

MANAGEMENT BOARD

CONTINUING TO MEET INVESTORS IN PEOPLE STANDARD

Paper from the Director General of Resources

Purpose

1. This paper is to request the Board to approve in principle that the House Service continues as an Investor in People (IiP) organisation and works toward re-accreditation by May 2009.

Recommendation

- 2.1 The Board is invited to consider the points below which argue the benefits of retaining IiP, specifically around providing a framework to measure our performance in developing staff to meet the new vision of a 'unified service' and the House objectives as set out in the Corporate Plan.
- 2.2 It is recommended that the House plans to be re-assessed against the IiP standard by May 2009.

Background

3. The House as an organisation first achieved IiP status in 2003 and was successfully re-accredited in 2006, when the report noted that there had been much improvement of practices within the House during that three year period.

4. Much of this was due to the House's decision in 2003 to train and develop a team of internal reviewers who carried out a series of health checks on different aspects of the standard and were able to give meaningful feedback due to their knowledge of the organisation. The 2006 assessment was carried out by four of these internal reviewers, led by an accredited, external assessor. This led to a final assessment report tailored to the requirements of the House at considerable cost savings for the organisation in conducting the review.

5. Although there was some criticism of the last assessment exercise being bureaucratic, it did have a unifying effect in putting in place some key House-wide strategies and procedures.

The business reasons to continue to maintain IiP standard

6. *Using IiP to support change towards unification.* Recent updating of the assessment process by IiP UK to make it more customer focused

means that organisations can now engage an assessor early in the process to plan which areas of the business the assessment should be focused on. Thus, we will be able to work with the assessor in deciding which functions/areas and objectives we wish to be assessed on, measured and given feedback. This approach would give the Board useful information on how the restructuring is working, what support has been effective and what further support, training and development is needed for the future. The assessment process would also address the Tebbit recommendation of continuing cross-cultural, unifying activities.

7. *Capability of line managers.* Through the report on the remodelling of HR, Finance and Procurement, the roles and responsibilities of line managers within the House is likely to change significantly with line managers taking on more responsibility for their team's personnel matters. For this to be done efficiently, there needs to be clear communication to staff and managers, then a plan for training and support. Measuring the progress of this fits directly into the indicator 5 of the IiP standard: '*The capabilities managers need to lead, manage and develop people effectively are clearly defined and understood (by top managers, managers and staff).*'

8. *Use of existing resources/investment.* After the 2003 assessment, the House decided to invest in training a group of volunteer staff (see point 5) to act as internal reviewers. The majority of those trained (19) have expressed an interest in continuing with this activity and would only require some modest refresher training which would cost around £2,500. By continuing to use the internal reviewers, the cost of the assessment would be reduced considerably and the development of that group would continue.

9. *Benchmarking.* IiP is a recognised, external benchmark of effective employment and development practices. It is a widely accepted external framework for measuring the performance of an organisation in developing staff to meet its objectives and also for continuous improvement. Most government departments, the National Assembly of Wales and the Scottish Parliament as well as the House of Lords use the IiP standard. Although IiP is not the only external measurement, it is believed to be the one most suited to the House (see HRG paper). It could also fit well with the adoption of a balanced scorecard.

10. *Management of risk.* Being an IiP recognised employer is seldom quoted as a positive aspect of an organisation. However, there is an expectation of working for an employer who is committed to best practices and willing to invest resources in their people. To 'discontinue IiP', especially in a time of change, is likely to be seen in a poor light by many staff – that the House was no longer going to invest in development as before and/or that the House could no longer achieve the standard (had 'lost the award'). For those staff finding change difficult to cope with, moving away from IiP could be seen as unhelpful and these feelings could be carried forward to future management initiatives.

11. *The House as a good employer.* An IiP organisation is seen by employees and job seekers as one which is more likely to invest in their development, has a strategic plan and satisfactory mechanisms for communication.

Actions

12. The Board are asked to consider the case for the House continuing to be an IiP recognised organisation and approve further re-accreditation in 2009. I recommend, however, that the approach we adopt is more focused and less bureaucratic than on the last occasion.

A J Walker
Director General of Resources

April 2008

**Appendix – Paper submitted to HRG on 7 January 2008
(HRG2008.P.1)**

Human Resources Group

Review of frameworks for organisational effectiveness

*A paper by the Chairman of the former IIP Working Group
and the Head of Learning and Diversity*

1. Summary

- 1.1 This brief survey of the field has discovered a vast array of organisational models, frameworks, standards and tools for improving performance. The expressed wish of HRG for a model that comes with an element of external validation narrows the field somewhat as set out below:

ISO 9001 etc	Complex and betrays origins as quality control for manufacture
EFQM	Complex, high concept and potentially very bureaucratic
Charter Mark	Focused on provision of high volume services to the public rather than staff development (CM organisations may refer to their IIP status as evidence of CM compliance)
Matrix	Focused on provision of information and advice

The upshot appears to be that IIP is a *relatively* straightforward stand-alone framework for *workforce learning and development* and forms a building block for many of the other available standards for organisational improvement.

Recommendation for a decision: that HRG agrees to seek IIP re-accreditation in 2009 on the basis of work already being undertaken to effect the changes proposed by the Tebbit review and to meet the House Service's objectives in relation to the development of its workforce.

2. Purpose

- 2.1 HRG has asked for a paper on the available systems that provide for the external assessment of organisational effectiveness (as potential alternatives to the IIP standard).

3. Background

- 3.1 At its meeting on 3 December 2007, HRG considered a paper by the same authors on whether or not to continue to seek IIP accreditation (HRG2007.P.59, reproduced as an Annex to this paper for ease of reference). The conclusion of the paper submitted was to do so. At the meeting there was general agreement with this recommendation with the reservation that detail had not been provided on, unspecified, alternatives. A paper was commissioned on potential alternatives. This is that paper.

4. Introduction

- 4.1 At first glance there appear to be a large number of models for driving organisational improvement but in essence they all stem from the fundamental “total quality management” (TQM) concept that any process, from the production of mobile phones (*e.g.* Motorola’s *Six Sigma*) to the provision of information and advice (*e.g.* *Matrix*), can be better managed and continuously improved (or made cheaper) by bearing down on the various stages with a “plan-do-check-improve” approach.
- 4.2 TQM originated in the manufacturing sector as a set of methodologies to improve quality control in a demonstrable way. The most recent versions of such standards are designed to be applicable to any managed process with objectives, inputs and definable standards for outcomes.
- 4.3 The amount of management-speak / marketing gobbledegook throughout the literature on these concepts is evangelical, quasi-cultish and quite off-putting (and IIP is by far *not* the worst); so it is worth remembering that all these concepts grew out of the very earnest and practical desire of manufacturers in the 1950s to reduce the number and gravity of defects and variations in whatever widgets their factories were turning out; with, eventually, huge success.

5. IIP (recap)

- 5.1 The IIP standard was developed during 1990 by the National Training Task Force in partnership with leading national, business, personnel, professional and employee organisations such as the Confederation of British Industry and Trade Union Congress. It was designed to apply to people-based service organisations more than industrial production. The standard provides a national framework for improving business performance through a planned approach to setting and communicating organisational objectives.
- 5.2 Initially, the standard was administered through a section in the Department for Education and Employment. During 1993 as a demand for and interest in the standard grew, Investors in People UK was formed to take national ownership of the standard. Investors in People UK is a non-departmental public body (NDPB) reporting to, and part-funded by the Department for Innovation, Universities and Skills.
- 5.3 As HRG members will recall the IIP standard is based around the following (a) model:
- **Plan** – Develop strategies to improve the performance of the organisation
 - **Do** – Take action to improve the performance of the organisation
 - **Review** – Evaluate the impact on the performance of the organisation.

and (b) framework:

Objectives

1. A strategy for improving the performance of the organisation is clearly defined and understood

2. Learning and development is planned to achieve the organisation's objectives
3. Strategies for managing people are designed to promote equality of opportunity in the development of the organisation's people
4. The capabilities managers need to lead, manage and develop people effectively, are clearly defined and understood
5. Managers are effective in leading, managing and developing people
6. People's contribution to the organisation is recognised and valued
7. People are encouraged to take ownership and responsibility by being involved in decision-making
8. People learn and develop effectively
9. Investment in people improves the performance of the organisation
10. Improvements are continually made to the way people are managed and developed

6. Non-alternatives

6.1 Google finds many, many references to frameworks for organisational excellence. On closer inspection, however, many turn out to be versions of more familiar standards. For example (emphases added):

Public Service Improvement Framework

The Public Service Improvement Framework (PSIF) is a self-assessment tool, which encourages organisations to conduct a systematic and comprehensive review of their own activities and results. It is based on the EFQM Excellence Model and *incorporates the use of the Investors in People standard*, Charter Mark and Best Value principles. In essence, PSIF is a streamlined approach to organisational improvement for the public sector.

PSIF has been developed in partnership with West Lothian Council, Quality Scotland and *Investors in People Scotland*. With the support of the Improvement Service, these partners will now help implement PSIF across other public services in Scotland. West Lothian Council had been using the Excellence Model for a number of years and saw an opportunity to streamline business improvement initiatives. Working in tandem with Quality Scotland and *Investors in People Scotland*, they developed the PSIF, which has been successfully implemented across their 49 services. The deployment of this framework has contributed to many of the organisation's improvements and successes, including having won LGC Council of the Year 2006, The Scottish Awards for Business Excellence 2005-06, achieved an excellent Best Value Audit in 2005, attainment of Charter Mark for many services and *the continued retention of the Investors in People standard*.

Currently, the PSIF partners are working with four organisations to undertake the first phase of the PSIF programme. As the Public Service Improvement Framework is a complex yet powerful tool, *your organisation may require a degree of maturity in fields such as the Excellence Model or Investors in People* before it can successfully implement PSIF.

6.2 There are very few frameworks with associated systems of external assessment and accreditation that are not based on ISO or IIP.

6.3 The IIP standard therefore seems to be on its own as an approach focused on the development of staff as the means to meet organisations' objectives. Desk review and discussion with IIP UK has indeed identified no direct comparator but reveals the following brethren; with each reflecting its particular genesis.

7. Alternative 1: ISO 9001:2001 (2008 version forthcoming)

7.1 The ISO standard began life as a system for improving the quality of manufactured items. The latest revisions are aimed at completing its transition to a more generic and adaptable framework for the assurance of the quality of

any process. It contains five sections dealing with what it describes as the “fundamental building blocks required by any process”. These are:

Quality management system: This section details the general and documentation requirements that are the foundation of the management system. The general requirements ask you to look at the processes of the management system, how they interact with each other, what resources you need to run the processes; and how you will measure and monitor the processes. The second part of the section then sets out the requirements for the documentation needed to operate the system effectively and how the documentation should be controlled.

Management responsibility: The management of the systems is the responsibility of the "top management" at a strategic level in the organisation. The "top management" must know customers' requirements at a strategic level and make a commitment to meeting these as well as statutory and regulatory requirements. "Top management" must also set policies; and to achieve these policies set objectives through planning how the objectives will be met. "Top management" should also ensure that there are clear internal communications and that the management system is regularly reviewed.

Resource management: This covers the people and physical resources needed to carry out the process. People should be competent to carry out their tasks and the physical resources and work environment need to be capable of ensuring that the customers' requirements are met.

Product/Service realisation: These are the processes necessary to produce the product or to provide the service. This is the act of converting the input of the process to the output. For a manufacturing organisation, this may be the process of converting iron ore to steel via a blast furnace for example. For a service organisation, this may be the process of moving a product or person from one place to another, for example, a taxi journey.

Measurement, analysis and improvement: These are the measurements to enable the systems to be monitored to provide information on how the systems are performing with respect to the customer, the management systems themselves through internal audits, the processes and the product. Analysing these, including any defect or shortfall in performance, will provide valuable information for use in improving the systems and products where this is required.

- 7.2 An assessor would look at the organisation's processes and audit them and their output as they occur. Under the new standard auditing will become more subjective and less objective, relying more upon questioning than hard evidence. In order to carry out a "process audit" the auditor will start with the inputs, follow the process through its various stages to examine how it is controlled and verify that the output meet what is required.

Fig 1

THE QUALITY MANAGEMENT SYSTEM

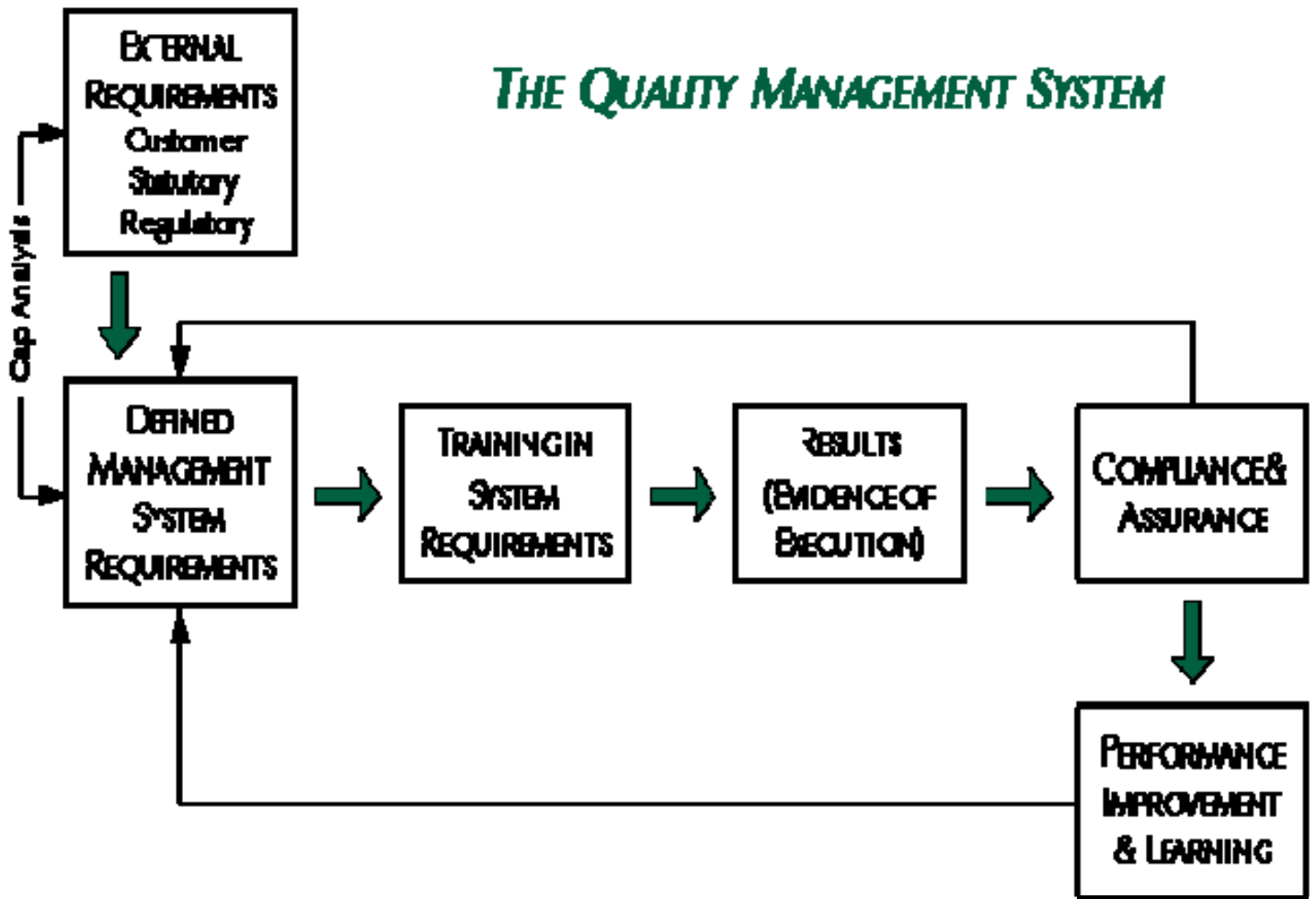


Fig 2

The Process of Implementation and Certification of a Quality Management System (qms)

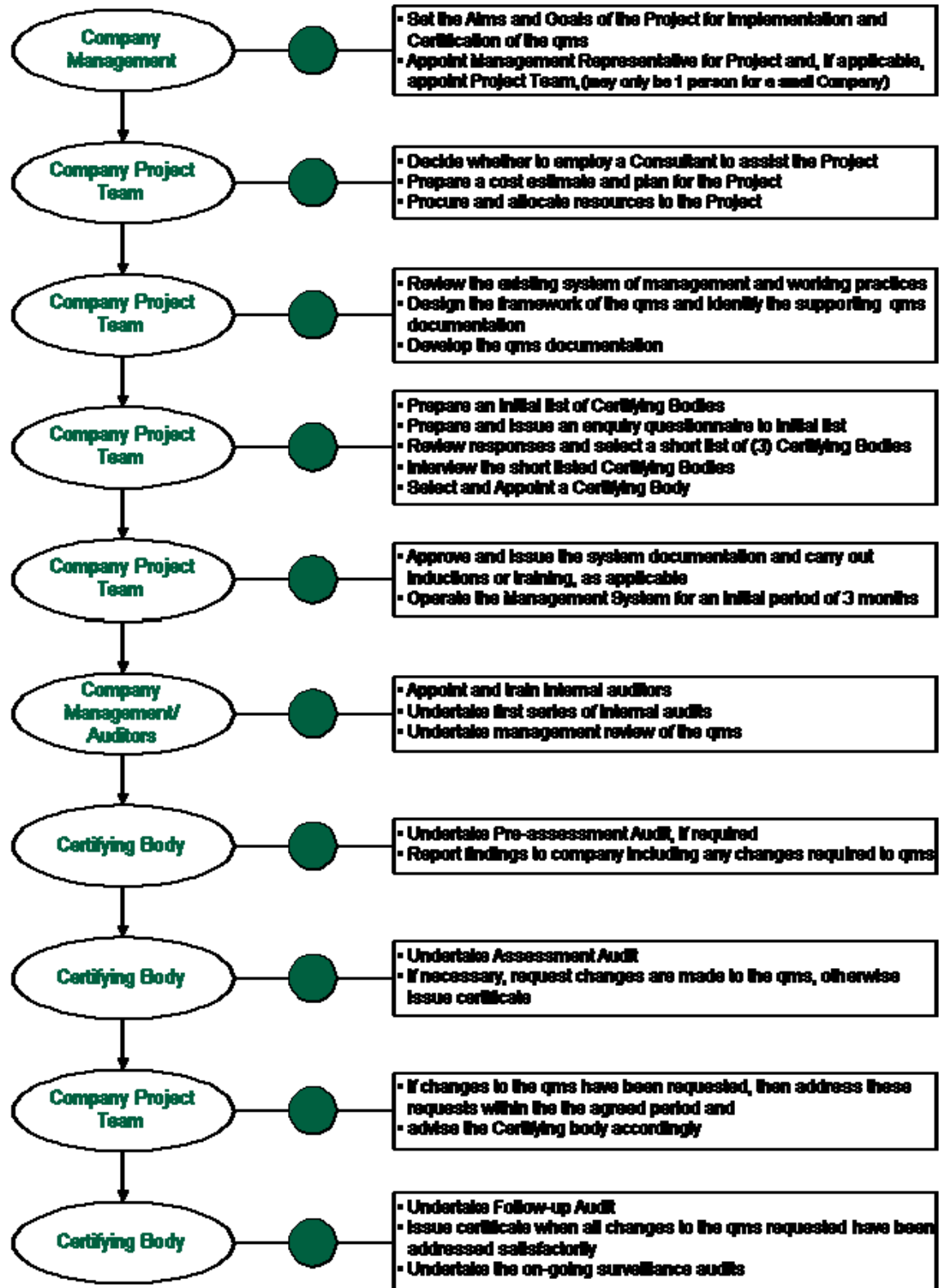


Figure 1

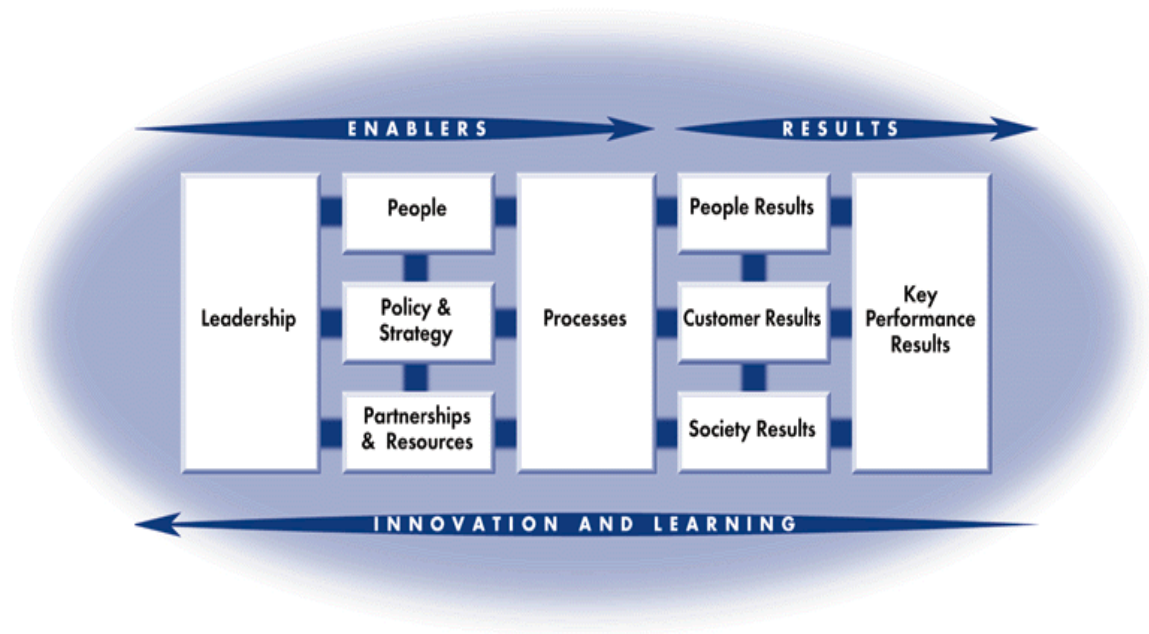
8. Alternative 2: European Foundation for Quality Management (EFQM) Excellence *in Business* model

- 8.1 The EFQM Excellence Model was introduced at the beginning of 1992 as a framework for assessing applications for the UK Excellence Award. It is the most widely used organisational framework in Europe where it has become the basis for the majority of national and regional Excellence Awards but Excellence Awards are a focus for some users, the true measure of the Excellence Model's effectiveness is argued to be its widespread use as a management system and the associated growth in the key management discipline of organisational self-assessment.
- 8.2 The Excellence Model is designed to be a practical tool to help organisations establish a management system by measuring where they are on the path to 'Excellence'; helping them understand the gaps; and then stimulating solutions.
- 8.3 Self-assessment has wide applicability to organisations large and small, in the public as well as the private sectors. Increasingly organisations are using outputs from self-assessment as part of their business planning process and use the Model as a basis for operational and project review. It is not easy to determine exactly how many organisations are currently using the model, but we believe the number is growing rapidly and exceeds 20,000 across Europe.

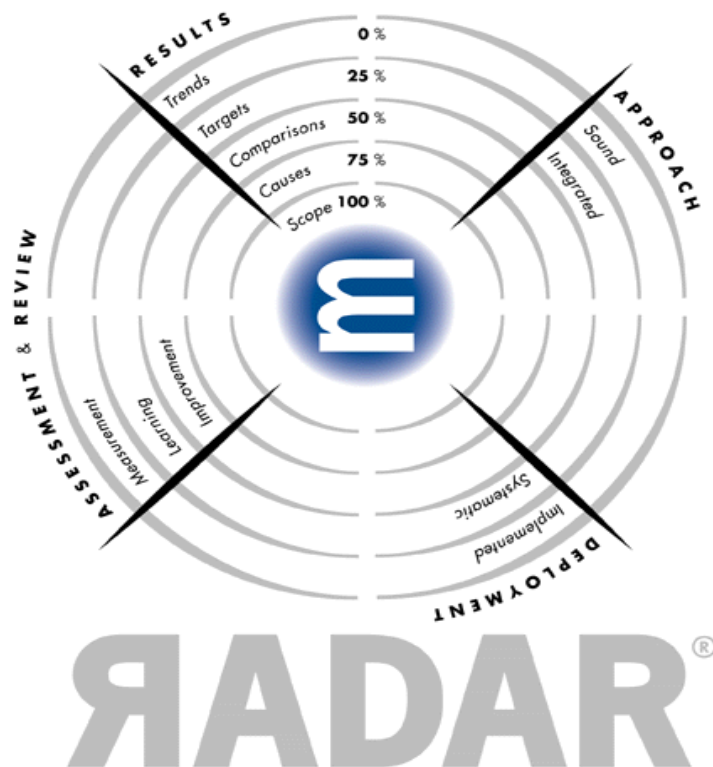
Fundamental concept



EFQM excellence model



EFQM logic at the heart of the model



RADAR consists of four elements: **Results, Approach, Deployment, Assessment and Review.**

- 8.4 The RADAR logic states that an organisation needs to: *Determine the Results* it is aiming for as part of its policy and strategy making process. These results cover the performance of the organisation, both financially and operationally, and the perceptions of its stakeholders. *Plan and develop an integrated set of sound Approaches* to deliver the required results both now and in the future. *Deploy the approaches* in a systematic way to ensure full implementation. *Assess and Review the approaches* followed based on monitoring and analysis of the results achieved and ongoing learning activities and, based on this, *identify, prioritise, plan and implement improvements* where needed. When using the model within an organisation, for example for the purposes of Self-Assessment, *the Approach, Deployment, Assessment and Review elements of the RADAR logic should be addressed for each Enabler criterion part and the Results element should be addressed for each Results criterion part.*

9. Alternative 3: Charter Mark

- 9.1 Charter Mark is the Government's national standard for customer service. The standard is designed as a tool to help organisations, and their staff, focus on and improve, customer service.
- 9.2 The standard is aimed at delivering benefits on three levels: as a driver of continuous improvement by allowing organisations to (a) self-assess their capability, using online tools, for customer-focused service delivery and (b) identify areas and methods for improvement; as a skills development tool helping individuals and teams within the organisation to explore and acquire new skills in the area of customer focus and customer engagement; as an independent validation of achievement enabling organisations to seek formal accreditation to the standard thus demonstrating competence and celebrating success.
- 9.3 A very brief overview of the framework provided by the standard is set out below:

Criteria	Elements
Customer insight	identification; engagement and consultation; satisfaction
Organisation culture	- leadership, policy and culture - staff professionalism and attitude
Information and access	range of information; access; co-operative working with other providers, partners and communities
Delivery	Standards; achieved outcomes; dealing effectively with problems
Timeliness and quality of service	Standards; outcomes; achievement of timely delivery

- 9.4 Charter Mark is outward-facing and appears to be designed principally for organisations delivering high volume services to the general public. Charter Mark organisations are very often IIP-accredited as well and refer to that achievement in evidence towards their Charter Mark status.

10. Alternative 4: Matrix

10.1 A number of standards have been developed for specific sectors. The Matrix Standard is a national quality standard for organisations that deliver information, advice and/or guidance on learning and work: perhaps delivering information, advice and guidance to external clients (careers service, learning centre, recruitment agency, trades union or a business training provider) *i.e.* an external service; perhaps an employer offering staff support or assistance (*e.g.* learning and development, skills training, management development, appraisals, promotion and succession planning and redundancy programmes *i.e.* an internal service).

10.2 The Matrix standard may be applied in either external, internal or both scenarios. Typical users are: further education colleges; prisons; higher education institutions for careers advisory services and also wider student services provision; work-based learning providers; adult and community learning providers; trades unions; employers; careers advisory services.

10.3 The Matrix standard is as follows:

Objective	Criteria
People are aware of the organisation's service and how to engage with it	The purpose, expected users and range of services are defined Promotional activities provide essential information about the nature of the service, and about the support available to access and use the service Information about the service is accessible to potential users Promotional activities take account of equality of opportunity
People's use of the service is defined and understood	People are: - offered a full description of what they can expect from the service - made aware of the confidentiality and diversity policies as appropriate - given the opportunity to explore the suitability of the service to meet their needs - asked about their requirements of the service - are referred to other relevant services where appropriate
People are provided with access to information and support in using the service	Information held by the organisation is sufficient and relevant to the stated service Information provided to people is accurate, current and inclusive Information is managed and evaluated for relevance to the stated service People are supported in accessing, understanding and using information through resources appropriate to their needs
People are supported with advice and guidance in exploring options and making choices.	People have access to impartial and objective information, advice and/or guidance People are aware of the limitations of the information, advice and/or guidance available People understand and agree how the support process will be conducted: options and choices are presented to people in a manner which assists their understanding people have opportunities to consider and explore options and are given appropriate support and encouragement during the process People are enabled to make their own choices
Service delivery is planned and maintained using defined and measurable aims and objectives in setting up systems to deliver the service	The service has clearly defined measurable aims and objectives and is given clear leadership and direction The views of those delivering the service inform service planning and delivery Internal management of the service ensures resources are appropriate and effectively used The service identifies and responds to relevant legislation, guidance and ethics There are defined policies and practices for service delivery [incorporating the principles established by the National IAG Board] The service has established appropriate partnerships and networks
Staff competence and the support they are given are sufficient to deliver the	Staff are given an induction into the service and their role within it The competence of staff is maintained and developed to meet service demands Staff recognise the boundaries in relation to the service and can seek support

service. The competence of those delivering the service is maintained and developed.	Training and support in the use of equipment is provided Supervision and support are provided to staff Staff can describe how they are involved in reviewing their performance and identifying their development needs linked to objectives
Feedback on the quality of the service is obtained from users of the service, those involved in delivery of the service and other agencies	People are advised of who to contact with a compliment, complaint or suggestion and how these will be handled People are advised of how their views on the service can be fed back Organisations seek the views of service users, staff and other agencies to regularly evaluate the quality of the service Formal and informal comments on the service are evaluated and acted upon as appropriate
Continuous quality improvement is ensured by evaluating the effectiveness of the service and making improvements.	Effectiveness is monitored and evaluated against the objectives of the service Feedback ensures that the effectiveness of the service to individuals is being regularly monitored and evaluated to inform continuous improvement Appropriate action is taken to improve the service to individuals The service is continuously developed and improved

11. Conclusions

11.1 This brief survey of the field has discovered a vast array of organisational models, frameworks, standards and tools for improving performance. The expressed wish of HRG for a model that comes with an element of external validation narrows the field somewhat as set out below (not an exhaustive list):

ISO 9001 etc	Potentially complex and paper-based and continually betrays its firm roots in quality control for the mass production of manufactured goods
EQFM	Complex, exceptionally high concept (very 'European') and potentially very bureaucratic; the ideas and language used are unlikely to be easier to sell than IIP
Charter Mark	Focused on provision of high volume services to the public; no other public sector organisation regards CM and IIP as other than complementary
Matrix	Sector-specific and focused on provision of information and advice rather than staff learning and development to meet business need

11.2 The conclusion of this overview appears to be that IIP is a *relatively* straightforward stand-alone framework for *workforce learning and development* and forms a building block for many of the other available standards for organisational improvement.

11.3 **Recommendations: review the original paper on IIP accreditation considered at HRG's last meeting (HRG2007.P.59, see Annex) in the light of this paper; agree for the House Service to seek IIP reaccreditation in 2009 on the basis of: work undertaken to implement the changes arising from the Tebbit review; work being undertaken to meet the commitments of the House Service in relation to the development of a suitable workforce to meet core objectives.**

12. HAIS implications

12.1 None identifiable (see original paper).

13. Actions for HRG

13.1 Take note of paper.

13.2 Take decision on the original paper (HRG2007.P.59, see Annex) in light of this one.

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December 2007