

**Berg Kaprow Lewis**

Investors in People

Since 1991, leading companies across the UK have already achieved, or are working towards, the Investors in People Standard. They recognise that their success depends on their employees — and that Investors in People is an effective way to make the most of them.

To keep the Standard in line with the latest thinking it is reviewed every three years. The most recent review was in November 2004 when a revised version of the Standard was launched. From 31 December 2005, the previous version was discontinued and you will only be accredited using the revised Standard.

This briefing outlines:

- What Investors in People is, and the benefits it offers.
- How to work towards Investors in People.
- How to achieve and maintain the Standard.
- Where to get help.

1 What is it?

1.1 Investors in People is a **Standard** that goes far beyond simple training activities.

The formal Standard uses the three principles of plan, do and review, and a series of 'indicators' that are used to assess whether your company meets the Standard. The 'indicators' are:

- Business strategy (see **2**).
- Learning and development strategy (see **2**).
- People management strategy (see **3**).
- Leadership and management strategy (see **3**).
- Management effectiveness (see **3**).

- Involvement and empowerment (see **4**).
- Learning and development (see **4**).
- Recognition and reward (see **4**).
- Performance measurement (see **4**).
- Continuous improvement (see **5**).

1.2 Investors in People is a **tool** for developing your employees to meet your business objectives and can also be used as a tool to manage change.

- Comparing the way you manage your business against the Standard highlights your weaknesses and opportunities for development.
- Working towards the Standard improves your business performance.
- Achieving the Standard demonstrates to customers and employees that you are striving to be the best.

Directors' Briefing

a book in four pages

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If you need further information or help, ask the distributor of this briefing about the services available to you.

1.3 Working towards the Standard brings specific **improvements** in:

- Employees' motivation, skill levels, flexibility and ability to learn.
- Managers' communication, performance management and coaching skills.
- Working practices, quality and productivity.
- Profitability and control of costs.
- Customer service and customer satisfaction, and meeting quality and supply standards.
- The company's ability to plan and to respond to change, including new customer requirements.

1.4 **Achieving** the Standard brings additional benefits.

- The Standard provides a basis for continuing improvement.
- You can promote your company as a recognised Investor in People.

You may choose to start working towards formal recognition as an Investor in People immediately (see **6**). Alternatively, you can start working towards the Standard independently (see **2 — 5**), before seeking official recognition.

2 Business strategy

2.1 Establish a clear **strategy** for your company.

- Think about why you exist, what you want to achieve, and how you will get there.
- Communicate the vision to all employees. Your business vision ensures that the whole company is working in the same direction.

2.2 Develop **plans** that translate your strategy into action. The plans set out specific aims and objectives.

Ask yourself:

- What your market is and how you will approach it.
- What production facilities, processes and systems you need.
- Who will do the work.
- What the financial implications are.
- How you will monitor and measure progress towards your targets.

Involve and consult employees or their representatives in defining your plans. Your plans should be flexible. Review and adapt them as circumstances change.

2.3 Use your plans to drive your **learning and development** activities (see **3.1**).

- Base your training and development plans on achieving your business objectives.

3 Help people learn and develop

3.1 Plan your **overall** training and development activities.

- Analyse your broad training and development needs required to achieve your plans for the organisation and for each team, and identify the action to be taken.
- Select appropriate resources and methods. For example, external or internal trainers, using distance learning, workshops or on-the-job training.
- Identify how you will evaluate the impact of learning and development by setting measurable objectives.

3.2 Develop your **leadership** and management capability.

- Identify what makes a good leader and manager of people within your business and the behaviours, skills and knowledge expected of them.

3.3 Incorporate learning and development planning for **individuals** as part of performance management.

- Involve your employees in identifying their own learning and development needs.
- Develop an effective way to induct new employees and employees who change their roles. Include any specific training and development they need during the early days of their new role.

➡ Visit the Investors in People UK website for more detailed information on the Standard (www.investorsinpeople.co.uk).

➡ For more information on NVQs, see **NVQs**.

3.4 **Review** the effectiveness of training and development activities.

- How has training and development contributed to the achievement of your organisational goals?
- How can you increase its effectiveness?

4 Implementing plans

4.1 Ensure planned activities are **implemented**:

- Ensure learning and development needs have been addressed.
- Induct new employees to the company, their team and their role.
- Make sure the learning and development needs of people whose roles have changed or have been expanded are addressed.

4.2 Carry out regular **performance reviews** for all employees. Reviews should include:

- Whether employees have achieved their objectives.
- Whether managers are demonstrating the expected behaviours, and using the skills and knowledge to lead and manage the development of their own people.
- What the effect of training and development activities has been on their performance.

See **Performance appraisals**.

4.3 Ensure people feel **valued**.

- Give constructive feedback on performance.
- Give recognition for individual achievement.
- Involve people in decision-making to enable

them to take ownership and responsibility for decisions that impact their performance.

4.4 Involve employees in planning their future **training and development** activities.

Base these on improving their ability to contribute to achieving your business objectives.

- What are their training and development needs?
- What training and development activities are required?
- What should the outcomes of these training and development activities be?

See **Personal development plans**.

➡ If you plan to use a consultant, a good brief is vital. See **Using a consultant**.

Costs

A The largest indirect cost of Investors in People will be the cost of **changing** the way you manage your business to meet the award's objectives.

Your costs will depend on how much action you need to take.

- Most of the cost will be the time spent by you and your employees.
- You will also have direct costs for the necessary training and development activities you introduce.

B There may be **advisers'** costs, incurred in the process of achieving recognition.

- Many organisations use their own resources.
- Your local delivery organisation can provide contacts for an external adviser. Some delivery organisations provide subsidies for advisory services.

C **Assessment** costs are based on fixed daily rates set by Investors in People UK.

Costs depend on the size and complexity of the organisation being assessed and the number of locations.

- The daily charge is £550 per day (plus expenses and VAT).
- Assessment is unlikely to take less than two days.

D You will have to pay for an agreed programme of **post-recognition reviews** to retain the Standard.

5 Evaluate the impact

5.1 Make sure your **top-level managers** are committed to an ongoing programme.

5.2 **Top managers** should be able to:

- Describe the overall costs of learning and development in terms of resources and time.
- Explain and quantify how learning and development has improved the performance of the organisation.
- Describe how the evaluation of their investment in people is used to improve their strategy for improving the performance of the organisation and its people.

“Think about how you will demonstrate to the assessor that you meet the Standard, and what business benefits you can show as a result.”

Peter Taylor,
management
consultant

6 Formal recognition

While the activities outlined in **2, 3, 4** and **5** represent good practice, formal recognition as an Investor in People requires you to be assessed against 10 indicators to determine whether you meet the Standard.

6.1 Contact your local **delivery organisation** (see margin note).

It can provide:

- A copy of the Standard and the indicators, and related publications.
A catalogue of products and publications is also available from the Investors in People UK orderline on 0870 850 4477 and online at www.investorsinpeople.co.uk.
- A briefing to help you understand the Standard and how to achieve it.
- Names of approved advisers registered with your local delivery organisation.
- Any available financial support towards the cost of achieving the Standard.

➡ Contact your local Learning & Skills Council or Business Link for information and advice on Investors in People.

Separately, the delivery organisation may also provide financial support for specific training activities.

You may also want to contact companies that have already received the award. There may be somebody who is prepared to act as a mentor. Your local delivery organisation may offer networking opportunities.

6.2 Formulate an **action plan**, outlining the steps you need to take.

- Conduct an initial assessment of how your company measures against the 10 indicators. You can use team meetings, group discussions or a questionnaire.
- Your delivery organisation, or one of its advisers, can help with this review.

6.3 If you need help, contact the delivery organisation's chief executive, **committing** to achieving the Standard, and send your action plan.

Do not do this unless you are sure that you will follow it through.

- Withdrawing your commitment later can damage both morale and your reputation.

6.4 Take the **action** required to meet all the indicators of the Standard.

This typically takes six to 18 months, depending on the size of your company and the amount of work needed.

- You do not have to achieve the Standard within a set time frame, but maintaining momentum is important.
- Assessment with feedback can be requested at any time.
Use the feedback to focus resources on areas where improvement is needed to achieve the Standard.

6.5 **Demonstrate** how you think you satisfy the requirements of the Standard.

- The assessor will require you to demonstrate outcomes in terms of planning, learning and development activity, evaluation and effective communication. Evidence of other resources allocated to employee development (such as time) may also be required.
- Provide a description of your company and any relevant background.
This will help the assessor to understand your company quickly.
- Evidence demonstrating how your organisation meets the Standard can be presented to the assessor, in the way you choose (eg in a file or verbally).

Your local delivery organisation adviser and the assessor will help you decide which is the most appropriate format for your organisation.

6.6 Arrange for **formal assessment**.

The following gives a broad outline of the assessment process.

- The assessment will be arranged, via your delivery organisation, with a quality centre.
- The quality centre will appoint an assessor, who will agree a plan of how the assessment, reporting, recognition and feedback processes will take place.
- The assessor will review any written evidence you present (see **6.5**).
The assessor will also want to interview a representative sample of your employees.
- If the assessor feels you have not met the requirements of the Standard, the areas for development will be explained.
A timescale will be agreed to determine the date for assessment of these areas.
The assessor will give you, and your delivery organisation adviser, immediate verbal feedback and a written report at the end of the assessment process.
- If you meet the Standard, you will be entitled to use the Investor in People logo.

6.7 **Maintain** the Standard.

- Continue to use the Investors in People Standard to develop your business and your employees, and to manage change.
- Keep up your training and development of employees.
- Show your commitment to continuous improvement in all aspects of planning, communication and development.
- Build on your success by using Investors in People models for Recruitment and Selection, Leadership and Management and Work-life Balance.

You can choose to be reviewed at any time but must be within three years of achieving the Standard. Reviews can be timed to suit your circumstances.

Consider using a Profiling Review — which offers more focused feedback — to help you improve investment in your people.

Expert contributors

Thanks to **Peter Taylor** (management consultant, 0114 230 5542); **Mike Peart** (Investors in People UK, 020 7467 1900).

Further help

There are other Directors' Briefing titles that can help you. These briefings are referred to in the text by name, such as NVQs.

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