

The role of HRM/ human capital management standards in building back better

Wilson Wong & Heather Bond

17th November 2020

Poll #1: Thought experiment

Planet A



Planet B



What is human capital?

“Human capital connotes the view that people contribute far more than their labour to the organization. People are important sources of value through their individuality, their skills, ideas and networks.”

HUMAN CAPITAL MANAGEMENT STANDARDS

A complete guide

How does your brain work?

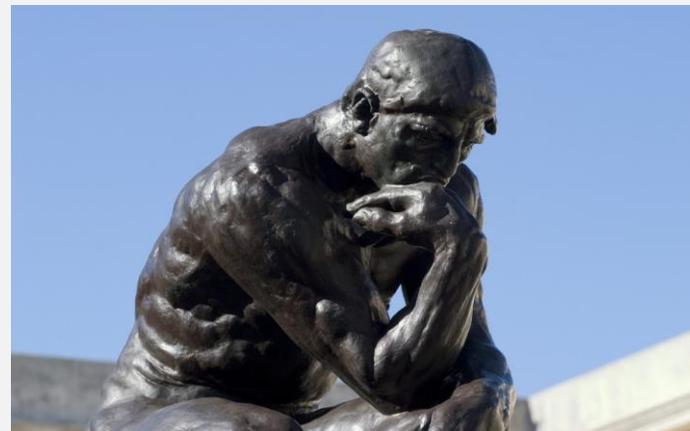
SYSTEM 1

- Fast
- Intuitive/ associative
- Heuristic/ biases
- Affective/ emotional



SYSTEM 2

- Contemplative
- Slow
- Deliberate
- Rational



How does your brain work?

- SYSTEM 1

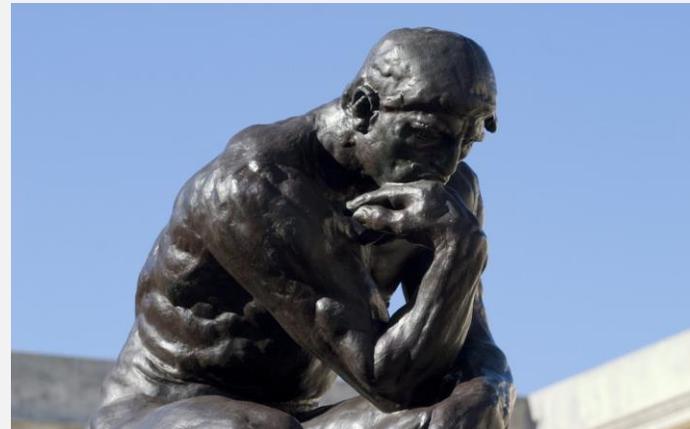
dominant

- Fast
- Intuitive/ associative
- Heuristic/ biases
- Affective/ emotional



- SYSTEM 2

- Contemplative
- Slow
- Deliberate
- Rational



Evidence-based management & marginal gain

Systematically searching for and retrieving the evidence

Appraising

Critically judging the trustworthiness and relevance of the evidence

Aggregating



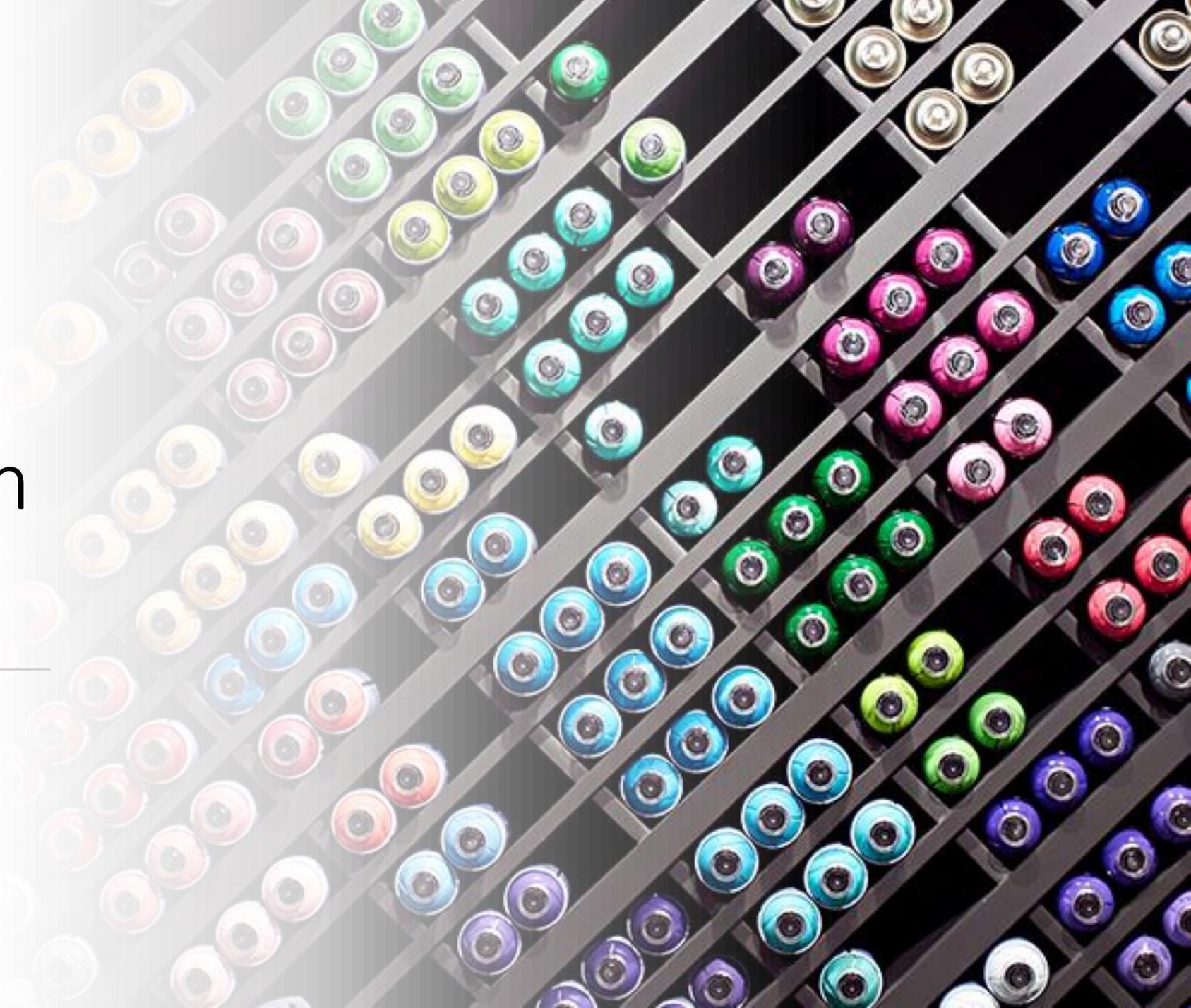
DANGER

ASSUMPTION

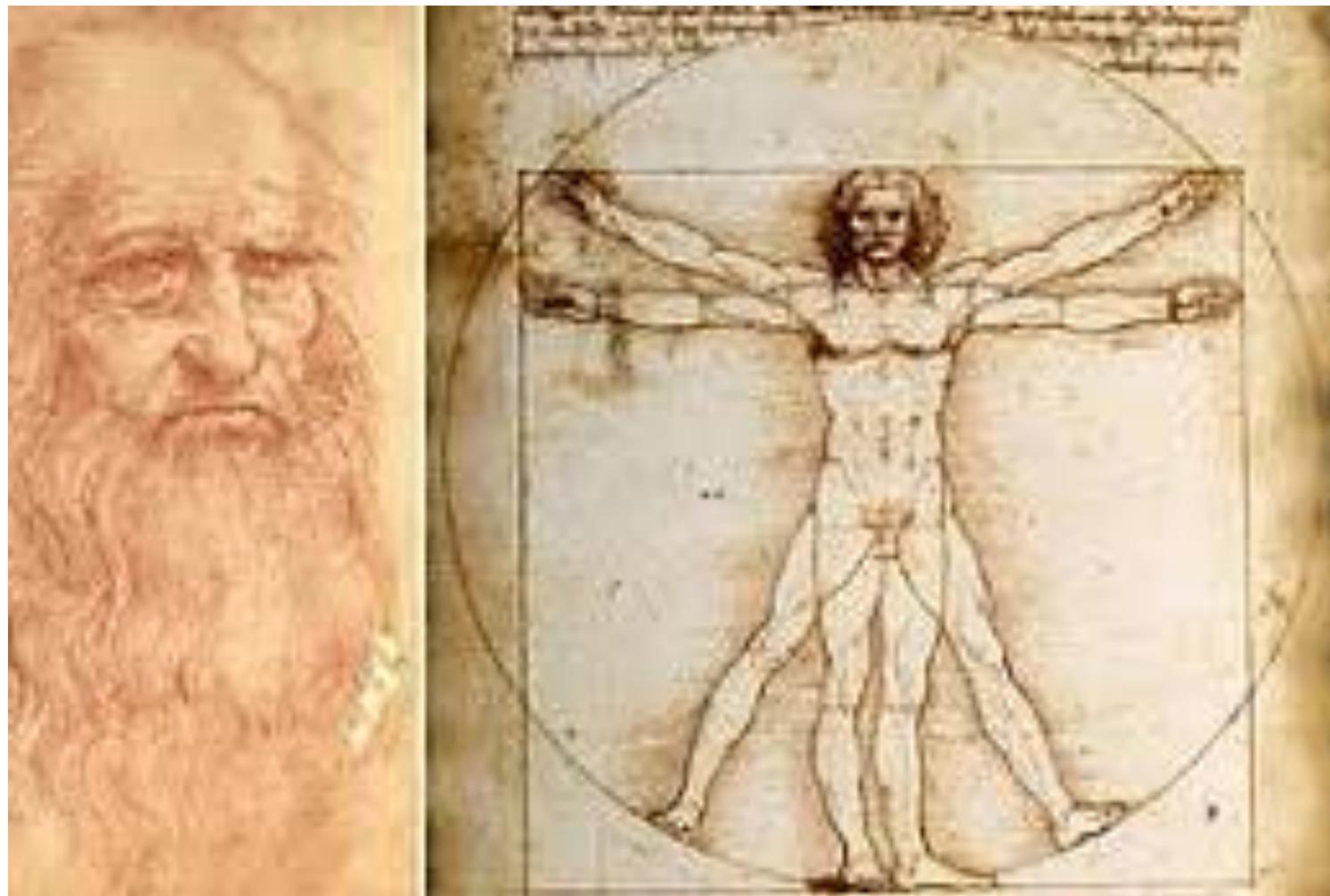
Solutioneering is the term used to describe the act of working up a solution prior to really understanding the problem that solution is set to solve.



The standards
and
standardization
proposition



Vitruvian
man



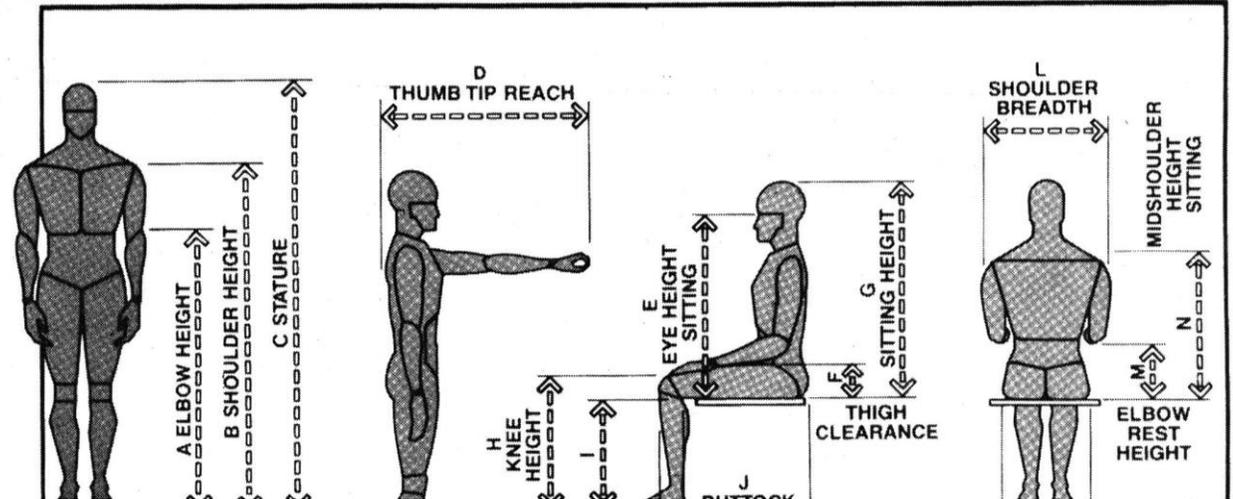
anthropometry

- Study of human measurement
- Way the body moves and interacts in space
- Average dimensions of a man
- Necessary for the industrial era of mass production and standardisation
- Applied to our built reality: height of countertops; size of airline seats; depth of stairs; clothing

PROJECTED 1985 BODY DIMENSIONS



		Adult Male and Female Projected 1985 Body Dimensions in Inches and Centimeters by Sex and Selected Percentiles															
		Weight		A		B		C		D		E		F		G	
		lb	kg	in	cm	in	cm	in	cm	in	cm	in	cm	in	cm	in	cm
95	MEN	215.4	97.7	47.6	120.9	61.3	155.7	74.3	188.6	34.4	87.4	34.1	86.5	7.5	19.1	39.0	99.0
	WOMEN	165.1	74.9	42.8*	108.7	55.7	141.4	68.0	172.8	31.7	80.6	31.3	79.6	5.9	14.9	36.0	91.5
5	MEN	143.7	65.2	41.5	105.5	53.7	136.5	66.2	168.2	29.3	74.3	30.1	76.4	5.7	14.5	34.8	88.5
	WOMEN	104.5	47.4	38.0*	96.5	48.4	122.9	60.0	152.3	26.7	67.7	27.4	69.5	4.1	10.4	32.0	81.2
		H		I		J		K		L		M		N		O	
		in	cm	in	cm	in	cm	in	cm	in	cm	in	cm	in	cm	in	cm
95	MEN	23.7	60.3	18.8	47.8	21.7	55.1	25.7	65.4	20.8	52.9	11.7	29.7	27.4	69.6	16.6	42.2
	WOMEN	21.4*	54.3	17.4	44.2	20.7	52.7	24.4	62.0	18.4	46.8	10.7	27.1	24.8	63.1	16.4	41.6
5	MEN	20.5	52.1	15.9	40.4	18.3	46.4	22.2	56.4	17.5	44.4	8.3	21.0	23.9	60.6	13.5	34.4
	WOMEN	18.4*	46.7	14.9	37.8	17.2	43.7	21.0	53.3	15.2	38.6	7.6	19.2	21.3	54.2	13.9	35.4



Common characteristics of all standards

- Are nested inside one another
- Are distributed unevenly across the sociological landscape
- Are relative to communities of practice, i.e. one person's perfect fit is another's nightmare
- Are increasingly linked to and integrated with one another across many organisations, nations and technical systems
- Codify, embody, or proscribe ethics and values, often with great consequences for individuals (for e.g. standardised testing in schools)

BS76000 Human resource – Valuing people - Management system – Requirements and guidance

BS76000
Supporting Standards:

BS76005
Diversity & Inclusion

PD 76006
Learning & Development

PAS 3002 & ISO45001
Health, safety & well-being

BS76000:2015

- Valuing People Standards

Core Principles and Values:

- People working on behalf of the organization have intrinsic value, in addition to their protections under the law or in regulation, which needs to be respected
- Stakeholders and their interests are integral to the best interests of the organization
- Every organization is part of wider society and has a responsibility to respect its social contract as a corporate citizen and operate in a manner that is sustainable
- A commitment to valuing people who work on behalf of the organization and to meeting the requirements of the standard is made and supported at the highest level
- Each principle is of equal importance

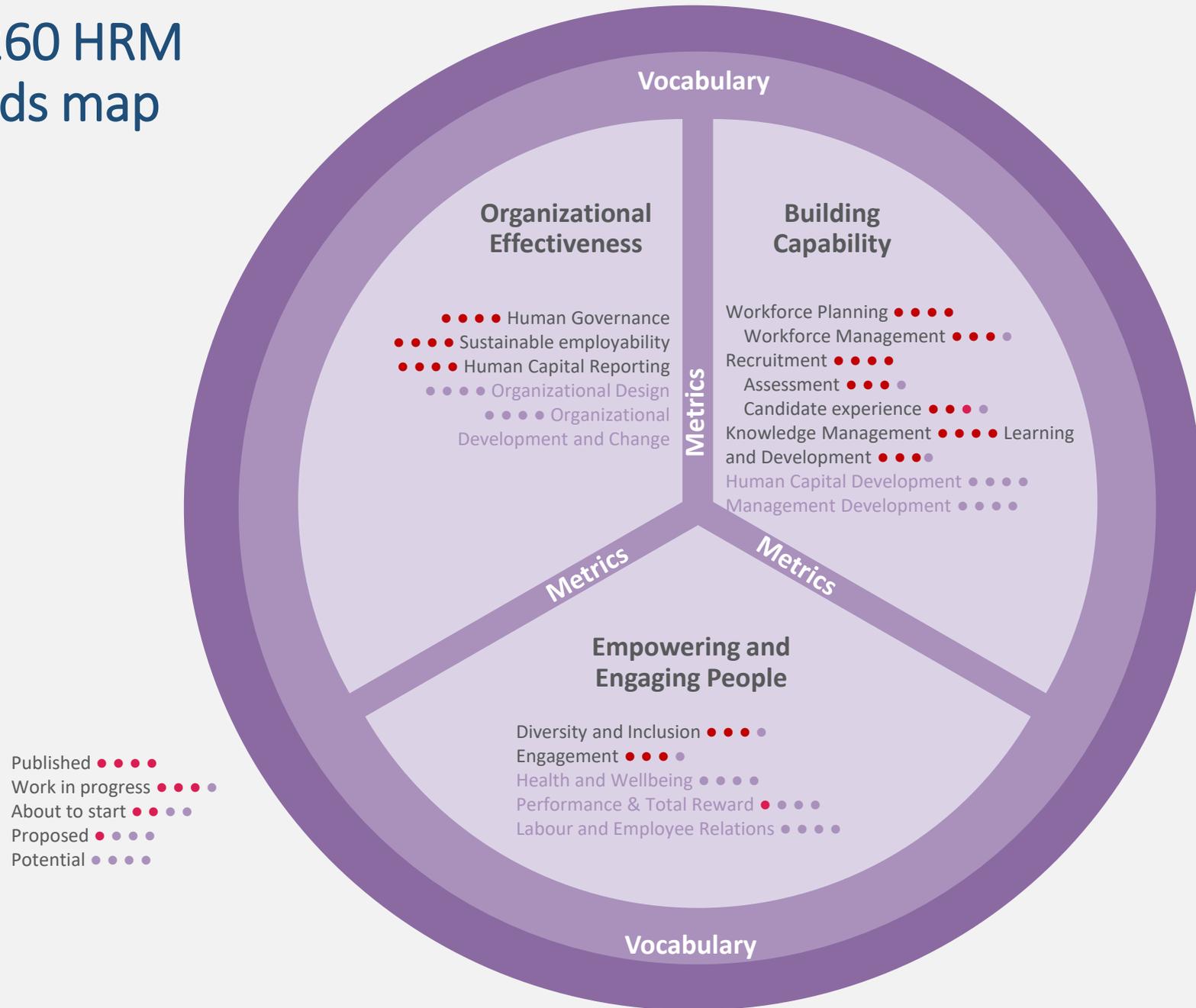
ISO 27500:2016
The human-
centred
organization —
Rationale and
general principles

- capitalize on individual differences as an organizational strength;
- make usability and accessibility strategic business objectives;
- adopt a total system approach;
- ensure health, safety, and well-being are business priorities;
- value employees and create a meaningful work environment;
- be open and trustworthy;
- act in socially responsible ways.

SUSTAINABLE DEVELOPMENT GOALS



ISO TC260 HRM standards map





Principled approach to
HRM & HCM @ISO
TC260

- Diversity & Inclusion
- Employee engagement
- Learning & Development
- Human capital reporting & metrics

Baseline

- Share of intangible assets in the market value of the S&P 500¹ index has risen from 17% to 84% since 1975²
- Employees are an essential source of intangible assets and are therefore often referred by companies as the "most important capital"
- Statistical insights into the relationships between human capital and economic results to increase the value of companies
- Until today a uniform standard measuring and evaluation of employee related key metrics were missed

Approach taken with ISO30414



Poll #2: What are your Top 3 most important people metrics for your organization?

Cost and timeliness of recruitment

Turnover and retention

Workforce cost

Behaviours

Health, safety & wellbeing

Workforce diversity

Skills & qualifications

Productivity

Sustainability

ISO30414: 11 areas (60 metrics)*

- Compliance & ethics
- Costs
- Diversity
- Leadership
- Organizational culture
- Health, safety and well-being
- Productivity
- Recruitment, mobility and turnover
- Skills and capability
- Succession planning
- Workforce availability

**58 metrics for internal and external reporting subject to organizational size*

Update: Human Capital Reporting



- Nov 2018 ISO30414 published
- Feb 2019 SEC informed of ISO30414
- Aug 2019 SEC announces consultation
- Sep 2019 CFO magazine does big feature on ISO30414 and HC reporting
- Aug 2020 SEC announces reporting change. Human capital as part of business risks to be announced if material starting 4Q2020

Introducing human capital management standards

	Introduction	Valerie Anderson
Chapter 1	Governance: Human Capital & Culture	Edward Houghton
Chapter 2	Standards matter	Heather Bond
Chapter 3	Workforce planning	Julie Sloan
Chapter 4	Recruitment & Selection	Sandy J Miles
Chapter 5	Learning & Development	Valerie Anderson & Alaa Garad
Chapter 6	Diversity & Inclusion	Anne McBride & Helge Hoel
Chapter 7	Health & Safety	Martin Cottam
Chapter 8	Moving on from the organization	Valerie Anderson
Chapter 9	Cross national, cross sectoral & cross functional issues	Alaa Garad
Chapter 10	Assessment & accreditation	Angela Mulvie
Chapter 11	The future of HC standards	Wilson Wong

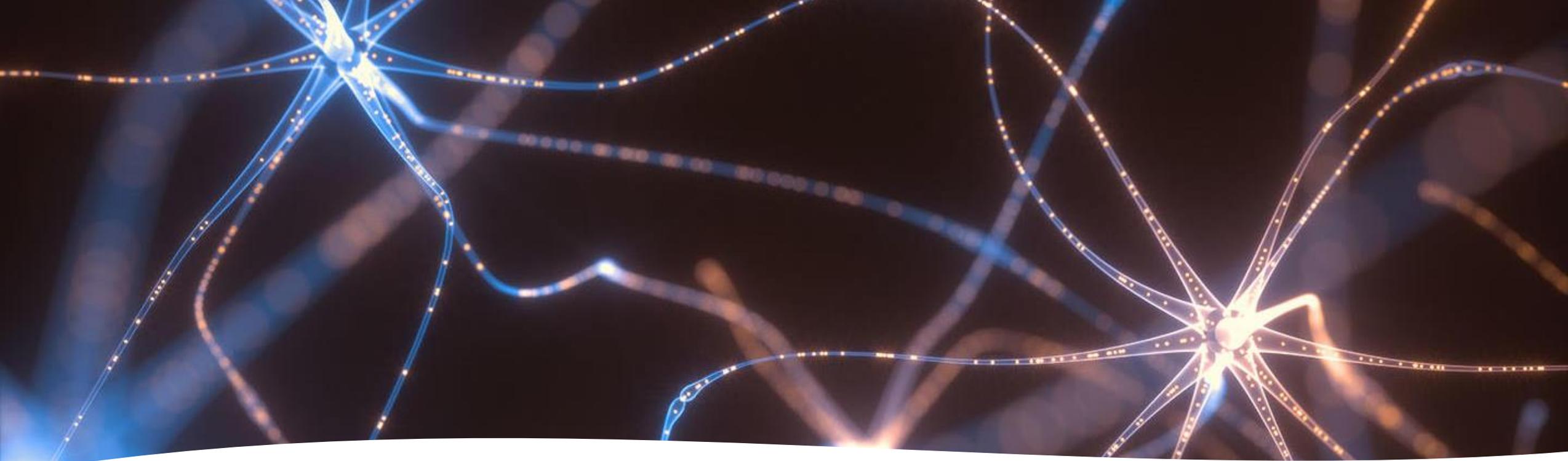
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and Heather Bond



Thoughts for the future of standards and standardization



Thinking about HCMS and the future of work

- Network effects – we operate across disciplines and professional boundaries
- The nature of the organization – value chain & workforce is inter-org
- Belief systems – evidence not enough, affective judgment, engagement and trustworthiness
- Ethics and principles – importance of knowing WHY you do what you do beyond the HOW

Thank you

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15 global challenges

1 Sustainable devt and climate change

3 Population and resources

5 Global foresight & decision making

7 Rich – poor gap

9 Education and learning

11 Status of women

13 Energy

15 Global ethics

2 Clean water

4 Democratisation

6 Global convergence of IT

8 Health issues

10 Peace and conflict

12 Transnational organised crime

14 Science and technology



HORIZON SCANNING

The use of futures to develop strategy



Scenarios

What they are

- Descriptions of alternative coherent futures
- “Narratives” of the evolving dynamics of the future
- A compelling perspective on how the future environment might evolve
- Participative and collaborative
- Specific policy/strategy-focused views of the future
- The combination of tacit and explicit knowledge

What they are not

- Predictions
- Variations around a midpoint/base case
- Generalized views of feared or desired futures
- The product of outside futurists or consultants

The Big Tech Economy

The Precision Economy

Future of
work 2035

The Exodus Economy

The Empathy Economy

The BigTech economy

Call it Googleville or picture the Amazon rainforest being actually sponsored by Amazon. A new machine age delivers significant improvements in the quality of products and public services, with the cost of everyday goods including transport and energy plummeting. However, unemployment and economic insecurity ramp upwards, and the spoils of growth are offshored and concentrated in a handful of US and Chinese tech behemoths. The dizzying pace of change leaves workers and unions with little time to respond – and any dissent is quashed by flash PR and ‘CSR’ operations. We never stood a chance.



The precision economy

They are watching you! Here technological progress is moderate, but the juggernauts know where the value is. A proliferation of sensors allows firms to create value by capturing and analysing more information on objects, people and the environment. Gig platforms take on more prominence and rating systems become pervasive in the workplace. While some lament these trends as invasive, others believe they have ushered in a more meritocratic society where effort is more generously rewarded. A hyper-connected society also leads to wider positive spill overs, with less waste as fewer resources are left idle. And each time you recycle your personal star rating gets an additional percentile...



The exodus economy

Get ready for the backlash. A crash on the scale of 2008 dries up funding for innovation and keeps the UK in a low-skilled, low-productivity and low-paid rut. Faced with another bout of austerity, a new generation of workers lose faith in the promise of capitalism to improve their lives, and alternative economic models gather interest. Cooperatives and mutuels emerge in large numbers to serve peoples' core economic needs in food, energy and banking. While some workers struggle on poverty wages, others discover ways to live more self-sufficiently, including by moving away from urban areas, back to the land.



The empathy economy

In this scenario, technology advances at a clip, but so too does public awareness of its dangers. Tech companies self-regulate to stem concerns and work hand in hand with external stakeholders to create new products that work on everyone's terms. Automation, where it occurs is carefully managed in partnership with workers and unions. Disposable income flows into 'empathy sectors' like education, care and entertainment. This trend is broadly welcomed but brings with it a new challenge of emotional labour, where the need to be continuously expressive and available takes its toll. It's hard being the shoulder to cry on all of the time.



Getting a grasp on the opportunities and risks

- Clarity on your value proposition vis a vis the external environment
- What is the knowledge and skill-base you need to deliver that value
- Ensuring that your key stakeholders are engaged with your strategy and direction
- Knowing where to invest in your workforce to optimise your value proposition
- Knowing the value of your workforce/ human capital and where/when to deploy



Value of futures thinking

Shape the future(s) you want

VISION

Prepare for alternate futures

OPPORTUNITY & RISK

Create curious, confident and responsive workforce/ organisations

AGILITY





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