University of Portsmouth and CIPD Portsmouth Group

HR Bulletin: Research and Practice

A regular bulletin for business-focused managers and HR professionals to learn about contemporary research and practice

Contributions from managers, academics and students who wish to share their knowledge and interests

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Content of this edition

A diverse range of topics are presented by the contributors to this issue of the HR Bulletin, highlighting the some of the issues that are defining ‘Next Generation’ HR and shaping emergent practice to meet new business challenges. Thank you to all the contributors mentioned below.

In the first article, Fiona Goss discusses research findings which raise important questions about awareness of the menopause in the workplace and, the role of HR to ensure that organisations provide adequate support to women affected by this most natural of changes.

Peter Scott looks at the growing controversy surrounding internships and the legalities of employment practice, particularly with respect to payment. Possible reform of intern practice is discussed.

Nick Marsden presents key findings from his research into trust at the Dorset Fire & Rescue Service where he is Assistant Chief Fire Officer. This work contributed towards his MSc Leadership and Management dissertation and, is influencing management and leadership development in his organisation.

Alan Gilbert debates the role, management and contribution of non-executive executives in corporate governance, a hotly debated issue in recent years in the aftermath of the financial crisis and the challenges faced by many organisations in the current economic downturn.

Finally, Stephen Pilbeam explores attitudes and opportunities that social media offers HR, and invites HR Bulletin readers to ‘dive in’ and engage in ‘twittering’ with him and others on this topic. If you have not ‘twittered’ before, here is a golden opportunity to try it!

Why not become a contributor to the HR Bulletin and HR knowledge transfer

If you would like to write an 1800-2000 word article on a current HR initiative in your organisation or on research you have recently completed, please contact me and I will send the HR Bulletin Contributor Guidelines. The editorial team are always happy to work with you on an article and you do not have to deliver the finished product, only a draft which we will edit with you and put it into the house style of the Bulletin.

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April 2012
Managing ‘The Change’: a concern for HR

Fiona Goss

Why should HR be concerned with the menopause?

Often described as ‘the change of life’, the menopause is something that all women go through, usually between the age of 47 and 59, the majority working whilst doing so. It is a natural process and not an illness, so why would it be something that HR needs to consider?

Research undertaken by the TUC suggests that employers have a responsibility to take the menopause into account under Health and Safety at Work regulations and the 2010 Equalities Act (Paul 2003, Griffiths 2010). The menopause is something that affects only women and the issue highlighted here is that employers should recognise that women going through the menopause may need support and consideration because of the potential harm and discrimination that can occur if it is ignored. Human Resource professionals therefore need to develop an awareness of the menopause as a policy issue and to establish guiding principles for practice. This policy awareness will probably not come under one single category but encompass a number of interrelated areas such as equal opportunities, employee wellbeing, age; absence, health and safety, work life balance and flexible work practices.

As a workplace issue, the scale of this ‘problem’ is not insignificant. That there is now a higher proportion of women in employment than in previous generations with increasing numbers now approaching menopausal age. In 2010 78% of women in employment were between the ages of 45-49 and this percentage is set to increase over the next ten years. However, little attention has been given to the fact that women going through the menopause may have specific needs.

Research undertaken by the TUC, based on a survey of 500 health and safety representatives, suggested a lack of recognition of the problems associated with the menopause and a lack of information and training for managers (Paul 2003:17). Organisational researchers too have neglected this issue, thereby contributing to an overall lack of hard data and general awareness. Managers and researchers alike have seemingly defined the menopause as a ‘private’ matter (Morris and Symonds 2004: 314). This reflects other areas of research such as pregnancy and menstruation that, until relatively recently, were also relegated to this private sphere but which, when brought into the public space, have exposed gaps between the reality of women’s experiences and the workplace policies meant to reduce inequality and discrimination (Gatrell 2011). As more women spend more of their lives in the workplace, it would now seem timely to pay attention to their experiences of work at the end of their reproductive life.

Whilst the menopause is a natural process and not an illness, it can bring changes that affect women's health, the way they feel about themselves and the way others respond to them – often in ways that impact their working life. It is therefore important for organisations to consider the managerial and policy implications raised by this condition and the appropriate responses. Human Resource professionals can play a critical role in positioning these responses through workplace policies and procedures, training and development.

Women’s experience of the menopause at work

The menopause, strictly speaking, is the cessation of menstrual bleeding; medically women are considered to have gone through the menopause if they have not had a period for over a year. The average age for this in Britain is 52 (Griffiths 2010:6). Significantly, however, symptoms manifest in the years before and after this cessation and, as such, it is more appropriate to speak of a ‘menopause transition’ rather than to regard it as a discrete event (Smith-Dijulio, Woods and Mitchell 2008).

There is very little statistical data as to the extent of problems working women face during the menopause transition. The limited research that has been done has highlighted it as a ‘major challenge for some women’ (Griffiths 2010:6) with little evidence of management recognition (Paul 2003:20). The NHS report that 80% of women experience symptoms at menopause, at least 10% of
being severe (NHS Menopause Guidance). The most common symptoms reported are heavy or irregular periods, hot flushes, excessive perspiration, anxiety, depression, night sweats, sleep disruption, irritability, loss of concentration, memory problems, mood swings, and urinary and vaginal symptoms. Griffiths’ (2010) research on women in administrative and management roles found that many were unprepared for the disruption the menopause transition caused them and would have welcomed more advice and support dealing with these symptoms. This research also highlighted that women were reluctant to disclose the problems they faced to managers, particularly younger male managers, for fear of embarrassment, ridicule and discomfiture about raising such a normally private issue in a public sphere. Simply in terms of physiology, the menopause transition appears as a potential workplace issue that is often invisible to management but which poses very real challenges to wellbeing. But in addition to these physiological changes, there are also socio-cultural issues associated with the menopause transition. The physical symptoms often occur when women are experiencing other changes in their personal lives, such as children leaving home or caring for elderly parents. Such events often underline the ageing process within a society and culture that seems to place a high value on youth and beauty; the saying, ‘You are only as old as you feel’, ignores the increasing emphasis that society places on appearance and continuing ‘youthfulness’. This frequently conspires to make women reluctant to disclose that they are dealing with the menopause transition because of the negative connotations of ‘getting old’. Griffiths (2010) reports that women revealing menopausal symptoms felt embarrassed because it was not recognised as a legitimate issue.

Many women are acutely sensitive to the ways in which their work roles are linked to appearance and image which, in turn, affects their credibility when dealing with clients, customers or colleagues. Research on women leaders in Australia (Gavranich 2011), suggests that they felt they had to be seen as capable and in control and that their position was vulnerable to negative perceptions or judgements that might reveal ‘weakness’. Gravranich exposed the heightened concerns that women leaders felt when they experienced hot flushes, sweating or anxiety, worrying that this might expose them as incompetent managers. In consequence, these women seldom shared their concerns for risk of being undermined (Gravranich 2011:147).

It is not just women in managerial positions that face problems: jobs involving standing or physical stress can be made exceptionally difficult by menopausal symptoms such as heavy or unpredictable periods, often causing distress and embarrassment. Little research has been done on physical jobs and menopause but it is worth noting that several online menopause support forums report the difficulties women can experience when unable to take toilet breaks. For example, healthtalkonline.org has a strand discussing menopause and work, one theme discussing how heavy periods and unpredictable blood loss were incompatible with life as an army officer. Lack of access to suitable facilities was also highlighted by Paul (2003) as a cause of heightened stress and tension that made menopause symptoms worse. The type of workplace also plays a part in whether women feel willing to disclose or conceal their menopause: male dominated workplaces can be very unforgiving for older women, typecasting them as hysterical and dismissively suffering from ‘women’s problems’ (Griffiths 2006). Once again the menopause becomes something to conceal and can prevent women in such roles accessing support and help.

In summary, the menopause is an issue that needs further attention; managers often appear to be unaware that this issue is something to be concerned about. Women can find themselves unprepared for the problems the menopause causes them at work and sometimes the work itself can actually make the menopause transition worse. Women’s roles and the nature of their work can influence the effect the menopause transition has. So what can organisations and in particular Human Resource professional do?

**Best practice – what should Human Resource professional do?**

Good HR practice would consider the menopause in all equal opportunity policies. UNITE suggest that some women experience harassment and humiliation through criticism and ridicule from managers when they raise the issue of the menopause, they may also receive criticism from management about sick leave due to menopause related health problems (UNITE factsheet 2010:5). The 2011 CIPD research survey on absence management highlighted that stress and
musculoskeletal injuries are the most common cases of long term absence (CIPD 2011) and these types of injuries are ones that women going through the menopausal transition are more prone to. In this case best practice would suggest that sickness absence procedures need to be sufficiently flexible to allow for menopause-related conditions. UNISON (2011) recommends that all menopause related sickness absence should be recorded as an ongoing issue rather than one off events.

Line managers need training in the ways that the menopause can affect work; they need to be approachable, aware and supportive of any difficulties. More importantly they need to be willing to change the working environment. One of the most reported issues within workplaces is the issue of temperature, being able to control temperature or open or close windows can make a significant difference. Sometimes women may not feel able to talk to their line manager so Human Resources needs to ensure that women have ‘alternative’ lines of support if they feel uncomfortable going to their line manager (this could be through Human Resources, a welfare office or a designated member of staff.)

Human Resources also need to ensure that the menopause is reflected within occupational health. Griffiths (2010) highlighted how little women themselves knew about the menopause and the impact it could have on their health and wellbeing. Work place education could ensure women make educated choices to reduce or eliminate any problems associated with the menopause transition. It could be that organisations appoint a designated ‘menopause champion’ to demonstrate that the employer has a positive attitude towards the menopause and ensure that information on support is communicated in a positive way across the organisation. Occupational health can also develop healthy living campaigns and stress reduction programmes to take account the particular difficulties women going through the menopausal transition. These allow women themselves to take action to reduce the impact of the menopause through general health awareness.

Future developments in the area

Although this paper has focused on potential work-life difficulties, the menopause transition need not be a problematic time for women. Some of the main issues highlighted are the lack of information on the menopause transition, the poor understanding of employers and managers (and often women themselves) and the lack of coherent policies and procedures to help women through this stage in their lives. Further research in this area is needed to develop a better understanding of women’s experience of the menopause across a range of occupations as well as research into how employers address menopause related policies and issues.

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Internships: what is to be done?

Peter Scott

Internships have become a controversial feature of the youth labour market in recent years. In theory, an internship is a period of work experience, intended to inculcate employment-related skills useful in obtaining a longer-term position in a desired occupation. The term ‘intern’ is often used ambiguously: perhaps deliberately so (Perlin, 2010: 23-26). Is an intern someone who is learning about the world of work in general, receiving training, or actually contributing ‘real’ work? Depending on one’s answers to the above questions, what might the employment rights of an intern be? Some commentators refer to work placements undertaken as part of higher education courses as internships, but this seems to confuse matters, so these are excluded here. This article considers the current state of the debate in the UK about internships and the various solutions proposed to the public policy problems they present. We conclude that the cultivation of ambiguity about internships should cease, and that employers should decide whether they are offering training or jobs, and then act accordingly.

No official published data on internships in the UK exist: the phenomenon is very much a hidden and under-researched world. Lawton and Potter’s (2010) report on internships for the Institute of Public Policy Research was forced to recommend that an audit be conducted, given the lack of reliable statistic to go on. What we know about internships has to be pieced together from press reports, occasional surveys and estimates. The word ‘intern’ has a long history, first used for American medical students being trained in hospital settings. Gradually the term has expanded to take in would-be professionals in a variety of fields. Ross Perlin (2010), the author of the only detailed investigation to date into internships, notes how they have spread internationally and into a wide range of economic sectors to become an established rite of passage for many young people hoping to enter into professional careers. Perlin sees an association between the decline of traditional structured forms of apprenticeship training and the rise of the internship, which seems to be characterised more by shorter-term ‘learning by doing’. The expansion of internships is also underpinned by the large increases in the numbers of graduates in recent decades, the ever extending transition period between education and employment, and the rise of long-term youth unemployment as an international phenomenon.

Problems with internships

Internships have become a contentious political issue in the UK because they are widely thought to have adverse consequences for social mobility and because, whatever the vocational benefits gained by interns, those in such positions are vulnerable to various forms of exploitative treatment. We look at both charges below. In each case the evidence currently tends towards the anecdotal and relatively unsystematic, but is nonetheless sufficiently consistent to have persuaded government bodies that action is needed.

Widening social inequality in the UK appears to have been rediscovered as a salient political issue in the last five years. Alan Milburn’s (2009) report on access to the professions identified the potentially malign consequences for social mobility of informal networking in hampering open access to internships in certain desirable sectors and, further, to permanent positions thereafter. This is exacerbated where internship opportunities are unpaid or located in expensive cities such as London. Add in the ad hoc recruitment practices and flexible labour markets characteristic of sectors such as the creative and media industries, and the ingredients are in place for a toxic cocktail capable of undermining equality of opportunity.

Two persistent allegations are that internships fail to provide meaningful learning experiences and that they are vehicles for exploiting those who take them up. It is clear from even a cursory look at graduate and intern discussion boards on relevant websites that opinions are divided about the short- and long-term utility of intern experiences. However, the main charges are of underemployment, often linked to positions being filled as ‘serial internships’, and of underpayment. Holgate and Mackay’s (2007) research in the audio-visual industries found evidence of those in such work placements undertaking entry-level jobs, with no training component worth the name, and finding little opportunity to progress. A majority of respondents to an unpublished survey by Interns Anonymous...
had undertaken more than one internship and only a fifth of respondents had obtained a job in the same organisation for which they had interned.

**Working for free?**

Much of the debate around internships has revolved around whether, and how much, interns should be paid. Quite simply, it is not known what numbers or proportions of interns receive payment, or expenses, or no remuneration at all. Tanya de Grunwald of the Graduate Fog careers website estimated in 2011 that there are more than 130,000 unpaid interns (Kingsley, 2011). Disparate evidence also suggests that there are high concentrations of unpaid interns in ‘glamorous’ sectors such as politics, fashion, the creative industries and the media. The Chartered Institute of Personnel and Development’s (CIPD’s) (2010b) Learning and Talent Development survey found that 37% of employers surveyed do not pay their interns at least the national minimum wage (NMW).

Increasingly, debate has turned on the legality and ethics of expecting people to perform tasks without pay and whether interns should be entitled to at least the NMW. The Low Pay Commission (LPC), which monitors the NMW, has highlighted problems with internships in its annual reports from 2009 onwards. The LPC’s (2010: 107-111) report identifies the growth of internships and allied work experience schemes by employers as an emerging area of concern, beset by numerous problems. These include: indications that ‘there is systematic abuse of interns’ (LPC, 2010: 110) in terms of their allegedly uncertain status as ‘workers’; unwillingness by interns to report complaints to HM Revenue and Customs (HMRC); and problems in enforcing payment of at least the NMW. Enforcement problems can be expected to continue, given cuts to HMRC and doubts about the extent to which HMRC is willing to prioritise underpayment of interns or to prosecute firms found to be in breach of the NMW more generally (Graduate Fog, 2010).

As we saw above, it is often alleged that the underpayment of interns stems from confusion about their legal status in relation to minimum wage law. The sheer prevalence of unpaid labour in industries such as the media and fashion is sometimes offered as a defence here. Even employers who have been on the wrong end of employment tribunal (ET) cases seem unrepentant about having offered unpaid work; mystified, even, as to what wrong they may have done (Brown, 2011). Only 10% of young people and 12% of managers responding to Heath and Potter’s (2011: 8) survey knew ‘that unpaid internships may be illegal’. Waters are muddied by ambiguous or partially inaccurate advice about the circumstances in which interns might be entitled to receive payment. In fact, the legal position on remuneration of interns is relatively clear and is now underpinned by improved government guidance, despite the lack of any legal category of ‘intern’. The key distinction is to establish whether the *de facto* relationship is that of a ‘worker’ (when payment of at least the NMW is due) or of one of the exceptions to the NMW Act (when there is no legal requirement to pay, although there may be a moral case). At least the NMW is due if a written or implied contract exists, involving an obligation to perform duties, and if the intern cannot come and go as they please. The main exceptions to the NMW are students on work placement for no longer than a year as part of a course, genuine volunteers, voluntary workers for registered charities, and work shadowing activities that do not involve the actual performance of work tasks. It would be for an ET to determine the status of an intern depending on the facts of each case. It is worth recording that, to date, two ET cases have resulted in unpaid interns having been deemed to, in fact, be workers and therefore to be entitled to back pay.

**Can internships be reformed?**

What should be done? Proposed solutions to address what has become a considerable public policy problem tend to fall into three broad camps, although these are not always mutually exclusive. Some organisations argue that the answer is to improve the internship experience or – at least – to regularise interns’ status, others suggest improved regulation, while still others wish to see internships ended. Reformers, such as the social enterprise Internocracy, wish to generalise the examples of high quality, structured internship programmes that exist, while eliminating abuses. The CIPD (2010a) has suggested paying interns a ‘training wage’, which would appear to be equivalent to the NMW rate for apprentices (currently £2.60 per hour until October 2012). The British Chambers of Commerce has proposed a new legal category of ‘intern’ that is not entitled to the NMW (LPC 2011,
Such ideas presuppose that interns are not predominantly performing work tasks, which is highly debateable. Pressure groups on internships, such as Intern Aware and Interns Anonymous, seek government action in order to close loopholes or improve enforcement, through publicising examples of abuse. Increasingly, such groups are also campaigning for the rejection of internships, especially their unpaid variety. Tactics of the mainly internet-based campaigns on this subject, such as Graduate Fog’s ‘Pay your Interns’, include ‘naming and shaming’ to bring negative publicity to firms and individuals believed to use unpaid internships.

Ultimately, the ambiguity of whether internships constitute training or work needs resolving, and the logic of this distinction should be pursued. It is unhelpful to pretend that they form an additional transitional requirement between full-time education and employment. If they are intended as traineeships, then that is what they should be called, and a genuine, structured, learning component should be in place. This does not seem to be the norm, though. If they are intended as jobs, at whatever skill level and for however long, then it should be accepted that an employment relationship exists and all parties should act accordingly. Too often, internships seem to be used as a rolling ‘cheap fix’ to fill jobs in some of the economic sectors seen by graduates as most prestigious. In the current economic climate, it would be foolish to think that matters will improve without regulation, although government policy is somewhat averse to this. This suggests that the campaign against internships will continue for some time to come. The recent controversy about the unemployed being required to work unpaid for major companies on pain of withdrawal of their benefits shows the potential dangers for business of being associated with practices that can be portrayed as exploitative. Businesses that use interns might be well advised to ‘jump’ before they are pushed.

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**Future Leaders: the Trustees of Trust?**

**Nick Marsden**

This article outlines findings from recent research designed to explore the interplay between the theoretical constructs of trust, the process of empowerment and psychological contract (through the perceptions of middle managers) within the non-theoretical ‘real-world’ environment of Dorset Fire and Rescue Service (DFRS), and from this, considers how this improved knowledge and understanding may be of future benefit to DFRS and other organisations.

**Background**

Public sector organisations are facing rapid change and periods of ambiguity which are challenging traditional leadership approaches. Although it may seem counter-intuitive to want to move away from being a ‘stable’ organisation, if we are to respond to these challenges and to be an adaptable learning organisation, this is exactly what we must do. Thames and Webster, (2009) discuss the concept of ‘dynamic stability’, where a progressive learning organisation will reach stability (but still be progressive) through four elements: commitment; awareness; empowerment; and trust. These elements enable a working environment that is inherently very quickly stable and predictable, but also flexible and responsive. However, to do this, we need to re-focus on people and relationships, not just processes and structure. The psychological contract, trust and the process of empowerment are therefore seen to be essential ingredients in taking leadership development forward within DFRS, in an environment where the development of alliances and networks are becoming increasingly important, and promises of job security and advancement may still be expected, but may now live in the past.

**The HR issue**

Like most organisations, this changing context and fiscal tightening has forced DFRS to move away from hierarchical or traditional approaches to flatter structures more centred on relationships. Interpersonal dynamics and the importance of maintaining good psychological relationships (which may be affected by change) may therefore be seen as central to leading through ambiguity, and now questions whether trust and empowerment should be seen more overtly as key principles for organisations in managing this.

This can be explained through the research model used (Figure 1), where this tacit ‘psychological contract’ positions trust in terms of the relationship (and the management of it) between employees and employers and makes a link through the process of empowerment, as one of a number of a ‘key enablers’ that will help to maintain psychological relationships and thereby support good performance and adaptability. Although this model forms a complex myriad of theoretical constructs, it highlights the importance of a more overt approach to the management and development of them, which will be taken forward through this work.

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![Figure 1 Research model](image-url)

**Performance and Adaptability**

- **Organisation’s commitment to the individuals**
- **Individual’s commitment to the organisation**

**Psychological Contract**

**Key Enablers**

- **Establishment and Development of Trust**
- **Leadership behaviours**
- **Changing context**
- **Managing outside influences**
- **Vision and values**

**Process of Empowerment**

- Social Exchange
- Cooperation
- Teamwork
The Research Approach

The research adopted a position allowing focus to be maintained on the ‘social reality’ of the participants, thereby seeing the issues as they perceive them and allowing this to inform the debate around the inter-play between the three theoretical constructs in this context.

The research centred on four main areas:

1. The meaning of trust (to establish a common understanding to support future leadership development)
2. Current levels of trust (as perceived by staff about their line manager)
3. Current levels of empowerment (as perceived by staff about the environment for empowerment created for them, based on the behaviour of their line manager)
4. Effects on Psychological contract (using the perceived effects of change on their attitude and commitment)

This was explored through a series of focus groups, a questionnaire and semi-structured interviews and the broad findings from this work are outlined below.

Research Findings

Meaning of Trust:

Trust forms the foundation for the research model and whilst there are many theoretical ‘definitions’, the ‘meaning’ of trust for DFRS must be based on the feelings and perceptions of its staff. The research quickly identified that there was a high degree of confusion about trust and what it ‘means’ to individuals. Often statements were made about a perceived ‘lack of trust’, but individuals had varying thoughts on what that meant, often using short sentences and/or single words synonymous with trust to explain what they meant.

Examples were:

- “doing what you say you will do”;
- “maintaining confidentiality”;
- “honesty”;
- “openness”;
- “saying what needs to be said about weaknesses, as well as strengths”;
- “being fair and not having favourites”; and,
- “having your decisions supported and not undermined”.

To explore this further the research investigated theory and definitions of trust and proposed three potential ‘meanings’ of trust that were then tested through the questionnaire (which also considered perceived levels of trust in the workplace).

This resulted in a clear preferred ‘meaning’ of trust being chosen by DFRS staff (when considering their relationship with their line manager) as outlined below:

“Trust is when my line manager is clear about the boundaries I need to work within and I am able to talk comfortably with them about my mistakes and weaknesses without fear that this will be held against me”

This meaning acknowledges that both vulnerability and risk are inherent within the ‘trusting action’ (Atkinson & Butcher, 2003; Deutsch 1960; Lewicki & Bunker 1996; Linstead, Fulop, & Lilley, 2009,
Mayer et al., 1995; & others) and indicates a desire for an open ‘blame-free’ culture. It also introduces
the notion of ‘boundaries’ that are particularly important when considering the trust/empowerment
inter-relationship, by encouraging confidence in decision making within clear parameters, thereby
reducing the perception of risk. Effective boundaries must be defined or a lack of confidence (not
competence) may undermine the process. In a recent article in the ‘Director’ magazine, McKeown
(2011) explained this with a simple analogy:

“There is a study about children who were given a huge field to play in. They stayed close
to the adults. When the experiment was repeated, with a huge fence around the field, the
youngsters played into every corner. Parameters foster creative play and innovation” (p.22).

The importance of identifying a ‘meaning’ of trust for DFRS should not be underestimated, as this
provides the foundation for future discussions about where trust does or does not exist (based on
what it means to us) and providing a foundation for trust to be built upon. This meaning may
therefore support discussion and understanding of trust and empowerment within future
(transformational) development for DFRS leaders.

However, it is acknowledged that there is a complex psychological ‘trust matrix’ extending up, down
and across organisations (encompassing many different types and definitions of trust) and this
‘meaning’ concentrates on the one-dimensional manager/subordinate relationship. That said, this
relationship must be seen as central to the issues and solutions. If we get this right, it will allow wider
discussion and actions to be facilitated, including such things as team diagnostics centred on trust
and fear of conflict, essential in developing the wider relationships and helping to remove the focus
on perceived breaches of trust that are so often aimed at senior management.

Levels of Trust and Empowerment:

Changes to organisational structures are now more reliant on empowered leaders/managers
operating within them by allowing more autonomy and control over workloads and decision-making,
and trust must be seen as the foundation underpinning this. Overall good levels of trust were
recorded across all staff groups within DFRS, although through the questionnaire and semi-
structured interviews, it was identified that perceived lower levels of trust existed with one staff group,
with consistently higher levels observed for the other.

The research also explored the behaviour of managers/leaders in the workplace, focussing on
whether (or not) their behaviours were creating the right environment for the process of
empowerment to take place. This part of the questionnaire was based on the work of Konezak, Stelly
and Trusty (2000) who identified six facets of Leader Empowering Behaviour (LEB) that are essential
for the process of empowerment to flourish. These are delegation of authority; accountability; self-
directed decision-making; information sharing; skill development; and, coaching for innovative
performance.

The research results found clear linkages between lower levels of trust and commensurate lower
levels of LEB, again within the same staff group, indicative of concerns around low feelings of
efficacy and confidence to make decisions, or concerns that decisions would be over turned by
others. This may be because line managers are inhibiting the empowerment process through a
reluctance to weaken hierarchical control (Argyris, 1998; Mullins, 2007).

It therefore appears that the perceived levels of trust directly link to the perceived extent by which
DFRS leaders emphasise ‘empowering behaviours’, showing there are cogent arguments that where
trusting behaviours are being consistently demonstrated this will facilitate the process of
empowerment.

Link to Psychological Contract:

The research identified that where levels of trust and LEB were reduced, by change or perceived
leadership behaviours, this also appeared to have impacted upon employee attitudes and
commitment, thereby having an adverse effect on the employment relationship. This correlation,
through an indication of reduced commitment and attitude over time, may be linked to an
underpinning violation of relational psychological contract (Rousseau, 1990), resulting in lower levels
of co-operation and discretionary effort shown and that some form of psychological contract breach had occurred (Turnley, Bolino, Lester, & Bloodgood, 2003).

Although the size of any breach is unclear from this research, this does support the findings of Robinson (1996), that:

“...a loss of trust is the critical ingredient in the relationship...and... psychological contract breach comes from more than just loss of expected rewards and benefits” (p.593).

From the findings of this research it is argued that, in line with the research model, trust within DFRS can be seen as the foundation for the development and maintenance of the psychological contract and that empowerment is a ‘key enabler’ in this process by effectively ‘bringing trusting actions to life’ in an environment where expectations (usually associated with trust) and obligations (usually associated with psychological contract) on both sides, are clear and promote feelings of efficacy in leaders, thereby supporting the psychological relationship.

What does this mean for DFRS and other organisations?

This highlights the importance of more overtly recognising and managing psychological relationships, from recruitment and throughout employment, acknowledging the importance of trust and empowerment as key enablers within this process.

It is essential that future leaders display behaviours that encourage calculated risk taking and the development of new ideas (Konczak et al., 2000) that will require an organisational paradigm shift away from the traditional, institutionalised (and possibly preferred) norm.

This may be linked to a lack of clear ‘boundaries’ that will need to be discussed and agreed with individuals to build confidence (based on a foundation of trust) in personal decision-making, along with the need for clearer organisational decision-making frameworks. Figure 2 shows a simple model that could be utilised to facilitate greater understanding and discussion around ‘boundaries’, within the defined meaning of trust, to improve this process.

![Figure 2 Potential boundaries for empowerment](image)

Included within this is the need for clarity of expectations or obligations that promote healthy psychological relationships between individuals and the organisation. A lack of clarity in these areas may therefore contribute to a culture of risk aversion, rather than experimentation and innovation. Psychological assessment tools to support the further development of high performing teams (with no fear of conflict) and the measurement of LEB as part of a leader’s personal development should also be considered.
If the sense of efficacy by ‘doing a good job’ is improved by a fulfilment of (defined) expectations, this will influence and ‘enable’ the psychological relationship. In turn the ‘obligations’ to and from the individual will more likely be fulfilled. This will be imperative with shrinking budgets and structures where trust within empowered teams must replace supervision and monitoring, otherwise it will become impractical to operate (Mayer et al., 1995). By loosening some control and allowing more ambiguity DFRS could move from a ‘stable’ to a more ‘flexible, innovative and responsive’ organisation, but this must be built on trust and empowerment within teams, with more overt management of the psychological relationship. Otherwise, whilst the strategic approach may be one of seeking ‘dynamic stability’, there is a risk of this becoming only an idealistic concept if the enabling constructs are not further explored, understood and developed.

**The HR Learning Points and Next Steps**

This study has provided an insight into the meaning of trust and links between levels of trust, LEB and psychological contracts (through the effects of change on attitude and commitment) in line with the theoretical research model.

It is evident from the subject area researched that Human Resource Departments are best placed to take this work forwards. However, organisations should consider how they may:

- consider how psychological contracts can be consistently managed and monitored, prior to employment, during recruitment, through induction and ongoing service, whereby feelings of self-efficacy can be nurtured;
- strengthen understanding and application of ‘leadership expectations’ and ‘behavioural statements’ (grounded in fairness principles and based on the ‘meaning of trust) to more implicitly value trust and integrity of their future leaders;
- more clearly define work boundaries for their leaders to improve confidence and the process of empowerment, thereafter holding leaders accountable for developing trust and a positive exchange relationship with employees;
- develop practical measures to more overtly build trust, empowerment and strong psychological contracts as part of the approach to future leadership development; supporting this with relevant psychometric tools for LEB and trust/teamwork and define on-going training, mentoring and coaching support.

This work highlights the importance of setting work boundaries, built upon a solid foundation of trust, but to do this trust should be more clearly defined and become a more tangible component of the working environment if psychological relationships are to be developed and maintained.

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Can independent non-executive directors provide effective corporate governance?

Alan Gilbert

This paper, based on research for my LLM Corporate Governance dissertation, takes a legal perspective to the role of non-executive directors (NEDs) in public liability companies. The article provides an overview of corporate governance in the UK and highlights the challenges placed on NEDs to monitor executives and also, as equal members, contribute to strategic leadership of the company. The constraints and demands placed upon NEDs are discussed and implications for their selection and development as independent minded directors and ability to enhance boardroom effectiveness and corporate governance are considered. NEDs are appointed through a nomination committee and then become pivotal members of the remuneration committee determining policy and procedures for reimbursing executive directors for approval by shareholders without obligations to consult HR personnel within the company.

The seminal Cadbury Committee Report (1992) emphasised that ‘...the calibre of non-executive members of the board is of special importance in setting and maintaining standards of corporate governance.’ The review also emphasized their control function which should not ‘detract from the primary and positive contribution...as equal board members, to the leadership of the company’. NEDs were also expected to bring ‘an independent judgement to strategy, performance and standards of conduct.’

The Higgs Report identified that collegiality was necessary between directors to fulfil the collective board function as there must be a ‘spirit of partnership and mutual respect on the unitary board.’ However, it has been acknowledged by the FRC, that the ‘tendency toward groupthink’ is likely to occur especially if the chairman’s style does not encourage constructive challenge in the decision-making process. Independent directors may challenge established practices when relatively new but, equally, their need to be part of the directorate (anticipatory socialisation and conformity) may mitigate against confronting more senior directors.

UK company law is based on an agency model requiring executives to be accountable to shareholders and their primary objective is to increase shareholder wealth. This represents a corporate financial perspective that emphasises profitability, investment in wealth creating activities, dividend yield and increasing share value. This view to corporate governance, influenced by free-market economists, promotes a laissez-faire approach by governments, as it is believed that market forces will self-regulate corporations. Macey contends that the market will deal with corporate governance issues more efficiently than demands placed upon companies by external policies and regulatory bodies. This is a view generally supported by corporate directors.

The UK Corporate Governance Code (Code), and preceeding codes since 1998, is based upon a voluntary self-regulation ‘comply or explain’ philosophy of corporate governance by directors. The Code amplifies directors’ duties within the five broad principles of: leadership, effectiveness, accountability, remuneration and relations with shareholders. The Financial Reporting Council (FRC) Guidance on Board Effectiveness relates to leadership and effectiveness and specifically provides guidance on the role of the board of directors, board support and the role of the company secretary, decision-making, board composition and succession planning, evaluating the performance of the board of directors, audit, risk and remuneration and relations with shareholders.

Corporate governance codes are often considered successful because they are flexible and easily adapted to respond to emerging requirements and abuses, unlike the elapsed time required for legislative changes. However, there are disadvantages including the lack of legal enforcement and sanctions for non-compliance as well as potential self-interest bias. The issue of retaining voluntary

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1 Report of the Committee on the Financial Aspects of Corporate Governance (Gee Publishing 1992) para 4.10
2 ibid. para 4.11
6 Financial Reporting Council, UK Corporate Governance Code (FRC, June 2010)
self-regulation through Codes in the UK, rather than legislation, is a major discussion topic within the socio-political-legal context.

Since the Cadbury Report, NEDs have been seen as a pivotal instrument of governance within a self-regulatory system built on the laissez-faire philosophy of ‘comply or explain’ which ‘offers flexibility, intelligent discretion and allows for the valid exception to the sound rule... fundamental to the effective unitary board and to superior corporate performance’.8

NEDs are required to fulfill multiple roles associated with strategic development, monitoring the activities of executives, and corporate governance obligations within the nomination, remuneration and audit committees.9 It is necessary to determine whether the self-regulatory Code is sufficiently robust to attain these obligations to be ‘custodians of the governance process’ and whether further developments are necessary to facilitate NEDs as an effective mechanism for corporate governance.

Analysis of 40 corporate governance codes revealed two common characteristics: firstly, that definitions are formulated in negative ways by listing elements that disqualify directors being considered independent; and secondly, they approach the concept from a formal, structural viewpoint in a sense that independence equals being free from any conflicts of interest at all times.10

By ignoring the “soft” aspects of independence, like an independent attitude and a strong character, the mere presence of formally designated independent directors will not avoid the breaches of corporate governance or promote success. It is questionable whether there exists a direct relationship between formal independence and board effectiveness.

The definition of contemporary non-executive directors creates several dichotomies as, under the Companies Act 2006, all directors are office holders and no distinction is made between executive and non-executive directors with regard to their legal duties of care. This raises considerable uncertainty and ambiguity in distinguishing NEDs principal responsibilities in the corporate governance context. There are, however, substantial differences between executives and NEDs in addition to the contractual and remunerative differences.

NEDs principal function is to monitor the executives’ activities from an independent viewpoint but the Code expects them to also be involved in management by assisting in developing the company’s strategy. These dichotomous roles create individual conflicts and split board imposing an implicit two-tier board within the UK unitary board structure. NEDs impartial outlook should enable discussions to rise above boardroom politics, resolve disputes and facilitate change as well as see potential risks and opportunities. They provide a check on the chief executive but need diplomacy, tact and courage11 in persuading their colleagues and provide a safeguard of shareholder, and community interests.

The unsettling question is whether NEDs are de facto ‘independent of mind and willing and able to challenge, question and speak up’12 as they are part of a largely self-perpetuating oligarchy drawn from the same ‘gene pool’. Higgs recommended that at least half the board members should be independent in order to bring ‘dispassionate objectivity’ but was not convinced ‘that independence should be defined by statute’.13

From an organizational perspective, the difference is in respect to the fact that executives have organizational power vested in their position within the hierarchy and are able to command and control the resources of the organization. Both types of directors are able to exercise their personal power in the context of the boardroom but NEDs do not have any jurisdiction over the direct control of company resources.

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11 Etherton J in Secretary of State for Trade & Industry v Swan & Ors [2005] EWHC 603 (Ch) para. [241] commented that: ‘Whatever the reason was, the lapse in judgment was a very serious one, at precisely the moment and in the type of situation in which decisive, courageous and independent action is required by a non-executive director.
12 D.Higgs, Review of the role and effectiveness of non-executive directors, (January 2003 para 9.1
13 Ibid para 9.9
Executives are usually full-time employees whose remuneration often includes performance related bonus and share options, whereas NEDs are part-time board members considered to be workers under employment law (unless they have an employment contract) and receive a fee for their part-time services to the company. Some companies have decided not to issue share options to NEDs as they believe it may compromise their independent status and judgment.

The unrealistic demands create a role which is full of contradictions and ambiguities and has the potential to create role conflict and ineffectiveness in acting as custodians of corporate governance. The inevitable status, authority and power relationships within boardroom dynamics create bias and bifurcation within the UK unitary board and future developments may need to adopt the European two-tier system of corporate governance with separate supervisory and management boards thus establishing clearer boundaries between executives and NEDs.

Independence of non-executive directors is a central tenet but the Code does not define the qualities associated with ‘being independent’. Although there have been no legal cases to provide judicial clarity of interpretation, several psychometric instruments include an ‘independent’ factor.

The Code requires the board in its annual report to confirm those NEDs it considers to be independent and they should specify reasons if it determines a NED would generally be considered not to be independent if certain formal or structural relationships or circumstances exist. Specifically, the board should determine whether the director is ‘independent in character and judgment’ but no guidance is provided by FRC. Van den Berghe and Baelden argue that by ‘ignoring the “soft” aspects of independence, like an independent attitude and strong character’ the mere presence of formally designated independent directors will not avoid breaches of corporate governance or promote success.

Furthermore, there is no proposal for external adjudication to monitor the board’s criteria for why they thought the director remains independent. There are over 6,000 NEDs in all sectors with over 1,600 in FTSE 350 companies and if there is genuine concern for their effectiveness in the corporate governance process, establishing independent arbitrators to assess their independence, maintain a register and accrediting qualify course for NEDs may be worthwhile.

There are some practical and personal limitations to their role which call into question the efficacy of their performance affecting their motivation and vigilance in monitoring and challenging the executives. These include: the duality of their position as monitors of executive performance but also expected to actively contribute to the strategic development of the organization; their part-time involvement calls into question access to information and commitment to the organization; if they have multiple NED positions and/or are an executive of another FTSE 350 company.

The Code states that a formal, rigorous and transparent procedure for the appointment of new directors to the board should be evident but fails to provide guidance. The nomination committee make recommendations to the board and subsequent approval at the Annual General Meeting by shareholders. NEDs are often chosen for their specific knowledge or business connections and may become financially dependent on the company calling into question whether it is realistic to expect NEDs to be ‘independent’. Greater transparency would allow external stakeholders to monitor and evaluate the nature of the independence displayed by NEDs. There is a need to increase the level of disclosure about the process and criteria used to nominate candidates to allow informed judgments by shareholders and regulatory authorities.

In the context of board composition and succession planning, the UK Guidance considers:

‘It is important to consider a diversity of personal attributes among board candidates, including: intellect, critical assessment and judgment, courage, openness, honesty and tact;’

14 Financial Reporting Council, UK Corporate Governance Code, (FRC, June 2010) Section B.1.1
15 ibid
and the ability to listen, forge relationships and develop trust. Diversity of psychological type...ensure that a board is not composed solely of like-minded individuals.17

Currently, no guidance on the selection process exists to assist nomination committees in this critical aspect of deciding upon the suitability of candidates. In view of the significance of the NEDs role within corporate governance this is an essential area for development requiring attention by FRC.

The provision of education and training within a nationally determined curriculum would facilitate quality assurance and allow individuals without the conventional profile of current NEDs to be prepared for the onerous challenges associated with their duties and accountabilities in all sectors and type of company. This initiative could be co-ordinated by FRC who could also maintain a register of NEDs and establish a continuing professional development programme as required by most professional bodies in the UK.

Further research is required to determine a workable legal definition of ‘actual’ independence and, more importantly, to establish whether there is a causal relationship between appointing independent NEDs, boardroom effectiveness and improvements in corporate governance and company performance. Currently this is measured using quantitative and financial metrics but societal concern for corporate social responsibility, and recent governance policy emphasising the importance of behavioural dynamics in boardroom decision-making, suggests future investigation will need to explore personal qualities and attributes in the selection of suitable NEDs for public companies.

If the UK retains the voluntary and flexible approach to governance it is necessary to undertake a comprehensive investigation into the role and effectiveness of NEDs. Conventional wisdom that independent directors will exercise probity and courage to withhold remuneration excesses and hold executives to account is questionable. Scandals in recent times have confirmed that this approach is not adequate but also that NEDs have not been fulfilling the governance role as expected by the regulators. The UK must also continue to take cognisance of other countries governance codes, and participate in international fora as corporate governance is of global importance.

Recent recognition in the FRC Guidance of behavioural dynamics in boardrooms and the chairman’s leadership style infers the necessity for more research into establishing the interdependency between the softer/actual aspects of personal independence and a board’s corporate governance effectiveness.

More empirical research is required to establish the actual contribution NEDs make to a company’s key sub-committees and the board as a whole to establish the extent to which they can enhance corporate transparency and restore confidence in the effective governance of companies in the UK.

Social media and HR - are you a swimmer, a scuba diver or a cynic?

Stephen Pilbeam

‘If Facebook was a country it would be the third largest in the world’

www.socialnomics.net/category/statistics/

This article is intended to be thought provoking about social media and the HR opportunities it provides. Much HR debate has focused on the ‘compliance dimension of social media’, which relates to the employer concern with use and abuse of social media at work, the Facebook and LinkedIn privacy debate and the potential for social exclusion. These compliance concerns are important, but this is the perceived ‘threat’ dimension and has the potential to obscure the ‘adding-value opportunities’ of social media that the business savvy HR professional will seek to exploit. So, what’s with the title? It is a borrowed, but extended, analogy from a CIPD webinar. There are now generations of employees for whom social media is the preferred means of communication, principally through smartphones. These people are comfortable with pervasive internet access and the ability to communicate with each other anytime, anyplace, anywhere. They are also referred to as ‘digital natives’, they know no other way. Although it is not strictly generational, and therefore not just confined to generations Y and Z, there is a generational dimension to the use and exploitation of social media. These digital natives are ‘Swimmers’ in the social media sea, being entirely comfortable with using it and accepting that use generates a digital profile, which may be exploited by employers, and marketers. In employment terms there is increasingly a need for individuals to be aware of, and indeed ‘dominate’, their digital profile, in the knowledge that social media information will be available beyond those for whom it is initially intended – it requires a form of Personal Search Engine Optimisation (PSEO). However, ‘dominating your digital profile’ is not for this article, but perhaps some lively discussion through asocial media channel? ‘Scuba divers’ are people who have not been brought up swimming in the social media sea, but realise that this is the future, because social media is pervasive and is fundamentally just another way in which individuals can interact with each other and communities can form. As with all communities they are defined by the user. Scuba divers did not learn to swim in the social media sea and therefore may need to put on a set of equipment to support themselves, dive into the social media sea and go exploring; this will mean suspending some learned behaviours and perhaps some common (mis)perceptions. The third group, the ‘Cynics’ consists of those who have some concerns about even dipping their toes in the sea, and write off social media as time wasting and as interfering with personal and face-to-face interactions. Although this is a personal choice it may be excluding potential opportunities to enhance the added-value dimension of HR. An alternative categorisation is provided by McCann Erickson (2011) of: Eager Extraverts, Sunny Sharers, Cautious Communicators and Walled Worriers.

Internet use, smartphones and social media

Smartphones and tablets (mobile technology) are taking over from pcs and laptops in accessing the internet and increasingly social networking services will replace e-mail as the primary communication vehicle for business users. Business users in rapid-growth regions like Latin America, the Middle East and China are already spending more time on social networking sites than on e-mail. Globally, the time spent on social networks doubled from 2010 to 2011. Gartner (www.gartner.com/technology/innovation/top-technology-trends-2012.jsp) estimates that by 2013, mobile technology will overtake pcs/laptops as the most common device for accessing the web, at about 1.82bn to 1.78bn. According to ACAS (2011) over the past five years the sophistication and reach of social media has outstripped all expectations, providing individuals with a voice in a public space and allowing voices from all corners of the globe to communicate with each other, shifting power bases and facilitating popular movements. They argue that: ‘This phenomenon has implications as much in the workplace as it does at a social, societal and political level. For employers and trade unions social media raises new legal and ethical questions. As well as these challenges, it presents new opportunities to engage with the workforce on both an individual and collective basis. In this new digital social space the rules are still developing, and the implications for workplaces are still emerging’. Clearly ACAS is focusing on the ‘employment relations dimension’ of social media so we can add this to the ‘compliance dimension’ identified above. These two dimensions are not mutually exclusive and have overlapping, indeed interlinking, features, and this is also true of the further dimensions identified in the figure below.
Social media: characteristics and HR dimensions

Social media is the broad term given to describe the latest evolution of internet and web based communication platforms which enable users to rapidly connect and interact in a variety of different formats. A social media site is a platform that allows user-generated content to emerge through interactions and collaborations in a virtual community. This contrasts with earlier websites and other forms of broadcast media where users were limited to the passive viewing of content. Social media examples include: Social networking (Facebook, LinkedIn, Yammer), blogs and microblogs (Twitter), instant messaging (individual, crowd sourcing, flash mobbing, swarming), voice over IP (Skype and FaceTime), and content sharing communities (YouTube, Wikipedia, Podcasts). This evolution of the web has several characteristics which need to be understood when considering its impact and they reinforce the cycle that the easier social media is to use and access, the higher its adoption rate and the more it becomes a fundamental part of everyday societal and organisational life. The characteristics include:

**Reach:** Social media is instantaneous, it’s two way and can reach a large number of people to create virtual communities.

**Accessibility:** Social media is available to anyone who can use a computer or a smart phone. It is low cost and the skills are easily learned.

**Immediacy:** The instantaneous nature of social media makes it quicker to disseminate information than traditional media.

**Permanence Paradox:** Social media can be adapted through comments and editing of content. Indeed, this co-creation of meaning is a driving force in the digital social space. Somewhat paradoxically, social media content once created is hard to erase and copying and further dissemination are features of the technology.

Having highlighted some features of the social media landscape it is now important to address the HR territory. In this short article it is not possible to do any more than identify the principal dimensions. This simple analytical framework is therefore intended to facilitate further discussion and learning, and could even be the focus of further HR Bulletin articles.

Social media compliance: use and abuse, privacy and potential for social exclusion

As with any new communication method there will be fears about use and abuse, and this dimension has occupied much of the HR debate. It is really no different from when the telephone first appeared, or the internet came on the scene or e-mail became a prime form of business communication. There needs to be an effective policy in place, supported by development for employees, to ensure that ‘time theft’ does not occur and also that business damaging content on Facebook, LinkedIn, Twitter and the like, whether it be confidential information or in some way derogatory to the organisation, to customers or to other employees, does not occur. As with all employee behaviours, what is acceptable and what is not acceptable, needs to be communicated clearly. There have been several high profile employment tribunal cases involving unfair dismissal claims which help to set the boundaries of what is effectively a social media redefinition of what constitutes ‘the public domain’. The policy needs to set the standards of behaviour, rather than seeking to archaically restrict use. A more positive paradigm is that employees using social media are potentially good organisational ambassadors. The Information Commissioner’s Office (ICO) has warned that UK employers should
not follow the demands of some USA employers in asking employees, or potential, employees, for social media log in details. Such a request may constitute ‘excessive information’ about an individual, potentially breaching the Data Protection Act. Facebook have noted that asking job applicants for their passwords to investigate their profiles would break its terms of service. This will not stop employers accessing information about employees and potential employees through Facebook, LinkedIn, and Google, and there is clearly an ethical and an information-value debate to be had. At the time of writing there is a thread on a LinkedIn HRM group which has 176 comments posted on this aspect alone! It is not possible to leave this dimension without noting the social exclusion possibilities of collecting data through social media technologies, the concern being that it might amount to discrimination and exclusion of those who have no access, or choose not to access, the technology. However, it is important that these ‘compliance’ concerns do not overshadow the positive potential of social media in recruitment, which is where we move on to next.

**Social media recruitment: enhancing the talent pipeline**

Fundamentally social media recruitment is focused on utilising the technology as part of a talent management process. This not only includes using job adverts on social media sites, but conducting searches and setting up company social media sites. For example, one of the mobile telephone network providers uses a social media strategy in the graduate recruitment process, creating a Facebook site and inviting potential graduate recruits to join. The site provides information on the selection procedure and assessment centre programmes, and enables potential recruits to interact with each other. This provided a vehicle to project company values, to provide information to candidates and to garner information on the potential recruits. Social media in recruitment is also about projecting an employer brand and offers further marketing opportunities.

**Social media learning: continuing professional development**

The CIPD (2011) state that: ‘on-line learning is almost ubiquitous. However, there is more to e-learning than first meets the eye. E-learning can be a tool to improve business performance, but given that much current e-learning is not completed we need to increase the quality of user experience’. Social media has huge potential in the learning and development dimension encompassing e-learning, webinars, video conferences, blogging, twitter feeds from conferences and personal CPD search. Twitter is often criticised as a limited communication tool and of course comments like ‘I’m off to the shops now ‘fall into this category, but increasingly tweets include website references where further information can be accessed, it does depend who you follow, so if you have a list of so called celebrities then the quality of your information will be influenced accordingly. So, identify and ‘follow’ quality tweeters and exploit this source of proactive self-development - @HarvardBiz, for example. The CIPD tweet key points from their conferences and this reflects a growing trend, so if you see people tweeting when you are presenting, do not be upset, they may be disseminating your words of wisdom, and influencing your digital profile.

**Social media employee relations: communication, voice and employee engagement**

Management can post blogs and invite employee contributions, employees can communicate with each other across hierarchical boundaries, synergistic activity can lead to the sharing of ideas, collaboration and creativity. YouTube videos of strategic objectives and the dissemination of company information, do not replace face to face communication, but provide a new area to exploit in the pursuit of employee engagement. Social media platforms are a means of excavating meaningful employee feedback.

**Social media business: business improvement opportunities**

The exploitation of social media technologies for business benefit is termed ‘Social Business’. Social media provides another means of collaboration and the merging of the technology with business outcomes. It can enhance employee, supplier and customer engagement opportunities. It is potentially a rich feedback source for these three stakeholders, to which you could add other stakeholders such as shareholders or tax payers. Facebook is not the only platform as other tools and platforms are available, in which case the term social media becomes something of a misnomer, perhaps Business Media is more apt? According to IBM (2011) ‘Social Business’ shifts the focus from documents, project plans and other temporary artefacts to the source of the energy, creativity and
decision making that moves the business forward - people. This people-centric approach relies on: Integrated networks of employees, partners and customers; Social and real-time collaboration to connect ‘remote’ teams to improve decision making, exploit expertise and promote problem solving; Mobility to enable individuals to be connected whenever and wherever they are; and, Integration to embed social collaboration capabilities for information sharing within the context of business processes. Success depends on high trust levels to empower employees to share ideas and expertise and trust in customers and suppliers is necessary to facilitate open dialogue.

If you are not a swimmer be a diver in the social media sea

This short article can only draw attention to contemporary HR issues, but social media is happening, and as the ‘new generations’ preferred method of communication the technologies present opportunities for HR practitioners to move from ‘policing’ to ‘adding-value’ by being educators, encouragers and engagers. Rather than focusing on social media dangers perhaps ‘cross the Rubicon’ and see it as a business savvy opportunity to focus on improving communications and engagement, boosting the quality of candidates in the talent pipeline, encouraging employee creativity and generating business improvements – dive into the water. Email your comments to stephen@hr2020.co.uk or follow me on my Twitter handle: @stephenpilbeam. A talented graduate employee once said to me, ‘I wouldn’t dream of applying to an employer that didn’t have a dedicated LinkedIn or Facebook site’.

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