: developing skills and being learning agile, but also inspiring others, building positive energy and ownership, redefining culture beyond the 'employer branding' and coming up with joint ideas and solutions for customer-centric people management. At the end of the day, performance and engagement it is much more than effective processes, external change and context – it is about how we lead, manage and coach others to excel as individuals and team members and our personal responsibility to make it happen.

# Strategic workforce planning in German SMEs – A challenge and value proposition

by Bianca Skottki, former DGFP staff member, Germany

**T**he context in which German small and medium-sized enterprises (SMEs) operate is increasingly characterized by demographic change, globalization, technology and a rapidly changing labor market (Donkor et al., 2012; Egger, 2011). Due to the demographic change, SMEs are struggling with finding workers and especially skilled employees. Already today, half of the German companies complain about a clear skills shortage, and the war for young talent is intensifying further.

At the same time, the potential of older employees is considered more and more important. Companies are increasingly implementing measures to use this potential to a maximum extent. Globalization increases not only the costs of production processes; it also hinders the search for appropriate employees with the relevant know-how and competencies. Additionally, technology leads to a shorter half-life of knowledge. Know-how and the competence to apply new knowledge in a goal-oriented and innovative manner are critical success factors. Companies need to adapt more and more rapidly to changes and review their products or processes accordingly.

Therefore, and in order to maintain the capacity for innovation and associated competitive advantage, SMEs require an appropriate workforce. In this regard, the evolution of HR and especially strategic workforce planning can help for all questions concerning the organization management (Donkor et al. 2012).

## Towards a uniform understanding

Many companies still associate workforce planning primarily with the management of the number of employees. This understanding is, however, too narrow. Strategic workforce planning should be rather understood as the planning of the success factor employee (Egger, 2011). Its target is to get the right number of employees with the right skills, in the right form, in the right place at the right costs (Hay Group, 2015). In line with the company's business goals, it focuses on long-term planning in terms of number of employees, their qualifications and regular reviews of training possibilities to develop and further specialize these employees.

It is critical to differentiate between strategic workforce planning and operational planning. Strategic workforce planning pursues a horizon of three to ten years and is both a management and an HR task. Taking the entire company into consideration, it helps to estimate systematically whether and in which occupational groups the capacity risks require adjustments in the coming years, which personnel processes should be initiated at an early stage on the basis of the company strategy, how the impact of measures can be assessed and whether the company strategy is implemented by the existing workforce (Egger, 2011; Donkor et al., 2012). Implicitly, it contributes to reducing costs in HR (Haufe Lexware GmbH, 2010).

## The current state of a strategic workforce planning

Less than half of German companies expect to achieve their quantitative and qualitative personnel demands in three to five years without difficulties (Donkor et al., 2012). Although 59% of German human resources managers consider the personnel costs as most important, 52% have already recognized the importance of strategic workforce planning for the entire company and not just only for individual departments (Haufe Lexware GmbH, 2010).

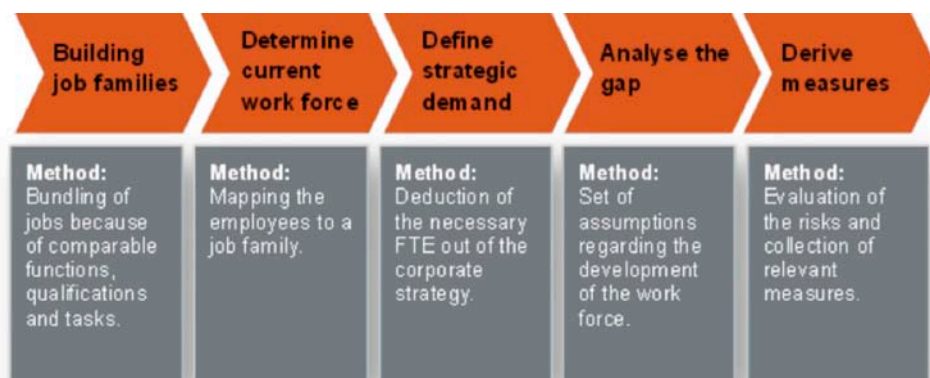
How can these results be explained? On the one hand, the demographic change, globalization, technology and a rapidly changing labor market hinder companies to plan in the long term. On the other hand, the impact of demographic change will be felt in the future when it is already too late for appropriate measures.

Existing data on the current status of strategic workforce planning confirms this dilemma. A study from the Boston Consulting Group shows that only 6% of German companies derive personnel strategies from the analysis of stock and demands. Most of the companies plan in an ad hoc manner (Haufe Lexware GmbH, 2010). Although almost two-thirds of companies have a personnel plan, only 22% plan longer than three years in the future (INQA, 2014). The planning itself is usually fragmented and based on isolated

factors, such as an age structure analysis using Excel, without doing an integrated analysis of relevant key factors (Donkor et al., 2012).

## How can strategic workforce planning look like?

To bring strategic workforce planning to SMEs, it is important to apply a simple logic that reduces the complexity of the reality.



It is important that the planning process extends beyond management and includes employee representatives and works councils, if they exist. It should be a rolling process, and the regularity can be used to monitor the progress and success and to make necessary adjustments. Continuity is the best way to achieve strategic workforce planning (Haufe Lexware GmbH, 2010).

A free toolbox, which follows the above structure, to support SMEs in implementing effectively strategic workforce planning has been developed by the German Association of Human Resource Management (DGFP) together with its partners – the Institute of Employment and Employability (IBE), wmp consult and Dynaplan – and will be pub-

lished in spring 2017. For more information about this project supported by the German Ministry of Labour and Social Affairs (BMAS) and INQA (Initiative New Quality at Work) please contact Mrs. Isabell Schuller at [schuller@dgfp.de](mailto:schuller@dgfp.de). Whilst the best planning cannot change the uncertainty of the future, strategic workforce planning does help companies position themselves strategically for future

challenges. This is not only valid for large companies with enormous human and financial resources, but also for SMEs with less sophisticated IT, accounting or consultants. A possible way forward is to start with a pilot project (Donkor et al., 2012). As a first step, SMEs need to understand the added-value of strategic workforce planning. It leads to security and a positive perception of the company, and, critically, helps ensure a flow of quality HR data. It can even help to improve the data quality and build important knowledge in HR. The combination of strategy and HR helps SMEs to recognize the risk in their staff and to counter it at an early stage - a real competitive advantage!

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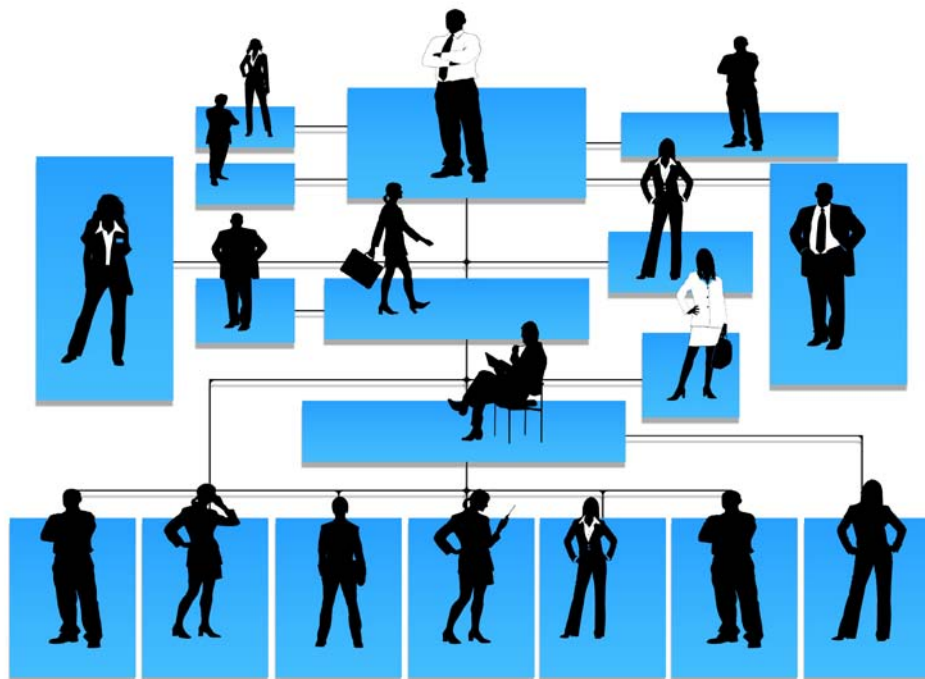
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# People Measurement and Reporting: Latest report from Valuing Your Talent

**V**aluing Your Talent' is a collaborative, industry-led movement to build a greater understanding and appreciation of how people create and drive value in business. A partnership between CIMA, CIPD, CMI and IiP, it published its first report in 2014 "Managing the Value of Your Talent: a new methodology for human capital measurement".

As the title of this first publication implies the work of Valuing Your Talent has sought to better understand and demonstrate the benefit of human capital reporting, people measures and to use people data to drive more effective evidence-based decision making. This latest publication draws together much the work and research of VyT over three years in a summative report and resource.

Against a context of key trends (e.g. utilisation of technology, workforce diversity, globalisation, individualism, social responsibility) it presents and explains the latest version of the framework. The is made up of the four levels corresponding to an organisation's business model: its inputs, activities, outputs and outcomes. The first level represents basic people data and fundamental aspects of people strategy. As organisations move up the framework, each level offers greater insight, moving from people strategy to business strategy and increased business impact. The resource document explains each of the measures in some detail, along with examples. As part of the wider discussion of the Framework the report includes a summary of



research commissioned by the VyT partners to explore the type and quality of FTSE 100 human capital disclosures. The research shows that there has been an overall increase in the reporting of HC issues, particularly in the area of HRD.

However, the item reported upon that showed the largest increase comes under 30 the heading of employee equity, namely human rights. Ultimately, the research confirms companies are reporting many of the elements and metrics in the Valuing your Talent framework. In addition, this model may provide a useful foundation for HC reporting in the future and may offer a solution to the challenge of communicating HC issues that are of considerable material importance to organisations today.

An appendix to the report/ resource is of particular note. Six case studies are provided – from Capgemini, Coca Cola, London Councils, Network Rail, ASDA and British American Tobacco. Each case is developed in some detail with insight from key players in the six organisations.

*People Measurement and Reporting: from theory into practice; CIMA and CIPD, 2016*

### **Women, Naturally Better Leaders for the 21st Century**

Routledge in partnership with LeaderShape are producing a series of white papers on 'Transpersonal Leadership'. A Transpersonal Leader is defined as someone who operates "beyond the ego while continuing personal development

and learning. They are radical, ethical, and authentic while emotionally intelligent and caring.” This, the second of the White Papers takes a look at the reasons why we have a confluence of women playing a greater role on the world stage in the workplace and the reasons behind some of the cultural barriers that hitherto have kept them from achieving parity at the most senior levels. It goes on to reveal new data built around Emotional Intelligence attributes and comparing strengths of men and women. Across 19 EI capabilities the biggest differences were evident in relation to: service orientation, developing others, Change catalyst, Transparency, empathy and inspirational leadership. Looking more closely at the behaviours associated with Developing Others the behaviour with the largest difference is “Identifies opportunities and stimulates individuals to develop to their full potential”.

The paper argues that the areas where women emerge as stronger are those required by leaders of organisations to be most successful in the 21st century. A challenge remains, however, which is how best to get more women into leadership positions where they can deliver maximum advantage.

### **These papers suggest four strategies:**

- Setting targets based upon sound data
- Creating the right HR policies that enable the talent to be present in the work environment
- Developing Organisation Development (OD) policies that recognise the difference in requirements between genders.
- Building a culture that recognises and encourages leverage of the difference that woman can make to strategic thinking and performance.

The paper acknowledges the debate about gender quotas. It notes that 15 countries globally have adopted them with many others adopting country business-led approaches. It argues that “Targets provide clarity of goals and a disciplined approach to change. They should be set in the context of a clear action plan, with a specific timeline and a robust measurement process to identify progress. Target setting in this way is a manifestation of vision and a clear communication both internally and externally that the organisation seeks to shift. However, targets should not be set only for the highest level, say at Board level, they should be set to build a strong succession pipeline of talented women.”

*Young, G; Women, Naturally Better Leaders for the 21st Century; Transpersonal Leadership Series: White Paper Two, Routledge, 2016*

### **Ed Note:**

*Leadership Global offer consultancy and development services to organisations worldwide. They are made up of experienced former CEOs and Business Leaders and purport to show excellent understanding of the key issues faced at the most senior management and Board levels. They focus firmly on the practical „how to“ of business leadership development and develop capability through coaching, mentoring and facilitation of individuals, groups and teams.*

*The white paper is available to download at: [https://www.routledge.com/posts/9952?utm\\_source=Routledge&utm\\_medium=cms&utm\\_campaign=160801457](https://www.routledge.com/posts/9952?utm_source=Routledge&utm_medium=cms&utm_campaign=160801457) and where White Paper 1 “How to Develop Ethical Leaders” is also available.*

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EAPM Secretariat  
c/o Deutsche Gesellschaft  
für Personalführung e.V. (DGFP)  
Hedderichstraße 36  
D-60594 Frankfurt  
Germany  
Email: [eapmsecretary@eapm.org](mailto:eapmsecretary@eapm.org)

