Open University Business School:
A year of insight

HR

For people-focused business leaders

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About us

Editor's note

Surveying the scene on 18 September at this year's HR Most Influential unveiling, held at Claridge's, was highly pleasing. Academics and HR directors coming together to mingle, network and share experiences and thoughts is one of the key raison d'etres of our annual ranking – and should of course be a common occurrence within HR circles.

Unfortunately however, we were told in praise of the event, it's in fact not. Which resolves the team at *HR* magazine even more strongly around the importance of highlighting not only the great work of HR professionals themselves, through our HR Most Influential Practitioners list, but also the fantastic thought leadership produced in the areas of workplace psychology, organisational development, leadership and many others besides.

It resolves *HR* magazine even more firmly around the importance of celebrating, through our HR Most Influential Thinkers list, those academics producing not only interesting food for thought, but work that has direct, practical relevance for what HR directors do day-to-day.

As the range of thought leadership pieces produced over the last year by our HRMI partner Open University Business School (OUBS) demonstrate, there's no more important time for academics and HRDs to come together to tackle the people issues of the day. Enduring discrimination and pay gaps, reforming corporate governance, an increasingly important role for HR in ethics… those pieces produced by OUBS over the last year for *HR*, shine a light on why HR matters so much in today's world – and on why fresh, challenging and business-critical thinking is so important for HRDs to engage with.

From closing the skills gaps to engaging Millennials with L&D, this book collates the best thinking from OUBS academics over the year 2016/17. I would like to thank our partners at OUBS for their ongoing support for HR Most Influential. I hope you enjoy this resource and that engaging with it helps you think just a little bit differently.

Jenny Roper
Editor
HR magazine

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Inequalities, discrimination and the pay gap

Can HR play a role in fostering workplace inclusion and equality? CINZIA PRIOLA

For some of us concerned with workplace inequalities and discrimination, the summer of 2017 was characterised by two events that have generated large media attention. The first was the leak to the media of a Google's 'manifesto', later solely attributed to a Google software engineer who was subsequently dismissed by the company. The 10 page-long manifesto argued that the gender pay gap is not the result of workplace discrimination and that the diversity efforts of corporations were vain because the lack of women in leadership positions and in technology in general is, in part, the result of biological (thus unchangeable) differences between women and men in relation to their preferences and abilities. While Google executives distanced themselves from the opinions of 'one or few' employees, the US department of Labor had, earlier in the year, found that Google was characterised by a systemic culture of discrimination and a consistent and enduring gender pay gap. Furthermore, many academics and commentators have described the document as "the Silicon Valley mindset" (quote attributed to Vivek Wadhwa).

The second event that mirrored the Google case in the UK was the publication of the 2016/2017 BBC salary list for their 'stars' earning over £150,000 pa. The list exposed a striking gender gap with the highest paid man being paid approximately £2,250,000 while the highest paid woman earns less than £400,000 (two-thirds of male stars are paid over £150,000

compared to one third of female). While the BBC revealed that the gender pay gap across the company is actually lower, at 10%, than the national average, at more than 18%, what subsequently emerged in the media is, once more, the blaming of women for their lower pay and lower presence in leadership positions. Decades of academic research showing evidence of structural gender, race and class (among others) discrimination, across all types of businesses and in different societies, does not appear to have had any effect on the minds and actions of business decision makers. As the chairman of GSK and a government adviser on equal pay, Sir Philip Hampton, voiced what many more company leaders are also likely to believe, that women are less proactive in asking for promotions and pay increase and that it is, therefore, themselves who are to blame. Women are blamed because they aren't doing enough to put themselves forward for top positions but, as experiential evidence suggest, they are also blamed when they do put themselves forward, because they are too aggressive and don't follow their gender expectations. The lack of willingness among politicians and business leaders to deeply engage with the structural inequalities of our society is disconcerting as well as worrying.

The gender pay gap

Gender inequality and the gender pay gap are social issues that, despite decades of equality legislation, have not been addressed. The current gender pay gap is approximately 20% (women earn approximately 80 for

every 100 of men's earnings), with significant differences across job types and some geographical variations between and across countries in the western world. Pay gap variations are also exacerbated when gender is intersected with race, disability and age, among other factors, with disabled black women experiencing the wider pay gap. Women are penalised in their career because they are perceived as less ambitious, less risk-taking and less committed to a sustained career. While some (like Google software engineer author of the 'manifesto') may believe that these are biological differences, research has shown than women (as well as men) are actually influenced by society's expectations about what is appropriate for a woman and for a man and, as a consequence, are praised when they behave accordingly to gender norms and are admonished when they do not. When a leading shoe company such as Clarks calls its range of girl shoes Dolly Babe and the equivalent range of boy shoe Leader what message is that transmitting to a young girl? When such sexist messages are consistently and continuously perceived by boys and girls from an early age, how much more effort is needed from a girl to demonstrate that she can be a leader as good as the boy who has been told that he is one all along?

The one biological difference that acts to women's disadvantage in the business world is their ability to give birth; because of this they have been historically allocated the role of main carer of children and the household. While the family model of the male breadwinner and the house-wife has been outmoded in the West for a long time, this still influences the perception of women at work and in society. Even when women are equally contributing to an organisation's success, they are generally still treated differently from their male colleagues (e.g. in terms of pay as well as opportunities) and need to work harder to demonstrate their worth. Furthermore, while recognising that in some cases caring responsibilities may affect women's

(and some men's) performance in the workplace, in giving birth and raising children, women contribute to society as much as they do to their family, still this role isn't recognised and supported for its economic and social benefits. Politicians, social commentators and the media can exercise pressure on educators and the public and expose them to confronting the effects of rewarding one dominant identity and one dominant way of being (that one of the middle class white man). School curricula and wider education programmes should include the teaching and learning of the effects of stereotyping, of sexism, racism, ableism, classism and so on, encouraging reflection and debates. This is certainly not the magic solution to the problem but greater reflection by all, encourages more to change.

A question of ethics and responsibility

Moving away from categorisations of women as caring and relational, of disabled as less capable and more dependent, of lesbian as butch, of black people as angry and work-shy (as examples) is and should be a social process. In the workplace it should be supported by an open engagement with differences and with alternatives to the masculine, white, middle-class ways of being and work. Inequalities are perpetuated because different identities are ignored and compared to the one that is predominant. An ethics of inclusion is about a relational engagement with the individual as woman, black, L-G-B-T-Q, disabled and so on, NOT as 'not-man', 'not-white', 'not-heterosexual', 'not-able' and so on. In the workplace only when managers and workers recognise that they treat women as 'other than men', disabled as 'other than able' and so forth, can they start a process of reflection and change. Academic research into stereotyping, discriminations, inequalities and inclusion has attempted to disrupt these processes and encourage change actions. However its result has often been the promotion and pay increase of

the professor (often a white man) who has published the research, rather than a social and organisational change. I feel that HR can play a key role in stimulating this reflection and acting to break stereotypes and support different identities, different ways of being, working and doing.

What can HR do to foster workplace inclusion and equality?

In collaboration with colleagues I have conducted gender research in several sectors including education, the service sector and with women entrepreneurs. What consistently emerged is the difficulty that women experience in changing the organisational culture. They often feel trapped by long established working practices and succumb to compliance in order to progress, or move on altogether to other organisations or careers. The role of business leaders and HR can be much more than that of developing diversity policies and conducting gender and/or pay audits. Starting with recruitment, the effort should move on from attracting individuals on the basis of their financial performance to recruiting individuals who can demonstrate having made a difference in their business practice in relation to
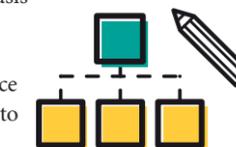
diversity. HR can invest in equality training and link the training to the measurement and reward of concrete changes in relation to equality and inclusion. Recent research carried out by US academics (Heckman, Johnson and collaborators) and published in the *Academy of Management Journal* and the *Harvard Business Review* revealed that when women and minorities promote diversity they are generally rated lower by their superiors and peers for their work performance and competence. Furthermore their motives are generally seen as biased. They propose a brave solution for managers and suggest to organisations that they should reward members who hire demographically different individuals and actively seek to learn from someone with a different background to themselves. While such approaches need to be accompanied by an organisation-wide effort to create a culture of inclusion, it is clear that HR professionals in organisations need to feel greater responsibility for achieving workplace equality and should consider more drastic measures, confronting the organisation's top management, when needed, with radical solutions that affect the foundations of 'sexist mindsets'. **HR**

Cinzia Priola, senior lecturer in organisation studies

Before joining The Open University Business School in 2014, Cinzia worked at Aston, Keele and Wolverhampton universities. She is an associate fellow of the British Psychological Society, a chartered psychologist and a fellow of the Higher Education Academy.

Cinzia regularly presents her work at academic conferences and is frequently invited as a guest speaker at academic and professional seminars and events. She is an associate editor of the journal *Gender Work and Organization.* She is a visiting professor at the University of Cagliari (Italy) in the faculty of Human Sciences and has also taught in Libya and France. Research interests and publications are in the fields of work and social inclusion, gender and sexuality in organisations, identities in the workplace, diversity, employee branding, management practices and higher education management.

Rapid internationalisation and performance: Is the sky the limit?

To speed or not to speed is the looming question in today's time-competitive international markets. RAQUEL GARCÍA-GARCÍA,

After studying the outcomes of foreign expansion for several years now, the speed at which companies internationalise their operations and the returns they obtain from doing so is one of the topics that interests me most. Time is key in the current business world, but can multinationals keep up the pace?

Multinationals have traditionally expanded abroad slowly and gradually, moving from neighbouring countries to more distant ones. This internationalisation model prevailed in the international economic landscape during much of the 20th century. However, in recent years some multinationals have managed to defy this traditional pattern by successfully expanding abroad at a dizzying speed.

Professors Mauro Guillén and Esteban García-Canal provide various examples of this latter type of company in their book *Emerging Markets Rule*. Specifically, they discuss the cases of BYD (China), América Móvil (Mexico), and Ocimum Biosolutions (India). Wang Chuanfu founded rechargeable battery manufacturer BYD in 1995. By 2008 the company was already the largest manufacturer of nickel-cadmium batteries, selling more than 500 million batteries a year around the world. Tapping into its technological expertise, the Chinese multinational also made a triumphant incursion into manufacturing electric vehicles. Another example of a company that has taken the international markets by storm is América Móvil. Established in 2000, telecommunications giant América Móvil turned owner Carlos Slim into one of the wealthiest people alive (according to Forbes magazine). The company has operations in 25 countries and is considered to be the leading provider of wireless services in Latin America. Around the same time Indian entrepreneur Anu Acharya set up Ocimum Biosolutions, which expanded relentlessly to become one of the indisputable leaders of the bio-IT industry. As of 2017 the multinational has ventured into the US, Europe, and the Asia Pacific region.

However, multinational companies coming from emerging markets such as China, Mexico or India are not the only ones that can reap the benefits of a rapid foreign expansion. In a recent study co-authored by myself and professors Esteban García-Canal and Mauro Guillén (*Journal of World Business*, 2017) we found that firms from the 'old' Europe can also keep up with new trends in internationalisation and profit from speeding their internationalisation process, thus providing some hope to the managers of established multinationals from developed economies whose global leadership has been challenged by newcomers to the international scene.

Relying on a sample of Spanish listed firms, our results show that the speed of internationalisation has a different effect on performance depending on the timespan considered. Whereas it fails to have a significant effect in the short term – that is, on accounting measures – it displays an inverted U-shaped pattern in the long term – namely, in the capital markets. This implies that managers should pay attention to both short- and long-term measures of performance to have more accurate estimations of the effect of a rapid internationalisation.

The U-shaped pattern found between speed of internationalisation and long-term performance highlights that some multinationals can actually benefit from a high speed of internationalisation. Nonetheless, it also warns managers that they need to be aware that there is limit to the positive relationship between the multinationals' speed of internationalisation and their long-term performance. In other words, managers cannot speed up the foreign expansion of their firms ad infinitum without eventually experiencing a decline in their value in capital markets.

Additionally, the results of this study account for knowledge-based factors that can support or hinder a successful rapid foreign expansion, which managers should take into consideration when making decisions about the speed of internationalisation at their firms. Whereas technological knowledge might be helpful at first to boost the benefits of a rapid internationalisation, it may become detrimental beyond a certain speed. This is ultimately explained by the need of multinationals to adapt their technology to the characteristics of the host countries where they operate. Technology adaptation to foreign markets is hard and time-consuming. Attempting to do so in a short period of time is likely to lead to higher costs and failures.

The diversity of a multinational's international experience also plays a pivotal role in the relationship between speed of internationalisation and long-term performance. In this regard, even though the prior exposure to diverse institutional contexts may limit the learning opportunities when speeding up the internationalisation, it also helps managers decide more rapidly the multinationals' course of action, which eventually allows them to outweigh the setbacks of a rapid international expansion.

Time is precious, and even more so in the international business scene. Speeding up the internationalisation process can be a good idea for some companies. However, managers must be cautious before expanding abroad in a rapid fashion and assess whether they have the necessary tools to succeed in doing so beforehand. **HR**

Raquel Garcia-Garcia, lecturer in strategic management

Raquel received her PhD from the University of Oviedo, Spain, having broadened her studies at London School of Economics and Political Science and Harvard University. She has been a visiting scholar at Wharton School of University of Pennsylvania.

Her research interests lie in the field of corporate strategy. She has recently published a book chapter on emerging market multinationals in Oxford University Press and an article analysing the link between speed of internationalisation and performance in the *Journal of World Business*. Her studies, featured at numerous national and international conferences, have been funded by prestigious organisations like the British Academy of Management, the Leverhulme Trust, the Bank of Santander and the Spanish Ministry of Economy.

She is also very active within the research community, serving as an ad-hoc reviewer for renowned international journals, such as *Administrative Science Quarterly, Journal of International Business Studies, Long Range Planning, Journal of World Business,* and *Journal of Business Ethics,* among others.

The case for curiosity

"The important thing is not to stop questioning. Curiosity has its own reason for existing." Albert Einstein

Any teacher or trainer will vouch for the value of curiosity in the learning process. It is a valuable individual motivation to close a knowledge gap. Indeed curiosity has been shown in behavioural science experiments to fuel active learning behaviours like asking questions, exploration and experimentation, researching and seeking solutions, and 'trial behaviour' or in other words – try something, see what happens and learn from it. For employers these seem valuable workplace skills and behaviours to encourage in these times when organisations seek resilience, innovation, change adaptability among employees and a culture of learning and engagement.

The relationship of curiosity to learning is not new. It has its roots in philosophy, behavioural psychology, motivation theory, and more recently in neuroscience and importantly cognitive constructivist theories of learning attributed to psychologist Jean Piaget. This theory says that people cannot simply be given information but that instead they "construct" their own learning by building on their knowledge through their experiences.

In the workplace, many people will identify with the kind of formal learning or training that is prescribed for them, is sometimes made mandatory by their employer and is designed to achieve organisational aims, e.g. training to ensure compliance. The employee's interest in the subject matter is almost a secondary concern. Does this diminish its value for learners? Some studies suggest that if learners are not curious and they don't acknowledge that they need to know more about a subject they won't seek to know more, which limits the effectiveness of learning.

Other research suggests that when people are curious, then as they begin to close an information gap through learning, this actually increases their curiosity. It seems that knowing something about something encourages us to keep on going to learn more!
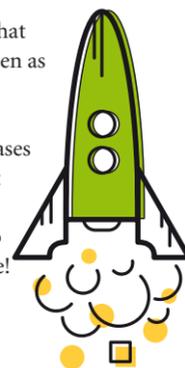
One explanation for this might be that this type of behaviour is akin to that drive to finish a murder mystery novel – the scene is set, the characters are in place and the murder happens – we want to know "whodunit?" The best of these stories compel us to keep reading until we find out.

Studies suggest that by being curious, we make the brain more receptive to learning. This results in learning that is more memorable, more effective and more rewarding for learners as they experience the same good feelings through the release of the neurotransmitter dopamine as they would from extrinsic reward motivators.

So what does this imply for learning and development professionals? Should they give up on mandatory and compliance training courses unless learners express an interest? Should all courses end with a cliff-hanger? 'In the next thrilling instalment of our health and safety update you will... oh that's all we have time for, cue theme tune!' I jest.

Longstanding theories of adult learning suggest that adults must identify a benefit to them in learning – it should solve real problems they have, preferably at the point that they need it most. Learning promoted and delivered in this way is more likely to invoke some kind of curiosity and incentive for participants. The ability to see how information will help them – in their current role, to change role, the gain that promotion delivers – might be one sort of incentive. Another incentive is to get some kind of feedback about how the learning has made a difference to the employee which might be as simple as the time and opportunity to reflect on this with a line manager or a more formal evaluation where changed behaviours or improved performance are recognised.

Employers at one time were fairly generous in their funding of personal development and continuing professional development. The budgets for open-ended funding of these without there being an immediate payback for the organisation are somewhat rarer in these times. That being the case, what else can we do?

The internet and advent of open educational resources, MOOCs, TED talks, Khan Academy and the myriad other sources of free learning harnessed in an appropriate way have transformed how learners learn and should be transforming how teachers and trainers facilitate learning for their learners. But there are drawbacks of this plentiful supply. With greater volume and better access, the new issue is how we filter out the wheat from the chaff. In an age when there are facts and non-facts, truths and post-truths, is this abundance of information always reliable, current, valid and appropriate? Clearly not!

To make use of the best of these resources takes an ability to curate, research, explore with a purpose in mind and to determine quality by being discerning about sources and retaining an open mind to alternative views. These are valuable learning skills that can be taught and encouraged – and it may also strike you they are the behaviours of the curious learner. So it's perhaps teaching people to ask questions like: who wrote this? Where and when was this published? Who sponsored this information? What is their underlying purpose? How did they form this view? How does this compare to…? And so on.

Liz Moody, senior lecturer, executive education

Liz became an academic after a career in business, management consulting and running her own business. She has an MBA and additional post-graduate qualifications in marketing and management coaching. She has worked with many large, global organisations in the public and private sector, many of them blue chip Financial Services institutions as well as entrepreneurs and start-ups. Her teaching experience spans diverse groups of learners from senior teams and executive development to broader groups of middle managers in functional areas.

She now designs work-based blended learning solutions and writes learning materials that build competence, knowledge and confidence. She also supports subject matter experts to co-design and produce transformational learning in their organisations. She is the principle author of The Open University's Fintech101 short course, believed to be the first online course in the world.

Which sound very much like the kind of questions that people who are curious about something ask.

Curiosity has at one time been considered a personality trait – something that is fixed. The literature seems to say that it is more fluid than that – we are all curious about some things more than others, and we can become more curious about things as we learn more about them. This leads me to question whether we should be finding ways to encourage learners to take responsibility for their own learning and getting the most they can from it. In this way, learners would be encouraged to consider every learning experience as something to draw on. To mangle a famous quote "ask not what the L&D department can do for you but what you can do for yourself!" Making time for learning, embracing informal learning and encouraging opportunities to teach and learn from peers all help to foster a culture of learning in the workplace and a sound foundation for applying wide-ranging knowledge and information to problems and challenges that arise every day. After all, some of the best ideas and innovations occur in this way.

The case for curiosity in learning seems clear though – it is helpful, beneficial and the behaviours it invokes in us also seems to me to be valuable in the workplace as well as offering some benefit in daily life. Through questioning the value and relevance of the swathes of data and information across all media, we can be more discerning, take better decisions, make better choices and build our knowledge and understanding – and it seems also feel good about learning. **HR**

The challenges of global L&D

Organisations are demanding more and more from their learning functions, but is L&D up to the job? PENNY ASHER

Over the years, I have been part of organisations that have had centralised L&D, decentralised L&D, global L&D strategies, global and local delivery mechanisms, and all the combinations thereof. What strikes me is that none of them have ever seemed to work very well. Has L&D ever got to grips with global L&D, overcome the challenges, and realised the potential of the benefits on offer?

I am often reminded of the popularity of the 'glocal' concept which seemed at the time to encapsulate what we needed to do with L&D, and other functions within organisations, but which never seemed to deliver on its promise. So do the new 'realities' of organisations and workforces give us another chance to transform L&D?

Change is now a given for all of us. As organisations become truly global and their functions become more integrated across geographies, more and more organisations are demanding:

- Talent and workforce mobility
- Consistency in approach and capabilities
- Sharing of knowledge and information
- Learning for all (not just for senior managers and "talent"), irrespective of location
- Agility and quick responses to changing needs
- Efficient use of resources
- Reduced investment and enhanced commercial impact from L&D

These demands are made with the expectation that they will deliver an uplift in organisational performance, enhanced talent attraction and retention, as well as increased profitability.

If you combine this with the demands and expectations of the workforces of today, such as just-in-time and continuous learning, it is clear that L&D has a number of challenges to address and a major role to play in business performance.

In a recent survey of 200 senior L&D decision makers for The Open University Business School, only 20% said their businesses deliver consistent learning programmes across geographies, but:

- 62% see global/international learning programmes as the future
- 94% said they would be increasing their investment in international learning programmes over the next year – they see this as impacting people, profit and performance
- Over 50% believe that in-depth global learning programmes attract talent from across the world

As well as the above findings, our report on the challenges of global L&D, found that although there is demand for more global learning programmes, almost 50% feel that they don't have the capabilities to respond, and that a similar percentage don't have the right level of leadership support to make it happen. In addition, these leaders are struggling with outdated technology and complexity in their organisations.

So it seems, as our organisations and their workforces transform, our profession needs to do so too, if we haven't already started. The question is how? Does it mean revisiting the centralisation/decentralisation argument again? Does centralisation mean less flexibility and does it ultimately mean a lack of commitment from local unit L&D and businesses? Many of us have experienced the local resistance and lack of buy-in that so called global L&D and programmes can generate, with the response that you can achieve stoic acceptance to implementation under 'duress', or you receive the feedback that 'we could have done it better for less' given the chance.

However, I do hope that we can avoid being diverted on to those age old arguments which were relevant for a different time. Of course, there will always be some element of centralisation and decentralisation required, and the balance will vary across organisations dependent on complexity, scale and need. However, we should be able to address these challenges with different thinking and, as our organisations have done, better integration and collaboration.

Now what we need to be talking about is what I like to call a learning ecosystem – so it doesn't matter where the learning is driven from. Furthermore, it can be driven by multiple players from multiple locations. Of course to achieve that you need technology and infrastructure to deliver a consistent, well implemented social learning management system which enables access to, and curation of content. It supports user generated content from wherever you are, whether in an office somewhere, working remotely, or from home. It enables organisations to develop networks which leverage expertise from wherever it can be found to build skills and capabilities.

With the support of learning analytics, L&D can help engage, identify gaps, focus resources on specific areas of need, and support the more effective application of learning across the organisation. These systems can also support continuous learning – which the majority of leaders surveyed said was expected by most within their organisations. This allows a variety of learning, such as informal and formal, and user generated, to exist and be accessed. The role of L&D therefore becomes much more of curator, as well as 'regulator,' the latter being to ensure that the shared learning and information is valid and accurate. The current phenomenon of fake news provides a warning of what can go wrong.

To have such a living ecosystem, which can respond quickly to changes in context and needs, means that investment in technology is of course critical, but it is not the only answer. It can help drive a learning culture within organisations, but L&D has an important role to play in this as well. As organisations move towards much more of a pull than a push to learn mentality, this needs to be encouraged and supported at all levels. In addition, there still needs to be considerable thought given to a global skills curriculum, identification of where specific learning programmes are required, and the specification of whether they need to be delivered globally or locally, face-to-face, online or via the so-called blend. This needs a global strategy that all are bought into, and leverages cross-organisation capabilities and expertise. All of this will impact on the L&D capabilities required.

L&D enabled by the right technology, and with vision and leadership, is in a great place to deliver the sustainable learning ecosystem and corresponding performance uplift that we hoped that previous versions of the "glocal" L&D and organisation model promised. Of course organisations will be in different positions on the road to transformation (and some will be in the lucky position of not having to), but now seems to me to be the opportunity to deliver truly global L&D. **HR**


Penny Asher, director, executive education

Penny has a wealth of learning development and business experience and is responsible for Executive Education and Management Development. Previously, at Duke Corporate Education, she managed large private and public sector client accounts, predominantly in Europe, Middle East and Africa. As well as responsibility for the overall client relationship and commercials, her focus was on designing, developing and delivering global customised learning solutions. She also has general management, operations and project management expertise gained from experience in the financial services and consulting sectors.

Saving governance: Beyond the tick-box

Governance needs to be about more than a set of rules. But behaviour is not easy to change, writes SIMON LEE
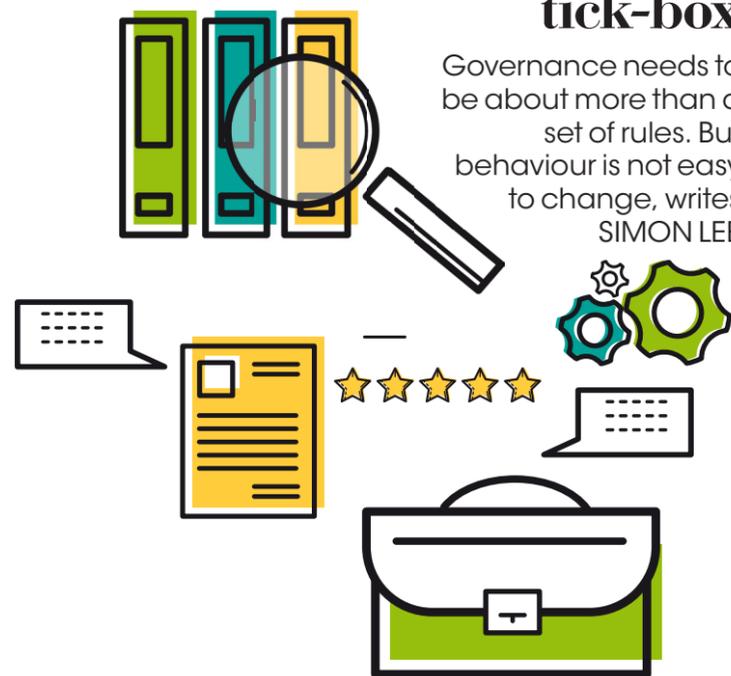
Two of the most trusted British businesses, and by-words for quality, have been Rolls Royce and the John Lewis/Waitrose group. But each has been in the news this year for governance failings; the former for bribery and corruption on a massive scale, the latter for mis-labelling New Zealand meat as British. These examples can therefore serve as illustrations of the governance challenges and opportunities for HR professionals.

If you are seeking a tick-box approach to governance, look away now. That mindset is the problem, not the solution. If the HR team thinks that a set of rules, a training session and a little video on the intranet or internet will deal with governance, it is time for a new HR team as well as a new perspective.

Talking of teams, there is a value in seeking analogies in sport. Professional sport has as many problems, if not more, as other industries, but because sport is so much in the public eye, it is often easier to appreciate and learn from its successes and failings than from our own workplaces. We can see in slow-motion replay footballers who pull shirts, footballers who dive as if they have been fouled, and people in a daze with concussion from heading the ball or tackling. We see through investigative journalism drug cheats in cycling and athletics, cricketers who take bribes to bowl no-balls or wides in betting scandals, abuse by coaches and unrepresentative governing bodies.

The natural assumption is that governance is for the referee or the umpire in a sport and that, by analogy, a business might have a governance unit or function with the responsibility of regulating others. In my opinion, however, good governance is a matter of encouraging every colleague to understand how the game looks if you are playing in goal. At my low level of five-a-side football, this actually happens: everyone takes a turn in goal. More positively, some of us enjoy playing in the position of goalkeeper. Sometimes, you make spectacular, or fortuitous, saves. Sometimes you can even turn defence into attack. You can in any event see the game unfold in front of you and encourage team-mates. That is the attitude needed for good governance.

A Rolls Royce model?

The *Daily Telegraph* explained Rolls Royce's bad practice in this way: "This corruption included failing to prevent bribery or using middlemen to offer bribes – including a Rolls-Royce Silver Spirit car – to win sales of civil and military aircraft engines and energy equipment, and covering up illegal business practices. Rolls indulged in these practices in Indonesia, Thailand, India, Russia, Nigeria, China and Malaysia, with the actions running from 1989 to 2013. Documents released by the US and Brazilian authorities showed the company also admitted corruption in Angola, Azerbaijan, Brazil, Kazakhstan and Iraq."

The Serious Fraud Office investigated a whistle-blower's allegations. In January, Rolls Royce agreed to £671 million of fines in a Deferred Prosecution Arrangement. The judge who sanctioned this, Brian Leveson, explained that if the case had proceeded to trial and Rolls Royce had been convicted of the undoubted offences, the whole business and many jobs would have been imperilled because, he said: "It is well known that many countries operate public sector procurement rules which would debar participation following conviction." That would have cost Rolls Royce between 15% and 30% of its £75 billion order book. His judgment sets out the full facts and is worth reading, not just as a sorry tale of how the company went wrong but also of a rescue story of how it was saved.

This is not to say that the new regime at Rolls has got everything right. In a recent seminar for Open University MBA alumni, we played the two-minute guide to ethics which was still available, unchanged, on the Rolls Royce website weeks after the ruling by Leveson. At the time of writing, it is still there.

I asked participants whether it should be:

● left as it is
● just taken down and not replaced
● revised for tone but without referring to their failures of governance and ethics
● revised significantly to refer to these mistakes

My redrafting would start: "At Rolls Royce, we make world-class engines. Sometimes, we make mistakes. But we continue to make world-class engines because we learn from mistakes. This is what we have learned from our recent experience …"

This was not a popular view. Whichever option you choose, there are some merits in the Rolls Royce thinking, the vision, behind their two-minute guide even if, like me, you find the tone unedifying. It could be easily, positively and memorably re-cast as a goalkeeper's view of the world. If you carry on giving away £670 million-worth of penalties, you are not going to qualify for the Champions League.

To end on a positive note, the new leadership of Rolls Royce saved the company through its 'extraordinary' cooperation with the authorities, as recognised by the Serious Fraud Office and Leveson: "Suffice to say that I entirely accept that Rolls-Royce could not have done more to address the issues that have now been exposed," he said. "I comment only that it is a real tragedy that it did not do so following the well-known observations of Kofi Annan, in the foreword to the 2004 UN Convention against Corruption which spoke about it as 'an insidious plague'."**HR**
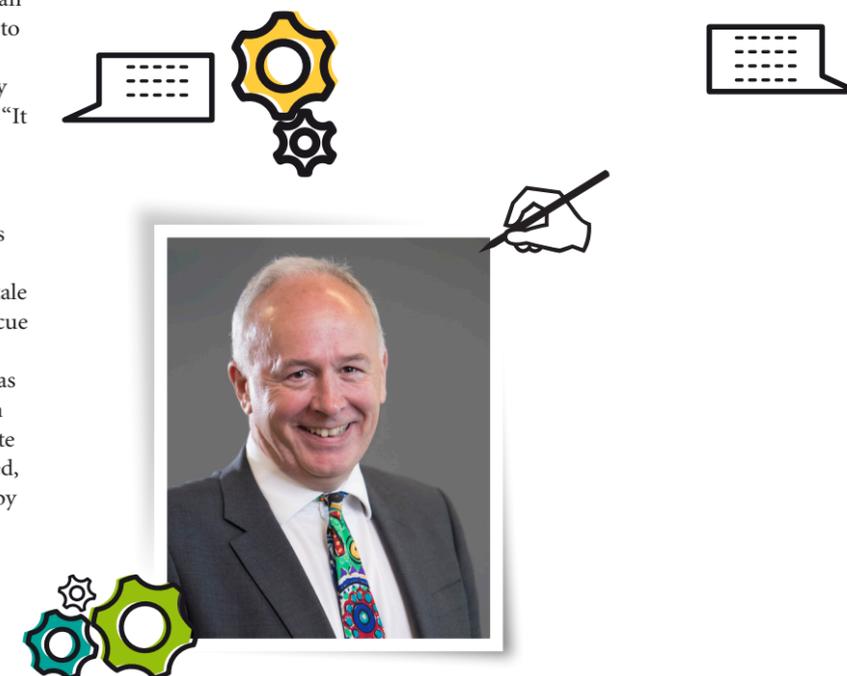
Simon Lee, professor of law and director of citizenship and governance research

As well as his appointments at The Open University Simon is a fellow of St Edmund's College, Cambridge, and emeritus professor of jurisprudence, Queen's University, Belfast. He was awarded honorary doctorates by Virginia Theological Seminary in 2011 and Liverpool Hope in January 2016.

His contributions to the peace process in Northern Ireland included being the co-founder of Initiative '92, which established the Opsahl Commission. He was appointed by different governments to the Standing Advisory Commission on Human Rights in Northern Ireland, to the Standards Task Force on schools, and to chair the Independent Monitoring Board for the Liverpool Education Authority.

Simon Lee writes about law, ethics, religion, politics, history and sport and has had a number of books published.

Do you really want a workforce of critical thinkers?

Is having a workforce full of critical thinkers an impossible dream – or a nightmare to be avoided?
ALEX WRIGHT
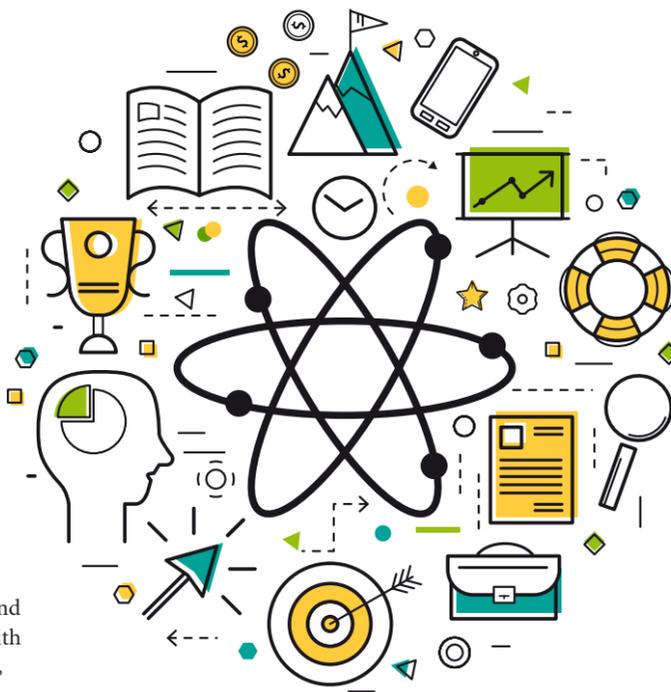
Most MBA programmes promise their prospective students that during their studies their capacity to think critically will be developed. In the UK, the Quality Assurance Association (the body charged with accrediting MBA degrees) stipulates that MBA graduates should be able to "think critically... [this means demonstrating] the capability to identify assumptions, evaluate statements in terms of evidence, detect false logic or reasoning, identify implicit values, define terms adequately and generalise appropriately." And yet, thinking critically is notoriously difficult for students to demonstrate and for employers to harness.

While you would be hard-pressed to find any academic who didn't think students developing their critical qualities is a key responsibility for business schools to develop, I'm not so sure the same can be said of employers and HR professionals. I have a suspicion that not all employers want their employees to be critical thinkers; or if they do, they do not want them to be critical thinkers all of the time.

The main reason why for some employers a staff body thinking critically about their work could be a nightmare rather than a dream relates to how we regard the term 'critical'.

Critical does not necessarily mean negative

While in common use, we tend to associate 'critical' solely with negative or dismissive intent, this is not how it is seen in academic circles. Critical in the way it is used in the phrase 'critical thinking' should not be exclusively associated with negativism. The origin of the word can be traced to the Greek *kritē̄s*, meaning 'judge,' which in turn produced kritikós: 'able to make judgements.' This came to be used as a noun ('one who makes judgements') which passed via the Latin criticus into English.

The *Shorter Oxford Eglish Dictionary* defines critical along the same lines, seeing it as 'given to judging' and the person who is criticising, the critic, as 'a person who pronounces judgement'. A judgement, of course, can take many forms and is neither inherently positive or negative.

The overwhelmingly negative way 'critical' is perceived is not consistent with either the origin of the word, or the current definition and yet it has taken hold and is a significant barrier to remove if critical thinking in our workplaces is to develop. Unfortunately, the stress on judgement serves us little better. In everyday interactions we are cautioned that we 'mustn't judge' as to do so is seen to be in some way disrespectful. However, if we associate critical thinking with the act of judging, which we need to do when we are engaged in decision making, for example, we can begin to frame critical thinking and criticality more generally in positive terms.

Critical thinking

Critical thinking, at one level then, is focused on improving judgement, which in turn can improve what and how decisions are made in an organisation. How is this achieved? It consists of seeing on just what type of assumptions, of familiar notions, of established and unexamined ways of thinking information is built upon. This means that productive critical thinkers are skilled at selecting data and analysing that data so that better decisions are made. This level of critical thinking, based on specific decision-making, will be quite easy for HR managers to accept and support, I suspect. But this is not the whole picture and is only part of the story. Once

staff have been encouraged to think critically it is difficult to stop thinking critically, so it will not just be specific decisions that will be critically engaged with; everyday interactions will also be the subject of critical scrutiny.

For most who develop the skills of critical thinking, it is not something that can be turned off and on; it becomes part of who they are. This can manifest in a number of ways. One way that can be hard to accommodate is a more critical appreciation of words and terms in common usage in organisations, but which are not universally accepted, although those that use them may act as if they are. These words have a rhetorical quality, they persuade and convince because they are associated with truth, and yet, they often are used inappropriately, when we are talking about interpretation and sense-making, not truth. Here are a few to consider:

- **Algorithm** – popular at the moment, used as a way of suggesting data has been created through some scientific process that is somehow unquestionable
- **Scientific** – often used in everyday use, when those that use it have little comprehension of what it actually means; but hey, it sounds authoritative
- **Evidence-based** – what is meant by evidence in this context, how is it collected, when, by whom, what are the assumptions that underpin its collection, what are the claims made for it? To claim an evidence-base is not in itself an assurance of truth, but is frequently used to assert one
- **Robust and rigorous** – (a personal favourite of mine)

often heard in the phrase 'robust data, rigorously analysed,' which seems to me very similar to the phrase 'data analysed,' but through adding the adjectives 'robust' and 'rigorous' it suddenly takes on greater authority and legitimacy and consequently becomes more difficult to challenge. A capacity to think critically among a group will make some things that are at the moment far too easy more difficult. I argue that this is a good thing. It should be made more difficult for organisations to peddle ideas and initiatives that do not bear close scrutiny. To do so might mean that senior managers concentrate more on their effective stewardship of organisations than on the latest fads and fashions.

What would it be like to work in an organisation where staff were encouraged to think critically about what they encounter? I have no data on this, but I have a feeling it could be a very rewarding place to work. At a practical level, I think such an organisation would become:

- Better at framing problems
- Better at solving problems
- Better at handling data
- Better at understanding evidence
- Better at reflecting in/on action
- Better at communicating
- Better at decision making
- Better at becoming more self-aware
- Better at enabling staff to experience greater job satisfaction

The above, of course, are not truths and I do not present them as such. They are what I feel a workforce of critical thinkers is capable of. All I need to do now is undertake some research on the issue.**HR**

Alex Wright, senior lecturer in strategic management and head of department of strategy and marketing

As an academic Alex has extensive experience of creating, managing and delivering postgraduate modules and awards. As a consultant he has worked at executive and departmental levels leading and facilitating organisations to achieve sustainable competitive advantage. He has provided consultancy and delivered educational programmes in the UK, Ireland, Hungary, Egypt and Thailand focusing on helping senior executives, managers and administrators understand and improve their managerial effectiveness. He has contributed to Oxford University's Templeton College's Executive Education programme.

His research interests lie in the areas of: strategising or strategy-as-practice, dynamic routines, scenario planning, narrative, sense-making, trust, actor-network theory, and research methodologies.

The learning proposition for Millennials

We now have at least four generations in the workplace, but do they really want different things from their development? MARIA STAFYLARAKIS

Generational differences and the impact in the workplace is a long-running, often contentious theme. In the academic press, one view is that generations are indeed diverse, each group with its own defining characteristics and expectations of the employment relationship. A second view considers employees as being quite generic in terms of what they want from their jobs but that variations depend on life and career stage. The popular press, in turn, has largely focused on difference, warning of a looming generation gap. A lack of empirical evidence, however, suggests that the latter may have been overstated.

Regardless of which side of the argument one falls on, the reality is that at least four generations make up the current workforce. Of these, Millennials (born in the early 80s to mid 90s) are increasingly occupying senior roles (1) and are expected to exceed a third of the global workforce by 2020 (2). From an HR/talent perspective, organisations seeking to engage and retain talent and develop future leaders while fostering cohesion in the workplace should at least consider the possibility of a generational variable, particularly in relation to Millennials as future leaders of organisations and the soon to be largest demographic segment in the workforce. Within this discourse, a key theme concerns the evolution of the learning landscape. Has it evolved sufficiently and at pace to meet the needs of a multi-generational workforce and more specifically, Millennials? Are future leaders being suitably developed? Are Millennials distinctive in their learning needs to begin with?

ManPower Group's recent survey of 19,000 working Millennials across 25 countries has yielded interesting findings. Of those surveyed, 93% identify ongoing skills development as important to their future careers; 80% rate the opportunity to learn new skills as a primary factor in considering a new job; while 93% want lifelong learning and would spend their own time and resources on further training. Although full-time work is preferred, more than 50% are open to a varied career path in the future from self-employment to portfolio careers with multiple jobs. Respondents further report a desire for work/life balance, with 84% anticipating taking more career breaks along the way. Recognition and affirmation is also important, with 50% stating that they would consider leaving their jobs due to a lack of appreciation.

Deloitte's latest Millennial survey of 7,700 tertiary-educated, full-time employees from 29 countries provides similar evidence of portfolio careers and an emphasis on employee growth and development. However, it is the implications for leadership development that are of particular interest in this study. The survey reports that only 28% of Millennials feel that they are being fully utilised in terms of their skill sets. Although leadership is a prized skill or attribute, it is thought to be poorly developed upon graduation and that businesses are not doing enough to fill the gap. Almost two-thirds (63%) of respondents, for example, say their leadership skills are not being fully developed, while 71% of those likely to leave their organisations in the next two years are similarly dissatisfied with how their leadership skills are being developed. Millennials also prefer to work in organisations whose values match their own, with 56% ruling out ever working for an organisation over its values or standards of conduct.

So what implications can be drawn from the above and how can organisations respond? Although worrying, the leadership gap identified in the Deloitte study also presents an opportunity for oganisations with robust and 'equitable' people and leadership development practices to attract and retain top talent among value conscious Millennials. Certainly, widening leadership development across the organisational base can help identify and build individual leadership capability as well as the collective leadership capacity in the organisation. Although the risk of losing talent remains, investing in developing leadership skills early on engenders loyalty and strengthens the possibility of reattracting employees at a later stage in their careers, while also mitigating against the unhappiness Millennials feel over how they are currently being developed.

Employability over the long haul is another central theme running through the above findings. To that effect, Millennials want to be able to develop and adapt skill sets quickly and flexibly, fitting learning around work and life demands. As portfolio careerists, they value personalised learning that gives them the right knowledge and skills for the right purpose at the right time. This suggests a preference for accessible, informal learning strategies over lengthy, formal development programmes. Organisations that successfully weave learning into the fabric of daily work can leverage incidental learning and provide opportunities to share, explore and experiment with new skills and behaviours. Job rotations, stretch assignments with regular feedback and coaching and mentoring by senior colleagues, for example, can help build new skills and simultaneously satisfy the need for recognition and affirmation by enabling employees to expand their networks and raise their profiles in the organisation.

We also know that the use of technology appeals to this tech savvy generation. For global organisations with geographically dispersed employees, the reach and scalability of online learning solutions helps build a common skill base and platform of understanding. Furthermore, a carefully constructed digital learning strategy that is integrated with the wider L&D strategy moves learning beyond the boundaries of traditional approaches, placing it firmly in the hands of employees. Access to relevant, bite-sized, just-in-time learning through various channels, such as, YouTube, iTunes U and TED talks which can easily be shared on mobile devices and distributed via social channels like Facebook or Twitter, enable both personalised and collaborative learning. Additional possibilities include access to free MOOCs from credible sources, provision of generic or tailored online learning courses with topical and job-centric content, asynchronous computer mediated conferencing, gaming, augmented reality, and so on.

Reflecting on the above, I am struck by a feeling of déjà vu. Though emphasis and priorities may differ, the concerns of Millennials do not seem all that dissimilar to those of my generation (Generation X) and the many learners and colleagues I have worked with across age groups, seniority levels and cultures. Nor are the ideas I've outlined really new. What has changed dramatically is context and the transformative effects of technology on the way we learn, live and work. The world is faster paced. But we are all exposed to the same technological advances and experience the same work pressures. What works for Millennials, therefore, will work for the rest of the workforce too.

The message then is this: even though we may have more similarities than differences, organisations still need to reconsider and diversify the learning proposition in creative and thoughtfully integrated ways to keep pace with and embrace technological shifts, appeal to the next generation of leaders and widen opportunities for learning across generations. L&D functions that have done so already are ahead of the curve. For some though, this requires overhauling clunky learning management systems, outdated provision and learning methodologies, and rethinking how best to invest the L&D budget for greater value and impact. **HR**

Maria Stafylarakis, former senior lecturer, management development, executive education

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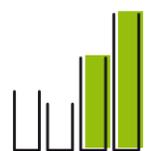
What is HR's role in ethics?

Multiple pressures can lead to undesirable business behaviour, so what can HR do to ensure companies remain ethical? FIONA HARRIS

Companies and staff today are experiencing an array of pressures that create conditions for potential ethical dilemmas and conflicts.

Economic pressure combined with increased internal and external competition mean that many people are striving to achieve more with fewer resources and reduced funding. Political upheaval and uncertainty are increasing anxieties around job security and staffing. The accelerating pace of technology advancements are changing skills requirements, interaction patterns and power dynamics. Social factors mean that workers struggle to manage a healthy lifestyle and work/life balance in the face of competing demands from career commitments, childcare responsibilities and overlapping care for elderly parents. Increasing globalisation requires greater cultural sensitivity in business activities and among international workforces. Legislative and ethical changes in areas such as data protection and privacy have created new responsibilities for organisations and staff, but upholding these responsibilities is coming under threat from risks such as hacking. Environmental pressures, including the need to respond to climate change, minimise pollution and waste and protect biodiversity, are often seen as conflicting with economic pressures and entrenched human behaviours.

Some of the reasons that have been identified for why ethical conflicts occur in marketing apply to business in general, such as inequalities between exchange partners, attempts to reduce competition and conflicting pressures resulting from attempting to satisfy a variety of stakeholder interests and performance demands. Hence the conditions are ripe for ethical problems arising in business more widely.

The spectrum of potential ethical issues that companies can confront is illustrated in the large variety of international cases that occur. Examples of cases of ethical issues in Murphy et al.'s (2017) book *Ethics in Marketing: International Cases and Perspectives* span a variety of global contexts and organisational roles and perspectives including: being asked to gain and share sensitive information by personal contacts; honesty and fairness in expense claims; gift giving in relation to supplier relations; dealing fairly with disadvantaged consumers in global marketing; sexual harassment; privacy and personal data; resolving conflicts of interest and divided loyalties; peer pressure in personal selling; consideration of a company's values and ethical track record by potential job applicants; and the undermining of a company's positioning and credibility by ethical malpractice.

While ethical issues arising in high profile companies such as Starbucks, Zara, Facebook and FIFA attract wide media attention, ethical issues can be just as potentially damaging in small- and medium-sized enterprises and non-profit organisations. In today's connected, globalised business context all organisations can find themselves at risk of reputational damage and of having detrimental reports spread widely through social media channels to multiple audiences.

HR managers' role in the ethical conduct within an organisation can feed in at various points:
● in the nurturing of an ethical organisational culture;
● in the recruitment of staff who will set the ethical tone of the organisation and uphold its values and ethical climate;
● in the resolution of ethical conflict when it occurs; and
● in dealing with the aftermath of an ethical conflict.

The first two of these can help to minimise the likelihood of ethical problems occurring in the first place. Ethical conflict, once it has arisen, presents a number of challenges; it can give rise to distortion of the facts to protect vested interests by the parties concerned, avoidance of involvement by witnesses for fear of reprisals or jeopardising their own relationships with one or more parties, and abuse of power in the outcomes of the conflict. HR managers can help to ensure that organisations operate with due concern for fairness, integrity and justice both to reduce the likelihood of ethical conflicts arising and in dealing with them in the event that they do. Ethically unhealthy organisations will likely lose good staff and encourage a detrimental zero-sum mentality rather than a win-win one.

In handling ethical problems HR managers need to appreciate the complexities involved, avoid escalation of the issue and protect against the emotional and reputational impact that can result from them. It is also increasingly important for HR managers to develop a global perspective on ethical issues.

Moral maxims can provide some initial guidance to managers confronting an ethical dilemma on the spot. These include: the 'Golden Rule' (act as you would wish others to act toward you); the 'Silver Rule' (never knowingly do harm); the 'professional ethic' (act only as would be considered proper by an objective panel of your professional colleagues); the 'TV/newspaper/social media test' (ask whether you would feel comfortable explaining your action in some type of media); 'When in doubt, don't' (question an action about which you feel uneasy); 'Kid/mother/founder on your shoulder' (ask whether you could explain your action to them); the 'slippery slope' (do not engage in ethically questionable actions that could set a precedent for subsequently engaging in even more questionable actions); 'examining how results are achieved' (consider the means rather than the ends of an action); and 'ethics is others' (always consider others when making decisions) (Murphy et al., 2017).

Furthermore, HR managers can benefit from refining their ethical reasoning skills and using systematic analysis to enhance their ethical judgement. Professors Patrick E. Murphy and Gene R. Laczniak, leading authorities on marketing ethics, devised a seven step process for systematic analysis of any ethical problem or situation by applying an ethical protocol for specification of an ethical issue and ethical reasoning to reach a confident ethical judgement. The process starts with cultivating ethical awareness and sensitivity (Step 1) and then proceeds to identifying the ethical issues or questions (Step 2), articulating the stakeholders in the decision (Step 3), selecting an ethical theory or standards (Step 4), specifying alternatives and ethical analysis (Step 5), making and justifying a decision (Step 6) and finally monitoring the decision's outcomes (Step 7).

The seven step process can be applied to a range of cases and can help prepare HR managers to cope when they are called on to either intervene in or deal with the fall-out from serious ethical problems. **HR**

Fiona Harris, senior lecturer in management

Fiona works in the Department for Strategy and Marketing and is deputy director of ISM-Open. Prior to joining The Open University. She held research posts at Loughborough University, the Defence Research Agency and Xerox Research Centre Europe, conducting research in a variety of areas of applied psychology, including advanced in-vehicle systems, a range of future aircraft cockpit displays and human-computer interaction.

Fiona's current research interests mainly concern ethical marketing practice and the application of marketing principles and techniques to improve health and social wellbeing. She has conducted and contributed to a range of research in social marketing and behaviour change, which includes the use of positive affect in message framing to support smoking cessation, the impact of marketing and branding on adolescent drinking and interventions to encourage sustainable clothing behaviour. Her research also draws on her background in applied psychology and doctoral research on brand management.

A better way of doing business:
Why it's time to revisit John Lewis

With poor governance hitting the headlines, it's worth revisiting the John Lewis Partnership for a case study of a different way of doing things

There have been many analyses suggesting that something has gone badly wrong with the conventional way of business. Periodic crises, ethical failures, dishonesty and manipulation, extreme disparities in rewards, hollowing-out followed by corporate collapse… These problems seem to have become endemic. The system itself has become self-defeating and unstable even in its own terms of pursuit of shareholder value. Malpractice sets the scene for a race to the bottom.

It is against this back drop that the John Lewis case merits another close look. The John Lewis Partnership (JLP) has two main operating businesses: Waitrose supermarkets and the John Lewis Department Stores. It has features which offer alternatives to the current conventional model. It has shown itself to be sustainable over the long term. It offers better than average employment to more than 90,000 people. In place of the short-termism demanded by shareholder capitalism it can afford to take a longer-term view as it is employee-owned and uses its own resources and borrowing for investment purposes. It has a written constitution which sets boundaries and rules.

There are additional features also. It has a strong ethical base as originally set out by its founder in the 1930s and whose legacy of principles is regularly revisited and refreshed. It retains, and invests in, a strong democratic infrastructure with partner (employee) representation at all levels of the business – from shop floor to boardroom. It has a highly unusual, and openly declared, 'ultimate purpose': the 'happiness of all its members through worthwhile and satisfying employment' within the framework of a 'successful business'. And in so many ways the John Lewis Partnership can indeed be shown to be successful.

So, is this the alternative model others should follow? If so, how can they emulate it? Everyday enactment of the underlying principles is not straightforward. There were times when the model did not deliver in the way it has over the past couple of decades. The model does not automatically deliver the goods. The fascinating heart of the story is how managers and partners jointly steer a path which balances a number of key dilemmas.

The elements of JLP as described above are all ongoing features of the way the partnership operates. What was of special interest to us as we engaged with this organisation over a long period, first as advisors and then as independent researchers, was how these principles were translated and acted upon when confronting challenges of a day-to-day operational nature, and challenges of a strategic-choice nature.

Operational challenges included detailed matters such as how to respond to customer complaints, how to handle relationships with suppliers, how to handle employee issues of a disciplinary nature and how to handle redundancy. Strategic challenges included how to convince a membership organisation that there was a case for growth. How to convince the same membership base that a focus on investing for the future might need to counterbalance natural desires for immediate returns? There were other strategic dilemmas: how could outsourcing be justified in a partnership organisation? Would the outsourced functions be staffed by partners? If not, might the partnership turn into just another employer?

Arguably one of the most crucial questions when researching (and managing) this alternative model was: on what basis would it (and should it) seek to measure itself? Should it take the metrics used by its foremost competitors – Marks & Spencer, Debenhams, Next, House of Fraser, Tesco, Amazon? Or should it devise its own measures commensurate to its own distinctive purposes?

This question turned out to be crucial. Realising the force of the adage 'what gets measured gets done', there was conflict on this crucial question. One stance was to argue that if the JLP model is indeed 'better' then it ought to easily meet and surpass competitor results (revenue, ROI etc). Another view was that this sameness of measure risked a distortion of purpose. Being true to distinctive principles might mean being brave enough to adopt different measures of success – this might conceivably include accepting a lower rate of profit.

In practice, the JLP revealed its best self by seeking to balance all of these. There were healthy debates about accepting the stretch targets set by their leading competitors while also offset by acceptance of the merits and value of an alternative, distinctive, approach. Both value-sets were in play, neither was allowed to be vanquished completely.

The lessons extend beyond this organisation and indeed beyond employee-owned businesses in general. Anyone striving to make sense of the multiple objectives of commercial survival and ethical behaviour can learn more from the actual practices as described in the book than from the abstract general principles. The devil is in the detail of realisation and delivery. But these everyday practices also need to be underpinned by structural arrangements which lean in favour of patient capital. **HR**

John Storey, professor of human resource management
Graeme Salaman, Emeritus professor. Their book *A Better Way of Doing Business? Lessons from the John Lewis Partnership*, is published by Oxford University Press (2016).

Closing the skills gap – the recurring challenge

Britain suffers from stubborn skills shortages, which Brexit will only make worse. So how can business, education and government work together to solve things? ANDREW LINDRIDGE

Brexit. One word, one term and so many implications. Regardless of whether you voted to leave or remain, both sides laid claim to the pressing issue of improving Britain's international competitiveness. Central to our increased competitiveness is developing a workforce that is not only flexible in its capabilities but one that is highly skilled in developing those capabilities. Yet for the past one hundred years, Britain's recurring skills shortage has hindered this country's international competitiveness.

In a government report entitled 'Fixing the foundations: Creating a more prosperous nation' (2015), Britain's national skills shortage was described as "of such long standing and such intractability that only the most radical actions can redress them". Furthermore, our skills gap is increasing when compared to competitor nations. For example in a 2015 report, the Organisation for Economic Cooperation and Development compared twenty-three countries and noted that English teenagers had the lowest literacy and were second from the lowest in terms of numerical skills. In a separate 2015 report, The UK Commission on Employment and Skills noted that even when potential employees were educated to university level, they often failed to have the key skills required by employers.

Previously, British industry has been able to address this skills shortage through employing skilled foreign labour, chiefly from the European Union, which brings us back to Brexit. Without knowing how Brexit will affect British employers' ability to recruit from Europe, attention has now focused on how Britain should address its skill shortage. Indeed, at the time of writing this article Michael Wilshaw, the head of Ofsted, had publicly condemned Theresa May's decision to reintroduce grammar schools instead calling for technical subjects to be taught in schools and the establishment of new technology colleges for 14- to 19-year-olds. This would be a new learning approach ensuring Britain has the necessary skills to support its post-Brexit economy.

What are these skills that employers want and are currently holding back Britain's competitiveness in a post-Brexit world? A review of various reports identifies employers want their employees to have a range of skills, including: communication, team working and commercial awareness.

Currently the British government and British universities are attempting to address this skills shortage. The soon to be launched apprenticeship degrees aim to address it through practical on the job training and learning. Indeed, The Open University has collaborated with the Chartered Management Institute to deliver a management orientated apprenticeship degree. Central to the success of apprenticeship degrees is British organisations supporting and encouraging their employees to participate and complete these degrees. How then should employees motivate their employees to commit themselves to undertaking and completing an apprenticeship degree or any form of training and learning, regardless of whether it's skills based or otherwise?

The answer lies in creating within the employee a sense of value. Creating a sense of value has been a central tenet of marketing for as long as marketing has existed. Value is what gets us to repeatedly purchase certain brands. Yet the importance of value to organisations goes well beyond the boundaries of marketing. We can define value as the satisfaction individuals experience when purchasing or engaging with goods or services relative to what they must give up to receive them. An employee's motivation to undergo any training or learning is based on the sense of value they experience. Therefore, the greater the employee's perceived value of undertaking training, the more motivated they will be to successfully complete that training.

Creating a sense of value within training and learning requires employees to feel that the total benefits of undertaking it exceed the total costs incurred. The greater the total benefits exceed the total costs, the greater the value of the training and learning is to the employee.

What then constitutes training and learning costs? These will vary both in difference and importance for each employee. For example, costs incurred by an employee in engaging with training may include but not be limited to: psychological costs (will the training cause the employee to feel unhappy or challenge their existing knowledge?), energy cost (if the employee feels exhausted from undertaking their job will this training add to their feeling of exhaustion?), and time cost (will the training be undertaken outside of their regular working hours?). Finally, what is the financial cost of undertaking the training and learning to the employee? The greater the costs, the greater the perceived benefit to the employee needs to be.

Employers can create benefit for employees undertaking training through a number of ways. First, employees are motivated by their need to improve their self-image, as well as how others perceive them. Any training perceived by the employee as improving or enhancing their self-image within the organisation will be seen as a benefit. Second, if the employee perceives their training as having a personal benefit to them, this will increase their motivation to undertake the training. For example, if a learning outcome of training is assertiveness then this may benefit the employee in their personal life as well. Third, who provides and delivers the training will affect the employee's perception of the benefits they will gain. Consider a training course being delivered by the employer versus the employer using an external provider. For most employees the perception of an external provider of training may infer greater cost to the employer suggesting a greater level of importance. Consequently, the employee may perceive greater benefit in undertaking the training. Finally, what is the benefit to the employee to undertaking the training? Will it lead to promotion, career development or salary increase?

Britain's post-Brexit future as an internationally competitive country partially depends on training and delivering a highly skilled workforce. If employers can recognise and emphasise to employees the value of undertaking training and learning, then Britain will take a positive step forward into a brave new world. **HR**

Andrew Lindridge, former senior lecturer in marketing

Andrew joined The Open University Business School in 2006 and left in 2016, and was involved in the school's undergraduate and MBA degree programmes.

Andrew's research focused on the areas of consumer behaviour and social marketing, in particular the culture, discrimination, ethnicity, migration and poverty, and how they manifest through differing aspects of consumption and marketing. His research interests continued to investigate culture and consumption related issues and have included research on black identity among Afro-Caribbean youths living in Britain; wedding dowries in India as a medium for culturally-laden conspicuous consumption; plastic surgery and consumption of the body as a metaphor for modernisation in China; and the role of consumption in culturally marginalised South Asian Muslim and Sikh communities in the UK. His research then began to question the implications of peoples' socio-economic exclusion from consumption and its effect on societal cohesion.

Private and not-for-profit organisations can learn from public sector leadership

We live in a global culture that often praises the private sector and complains about public leadership. But dig deeper and the origins of much leadership theory and practice lie in the actions of those who lead on behalf of the public, says JEAN HARTLEY

Public leadership has always been an important source of ideas and practices for all sectors, whether private, voluntary, public or hybrid. This may seem a little surprising when we live in a global culture which often praises private sector leadership and complains about public leadership, but dig a little deeper and the origins of much current leadership theory and practice lie in the actions of those who aim or claim to lead on behalf of the public interest.

Classical Greek scholars, including Plato and Aristotle, thought hard about how city states should and could be led and how to develop those in charge, and Machiavelli advised on leadership development for Italian princes. In the 20th century, ideas about leadership surged forward on the basis of studies in the military. In the 1970s and onwards, the huge interest in transformational and transactional leadership originally derived from McGregor Burns' study of elected politicians. Distributed leadership was first noticed and analysed in school settings.

So, what is happening in public leadership now which might be of interest to leaders everywhere and to HR managers who are tasked with finding or developing them? I have spent several months distilling the latest thinking on the subject, in part based on my own research, for a professional development project designed to help those who are in (or about to be in) public leadership roles.

What is public leadership?
Is it any different from other types of leadership? There are, of course, myriad definitions of leadership, but for now I want to define the generic concept as being concerned with "mobilising the attention, resources and practices of others towards particular goals, values or outcomes". Public leadership is exercised by those who act on behalf of the public. It includes elected and appointed politicians, at local, devolved, national or international level; it includes professionals and public servants working in a leadership role, whether a ward nurse, a police officer, a chief executive of a local authority, or an environmental health professional; and it includes those who are active in public life who seek to mobilise change in governance and public services – advocates, campaigners, community leaders. These three groups each can contribute to shaping and changing public spaces, public debates and government and public services for good or ill.

So, for public leaders, attention has to be paid not just to leadership inside an organisation (a focus of much though not all private sector leadership research), but leadership beyond the organisation, working with partners, the public (or publics) and assessing the impact of their decisions and actions on the public sphere.

What is valuable for the public sphere?
In our recent work, we draw on leading-edge ideas about public value and interview its key thinkers. Developed by Mark Moore and John Benington, public value goes beyond the public interest because it recognises that there may not be a single public interest but a set of conflicting views and values from different stakeholders about what is valuable for society. Leaders are encouraged to make decisions based not only on what the public value (and are prepared to prioritise) but also what adds value to the public sphere. This alerts leaders to think about activities, and also outputs and outcomes. For example, in policing leadership, an emphasis on preventing (not just acting on) crime, increasing public confidence, and supporting a democratic society are important. In schools, creating confident life-long learners is an important public goal which goes beyond counting GCSE results.

How does public value change leadership enactment?
A public value perspective encourages public leaders to exercise leadership not only with authority but also with legitimacy. On occasions this may involve leadership beyond authority (line management over subordinates), working in partnership with other agencies or the public. This requires a careful reading of the context and what is to be achieved. An example of this comes from our recent research on the police. Police officers are widely known for their "command and control" skills in leadership, but an interview with a chief constable illustrated a much more nuanced approach. Sometimes the use of leadership hierarchy is important, (e.g. in particular crises or public order situations), but at other times, leadership may be distributed across a team, and at other times, networked leadership involves trying to influence those who are themselves of similar or higher status where leadership legitimacy not just authority is particularly valuable. So 'reading' the context and thinking about public value are valuable leadership skills, along with having a repertoire of leadership behaviours.

Leadership lessons from politics
I mentioned elected politicians earlier in this article, and it might seem counter-intuitive to try to learn about leadership from elected politicians. From research I have undertaken, we can learn from the more effective politicians' understanding of and action about working with diverse interests in society, with the many and various publics that they encounter. If they exercise leadership well (there are some very good examples) they take account not only of those who voted for them, or those who agree with them, but try to build coalitions across varied groups and interests to achieve outcomes. They know that complete consensus is unlikely or impossible, but they aim to make decisions where people will accept the decision as being fair or at least fairly arrived at.

These ideas have been adapted for a different setting – understanding the value of political astuteness for public servants, whether working, for example, in health, policing, transport or government. Research I undertook with colleagues in the UK, Australia and New Zealand, showed the value of political astuteness in their work (and my UK work also included leaders in private and voluntary sectors). Sometimes called 'political savvy' or 'political nous' or having 'political antennae', political astuteness is a set of skills, knowledge and judgements about the interests, goals and values of stakeholders and how to exercise leadership in ways which take account of diverse and competing interests among stakeholders.

Traditionally, leadership studies had assumed commonality of goals among leaders and those they are trying to influence. But the research on political astuteness shows that understanding and working with difference to try to construct coalitions to get things done for the organisation is seen as valuable, particularly by more senior leaders. The research identified five key dimensions of skill which leaders use to create social and organisational outcomes: personal skills; interpersonal skills; reading people and situations; building alignment and alliances; and strategic direction and scanning. The research also showed that politically astute leadership behaviours have to be ethical and for public servants they must not be party political.

This article is centred on the work of those in public leadership, but don't be fooled – the content is relevant across all industries and sectors. The issues are present in all sectors. Private firms working on corporate social responsibility may be interested in issues about the public sphere. Voluntary and private organisations working with public services need to understand what makes them tick. There is plenty here for everyone. **HR**

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She researches and teaches in the field of public leadership and management and over two decades this research, teaching and development work has shaped thinking and ideas in the field, for example the value and use of leadership with political astuteness for public servants, the interplay between political and managerial leadership, the evaluation of leadership development, and leadership in healthcare and in local government.

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