



INVESTORS IN PEOPLE

COMPANY REPORT 2001-2002

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“The world is but a canvas to our imagination”

HENRY DAVID THOREAU

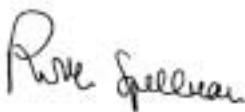
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## Welcome...

### to the Investors in People UK Company Report 2001-2002.

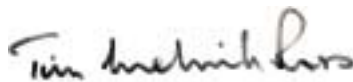
This has been a landmark year for Investors in People UK. A number of the milestones are covered in this report, including:

- Our 10th Anniversary was marked by an address from Secretary of State for Education and Skills Estelle Morris MP, underlining the Government's continuing commitment to the Investors in People Standard
- 25,000th recognition - one in four of the working population is now employed by an accredited Investor in People organisation
- With the introduction of the Learning and Skills Councils and Business Links, the emergence of a powerful force supporting workforce development in England
- Successful launch of Investors in People's first stand-alone model, the Recruitment and Selection Model
- The organisation's second Quinquennial Review - revealing strong continuing support for the Standard from the from the wide range of stakeholders consulted



Ruth Spellman

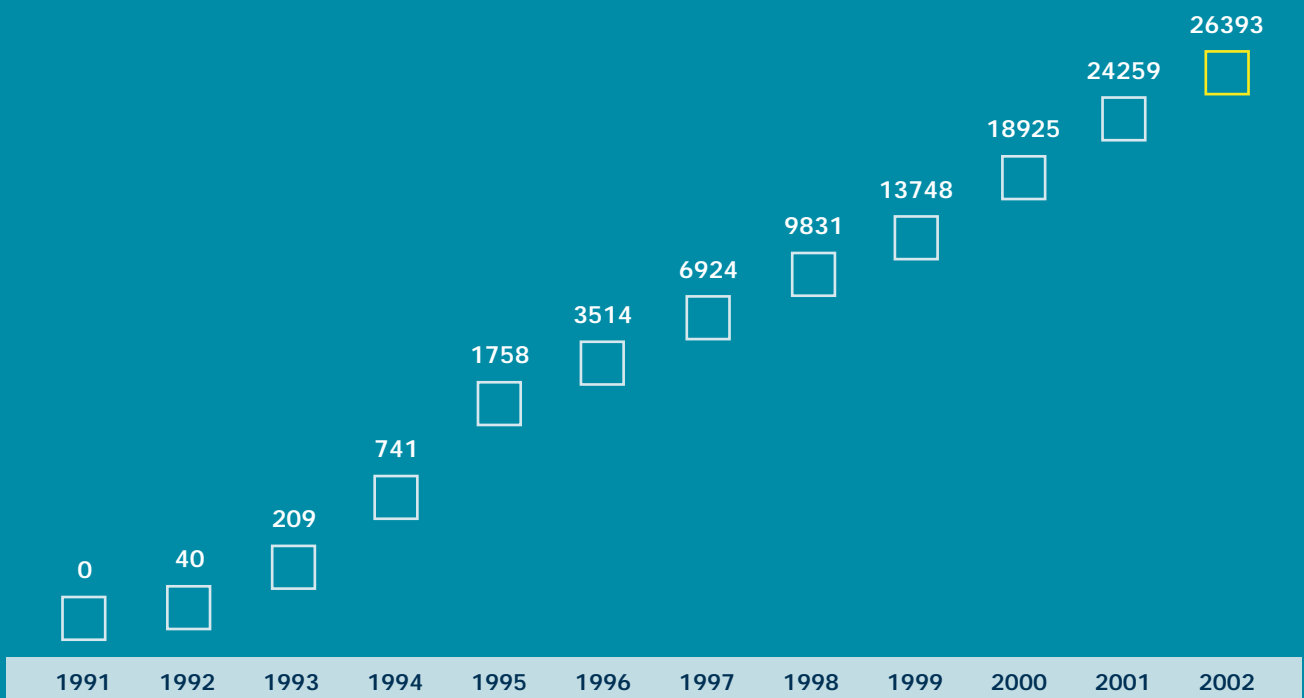
**CHIEF EXECUTIVE**



Tim Melville-Ross

**CHAIRMAN**

### Cumulative number of recognised organisations, 1991-2002



# Chairman's Statement

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This was a challenging and exciting year for Investors in People UK, during which we built a strong position from which to make a valuable contribution to workforce and business development - and thus to UK plc.

## A Year of Transition

Workforce development was very much on the Government's agenda and achieved a high profile during the year. A new delivery network was introduced, and as the period of transition came to an end, Investors in People UK developed constructive new relationships with its key delivery partners, the new Learning and Skills Councils and Business Links.

By the end of the year we had achieved our 25,000th recognition, and commitments to the Investors in People Standard had accelerated. We were able to consider new targets for the Standard which anticipate a majority of the workforce in the UK being employed by organisations committed to the Standard by 2007.

## A Decade of Success

The Company's 10th Anniversary celebrations during the year highlighted the extraordinary success of the Standard.

Independent research commissioned for the anniversary showed that raised productivity, increased customer satisfaction and improved staff commitment are amongst the many benefits perceived by employers working with the Standard.

At the principal 10th Anniversary event, the Secretary of State for Education and Skills, Estelle Morris, underlined the Government's commitment to the Standard and announced a series of new initiatives to ensure that the Standard remains at the forefront of people and business development in the future.

This was emphasised at the end of year, as the Chancellor, Gordon Brown, announced the allocation of £30 million to support the take-up of the Standard by small companies.

## Quinquennial Review

In the light of the fundamental changes within our delivery network, the Quinquennial Review was brought forward and the first of its two phases completed during the year. This revealed strong continuing support both for the Standard and the Company, as well as giving a number of useful pointers to ways in which we can maximise the impact of the Standard in the future.

## Looking Forward

The Performance and Innovation Unit in the Cabinet Office is working on a Workforce Development Strategy for the Government in which it is clear that Investors in People will be expected to play a key part.

Looking forward, our ambition is for a majority of working people in the UK to expect their employers to be committed to the Standard. To achieve this goal, Investors in People must continue to demonstrate that it adds significant value and helps organisations improve their productivity, employee retention and motivation and customer satisfaction.



Tim Melville-Ross

**CHAIRMAN**

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“Looking forward, our ambition is for a majority of working people in the UK to expect their employers to be committed to the Standard.”

# Chief Executive's Statement

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Looking back over the year it has been one of transition and development. Our delivery network has changed, we have moved into the second decade of Investors in People, and celebrated our 10th birthday and 25,000th recognition. This means that one in four of the working population is now employed by an accredited Investor in People organisation.

## Highlights of the year for me included:

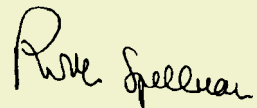
- The launch of our Recruitment and Selection Model in June 2001
- Our strategic partner event held in July 2001, which brought together new partners from the Learning and Skills Councils and Business Links
- The succession of high profile events in the autumn to celebrate our 10th Anniversary during which our key stakeholders, the Government, CBI, TUC, partners and employers renewed their commitment to the Investors in People Standard. It was fitting that during these birthday celebrations we were able to demonstrate through independent research the positive linkage between Investors in People and productivity

Like every success story the Standard must keep advancing to meet the growing needs of diverse employers. Gradually we are developing a series of new options and models which will keep the Standard fresh and challenging, adding further value to existing Investor in People organisations.

We are also excited about our new focus and priority towards more small firms. A Small Firms Taskforce has been set up to represent our key partners and stakeholders, including new advocates of

Investors in People from the banking sector and the accountancy profession. We are setting ourselves ambitious new goals so that small businesses can have access to the Standard in ways which suit their needs.

Our strong partnerships are the lifeblood of Investors in People. We must look to build relationships with organisations and individuals who care about investing in people, as well as the Standard itself. I am very grateful for our partners across Government departments and in the wider network, and for the strong and consistent leadership of our Chairman and the Investors in People UK Board. I would also like to thank all employees of Investors in People UK and all individual Advisers and Assessors who make the Investors in People experience so rewarding for all our customers.



Ruth Spellman

**CHIEF EXECUTIVE**

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“We must look to build relationships with organisations and individuals who care about investing in people, as well as the Standard itself.”

# Review of Year's Achievements

## New Partnerships - New Delivery Network

We're working closely with the new Learning and Skills Councils and Business Links to build strong relationships

- With the introduction of a completely new delivery network for workforce development during the year, takeup of the Standard was inevitably going to slow, at least temporarily. By the second half of the year, our colleagues in the Learning and Skills Councils and Business Links were rapidly establishing their position and the number of commitments and recognitions picked up, culminating in our 25,000th recognition in March 2002
- This success was down to the commitment on all sides to build new relationships whilst working on a structure that was beneficial to all parties. This new model was reinforced with the signing of a Memorandum of Understanding with both the Small Business Service and the National Learning and Skills Council, which was further supported by a 20-point action plan agreed with the National Learning and Skills Council

## Ten Years of Success

We've celebrated our 10th anniversary, and look forward to the next 10 years and beyond

- This major milestone was marked at a national and local level. Nationally we held two events. The first was held in Harrogate, fittingly in association with Betty's and Taylors of Harrogate which was among the very first organisations to achieve the Standard 10 years ago and has continued to be re-recognised ever since
- The second event, in London, was a conference at which keynote speaker Secretary of State Estelle Morris spoke about the importance of the Standard, in a line-up which also included Digby Jones Director General, CBI, and TUC Secretary General, John Monks

## Widening our Range of Products and Services

We're adding to the family of Investors in People products and services

- The Recruitment and Selection Model was successfully launched in July. The Model was developed in conjunction with the Chartered Institute of Personnel Development and is aimed at all organisations wanting to assess how their recruitment and selection procedures shape up [click for more]

## Added Value for Recognised Organisations

During the year we took a fresh look at how we could add value to organisations that have a long-term involvement with Investors in People

- For organisations which have achieved recognition and want to continue to use the principles of the Standard to develop their capability, we introduced Internal Review. The process is an alternative to external three-year reviews or annual health-checks. It involves training an organisation's own employees as internal assessors to carry out a role normally undertaken by external Assessors - interviewing employees, gathering evidence and so on. Internal Assessors work with an external Assessor, who acts as a mentor giving direction and ultimately confirming continued recognition.
- In December 2001 we piloted 'Raising the Standard', a magazine designed specifically to keep recognised organisations in touch with news and the continuing benefits of working with the Standard. Readers were given a feedback form to register their thoughts on the new magazine. This feedback has been so positive that Investors in People UK will publish regular editions of the magazine with a circulation of more than 26,000

## Working Around the World

Our international development work has generated interest from around the world, notably with a ground-breaking pilot programme in South Africa

- During 2001-02, Investors in People UK worked with over 20 organisations around the world to bring the benefits of the Investors in People Standard to other countries. Long term licence agreements were signed with the Cayman Island government and the Guernsey Board of Industry and pilot schemes were launched in Finland, France, Slovenia, Dubai, Oman and South Africa

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## Ambassadors - A Growing Network

Our Ambassador programme gained many more high profile advocates who speak publicly in support of Investors in People

- In 2001 Investors in People UK recruited 53 new Ambassadors, bringing the current total to 85. Ambassadors range from captains of industry such as Digby Jones, Director General, CBI, to grass roots champions of the Standard such as Gerry Farrelly, Managing Director of Farrelly Facilities and Engineering. Ambassadors with more unusual backgrounds include explorer Sir Ranulph Fiennes and athlete Roger Black

## Harnessing New Media

Usage of the website increases after re-launch

- In October 2001 the Investors in People website was redesigned to improve accessibility and ease of use. Following the relaunch page impressions increased by 33%, with over 41,000 viewings logged for October 2001 compared to a monthly average of 26,586

## An Increased Media Profile

Positive media coverage is helping to generate more interest in the benefits of working with the Standard

- Investors in People continues to feature regularly in the media. Coverage ranges from articles celebrating recent recognitions, to in-depth features about the Standard as a business tool and the benefits it can bring to organisations. In 2001 alone, more than 10,000 newspaper articles mentioned the Investors in People Standard, including articles in the national, regional and specialist trade press

## Research Proves the Case

Research keeps proving that Investors in People is key to helping organisations improve

- The 10th anniversary conference in October 2001 also

launched 'People and Productivity'. This research, involving 1567 companies and 1275 employees and conducted by NOP Business, looks at attitudes to productivity, both at home and abroad. It also asks companies what impact the Standard has had on their productivity [[click for more](#)]

## Valuing Practitioners

With the theme of 'Working in Partnership' the first National Practitioner conference was held at the NEC in Birmingham in January 2002

- 200 registered Advisers and Assessors attended from across the UK for updates on the latest developments and future plans, debates and workshops. Over 95% of delegates reported that they had learnt something from the conference

## A Year of Strategic Development

So many changes to the workforce development landscape lead to Investors in People UK reviewing its direction and making several strategic changes. The first Performance and Innovation Unit [PIU] report on Workforce Development, the Quinquennial Review of Investors in People UK and the emerging Learning and Skills Council Workforce Development strategy, have all helped us to look again at how and why we do things and at the best ways are of achieving our aims. This has led to a number of pieces of work including: -

- A new Small Firms strategy to improve understanding and takeup of the Standard by small and medium-sized organisations. This has led to the establishment of a Small Firms Task Force and the appointment of a Small Firms Champion. Preparations are now being made for the launch of a new initiative introduced by the Chancellor in his 2002 budget
- The development of a number of additional models in the Investors in People "family" including Management and Leadership and Work-Life Balance
- The development of the Investors in People Profile for recognised organisations. It will allow organisations to compare how they measure up against organisations of similar profile - whether in their sector, size or region. Profile will provide clear guidance on where they are doing well and where there is room for improvement

# Our Team

## Investors in People UK Team

**Ruth Spellman** Chief Executive  
**Rebecca Stuart** Executive Assistant

## Development

The Development Team manages the successful long-term development of Investors In People, in both a national and international context.

**Peter Russian** Director of Development  
**Kirsty Yates** Research & Development Manager  
**Louise Bower** International Manager

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## Quality

The Quality Team is responsible for all aspects of the quality and delivery of the Standard. This includes monitoring the quality of the service offered by all practitioners and providing policy and strategic direction in the quality arena. The team liaises with internal staff as well as practitioners in the field, the regional Quality Centres, the Small Business Service and the Learning and Skills Council.

<b>Peter Jones</b>	Director of Quality	<b>Nishi Mayor</b>	Assistant Quality Manager
<b>Caroline Bligh</b>	Quality Team PA/Administrator	<b>Jon Walden</b>	Assistant Quality Manager
<b>Hilary Kennedy</b>	Practitioner Development Manager	<b>Tony Salt</b>	Quality Developer
<b>Emily Terrell</b>	Assistant Practitioner Development Manager	<b>Tony Robinson</b>	Small Firms Champion
<b>June Williams</b>	Quality Manager	<b>Louise Tinkler</b>	Small Firms Development Manager

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## The National Centre for Investors in People

This customer-focused team deal directly with large organisations, delivering the Standard and working closely with clients.

<b>Gary Mathews</b>	Director of Investors Services
<b>Claire Cloutman</b>	National Centre Co-ordinator
<b>Rebecca MacFarlane</b>	National Centre Co-ordinator

## Finance

The Finance team is responsible for all aspects of the company's financial well-being including ensuring that the funding of the company is sufficient to deliver the company's targets - after allowing for commercial revenues.

<b>Julie Devonshire</b>	Director of Finance & Company Secretary
<b>Akbar Ali</b>	Financial Controller
<b>Julia Joint</b>	Assistant Financial Controller
<b>Anita Harris</b>	Senior Finance Assistant
<b>Luke Day</b>	Finance Assistant
<b>Megan Francis-Smith</b>	Human Resources Manager

## Communications and Information

The Communications and Information Team is responsible for all communications including marketing, PR and on-line activities plus the information needs of the organisation, stakeholders and customers.

<b>Sue Martin</b>	Director of Communication & Information
<b>Emily Daly</b>	Communication & Information PA/Team Administrator
<b>Nicola Maine</b>	Head of Marketing
<b>Becky Whiley</b>	PR Manager
<b>Kate Sweet</b>	Marketing Manager
<b>Julie Gough</b>	Associate Marketing Manager
<b>Julie Humphreys</b>	Associate Marketing Manager
<b>Nicholas Roussel-Milner</b>	Head of Information
<b>Rick Furzer</b>	IT & Database Manager
<b>Clare Baseley</b>	Information Manager
<b>Mike Kopko</b>	Customer Service Executive

# Summary of Directors

The Directors present a summary of the information in the financial statements for the year ended 31 March 2002. The Company was incorporated on 1 October 1993 as a Non-Departmental Public Body sponsored by the former Department for Education and Employment (DfEE), now the Department for Education and Skills (DfES). The Company is principally engaged in the development and promotion of the Investors in People Standard.

The Company receives Grant-in-Aid (from DfES) for the pursuit of the objects in the memorandum of association of the Company. During the year the total Grant-in-Aid received was £1.68m (2000/2001 £1.58m). Grant-in-Aid transferred to deferred income amounted to £1,000 (2000/2001 transfer from deferred income £17,000). Grant-in-Aid relating to revenue expenditure, credited to the income and expenditure account amounted to £1.68m (2000/2001 £1.59m). Additional funding made available by DfES for advertising and promotion was £1.62m (2000/2001 £1.62m).

Income from continuing operations decreased during the year by 24.44% to £2.78m. The income was derived from four areas of activity: conferences; licence fee from licensed assessment and recognition units and training providers; fees from advisory and assessment services; and sales of publications and merchandise. However, income from Europe and Rest of the World increased by 40.13%. During the year the average number of staff increased from 34 to 38.

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# Board of Directors

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- 01 **Ruth Spellman**  
Chief Executive, Investors in People UK
- 02 **Martin Henry OBE**  
Chairman, Lastolite Limited
- 03 **Samantha Gemmel**  
Managing Director, Creative Media Matrix Ltd
- 04 **Sue Thomas**  
Director, Redwood
- 05 **Garry Hawkes CBE**  
Chairman, ARAMARK Ltd.
- 06 **The Rt. Hon. Lord Tom Sawyer**  
Non-Executive Director, Reed Executive and Britannia Building Society & Chairman of Notting Hill Housing Group
- 07 **Tim Melville-Ross**  
Chairman, Investors in People UK
- 08 **Sheila Drury OBE**  
Council Member, Education and Learning Wales
- 09 **Norman McLean MBE**  
Director, Elephant Links Community Advocacy Programme
- 10 **Professor Dame Geraldine Keegan DBE FRSA OBE**  
Head Mistress, St. Mary's College
- 11 **Hans H Rissmann**  
Chief Executive, Edinburgh International Conference Centre Limited
- 12 **Ed Sweeney**  
General Secretary, UNIFI

# Summary of Accounts

## Summary of Income and Expenditure Account

for the year ended 31 March 2002

	Year Ended 31 March 2002		Year Ended 31 March 2001	
	£'000	£'000	£'000	£'000
<b>GROSS INCOME</b>				
Grant-In-Aid		1,680		1,594
Additional funding		1,617		1,616
Income from operations		2,779		3,678
		6,076		6,888
<b>GROSS EXPENDITURE</b>				
Cost of sales	21		40	
<i>Conferences</i>	546		304	
<i>Quality Assurance</i>	817		1,175	
<i>Assessment and advisory service</i>	6,076		1,290	
<i>Publications and merchandise</i>	640		1,817	
Marketing	1,627		1,627	
Development	167		288	
Staff Costs	1,304		1,088	
Administration	964		899	
Depreciation	56		61	
		6,142		6,962
Operating deficit before taxation		(66)		(74)
Interest Receivable		12		19
Deficit before taxation		(54)		(55)
Taxation		(3)		(2)
Deficit for the year		(57)		(57)
Reversal of notional cost of capital		57		57
Retained Surplus		-		-

There are no recognised gains or losses other than the deficit for the year.

The summary financial statement was approved by the Board of Directors on 29 July 2002

**Ruth Spellman**

Chief Executive

**Tim Melville-Ross**

Chairman

The information given does not constitute statutory accounts under S240 of the Companies Act 1985.

The Company's statutory accounts received an unqualified report from the Company's auditors, Grant Thornton, and will be delivered to the Companies House before the due date.

## Summary Balance Sheet

At 31 March 2002

	31 March 2002 £'000	31 March 2001 £'000
Fixed assets	88	127
Current assets	1,328	1,368
Creditors: <i>amounts falling due within one year</i>	(470)	(550)
Net current assets	858	818
<b>Total assets less current liabilities</b>	<b>946</b>	<b>945</b>
Deferred income	946	945
Reserve	-	-
	<b>946</b>	<b>945</b>

## Summary Cash Flow Statement

for the year ended 31 March 2002

	Year Ended 31 March 2002 £'000	Year Ended 31 March 2001 £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(18)	122
NET CASH INFLOW FROM RETURNS ON INVESTMENTS	12	19
TAXATION	(3)	(3)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(16)	(50)
<b>(DECREASE)/INCREASE IN CASH</b>	<b>(25)</b>	<b>88</b>

Investors in People is all about continuous improvement - and we must apply that principle to the way in which we manage and develop Investors in People itself. As we face the challenges of encouraging more and more organisations to get involved with Investors in People, we need to find new and alternative ways of engaging with businesses, and small firms in particular.

# Future

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## Small Firms

- We will begin working with a wide range of intermediaries and form new partnerships with those organisations best placed to advise small businesses on how they can improve the way in which they manage and develop their people
- We will build on our small firms strategy to develop Investors in People and, specifically, [yourpeoplemanager.com](http://yourpeoplemanager.com) as a source of information and advice for small firms

## The Investors in People Management and Leadership Model

- Management and leadership remains an issue which is key to competitive success in the future. There have been many attempts to solve "the problem" of management and leadership. Work has been done on a national and increasingly company basis to define the competencies required for effective management
- Where we believe Investors in People can add value is to provide a framework on how organisations go about ensuring that their managers and leaders are effective. We will be building on the work of the Council for Excellence in Management and Leadership who have recently recommended that Investors in People UK is the right vehicle to take these issues forward

## The Investors in People Work-Life Balance Model

- Work-life balance is certainly a new issue - but promises to be a prominent issue in the next decade. Work-life balance is not just about looking after the needs of working parents, it is about effective management of everyone's workload, including people without children
- In 2002/2003 we will be developing the Investors in People Work-Life Balance Model which will provide a clear framework for organisations

## The Investors in People Profile

- We know that organisations want more in-depth knowledge of people management and development issues and have responded with the development of a new service for Investors in People organisations that will be launched in the summer of 2003
- Based on the Standard, it will allow organisations to compare how they measure up against organisations of similar profile - whether in their sector, size or region. Profile will provide clear guidance on where they are doing well and where there is room for improvement
- We have piloted this approach with 50 organisations to date and the response has been overwhelmingly positive. We believe that the benchmarking service will be one of the critical developments in Investors in People UK's future success

All our innovation and change can only be achieved through people - we need to unlock the talents and creativity of our workforce. Encouraging people to share knowledge, not hoard it, brings new ideas, but this will only happen if people feel valued, involved and secure. Valuing people is not just about appraisals or monetary reward, it's about developing a culture of trust, respect and understanding between the organisation and its people.

*As Investors in People UK, we will continue to harness the talent of our people to see us through to our 20th Anniversary and beyond.*



“We set ourselves the highest standards in meeting the needs of all our customers, and Investors in People will play a vital part ensuring that those standards are maintained.”

Chief Executive, Sir Graham Melmoth

# The Co-operative Group

Size	60,000 people
Location	Nationwide
Industry	Various - including retail, funerals, financial, farming

## The Challenge

The last four years has seen a rapid period of change and growth for The Co-operative Group, including the merger of the Co-operative Wholesale Society (CWS) with the Co-operative Retail Society (CRS) in 2000, from which it has emerged as the largest and most-successful Co-operative retailer in the world.

However, back in 1996 the picture looked very different. Then, the CWS group encompassed a group of businesses including agriculture, engineering, funerals, travelcare, dairies, distribution and retailing. Without a clear, unified strategy, this disparate group was under-performing and had lost sight of its co-operative values and the culture required to turn those values into action.

**The new Chief Executive, (now Sir) Graham Melmoth identified four clear priorities:**

- To improve performance - measured against objective benchmarks
- To improve planning - and deliver a sustainable business strategy
- To improve communication - promoting the organisation's stance as a responsible retailer
- To improve people management - in a style compatible with Co-operative values

## The Strategy

The synergies with the Investors in People Standard were clear, in its stipulation that companies set clear objectives, plan, communicate and develop people. However, the crucial factor in the organisation's commitment to the Standard was its value as a vehicle for organisational change: as a catalyst, an enabler and a mark of external recognition.

The Co-op's initial benchmarking showed clear areas for improvement: the old-fashioned, hierarchical approach, particularly in retail, was seen to be out of step with the inclusive and responsible ethos of the group. Appreciation of the organisation's co-operative values was low, as was the wider communication of the business' direction.

Having used the Standard to identify the areas for improvement, the Co-op rolled out 'values training' to its people using seminars,

workshops and video briefings. By explaining the organisation's unique history, purpose and vision, management was able to develop initiatives for turning the theory into practice. In this way, 'self responsibility' manifested itself at store level with 'better groups' for volunteering improvements.

Schemes like 'Let's Do It Better', rolled out by senior and store management, provided support for improving customer service, communication, career development and review, continuous improvement and co-operative values.

The Co-op has adopted the Investors in People Standard region by region, so that today it covers 60,000 people nationwide across a range of industries. The lead assessor, Alastair Wheeler, concluded, "Many interviews confirm the ethos of the Group as being one of an encouragement to learn. Even the stresses and strains experienced during the major undertaking of the merger were turned into positive learning points."

## The Results

**Chief Executive, Sir Graham Melmoth, echoes the sentiment:** "Gaining Investors in People recognition is extremely important to us because it underpins the values and principles that set us apart from other businesses. We set ourselves the highest standards in meeting the needs of all our customers, and Investors in People will play a vital part in ensuring that those standards are maintained."

**Adrian Egglestone, Co-op General Manager Human Resource Development , summarises:**

"In the past four years we haven't just turned around the culture and performance of CWS, we have successfully integrated the businesses that came from CRS. It has been estimated that as many as 60% to 70% of mergers don't deliver the added value that they promise. On the contrary, in our case, profits hit the £50 million mark last year. Investors in People has played a part in that very considerable achievement".

"For the future we will be looking to consolidate our success, to ensure consistency across our many businesses and industries. Our commitment to an annual rolling programme of Investors in People assessments will help with this. And each Investors in People assessor's report goes straight to our Board - confirming that investing in people is at the heart of the Co-operative philosophy."

“Investors in People supported a major merger and change management programme”

# Airedale Springs Ltd

“Any company not taking up the Standard needs its collective head examined”

## The Challenge

In the late 1980s and early 1990s, Airedale made only very small profits. There was invariably a large backlog of production and, at best, only 70% of customer orders were delivered on or before the promised delivery date.

Although the organisation had always undertaken some training of its employees - engineering apprentices and some health and safety compliance training - management training was infrequent and ad hoc. At best, new recruits received a two-hour induction in administrative and health and safety issues. There was no training budget and the company did not know exactly how much was spent on training, let alone whether or not the money was well spent. A significant percentage of engineers left Airedale to join other companies, suggesting that the company's investment in their training was for the ultimate benefit of rival firms.

The salary and wage structure contained many anomalies, unsurprisingly since by the early 1990s it included a mixture of elements from an old piece-rate system, flat rates and various other aspects that were the remnants of previous schemes.

The need for change was clear and it was against this background that, in 1991, Airedale made its commitment to Investors in People.

## The Strategy

One of the first steps was to conduct employee and management surveys. The results of these indicated that the perceptions of the management differed enormously from those of shopfloor employees.

The key changes made by the company on the road to Investors in People included the following:

- A change of culture to create a more open, democratic and participative company
- The company's objectives were communicated to all staff; the various teams then developed team objectives which were consistent with the company's goals
- Team leaders initiated regular surveys of their teams so that issues could be identified early and tackled before they became real problems
- Communications in the company were vastly improved
- Airedale began to 'train the trainers'; half of the employees are now qualified to deliver training to new recruits or to those who transfer from one department to another
- Revamped induction procedures - new recruits receive basic induction and training from a qualified trainer over a three month period
- A twinning scheme - employees can shadow colleagues in other departments; this allows employees to broaden their skills and move to other positions within the company
- A complete overhaul of the company's system of remuneration and wage rates; the anomalies of the old system have been removed and employees are actively involved in the assessment of their own pay rates
- Training evaluation processes have been introduced; this led to a radical change in training activities and Airedale can now show a return on its training expenditure

## The Results

There have been some remarkable improvements in key performance measures:

- Delivery reliability improved by over 50%
- A 90% reduction in scrap rates (from 2.5% of turnover to 0.25%)
- A 90% reduction in customer returns (from 3.5% to 0.3%)

These improvements have been achieved without any management or quality 'initiative' and are directly attributable to the changes in attitudes and behaviour throughout the company.

“Investors in People supported a drive to increase productivity”

Size

58 people

Location

Haworth in West Yorkshire

Industry

Engineering - Manufactures a wide range of springs and related wire forms, clips and pressings to customer specification.

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# Shepherd Construction

<b>Size</b>	1,400 people
<b>Location</b>	National - HQ in York
<b>Industry</b>	Construction

## The Challenge

Towards the end of the 1980s, senior management recognised that change was needed in anticipation of a recession and in the face of competitive pressures and higher client expectations. A programme of Total Excellence was launched in 1990. The main objectives included:

- A total quality approach
- Individual employee understanding of business objectives
- Continuous improvement in services, building processes and products
- Selecting contractors on the basis of performance
- Effective communication procedures
- Closer links between training and development activities and business objectives

The company became aware of Investors in People in 1991 and realised that many of its principles linked closely with key features of the Total Excellence programme. A commitment was made in the belief that working towards the Standard would benefit the programme.

## The Strategy

The Total Excellence programme and Investors in People helped to maintain and develop elements that were already embedded in the culture of the company. These included a friendly and supportive working environment, recognition that teamworking is vital to operational effectiveness, recognition of individual achievements, innovation in training activities, and the paramount importance of safety.

### A number of training initiatives were taken:

- The company undertook to register all 400 craftsmen under the Construction Skills Certification Scheme
- Modern Apprenticeships are now available to all craft apprentices
- In partnership with Leeds Metropolitan University, a new

“Investors in People supported a ‘Total Excellence’ programme introduced to increase productivity and improve client satisfaction in an increasingly competitive industry”

postgraduate diploma in construction management was established which facilitates progression to a Masters degree; this initiative was recognised by a National Training Award in 1995

- In-house programmes linked to NVQs were developed for site supervisors and managers; the site managers programme which incorporates Chartered Institute of Building Certificate and NVQ4 was recognised by a National Training Award in 1996
- Currently the company is working towards providing customers with an enhanced service and increased value through a number of initiatives centering on partnering and supply chain management

## The Results

A more effective evaluation of training and development was achieved together with a more focused training and development plan. There was a greater consistency in staff appraisals and in the delivery of training. Staff became more aware of business and financial matters. Training and development achieved a higher profile across the company.

Employees now work in an environment which supports continuous professional development and encourages the acquisition of relevant qualifications, including NVQs. Continuous skills development is essential to keep abreast of new technology and techniques.

Investors in People recognition helped to promote and measure the company's commitment to continuous improvement, an important part of the total quality approach. Recognition, together with a profound commitment to employee development, has contributed significantly to a strong balance sheet in recent years. Costs have been reduced and a high level of repeat business has been sustained.

## Investors in People

Investors in People was influential in the introduction of several developments, including:

- More effective induction training
- More direct links between the training and business plans
- Identification of individual training needs
- Improved communication procedures
- New operative training standards
- Extended management training programmes

“Investors in People is flexible in its approach. Evidence suggests that it leads organisations towards their own more cohesive plans, policies and practices. The Standard encourages continuous improvement - a key to business success.” - Peter Blackburn

“Investors in People has helped to promote and measure the company's commitment to continuous improvement. Recognition has undoubtedly contributed to a strong balance sheet. Costs have been reduced and a high level of repeat business has been sustained”

# Network Partners

<b>England</b>	<b>Small Business Service</b> Kingsgate House 66-74 Victoria Street London SW1E 6SW T: 0845 600 9006 www.sbs.gov.uk	<b>Learning and Skills Council</b> National Office 101 Lockhurst Lane Coventry CV6 5SF T: 0870 900 6800 www.lsc.gov.uk
<b>Scotland</b>	<b>Scottish Enterprise</b> 5 Atlantic Quay 150 Broomielaw Glasgow G2 8LU T: 0845 607 8787 www.scottish-enterprise.co.uk	<b>Highlands and Islands Enterprise</b> Cowan House Highlander Way Inverness Retail and Business Park Inverness IV2 7GF T: 01463 234171 www.hie.co.uk
<b>Wales</b>	<b>Education and Learning Wales</b> Linden Court, The Orchards Ilex Close, Llanishen Cardiff CF14 5DZ T: 08456 088 066 F: 029 2076 3163 www.elwa.ac.uk	
<b>Northern Ireland</b>	<b>Department for Employment and Learning</b> 2nd Floor 61 Fountain Street Belfast BT1 5EX T: 028 9044 1700 www.delni.gov.uk	
<b>Quality Centres</b>	<b>National Centre for Investors In People</b> 4th Floor 7-10 Chandos Street London W1G 9DQ T: 020 7467 1919 F: 020 7636 2386 www.investorsinpeople.co.uk	<b>North East Quality Centre</b> Suites B&G, Business & Innovation Centre Sunderland Enterprise Park Riverside Sunderland SR5 2TA T: 0191 516 6464 F: 0191 516 6470 www.aneltd.co.uk
<b>Capital Quality Ltd</b> Solar House 1-9 Romford Road Stratford London E15 4LJ T: 020 8536 5950 F: 020 8536 5951 www.capitalquality.co.uk	<b>Yorkshire and Humberside Quality Centre</b> Sceptre House 8 Hornbeam Square North Harrogate HG2 8PB T: 01423 873872 F: 01423 870818 www.yal.co.uk	<b>Investors In People Scotland</b> Level 5 Orchard Brae House 30 Queensferry Road Edinburgh EH4 2HS T: 0131 625 0155 F: 0131 625 0144 www.iipscotland.net
<b>Northern Ireland Investors In People Quality Centre</b> Investors In People Unit 2nd Floor 61 Fountain Street Belfast BT1 5EX T: 028 9044 1792 F: 028 9044 1811 www.delni.gov.uk	<b>West Midlands Quality Centre</b> Commerce House St Nicholas Street Radford Coventry CV1 4FD T: 024 7655 0030 F: 024 7655 0031 www.wmqc.co.uk	<b>Centre for Assessment and Recognition (NW) Ltd</b> Wigan Investment Centre Waterside Drive Wigan WN3 5BA T: 01942 705438 F: 01942 244052 www.carnw.co.uk
<b>Education and Learning Wales</b> Parc Menai Llys Britannia Bangor Gwynedd North Wales LL57 4BW T: 01745 538655 F: 01248 670889 www.elwa.ac.uk	<b>Education and Learning Wales</b> Ty-Afon Bedwas Road Bedwas Caerphilly CF38 8WT T: 01443 663741 F: 01443 663653 www.elwa.ac.uk	<b>Quality South West</b> Unit 16 Highnam Business Centre Two Mile Lane Highnam Gloucester GL2 8DN T: 01452 413641 F: 01452 413699 www.questsw.co.uk
<b>Quality South East</b> Old Abbey House Abbey Close Abingdon OX14 3JJ T: 01235 537146 www.qse.org.uk	<b>The Assessment Network</b> Wyboston Lakes Business & Leisure Village Great North Road Wyboston MK44 3AL T: 01480 210007 F: 01480 476580 www.tan.org.uk	<b>The East Midlands Quality Centre Ltd</b> 1 The Derwent Business Centre Clarke Street Derby DE1 2BU T: 01332 291871 F: 01332 295736 www.emqc.co.uk



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