



Investors in People: Research on the New Choices Approach

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Foreword

The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the voluntary sector. Our mission is to raise skill levels to help drive enterprise, create more and better jobs and promote economic growth. Our strategic objectives are to:

- Provide outstanding labour market intelligence which helps businesses and people make the best choices for them;
- Work with businesses to develop the best market solutions which leverage greater investment in skills;
- Maximise the impact of employment and skills policies and employer behaviour to support jobs and growth and secure an internationally competitive skills base.

These strategic objectives are supported by a research programme that provides a robust evidence base for our insights and actions and which draws on good practice and the most innovative thinking. The research programme is underpinned by a number of core principles including the importance of: ensuring '**relevance**' to our most pressing strategic priorities; '**salience**' and effectively translating and sharing the key insights we find; **international benchmarking** and drawing insights from good practice abroad; **high quality** analysis which is leading edge, robust and action orientated; being **responsive** to immediate needs as well as taking a longer term perspective. We also work closely with key partners to ensure a **co-ordinated** approach to research.

This research on the New Choices approach to Investors in People (IIP) was undertaken by HOST Policy Research. It seeks to identify the impact that the New Choices approach has had on attitudes towards and the take up of IIP, and will inform the future design and delivery of IIP. The study fills a number of evidence gaps around IIP and contributes to the Commission's wider research base on encouraging employers to invest in business success.

Sharing the findings of our research and engaging with our audience is important to further develop the evidence on which we base our work. Evidence Reports are our chief means of reporting our detailed analytical work. Each Evidence Report is accompanied by an executive summary. All of our outputs can be accessed on the UK Commission's website at www.ukces.org.uk

But these outputs are only the beginning of the process and we will be continually looking for mechanisms to share our findings, debate the issues they raise and we can extend their reach and impact.

We hope you find this report useful and informative. If you would like to provide any feedback or comments, or have any queries, please e-mail info@ukces.org.uk, quoting the report title or series number.

Lesley Giles

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Executive Summary

Introduction

Investors in People (IIP) is a business development tool that was first launched in 1991. The IIP Standard enables organisations to assess how they are managing people, and where improvements can be made. There are 39 evidence requirements which must be met for an organisation to be recognised as meeting the IIP Standard. The New Choices approach to IIP was introduced in May 2009 to provide greater flexibility and customisation of IIP to an employer's priorities and goals. It also allows progress beyond the IIP Standard and incorporates additional recognition in the form of Bronze, Silver and Gold award levels (for which organisations must provide evidence that they meet at least 65, 115 or 165 evidence requirements respectively). In April 2010, the UK Commission for Employment and Skills took over strategic ownership of IIP and was keen to understand the differences made by New Choices.

The overall aim of this research is to identify the impact that the New Choices approach has had on perceptions and take up of IIP, with a view to informing future strategy for IIP and contributing to meeting longer-term objectives for IIP. The project methodology included: preliminary research (familiarisation with the IIP literature review¹, a review of management information, and discussions with key stakeholders); an e-survey of employers engaged with the New Choices approach; and 15 employer case studies to add depth to the understanding of how New Choices was working in practice.

The New Choices approach was introduced across the UK in May 2009 (after being piloted in Scotland and some parts of England), so at the time of writing has been operational for less than two years. This is a relatively short period of time in which to judge the impact of the New Choices approach, as further benefits are likely to accrue over the long term. As such, this review has not identified significant direct benefits experienced by employers who have followed the extended framework and achieved a Bronze, Silver or Gold award level, though it has identified some changes that may contribute to increased business efficiency.

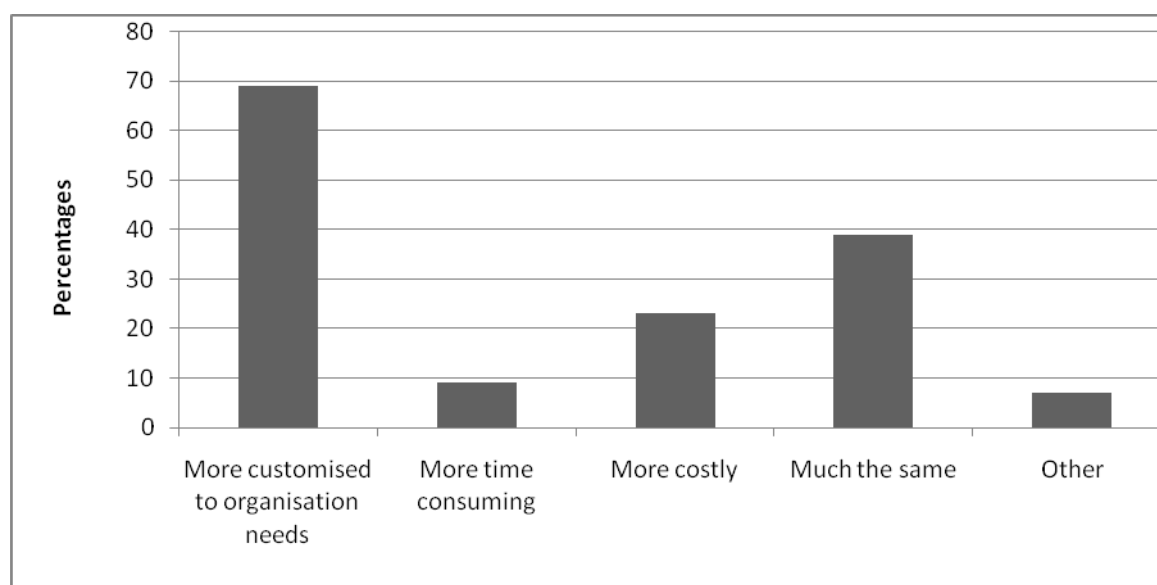
Key findings

The key findings of the review are:

¹ 'Perspectives and Performance of Investors in People: A Literature Review (Evidence Report 24, November 2010). Available at: http://www.ukces.org.uk/upload/pdf/IIP_Perspectives_and_Performance_V4.pdf.

- The introduction of the New Choices approach followed extensive research and focused on developing the established IIP brand through customisation, graduated recognition and benchmarking.
- New Choices involved a complete overhaul of the role of the advisers and assessors (the “IIP specialists”) who were seen as crucial to the success of the changes in offering a more consultancy-based approach.
- The most effective means for bringing organisations with prior involvement with IIP on board with the New Choices approach was through interaction with the specialists.
- The main reasons for employers engaging with the extended framework under New Choices were: to recognise existing practice; to provide a business development tool; and to demonstrate excellence to customers.
- The extra costs involved with following the extended framework (beyond the core Standard) depended on the organisation. Direct costs were dependent on the number of specialist days required while indirect costs mainly comprised internal staff time

Figure 1: Views on Investors in People service delivery now compared with earlier periods



NB. Multiple response.

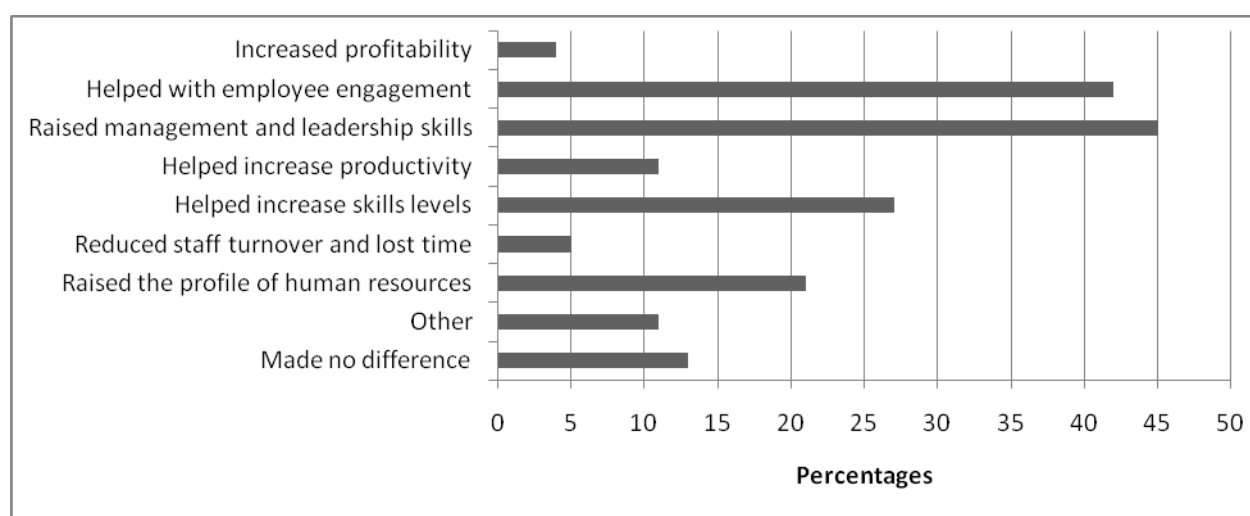
N= 628 (All respondents)

Source: E-survey

- The key elements in New Choices (such as the pre-assessment planning meeting) are being adhered to, and New Choices is generally regarded by employers as an effective method of identifying an organisational priorities and focus for IIP.

- Assessing the impact of the New Choices approach is problematic because of the difficulties in isolating the effects from other activities, as well as attributing impact to the New Choices elements of IIP rather than IIP in general. Figure 1 shows that the majority of respondents reported that New Choices is more customised to their needs; a key objective of the approach.
- Most benefits of New Choices identified by employers were focused on ‘traditional’ human resource areas such as staff development, employee engagement, and management and leadership improvements (see Figure 2).

Figure 2: Impact of achieving Bronze, Silver or Gold on the organisation



NB. Multiple response.

N= 311 (All those assessed against the extended framework)

Source: E-survey

- E-survey respondents stated that New Choices would encourage them to retain their IIP status in the future.
- The New Choices approach may not have fully widened the appeal of IIP to “first timers” and small businesses. As a result, there are certain segments of the potential market that have still not benefited from the changes and are less likely to become involved with IIP.

Implications for action

The research identified a number of key issues for consideration by those involved with the shape and delivery of IIP in general and New Choices in particular.

There have long been concerns that IIP is less likely to be achieved by small employers. New Choices provides additional flexibility and customisation, and is designed to broaden the appeal of IIP. However, this research found no evidence that, as currently implemented, New Choices had broadened the appeal of IIP to new employers. Assessment against evidence requirements from the extended framework has largely been adopted by employers going for re-accreditation. These findings suggest some underlying weakness in the IIP offer, which New Choices has not fully addressed.

Targeted marketing of IIP to smaller organisations and those currently uncommitted to IIP would be more effective than general marketing. Over reliance on IIP specialists to 'sell' the New Choices approach means that those seeking re-accreditation have been the default target. The use of IIP Champions and Employer Representatives (where employers help to promote IIP to other employers) appears to have been a success in making employers new to IIP familiar with the process, as well as providing some support during the assessment process. It is recommended that the approach is continued and extended, with additional targeting to certain market segments, as this is likely to prove successful in attracting new organisations. A potential barrier is limits on the time that employer representatives could put into the activity. Ways need to be found for maximising value from these inputs, for example through the use of websites and email to disseminate information.

The wider business and labour market infrastructure could be more involved in promoting IIP. There are currently significant changes in the economic and business development landscape (for example, the abolition of the Regional Development Agencies (RDAs) and establishment of Local Enterprise Partnerships (LEPs)). This provides opportunities to improve the role of intermediaries promoting the benefits of IIP. Organisations such as the Chartered Institute of Personnel and Development (CIPD), Confederation of British Industry (CBI), and Chambers of Commerce could be engaged in promoting IIP and the flexibility and potential benefits of the New Choices approach. The UK Commission should continue to work closely with these organisations and provides them with sufficient information and incentive to promote IIP to employers.

There are certain segments of the potential employer market for IIP that will struggle to justify the resource inputs required to meet the IIP Standard (let alone the Bronze, Silver or Gold awards levels in the extended framework). Smaller businesses particularly, which are unlikely to have a dedicated human resource (HR) function or sufficient spare management capacity, are likely to need financial support to reach accreditation. Without attention to this, IIP (and particularly the award levels beyond the Standard), will remain the preserve of larger organisations. Such support is available in some of the home

nations but not in England. It is recommended that the potential options for part-funding of employers seeking a first IIP accreditation be explored by the UK Commission. Financial support could be direct or indirect, perhaps through a remission of tax or National Insurance payments.

IIP Centres (and IIP specialists) are the main route to engagement with IIP. This review has shown they are most effective in engaging existing IIP accredited employers with New Choices. Promotion and engagement activity with employers not currently engaged with IIP is likely to increase only if it is financially viable for the Centres and the specialists. IIP Centres in England are commercial bodies and thereby driven primarily by commercial considerations in their approach to IIP engagement strategies. Working with a large number of small and medium sized enterprises (SMEs) to attain initial IIP recognition is more difficult and potentially less profitable than working with a smaller number of larger, already engaged organisations to attain higher levels of IIP accreditation. It is recommended that the UK Commission looks into the options for incentivising IIP Centres to promote IIP to those not currently engaged with it. This could involve an element of targeting (for example to those SMEs with strong growth potential) and could be linked to positive IIP outcomes (for example different levels of incentive for achievement of the different award levels).

The IIP 'badge' effect is important for many employers. Some employers see the achievement of the Gold award as their goal and Bronze or Silver as steps towards this, rather than achievements in their own right. There are some issues surrounding the terminology (which encourages a first, second and third place perception in the eyes of some employers and others). Furthermore, there is the added danger that the achievement of the Standard will be downgraded or lost, rather than seen as an aspiration for many employers. It is therefore recommended that consideration be given as to how the award levels are promoted. Extra stretch for some employers is important, but this could be accommodated by an 'enhanced Standard' for those going beyond the 39 evidence requirements rather than the three award levels. The UK Commission should open a dialogue with all interest groups to determine whether the current award branding should be changed in the interests of simplicity and protecting the Standard.

With the start of a period of austerity arising from the measures being introduced to tackle the budget deficit, it is likely that the organisations that have traditionally provided the mainstay of IIP (in particular organisations in the public sector and voluntary sector) will be under pressure to justify their continued involvement in IIP. The New Choices approach has extended the attraction of IIP for existing accredited employers but it appears to have been less successful in extending IIP reach to new employers. However, maintaining or enhancing the number of committed and recognised organisations overall is likely to depend heavily on the success in bringing in new employers.

The additional benefits likely to accrue to organisations committed to IIP (particularly under the New Choices approach) are likely to appear over the medium to long term rather than being demonstrated in 'quick wins'. This research on the New Choices approach has been carried out relatively quickly after its introduction and so has not identified substantial business benefits from New Choices at this stage. Future research with employers, carried out over a sustained and a longer elapsed time, is likely to provide a better indication of any additional benefits that have accrued. Further research after a longer period of operation would also allow a more thorough assessment of whether the New Choices approach has become embedded in the delivery mechanisms and the approach of the specialists.

1 Introduction

1.1 Introduction

This report sets out the findings of a research project which explores the impact of the New Choices approach, introduced in May 2009 to improve the delivery, reach and stretch of Investors in People (IIP).

IIP is a business improvement tool with a highly recognised brand that was established 20 years ago. The IIP Standard enables organisations to assess how they are managing people, and where improvements can be made. There are 39 evidence requirements which must be met for an organisation to be recognised as meeting the IIP Standard. The New Choices approach provides greater flexibility and customisation of IIP to an employer's priorities and goals. It also allows progress beyond the IIP Standard and incorporates additional recognition in the form of Bronze, Silver and Gold award levels (for which organisations must provide evidence that they meet at least 65, 115 or 165 evidence requirements respectively). New Choices was introduced at a challenging time for many employers, with the UK economy just emerging from recession. In April 2010, the UK Commission for Employment and Skills took over strategic ownership of IIP and was keen to understand the differences made by New Choices.

1.2 Aims and objectives of the research

The overall aim of the research was to identify the impact that the New Choices approach has had on perceptions and take up of IIP, with a view to informing future strategy for IIP and contribute to longer-term objectives for IIP. Within this, the following more specific objectives were identified:

- to identify changes in reported perspectives of IIP following the introduction of the New Choices approach from the standpoints of providers, employers, employees, Government and other stakeholders;
- to assess the extent to which the New Choices approach meets employer needs and whether particular elements are more relevant than others;
- to assess the impact of the New Choices approach in terms of business impact (including impact on training levels and practices, managerial capability, high performance working practices, business development, organisational performance, skills and productivity within organisations committing to the approach);

- to assess the impact of the New Choices approach on the number of commitments and (re) accreditations to IIP;
- to identify any differences in process and experience for employers following the New Choices approach;
- to identify any differences in process for IIP Centres following the New Choices approach;
- to assess the additional costs and benefits of the New Choices approach (inputs from delivery centres and organisations; costs of accreditation; financial and other benefits to organisations) following changes to internal management practices to support accreditation;
- to identify the extent to which the New Choices approach is meeting its objectives.

1.3 Method of approach

The research was carried out between November 2010 and March 2011. HOST Policy Research was commissioned to conduct the research and produce this report.

The preliminary research involved the following stages

- 1 Familiarisation with a recent literature review on IIP (Gloster et al, 2010), and other documents relating specifically to the introduction of the New Choices approach, including management documents. All documents reviewed as part of the research are provided in the report's bibliography, and were used to inform the study and the development of topic guides.
- 2 Analysis of IIP management information (MI) (providing details of organisations by sector, size, location and IIP status)).
- 3 Stakeholder consultation, including: interviews with UK Commission staff with responsibility for IIP development, promotion and delivery; interviews with 10 of the 11 IIP centres²; and telephone interviews with 12 key stakeholders including employer and employee representative bodies, professional bodies, and relevant government agencies in each country.

2 The timing of interviews was coincident with the re-licensing of the delivery centres in England

- 4 An e-survey of employers which had experience of being assessed against New Choices. The database used to derive the sample of organisations for the e-survey was provided by the UK Commission, from those organisations working with the extended framework and agreeing to contact. This database rendered a valid sample of 2,408 organisations and a total of 664 completed questionnaires were received, giving a response rate of 28 per cent. Comparison of the sample and response show the latter to be reasonably representative particularly in terms of size of organisation and location³.
- 5 Employer case studies to provide a more detailed perspective on the development, take up and impact of New Choices, from which to learn lessons based on good practice and identify areas for improvement, to inform the future development of New Choices and the Standard. The 15 case study organisations were chosen from a long list of potential case studies compiled through discussions with IIP Centres and from those organisations responding to the e-survey indicating that they were willing to participate as a case study. The final selection was based on a number of criteria such as the need to include representatives from all four home nations, to ensure that there was a mix of those achieving the different award levels and to include a variety of views so as to get some constructive perspectives of the New Choices approach. The principal contact in each case was the person most closely associated with IIP in the organisation. In the majority of cases this was the Human Resource Manager or Director, or the person heading training or workforce development. Where possible (and with the agreement of the organisation) the specialist working with the employer was contacted to get their view on the new approach. Eight of the cases have this input. All discussions were confidential and no individual or organisation has been identified.

1.4 Report structure

This report is organised into five further chapters. Chapter 2, background and development of the New Choices approach, draws on the literature review and other sources to outline the key aspects of the transition to New Choices and discusses stakeholder views on the approach. Chapter 3 looks at the promotion and perceptions of the New Choices approach, covering the initial sources of information and their efficacy, the costs and perceived benefits of the new approach and the role of IIP centres in making it happen. Chapter 4 examines organisations' experience of the New Choices

³ It should be noted that the numbers in the original database for the East Midlands and Wales were quite small. Following cleaning of the sample and reviewing undeliverable e-mail addresses, organisations in these areas were not adequately represented and so were removed from the sample.

approach from the initial planning and decision-making, through ongoing external and internal support, to assessment and accreditation. Following on from this, Chapter 5 attempts to assess the impact of New Choices from the business and wider perspectives, and also considers of how the new approach has affected commitments and re-accreditations.

The final Chapter of the report pulls together the key findings from the research and identifies a set of key issues for consideration by the UK Commission and its partners in the future delivery of IIP.

2 Development of the New Choices Approach

Chapter summary

- New Choices was introduced in May 2009 after extensive development work, research and piloting of the approach in practice, firstly in Scotland and then in two areas of England.
- There are five key aspects of the New Choices approach: new business orientated focus, greater choice, extended framework, additional recognition and annual review.
- Key reasons for the introduction of New Choices were: to build on research that showed that client satisfaction with IIP centred on the value of their assessment and feedback reports; and to create a business improvement focus to the assessment practices.

Interviews with IIP Centres and UK Commission staff suggest that the new approach was also introduced to address other issues, including assessor skills (move to consultancy skills and away from audit practices) and the low take up of Profile, the previous version of the extended framework.

2.1 Introduction

This Chapter examines the development of the New Choices approach. Section 2.2 identifies the key elements of the New Choices approach. Section 2.3 provides an understanding of what changes were brought in under New Choices, while Section 2.4 sets out the reasons for the development of the new approach to IIP assessment and the introduction of the extended IIP framework. Section 2.5 goes on to explain how it was piloted and evaluated prior to its national launch in May 2009. This chapter draws on the findings from interviews held with UK Commission staff and those involved in the piloting of the approach to IIP.

2.2 Key elements of the new IIP approach - New Choices

There are five key aspects of the New Choices approach, as follows:

1. New business orientated focus

Client organisations get a more flexible, tailored programme of support to help them meet their business goals using IIP. The specialist sets up a meeting with the senior team to help the organisation work out its needs and which elements of the framework

(the Standard and extended) are most relevant to its needs. Assessment and feedback is then geared around the organisation's specific needs.

2. Greater choice

As a key part of the customisation of the IIP framework to individual business objectives, there is flexible access to the optional evidence requirements found in the extended framework.

3. Extended framework

All organisations now have access to the extended framework (i.e. what used to be covered under Profile) and can access the additional (optional) indicators alongside the 39 core (Standard) indicators in a flexible way. IIP Centres in England automatically offer assessment of up to six additional indicators at no extra cost within the Standard IIP assessment. Some offer cost reductions for Bronze, Silver and Gold assessments if a 'top up' assessment is undertaken within six months of The Standard assessment.

4. Additional recognition

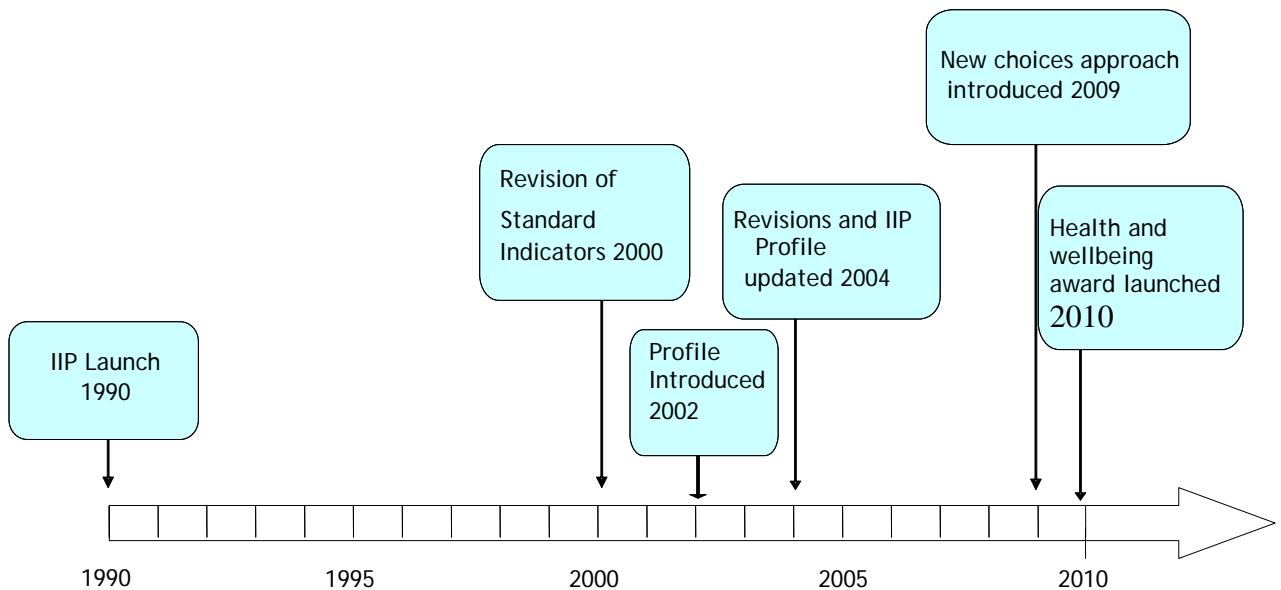
Organisations now have the ability to have Bronze, Silver and Gold award levels mentioned on their IIP plaques. This denotes they are working beyond the Standard. Bronze is achieved if an organisation meets 26 additional indicators above the Standard, Silver with 76, and Gold with 126. Organisations are free to select the indicators most suited to their business needs to achieve the additional levels.

5. Annual review

All client organisations now have the option of an annual review, which helps to maintain client relationships and stem drop out between assessments.

2.3 IIP before New Choices

The IIP Standard was launched in November 1990, and over the last 21 years has undergone a number of major revisions, as shown in Figure 2.1 below.

Figure 2.1: Investors in People development over time

Source: Gloster et al (2010)

The development and introduction of 'Profile' is particularly relevant to New Choices. Profile was first launched in 2002 and then updated in 2004. It allowed organisations to work beyond the Standard and demonstrate how they met additional requirements on organisational values, recruitment and selection, work-life balance, social responsibility, the use of coaching and mentoring and inspirational leadership. The updated version of the Standard in 2004 introduced more stretching criteria on leadership and management strategy and effectiveness. It also opened Profile to all organisations (previously it had only been available to IIP recognised organisations). However, although Profile was generally positively received by those organisations engaged with it, it lacked take up in terms of numbers of organisations, with only around 400 organisations participating. Furthermore, it was not widely promoted or understood across IIP practitioners (most assessors were not accredited to deliver Profile to organisations).

March 2010 also saw the introduction of The Health and Wellbeing Good Practice Award, which enabled employers to develop a more strategic approach towards the health and wellbeing of their staff. This award can be undertaken separately or as part of an IIP assessment.

2.4 Rationale for the introduction of New Choices

The literature review shows that IIP has a high profile amongst organisations, with nine out of ten organisations aware of IIP when asked. However, the number of organisations committing to IIP is now declining. A further issue identified by the literature review has been an increase in time between commitment and accreditation: in effect, more organisations are taking longer to become accredited or are not progressing to accreditation. These trends have contributed to IIP accreditations becoming proportionally more concentrated among those organisations seeking re-accreditation over the last ten years. There has also been a rise in the number of organisations deciding not to be re-accredited, although of those that are IIP assessed (or re-assessed), there is no increase in the proportion failing assessment.

The literature review shows that larger organisations are more likely to commit to IIP than smaller ones, as are those in the public and voluntary sectors. Other aspects such as business ambitions and culture also contribute to likelihood of IIP commitment.

The value of IIP to policy makers is split between those who see it primarily as a tool to help them (policymakers and stakeholders) effect change in terms of business competitiveness or skills levels/utilisation within the economy, and those that see it as primarily a tool for businesses to use in line with their own particular needs (i.e. without the wider agenda). The literature review suggests that IIP has shifted between the two approaches, with the emphasis changing over time and between UK home nations.

2.5 Development of New Choices

The New Choices approach to IIP was developed and brought in partly to address the above issues, and to help counteract the decline in new commitments and re-accreditations.

The specific genesis of the New Choices approach came from research undertaken by Investors in People UK (IIP UK) on what IIP client organisations valued most from their engagement with the IIP Standard. The research concluded that client organisations were most happy with the IIP assessment process and feedback, but that there was a need for a new approach to IIP and the way the IIP product portfolio was presented and sold. The New Choices development project took forward these recommendations to create a new focus around an organisation's business needs and objectives in IIP assessment and feedback. The subsequent development work was initially termed the 'New Ways of Working' (NWOW) project. The NWOW project developed proposals

centred on increased customisation of IIP, graduated recognition/badging, scoring and benchmarking.

The New Choices approach was brought in to address a number of other issues, as follows:

- Lack of promotion and take up of Profile: Most IIP assessors were not trained and accredited in Profile assessments and thus were not familiar with, or capable of, undertaking a Profile assessment. This led to a lack of promotion of Profile by most assessors to their client organisations. It was reported that even where an assessor was familiar with Profile, they might not promote it unless they were accredited to deliver a Profile assessment, due to the risk of 'losing' this client to an assessor that was able to undertake Profile assessments. In addition, from the clients' perspective there were some issues around clarity (e.g. how an organisation achieved different levels of accreditation (percentage of indicators achieved)) and lack of flexibility, in effect meaning that organisations had to be measured against the full additional Profile framework because it did not have different levels or tiers of achievement as subsequently set out in the New Choices approach.
- A desire to respond to the evidence that IIP works best when it is clearly linked to an organisation's needs and is being used to solve business issues.
- An associated shift away from auditing assessment practices and move towards a more consultative approach to IIP assessment, with the client central to setting the key priorities for assessment.
- As a response to evidence that some assessors were taking an 'auditing' approach to IIP assessment that did not take account of an organisation's key priorities, i.e. taking a 'one size fits all' approach. In addition, a number of IIP Centres had found issues with poor assessment reports going out to client organisations that had been prepared by assessors using a 'cut and paste' approach from previous assessment reports and, which sometimes, left in the wrong organisation or individual names.
- To bring in an approach requiring IIP specialists to demonstrate customer-led (consultancy) skills.
- The reduction in the sources for lead generation for IIP, linked to the cancellation of Train to Gain (which conducted initial assessments) and the reduction in Business Link advisor support, has led to specialists having become increasingly important in terms of generating new IIP commitments as well as retaining organisations. They

need the right skills to undertake this role and, in particular, an ability to develop (on-going) customer relationships. IIP Centres are also investing more in lead generation and see New Choices as a positive move forward to engage new/stalled organisations with IIP.

- There was a view from some interviewees (IIP Centres mainly) that there was a need to assess and develop the skills of some of the cohort of the IIP specialists. Scotland (a pilot area) approximately halved their specialist base from around 150 to 70 and introduced a recruitment drive for new specialists that focused on bringing in individuals with the right consultancy skills, whose understanding of IIP could then be developed.

IIP UK commissioned Jigsaw Research (2007) to undertake qualitative research to test out the key elements of the proposed NWOW with employers of different types, IIP status, and attitudes to and reasons for engaging with IIP ('badge' versus best practice seeker). The research found that the NWOW proposals (the basis of New Choices) were perceived by employers to represent a radical reform of IIP. The key changes were:

- developing and extending the IIP framework beyond the Standard;
- introducing customisation: this implied a different, closer relationship between employer and IIP providers (IIP Centres and specialists); changing how accredited organisations communicate their achievements to the world.

The research also concluded that these changes, if (carefully) implemented and marketed, could be a powerful retention tool. However, they were seen as less relevant as an acquisition tool for prospective clients new to IIP. The authors also cautioned that levels of accreditation and graduated recognition beyond the Standard could raise issues about devaluation. The Standard would need to remain at the core of good practice and not be positioned as just a gateway to the Profile or extended framework.

IIP UK, as part of the evaluation of the New Choices pilot work, commissioned quantitative research (Jigsaw Research, 2008) with organisations in the New Choices pilot areas to evaluate:

- awareness and knowledge of 'Profile';
- awareness and knowledge of New Choices and the single framework;
- factors in becoming engaged in IIP and any concerns about its operation;

- the IIP Standard and its role.

There were 100 respondents. Of the 85 organisations that had renewed their IIP status under the new approach, 29 per cent saw the New Choices as being significantly different and 54 per cent as slightly different from the previous approach. The main differences were (multiple responses allowed):

- more focused (21 per cent);
- more consultation (18 per cent);
- better prepared/set criteria (14 per cent);
- less paperwork (14 per cent);
- more in line with business objectives (13 per cent).

This same group was asked if New Choices made IIP accreditation of more value to them than previously. Nineteen per cent of those renewing their IIP in the survey felt it was of significantly more value and 55 per cent of slightly more value.

Those organisations renewing their IIP accreditation and those that were IIP accredited for the first time under the new approach (a total of 95) were asked if they more likely to renew accreditation in future as a result of New Choices. Twenty-five per cent stated they would be more likely to renew, 59 per cent stated it made no difference (they would renew anyway), 11 per cent stated it would make them less likely to renew and four per cent felt it was too early to say. No reasons were provided as to why they thought this.

2.6 Introduction of New Choices

The new approach to IIP was first piloted in Scotland, and then subsequently piloted in parts of England (West Midlands and parts of the East of England) over a two year period before it was officially launched in May 2009 across the whole of the UK. In Scotland New Choices became the standard operating procedure for IIP from July 2008.

Interviews with non-pilot IIP Centres showed they were positive towards the approach that was taken to piloting New Choices, the communication of pilot progress and the support provided by pilot areas (especially Scotland) in terms of systems and documentation to help other IIP Centres successfully introduce the new approach across the UK countries.

IIP staff and IIP Centres saw the pilot as a success, with pilot work and support to other IIP Centres to develop the capability and capacity to deliver New Choices being seen as very positive. Specifically, New Choices was seen by IIP Centres as refreshing the way IIP clients thought about IIP (particularly long-standing clients) and making it more relevant to clients and their businesses. The new approach was also thought to make it easier to market the benefits of IIP to organisations which had not yet engaged with IIP

The piloting of New Choices coincided with the beginning of the economic downturn, which impacted on retention across IIP Centres. However, in Scotland, where it was being piloted, it was felt to be a positive factor (one interviewee was 'glad we had it') and may have contributed to a small growth in the number of IIP accredited organisations at a time when other areas were seeing a drop in the number of organisations.

IIP Centre research in April 2008 showed that IIP specialists working with New Choices in 2008 found it an improvement and were positive in relation to the changes brought in. Most seeing New Choices as providing an enhanced service to IIP client organisations. Where reservations were held by IIP specialists, these centred around: cost increases when engaging with the extended framework; complication of more choices; smaller organisations struggling to embrace the new approach; and the importance of maintaining support to those trying to achieve the Standard for the first time.

IIP specialists thought that flexibility, specific feedback and assistance and extra stretch and recognition were the key elements of New Choices. There were more mixed views in relation to the ease of presenting New Choices as a business improvement tool rather than an external assessment tool to clients. The ease of explanation depended on the nature of the client and their relationship (recent or long-standing) to IIP. All IIP specialists saw their role as very important in relation to the clients' understanding of their options under New Choices, and around two thirds of IIP specialists reported being very comfortable delivering IIP under New Choices. The majority (just over half) of IIP specialists felt that the Standard remained central to core good practice. The others held mixed views: some saw the IIP Standard as the start of the IIP journey; others as the gateway to the other levels of recognition (Bronze, Silver and Gold).

Evidence from interviews with key stakeholders suggests that some organisations see the Bronze and Silver labels negatively, that is to say, denoting third and second rate rather than distinguishing them as working at a higher level than the majority of other organisations with IIP status. Interviews with UK Commission staff show that although the concept of differentiation was researched with organisations, and positively responded to, the actual wording of Bronze, Silver and Gold status was not.

2.7 Conclusion

New Choices was introduced in May 2009 after extensive development work, research and piloting of the approach in practice, firstly in Scotland and then in two areas of England. There are five key aspects of the New Choices approach: new business - orientated focus; greater choice; extended framework; additional recognition; and annual review. The introduction of New Choices built on research that showed that client satisfaction with IIP centred on the value of their assessment and feedback reports, and aimed to create a business improvement focus to the assessment practices. Interviews with IIP Centres and UK Commission staff suggest that the new approach was also introduced to address a number of other issues including assessor skills (move to consultation skills and away from audit practices) and the low take up of Profile. The next chapter explores how New Choices was promoted and perceived.

3 Promotion and Perceptions of the New Choices Approach

Chapter summary

- The promotion and operation of IIP, and so New Choices, in the home countries varies. In England IIP is promoted separately, and some other countries have adopted a more integrated approach to workforce development tools, which can include IIP.
- Generally speaking, awareness levels of New Choices among key stakeholders not directly involved in design and delivery are low.
- The appeal of the different award levels and the ability to achieve them varies by size of company and resources.
- Some of the intermediary agencies that might help promote IIP are not fully engaged or disengage as their remits change.
- The IIP specialists are the most common source of information on IIP for employers.
- E-survey respondents' three main reasons for engaging with IIP were: to improve business performance; to improve training; and to improve the external image of the business.
- E-survey respondents' three main reasons for following the extended framework were: to recognise existing practice; to provide a business development tool; and to demonstrate excellence to customers.
- The extra costs of following the extended framework vary greatly (with estimated direct costs ranging from £2,000 to £10,000). In many cases the most substantial cost element is internal staff time.

3.1 Introduction

In this chapter, the ways in which the New Choices approach was promoted are explored. Section 3.2 considers: the methods used to communicate the new approach to employers and how they responded; how well the aims, objectives and requirements of the new approach were conveyed and understood; and how it differed from the previous approach. In particular it shows how the different award levels are perceived by employers (and others) and how they contributed to not only differentiating the New Choices approach, but to employer's expectations from the process. Section 3.3 examines the costs of following the new approach (in particular, the extended framework) and whether they represent an obstacle to take up (though here information is variable and difficult to cost accurately). Section 3.4 assesses the reasons organisations became involved with IIP and Section 3.5 looks at the role of the IIP Centres in the take up process.

3.2 Use of New Choice terminology

From the official launch of the new IIP approach, national IIP publications introducing it to organisations have tended not to use the terminology 'New Choices'. 'Putting Your Needs First - The New Focus from Investors in People' (IIP UK) focuses on explaining the five key changes to the new approach, showing the difference between the Standard (the 39 evidence requirements necessary to gain IIP recognition) and the extended framework, and explaining the benefits to employers of the new approach, including through supporting employer case studies.

The IIP website and related downloadable documents⁴ focused on highlighting the key changes of: increased customisation; stretch; and additional recognition.

The full extended IIP framework identifies which evidence requirements under each of the 10 IIP indicator areas relate to the core IIP Standard (39 evidence requirements) and which (157 evidence requirements) are optional - termed 'Your Choice'. Other publications⁵ provide organisations with an understanding of how many of these evidence requirements have to be met to achieve Bronze, Silver and Gold IIP recognition.

From interviews with the IIP Centres and specialists, it appears that they are taking a pragmatic approach to using the terminology New Choices in their communications with

⁴ Taken from the IIP national website www.investorsinpeople.co.uk/needs (Investors in People framework and Framework summary table downloads).

⁵ 'Putting Your Needs First - The New Focus from Investors in People'.

client organisations. They are likely to use the wording of New Choices in their verbal and written communications (as well as workshops) with IIP recognised organisations due for re-accreditation but do not, generally, use the terminology of New Choices when engaging and communicating with those new to IIP. Instead the focus is on explaining the IIP approach and how it works now.

New Choices terminology is used in communications within the IIP network, such as briefings for IIP specialists.

3.3 Promotion and awareness of IIP

The New Choices approach was officially launched in May 2009.⁶ However, some of the IIP Centres had started their initial promotion of it as early as November 2008, and in Scotland New Choices had become the standard delivery approach from July 2008. In one IIP Centre, the official launch involved holding introductory seminars for existing clients on the new approach, focusing on the flexibility and business improvement aspects. In another IIP Centre, a development project was set up in late 2008 that consisted of a number of workshops and coverage in the regular newsletter to client organisations. The principal aim of this pre-emptive action was to capture those clients who were due for re-accreditation over the forthcoming six months.

Once the New Choices approach went fully live in the second quarter of 2009, the IIP Centres deployed a number of measures to help inform existing and new clients about the options available. A common first step among the IIP Centres in England was to send a letter with publicity material (generated by IIP UK), supplemented by e-campaigns and direct sales calls aimed at organisations that had been in touch with the IIP Centres (not necessarily only those that had started the IIP process).

However, a number of IIP Centres showed a preference for promoting the new approach through their specialists which, of course, meant that the specialists had to be fully up to speed on it and able to fully explain the differences.

⁶ As explained in Section 2 the New Choices approach was piloted in Scotland and parts of England prior to the roll out.

The promotion of New Choices in the devolved administrations was somewhat different, reflecting the variations in licensing and funding arrangements for IIP. In Wales, for example, IIP delivery is the responsibility of the Welsh Assembly Government (WAG) and is integrated into its Workforce Development Agenda. The launch of New Choices coincided with the launch of WAG's Workforce Development Programme pilot and so to start flagging up the new approach to IIP at the same time would have complicated the message to employers. In Wales, IIP is not activity marketed separately from the broader programme of support available to employers for workforce development.

In Northern Ireland IIP delivery is housed within the Department for Employment and Learning (DELNI) and is part of an integrated approach to support for employers. Here there is a one-stop-shop approach that largely falls within the economic development remit of the local authorities and so IIP is not actively marketed as a separate activity.

In Scotland IIP is delivered via Investors in People Scotland, a subsidiary of Scottish Enterprise and Highlands and Islands Enterprise. Highlands and Islands Enterprise provides part-funding for a member of staff to act as a point of reference for businesses on IIP. IIP Scotland is also working with the Scottish Government on to how IIP can be used to help to deliver a number of the aims contained within Scotland's Skills Strategy.

In discussions with key stakeholders it was evident that, generally speaking, awareness levels of the New Choices approach are comparatively low. In fact, some stakeholders still held a traditional view of IIP: '...hasn't it got more of an emphasis on higher skill levels?' One interviewee from a government agency experienced 'major frustration' in informing key stakeholders of the New Choices approach and its potential benefits: '...as too often their views are out dated, shaped by their personal experience of Investors five, ten or even 15 years ago'.

Some stakeholders were more familiar with the aims and objectives of New Choices and felt that it was an important step in moving away from the perception of IIP as concerned primarily with human resources. The new approach was welcomed by some as an opportunity to 'refresh and renew the brand' (as one discussant put it) that could attract a new cohort of employers as well as help retain existing ones. Some stakeholders showed awareness of the focus on business development in the new approach but in a more flexible framework that gives opportunities for employers to 'gain recognition in areas they excel in'.

Criticism of the changes in IIP tended to crystallise on whether the New Choices approach would appeal to all employers equally. In particular there was some concern whether SMEs and micro-businesses are a realistic target for the attainment levels beyond The Standard, given the potential work involved (and associated cost) and the need to produce substantial additional evidence. One stakeholder suggested that these smaller businesses may not have been a key target for IIP, given the former emphasis on measuring the success of the initiative in terms of workforce penetration.

Comments on promoting IIP in general and New Choices in particular included concern that some 'intermediary agencies' were not fully behind the changes or were not fully acquainted with them. This included Business Link and the Learning and Skills Council (LSC). The LSC had a formal relationship with IIP since it provided funding for IIP which was distributed to the nine Regional Development Agencies (RDAs) in England to support the initial engagement of organisations such as schools and SMEs. This funding ended in March 2009, coinciding with the launch of New Choices. Conversely, in Wales and Northern Ireland the promotion of IIP is part of an integrated human resource development (HRD) or economic development package with some subsidy to employers still available.

Some stakeholders raised the freeze on the national marketing of IIP since April 2010 as a limiting factor in engaging new employers. A few other stakeholders felt that some momentum had been lost with the transfer of the IIP account to the UK Commission away from IIPUK, claiming that it had become 'more public sector' or more about 'ticking the right boxes'.

3.4 Employer take-up

Two sources of information were used to examine the take up of options under the New Choices approach: the IIP MI database, and the employer e-survey results.

Management Information was sourced from the UK Commission's CRM system. The MI relates to 6,503 IIP recognised organisations at the end of October 2010. Of these, 1,648 were most recently IIP-recognised under New Choices. Of the 1,648, fifty-nine per cent held the Standard; 25 per cent bronze; eight per cent Silver; and eight per cent Gold. There were significant differences by size of company: companies of under 50 employees were least likely to hold Gold, whereas those of over 10,000 employees were most likely.

Table 3.1: IIP status by size of employing organisation

	0-49	50-249	250-999	1,000-9,999	10,000+	Number
Bronze	186	156	51	25	1	419
Silver	36	55	27	10	2	130
Gold	31	51	32	9	2	125
The Standard	505	365	75	29	-	974
Recognised pre-NC	2537	1680	442	181	15	4855
Total	3295	2307	627	254	20	6503

Source: IIP Management Information (October 2010)

Table 3.2 shows the characteristics of employers attaining Bronze, Silver or Gold Achievement of the higher award levels rises with size of employing organisation. For example, 44 per cent of all employers achieving Bronze were in the smallest size band of 0-49 employees, but only 25 per cent of those achieving Gold.

Table 3.2: IIP Bronze, Silver and Gold level holders by size of organisation

Size of employer	Bronze %	Silver %	Gold %	All %
0-49	44	28	25	38
250-999	37	42	41	39
250-999	12	21	26	16
1,000-9,999	6	8	7	7
10,000+	0	2	2	0
Total	100	100	100	100

Source: IIP Management Information (October 2010)

An analysis of the MI by industry (defined on the basis of the Standard Industrial Classification) is given in Table 3.3. It shows a concentration of IIP activity in sectors such as construction, professional, scientific and technical activities, and education (the latter accounts for over one quarter of all recognised employing organisations during the reference period). In terms of engagement with the extended framework, education accounts for 28 per cent of all organisations achieving Bronze, Silver or Gold, with public administration, defence and compulsory social security, and human health and social work activities accounting for nine per cent and 14 per cent of the total respectively.

Table 3.3: Investors in People status by industry of employing organisation

Standard Industrial Classification (SIC) category	The Standard	Bronze	Silver	Gold	Recognised pre-NC	Total number
Agriculture, Forestry and Fishing	4	-	-	-	16	20
Mining and quarrying	1	1	2	-	5	9
Manufacturing	33	23	14	8	292	370
Electricity, Gas, Steam and Air Conditioning Supply	2	-	1	-	2	5
Water Supply, Sewerage, Waste Management and Remediation Activities	2	1	-	-	8	11
Construction	94	24	5	6	483	612
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	48	22	3	9	226	308
Transportation and Storage	11	8	1	1	96	117
Accommodation and Food Service Activities	17	7	1	4	97	126
Information and Communication	26	10	3	3	111	153
Financial and Insurance Activities	13	10	4	6	87	120
Real Estate Activities	17	16	3	2	72	110
Professional, Scientific and Technical Activities	102	36	8	3	475	624
Administrative and Support Service Activities	60	22	5	3	214	304
Public Administration and Defence; Compulsory Social Security	35	34	12	18	211	310
Education	273	106	38	44	1241	1702
Human Health and Social Work Activities	150	65	18	11	836	1080
Arts, Entertainment and Recreation	13	9	-	-	61	83
Other Service Activities	32	13	3	2	145	195
Activities of Households as Employers; Undifferentiated Goods-and Services-Producing Activities of Households for Own Use	2	1	-	-	1	4
Activities of Extraterritorial Organisations and Bodies					4	4
SIC not given	39	11	9	5	173	237
All Industries	974	419	130	125	4855	6503

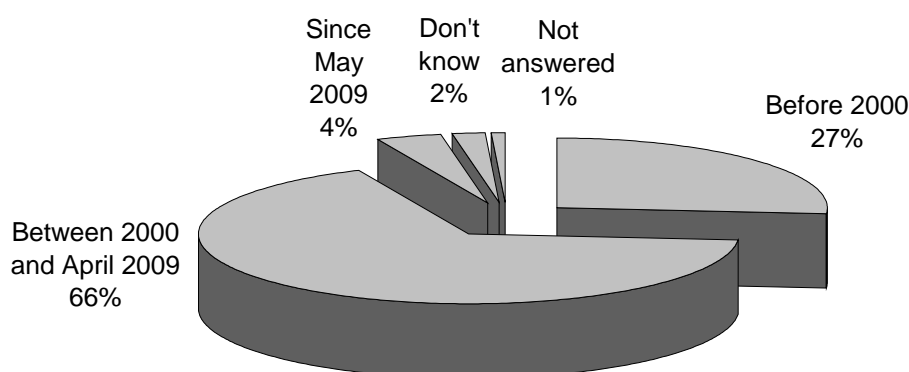
Source: IIP Management Information (October 2010)

The survey sample database was drawn from the Management Information database. It selected: the organisations that had both experience of being recognised under New Choices (so most recent recognition between May 2009 and October 2010); had agreed to contact for research purposes; and had provided valid contact details. There were 2,408 employing organisations which met these conditions, yielding 664 completed questionnaires (as discussed in Section 1.3). The following section reports on the survey findings.

3.5 Employer views

Respondents to the e-survey of employers were asked when they first achieved IIP recognition. Around two-thirds did so between 2000 and April 2009, so before the introduction of New Choices (see Figure 3.1). Another significant proportion (27 per cent) did so before 2000. This longer association with IIP allows respondents to compare IIP before and after the introduction of New Choices.

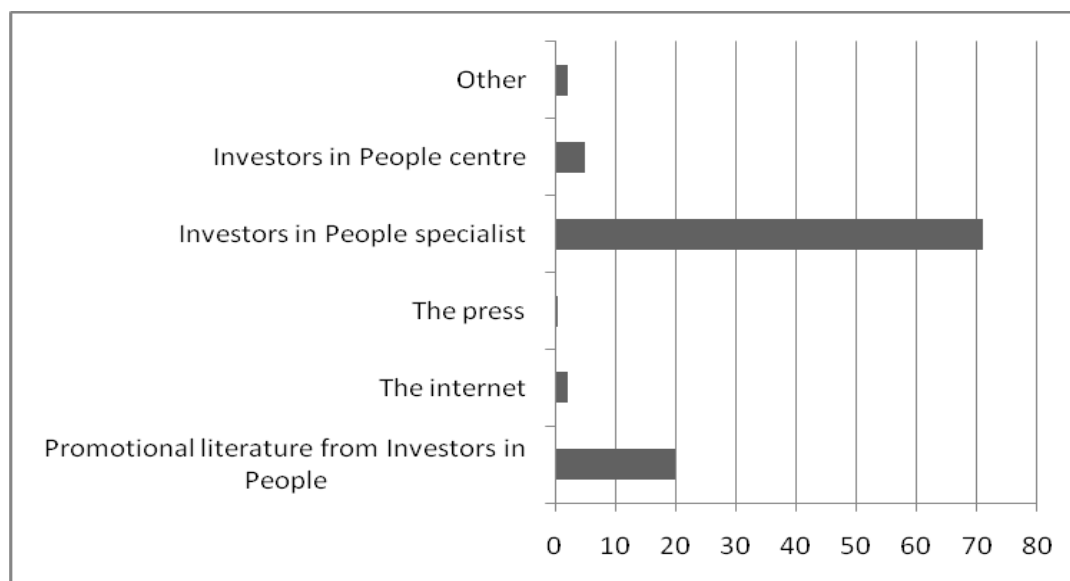
Figure 3.1: First Investors in People recognition



Base= 664, (all respondents)
Source: E-survey

The vast majority of employers (96 per cent) were aware of the extended framework and the option of going beyond the Standard and achieving Bronze, Silver or Gold awards. This awareness level tended to come from two main sources (as shown in Figure 3.2). For 71 per cent of the respondents the IIP specialists provided the first information on the New Choices approach. Another 20 per cent of respondents first learned about it through promotional literature. Few employers mentioned the IIP Centres as the first source of information, though this may be in part explained by the role of the specialists. This emphasises the crucial role of the personal contact between employer and specialist in promoting IIP developments.

Figure 3.2: How employers first learned about the Extended Framework



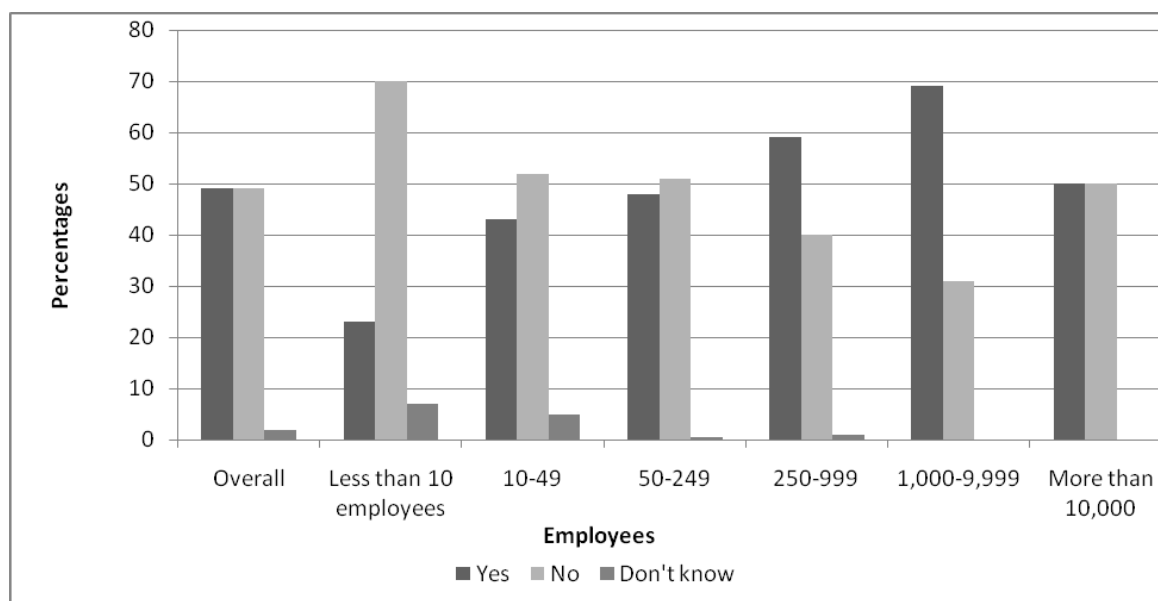
NB. Multiple response.

N= 630 (Those who had heard about the extended framework)

Source: E-survey

Almost half (49 per cent) of the e-survey respondents had been assessed against the extended framework under New Choices. However, as Figure 3.3 shows, this varies by size of organisation. For example, in businesses with fewer than ten employees, less than one quarter followed the extended framework, compared to over 40 per cent for those organisations employing between ten and 49 people, and almost 70 per cent of organisations employing 1,000-9,999 people. This pattern is true for the analysis of MI (Section 3.4).

Figure 3.3: Respondents assessed against the Extended Framework, by size

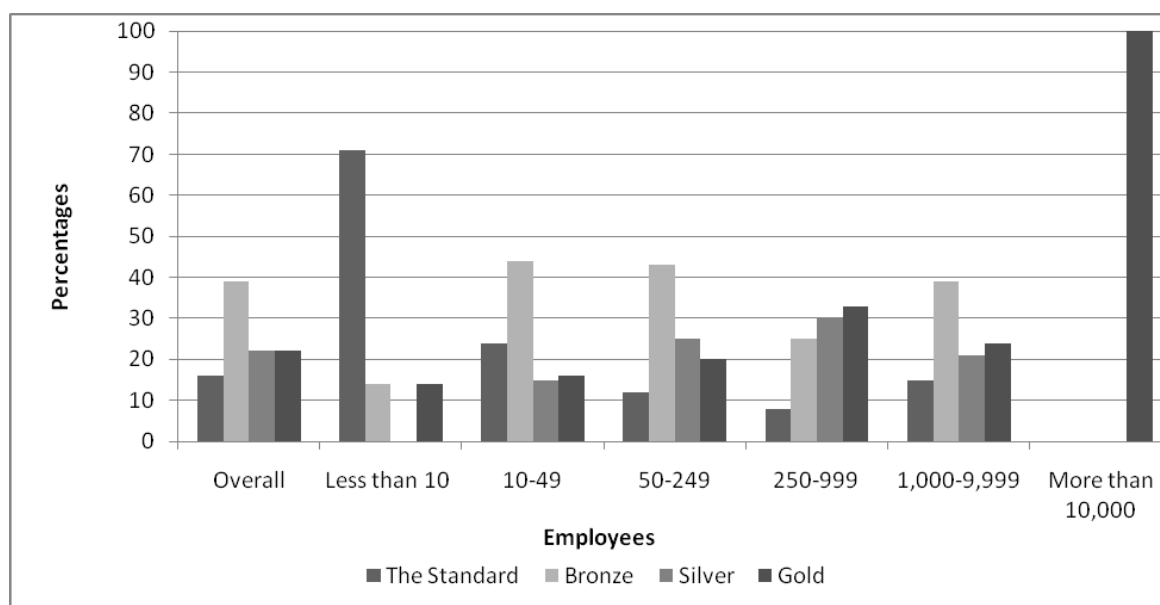


N= 639 (All respondents)

Source: E-survey

In terms of award level achieved just under 40 per cent of respondents were awarded Bronze, with Silver and Gold accounting for another 22 per cent each (see Figure 3.4). However, the spread of award level by size of employer shows that Bronze was the most common attainment level among smaller firms, Silver was more evenly spread and Gold was most common in the largest firms. Furthermore, of those employers achieving The Standard, over one-third met more than 39 evidence requirements (but not enough for the Bronze level). This may be due to the common practice (in England) of offering employers six evidence requirements beyond The Standard free of charge - as a taster for engaging in the extended framework.

Figure 3.4: Gold, silver and bronze award status, by size



N= 311 (Those assessed against the extended framework)
 Source: E-survey

The case studies confirmed that they first heard of the New Choices approach literature and information from their IIP specialists. One case study (a large multinational engineering company in Wales) found that regular attendance at local IIP network meetings was very valuable in getting information on such new developments (as well as providing benefits such as enabling them to keep in touch with colleagues in other businesses). In another case (a large local authority in the South of England) the IIP adviser was the principal source of information on New Choices, and the organisation then attended a workshop on the planned changes run by the IIP Centre.

In a Scottish case study (part of a local authority) the initial information on New Choices was provided by IIP Scotland. The interviewee felt that, at first, New Choices 'didn't fly off the page' and so it was some time before the full extent of the changes became apparent (mainly through discussions with a specialist known to them socially - not the specialist who had worked on IIP with the company). However, after receiving further detailed information they saw significant changes had been made and it looked more like a 'new' product. Furthermore, the organisation saw New Choices as a stepped approach, with the Gold award as the goal, and Bronze and Silver interim targets rather than as end goals in themselves.

In Northern Ireland a seminar was held by the IIP team within DELNI to explain New Choices to employers already accredited but due for re-assessment soon, and prospective IIP employers. A charge of £30 was made for attendance which was not universally well received, with one case study employer (a private sector global manufacturing company) feeling that 'we shouldn't have to pay for them to sell us the product'.

Another case study organisation (a large local authority in the South of England) was very supportive of the New Choices approach. It suggested that IIP was previously seen as something to 'assess yourself against and then put away in a drawer'. Under New Choices it was different as 'it brought the process to life and was something that was always under review'. This employer had chosen the continuous self-assessment route and achieved the Gold award, but felt that the Bronze and Silver award levels should be promoted more as targets in themselves.

Another employer that had chosen the continuous assessment route (a large private sector multinational engineering company in Wales) took a somewhat different approach: reaching the Gold award level was not important when compared to the journey. The interviewee suggested that the Bronze, Silver and Gold tiers have created an 'elitist' situation with Gold being seen as the ultimate accolade and the others of secondary worth, and would favour a system based on a 'Standard of Excellence' beyond the core Standard for those that wanted to pursue it.

Some of the case study employers were more critical of the role of their IIP Centre in informing them of New Choices. In one case (a private sector organisation providing specialist professional services, based in the North of England (see Box 3.1)), the organisation felt that little information was provided and that this was compounded by the poor knowledge of their specialist. In another case (a large national customer service centre for a multi product international group based in the North of England), the interviewee felt there was little support from the IIP Centre between assessments and they were not aware that they could have switched centres had they wished to.

Box 3.1: Experience of finding out about New Choices

One case study (an independently owned SME providing specialised professional services, employing around 75 staff) was invited to a workshop about five months prior to the time for re-assessment. However, there was little publicity around this event and the interviewee felt that the IIP centre should have done much more to market New Choices. Information from their specialist was seen also lacking. The organisation was not fully acquainted with the evidence requirements for the Bronze award: 'we had to figure it out ourselves', by using the website. The company decided to go for Bronze because they felt there was little external recognition of the different levels of award under New Choices, and so they felt there was little point in going further. They expressed concern over the extended framework: 'It just looks like a commercial reason as to why it's been brought in - so it can charge more for assessment'.

In another case (a centre for scientific research and a visitor attraction in the South of England), IIP had always been seen as a business led activity, bringing together business needs and staff development (although senior management were not totally convinced of the value of IIP). The organisation was briefed by its specialist on New Choices and after consideration of what it wanted and what was required, decided to focusing on The Standard plus some extra stretch.

3.6 Costs

In Wales, the delivery of IIP is an integral part of the Workforce Development Programme. This uses a national network of Human Resource Development Advisers to work with individual employers identifying their needs and applying solutions (one of which might be IIP). Funding is available for employers new to IIP in the form of a 50 per cent contribution towards the initial assessment (for the 39 evidence requirements of The Standard only).

In Northern Ireland, financial support for initial IIP recognition is available. This covers around 30 per cent of the costs up to the Standard. However, delivery of IIP tends to be an integrated activity delivered alongside other economic development support.

Scottish Enterprise has financial support available for those businesses that do not hold IIP but whose Scottish Enterprise account managers believe could benefit from implementing it. These organisations are offered a fully funded initial assessment and action plan, up to 50 per cent of the costs of implementation support, and up to 50 per cent of the costs for the final assessment. IIP Scotland also works with Scottish Enterprise to implement 'The Improvement Programme'. This is designed for SME businesses to enable them to understand how they can improve their approach to leading, managing, and developing people.

The cost of IIP accreditation varies, given the different requirements of different organisations. There is a national costing formula that IIP Centres and IIP specialists use to work out the IIP assessment costs for an organisation, based on employment size, organisational complexity, and level of assessment. This also limits the daily rate that an IIP specialist can charge to a maximum of £750 per day for assessment.

IIP Centres in England provided a limited amount of information for this research on the costs of accreditation beyond the Standard. One centre stated that on average the cost of achieving the extra evidence requirements for Bronze is likely to be 50 per cent more than The Standard; for Silver 75 per cent more; and for Gold 100 per cent more. Another IIP Centre estimated that working towards Silver and Gold awards would cost 50 per cent and 100 per cent more, but Bronze just 25 per cent more. These mark-ups represent the direct costs associated with the extra time of the IIP specialist only. Base costs vary significantly as organisations require different levels of specialist input. The case studies provide more information on costs. In one example (a private sector company serving heavy industry and located in the Midlands) achieving the Bronze award cost around an extra £2,000 (for additional specialist time), though the organisation was unable to quantify the amount of time individual members of staff put into assessment. In another company (a medium-sized private company operating care homes in the South of England) the extra costs in achieving Bronze were estimated at £3,000 to £4,000 (again for specialist inputs). The costs of staff time were not accounted for. This same company later achieved the Silver award level and this was estimated to have cost just £1,000 extra (for specialist time).

Further examples show similar variations. For example, in one case study organisation (a medium-sized private sector manufacturer in Northern Ireland), the extra cost (beyond The Standard) of achieving Gold was put at around £3,000. This was far less than the £8,000 spent by another company (a large customer service centre in the North of England) also to achieve Gold. However, the interviewee in this company felt 'misled' over costs and was not given the 'full picture'. Another large employer (a district council in Northern Ireland) spent £3,000 extra to achieve the Bronze award.

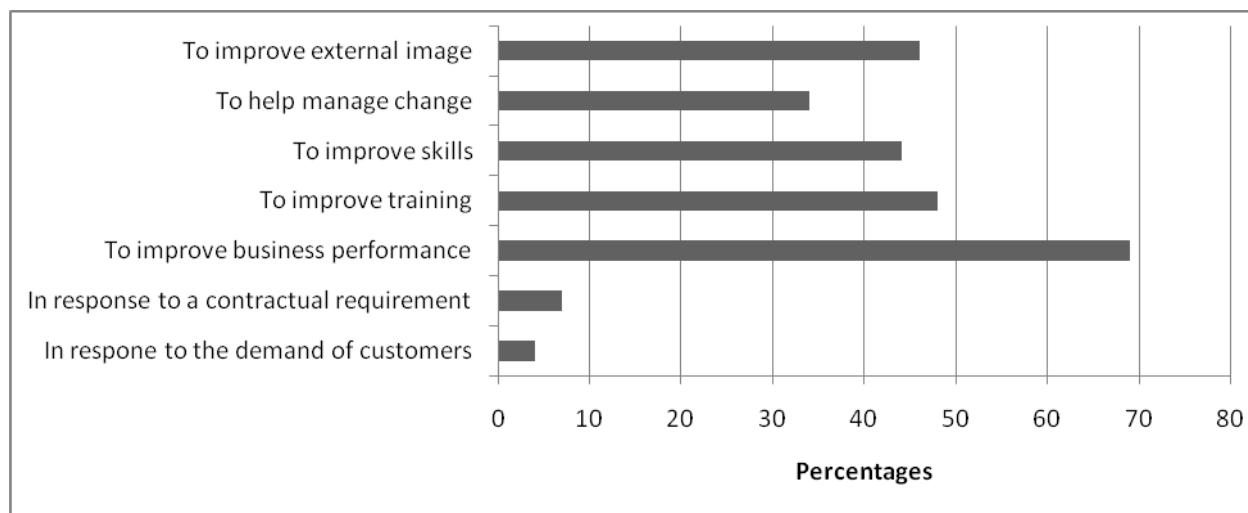
The highest costs reported were by a local authority (a large unitary authority in the South of England) that had decided to be assessed against the Gold level, with the emphasis on developing internal capacity to self-assess performance. The direct costs of this (principally for specialist time) were estimated at around £10,000 and the number of days of internal staff time was estimated at 300. However, this is a very big employer and one that chose the continuous self- assessment route.

The various cost estimates demonstrate that there is no simple way of calculated a guide to the cost of achieving IIP at The Standard or Bronze, Silver or Gold award levels. Costs depend on the need for specialist input, the amount of internal staff time needed, the starting point and distance from being about to demonstrate the organisation meets evidence requirements, organisation size, and the level chosen.

3.7 Reasons for engaging with IIP

E-survey respondents were asked what their main reasons were for first engaging with IIP. The results are shown in Figure 3.5. The majority response (69 per cent) was to improve business performance, followed by to improve training (48 per cent) and to improve their external image (44 per cent). Also important (stated by 44 per cent of respondents) was to improve skills. Other less frequently cited reasons included: to obtain external accreditation/validation; to enhance staff morale and motivation; to obtain funding; to meet the requirements of the parent company; and to improve tendering effectiveness.

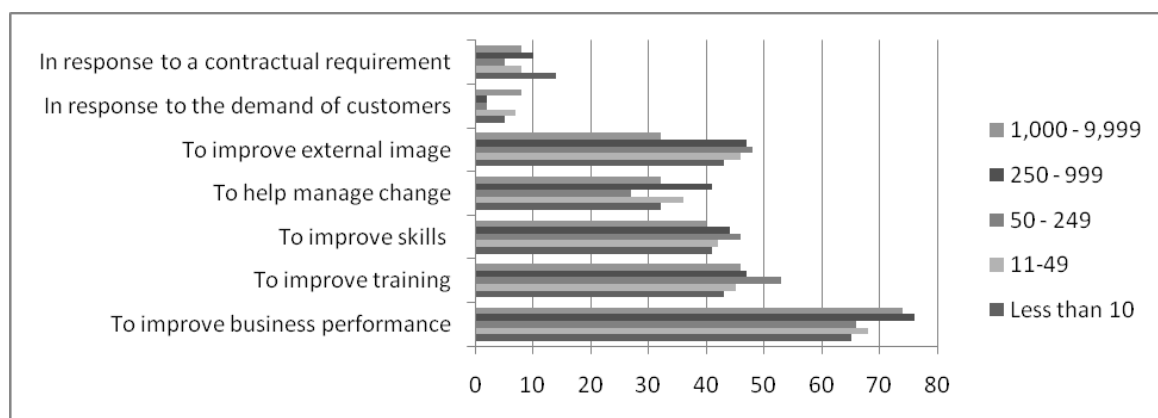
Figure 3.5: Main reasons for first engaging with Investors in People



NB. Multiple response.
N= 664 (All respondents)
Source: E-survey

Interestingly, there was little difference in the pattern of responses by size of organisation (see Figure 3.6), though there was by sector. For example, in private sector organisations the most common reason for engaging with IIP was internal (to improve business performance) whereas in the voluntary sector reasons were more externally driven (to improve the public image).

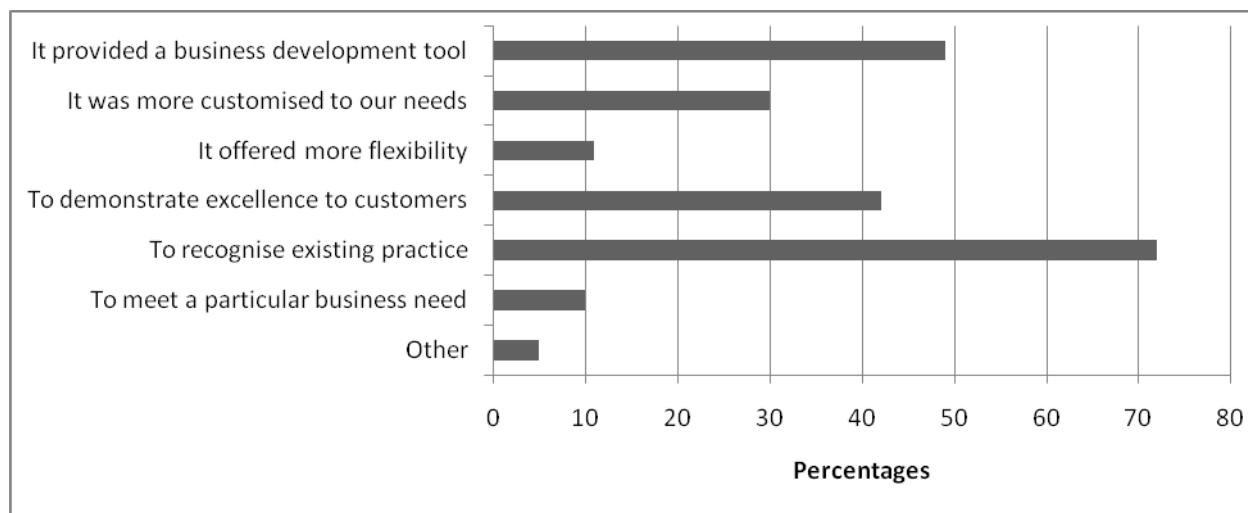
Figure 3.6: Main reasons for first engaging with Investors in People, by size



NB. Multiple response.
N= 664 (All respondents)
Source: E-survey

The main reasons for deciding to follow the extended framework under New Choices (see Figure 3.7) were: to recognise what they were already doing (72 per cent). For just under half (49 per cent) of the respondents, the extended framework was expected to provide a business development tool. The 'badge effect' was evident: 42 per cent of employers felt that IIP recognition would enable them to demonstrate excellence to their customers.

Figure 3.7: Main reasons for deciding to work under the extended framework



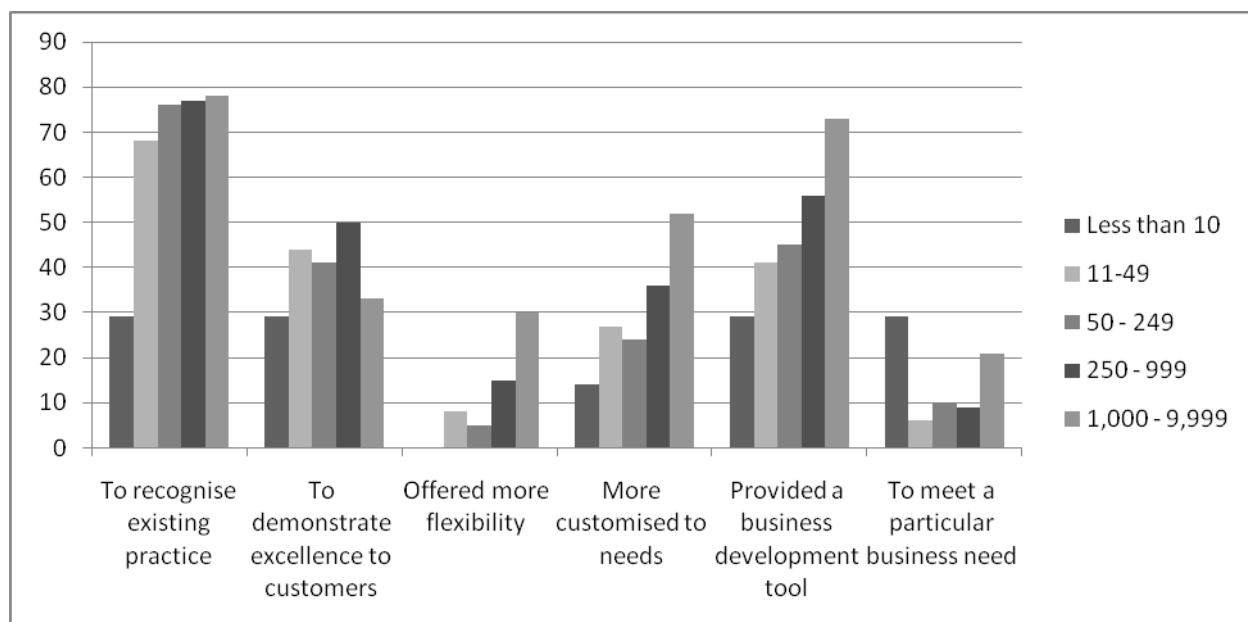
NB. Multiple response.

N= 311 (Those assessed against the extended framework)

Source: E-survey

The main reasons for working with the extended framework under New Choices also varied by organisation size. Organisations with less than ten employees were least likely to have done so to recognise existing practice, and most likely to have done so to meet a particular business need. The proportion of organisations stating the extended framework was more customised to business needs, and that it provided a business development tool, increased with organisation size (see Figure 3.8).

Figure 3.8: Main reasons for deciding to work under the extended framework, by size



NB. Multiple response.

N= 311 (Those assessed against the extended framework)

Source: E-survey

Box 3.2: Deciding on the New Choices approach

One case study employer (a centre for scientific research and visitor attraction located in the South of England) put considerable thought into New Choices and the extended framework element, and what it meant for them. The decision-making process involved convincing senior management of the value of IIP to the organisation and what award level to aim for. Senior management were adamant that it should be a realistic target. Furthermore, it was recognised that only limited progress had been made in embedding changes since the last IIP accreditation and so the following approach was agreed:

- It was 'enough to test the organisation against the requirements of the core Standard'
- Areas where evidence could be provided 'but where not much could be learned' were not included.
- Some stretch could be provided by seeking evidence against measures such as innovation and efficiency, and change management and readiness.

The organisation decided to aim for Bronze and then involved the IIP specialist in an initial briefing. In this case it was the organisation that 'did the running' in finding out about New Choices and identifying how it might fit with their needs.

The extended framework was principally seen as a way of recognising existing practice: in effect a formalisation of good practice or endorsement of established approaches. One employer said 'It has been good to further focus on the positive good practice, to benchmark ourselves and to have the good work recognised formally'. Some of the good practice may have been developed under previous IIP assessments (see Box 3.2). It is interesting to note the reduced emphasis from respondents on business development reasons. However, the importance attached to external views of IIP as a prominent 'brand' remains high.

Acquiring the IIP 'badge' was felt to be important by a number of case study employers. For one case study organisation (a medium-sized private company in the construction sector based in Scotland), the 'badge' was important externally. The New Choices approach caused some problems of perception among client organisations: the company has major national clients who have achieved the Gold award, and so expect this level in their contractors (though this is not explicit in the terms of engagement). As such, the company managing director felt that Bronze was 'sub-standard'. In addition, the Board has given limited support to IIP and this may have been a factor in deciding not to be assessed at Gold. The respondent felt the IIP brand had been 'diminished' and it no longer had the 'must have' status it once had.

3.8 Role of IIP Centres

As already indicated, there is a clear distinction between the IIP Centres in England and the arrangements found in the devolved administrations. In England, the contracting out of IIP delivery to the IIP Centres contrasts with the integration of delivery within the public sector in the other home nations. In Northern Ireland, DELNI's Skills and Training Division is responsible for IIP delivery. There are eight staff employed on IIP, promoting and administering it as a part of the wider support available for business.

In Wales the delivery of IIP is bound up with the wider Workforce Development Programme within the WAG.⁷ The programme offers a range of support measures achieved through a diagnostic review between employer and an adviser (of which there are 96 available throughout Wales), part of which might be IIP accreditation. In Scotland IIP is delivered via Investors in People Scotland, a subsidiary of Scottish Enterprise and Highlands and Islands Enterprise Highlands and Islands Enterprise.

⁷ Further information on the Workforce Development Programme in Wales is available at: <http://business.wales.gov.uk/bdotg/action/detail?itemId=5001457965&site=230&type=RESOURCES>.

The case studies provided less information on employers' experiences of dealing with the IIP Centres than on working with IIP specialists (largely because the degree of direct contact with IIP Centres was small). Employers tended to deal directly with their specialist, acting as a conduit to the IIP Centre. Most of the direct contact with IIP Centres appeared to be when New Choices was first introduced. For example, one case study organisation (a professional services employer located in the North of England) received little in the way of direct marketing material about New Choices, though did attend a workshop on the subject which was felt to be useful. In another company (a large customer service centre based in the North of England), there was felt to be little support from its IIP Centre during the initial stages of their re-assessment under New Choices (see Box 3.1 for more details).

By contrast, in Wales IIP is an integral part of the Workforce Development Programme, which offers a number of support measures alongside IIP. Furthermore, as one case study (a large multinational engineering company in Wales) demonstrates, involvement with IIP is not predicated on financial support (the organisation did not receive any direct financial assistance for IIP accreditation). The integrated model allows IIP to be developed alongside other related activities such as management development and staff training, with support (expertise and in some cases financial) available where required.

3.9 Conclusion

The promotion and operation of IIP, and so New Choices, varies in each country of the UK. Awareness levels of New Choices among key stakeholders not directly involved in design and delivery are relatively low. IIP specialists are the most common source of information on IIP for employers, and play a critical role for employers. Most organisations are content with the level of information they received on New Choices, but in several cases relied heavily on the IIP specialists to explain the New Choices approach.

The most commonly cited reason for engaging with the extended framework was to recognise existing practice. However, among smaller businesses it was to meet a business need. The appeal of the different award levels and the ability to achieve them varies by size of company and resources. The additional stretch is more likely to be taken up by larger organisations, which suggests that there may be particular challenges for smaller businesses in achieving levels beyond the Standard. The costs involved in meeting the requirements of the extended framework vary significantly, although this research did not find evidence that this was the key reason for smaller firms being less likely to engage with the extended framework.

The next Chapter covers the operation of New Choices in practice.

4 Approach to the Delivery of New Choices

Chapter summary

- Discussions with IIP Centres emphasised the work that has gone into the development of IIP specialists in order to implement New Choices.
- Transition to the new approach has seen the introduction of the 'Specialist Capability Framework' which focuses on the three competency areas of skills, knowledge and behaviour.
- All specialists have been developed and assessed against the above framework. For most IIP Centres the attrition rate among specialists was around 10-15 per cent.
- Stakeholder interviews highlighted that there is limited understanding of the key elements of the new approach outside of those directly involved in IIP delivery or its strategic development.
- Evidence from the e-survey and case studies confirm key elements of New Choices approach are being implemented with client organisations.
- Overall levels of satisfaction with IIP are lower where the pre-assessment planning meeting was not effective (for example, where the employer perceived a lack of control over the choice of evidence requirements from the extended framework).
- Successful implementation of the New Choices approach relies on the skills and attitude of the IIP specialist and the relationship created with the client organisation.
- IIP Centre interviews and e-survey results confirm that there has been a reduction in organisations receiving external support to engage with IIP. This is primarily due to reductions in government funding and reduced organisational budgets.

4.1 Introduction

This Chapter looks at how the New Choices approach is working in practice. It draws on interviews with IIP Centres, specialists and case study employers. Section 4.2 examines the initial planning and decision-making involved with IIP. Section 4.3 considers the ongoing support provided during the process. Section 4.4 then goes on to discuss the assessment and activities in the lead up to IIP accreditation under the New Choices approach.

4.2 Initial planning and decision-making

The key elements of the New Choices approach to IIP are as follows:

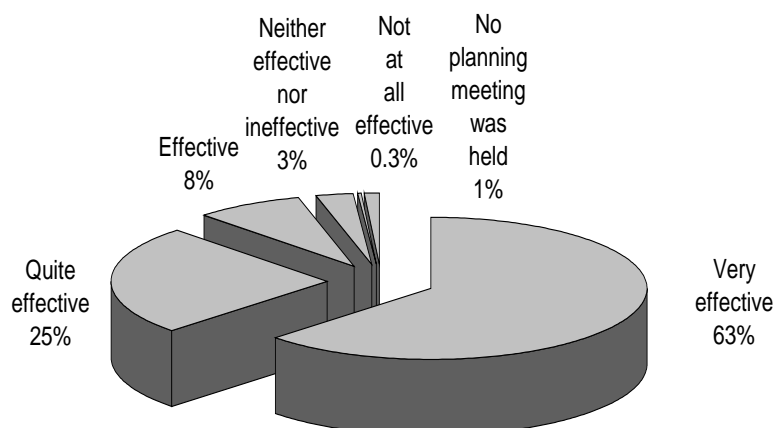
- an initial planning meeting to agree the IIP assessment focus in line with business needs;
- on-site assessment (with a choice between the Standard or the extended framework);
- an assessment report that highlights feedback in relation to the agreed business focus;
- a feedback session with the assessor;
- an annual visit or discussion between assessments.

In general, the stakeholder interviews demonstrated that there is a limited understanding of the key elements of the new approach outside of those directly involved in the delivery of IIP (IIP Centres and IIP specialists) or its strategic development. For example some stakeholders in roles within the devolved administrations or bodies which do not focus on IIP have more limited awareness of New Choices

The first step in the New Choices approach is an initial planning meeting to agree the IIP assessment focus in line with the organisation's needs. The vast majority of e-survey respondents (88 per cent) believe this meeting is effective (63 per cent thought it very effective and 25 per cent quite effective) in terms of identifying the organisation's priorities, objectives and associated measures (see Figure 4.1). Only one per cent of respondents reported that no planning meeting was held.

Those respondents who felt the initial planning meeting was not effective were asked for their reasons. From the small number of comments made, the issues identified include: scepticism that it was 'a pointless money making exercise which has little bearing on the actual assessment'; confusion on 'how to put the package together'; and logistical difficulties in terms of setting up the meeting ('scheduled in December at the height of the bad weather, it was conducted by phone').

Figure 4.1: Effectiveness of the initial planning meeting



N= 664 (All respondents)

Source: E-survey

Employer case studies confirmed that the initial planning meetings were held, although in two cases interviewees referred more vaguely to 'discussions' with their specialists. For most of the case study organisations, the meetings were seen as a valuable aspect of the new approach that enables them to understand what was required, the options with regard to being assessed and accredited against the extended framework, and the costs and benefits of the different options. However, the case studies also revealed some aspects relating to initial planning which are not working as envisaged and which are leading to dissatisfaction.

Out of the 15 cases studies, six provided unqualified, positive statements in relation to the pre-assessment planning meeting. In these cases, the organisations also reported good rapport and an often long-standing relationship between the organisation and the specialist that has been maintained over time (i.e. between assessments). In most cases organisations also reported having a good level of understanding of the new approach (from promotion, workshops and prior specialist contact) before they had a pre-assessment planning meeting. The pre-assessment meeting needs to be held at a time when the organisation is beginning to focus its attention on IIP accreditation but with sufficient time to undertake internal work (self-assessment, preparation and consideration of working beyond the Standard) and internal agreement processes (board or senior management engagement) prior to assessment deadlines.

Box 4.1: Positive experience of Pre-Assessment Meeting

The initial planning meeting with the specialist enabled the company (a medium-sized manufacturing firm serving the construction sector located in the Midlands) to understand the structure of the New Choices approach and how the extended framework could support the company in meeting its business objectives. These links became clearer as the discussion went on. The company decided to aim for Gold status, as it felt this offered the most thorough approach and the best chance of maximising the gain from IIP. There was no pressure (from the specialist) on the company to 'go for Gold' from the outset or choose a different tier. The decision was based on the ability of the company to achieve what it wanted to achieve. To the company, the level of the Award was not the primary consideration. It was most focused on how the extended framework could help meet its corporate needs.

Three case study organisations expressed negative views in relation to the pre-assessment planning meeting. Issues include a lack of understanding (from the organisation's view point) of key aspects of the new approach (and lack of explanation). For example, one case study organisation (a private medium-sized company in the construction sector based in Scotland) reported embarking on the preparation for the assessment without realising it would not necessarily lead to Gold (which they wished to achieve).

Another case study organisation (a medium-sized professional services employer based in the North of England) expressed some dissatisfaction with its pre-assessment planning meeting. Its new IIP specialist contacted it around eight months prior to IIP assessment, but the changes were only explained by the specialist at a meeting held approximately four months prior to assessment and after the organisation had attended a workshop. However, confusion remained after this meeting as to the number of evidence requirements it would be assessed against. The interviewee stated that 'we had to figure it out for ourselves by going on the website...we had to request to get a full list of evidence requirements'.

A third case study organisation (a large national customer service organisation) displayed the greatest level of dissatisfaction with the planning meeting (and the new approach overall). This interviewee stated the organisation had had 'no support from their IIP Centre'. It had conducted its own research to understand the changes that had occurred and had, as a result of this, come to a decision to go for Gold status. It then explained this to its specialist (with whom it had an existing relationship, as the specialist had previously assessed the organisation).

The organisation reported that the pre-assessment meeting (held between the assessor and the person with lead responsibility for IIP in the organisation) was not consultative or tailored to business needs. Another case study employer (part of a local authority) said the planning meeting was a longer version of the initial meeting they had when they first started with IIP some years ago.

The remaining six case study organisations made more qualified statements in relation to the pre-assessment planning meeting. One case study organisation (a district council in Northern Ireland) is a good example (see Box 4.2) of where the planning meeting was initially viewed positively but, due to post assessment issues, the organisation had some subsequent concerns with regards to the effectiveness of this pre-assessment meeting. This was because the way the evidence requirements were mapped to the business objectives resulted in the organisations not being assessed against evidence requirements which it would have wanted to include and which it felt were strengths.

Box 4.2: Issues with adviser pre-assessment support

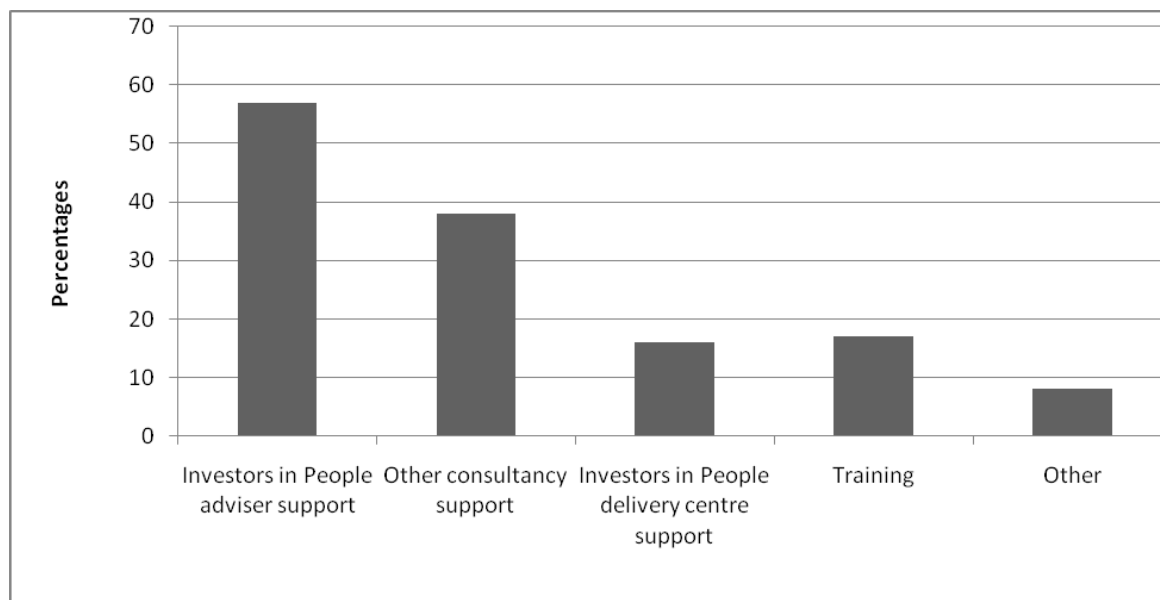
The organisation (a district council in Northern Ireland) had a long-standing relationship with an IIP adviser who acted as its main source of information and support in relation to preparing for their last IIP assessment. Initially the adviser and assessor were in direct communication to set the scope for the assessment. The adviser, after agreeing the four business themes for the assessment with the organisation, mapped the evidence requirements against these business themes, which the organisation saw and signed off. The organisation now believes that there was a 'misunderstanding on what evidence requirements they would be assessed against' between it, the adviser and the assessor. It thinks this situation occurred because it 'placed a great deal of trust in the adviser and assessor to pick out the organisation's strengths'. It believed it could have achieved Silver status had it been assessed across the areas that were missed out in the assessment.

4.2 Extent and use of external IIP accreditation support

Interviews with IIP Centres and stakeholders across government organisations, and devolved administrations indicated that in recent years there has been a reduction in government funding to support organisations to engage with IIP. Together with increased budget constraints within organisations, this has led to lower levels of IIP support being accessed by organisations preparing for assessment. IIP Centres noted a reduction in organisations accessing face-to-face support (from specialists) and training, whilst lower cost seminars, networking events and free IIP support, such as the IIP interactive tool, were reportedly being turned to by organisations seeking lower cost support.

The e-survey results (Figure 4.2) support the qualitative evidence gathered from stakeholders and IIP Centres, and show that over a quarter of respondents (26 per cent) had reduced the role of external support for their most recent IIP Assessment. This was mainly a reduction in the IIP specialist support (57 per cent) or other consultancy support (38 per cent).

Figure 4.2: Type of external support reduced



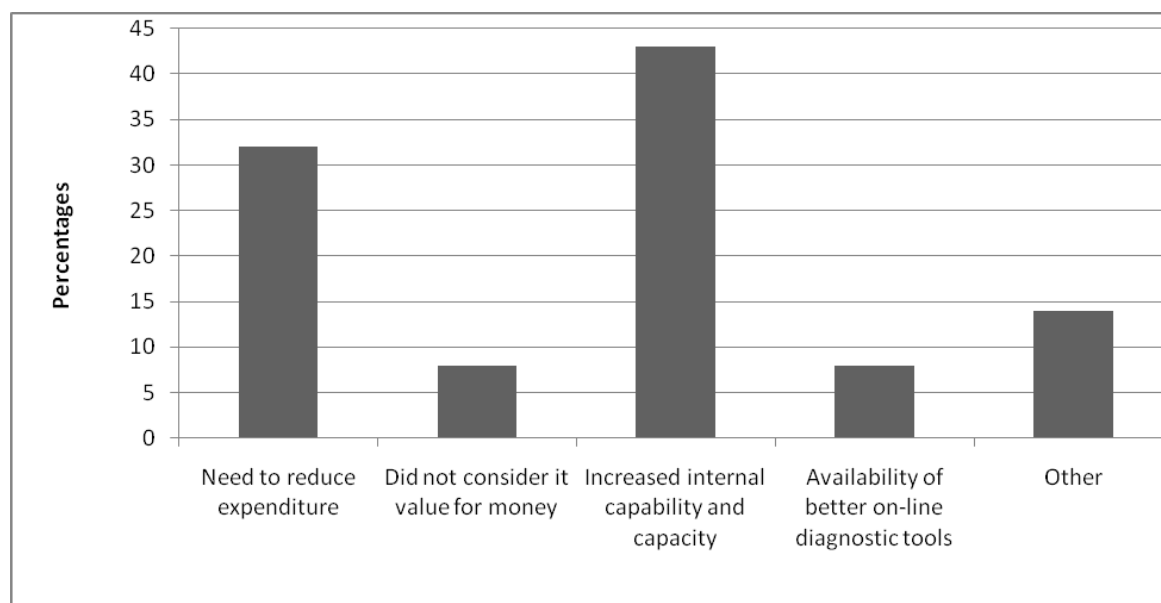
NB. Multiple response.

N= 174 (All respondents Source: E-survey)

Respondents also highlighted the reduction in ‘free of cost’ support; a lack of visible support and the differences between the home countries in support approaches. Some respondents did not know what support was available in addition to that from their IIP assessor (‘we have never had an adviser or indeed any approach other than from our excellent assessor’).

For organisations that had reduced external support, the main reasons for doing so (see Figure 4.3) were increased internal capability and capacity (43 per cent) and the need to reduce expenditure (32 per cent). Other reasons included that it was no longer required (11 respondents), and internal change (four respondents). Two respondents indicated it was not their choice to reduce external support.

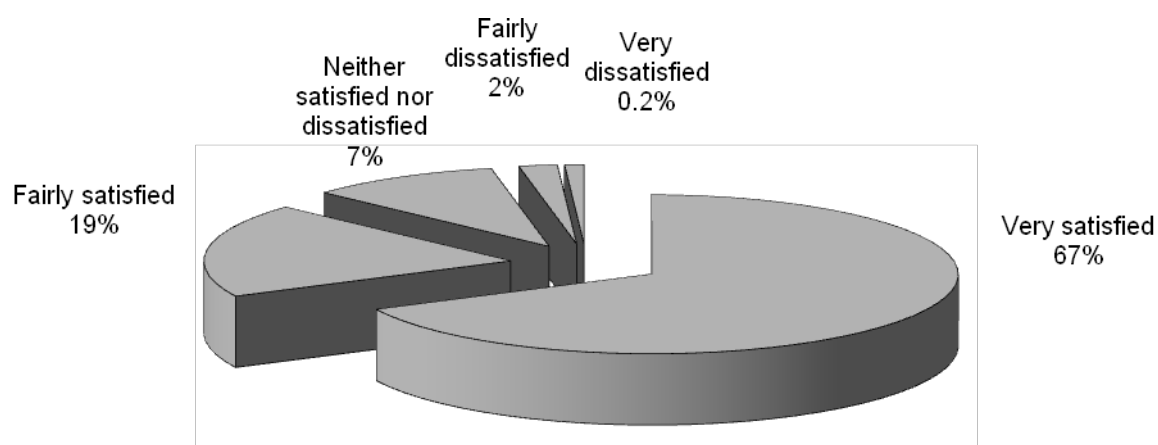
Figure 4.3: Main reasons for reducing external support



NB. Multiple response.
 N= 174 (All respondents)
 Source: E-survey

All survey respondents were asked how satisfied they were in relation to their most recent experience of IIP (see Figure 4.4.) Over two thirds of respondents (67 per cent) were very satisfied with their IIP adviser and four fifths (80 per cent) were very satisfied with their IIP assessor (Figure 4.5).

Figure 4.4: Level of satisfaction with Investors in People adviser



N= 664 (All respondents)
 Source: E-survey

Investors in People - Research on the New Choices Approach

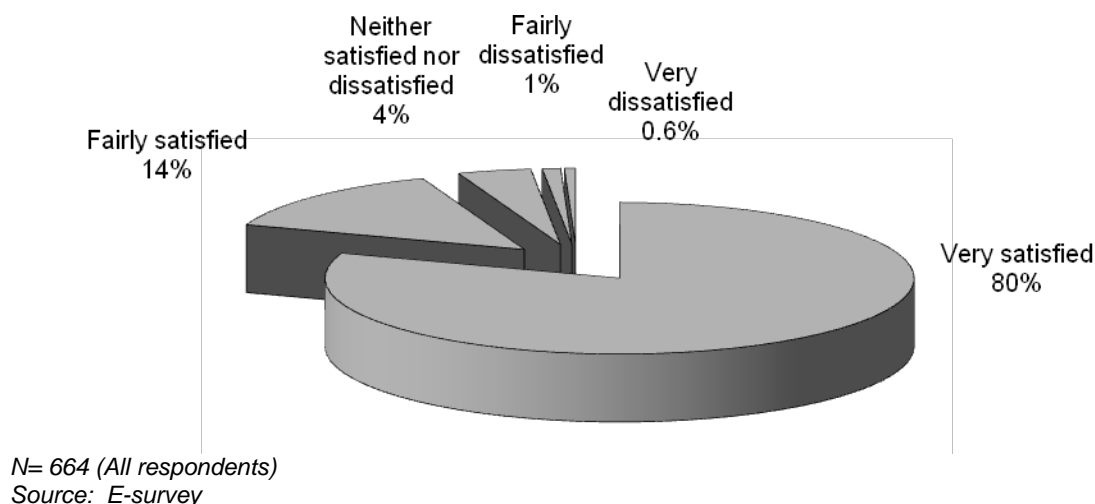
The small proportion of organisations dissatisfied with their IIP advisers was asked to explain the reason. Examples of the main reasons for dissatisfaction (excluding those clearly relating to assessment) include:

- lack of follow up support, advice or assistance by adviser or IIP Centre: 'From the recognition assessment the assessor recommended a three year development plan. We are now starting our third year of that three year recognition and there has been no follow-up assistance, advice) or action from IIP'.
- dissatisfaction with the adviser approach or skills: 'The adviser was pedantic beyond belief and he showed no enthusiasm, emotion. He was dull'.
- absence of adviser support: 'I am not sure of the difference between our IIP adviser and assessor - I only dealt with one person who was excellent'.
- annoyance at 'selling' of IIP support or 'the awards': 'They do their job and try to sell the awards - we are not interested in paying for anything other than being part of a national recognised award NOT for paying MORE money because we are better'.
- lack of belief in the value of IIP, the Standard and additional recognition levels: 'Has never created any business for us and the re-assessment that costs now circa £1,700 has been almost a rubber stamp exercise'.

Survey results show a higher level of reported satisfaction with IIP assessors (80 per cent satisfaction; see Figure 4.4).

There is likely to be some overlap in views in relation to the assessor and/or adviser, as not all organisations will have had a separate IIP adviser. In some cases the IIP assessor assists the organisation (beyond holding a pre-assessment meeting) to prepare for their IIP assessment. An interviewee at one IIP Centre, for example, described the relationship between the adviser and assessor as a 'dotted line'.

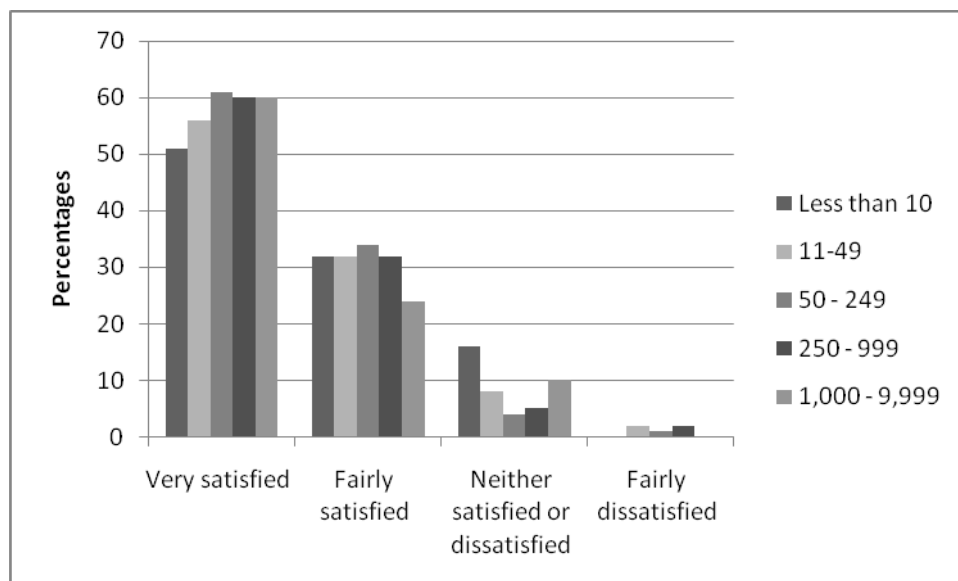
Figure 4.5: Level of satisfaction with Investors in People assessor



Again, the small proportion of organisations expressing dissatisfaction with their IIP assessor was asked to give reasons. Examples included:

- belief that the assessor didn't understand the organisation: 'Our last one was considerably better than your previous assessor who could not work the framework around a private, professional firm, too used to manufacturing or public organisations'.
- assessor attitude: 'Didn't understand organisation needs and very pompous attitude. I believe he has now left the service'.
- assessor skills - eg approach to staff interviews: 'He was pedantic at best and obstructive at worst and positively unyielding in the face of obviously comparable evidence'.
- promised on-going contact with assessor that didn't materialise: 'Promised more contact with assessor if we continued but never happened'.

Levels of satisfaction with the assessment process varied slightly by organisation size. Organisations with 50 or more employees expressed higher levels of satisfaction, on average, than smaller organisations (see Figure 4.6).

Figure 4.6: Satisfaction with IIP assessment by number of employees

N= 664 (All respondents)

Source: E-survey

Three of the case study organisations used separate IIP advisers and assessors as part of the preparation for their most recent IIP assessments. One case study organisation (a large private engineering company in Wales) reported using an adviser to help them develop their five year business plan. Another case study organisation (a district council in Northern Ireland) reported having a long standing relationship with an IIP adviser. In this case the organisation worked with the adviser about six to eight months prior to assessment to agree the organisational themes for the assessment and mapped these to the evidence requirements. It then set up working groups for each of these themes to prepare for assessment. Approximately three months prior to assessment the adviser felt that, based on the evidence gathered from the working groups, they could achieve Bronze, and the organisation was assessed and recognised as a Bronze IIP organisation.

A further three organisations reported no support being offered outside of the pre-assessment planning meeting and that they had undertaken their own preparations for assessment, for example, self-assessment against the evidence requirements (including those in the extended framework) (see Box 4.3).

Box 4.3: Example of 'self-assessment' approach to IIP

Approximately three months prior to assessment the company (a medium-sized professional services organisation) went through all of the evidence requirements across the extended framework and self-assessed as to whether or not it met them. This was in order to put a business case to the board as to which level the company should be assessed against at their next IIP assessment. A decision was taken to go for Bronze as from the self-assessment it believed it met 111 additional evidence requirements. After

IIP assessment, it was informed that it could have achieved 119 - sufficient to be awarded the Silver Award had it been formally assessed at the Silver level.

The remaining case study organisations reported that some form of support was provided by the assessor (beyond the pre-assessment meeting) in preparations for their most recent assessments. The types of support provided by assessors can be grouped as follows:

- broad guidance on meeting the extended framework evidence requirements;
- meetings to work out the organisation's strengths and weaknesses in relation to the Standard and extended framework early on in the preparation process;
- periodic phone contact from the assessor to keep in touch with assessment preparations;
- assessor supported mini-assessment against the Gold award level in the early stage of assessment preparation.

One case study organisation (part of a large local authority in Scotland) reported contacting their local IIP Centre which provided advice on running an employee survey, which proved useful to the organisation in its preparation for IIP assessment.

4.3 Changes to assessment and accreditation

The research has highlighted the crucial role of the IIP specialists in delivering IIP New Choices and in its promotion. The IIP Centres are responsible for developing and supporting specialists and during the introduction of New Choices this involved substantial staff development activities.

The majority of the specialists were delivering IIP prior to the introduction of New Choices. The introduction of the Specialist Capability Framework in 2008 (focused on three competency frameworks around skills, knowledge, and behaviour) provided a challenge for them to reach the new levels required. Much of the responsibility and costs for ensuring specialists were competent to deliver the new approach rested with the IIP Centres. Nationally, support mostly took the form of dedicated on-line tools such as *goodpractice.net*, an online tool designed for specialists that hosts downloadable information covering the whole of the IIP framework.

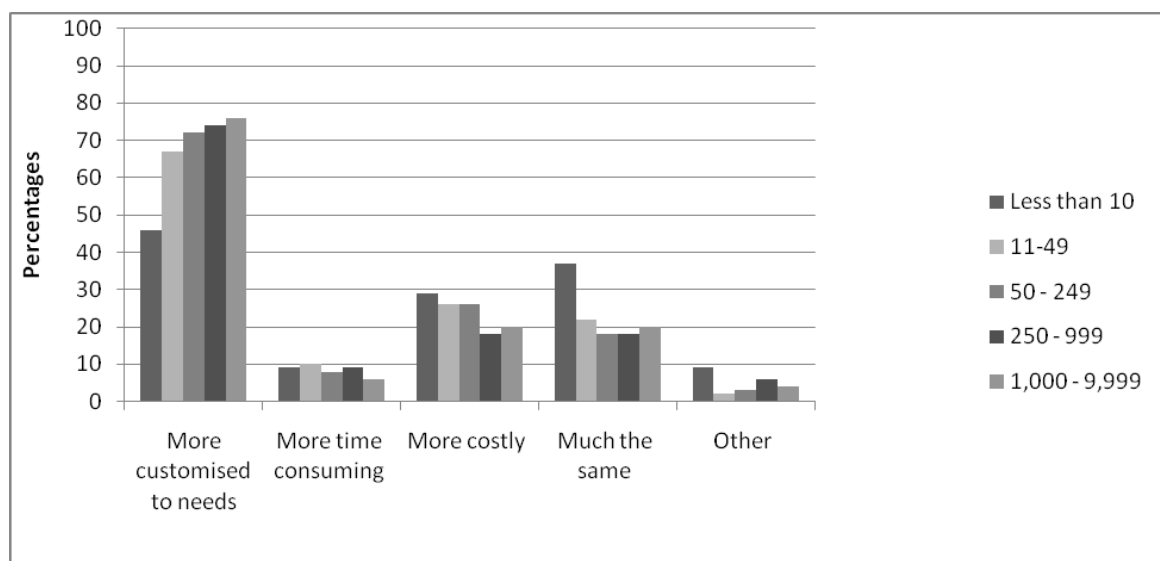
The IIP Centres deploy specialists according to their IIP workloads. They represent a flexible resource in that they are self-employed and so are allocated work on a project by project basis. For example, the numbers of specialists per IIP Centre range from 20 to 100. The requirements for delivering New Choices meant some attrition among the pre-existing specialists, though in general numbers lost were quite small (mostly in the ten to 15 per cent range). One IIP Centre took the opportunity to reduce its specialist staff by around half. This meant that fewer specialists would work more intensively on IIP, and was considered valuable to developing expertise and ultimately encouraging greater take up of IIP.

One IIP Centre reported more problems than most in the transition to New Choices. Some of the established specialists 'couldn't or wouldn't change their behaviour to meet the new challenge'. This group held the 'old school attitude' of performing a specific task, rather than the more interactive approach required under New Choices. However, this was more the exception than the rule and the positive attitude towards the introduction of New Choices was summed up by one discussant with a long experience of IIP delivery as 'we loved it right from the start'.

The e-survey results support the qualitative evidence gathered from the Delivery Centres that on the whole the introduction of New Choices has been a positive development. Ninety-five per cent of e-survey respondents had been IIP recognised more than once and of this group, over two thirds (69 per cent) consider that the IIP service delivery is now more customised to the needs of the organisation compared with earlier periods. However, just under one quarter (23 per cent) stated it was more costly (Figure 4.7).

Evidence from the case studies confirms the central role that the specialists play in the successful delivery of the new IIP approach. As stated earlier, the key determinants of case study satisfaction relate to the relationship that organisations have with their assessor (and in a few cases their adviser). The most positively reported assessor/organisation relationships within the case studies were where there had been a long-standing relationship with the organisation. Dissatisfaction was more likely to be expressed by those organisations that had been allocated a new assessor prior to their most recent assessment. However, the majority of respondents across all size categories felt that Investors in People service delivery was now more customised to their organisational needs.

Figure 4.7: Views on Investors in People service delivery now compared with earlier periods, by size



NB. Multiple response.
 N= 628 (All respondents)
 Source: E-survey

All but one of the case study organisations (a large unitary authority in the South of England) chose to employ an assessor (sometimes supported by one or two other assessors) to gather the evidence requirements from interviews with staff. The period over which staff interviews were conducted (by IIP assessors) ranged from one day to one week. One organisation (see Box 4.4) chose to develop internal capacity (i.e. Internal Review) to undertake its most recent IIP assessment. This involved a team of internal assessors who are trained and then led by an external IIP assessor to gather evidence across the organisation.

The interviewee from this organisation felt that the New Choices approach would benefit from further development with regard to the standards themselves and highlighted the following three areas:

- innovation - there was felt to be too much repetition in the standards about what was required for innovation.
- evaluation - the role and importance of evaluating training and development activities was insufficiently stressed.
- employee engagement - although the standards emphasised good communications with staff, best practice here should involve a wider concept of employee engagement.

It was further suggested that the above changes could be accommodated in a 'reworded and updated' set of standards.

Box 4.4: Example of internal review

The organisation (a large unitary authority in the South of England) chose to implement the assessment process by developing internal capacity to self-assess its performance. It was indicated as a starting point that this was to 'make the process more rigorous not less', and the view was expressed that 'properly trained internal assessors are far harder on the organisation than external assessors' who don't know the organisation 'warts and all'.

The process of selecting managers to be part of a process became part of the 'talent management' strategy'. Twenty-four managers were selected to become Internal Reviewers, a task which they undertook on a voluntary basis over and above their usual responsibilities. The Internal Reviewers undertook a five day training programme. It was found that a key skill for reviewers was the ability to elicit information from interviewees including 'turning standards into questions' and 'gathering data which demonstrates that standards have been met'.

One case study organisation (a medium-sized private sector manufacturing company in Northern Ireland) highlighted that a key difference with its most recent IIP assessment was a change in the organisation's view of IIP, from essentially a 'good to have accreditation scheme' that signalled to their customers that they invested in their workforce, to an opportunity to bring in consultants to help them improve the organisation. This organisation is undertaking its own change programme and had brought in separate consultancy support relative to this. Since the most recent IIP assessment there is more recognition within the organisation of the 'consultancy' value of IIP assessment, as the findings supported what had been found to date through other work. The IIP feedback was also linked to the change objectives and is being used to bring about the change the organisation is seeking. It also provides a good example (see Box 4.5) of how the current process of gathering evidence, primarily through staff interviews, is seen as an improvement over the previous paper-based approach.

Box 4.5: Example of change in view of IIP

A key change for this assessment (a medium-sized private sector manufacturing company in Northern Ireland) was in the mindset of those staff most closely associated with the IIP assessment. Previously, the organisation did not have to work hard to achieve the IIP Standard since existing policies, processes and staff incentive and reward schemes meant it could easily evidence the 39 requirements required to attain IIP status. The interviewee stated 'we weren't using it (in the past) for what it was designed for as it

was not hard to achieve...what has changed is the number of evidence requirements required (165) to achieve Gold status’.

The interviewee claimed that the organisation wanted to get more value from the IIP assessment, especially given the increase in cost for assessment against the extend framework (approximately an extra £3,000 for Gold assessment), and saw the IIP assessment as a means of bringing in consultancy support. The interviewee believes that the problem with IIP in the past was that ‘people were fearful of it and looked at it as auditors and that is wrong... [they] should see it as consultants who are there to help you’. The interviewee also liked the fact that the assessment process is now focused on verbal feedback from staff, arguing that ‘It made it a simple process... I can give you a thousand policies and procedures... [if you need to know] do we actually do it then you need to speak to the staff’.

Another organisation (a small, not for profit organisation) that had previously been assessed under Profile noted that the key difference for its most recent assessment (Silver) was that its role during the assessment was to set up interviews. In contrast, the Profile assessment had involved a lot of work and required the organisation to create a portfolio of evidence.

In relation to accreditation, case study organisations revealed mixed views on the value of being accredited as working above the Standard and the use of Bronze, Silver and Gold to denote the tiers of working above the Standard.

Three of the case study organisations aimed to be assessed against the requirements for Gold in order to have a full understanding of the relative strengths and weaknesses of the organisation and to maximise the value of IIP assessment to the organisation (see Box 4.6). In general, these were larger organisations with established policies and procedures who have been IIP assessed a number of times previously.

Box 4.6: Reasons for engaging with extended framework

One case study organisation (a medium-sized manufacturing company) did not think it would get Gold recognition but thought it should ‘reach for the stars’. If it had achieved Silver, that would have been seen as satisfactory and: ‘would have provided [us] with something to build on...we would have still gained from the process as we would see where the gaps are’.

In the past IIP used to be seen as a plaque on the wall (figuratively speaking since the interviewee said: ‘I put it my top drawer’) and its main purpose was as a ‘marketing tool’. The site did not try to ‘coach’ staff in preparing for IIP assessment as it had done

previously, because it wanted this assessment to accurately reflect where it actually was in relation to the IIP extended framework, and to challenge it in future.

Three other case study organisations worked from the position of deciding what level of accreditation they believed they were capable of getting, which then determined (along with some cost and value considerations) the level at which they chose to be assessed above the Standard. In one case, in the run up to the assessment the assessor visited the company and together they worked through the organisational priorities and related these to the IIP indicators and evidence requirements. They then counted up the evidence requirements selected for assessment to see if there were sufficient to retain Silver recognition (assuming these were met). This organisation had been assessed as a Level 2 Profile organisation before the introduction of New Choices and had therefore held Silver status prior to its most recent assessment.

There was a general consensus across the case study interviewees that it was useful to understand how far an organisation was working above the Standard and that this necessitated some form of distinction (and competition by organisations) between the different tiers. This was summed up by one case study interviewee who stated that the Bronze, Silver, and Gold terminology 'is a simplistic way of telling you where you are working to above the Standard...but of course Gold sounds better than Silver'.

Other case studies felt that the use of Bronze, Silver, and Gold was too linked to sporting achievements, and that other terminology may be better, although no alternatives were put forward.

4.4 Conclusion

A lot of work went into the development of the IIP specialists so that they were able to implement the key changes under New Choices. Transition to the new approach involved the introduction of the Specialist Capability Framework, focusing on the three competency areas of skills, knowledge and behaviours. All specialists have been developed and assessed against the framework and for most IIP Centres the attrition rate among specialists (not meeting or choosing to meet the new standards) was within the ten to 15 per cent range. Stakeholder interviews highlighted that there is limited understanding of the key elements of the new approach outside of those directly involved in IIP delivery or its strategic development.

Investors in People - Research on the New Choices Approach

Evidence from the e-survey and case studies confirm key elements of the New Choices approach are being implemented with client organisations. Reported levels of satisfaction with the New Choices approach are high. However, in the few cases where the pre-assessment planning meeting is reported as not being effective, satisfaction levels are lower. Successful implementation of the New Choices approach relies on the skills and attitude of the IIP specialist, and the relationship created with the client organisation. IIP Centre interviews and e-survey results confirm that there has in most cases been a reduction in the available (free or subsidised) support available to organisations seeking external support to engage with IIP, primarily due to reductions in government funding, but at a time when organisations face reduced organisational budgets. This poses additional challenges for IIP delivery in future.

5 Impact of the New Choices Approach

Chapter summary

- Isolating the effects of IIP in general and New Choices in particular and identifying benefits is a difficult task because of the presence of other factors sometimes exerting similar influences.
- The benefits from IIP are likely to accrue in the longer-term and given the May 2009 start date for New Choices, not all can be identified at this stage. IIP is seen not so much about 'quick wins' but more about changing attitudes and perceptions over a longer period of time.
- The incentive of acquiring the IIP badge remains strong among employers but the introduction of the Bronze, Silver and Gold awards has complicated matters for employers undergoing the process and in the external recognition of the brand.
- E-survey respondents stated that the two main impacts of achieving Bronze, Silver or Gold were raised management and leadership skills; and increased employee engagement.
- The case studies show that staff development issues and management and leadership are the most common benefits derived from involvement in the extended framework.
- Bottom line benefits are difficult to identify but are likely to accrue from having a more stable workforce with high retention levels.
- A high proportion of employers responded that the additional evidence requirements make them more likely to retain their IIP status.
- Nine out of ten e-survey respondents were either very satisfied or fairly satisfied with IIP overall.

5.1 Introduction

IIP aims to make a difference to the organisations where it has been introduced and so changes, such as those related to New Choices, need to be judged on how they have made a difference. This, of course, is difficult to assess since the effects of IIP can be both direct and indirect, particularly when it comes to business impact. IIP may be just one part of a package of measures that an employer might have running at the same time, which makes isolating the effects more difficult.

This chapter considers the impact of the New Choices approach from three main perspectives. Section 5.2 considers business impacts, including effects on the viability of the organisation (such as increased sales, improved quality of service and 'bottom line' benefits in terms of reduced costs and increased profitability). The wider impacts of adopting the IIP New Choices approach are discussed in Section 5.3 and include how the changes have altered the way an organisation operates in terms of its HR function, approach to training, its mission, plus any potential benefits accruing outside the organisation, such as working with the education sector or sharing experience with other employers (for example as an IIP employer representative). Finally in Section 5.4 there is consideration of whether New Choices has affected organisational attitude to IIP and propensity to pursue re-accreditation in the longer term.

5.2 Business impacts

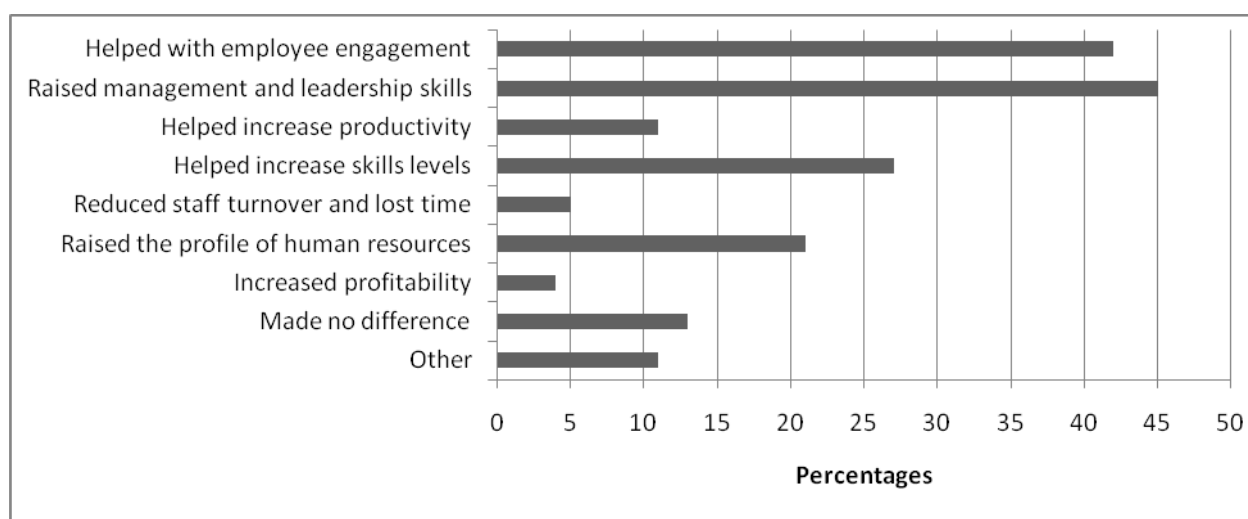
IIP Centres provided very little information on the impact (actual or potential) of the introduction of the New Choices approach. One Centre, for example, felt that the benefits would be realised 'further down the line'. This may be a valid point given the relatively short period in which New Choices has been operational. This was confirmed by some of the comments from e-survey respondents on the benefits of New Choices, such as: 'Too early to respond in detail, have only just obtained Gold status'; 'Only achieved in last couple of months - benefit not fully realised'; and 'Only achieved in October 2010 so unable to take a view yet on some of the impacts'. The expectation is that any benefits from IIP will accrue over a long period of time and it is unlikely that organisations embarked on the route expecting any 'quick wins'.

More tangible benefits were identified by some of the e-survey respondents. For example one claimed that IIP had 'increased their credibility with clients' and another that it 'improved our success rate with tendering for contracts'. These comments suggest the IIP 'badge' effect is still important to many organisations, particularly in their dealings with clients who are themselves IIP accredited.

Of course, one issue with New Choices is that in some cases it has 'raised the game' because those clients holding the Gold award, for example, may expect their potential contractors to have achieved a similar standard but (as identified in Section 3), Gold is much more likely to be achieved in larger organisations and so smaller contractors may struggle to meet expectations.

E-survey respondents were asked about the impact of achieving Bronze, Silver or Gold on the organisation. The majority (87%) of respondents identified benefits of achieving such recognition (over and above the benefits of IIP). The principal effects reported were raised management and leadership skills, reported by 45 per cent of respondents, followed by helped with employee engagement, reported by 42 per cent (see Figure 5.1). 'Helped increase skills levels' was mentioned by 27 per cent and 'raised the profile of human resources' by 21 per cent of respondents. All of these categories are likely to contribute to business success, albeit indirectly.

Figure 5.1: Impact of achieving Bronze, Silver or Gold on the organisation



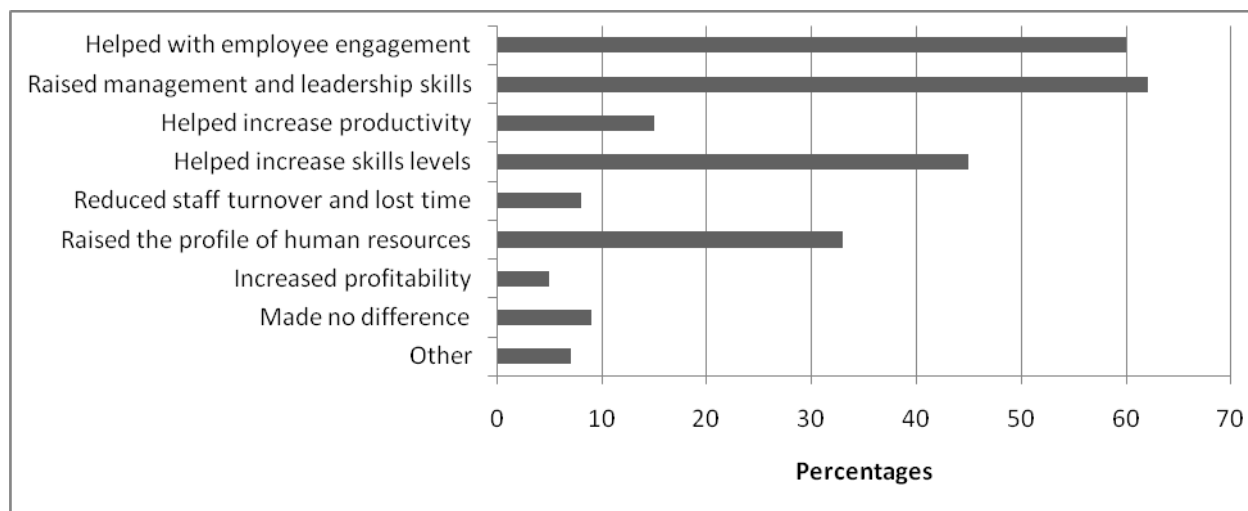
NB. Multiple response.

N= 311 (All those assessed against the extended framework)

Source: E-survey

All e-survey respondents (including those achieving the Standard) were asked what impact achieving IIP has had on their organisations. The results are summarised in Figure 5.2. The results are broadly similar to those shown in Figure 5.1, and more pronounced. So, for example, the most mentioned impact was 'raised management and leadership skills', reported by 62 per cent of respondents, followed by 'helped employee engagement', reported by 60 per cent. 'Helped increase skills levels' was mentioned by 45 per cent of respondents and 'raised the profile of human resources' by 33 per cent.

Figure 5.2: The impact of achieving Investors in People



*NB. Multiple response.
N= 664 (All respondents)
Source: E-survey*

Most of the comments received in response to this question focused on the training and HR benefits from achieving their IIP such as 'increased confidence and staff motivation'; raised the morale of staff'; and 'it pleased our staff and parents and raised our profile in the local community'. Comments on business benefits included how IIP had assisted with tendering activities, particularly with public sector bodies. There were few negative comments, though one respondent drew attention to the difficulties the organisation had in applying IIP across a range of diverse sites, finding the whole activity taking a lot of time and energy with apparent little reward.

Box 5.1: Difficulties in measuring the impact of Investors in People

One e-survey respondent organisation encapsulated some of the difficulties of identifying and measuring the impact of IIP, stating: 'It is very hard to demonstrate tangible benefits as a result of Investors in People and to show that the business has improved as a direct result of working within the framework. it depends on the base line from where a company commences its journey on IIP'.

The case studies offer another source of information on the impact of organisational involvement in New Choices. One case study organisation (a medium-sized manufacturer in the Midlands) found that the main benefits from involvement in IIP were related to staff development matters (including embedding multi-skilling). The process accelerated what the organisation wanted to achieve rather than influencing it fundamentally. In this company there was a policy of promotion from within and so attention to career development was vital. IIP accreditation contributed to an extremely high staff retention

rate (97 per cent) and this translated into a bottom line financial benefit of savings of around £17,000 for every employee they did not have to replace.

Another case study organisation (a manufacturing company in Northern Ireland) drew attention to the savings that accrue from a high level of labour retention. In another case study organisation (part of a local authority in Scotland), the extended framework under New Choices allowed the focus to be switched to the development of managers and team leaders, with IIP playing a particular role in targeting individuals for development. As a result, decision-making in the business has been refined and improved so that it is easier to sanction funds for training because the business case is easier to demonstrate. So in this case, the business benefits essentially derive from the management team being better placed to achieve the business objectives.

For one case study employer (a not-for-profit nature conservation organisation based in the South of England)) it was felt to be too early to judge the impact of the recent Silver accreditation, since the feedback was still relatively fresh. However, it was felt to contain 'clear and practical suggestions as to how the organisation should take forward issues identified from the assessment'. To this registered charity, much of the value in achieving the Silver award will rest with giving them a competitive advantage when applying for funds, an activity that will become much more competitive following the announcement of public spending cuts.

This benefit from external recognition of the award was also evident in some other case studies. In one case (a medium-sized professional services company in the North of England) the interviewee saw a 'secondary benefit' of IIP accreditation as a signal to clients that they invest in their workforce, with the potential added bonus that it might help attract a higher calibre of applicant when they are recruiting.

In another example the company concerned (a large customer service centre) felt the main impact of achieving the Gold award was in the positive signals it provided to clients. The company felt that achieving IIP was not central to meeting its business objectives and they would be met with or without it. The value of the assessment is that it picked up a few issues that had not been highlighted through internal mechanisms. It also opened up a communications channel for employees to voice issues that they may have been unable to give through existing channels.

A more detailed appraisal of impact from another case study (a medium sized residential care company) suggested three areas where there was discernable impact:

- management development - IIP has helped individual managers see their role more clearly. Previously there had been insufficient appreciation of the potential business impact of having well trained workers.
- staff training - those staff that wanted to had been enabled to undertake a higher level of NVQ than their current job might allow and this has helped in such areas as succession planning.
- staff feeling appreciated - developing staff from within the organisation has created more employee satisfaction and IIP is projected as 'their reward'.

All of these factors can contribute to greater business efficiency and this employer was keen to promote the value of IIP in this process.

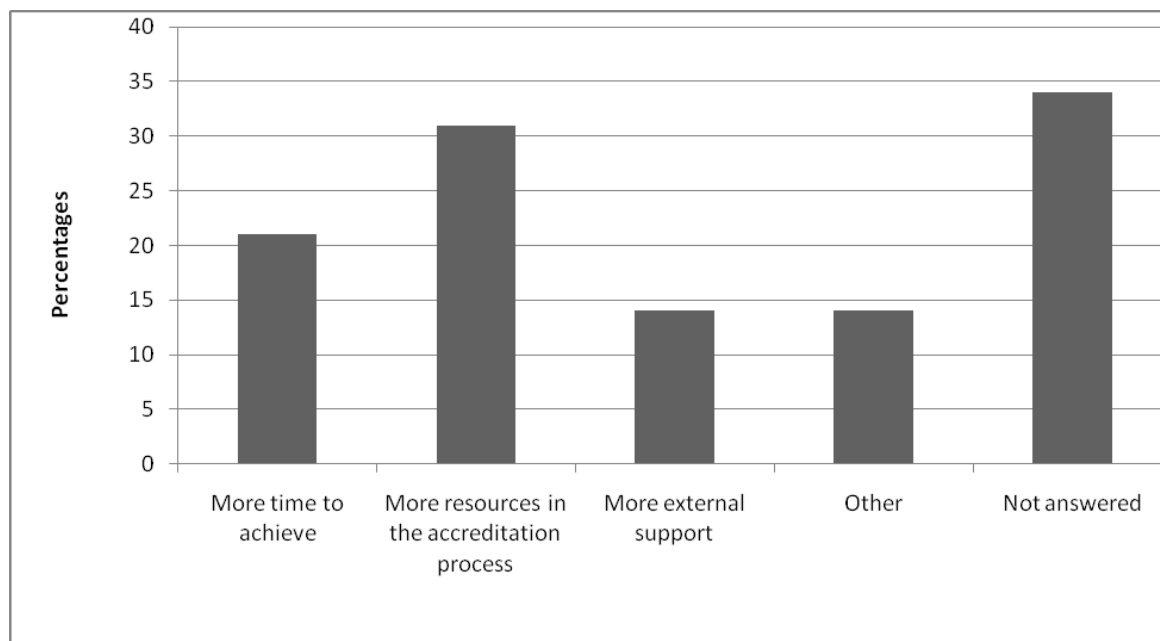
5.3 Wider impacts

One of the benefits of New Choices which some of the IIP Centres identified as related to introduction of New Choices was improved operational systems: with trained staff; new IT systems for monitoring; and a refocused team of specialists in the field. However, such comments tended to apply to be more applicable to those IIP Centres that were operating in a more commercial environment rather than where IIP was part of government agency.

The impact of IIP in general and New Choices in particular on organisations' staff is also important. The effect of achieving the Gold award, for example, was described by one e-survey respondent: 'Staff are incredibly proud of achieving Gold and it has provided a real boost to morale and motivation in these difficult times'. Other comments included '[IIP] has reminded existing staff and informed potential staff of what we offer as a business and how committed we are to looking after, training and developing our staff' and 'although some staff remain sceptical about IIP it has generally helped staff feel more involved in key elements of delivering the business objectives'.

Figure 5.3 identifies factors likely to contribute towards maximising the impact of IIP on organisations. Around 31 per cent of e-survey respondents indicated that more resources in the accreditation process would help, followed by 21 per cent who felt that more time to achieve accreditation would be useful. More external support was mentioned by 14 per cent of respondents. The 'other' responses provided a mixed set of ideas ranging from a need to improve internal communications (mentioned by 17 respondents) to better publicity and promotion of IIP (seven respondents) - presumably because this would help 'sell' it better to the senior management in the organisation.

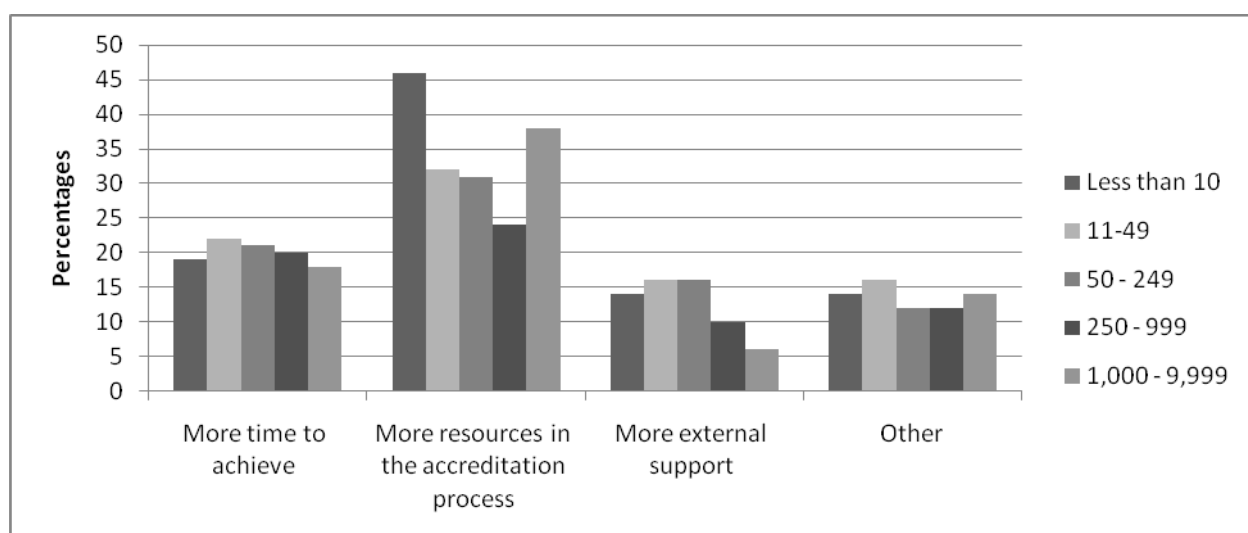
Figure 5.3: Ways to maximise the organisational impact of Investors in People



NB. Multiple response.
 N= 664 (all respondents)
 Source: E-survey

There were some differences in responses by size. Organisations with fewer than ten employees were most likely to feel more resource in the accreditation process would be useful, followed by those with more than 1000 employees (see Figure 5.4).

Figure 5.4: Ways to maximise the organisational impact of Investors in People, by size



NB. Multiple response.
 N= 664 (all respondents)
 Source: E-survey

Some of the case study organisations felt there was an absence of direct external benefits from having IIP. However, in one case (a medium-sized manufacturing company in Wales) it was suggested that significant value accrued internally where management and staff appeared to receive a boost to morale, with some sceptics won over by this effect. This internal 'badge' effect went deeper as the IIP process has now become embedded in HR practice and so contributed to a number of staff development issues, not least the establishment of its own training academy (see Box 5.2).

Box 5.2: Development of a training academy

One medium-sized manufacturing company found that the IIP process enabled it to take forward, with confidence, some new staff development initiatives.

Foremost among these is the recent decision to take full responsibility for developing the skills it needs for the future by establishing its own training academy (launched towards the end of 2010). It has developed its own training programmes and can deliver its own qualifications.

In another case (a voluntary organisation offering advisory services in the Yorkshire and Humber region of England) the assessment process was felt to have been useful and staff were broadly supportive of IIP, though there was felt to be limited 'added value' from it. In this case it was not possible to extract any specific examples of impact, but more generally the organisation felt that it had 'endorsed good practice'. It was suggested that IIP had given staff 'a sense of responsibility for their own development', with the qualification that this could have been achieved without IIP.

In two case study organisations it was evident that achieving the Bronze award was not seen entirely positively. In the first case (a medium-sized manufacturing company in Scotland), IIP was used to focused on HR issues and it was felt that New Choices was perhaps too ambitious for the modest objectives set. However, for this company the problem was that achieving Bronze was considered by senior management as a failure, but in reality going beyond Bronze would not have been appropriate at the point it embarked on the process. The result was a negative impact on the HR function in the eyes of senior management, as many of their main clients had achieved Gold.

In the second case (a medium-sized engineering company based in the Midlands region of England), the company felt that its recent achievement of the Bronze award 'reaffirmed those things we're good at and gave us some areas to work on'. Here the badge was important as an external promoter of quality HR (and is prominent in publicity such as its website), but they expressed concern that Bronze seemed 'third rate'.

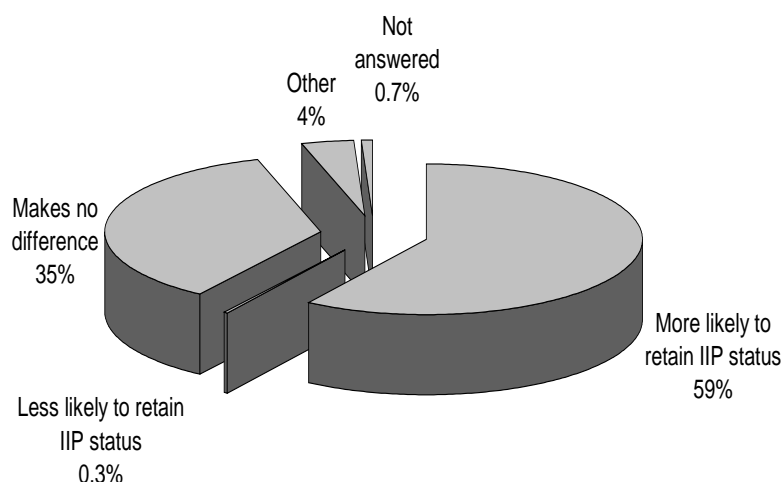
Another case study organisation (a private company operating residential care homes in the South of England) felt that its experience of IIP has particularly assisted with management development. It has helped managers see their roles more clearly as 'business and people developers' and this has filtered through to staff training where more people have been encouraged to follow national vocational qualifications (NVQs). As a result, staff feel more appreciated and, furthermore, the company has tried to convey to staff that IIP is their reward and recognises 'how valued and valuable they are'. Managers are better at succession planning (which was a particular concern of this company) and this has led to higher retention rates and consequent cost savings (though they were not able to quantify these).

A number of the case study organisations felt that a principal benefit from engagement in IIP was the external independent view they got from the specialist. In one example (a medium-sized private sector manufacturer in Northern Ireland), the specialist input was valued for the opportunity it gave for a more balanced feedback from staff. However, this same interviewee also felt that the IIP assessment (they achieved the Gold award): 'confirmed 95 per cent of what we know already'. A similar situation emerged in another case study organisation (a medium-sized provider of specialist professional services based in the North of England) where the employer felt the most valuable aspect of its recent assessment (it achieved Bronze) was in the staff feedback to an independent assessor. It found that the activity substantially raised the profile of the HR function in the company.

5.4 Effects on longer term commitments and re-accreditations

E-survey respondents were asked for views on the effect of the extra stretch under New Choices on their future IIP status (see Figures 5.5 and 5.6). Around 59 per cent felt that their involvement with the additional evidence requirements made it more likely that they would retain their IIP status, while 35 per cent felt that it made no difference to them. Larger organisations were more likely to state they were more likely to retain their IIP status, suggesting that the additional stretch provides a challenge for these employers.

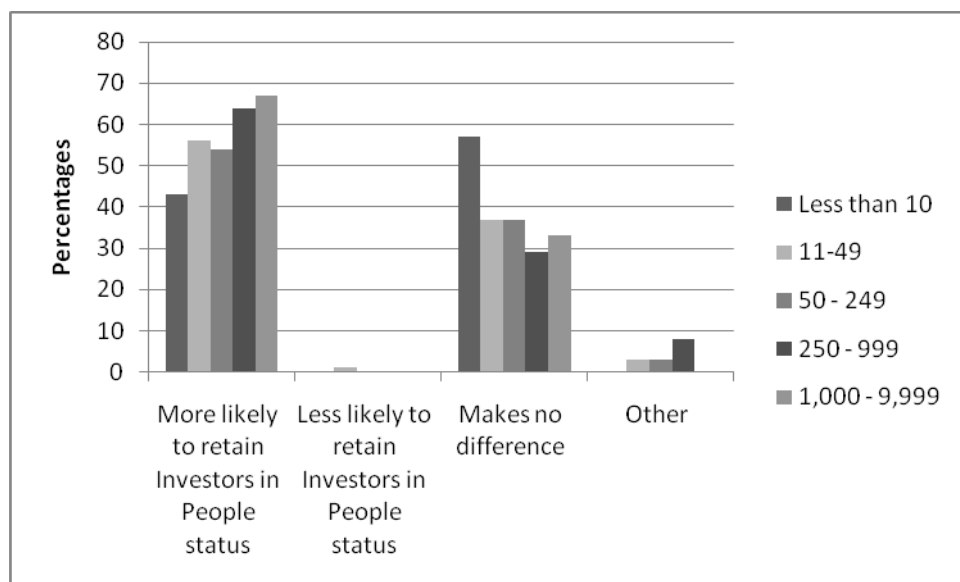
Figure 5.5: The effect of involvement with the extended framework on future Investors in People status



N= 311 (All those assessed against the extended framework)

Source: E-survey

Figure 5.6: The effect of involvement with the extended framework on future Investors in People status, by size



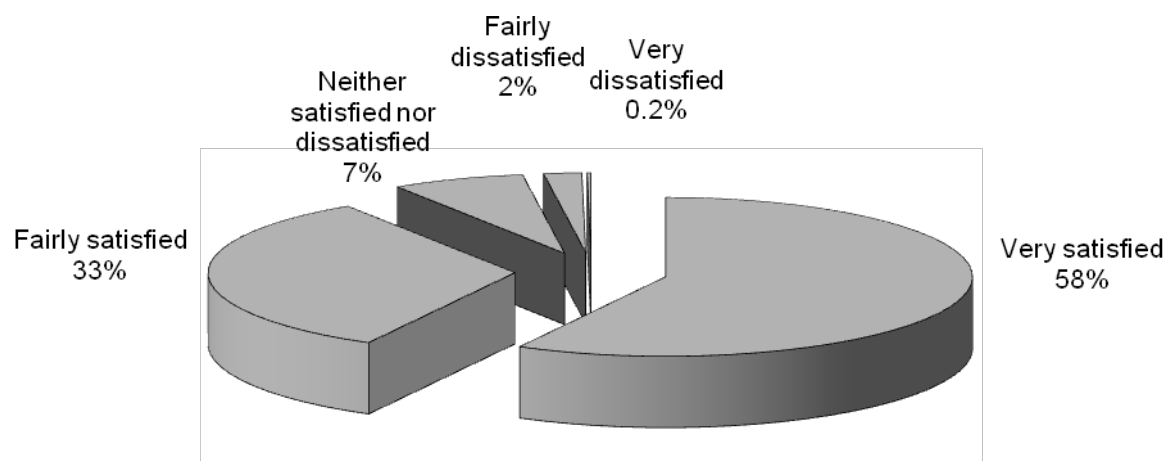
N= 311 (All those assessed against the extended framework)

Source: E-survey

Comments included: 'We would continue anyway but the additional Standard evidences a higher level of focus and excellence. We are aiming for Gold in 2012'; 'It has been good to further focus on the positive good practice, to benchmark ourselves and to have the good work recognised formally'; and 'It has provided us with valuable insight into how we can make further improvements to the business'.

As can be seen in Figure 5.7, satisfaction levels were relatively high with 58 per cent of respondents very satisfied and a further 33 per cent fairly satisfied with IIP overall. Only just over two per cent were either fairly or very dissatisfied. This question was asked in the context of an organisation's future involvement in IIP and it generated some interesting comments. On the positive side, views included 'IIP continues to grow and develop to match the needs of organisations', which suggests satisfaction with the changes brought about in New Choices. Another response referred to how IIP 'demonstrates a commitment to excellence for our staff and the general public' signalling the external as well as internal benefits. However, on the negative side there was concern over the cost of the extended framework in that 'it is becoming too expensive for smaller organisations to maintain their status and it is very unlikely that an organisation as small as ours will ever afford enhanced status'; or 'it feels now like just payment and effort for the recognition, I wouldn't do it if it were my own business'.

Figure 5.7: Overall satisfaction with Investors in People

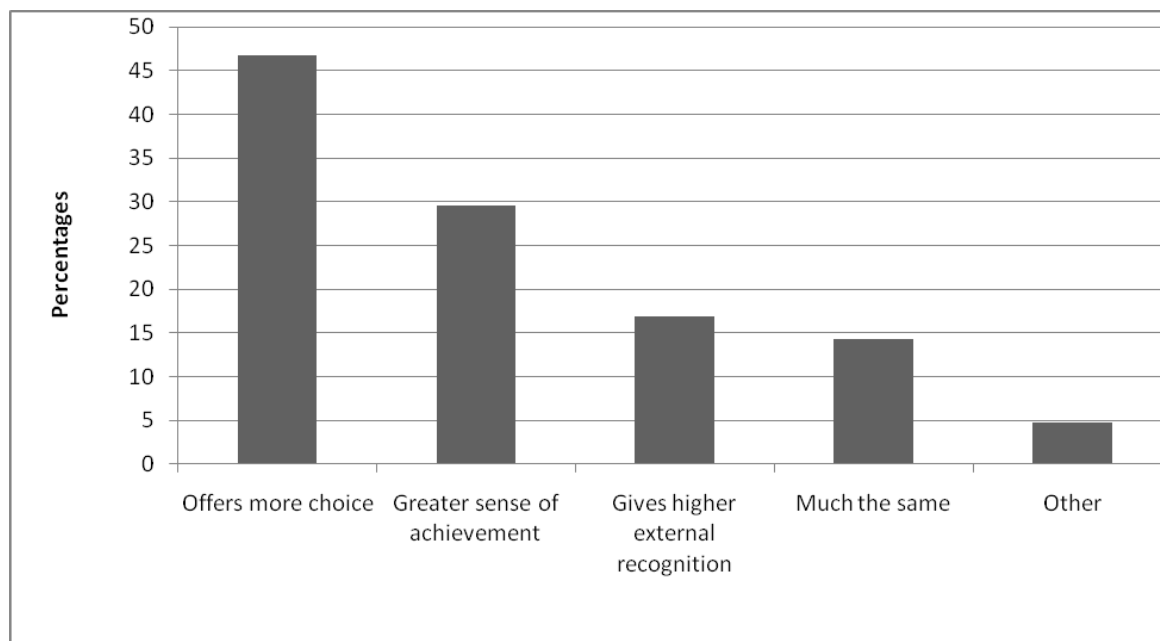


N= 664 (All respondents)

Source: E-survey

The e-survey asked how the current (i.e. New Choices) IIP framework compares with previous versions (see Figure 5.8). Fifteen per cent of respondents felt it was much the same as previously. For the rest, the most common change mentioned was that the new approach offers more choice (45 per cent of respondents). Twenty-eight per cent of respondents felt that it gave a greater sense of achievement. Focusing on the badge effect, 15 per cent felt that the extended framework gave the organisation higher external recognition.

Figure 5.8: Views on extended framework compared to previous versions



N= 664 (All respondents)

Source: E-survey

Most of the case study employers were positive towards the new approach. In one case (a medium-sized manufacturing company based in the Midlands), New Choices has been enthusiastically embraced and the involvement of the specialist was particularly applauded. However, the interviewee from this company did make the point that the benefits from IIP could be improved by having access to external funds to take some of the actions forward (mentioning the curtailment of Train to Gain in this respect). In Wales, IIP being part of the wider Workforce Development Programme provides the means to follow up action points.

In another case (a residential care company based in the South of England) there was much support for the New Choices approach and it had been a good experience for them to achieve Silver recognition. However, it felt there should be more linkages with other programmes, including apprenticeships, and with other bodies, to help ensure follow through on identified measures. This view was echoed by another company (a centre of scientific research and visitor attraction in the South of England) who felt that the approach should be to 'join up different bits of the policy agenda'. This same company had extended beyond the Standard but not far enough for the Bronze award and felt that there was no great difference between New Choices and their previous experience of IIP.

5.5 Conclusion

E-survey respondents and case study organisations were generally positive about the impact of New Choices and the stretch provided by the extended framework. The benefits of working under the extended framework (and in some cases, achieving Bronze, Silver or Gold) included raised management and leadership skills, increased employee engagement, and increased skills levels. The vast majority of employers were satisfied with the IIP framework and a high proportion responded that the additional evidence requirements make them more likely to retain their IIP status. Organisations were particularly positive about the New Choices approach being more adapted to their organisational needs. In summary, the New Choices approach offers a refreshed way of achieving IIP accreditation, with the consequence that it is likely to encourage organisations to seek re-accreditation in the longer term.

6 Key Findings and Issues

Chapter summary

- The introduction of the New Choices approach followed extensive research and focused on developing the established IIP brand through customisation, graduated recognition and benchmarking.
- New Choices involved a complete overhaul of the role of the advisers and assessors (the “IIP specialists”) who were seen as crucial to the success of the changes in offering a more consultancy-based approach.
- The most effective means for bringing organisations with prior involvement with IIP on board with the New Choices approach was through interaction with the specialists.
- The main reasons for employers engaging with the extended framework under New Choices were: to recognise existing practice; to provide a business development tool; and to demonstrate excellence to customers.
- The extra costs involved with following the extended framework (beyond the core Standard) depended on the organisation. Direct costs were dependent on the number of specialist days required while indirect costs mainly comprised internal staff time.
- Pressure on the budgets of organisations has meant around one quarter of e-survey respondents have reduced funding for external support for achieving IIP recognition (this mainly affects the use of external specialists)
- The key elements in New Choices (such as the pre-assessment planning meeting) are being adhered to, and New Choices is generally regarded by employers as an effective method of identifying an organisational priorities and focus for IIP.
- Assessing the impact of the New Choices approach is problematic because of the difficulties in isolating the effects from other activities. Most benefits identified by employers were focused on ‘traditional’ human resource areas such as staff development, and management and leadership improvements.
- E-survey respondents stated that New Choices would encourage them to retain their IIP status in the future.

- The New Choices approach may not have helped widen the appeal of IIP to “first timers” and small businesses. As a result, there are certain segments of the potential market that have not benefited from the changes and are less likely to become involved with IIP
- The current period of austerity means that the ‘traditional’ IIP market (public and voluntary sector organisations) will be under pressure and so it will be important to extend the reach of IIP to bring in new commitments to offset any attrition.

6.1 Key findings

The overall aim of this project was to identify the impact of the New Choices approach on perceptions of IIP and the take up of IIP by organisations. The New Choices approach was introduced in May 2009 after being piloted in Scotland and some parts of England, and at the time of writing had been operational for under two years. This is a relatively short period of time in which to judge a programme such as IIP, where additional benefits likely to accrue are likely to appear over the medium to long term rather than being demonstrated in ‘quick wins’. As such, this review has not identified much in the way of direct benefits experienced by employers that have followed the extended framework, though it has been more successful in pinpointing some valuable changes in IIP engaged organisations that indirectly are likely to contribute to increased business efficiency.

The introduction of the New Choices approach came when the UK economy still in recession, and this may have affected its reception, with employers focused on business survival. However, it was already evident that changes were taking place in accreditation numbers, with a ten year trend showing that IIP accreditations were becoming more concentrated in employers seeking re-accreditation rather than first-time accreditations. Furthermore, it was evident that larger employers are more likely to commit to IIP than smaller ones and those in the public and voluntary sectors than the private sector.

The New Choices approach was developed following extensive research by IIPUK, which showed the need for change. The changes brought into the delivery of IIP were based around customisation, graduated recognition and badging and scoring/benchmarking. Importantly, the extended framework approach offered under New Choices was essentially in place through ‘Profile’ (though the latter was not as successful in attracting employers as initially expected).

The key findings of the review are as follows:

- Promotion of the New Choices approach varies across the country. When it was rolled out from May 2009 there was both paper and electronic promotion to employers. The most effective means of communication was through the network of IIP specialists. Reaching employers new to IIP is more problematic, although IIP Centres reported dedicating resources to the engagement of new organisations to IIP. The awareness level among some stakeholder organisations (those not directly involved in IIP delivery) was found to be comparatively low and some of the agencies that helped promote IIP in the past were either not doing so anymore or were doing less of it due to the internal changes they were undergoing.
- There are differences in approach to the promotion and delivery of IIP in general and New Choices in particular among the home nations. Delivery in England is focused on regional IIP Centres awarded contracts under competitive tendering. These mainly profit oriented companies have incentives to promote and deliver IIP within their catchment area. Employer satisfaction levels with the IIP Centres varied, but for the most part employers had very limited direct contact with them, preferring to use the conduit of their specialist. In the other home nations (particularly Wales and Northern Ireland), IIP tends to be more of an integral part of the national strategy for the delivery of workforce development or economic development support from public sector agencies. In Wales and Northern Ireland the New Choices approach has been slower to start than in England, though in Scotland it was earlier because of its involvement in the pilot.
- Prior to the introduction of New Choices there was a perception (within IIP UK and the delivery network) that some of the problems surrounding the implementation of IIP and Profile were due to the quality of support given by the IIP advisers and assessors, some of whom saw their role as an auditor rather than as a consultant. As such, New Choices involved a complete overhaul of their role and led to the development of a Specialist Capability Framework and a re-branding of advisers/assessors into specialists, accompanied by investment (by individuals and IIP centres) in training and development. The changes have led to a much more consultant-based approach and a potentially closer and more extensive working relationship with their client employers, though this will vary between individual cases and how the extra costs of this support (or extended assessment) are perceived by each employer.

- Assessing the impact of the New Choices approach on employers is difficult, not least because of the difficulty in isolating the effects from other influencing factors, or longer term involvement with IIP. In addition, the main benefits are likely to accrue over the longer-term and so it is too early to judge any such effects. Bottom line benefits are particularly difficult to ascribe but are likely to be focused on the contribution of IIP to high staff retention rates and so savings on recruitment costs.
- Most benefits identified by employers from their engagement with the New Choices approach were focused on staff development issues and management and leadership improvements (the traditional HR arena). However, it is clear that the extended framework has enabled employers to more closely tie developments to business objectives. As such it is reasonable to assume that the indirect benefits to the business under the extended framework are higher than if the organisations had stopped at the Standard, though there is (currently) no mechanism for proving this.
- E-survey respondents cited the main reasons for engaging with IIP as to: improve business performance; improve training; and improve the external image of the business. The main reasons for engaging with New Choices were to recognise existing practice; to provide a business development tool; and to demonstrate excellence to customers. In both cases external recognition of the IIP 'badge' is important. However, the Bronze, Silver and Gold award levels have complicated these perceptions, as they are not widely recognised outside those engaged with IIP. This review also identified some issues with how the different levels are perceived (including Bronze and Silver being seen as third and second rate achievements).
- Going beyond the 39 evidence requirements for the Standard inevitably involves some extra direct costs for the employer. However, in discussions for this review, it was evident that these vary case by case largely because it depends on what level of award is being followed, the complexity of the organisation, what is being targeted, how much internal resource is being deployed and how much specialist time is needed to achieve it. Where an employer internalises much of the work then the specialists might only be required at the start and end of the assessment process. In some organisations substantial amounts of internal staff time were devoted to achieving IIP, particularly where a process of continuous assessment was adopted. However, where smaller employers do not have access to specialist HR staff or cannot afford to free up other staff to do the work, the direct costs could be substantial and so may act as a deterrent to participation.

- Key elements of the New Choices approach (such as the pre-assessment planning meeting to agree the IIP assessment focus in line with business needs) are being adhered to. Survey and case study evidence suggests that for most employers this is seen as effective in identifying organisational priorities in relation to IIP. However, case studies show that there are occasions where the planning meeting is not effective in agreeing the scope and the specific evidence requirements of the assessment, and recognition status. Where the pre-meeting is not effective this can impact on an organisation's overall satisfaction with their IIP engagement.
- The ability to access funding for engaging with IIP has reduced over recent years (and is variable across UK home nations). Alongside this, there has been a reduction in the budgets of many organisations. A quarter of those surveyed stating they had reduced external support, mainly IIP adviser and other consultancy support. IIP assessors appear to be the mainstay of pre-assessment support for most organisations (usually provided during the year prior to assessment). Where support is provided it is generally regarded in a positive light.
- The skills of the IIP assessor, and in a few cases, the IIP specialist acting as an adviser, are crucial to the success of the new IIP approach. The IIP Centres and specialists have undergone a rigorous and on-going development programme to enable them to move towards the consultant role necessary to bring a bespoke and business focus approach to IIP. Case study evidence suggests there remain occasions where IIP specialist skills fall short of this, which leads to client dissatisfaction, especially where they are paying substantially more for an 'above the Standard' assessment.
- One effect of the New Choices approach is to encourage a significant proportion of respondent organisations to seek to retain their IIP status because they are deriving more benefits from it. This tends to indicate high levels of satisfaction with the programme. This is confirmed by the nine out of ten e-survey respondents who were either very satisfied or fairly satisfied with IIP overall. However, the majority of these organisations had a long standing commitment to IIP and to them, New Choices is likely to have appeared as a natural extension to what they had been doing for some time.

6.2 Key issues for consideration

A number of key issues have been extracted from the research for consideration by those involved with the shape and delivery of IIP in general and New Choices in particular, as set out below.

The research findings question the universality of IIP's appeal. In addition, New Choices has not helped widen the appeal of IIP (for first timers and smaller businesses in particular). Assessment against evidence requirements from the extended framework has largely been adopted by employers going for re-accreditation. The findings suggest some underlying weakness in the IIP offer. Targeted marketing of IIP to smaller organisations and those currently uncommitted to IIP would be more effective than general marketing. Over reliance on IIP specialists to 'sell' the New Choices approach means that those seeking re-accreditation have been the default target. The use of IIP Champions and Employer Representatives (where employers help to promote IIP to other employers) appears to have been a success in making employers new to IIP familiar with the process, as well as providing some support during the assessment process. It is recommended that the approach is continued and extended, with additional targeting to certain market segments, as this is likely to prove successful in attracting new organisations. A potential barrier is limits on the time that employer representatives could put into the activity. Ways need to be found for maximising value from these inputs, for example through the use of websites and email to disseminate information.

The wider business and labour market infrastructure could be more involved in promoting IIP. There are currently significant changes in the economic and business development landscape (for example, the abolition of the Regional Development Agencies (RDAs) and establishment of Local Enterprise Partnerships (LEPs)). This provides opportunities to improve the role of intermediaries promoting the benefits of IIP. Organisations such as the Chartered Institute of Personnel and Development (CIPD), Confederation of British Industry (CBI), and Chambers of Commerce could be engaged in promoting IIP and the flexibility and potential benefits of the New Choices approach. The UK Commission should continue to work closely with these organisations and provides them with sufficient information and incentive to promote IIP to employers.

There are certain segments of the potential employer market for IIP that will struggle to justify the resource inputs required to meet the IIP Standard (let alone the Bronze, Silver or Gold awards levels in the extended framework). Smaller businesses particularly, which are unlikely to have a dedicated human resource (HR) function or sufficient spare management capacity, are likely to need financial support to reach accreditation. Without attention to this, IIP (and particularly the award levels beyond the Standard), will remain the preserve of larger organisations. Such support is available in some of the home nations but not in England. It is recommended that the potential options for part-funding of employers seeking a first IIP accreditation be explored by the UK Commission. Financial support could be direct or indirect, perhaps through a remission of tax or National Insurance payments.

IIP Centres (and IIP specialists) are the main route to engagement with IIP. This review has shown they are most effective in engaging existing IIP accredited employers with New Choices. Promotion and engagement activity with employers not currently engaged with IIP is likely to increase only if it is financially viable for the Centres and the specialists. IIP Centres in England are commercial bodies and thereby driven primarily by commercial considerations in their approach to IIP engagement strategies. Working with a large number of small and medium sized enterprises (SMEs) to attain initial IIP recognition is more difficult and potentially less profitable than working with a smaller number of larger, already engaged organisations to attain higher levels of IIP accreditation. It is recommended that the UK Commission looks into the options for incentivising IIP Centres to promote IIP to those not currently engaged with it. This could involve an element of targeting (for example to those SMEs with strong growth potential) and could be linked to positive IIP outcomes (for example different levels of incentive for achievement of the different award levels). The IIP 'badge' effect is important for many employers. Some employers see the achievement of the Gold award as their goal and Bronze or Silver as steps towards this, rather than achievements in their own right. There are some issues surrounding the terminology (which encourages a first, second and third place perception in the eyes of some employers and others). Furthermore, there is the added danger that the achievement of the Standard will be downgraded or lost, rather than seen as a reasonable aspiration for many employers. It is therefore recommended that consideration be given as to how the award levels are promoted. Extra stretch for some employers is important, but this could be accommodated by an 'enhanced Standard' for those going beyond the 39 evidence requirements rather than the three award levels. The UK Commission should open a dialogue with all interest groups to determine whether the current award branding should be changed in the interests of simplicity and protecting the Standard.

With the start of a period of austerity arising from the measures being introduced to tackle the budget deficit, it is likely that the organisations that have traditionally provided the mainstay of IIP (in particular organisations in the public sector and voluntary sector) will be under pressure to justify their continued involvement in IIP. The New Choices approach has extended the attraction of IIP for existing accredited employers but it appears to have been less successful in extending IIP reach to new employers. However, maintaining or enhancing the number of committed and recognised organisations overall is likely to depend heavily on the success in bringing in new employers.

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The additional benefits likely to accrue to organisations committed to IIP (particularly under the New Choices approach) are likely to appear over the medium to long term rather than being demonstrated in 'quick wins'. This research on the New Choices approach has been carried out relatively quickly after its introduction and so has not identified substantial business benefits from New Choices at this stage. Future research with employers, carried out over a sustained and a longer elapsed time, is likely to provide a better indication of any additional benefits that have accrued. Further research after a longer period of operation would also allow a more thorough assessment of whether the New Choices approach has become embedded in the delivery mechanisms and the approach of the specialists.

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Glossary

BIS	Department for Business, Innovation and Skills
CBI	Confederation of British Industry
CIPD	Chartered Institute of Personnel and Development
DELNI	Department for Employment and Learning - Northern Ireland
HR	Human Resources
HRD	Human Resource Development
HOST	HOST Policy Research
IES	Institute for Employment Studies
IIP	Investors in People
IIPUK	Investors in People - United Kingdom
LSC	Learning and Skills Council
NVQ	National Vocational Qualification
NWOW	New Ways of Working
RDA	Regional Development Agency
SIC	Standard Industrial Classification
SMEs	Small and Medium sized Enterprises
UK	United Kingdom
UKCES	UK Commission for Employment and Skills
WAG	Welsh Assembly Government

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