

## THE ROLE OF CR IN HR

Corporate Responsibility (CR) has quickly become a business imperative in firms – regardless of their size or sector. Those Human Resource (HR) Departments unaware of CR initiatives may find themselves disadvantaged, especially as many City-based firms are seen to be leading the way in this field.

CR is essentially how a business takes account of its economic, social and environmental impacts to maximise the benefits and minimise the downsides. CR programmes have traditionally been located within HR Departments, as pay and benefits, diversity, work/life balance, recruitment and equal opportunities are integral parts of the CR agenda.

Strong CR programmes carry distinct business benefits along with community gains. Key business benefits can be achieved in terms of enhanced external reputation, improved recruitment and retention and expanded Learning & Development opportunities. A survey of university students found that 72 percent would need to be satisfied with a prospective employer's CR record to accept an offer of employment; 92 percent of employees say that they would prefer to work for a company with an employee volunteering project than one without.<sup>1</sup> Nearly half of companies who do allow their staff time off work to volunteer, said that it helped to reduce staff sick days.<sup>2</sup>

For many companies, it can be daunting to know how to start a CR programme or who to ask for guidance. The City of London Corporation provides a number of free services, open to HR Departments, to increase awareness and aid City-based firms' CR development.

Heart of the City provides support for businesses in the City and City fringes wanting to develop or expand their existing CR programme. Building on the experience of over 100 businesses, they provide a bespoke programme of support tailored to suit a company's size, sector and CSR experience. Varying levels of assistance is given, from start-up advice to the development of existing CSR programmes.

City Action is an employee volunteering broker which works with City businesses looking for volunteering opportunities for



their staff. They identify the type of community involvement best suited to a company's culture, business strategy and available resources and source and facilitate volunteering opportunities with relevant organisations in the City fringe boroughs. Opportunities range from supporting education initiatives to professional skills mentoring (including within HR). Many companies are beginning to use volunteering as an alternative way for employees to achieve competencies and develop behaviours as a part of Learning & Development programmes. Volunteering opportunities can require a vast range of transferable skills, therefore making volunteering a cost-effective alternative to more traditional Learning & Development methods. A time-off allowance to volunteer is now standard practice amongst many City firms.

The targeting of City fringe residents for jobs also provides an opportunity for the HR function to contribute to the business's CR aims, increasing workforce diversity and developing a greater understanding of the local area. The City Corporation delivers a number of schemes to assist City businesses to offer work experience placements to City fringe residents, and to recruit locally. The City of London Business Traineeship programme introduces high-achieving A' Level students from the City fringes to employment opportunities in the City through paid placements of between 6 and 12 weeks, increasing the students' long-term

employment prospects and providing City firms with a pool of local talent. The City Corporation's 'City 4 A Day' and 'City Careers Open House' schemes provide 'taster sessions' for groups of young people from City fringe schools. City 4 A Day tours are also held for young people not in education, employment or training (NEET). The City Corporation can also assist City HR professionals to engage with other programmes addressing unemployment in the City fringes, including City-related careers advice/guidance, hosting work placements and advising City fringe job brokerage agencies.

Finally, the Lord Mayor's Dragon Awards reward companies or public bodies with exemplary community programmes in Greater London. With an emphasis on both community and business benefits, the Dragon Awards profile much of the varied work taking place around the capital and in many cases shows that CR does not so much change as broaden the HR agenda.

The adoption and development of a successful CR strategy can bring numerous benefits to both your business and the local community. To find out more details about the City Corporation's schemes, or for contact details, please visit [www.cityoflondon.gov.uk/urbanregeneration](http://www.cityoflondon.gov.uk/urbanregeneration) or [www.cityoflondon.gov.uk/corporateresponsibility](http://www.cityoflondon.gov.uk/corporateresponsibility)

<sup>1</sup> CSV Make a Difference Day and Barclays, July 2006.

<sup>2</sup> CSV Make a Difference Day and Barclays, July 2006.

# National Culture: A business issue?

In a ground-breaking study of success rates in cross-border mergers and acquisitions, accountants KPMG came to the startling conclusion that '...53% of cross-border M&A deals destroy value' – while 30% were in effect neutral. Only 17% actually recorded 'success' in terms of added value. They identified only six critical 'keys' to success for cross-border M&A - one of which is addressing issues of national culture early in the process. Culture is a business issue.

In this global economy, most of us are working internationally at least to some extent – with colleagues from multiple countries, in virtual teams, supporting clients from other countries, or working as 'Expats' in a country that is literally 'foreign' to us. While there is empirical data from KPMG, we also know intuitively from our personal experiences, both positive and negative, that culture matters – to businesses, to teams and to each of us as individuals.

Yet despite being widely recognised as a business issue, many organisations and the people that represent them deal with culture as if it is beyond analysis, leaving it to be addressed on the basis of personal sensitivity and a belief that in the end we all work for corporation XYZ and 'best practice' is universal.

What is less well known is that there is a wealth of research of the most credible

nature that offers help, not just in terms of understanding and contrasting different cultures, but by enabling us to develop personal behavioural strategies that are more likely to produce success in our cross-cultural relationships. The usual approach of carrying on doing the same thing and hoping for a better result is not logical – but without understanding, it is the only strategy open to us.

Cultures may focus on the needs of the individual or the group, or value hierarchy over participation, or function quite happily with ambiguity while others require high levels of analysis to make decisions, or value the task over relationships, or think and act for short-term success in preference to longer-term development. These five 'dimensions' of culture emerged from Dutch researcher Geert Hofstede's radical analysis with IBM over 30 years ago. And since then – his 2001 comprehensive revision of his original research and review of many others' research has reiterated that these five 'dimensions' of culture remain entirely valid and practical ways of understanding how national cultures differ in what they value most.

Such information is very useful for organisations and their HR teams. Other leading researchers have identified that how management is most effectively structured and organised, or how pay and incentives systems work best, or how quality recruitment decisions are made differ from culture to culture - in ways that are consistent with Hofstede's model. The FT recognised that some years ago in its 'Managing Internationally' series. And for team managers and individuals, knowing what differentiates cultures and understanding our own culturally based preferences is the hard information that makes the 'soft-skill' of cross-cultural competency accessible to us.

As a global HR consulting firm, ITAP International works with many financial services sector clients from around the world - helping them to identify and overcome the cultural barriers that create

resistance in their businesses - enabling organisations, teams and individuals to develop understanding so that 'culture' can move from being a problem into a solution. ITAP's exclusive and renowned 'Culture in the Workplace™' on-line profiling tool and various-team-based instruments support a consulting approach that this week - in a seminar in Doha, Qatar - elicited this response from an British manager with a US-based financial services software firm - 'This has been so helpful. My anger and frustration have gone. I can really see how I can make things happen now...'

Like that individual in Qatar, many experienced international professionals with major city ITAP clients have benefited from the 'a-ha!' moments that at last offer a rationale to explain the apparently irrational or sub-optimal behaviour of others, and bring them to understanding that 'they' are rational – but work from different sets of values than 'us'. Based on that understanding, professionals can learn new ways of operating that as managers and colleagues may enable us to permit others to achieve their objectives in ways that are appropriate and most effective in the places in which they operate. It may not be how 'we' would do it – but it might be the most effective way in that different context.

It may be an 'inconvenient truth' to realise that what is best practice in one culture may be counter-productive in another but it is that realisation - for individuals, teams and organisations – which can lead to identifying the alternatives that produce success where failure, as KPMG have highlighted, was the most likely outcome.

**Stephen Martin**  
Managing Director ITAP EMEA  
smartin@itapintl.com  
www.itapintl.com

# Making tough times work for you

The current economic climate is providing great challenges and also great opportunities for HR in the City. Every HR person I know says tough times are an opportunity to forge relationships with clients and really make a contribution to the business. But this type of climate can also be tough for us HR people.

Successful HR professionals have the ability to challenge their client, yield the appropriate action or response, and yet still maintain a good relationship with them. Yet we all know how difficult it can be to give bad news and keep someone focussed on the positive action required as a result of the news. As human beings we are wired to avoid pain and seek pleasure and so naturally shy away from giving bad news, which is the challenge that the client does not want to hear.

However, as humans we usually focus on how we will feel when planning to give bad news. (I guess the exception to this is planned redundancies where more HR teams have well rehearsed plans and processes - see inset box.) But often giving bad news or challenging the client about something you know they are not going to like is not part of a big process. It is more likely to be a one off meeting or issue. Whatever training we have received usually focuses on the reaction of the receiver 'how is he/she going to react?' Yet recent research would suggest that more focus needs to be concentrated on the giver. HR people need to refocus their efforts on confronting the reality of the situation in order to achieve the best solution for the business.

Recent research in the medical field\* shows just how difficult delivering bad news can be. Even doctors who are trained to give some of the most difficult news and who need the patient to take action (often to enable life saving treatment) find it difficult. 40% of them admitted during the research to putting an inaccurate or overly positive gloss on bad news in order to relieve themselves of the burden of dealing with the patient's reaction. One of the criticisms levelled at HR is that it does not take risks, and for many HR people challenging the client is seen as a risk.

When preparing for these types of situations most of us have been taught to focus on process and look at ways to manage the reaction of the receiver. But given this research and our experience perhaps more

focus should be placed on the mindset of the giver. In my view there are 4 key areas for you to consider:

## Restructuring Checklist

A recent City HR programme entitled 'Managing the Restructuring Process' resulted in the production of a comprehensive checklist for HR professionals embarking on the restructuring process. The checklist, facilitated by senior representatives from Denton Wilde Sapte, Fairplace and Commerzbank, identified the following key stages:-

- Preparation
- Legal
- Support
- Logistics
- Communications

As this checklist may prove useful to other HR practitioners, a pdf version has been uploaded onto our City HR website under [www.cityhr.co.uk/documents](http://www.cityhr.co.uk/documents) which can be accessed by members free of charge. Please note that the checklist is not meant to be exhaustive, and may need to be adapted to each organisation's own specific requirements, but should prove a useful framework around which individuals can work. Please email [info@cityhr.co.uk](mailto:info@cityhr.co.uk) should you wish us to consider a re-run of this successful programme.

Firstly you need to be clear about your motives in making the challenge. You must be clear in your mind own mind why you are giving the news. This will help you to communicate clearly. Concentrate on the positive intention that is driving the delivery of the 'bad' news and make sure you communicate the long-term goal that has necessitated the challenge being given.

Secondly, you need ways to view the results of your bad news in the long term. For example, if we deliver the news in the right way then we can go a long way to making the process painless. Think about it - you might end up preventing the client from making a career damaging error. Imagine, for example challenging the client that their idea would not work or would damage their career prospects. Would they be more distressed by momentary discomfort as you describe the consequences of their proposed course of action, or relieved that they are helped to find a better solution?

Thirdly, once you've established that delivering this news is necessary and potentially even

good for your client, work out how you can help your client think of that news in a positive light. Think about other options for them and have a positive alternative course of action up your sleeve. And while you are delivering the news monitor the reaction of the receiver. Are they hearing you? Make sure they've understood your initial message and help them to decide how they will act on it. They probably still need to do something, so your job is to help them to focus on a better approach or to see that other options are open to them to resolve their issue.

Finally, manage your state of mind (state management). This is a key ingredient of challenging effectively. You should always make time to manage your state before you go to deliver the challenge. Never go in to the situation with a sinking feeling in your stomach or a desire to just get it over with. Instead be positive and, as detailed above, focus on the long-term benefits that the client will get verses the short-term pain that might be caused by delivering the news. If you've had a bad experience in the past with someone being aggressive or emotional, don't let it put you in a bad place before you walk into a situation. Instead, deal with it. Replay the scene in your mind as if you are sitting in a cinema and watching it. Drain the colour out of the reconstruction to help remove the emotion from it. This will reduce the impact of the memory, and avoid you carrying past fears or negativity into this new situation.

Our research on the most successful HR Business Partner's showed that a willingness to challenge on issues that benefit the client becomes the foundation for deeper and more trusting relationships. This might sound counter-intuitive, but actually helping people to realise that they are taking a poor course of action results in more trust and better relationships. Relationships that ultimately add value to the client and drive change in the business.

In the end, really understanding your client and being strategic about your role in the business will help you to meet the business needs. So remember, in these challenging times instead of thinking about the problems, think about the opportunities they create to shift your role and how you are perceived by the clients. You will come out of this period with deeply trusting relationships and a core role in the business.

\* Kate Sweeney, James A Sheppard 'Being the best bearer of bad tidings' (Review of General Psychology)



# CIPD Update

## CIPD Accreditation Centre Pilot

City HR is pleased to announce that its members been invited to participate in a pilot scheme for a new route to CIPD accreditation.

The CIPD Accreditation Centre assesses current knowledge, experience and skills against 'CIPD Professional Standards.' It is aimed at those for whom the study route would not be suitable as they have already gained the knowledge covered in the standards through experience and qualifications over the years.

Candidates will be required to complete a self-diagnostic to ensure that they meet the CIPD's criteria. On acceptance, members will need to undertake up to 5 days preparation and to then attend a 2 day assessment centre.

In order to find out more about the scheme, members should refer to the joint City HR and CIPD leaflet entitled 'City HR Invitation to CIPD Accreditation Centre'.

City HR and the CIPD are holding a joint briefing meeting on 21st May at 4pm, where the CIPD will explain the process and timetable to interested members. The Accreditation Centre will take place on the 24th and 25th September 2008.

Please contact City HR for further details.

## New Members

City HR is delighted to welcome the following new members who have joined since our last newsletter:

### Full members:

- Ernst & Young
- Climate Change Capital
- The McGraw-Hill Companies
- Deloitte & Touche LLP

### Associate members:

- PDI

## Summer Party 2008 - A Taste of Last Year



After such a successful party last year we have decided to hold this year's bash at Hays Galleria again. The date is July 10th and there will be plentiful supplies of liquid (and solid!) refreshment, plus the opportunity to indulge in a spot of pétanque, for those in a competitive mood.



**City HR  
Summer Party  
Hays Galleria  
10th July  
at 6 pm**



## Forthcoming events

### May 2008

- 21 CIPD Accreditation Scheme Briefing Meeting (4pm)

### June 2008

- 4 Understanding Financial Markets (morning)
- 11 Member Forum / AGM (afternoon / evening)
- 17 Managing the Reward Process (morning)
- 25 Understanding Financial Regulations (morning)

### July 2008

- 10 Summer Party (evening)

## City HR Projects in Progress

- **Diversity Best Practice**  
(commenced 17th April 2008)
- **HR Policies Benchmarking**  
(Steering Group convened 24th April 2008. Details on scope and invitation to participate due June 2008)



Supporting  
City HR professionals

### Committee Members

Chairperson, Stephen Sidebottom, *Nomura International Plc* · Vice Chairperson, Marc Hoodless  
Hon Treasurer, David Barnett, *Mitsubishi UFJ Trust & Banking Corporation*  
Members - Sheena Gibson, *Hermes Pensions Management Ltd* · Faith Jenner,  
Ian Nash · Karin Rehacek, *Erste Bank* · Jane Mann, *Fox Williams*  
Nick Burns, *PIFC Consulting Plc* · Louise Redmond, *Bank of England*

### Published by

City HR Association, 13 Austin Friars, London EC2N 2JX · Telephone: 0207 670 1932/3/4 · Fax: 0207 670 1717  
E-mail: info@cityhr.co.uk · Website: www.cityhr.co.uk