

Keeping you up to date with IES research and consultancy work

Spring 2014 Issue 18



The Palace – Perspectives on Organisation Design

Sharon Varney, IES Associate

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Working together

IES provides a unique evidence-based consultancy service for clients in the private, public and voluntary sectors:

- Our experts can assist with facilitating new strategies linked to business needs.
- We provide rigorous and independent auditing, evaluation and diagnosis.
- We have extensive experience of designing practical policies and processes.
- We can help you build organisational capability and develop your HR people.

Whatever your professional and HR needs are, get in touch.

www.ieshr.co.uk

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Once upon a time, not that long ago and not that far away, there was a large palace. The palace was ancient. Over its long history the palace had grown and many modifications had been made. In places, the palace walls were now incredibly broad and strong, while some of its décor was very intricate and ornate. Yet other parts of the palace had fallen into disrepair. The palace had many long passageways which sometimes led to dead ends. So sometimes people found secret passageways, or shortcuts, but these weren't widely known about or consistently followed. Our story of the palace tells of feuding barons, King's proclamations, failed attempts to re-build, hiding from the census and shifting sands. And all the while enemies were camped outside the palace walls, looking for weak spots and ready to move quickly. We think you might recognise it...

Our report on Organisation Design uses the story of an old palace to consider the challenges of design in a complex and highly connected world, where organisations are expected to be agile and innovative, work globally in a seamless way and to continually engage talented employees with an attractive employer brand. We explore the topic of organisation design from multiple perspectives by:

- asking fundamental questions such as 'Why re-design?' and 'What is the relationship between organisation design and organisational development?'
- considering the models, metaphors and

language that we use to understand organisations – from tops, middles and bottoms, to the edge of chaos

- exploring important topics such as productive relationships, meaningful work, physical space and managing risk
- discussing what ideas about complex adaptive systems and social movements bring to organisation design and proposing a shift in thinking from 'organisations' to 'organising'
- offering some ideas on managing a redesign such as learning from the design sciences, applying a positive lens, and testing the design
- concluding with a set of questions, inspired by the previous chapters, to

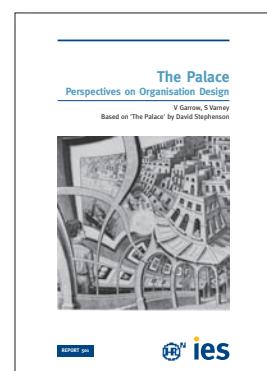
prompt some useful design conversations. For example: 'What are our current metaphors in use?'; 'How will relationships change?'; 'What impact does our physical space have on culture and behaviour?'; and 'How can we involve customers and staff as co-designers and developers?'

The Palace: Perspectives on Organisation Design is the third in our series of reports

on developing organisations by Valerie Garrow and Sharon Varney. We thank David Stephenson for his thought-provoking story.

For more information on IES' in-company work on organisation design and development, please contact valerie.garrow@employment-studies.co.uk

The report is available from the IES website www.employment-studies.co.uk/pubs/



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in brief

IES is carrying out an exploratory study for the Local Government Association of possible directions for change in what are sometimes called the "regulatory services" of local government, namely trading standards, licensing and environmental health. The study will look at the implications of possible future service models for the roles and skills of officers working in these areas.

IES is producing a review of published literature and research on well-being and absence management at work for EDF.

IES has been commissioned by NHS Employers to run a small number of courses for line managers in the NHS during February and March, focusing on the importance of engaging behaviours.

The Royal College of Veterinary Surgeons (RCVS) has asked IES to conduct its 2014 surveys of the veterinary surgeon (VS) and veterinary nurse (VN) professions. The surveys, which were launched in January 2014, will collect data about the working lives and attitudes to work of people in these professions. IES has conducted several VS and VN surveys in the past, enabling trends over time to be analysed and reported.

IES was asked by ISG Construction to help the new management board, using a strengths-based approach.

IES prepared an input to The College of Policing Board's consideration of what might be an appropriate future reward strategy, including what its pay structures might look like.

IES assisted the Board of the Architects Registration Board in establishing the reward market value of its Registrar and Deputy Registrar posts.

Linda Miller and Dilys Robinson presented 'New roles in the health sector: drivers, deployment, development' at the Innovation and Developments in the Role of Health Care Support Workers conference in November 2013.

Peter Reilly presented 'New models of working and HR' at the PPMA/Local Government Association conference Peer into the future in November 2013.

Recently published

IES Perspectives on HR 2014: HR responding to threats and opportunities

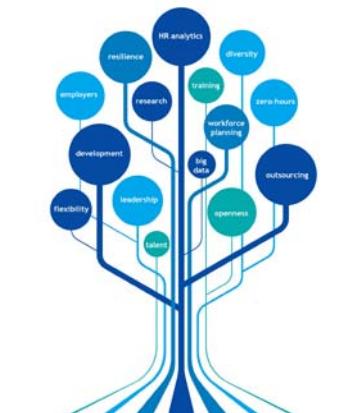
This edition of our annual Perspectives report considers the threats and opportunities currently faced by HR departments; some are familiar hardy perennials, others are newer kids on the block. Considered from the perspectives of the organisation, the employee and of externally-driven factors, these articles will stimulate and provoke, yet also offer some more practical ideas.

Topics covered include: Big data and HR analytics; Outsourcing decision making: Can we make it more considered?; Crowdsourced leadership; Zero-hour contracts: the continued debate in 2014; Understanding resilience; Diversity at senior team and board level; Talent for what? Reconnecting talent management with business needs; Top employers for flexible working; Establishing a culture of openness.

**IES Perspectives
on HR 2014**



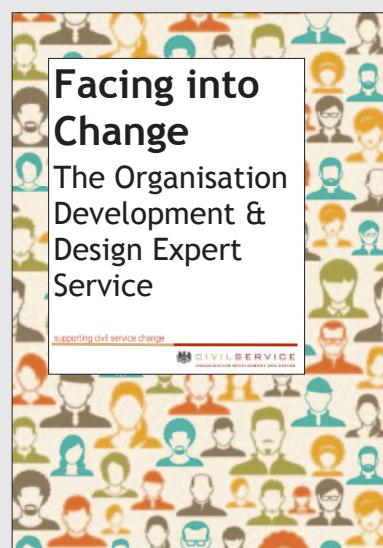
HR responding to threats & opportunities



Hard copy £25

PDF download £15

Facing into Change



Facing into Change is a new case study report illustrating OD in practice, through the work of the Organisation Development & Design Expert Service. The OD&D Service is one of four Civil Service HR expert services and offers

support to departments and cross-Government functions in delivering complex change.

To help illustrate the important role they have started to forge in supporting the Civil Service Reform Plan and large-scale change, three of the Service's clients agreed to share their own stories. Rail Group, the Treasury Solicitor's Department and the Civil Service Pension Schemes Executive in the Cabinet Office, explain the reasons they feel OD support is vital during major change, share their experience of working with the OD&D Service, and describe the impact it has had for them.

The case studies highlight the importance of dealing with the human dimension of change, the dynamics of relationships, and the challenge of designing efficient organisations where people can be at their best.

This report is free to download as a pdf.

Both reports are available from the IES website:

www.employment-studies.co.uk/pubs

Shaping talent management to address real business needs

The latest IES research on talent management¹ finds that we need to move from the habit of copying so-called 'best practice' in this area towards more of a 'best fit' approach. This is partly because a lot of widely promoted tools, like the nine-box grid, are quite confusing when you try to use them. It is also because the real talent gaps do vary from one business to another, and managers are at very different levels of sophistication in people management.

This research is based on investigations into talent management in 23 organisations across a range of sectors and explores this complex subject through a large number of real-life examples.

The report offers a very practical framework for addressing talent management, organised around a four-step model for setting your own priorities and adopting an approach to fit your business.

The Four-Step Approach to Talent Management

As shown in the summary diagram below, the four steps which need consideration in the development of a talent management approach are:

- **Definition:** What do we mean by talent management in this organisation?
- **Focus:** Which jobs and groups of people will talent management focus on?
- **Process:** How will talent management be done in practice?
- **Action:** What are the practical outcomes of talent management?

The report asks more detailed questions about the business context to help address each of these steps. We call these context-specific factors 'business moderators'. They concern the business drivers for talent management, the risks that the organisation hopes to address, the capability of managers implementing the processes and the measures which will be used to assess impact.

Key research findings

Although talent management has been a hot topic for quite a long time now, organisations are still at very varied stages in their journey to clarify their strategies and embed some practical activities. Some of the issues raised by the IES research included:

- Continuing difficulty with defining and then explaining what is meant by 'talent management'. A number of organisations had high-level messages about talent management developing the whole workforce but then really used the term to mean the development of those seen as having potential for the most senior roles. Getting the basic message clearer would help employees and managers a great deal.
- Growing interest in potential for senior specialist or professional roles and longer-term pipelines for occupations with scarce supply. Talent tools developed for senior leadership populations need considerable adjustment to work well for these professional groups.
- Experimentation with talent development - especially in combining blended learning programmes - to develop leadership skills, with individual support through coaching and mentoring and active career management to broaden experience.
- Embedding talent identification and development takes a number of years.

Wendy Hirsh, IES Principal Associate

It relies on managers having both the capability and motivation to take real responsibility for developing their best people. Those at the top need to role model this hands-on involvement.

- Measuring the impact of talent management is on the agenda, but tracking what happens to individuals identified as 'high potential' is not yet well embedded in most of the organisations in this study.
- HR support for talent management is often strong at the corporate centre, largely for the most senior populations. It is more difficult for busy HR Business Partners to support managers in this activity for the much larger populations lower down in the business, where talented people can be hidden or even blocked.
- Communication about talent management needs to be very accessible and practical. Some major organisations have been prioritising the clarification of their messages and tools.

As lead author, Victoria Campbell, summarised: *"It is important to emphasise that the successful implementation of the talent management process requires both the support of top leadership and the engagement of the wider HR community, not just talent specialists."*

Wendy Hirsh, co-author of the IES report, reflects further on reconnecting talent management with business needs in this year's IES Perspectives on HR report (see box on page 2). Her article focuses specifically on the links between talent management and strategic workforce planning.

The report is available to purchase from the Institute for Employment Studies website: www.employment-studies.co.uk/pubs

An executive summary of the research is free to download.

If you have comments or queries on the research, or to find out how IES can help your own organisation with talent management, contact wendy.hirsh@employment-studies.co.uk

1 Campbell V and Hirsh W (2013), Talent Management: A Four-Step Approach, Institute for Employment Studies



Building HR capability to drive business success

Peter Reilly, Director of HR Research and Consultancy

There has long been a concern¹ about HR's capability to deliver against its promise of being more business attuned, more strategic in orientation and able to add more value to their organisation and its performance. As business/organisational conditions have become more difficult over the last few years, the delivery challenge has intensified. In particular HR's change management skills are being fully tested. The distinction between what HR, learning and development and OD do has been blurred in the search for greater organisational effectiveness². It is no longer good enough to say that OD does change, learning and development does training and HR manages the exits, there has to be an integrated contribution to enhance people management during these troubled times.

Many organisations seeing these increased demands being placed on HR are investing in functional development. Despite the obvious cost implications, these organisations recognise that an investment in HR skills will not only bring long-term benefits but that it will have an immediate effect.

The areas seen as most important to address include:

- Data collection and analysis to improve business decision-making (a key theme of our human capital metrics learning set).
- Workforce planning, because of the greater requirement to see that labour supply and demand are in balance, and that trained resources are in the right place at the right cost (we have been, for example, building capability at Plan International).
- Supporting organisational and/or service change, especially where there is innovation in the model of service delivery (a critical focus of our work with NHS Greater Glasgow and Clyde).
- Managing downsizing in an effective but humane way (in a sensitive piece of work for a public service organisation we are

testing both selection processes and their implementation).

There are, in addition, specific interventions needed for particular groups within HR, especially the business partners: focusing on their role, relationships with customers and interactions with the rest of HR. We have less often helped with the development of HR experts and shared service centre staff, despite them having specific development needs to address.

We deliver this development to IES members in various forms, including master classes and Knowledge Knibbles, and to non-members through training events and through responses to in-depth audits of capability.

Such investment in HR skills may be necessary but is it sufficient? Obviously these skills have to be put to good use, and this may not be easy as it sounds. But if HR may now be up to it (post development able to offer greater insight, be more knowledgeable, use newly acquired skills), is the function 'up for it'?³ Have the better-trained HR people the disposition to challenge, ask difficult questions, tell uncomfortable truths, persist in the face of indifference or opposition?

Ultimately, the answer lies in attracting into HR those who can satisfy these requirements, selecting talent with the right attributes. It also means building people management capability in line management. Intelligent customers will push HR to higher standards. Meanwhile, upping the game of the current HR generation is a worthwhile task that will bring dividends today as well as laying foundations for tomorrow.

- 1 Reilly P and Williams T (2006), Strategic HR: building the capability to deliver, Gower, Aldershot
- 2 Francis H, Holbeche L and Reddington, M (2012) eds 'People and organisational development', CIPD
- 3 Richie Furlong, once of Unilever and the Cabinet Office, as quoted in Reilly and Williams op cit.

About the institute

IES, a not-for-profit organisation, is the UK's leading independent centre of research and consultancy in employment policy and HR practice. We contribute to corporate strategy and performance, through research and evidence-based consultancy commissioned by individual employers. IES is also commissioned by government departments, agencies and other bodies to research and advise on the effectiveness and development of public employment policy. Our expertise is available to all organisations through research, consultancy, publications and the Internet.

aroundIES



IES, Brighton

We will soon be changing the location of both our offices, in London and Brighton. The move process will take place throughout spring, and we look forward to communicating with you from our new premises in future.

The new Brighton address will be:
City Gate
185 Dyke Road
Brighton BN3 1TL

The new London office details will be:
CAN Mezzanine
49-51 East Road
London N1 6AH

Our telephone numbers should not change following the move, so please continue to use the same numbers to contact us.

IES Reflects: our new blog launched last year, and has featured articles on a range of subjects, some offering practical advice and guidance and others lending thought-provoking new angles on familiar subjects. You can read the blog articles and sign up to receive notifications when new ones are posted,



**Institute for
Employment Studies**
Sovereign House, Church Street,
Brighton BN1 1UJ, UK
Tel. +44 (0) 1273 763400
Fax +44 (0) 1273 763401

askies@employment-studies.co.uk

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