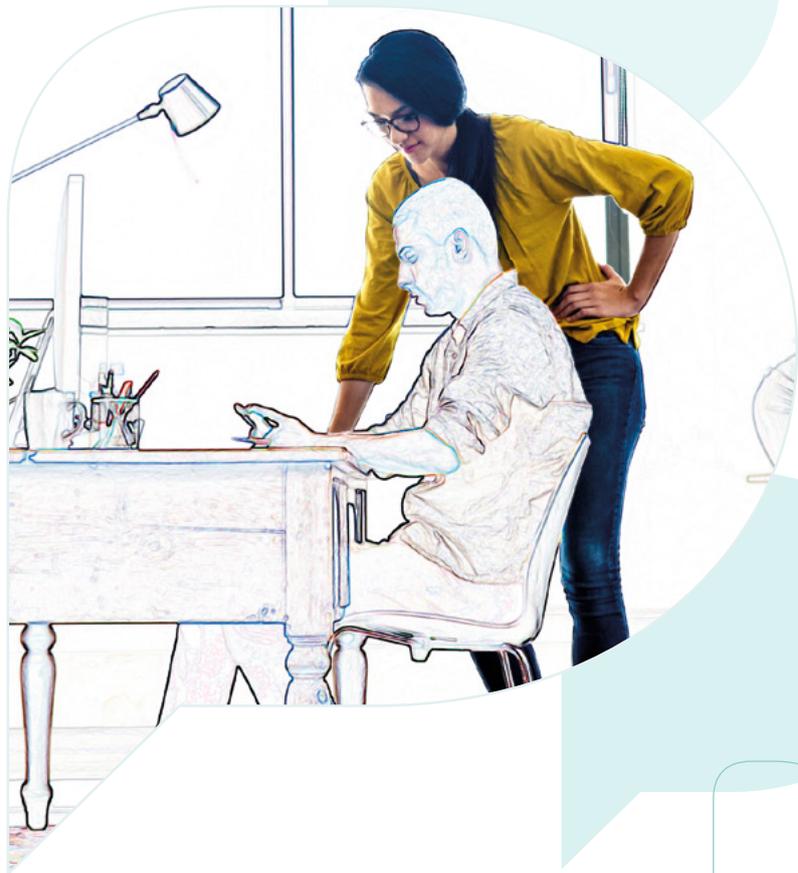


Case studies

September 2017



People Skills

Deep-dive SME
vignettes

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 145,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

J.P.Morgan

Our mission is to enable more people to contribute to and share in the rewards of a growing economy. We believe that reducing inequality and creating widely shared prosperity requires collaboration of business, government, non-profit, and other civic organizations, particularly in the cities and metropolitan regions that power economic growth. We take a comprehensive approach to increasing economic opportunity, using our firm's global scale, talent, and resources to make investments and create partnerships in four priority areas: workforce readiness, small business expansion, financial capability, and community development.

While this report has been supported by the JPMorgan Chase Foundation, the contents and opinions in this paper are of the authors alone and do not reflect the views of the JPMorgan Chase Foundation, JPMorgan Chase & Co, or any of its affiliates.

People Skills: Deep-dive SME vignettes

Case studies

Contents

People Skills overview	2
Design of People Skills	3
Types of intervention	5
Case studies	6

Acknowledgements

This report was written by Professor Carol Atkinson, Professor Ben Lupton, Dr Anastasia Kynigho, Dr Val Antcliff and Dr Jackie Carter, all of Manchester Metropolitan University Business School. We would like to thank them all for their hard work.

People Skills overview

The case studies in this report were generated by researchers from Manchester Metropolitan University as part of an evaluation of a pilot programme, that provided free HR support to small businesses.

The initiative, called People Skills, ran for a period of 15 months, from July 2015 to October 2016 in Hackney, east London, Stoke-on-Trent and Glasgow, and provided bespoke HR business support for SMEs through key local stakeholders such as the Local Enterprise Partnership, local council or chamber of commerce.

People Skills, which was funded by the JPMorgan Chase Foundation's New Skills at Work programme, was designed to test the merits of a locally based intervention that provided high-quality information,

advice and support directly to SMEs to enable them to address the issue of skills mismatch in the workplace, by:

- 1 improving the utilisation of existing skills in the workplace by providing HR advice and support for owner-managers
- 2 improving the match between the skills coming out of the education system and those needed by employers by encouraging more SMEs to invest in young people by engaging with schools and colleges, providing in-work experience places and investing in apprenticeships.

Read the full evaluation report *People Skills: building ambition and HR capability in small UK firms*, at cipd.co.uk

Design of People Skills

At the outset, People Skills was designed to address key aspects of skills mismatch. It was primarily focused on addressing skills mismatch at a local level.

It was designed to:

- 1 have a twin focus on (a) improving the leadership, management and HR capability of SMEs with the purpose of boosting skills utilisation, productivity and innovation at a local level, and (b) improving the connection between education providers and SMEs, and encouraging SMEs to invest in young people
- 2 have significant buy-in with key local stakeholders. This means genuine interest and understanding of the importance of developing a holistic local skills strategy that includes an interest in addressing skills mismatch, growing employer demand for investment in skills and improving the utilisation of skills
- 3 be centred in a locality where representatives of the Local Enterprise Partnership, local authority, education providers and business leaders and networks recognised the purpose and need for the initiative and were prepared to back it
- 4 be integrated with other aspects of local skills, employment and innovation policy
- 5 be based in a location that benefits from a high density of SMEs to maximise its reach and potential
- 6 run for a minimum period of 12 months to allow evaluation of impact.

In establishing the programme in each area, efforts were also made to engage widely with all potentially interested parties or stakeholders, inviting support and connection. This spirit continued throughout the duration of the programme.

Table 1: People Skills partner locations

Location	Host partner
London Borough of Hackney	 Hackney Council
Glasgow	 Glasgow City Council
Stoke-on-Trent	 Staffordshire Chambers of Commerce

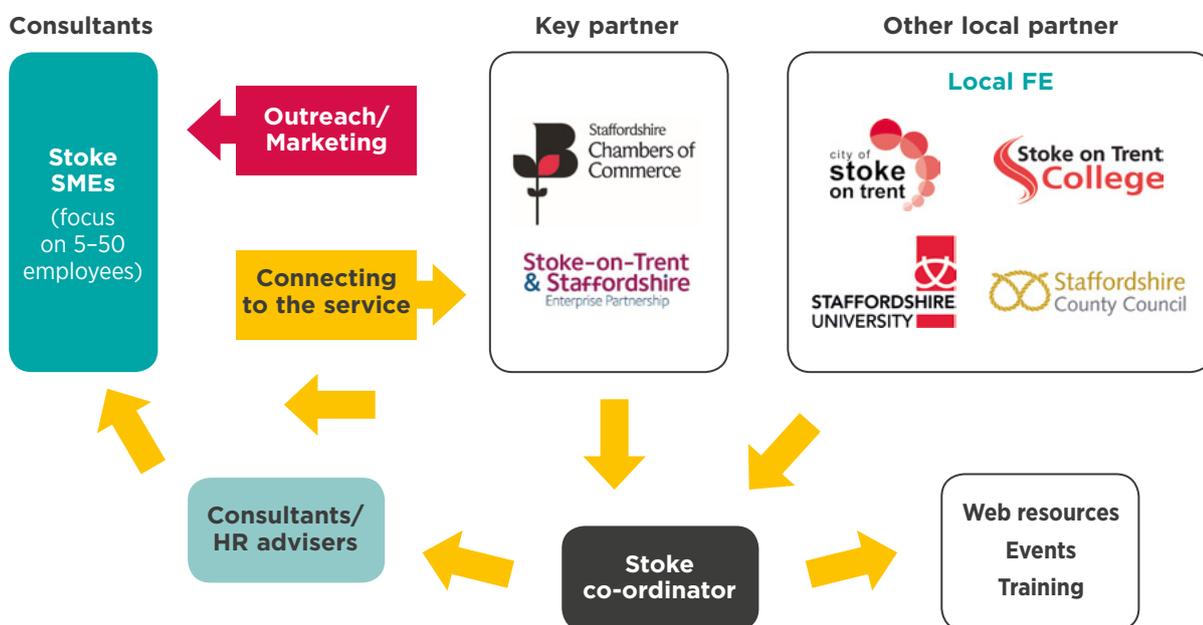
In order to reach as many small businesses as quickly and effectively as possible, and to ensure that the programme was integrated with other local services, the programme in each area was ‘embedded’ firmly with and led by the local ‘host’ partner. The model in Figure 1 was roughly replicated in each area.

In addition to the local-level investment, central funds were also used to manage and oversee the entire programme and provide for comprehensive external evaluation.

A budget was prepared for each area that included funding for:

- a dedicated People Skills co-ordinator, ideally embedded within the host partner
- payment to local HR consultants
- local marketing and promotional activities
- training, networking and information events.

Figure 1: Embedding the People Skills pilot programme in Stoke



Types of intervention

The types of support provided to small businesses explored in the case studies is characterised as either 'transformational', 'transactional' or 'mixed'.

Transformational change interventions in SMEs are through more sophisticated people management practices. Examples include:

- developing an apprenticeship scheme
- reforming performance management practices
- restructuring of pay and reward system
- training and development schemes
- training managers.

Transactional change interventions deal with day-to-day people management processes. Examples include:

- contract and policy review
- disciplinary procedures
- health and safety
- legal compliance
- writing employment contracts.

Mixed support included the development of both transformational and transactional practices.

In each of the following case studies we have identified the type of intervention under the heading 'The challenge and intervention'.

All the names for case study participants have been anonymised.

Case studies

Hackney

‘The People Skills work developed more formalised HR policies, which provided clarity and reduced conflict around, for example, pay and promotions.’

Architect Co.

Background

Architect Co. was established in 1997 by its two directors, Andy and Greg, who met at university and decided to go into business together. Their philosophy is to have a practice where *‘you’d enjoy being an architect, instead of a stressful workplace where the joy is lost because of long working hours, which you often find in larger practices’*. There’s a very informal style, reflected in open-plan offices and informal dress code, and Andy and Greg have a straightforward and direct approach, where they strive to work with people rather than against them. At Architect Co.’s core is a philosophy of sustainability and ensuring their designs have a positive impact on society.

The practice employs 30 members of staff, 28 of which are architects, and has a structure that reflects sector practice. It is led by Andy and Greg, who are supported first by associates (architects who tend to have more than five years of experience) and then by Part 1 and Part 2 architects, who are fairly recent university graduates. Greg felt that Architect Co. had recently *‘turned a corner’*, as three years ago they employed only around 12 people and were insolvent and struggling to pay staff wages. Redundancies followed, although these were left *‘far too late’* as Andy and Greg valued their staff and adopted a *‘family comes first’* approach.

This family approach, coupled with an informal culture, had nearly proved their undoing, and now, after a recent period of significant growth, Greg grudgingly recognised that Architect Co. needed advice on how to manage people to avoid similar problems in the future.

The challenge and the intervention

Mixed

It was timely then that Jane, the practice manager, saw an advertisement for People Skills in a Hackney Council newsletter. She had tried before to find an HR consultant, but the services on offer were quite corporate and expensive, neither of which suited Architect Co.’s small firm environment. Her previous large firm experience, though, confirmed to Jane that she needed some external support, *‘someone to hold our hand and reduce directors’ resistance to change’*. She felt there were lots of people management challenges, related mainly to informal people management practices and processes and the subsequent lack of transparency. For example, staff were frustrated by lack of communication from the directors, the absence of formal performance management, appraisal and pay processes, and related decisions that sometimes smacked of favouritism.

Adam, the People Skills consultant, worked with Jane, Greg and Andy. The first step was for Adam and

Jane to formalise policies and procedures: for example, the employee handbook, induction programme and appraisal paperwork. Adam supported Jane in delivering staff training on these, for example, the appraisal processes. Adam also then worked with Greg and Andy to coach them in how to address more challenging people issues. They developed a clearer organisational structure and Adam gathered staff views and fed these back to Greg and Andy to help them understand what change was needed. He also played a critical part in resolving a conflict between Greg and Andy, offering an external ‘sounding board’ to help with both people management but also with self-management.

Impact

Greg and Andy admitted that at first they had been sceptical, to say the least, about People Skills. Ultimately, though, they felt that it had been an ‘invaluable experience’ that had led to significant changes in Architect Co. and also made them personally re-examine their approach and change. Greg had even taken up personal counselling and staff were aware of changes in his behaviour (although not the reason behind it). The advice and support had made a big difference and *‘they’ve got a lot from it’*. Jane also found it invaluable but, less positively, was not sure that they would be able to sustain the changes once People Skills’ support ended. Andy also suggested that pressures arising from Brexit could lead to redundancies and a once-again reduced focus on people management issues.

Overall learning

Unlocking demand for investing in leadership and people management capability

Greg and Andy’s views on people management changed significantly, as did their behaviour. The People Skills work developed more formalised HR policies, which provided clarity and reduced conflict around, for example, pay and promotions. Less positively, there was a concern that the more transformational aspects of the People Skills work might be relatively short-lived, as Greg and Andy’s commitment to the changes was not firmly embedded and they felt external pressures might force them to adopt alternative ways of managing people.

Inspiring SMEs to invest in and employ young people

People Skills made no obvious impact here. As an architect practice, it was usual to employ young people first during their university degree programme (Part 1s) and once they had finished their degree (Part 2s). Greg and Andy had no commitment to employing young people beyond this, and were extremely reluctant to employ apprentices. This was not just because of the need for graduate-level architects. Greg and Andy felt that it would be costly and time-consuming to take on apprentices in administrative roles; Jane had tried to set up internships with a local university and it had not been a successful experience. Young people and apprentices did not move up Architect Co.’s agenda.

Providing easy access to high-quality support for SMEs

Jane, Greg and Andy were all very positive about the

experience of working with Adam. They felt they had developed a fantastic rapport with him and would be willing to engage him as necessary on future people management work. Of particular importance was his ability to *‘act as a sounding board and intermediary’*. That said, none of the three were keen to make further immediate investment in people management.

Bar Co.

Background

Bar Co. is a hospitality firm that 'opened its doors to the hipster and alternative customers of Hackney' in 2014. It was founded by the current managing director, Neal, and another partner, Bob. Reflecting its customer base, Bar Co. has a bohemian style and is a relaxed and friendly place to work. It has 25 staff drawn from across many European countries. Neal and Bob are supported by a general manager, Tom, and there are various levels of supervisory and front-line staff, many working on a part-time basis and with career aspirations in other industries/occupations. Ian feels Bar Co.'s style is informal and 'democratic' and, while Tom, Neal and Bob set the vision, staff views are heard and their ideas often adopted as they interact directly with the customer and understand their preferences better.

The challenge and the intervention

Transactional

Neal received an email from People Skills that he forwarded to Tom. Tom was interested, as much of his previous experience had been in larger firms and he knew that Bar Co. lacked formal people management processes. He was keen to have a more structured approach, especially with Bar Co.'s young workforce and high labour turnover. Tom attended an open afternoon at one of Hackney Borough Council's drop-in sessions and met Alice, a People Skills consultant who chatted with him about what he needed. Alice then visited Bar Co. and used the CIPD Profession Map as a working of what support Tom needed. They drew up an action plan and identified priorities.

The support focused on ensuring that Bar Co. was 'ticking all the right boxes' and was legally compliant. Based on Alice's feedback, Tom worked with her to update employment contracts, staff handbooks and disciplinary processes. Alice also dealt with some ad hoc enquires, for example on performance issues when someone was coming to work late or under the influence of alcohol. Interview training was also offered to those involved in recruitment in an attempt to improve selection decisions and reduce turnover. Some staff who did not receive this training were frustrated by this.

Impact

Working with Alice was an 'eye-opening' experience for Tom. He realised he could not do everything alone and her input helped him to make fewer mistakes and there was 'less fixing to do afterwards'. Tom also felt more confident about HR paperwork and that, given business growth, this was an 'important step in the right direction'. He was concerned, however, that the People Skills work might not be sustainable given other business pressures, particularly the pace of change and most staff being unaware of Bar Co.'s involvement with People Skills and the work that had been carried out.

Overall learning

Unlocking demand for investing in leadership and people management capability

Tom realised the importance of having an 'HR expert' in Bar Co. after working with Alice and People Skills. The work done was important, but nevertheless at a transactional level it had little influence on Neal and Bob. It could provide a basis for more

advanced work, but may not if it proves unsustainable once People Skills has ended.

Inspiring SMEs to invest in and employ young people

In line with the rest of the sector, most of Bar Co.'s staff were aged under 26. Tom was rather hesitant about employing apprentices as he felt they did not fit well in the firm and were potentially high-cost and onerous to manage. There was no apparent shift in attitudes here.

Providing easy access to high-quality support for SMEs

Tom was very positive about the support he had received from Alice. It had provided a basis for strengthening policy and practice in Bar Co. and had made him much more confident in his people management responsibilities. Despite being very transactional, the support had a positive impact.

Building and Roofing Co.

Background

Peter, the managing director, founded this family-owned building and roofing firm with a partner in 1997. His partner acted as a consultant and was not employed by the firm. In the five years to 2016, Building and Roofing Co. prospered and turnover increased from £2 million to £7 million per annum. More recently, changes in government procurement processes had created instability and led to shift away from public to private sector work.

Building and Roofing Co. employed 19 full-time members of staff, seven of whom were under 26, and a further 60-plus subcontractors. Permanent staff were either family members, family friends or people that Peter felt would be a good fit with the company. While there was an informal feel to the firm, it had a centralised structure, with Peter making most decisions and few formal reporting lines. Employees felt they enjoyed *'lots of autonomy and when it works it's great, but when it doesn't it creates a lot of conflict ... everybody needs to be clear about boundaries'*. Peter's son and daughter both worked in the firm and Fiona was based in the administration team. The family ethos was reflected in the staff eating breakfast and lunch, cooked by Fiona, together each day. Peter was training his son, Robert, to take over as he was planning to retire. There was quite a lot of uncertainty at Building and Roofing Co., given the shift in business direction and Peter's possible retirement; the family dynamics also created challenges to effective operation.

The challenge and the intervention Mixed

Marion, the business development manager (who also held a CIPD-accredited qualification), led on the People Skills intervention. She had been working closely with Hackney Borough Council on apprenticeships and someone from there recommended the pilot programme to her. Marion recognised the strategic importance of working on their HR processes and procedures and felt she could benefit from some HR support. She was keen to champion people management and saw it as essential to driving an effective business operation that could win private sector contracts. She also hoped that an external consultant would help to resolve some of the tensions around family dynamics. Following an initial phone call with Kathy, the People Skills consultant, Marion and Peter met with her at Building and Roofing Co.'s offices. They agreed that Kathy and Marion would work mainly on procedures and policies (job descriptions, organisational structure, skill gaps) and that Kathy would provide ad hoc support on particular (minor) people management issues. Kathy also felt that Peter needed to be less controlling and *'needed to delegate more and let go of a certain amount of stuff'*. She agreed to run six coaching sessions with him to develop his leadership skills.

Impact

Marion greatly appreciated the support from People Skills and felt it had made a big difference, even if at a largely transactional level. A clearer organisational structure and reporting lines made *'everything click and freed a lot of time to do more*

'Marion greatly appreciated the support from People Skills and felt it had made a big difference, even if at a largely transactional level.'

important stuff, and Peter felt it a great benefit that *'not everything had to go through him to get approved'*. Marion argued that People Skills had helped Peter to appreciate the importance of HR and that Kathy had been a great fit with their culture and able to influence Peter's leadership style, at least to some extent.

Overall learning

Unlocking demand for investing in leadership and people management capability

Little progress was made here. Initially, Marion was optimistic that People Skills helped her to show Peter what people management could contribute to the firm. Peter found the coaching sessions helpful and delegated more, although he still made many decisions himself. He felt changes would take some time to happen, especially for *'a roofer who over the years was pushed to the position of an MD, never went to college or university or had business studies'*. Soon after the coaching ended, however, Peter reverted to his controlling style. Marion was frustrated and considered leaving Building and Roofing Co., especially as Peter refused to tackle a long-term sickness absence issue that created substantial additional workloads for other staff.

Inspiring SMEs to invest in and employ young people

While Building and Roofing Co. employed a number of young people, People Skills had little influence on this. Some younger staff members were undertaking qualifications, but this was largely because they were children of Peter's close friends. As he put it, *'if my friends and family want their children to work [here], I'll give them every*

opportunity'. Peter employed one graduate, a number of others were doing high-level NVQs and Marion indicated that one was *'technically an apprentice because she's doing her accounting qualification in a college'*. All these staff were office-based and there were no plans to offer apprenticeships for construction staff. There was little by way of a proactive approach to employing young people.

Providing easy access to high-quality support for SMEs

Marion and Peter were very positive about the support received from Kathy and People Skills. It was, however, a short-term solution to a particular issue and did not sustain beyond the duration of the intervention. There were initial discussions around retaining Kathy's support for one day per month, but these did not come to fruition and the firm was left with no ongoing HR support.

Photography Co.

Background

Photography Co., located in a large studio complex in Hackney, enhances beauty- or product-based images for websites, billboards and anything in between. James, the owner-manager, became a self-employed photographer on leaving school 15 years ago. About four years prior to working with People Skills, James got bored of working by himself and founded Photography Co. Initially he recruited freelance staff and interns but eventually expanded to also employ six permanent staff. By his own admission, he had no idea how to manage staff and discovered he didn't really enjoy it: he spent more time managing people and administration than doing photography. So he restructured the firm, shedding freelance staff and concentrating on employing a core of eight permanent staff, two of whom are aged under 26.

James preferred this size of firm as it can be informal and doesn't need a structure or hierarchy: *'People know that whoever is there the longest is the more senior, but everyone has the same job title.'* While James was most senior, Craig had recently become a partner, but neither liked to operate as 'bosses' and saw themselves just as people *'who enjoyed the same work as [other staff]'*. James also valued his staff and tried to support them. For example, he gave a pay rise to one of his female members of staff on maternity leave to help her meet the increased costs that having a baby brings. He liked to feel that he had created an informal, flexible and fun workplace.

The challenge and the intervention Transactional

James had known since he set the firm up that his staff needed contracts of employment, but he hadn't known how to go about it. He got an email from the management team of the offices he rented telling him about People Skills and was eager to sign up. It was well timed as he was having a 'good lesson' about the problems of ignoring employment law. He had recruited and then two months later dismissed a personal assistant, Emma, as he felt *'she was spending too much time on social media and surfing the web and was not good at her job'*. When she told him she was pregnant and, on being dismissed, asked for maternity leave, he refused. Emma lodged an employment tribunal claim and James had been contacted by Acas to discuss its resolution. He had no idea what to do. He was able to work with People Skills consultant Anna to deal with and resolve the problem. Once that immediate problem was out of the way, Anna and James worked together to design and introduce policies, handbooks and employment contracts. They also discussed health and safety processes and, when needed, James phoned Anna to seek her advice on minor people management issues.

Impact

Although the People Skills intervention was mainly transactional, it made a real impact on the way James thought about HR, and he said that Anna had *'taught me so much about HR that I never knew and I'm sure that there are hundreds of thousands of businesses around England which are just the same'*. He did

'James had known since he set the firm up that his staff needed contracts of employment, but he hadn't known how to go about it.'

not change his management style nor consider formalising other practices, but was much more aware of the importance of HR, particularly employment law, and the need for HR support as Photography Co. matures and develops.

Overall learning

Unlocking demand for investing in leadership and people management capability

The People Skills intervention was extremely transactional and, while highly valued, had little impact here. James's appreciation of the need to be compliant with employment law increased and he recognised the benefit of the support offered as he *'could have been running my business for another ten years, completely ignorant of the actual law'*. But this didn't change his wider view on the need for, or benefits of, more sophisticated people management.

Inspiring SMEs to invest in and employ young people

James has employed young people, when convenient, and felt that *'it's young people who helped me grow this business'*. This was not, however, any planned or proactive approach to employing young people. While initially attracted to employing apprentices because of government subsidies, he had had a previous poor experience with an apprentice who *'was always late, took long breaks, wouldn't do what he was told and had a real attitude'*. He has not employed apprentices since and People Skills did little to influence James's view.

Providing easy access to high-quality support for SMEs

James really appreciated Anna's support and felt that he might work with her again to resolve

any ad hoc issues that arose.

In his own words, *'She was fantastic and I'd happily pay her to support me more in the future.'* The support envisaged was likely to be at a fairly transactional level.

Glasgow

Arts Charity

Background

Arts Charity is a third sector social enterprise and was established 15 years ago. It is creative and operates in its local community, across the whole age spectrum, using art outcomes to support social and physical regeneration. It has various funding streams, mainly from Glasgow City Council but including others, and faces constant pressure to source new funding in order to, as a minimum, maintain its services. Arts Charity's staffing base reflects its insecure funding streams and its permanent staff base is small, comprising two full-time project managers, Anna and Molly, and four part-time staff: an office manager, Sue, two part-time project co-ordinators and one part-time project support worker. Projects are then delivered by freelance artists, numbering between five and ten, and sessional youth workers, numbering between three and five. Arts Charity has two young staff, one of whom joined via an intern programme. Anna feels this has been a very positive experience, although previous experiences of employing younger people have been less so and have required a high degree of micro-management.

There is a very informal, open environment and the pace of change, as projects begin and end, can be rapid. Anna believes the project-based approach can offer a great environment as *'each project develops you in some way – that's why people stay. It's very rewarding when you see change [to project participants].'* There is commitment to the project(s) and a 'teamy' feel to Arts Charity. Anna

recognises that the team emphasis creates a resistance to managing people and employees can feel vulnerable when contracts end and future employment is uncertain. The fast pace of change across projects means that job roles and responsibilities, generally and particularly for Anna and Molly, can be unclear. The office manager, Sue, was appointed a year ago and one of her tasks has been to pull together policies and procedures. She describes the management style as *'lax, although things get done'*. Anna has overall HR responsibility, but no experience or training, and takes advice as necessary from a charity board member who works in HR.

The challenge and the intervention Transactional

Anna found out about People Skills through Glasgow City Council when appointing an intern via the Glasgow Guarantee scheme. It came at the right time for a few reasons. A number of funding streams were about to end and there was insecurity about ongoing contract arrangements. Job roles also needed clarification. Crucially, Arts Charity had experienced a very difficult employment issue the previous year which had made Anna aware of the need for more formal contracts, whereas prior to that they had just *'all worked together and got on with it'*. It had also reinforced the need for more structure and guidance and that they operated on too much of a 'friends' basis where people were not honest about how they felt if things were going wrong. Anna realised that more attention to employment contracts and policies and procedures was needed.

'Anna realised that more attention to employment contracts and policies and procedures was needed.'

Anna and Molly worked with the People Skills consultant, Robert, on job roles and structures. Anna found this helpful in understanding the principles of an organisational matrix structure, which Arts Charity had adopted given its project-based nature, and how to define roles and responsibilities within that. Anna and Molly decided to allocate projects to one or the other of them to lead, even if both were working on them, so there was a clear point of contact. Robert also encouraged them to look at the firm from a 'business' perspective and the projects as 'products', and a SWOT analysis of this led to some restructuring and streamlining.

Robert also worked with Anna and Sue to review employment contracts and policies and procedures. Sue was directed to *HR Inform* for benchmarking and comparison of policies and procedures and found this a helpful resource. Sue was also keen to implement an online HR system and would have liked more help choosing it. Anna found the review helpful. Not many changes were needed but it provided her with reassurance that *'we're not wrong, what we are doing is ok'*. Robert also advised on adopting a more direct management style based around honest conversations and to *'stop skirting about the issues'*. He helped to develop Anna's confidence in doing this.

Impact

Anna achieved what she had set out to in working with People Skills, if only in making them confident that they didn't need to change too much and *'not to stress too much about fitting things into boxes and embrace the fact we are organic'*. They have *'tightened up a bit'* to be ready if issues arise but had external validation of how they were operating. She was keen not to overcomplicate things but to ensure Arts Charity was legally compliant. Working with Robert reinforced for her the strengths of their culture and

that a corporate outlook was not needed. Despite insecurity around contracts, Anna realised that she could attract and retain good staff through flexibility, empowerment and offering an appealing environment for a creative professional. She no longer felt like Arts Charity *'needed a troubleshooter to make them efficient'* as it was delivering outcomes and had a good reputation.

Overall learning Demand for investing in leadership and people management capability has been unlocked

Anna's view of this changed and she now appreciated HR was an important skill to have. This was crucial to Arts Charity's future and she referred back to the difficult employment issue of the previous year:

'There were a catalogue of HR issues that coincided. They happened at a crucial time when we should have been applying for funding and looking at the long-term strategy of the organisation. It was difficult to plan anything with it all going on. In the third sector, when an HR issue arises, it could cripple an organisation. We survive a lot on goodwill; we've not always got procedures or paperwork in place and that's apparent when a problem happens.'

She also had a changed view of exactly what HR was and how it could move them away from 'firefighting' and help them grow:

'Some firms don't know the full role of HR. I thought they were just about recruiting and interviewing. You don't realise how much it is about the vision and development. They are there to help the leaders to achieve the goals.'

Involvement with People Skills had sparked discussions about setting up an HR social enterprise that local SMEs can share, as they

work in a consortium of four that have all had *'HR issues that have nearly brought them down'*. While generally positive, Anna still did not see HR as a key part of her role and expressed the view that *'I'm not getting paid to be an HR manager'* and that time spent here takes away from project delivery. There remained a lack of appreciation that people management was the key to delivery of successful outcomes. Arts Charity's culture meant she wanted to work as a peer in collaborative projects, not manage people within them. She suggested, for example, that return-to-work interviews could be outsourced to the HR social enterprise. A start had been made for her, but further changing of mindset was needed.

SMEs have been inspired to invest in and employ young people

People Skills made limited impact here. This is partly because Anna was already open to employing young people, and indeed had accessed People Skills via the Glasgow Guarantee. Mainly, though, Anna felt that Arts Charity was not big enough to take on apprentices and provide the required support. She currently offered six-month placements and felt that was difficult enough to structure; two- or three-year programmes would be beyond their capabilities.

SMEs have been provided with easy access to high-quality support

Anna and Sue both valued the support People Skills offered and, as discussed above, felt it had had substantial impact. They felt, however, that the third sector was difficult to understand for anyone outside of it and that a People Skills consultant with third sector skills would be beneficial, especially in understanding the culture. Anna and Sue both had reasonable awareness of the external support landscape and felt that People Skills had not particularly signposted them to other forms of support.

Creative Co.

Background

Creative Co. is an integrated creative agency providing both digital and print services to mainly travel industry clients. It was founded 25 years ago and, in December 2015, was sold to the now joint managing directors, Julie and James, who have been in the business for many years. Creative Co. has 38 employees, a rapid growth from 13 over a six-year period, who are fairly evenly split between digital and print and a small number of operations staff. Employees are fairly young, late 20s to mid-30s, and typically graduates in their second or third role; there are also four graduate interns on six-month programmes. Like many agencies, Creative Co. can be high-pressured and deadline-driven, which generates a buzz about it; it is a friendly, informal, energetic, fast-paced place to work. Following their takeover of the firm, Julie and James are leading a period of transition and growth.

People Skills arrived at a good time: Julie and James were keen that employees saw a difference culturally to what had gone before and that they could see their ambition for the company, building on its previous success. They had already created a new leadership structure with six account director positions that freed them to *'work on the business rather than in the business'*. They were also involved, for the first time, in a business planning process. Innovatively, Julie and James had commissioned a 360-degree exercise to provide employee feedback to support the change programme. However, Julie described an agency-wide meeting to discuss the results as *'tumbleweed through the room'*, as employees were reluctant to engage in debate despite existing

communication processes like *'Munch time'*, a discussion meeting every two or three months. The office manager, Sonia, led the People Skills work and described Julie and James as the *'new guard'*. She had people management responsibility and was highly competent, but had no people expertise or qualifications.

The challenge and the intervention Mixed

James heard about People Skills quite by chance through an encounter at an event with Charles, a People Skills consultant he had previously worked with. A follow-up with Glasgow City Council led to the offer of HR support. The intervention has both transactional and transformational elements, both driven by growth and the need for a different approach to how Creative Co. operated.

Transactional work included an audit of HR policies and documentation that had been largely inherited and were *'no longer fit for purpose'*. This included the offer of employment letter, contracts, policies and procedures, and employee handbook. Julie and James wanted to protect both the agency and employees, and they were very keen that the same ethos remained, combining a relaxed atmosphere with having processes that were more official. Job descriptions were also written and standardised and used to support recruitment advertising and interviewing.

More transformational was a new performance management system and leadership development for the six new account directors. The performance management was not completed during the People Skills timeframe but would link to the new business planning process and KPIs and replace an old ad hoc system (which took

'There will be more support for management training and each manager will have a training budget for their teams. Sonia was also planning to undertake HR training and possibly even a qualification.'

place at different times and used different forms) that was linked only to personal development. Julie and James were keen that this supported culture change and growth, allowing them to have an external-facing role and creating an internal leadership structure and clearer roles and accountabilities across the agency.

Difference made/impact in general

Sonia was extremely positive about the support received from People Skills and the difference it made to Creative Co. Tight timescales meant that much of the transactional work was completed, for example redrafting of policies, but not rolled out during the pilot programme. On reflection, she felt that they should have tried harder to stick to the timelines as things became protracted. It had, though, been 'a tumultuous year' and she was very enthusiastic that lots of great work had been done and was about to go live. Sonia found *HR Inform* and its templates really useful and Charles gave huge support with contracts, handbook and policies. Sonia amended some of the language so that it fitted culturally and tried to balance protection with a 'come to us and chat' approach. All were to be made available via PDF, and employment contracts in hard copy, and Julie and James were looking forward to seeing how employees received them.

Transformational work also progressed well. The new account directors all completed a Scottish Enterprise delivered six-part leadership training programme, which really helped them in their new roles. Julie and James were confident that they had '*invested in them to bring them forward and invest in Creative Co.'s future*', which had created '*a sense that they can go out and do things; it didn't really work like that before*'. A huge difference was

obvious, with '*confidence levels rising and sense of "this is my responsibility to do" and just the skills of managing people*'. Charles was also planning to facilitate an agency-wide workshop aimed at developing its brand values and Julie and James were keen that this was a consultative process not delivered from on high. The values would then be a key part of the new performance appraisal forms and good progress was made on developing these. The MDs presented the business plan to an agency-wide meeting and were relieved to see that the 'tumbleweed' that dominated the 360 feedback session had gone. The whole team was engaged and vocal and there were encouraging signs of change.

Overall learning

Demand for investing in leadership and people management capability has been unlocked

While this recognition was already there, People Skills has endorsed Julie and James's view of the importance of investing in leadership and people management and made it less ad hoc, more embedded. It's now part of the culture and Creative Co. is committed to keeping it going. There will be more support for management training and each manager will have a training budget for their teams. Sonia was also planning to undertake HR training and possibly even a qualification.

SMEs have been inspired to invest in and employ young people

People Skills had less impact here. Creative Co. typically employs graduates with a little experience and that was seen as the best model. It had four interns on six-month appointments with a training programme who were paid the Glasgow Living Wage but there were no plans to expand this.

There was no direct opposition to employing school-leavers, but Julie felt that the agency was not set up for it and it would take too high a level of resource to put a training programme in place.

SMEs have been provided with easy access to high-quality support

Sonia gave hugely positive feedback:

'It's been a really positive experience; building upon what we had in place, but refreshing it. It's just the start; but without People Skills, the start might not have happened this year.'

All involved from Creative Co. spoke enthusiastically about People Skills and the support Charles delivered and what they achieved. Timescales and the lack of opportunity to develop the work further were the only frustrations.

IT Co.

Background

IT Co. delivers services to SMEs based on standard Microsoft hardware. Established for 25 years, its two current directors acquired it about 18 months ago. Andy, one of the directors, explained his ambitions for IT Co. to grow both organically and by acquisition from the loss-making 'sleepy wee consultancy' they bought. It has seen rapid growth post-acquisition: it now supports 85 SMEs, and recently introduced maintenance contracts already generate £30,000 per month. New premises have been acquired as a result of client growth and the recruitment of five new employees. IT Co. now employs 17 people, two of whom are under 26. Andy felt that IT Co. was 'a decent place to work' with a friendly culture, good customers and interesting projects and products, 'which is important to IT staff'.

Andy had HR responsibility, alongside his other roles, but no experience. Before taking over IT Co., he had worked for larger firms with HR policies and procedures and he felt these were lacking in IT Co. Now that the immediate pressure of returning the business to profitability was relieved, Andy felt ready to begin addressing this.

The challenge and the intervention

Transactional

Andy was referred to People Skills through the Small Business Gateway, part of Scottish Enterprise. As a managed account, IT Co. was entitled to a range of support and HR was one of its needs. Andy felt IT Co. was very informal, with little structure, few policies and procedures, and a lack of clarity around people processes. He wanted some core policies in place and a clear structure. He was concerned that the business was

exposed to risk and needed greater formality, but also keen to ensure that this did not 'get in the way of looking after staff'.

Andy had worked with HR Inform to download some policies and felt these were 'a very good starting place to be adapted'. These were being prepared for board sign-off and had not yet been launched. The aim was to offer clarity and protection to both the staff and IT Co. Work on job descriptions to support clarity was also planned. One employee, Phil, was very positive about the promise of written documents:

'I just speak to payroll if I need anything. There is no employee handbook or procedures and it would be good to know where you stand.'

Additionally, an absence issue had triggered Andy's interest in working with People Skills and he wanted to do some longer-term policy work around this, as well as addressing the specific issue.

Impact

Andy worked with the People Skills consultant, Robert, to prepare policies and job descriptions. He was very positive about the benefits this would offer to IT Co. and pleased with initial support. Progress was slow, however, and attention to the absence issue was patchy. Andy seemed to struggle to find time to progress the intervention, despite prompts and support from Robert. Eventually Andy withdrew from People Skills and, while some early impact was made, the full potential of this was not achieved.

Overall learning

Unlocking demand for investing in leadership and people management capability

Andy was positive about the support offered by Robert and that

his engagement with People Skills had been a positive experience. He suggested:

'Businesses under 50 employees have little time to stand back and look; they are too busy running the business. But that's dangerous - they need policies and procedures in place.'

While this appreciation of people management had been developed in a larger firm environment, Andy nevertheless displayed a common small-view attitude that HR was a distraction from his real role, sales and marketing, and was pleased that the People Skills work had 'not taken too much of his time'. While he appreciated Robert offering a sounding board, real appreciation of the value of investing in people management and leadership capability was not developed.

Inspiring SMEs to invest in and employ young people

Andy was open to investing in young people and apprentices, although this did not develop from his work with People Skills. IT Co. had an older workforce and he was keen to develop greater diversity. Andy was just about to recruit a graduate apprentice on a 'You Train' government-funded programme and was keen to take on another.

Providing easy access to high-quality support for SMEs

While Andy was positive about the initial support from People Skills, he did not maintain his engagement with the programme. IT Co. derived some benefit but ultimately sought support from other sources, though Andy was keen to emphasise this was not because of any problems with the support he had received.

‘Confusion was reflected in uncertainty over roles and key responsibilities, communication channels and pay structures.’

Jobs Co.

Background

Jobs Co. is a small, family firm offering commercial insurance services, predominantly in Glasgow but also nationally. Founded in 2008 by the current managing director, Jake, it is dynamic and fast-paced. It has seen 20% year-on-year growth and now employs 22 staff. It has a strong family feel as the five-strong management team includes Jake’s father and sister, Flora, who joined the firm in 2014. Flora arrived with experience of working in large firms and with a firm view that people were critical to the personalised, bespoke service that the firm’s ‘extraordinary service’ strapline promised. She took on a director role that included responsibility for HR, although she had no formal training and, as is typical in small firms, she also had responsibility for a wide range of additional matters. Taking stock, Flora quickly arrived at the view that the pace of growth had created a state of flux in which *‘things were perhaps not in place or done the right/best way’*.

Confusion was reflected in uncertainty over roles and key responsibilities, communication channels and pay structures. Flora had introduced regular one-to-one meetings for all with one senior manager and staff could discuss pay rises with Jake if they had concerns, but there was a general lack of structure and clarity. Recruitment was also a challenge, and an important one given the pace of growth. Flora had introduced a ‘young people strategy’, believing that this would create a pipeline of capable staff who were trained to operate the ‘Jobs Co.’ way. Five staff were under 25, around a quarter of the workforce, and Flora had accessed funding from Glasgow Guarantee and other external sources to offer

apprenticeships and vocational qualifications. Recognising that she was at the early stages of the strategy, she hoped that the substantial investment in time and training required would pay off but had some unease that the strategy was not as effective as it could be.

The challenge and intervention Mixed

Jobs Co. had *‘muddled through’* until Flora joined the firm, but despite having HR responsibility, she was very aware that she lacked HR experience and knowledge. On receiving an email from Business Gateway about People Skills, she was very enthusiastic to be involved. Flora worked with two People Skills consultants: Charles, who advised on transactional HR processes, and Sandra, who worked with Jobs Co. on more transformational aspects of HR.

Flora felt that policies and procedures were essential to providing guidance and reducing uncertainty. She accessed *HR Inform* and worked with Charles to tailor these into contracts of employment, an employee handbook and numerous policies that fitted Jobs Co.’s needs. Crucially, together they inserted a restrictive covenant clause into the employment contract, which was really important in protecting the firm’s interests.

Sandra worked with Flora to make the young people strategy more effective. The work here had impact across Jobs Co. Sandra led two sessions, one with senior managers and one with a mix of staff, to develop job descriptions, a competency matrix and a training programme. This created a systematic plan for staff at all levels about what their career path would be. For apprentices, each had a programme where they spent six-month placements in various

areas of the firm. This helped them get a really good overview of the firm, gave them a more rounded experience and helped identify where they should be placed at the end of the programme.

Impact

Flora found *HR Inform*, its employment law helpline and Charles's support in devising policies and procedures extremely valuable and felt that this had made a huge difference. She felt that previously they had been 'creating our own chaos' and that better understanding and clear frameworks had helped to avoid problems that they often encountered. The restrictive covenant clause alone had resolved a real problem the firm had been facing and confidence that processes were robust provided a big boost for her. These processes were not 'just a dusty document that is locked in a drawer' but applied to real-life situations Flora had dealt with while working with Charles. For example, staff who had left taking data with them and one person who was on long-term sick leave. People Skills focused Flora's thinking on these important issues and embedded processes that avoided uncertainty and conflict. While very positive, 'don't get me wrong, the support we've had has been fantastic and I'm immensely grateful, this is only a minor, minor criticism,' she suggested that clearer parameters about what People Skills would deliver would help. While Charles was aiming to develop Flora to be able to deliver her own policies and procedures, she perhaps expected more of this to be done for her.

Sandra's developmental work also had great impact. It helped Flora, and the rest of the management team, to understand that fluidity of roles and lack of progression were concerns for staff. Three levels

of job descriptions with generic titles, core competencies for each and a training matrix for junior staff outlining how they would be trained and who was responsible for that training followed and were positively received by staff. There were clearer tiers of management and support to make senior staff more comfortable with line manager roles. Flora felt this was important to improving the young people strategy:

'We as a business had started to understand the importance of providing more support to employees; we would assess capability but not provide enough direction, support and training to achieve role expectations.'

She hoped the work would give a sense of things 'being more tightly run and structured and will make things easier, less knee-jerk reaction and chaotic'.

Overall learning

Demand for investing in leadership and people management capability has been unlocked

Flora's experience in larger firms meant that she was aware of the benefits of investing in people management and leadership. That was not true of Jake, the MD, who was sceptical of involvement with People Skills and questioned whether Flora had the time to do it. She felt that Jake had become more aware of the benefits as the work progressed and that its benefits had, to an extent, created awareness of the importance of making time for people management. Jake had more awareness that neglecting HR had 'created situations that if we were rock solid, then we wouldn't have had the issues in the first place'. Despite this, if repeating the exercise, Flora would get buy-in from the senior team at an earlier stage, rather than trying to lead

it alone. Having Jake realise its importance would have allowed the work to be driven forward at a faster pace.

SMEs have been inspired to invest in and employ young people

Again, Flora was already very alert to the benefits of employing young people, having developed a young people strategy based upon apprentices. Jake and other directors had been less convinced about this amid concerns that training would take a long time if staff were recruited with no relevant experience. People Skills created a raised level of awareness of its importance and the directors saw the value. For example, through each vocational qualification module, apprentices addressed a real business problem and could make 'a real material difference to the little nagging things that don't get addressed'. One apprentice had also made huge progress in an under-developed area of the firm. Flora was positive here but wondered whether the term 'apprentice' had outdated connotations that undersold the role.

SMEs have been provided with easy access to high-quality support

Flora was hugely positive about the quality of support provided by People Skills and confident that lots had been achieved, although there was still a long way to go. What promised to be limited support with HR documents turned into 'a pretty comprehensive review of all the HR stuff'. The development work was also 'brilliant; we were very lucky to get so much out of it'; and they would 'absolutely, 100%, use anything similar again [as] us being able to afford a consultant coming in at £200-300 per day is unlikely'.

‘Jackie drew up job descriptions and a competency framework that created a career path from engineer’s assistant to engineer, where a number of further competency levels were also specified.’

Learning Co.

Background

Learning Co. is a small construction firm that operates mainly business-to-business with a small domestic offer. It’s an informal, friendly family business that was established in 2003 by Dave, who is now the technical director. Learning Co. ticked over nicely until four years ago, when Jackie, Dave’s wife, joined the firm. With ambitious plans for growth, Jackie took on the MD role and set about making changes to how the firm was run. Restructuring and new operational processes saw turnover triple and employee numbers grow to 20 – pretty impressive in a fiercely competitive market. Learning Co. has won numerous awards, most recently for the Best Performing Business with 11–50 employees. In the first few years after joining, Jackie concentrated on growth, but she is now keen that the focus should turn to people. She is developing a people plan and the offer of People Skills support was indeed timely.

Jackie has a senior management background in a large, blue chip organisation and is a firm believer in the value of good people management. To assure quality, Learning Co. employs its engineers, rather than subcontracting as many in the sector do, invests in training and pays good wages. It employs six people aged under 25 and has an Investor in Young People award. Jackie often gets feedback that it is unusual for a small firm to be so interested in its people.

The challenge and the intervention Transformational

Jackie worked quite often with Glasgow City Council and received an email about People Skills. The support offered fitted with her developing people plan and help needed by an HR officer who

had recently been employed two days per week with Learning Co. The intervention focused on setting up a learning academy, as Learning Co. was keen to recruit and develop its own engineers, taking young people with the right attitudes from education or unemployment, and training them to operate *‘the Learning Co. way’*. Some work had been done before meeting People Skills consultant, Bill, but most was done with his support. Keen to develop training and career paths, Jackie drew up job descriptions and a competency framework that created a career path from engineer’s assistant to engineer, where a number of further competency levels were also specified. All engineers and their assistants were mapped to an appropriate competency level and their training and pay were linked to these. Jackie made sure this was well received by giving everyone an initial pay rise and felt this really helped people to understand their pay level. Previously they gave *‘what we thought they were worth and maybe didn’t get it right’*, but there was now a structured process, though there was a pay ceiling.

Developing the training and qualification framework was a huge piece of work. Pitched as a Level 3 apprenticeship qualification, Jackie and Bill worked with Dave to write training materials for years one to three. These were endorsed by City of Glasgow College and, as the intervention ended, the final step was to gain City and Guilds accreditation. Jackie was confident of achieving this as Bill had mapped the training to City and Guilds during the design process. Delivering a bespoke qualification was a huge achievement and Jackie was hopeful it could ultimately be rolled out more widely to other firms.

Impact

The learning academy was a hugely ambitious project and, while not complete by the end of the pilot programme, fantastic progress had been made. Jackie firmly believed that apprenticeships in the sector were cost-prohibitive for small firms as, unlike in some other sectors, they required employees to attend college in three-week blocks. She also felt that some of the qualification material was out of date and that it played to only one kind of learning style. Learning Co. will now benefit from an apprenticeship programme that is up to date and innovative. Engineer's assistants will learn mainly on the job, meeting a range of learning styles, and cover topics relevant to Learning Co. but not covered in traditional City and Guilds qualifications, for example customer service. There will be online portfolios, helping engineer's assistants learn how to use equipment required by engineers, and learners can be innovative in how they build these, for example taking and uploading photographs of their welding work. The programme will also be open to current engineers who are trade-only recognised without formal qualifications. Jackie was passionate about the programme:

'We hope most of the workforce will achieve it. It will be a massive achievement for us.'

Overall learning

Unlocking demand for investing in leadership and people management capability

Jackie had worked for many years in a large blue chip firm and was fully aware of the value of investing in people management. She nevertheless took great value from People Skills and was confident that it had been a catalyst for developing Dave's understanding. Construction is a male-dominated

business that generally does not believe in leadership and people development, with a focus on just getting the job done. At Learning Co., their approach created a situation where everyone is *'on the journey. It's really easy to run the business with people just doing their job. It feels really good and it feels like we've got the right team of people in place.'*

Inspiring SMEs to invest in and employ young people

Again, Jackie was well aware of the benefits of investing in young people. She had recruited school-leavers to the last three vacancies, working closely with the Job Centre and using work experience as part of the selection process. The learning academy apprenticeship will offer promotion routes to school-leavers or other young people and the vacancies that creates will be filled again by young people.

Providing easy access to high-quality support for SMEs

Jackie was delighted with progress and the support received from Bill. Jackie estimated that Learning Co. had done about 35% of the work prior to People Skills, a further 60% was done with Bill and about 5% remained. Jackie was adamant that they could not have made this progress without Bill, and that he was *'an absolute life saver. We couldn't have done this without Bill's skills, expertise and experience.'*

Although she would have liked to launch the learning academy in 2016, they were further ahead than she ever thought they were going to be. She credited the early stages of the work with increased morale as staff worked to their competence levels and *'showcased what they've done'* in quarterly one-to-ones. She was confident that these developments played

a large part in low sickness and turnover levels and an absence of behavioural problems: *'Everyone knows what they need to do and gets on with it.'*

Overall, Jackie was clear that her experience of working with People Skills was *'phenomenal'*, that they had delivered a huge amount in a short space of time and that Bill's skills and input had been invaluable. She described Bill as *'passionate'* about what he was doing and thought he had invested some of his own time in the programme as he believed in what they were doing. She was delighted that she had gained additional funding to engage him to do the final stages of the learning academy design and launch.

‘Alice was adamant that “many small businesses don’t get it. People are the most important thing – why would you not invest in them, your most important resource?”’

Packaging Co.

Background

Packaging Co. sells packaging materials on a business-to-business basis to the food industry. In a growing and competitive sector, Packaging Co. focuses on delivering a high-quality product and service to local restaurants. A family business founded 25 years ago, it employs 24 people and good staff retention means that there is an ageing workforce, only two being under 25. Packaging Co.’s founder died suddenly 18 months ago, leaving his son, Robert, in charge, together with another director, whose business had been acquired by Packaging Co. some years previously. Robert’s sister Alice joined Packaging Co. shortly after her father’s death and the siblings became joint managing directors. Alice had a large company background, having worked as a trainer for a large insurer, and felt that her father’s death and a move of premises at around the same time had left Packaging Co. *‘in turmoil’*.

Alice described Packaging Co. as friendly and informal and felt that, to an extent, this compensated employees for the pressure they were all under, particularly given continued staffing shortages. She *‘wanted the best for everyone’*, and if the firm was doing well, she wanted everyone to do well. Employees shared her view, valued the friendly, family approach and were proud that there was *‘no politics or us and them’*. They were also aware of pressures and one described operations as *‘shambolic’*. It was clearly a challenging time for all working at Packaging Co.

The challenge and the intervention Transactional

Alice came across People Skills through Business Gateway when

she was looking for advice on web development. She immediately felt that the programme could provide her with much needed support as she had responsibility for HR matters, and an office manager who dealt with holidays and such like, but neither had HR qualifications nor much experience. She had recently ended a contract with a firm offering HR support as it was mainly telephone advice and was too expensive for the level of service available. But Alice’s large firm background meant she knew she needed advice and support and that she *‘knew what I don’t know – it’s a minefield. I know things have to be done in a certain way, but I don’t know how.’* Alice felt that, despite its growth, Packaging Co. had a small firm mentality, and action was needed to formalise and ensure regulatory compliance. But she was a lone voice in the leadership team, where the other two directors felt they were still just a *‘wee company’* and were resisting change. Employees were disappointed that Alice had not been able to bring about much-needed change. Alice was a *‘lone voice’* who needed advice and support.

Working with the People Skills consultant, Gavin, Alice undertook a review of policies and procedures and planned to deal with two major performance issues that, being such a small firm, were threatening to destabilise it. Using *HR Inform*, Gavin helped Alice to introduce or update policies, procedures and employment contracts. He drew up job descriptions to provide clarity and formalise roles and responsibilities, and devised an induction programme for new staff. Gavin also supported with health and safety, which was a big concern for Alice, and did some briefing, basic and COSSH training, and worked with an ISO consultant to support Packaging

Co.'s accreditation. Finally, Gavin gave advice on how to manage performance, which Alice said had *'never been touched at all'*. Two sales reps were *'treading water and causing havoc'*, but Alice struggled to find time to address this and was unsure of how to deal with the situation. She also felt it was hard to deal with in a close workplace and wanted advice from someone outside of the firm. She felt *'it's daunting at times. We don't want to put people under pressure, but for the sake of the business, we can't be carrying people.'* In short, Alice was feeling under great strain and badly needed people management advice.

Impact

Alice received tremendous support from Gavin. Despite the intervention being transactional, it had a great effect on both her and Packaging Co. She *'couldn't praise People Skills enough. It came along at a great time, when the company was in turmoil and I was finding my feet. I have really appreciated it and know the benefit of it.'* Contracts, policies and procedures were updated and job descriptions had made recruitment easier. Alice felt People Skills *'enables you to relax and you can say, "I really don't know what I should be doing here. What do you think?" It makes a big, big difference.'*

Alice intended to continue working with Gavin, which was a real endorsement of People Skills. Funded by Packaging Co., Gavin will provide ongoing support and mentoring to Alice. In part this will help tackle the performance issues that were not addressed because of the programme timescales. Alice felt that monthly input would give her a focus and deadline to begin to tackle these issues. Importantly, Gavin would also be an invaluable support, because of his experience and credibility, in influencing the other two directors

on their exposure to legislative risk. For Alice, lack of action was not from lack of interest, but from the *'pressures of being pulled in every direction; the pension thing [auto-enrolment] has caused me literally nothing but sleepless nights'*. But Gavin's support at board meetings had been and would continue to be crucial to influencing others.

Overall learning

Demand for investing in leadership and people management capability has been unlocked

Alice was already committed to investing in people as she had seen its benefits while working in large firms, but *'the rest of the company wasn't and she was working against that'*. People Skills had helped her to start to change Packaging Co.'s small firm mentality of *'we don't have to do this, we don't have to do that'*, especially with her brother, Robert, who was highly resistant to processes and adopted his father's approach, who was *'not a fan of training'*. Alice was adamant that *'many small businesses don't get it. People are the most important thing - why would you not invest in them, your most important resource?'* Gavin had a lot of credibility with Robert, and Alice felt she had been lucky in the choice of consultant, who could bring that and create a different dynamic in the business. Transactional work can be transformative in the right situation.

SMEs have been inspired to invest in and employ young people

People Skills had little impact here. Alice was willing to employ young people, indeed keen given that Packaging Co.'s workforce had an average age of 50, and had recently recruited one school-leaver. This was not part of the People Skills process and had not been a very positive experience. Alice had had to deal with a

number of performance issues and felt that the education system had not prepared the school-leaver well for working life. She also felt that Packaging Co. was *'not ready'* to work with apprenticeships.

SMEs have been provided with easy access to high-quality support

Alice felt that her involvement with People Skills had *'surpassed expectations, definitely, has had more of an impact than hoped for'*. Not all the initial aims had been achieved, but Packaging Co. was moving forward in important areas and Alice felt that the support meant *'she was not totally alone, not going to make a horrendous mistake'*. Gavin offered experience and a sounding board when deciding a course of action. Continuing to work with Gavin meant that the performance issues would be addressed and Alice hoped that their engagement would become more transformational as Packaging Co. developed. Alice also felt Gavin had been able to refer her to other support services, for example Business Gateway training courses, and had been able to get follow-up where this had been slow as he *'had a tighter connection and could gee things up a bit'*.

‘Ella and Chris expressed a view, consistent across the deep-dive firms, that the matching of the People Skills consultant with relevant skills to the firm was critical to success.’

Retail Co.

Background

Retail Co. is an online agent for small and micro independent fashion retailers, offering them a route to market in both Scotland and, increasingly, internationally. Founded in 2014 by its joint managing directors, Ella and Chris, it is creative, innovative and dynamic. Ella and Chris are passionate about creating ‘accessible luxury’, modelling the firm on Liberty of London, and aspire to become one of the best-known Scottish brands. They want to create ‘their dream job’ and employment for others, making it easier not to have to leave Scotland to get a job. In 2015–16, Retail Co. also operated a concept boutique in central Glasgow on a ‘pop-up shop’ basis. This accounted for quite a bit of its turnover and was, in Chris’s view, good for marketing as it built trust in the brand. Various problems meant that it closed suddenly, but Ella and Chris were planning another pop-up for a two-month period in the pre-Christmas 2016 build-up. They have an ideal blend of experience, one having a creative background and the other technical. Both have previously operated as freelancers in their own fields and were finding the shift into MD roles challenging. The firm uses a networked model, drawing on freelance workers, two of whom are closely engaged with Retail Co. in account management and technical roles and others who offer support services, for example accounting. Retail Co. is an exciting concept, poised for growth, but Ella and Chris lack both business and HR experience.

The challenge and the intervention **Transformational**

Ella and Chris were working with Scottish Enterprise and preparing to open the first pop-up shop when they contacted

Glasgow City Council for advice. Within a couple of days, two business advisers visited them and, seeing they were ideally placed to benefit from People Skills, arranged for a consultant, Charles, to meet with them. The support had some transactional elements: Ella and Chris were planning to formally employ staff and were nervous, as they ‘*know how to manage ourselves but not other people*’. They worked with Charles to develop the policies and procedures that were ‘*previously in their heads and a bit ad hoc*’ around HR issues like time off and overtime. The majority of the support was transformational, being either two- or one-to-one coaching with Charles, to support their transition from freelancers to owner-directors. Coaching focused on developing skills and knowledge and their confidence in how to run and grow the business. Confidence was key for Ella and Chris: they needed to work smart, not hard, and delegate more. They were frightened to give away responsibility and presumed their freelancers had limited ambition. They realised their mistake when they gave one an account management role and she was hugely successful in attracting European brands to work with them.

Impact

Policies and procedures were put in place and Ella and Chris appreciated the importance of a more formal approach:

‘We understood that we were fortunate – people had been respectful but Charles made us aware of our vulnerability if staff weren’t like that.’

The coaching also transformed their understanding of how to work and that they needed a more business-focused, professional

style, for example how to present themselves to potential investors in Retail Co. Ella said: *'He flipped our thinking in the first meeting.'*

Charles worked with Ella and Chris to help them understand their very different styles via personality profiling and how to use their styles to their advantage and resolve any clashes. He also helped them to understand how to manage people within their networked organisation, for example suppliers, and helped them to establish clearer business/relationship boundaries. More widely, Charles challenged Ella and Chris on their business model, helping them to understand that the first pop-up shop had been absorbing too much energy and was detrimental to their longer-term goals.

Ella and Chris felt that they were constantly learning and that all meetings were helpful, ending with a 'to do' list and some takeaways to reflect on. A resounding vote of confidence is that they planned to continue working with Charles on a quarterly basis, paying for the support themselves, because:

'We got so much out of it. It was holistic rather than pure people management support and very valuable. It was gold dust and we have learnt so much.'

Ella and Chris expressed a view, consistent across the deep-dive firms, that the matching of the People Skills consultant with relevant skills to the firm was critical to success. Charles had shared his credentials and that was central to establishing trust and credibility, for example he had run large franchises and still ran his own business. They compared this with some business support services, which were less helpful, where business advisers would refer to

'back when I was doing it' and had out-of-date knowledge. The People Skills model where consultants ran their own business was valued, as Charles shared his own challenges and it was good to know that others faced these too, as *'when it's just the two of you, it can be insular and other businesses always claim they are doing really well.'*

Overall learning

Demand for investing in leadership and people management capability has been unlocked

Ella and Chris's views definitely changed on the importance of their own leadership styles and how to manage others:

'We were managing instinctively, it's not always the best way. This opens your eyes to other ways of operating.'

They now saw their wider network as part of Retail Co. and had drawn up a structure chart of the firms in their network, a community of around ten, and considered them part of the brand even if not directly employed. People Skills worked to support innovative approaches to people management, and networked operations are increasingly important.

SMEs have been inspired to invest in and employ young people

People Skills has had less impact here as Ella and Chris felt the firm was too young/small and needed to mature before taking on apprentices. They had worked with Business Gateway in offering apprenticeship projects and felt that their willingness/knowledge developed from the experience of delegating to one of their young freelancers:

'We had concerns as to whether she could handle the responsibility, but she has demonstrated that she

can. She is liaising with brands all over the world and we would have expected someone would have had to be older to have those skills.'

SMEs have been provided with easy access to high-quality support

Ella and Chris were incredibly positive about the support received from People Skills and the difference it has made: *'It's worth its weight in gold and we know the value of it.'*

Chris also suggested advice was more important than financial support:

'This has been advice, not funding, but that is more beneficial. It's all very well giving people money, but if they don't know how to spend it, there's no point. They just worry they've got this money to spend – they spend it on the wrong thing or spend it at the wrong time and miss out on opportunities.'

They were also clear that Business Gateway was a great resource for Retail Co. People Skills helped to a certain extent to clear the *'cloud of confusion'* over where to go for help; Charles had, for example, referred them to an accountant with creative/tech experience, but work remained to be done in this area. They felt that there was support for start-ups, but then generally *'a no man's land in the middle'* until a firm became high growth. People Skills was thus helpful, as Retail Co. is lower growth, and also in the retail sector, which doesn't typically receive much support, despite a prominent employment role in the UK economy and it being *'on its knees'*. Ella also thought that Glasgow City Council's website offer was confused and that *'you still have to be prepared to do a lot of research to find out what is available'*.

Stoke

Ark Charity

Background

Ark is a charity that provides support for children at risk of exclusion from school, through engaging them with art and performance. It has been making a difference in this way to children's lives and their education for 11 years now, and employs 11 full-time staff. The charity's chief executive heard about People Skills and asked office manager Gloria to take things forward.

The challenge and the intervention Mixed

As a result of Gloria's call, consultant Fiona visited Ark. Gloria discussed with her two main HR challenges that the charity was facing. One was that job descriptions and person specifications were *'not fit for purpose'* – they had not kept up with the changing environment, and provided an insufficiently sound foundation for managing the work of the charity and recruiting new staff. A second was that the performance appraisal scheme was conceived as *'a bit of a pointless exercise'*, not linked to the objectives of the charity or embedded in the supervisory relationship, and only intermittently carried out.

A third issue came to light in the discussions that Gloria and Fiona had. This was the fact that the charity had not had formal systems for supporting staff with health or stress issues.

As a result of these conversations, Fiona worked with Gloria to revise and update job descriptions and person specifications, to design

and implement a new performance appraisal scheme, and to develop a wellness policy.

Impact

Ark already perceive benefits in two of the areas. The revised job descriptions and person specifications have already proved useful in a range of ways, but particularly in the recruitment of two new staff, where Ark have been able to achieve a much better match with their requirements. Although the new appraisal system has not yet gone through a full cycle, it has enabled Ark to carry out more regular and fine-grained reviews with staff, and this has helped with setting work priorities and dealing with poor performance. Gloria reports that feedback from staff had been good; people felt that they had a more focused and constructive discussion. In the third area of intervention, the wellness policy, it is too early to assess the impact – at the time of the final contact with Ark this was just about to be rolled out. Gloria reports that she is really happy with the work that Fiona has done on this, and anticipates that it will *'make a real difference to the health of our staff'*. Looking back over the support from People Skills, Gloria says, *'we have really appreciated the support that we have had; it has helped us a lot.'*

Overall learning Unlocking demand for investing in leadership and management capability

Ark are considering how they may be able to maintain the relationship with Fiona, certainly in helping to roll out the wellness policy, and

ideally beyond. Gloria certainly seems to have acquired a taste for developing the charity's capabilities around HR. She is pleased with what has happened so far through People Skills, and *'can definitely see it opening the doors to doing similar things in the future'*.

Inspiring SMEs to invest in and employ young people

Although this was not something that Gloria recalls discussing directly with Fiona, it is something that Ark have an open mind about. Gloria feels strongly that giving a young person an employment opportunity fits well with their ethos as a community organisation. However, there are obvious difficulties in doing this in many roles, as the service is one that is provided to young people themselves. It is a possibility in administrative roles, and Gloria said that taking on an apprentice is something that they would consider when the time was right.

Providing access to high-quality support

Gloria described People Skills as a *'terrific scheme'*. She says that while small organisations like hers are often informal – which she likes – *'they don't always have the systems they need to support their operation'*. The free nature of the service was crucial. Ark had paid an HR consultant in the past, on occasions, but budgets are tight, and without Fiona's support they would have just *'muddled through'*. Having a consultant visit the charity was valued by Gloria, and enabled the two of them to *'bounce ideas around'* – indeed, this was where the idea of the wellness policy came from.

Falcon Day Care

Background

Veronica and Leslie had long careers in social services, and had for some time been talking about setting up their own day care centre for adults. This dream became a reality in early 2016, when Veronica and Leslie took the plunge and set up Falcon Day Care. It was timely, as cuts in local services meant that there was immediate demand for support in the local community. Falcon is already firmly established and growing rapidly, now providing day care for 20 local people with learning disabilities and mental health problems, and looking to expand further in 2017. Six people are employed altogether, and already they have been increasing their hours of work to meet the developing demand, and they are likely to recruit further staff next year. Falcon are looking to acquire new premises and open a new charity 'arm', with service users running their own shop/café. As Veronica says, she and Leslie have to *'pinch themselves'* when they think that it is really happening after all those years when it was just a pipe dream – *'do you know what we've actually done?'* They worry about *'when the bump [in the road] will come'*, but it hasn't yet; in fact, quite the opposite. So far, Falcon is a great success story.

The challenge and the intervention

Transactional

The opportunity to work with People Skills came about indirectly. As a start-up business, Veronica and Leslie were working with a 'start and grow' mentor from the local chamber of commerce. As the discussion turned to people management issues, the adviser mentioned the People Skills project that he had heard about through his work with

the chamber. Veronica and Leslie thought that it would be good to explore further. Having worked in large organisations throughout their careers, they were used to having HR support available, and also aware of the kind of policies and procedures that they would need to have to function legally and effectively. They were keenly aware that they would be 'on their own' now, and would have to develop HR policies from scratch. More than this, they had a strong desire to 'do the right thing' by their staff, in terms of sickness pay, holiday entitlements and so on.

They were put in touch with People Skills consultant Fiona. Fiona worked with Veronica and Leslie to put together a staff handbook, draw up suitable employment contracts and develop a basic 'supervision' (performance review) policy. Fiona also did a training day for Veronica and Leslie on basic employment law and procedures.

Impact

The People Skills intervention has been very well received by Falcon. The handbook and the contracts have provided a sound basis for employing staff, but also a basis for change, for example in increasing staff hours and the likely recruitment drive next year. This will be important, as so far Falcon have only employed people that were known to Veronica and Leslie from their previous organisations. Employing 'new' staff will be a step into the unknown, and having the right platform is a source of reassurance. The performance review system has worked exactly as Veronica and Leslie had hoped, being a supportive procedure that staff wouldn't fear, but would instead engage with positively. *'It's such a minefield going into business,'* but all in all, Veronica

'The opportunity to work with People Skills came about indirectly. As a start-up business, Veronica and Leslie were working with a "start and grow" mentor from the local chamber of commerce.'

and Leslie feel that they have the employment side of their business on a sound footing – thanks to People Skills.

Overall learning

Unlocking demand for investing in leadership and management capability

As Veronica and Leslie were very experienced managers, with knowledge of working with HR procedures and professionals, there was no ‘light bulb’ moment here. Falcon knew what they wanted and knew when they had got it. Veronica and Leslie already knew the connection between treating their staff well and running a successful enterprise, and, to put it bluntly, this wasn’t a revelation to them. That said, there wasn’t a feeling that there might be ‘more out there’ in HR terms, more that could be done, than doing things properly, and it doesn’t appear that the People Skills intervention has changed that to any great degree.

Inspiring SMEs to invest in and employ young people

Fiona discussed with Veronica and Leslie the possibilities of taking on young people and/or apprentices. Falcon were positive about this in principle, and took on a placement student from the local further education college. This had worked well for the most part, and they are likely to take on another one in the future. In general, employing younger workers presents a challenge, as a certain amount of life experience is needed to relate to some of the service users, and to meet with the challenges they present. As a result, Veronica and Leslie are a little cautious about this, but are not ruling it out, and will consider employing young people and apprentices as their business develops.

Providing access to high-quality support

Falcon were delighted with the quality of support that they received from People Skills. Veronica and Leslie developed a good relationship with Fiona, and, on the basis of her experience, were able to trust her to provide sound advice and guidance. Veronica said that without People Skills they wouldn’t have known where to go for advice and would have ‘*muddled along*’. Falcon were also able to discuss with Fiona the fact that while they wished the HR procedures to be sound, they also wanted them to be informal and tailored to them. The nature of the relationship with Fiona enabled them to reach this balance. The fact that Fiona came to work with them in person was valued – and that she met some of the service users, which was important. The fact that the service was free was a major benefit.

They were also able to learn from Fiona as a fellow small business owner. For example, Fiona was able to advise Veronica and Leslie on how to engage and manage their relationship with their accountant (in fact, the financial side was much more of a leap into the dark for Veronica and Leslie than the people management side, where they felt they were quite experienced – if not expert). As a result, Falcon changed their accountant and are now benefiting from a more productive arrangement:

‘Fiona recognised the experience we had got, and, if you like, showed us the best way to use it for ourselves and the business. It’s been a really positive experience for us, something that we really do value. I’ve got Fiona’s number, and I’m sure at some point we’ll be saying “Fiona, help!”’

North Staffordshire Letting Agency (NSLA)

Background

NSLA is a family business, and something of a hybrid beast, in that it operates in the fields of both wealth management and property letting. The driving force is co-director Chloe, who started the business in 2004, primarily as a wealth management company. In 2008 NSLA diversified into the property sector. In addition to the directors, NSLA engage a number of self-employed financial advisers and employ three letting staff. Chloe reminisces that when they started off *'it was hard'* – they never had any grants or external support, but they weathered the storm and are now thriving and growing.

The challenge and the intervention

Transactional

Like many of the best things in life, NSLA's engagement with People Skills was completely unplanned and coincidental. Chloe attended a 'business breakfast' session and got talking to fellow businesswoman (and People Skills consultant) Fiona. Over a croissant, Fiona mentioned her work with People Skills: *'It was the only interesting thing anyone said all morning,'* recalled Chloe. And when Fiona told her it was free, Chloe's reaction was *'Wow!'* Fiona took some details and very shortly Chloe received an email from the chamber of commerce, and shortly after that, she had the first of two visits from Fiona.

NSLA's main HR issue was around employment contracts and the company handbook. Chloe had paid a firm of solicitors to develop these a

while ago, but frankly, she could make neither head nor tail of them, or work out how they could be applied to her business – so much so that she was too nervous to issue the contracts to staff. Chloe wanted to get the contract and terms and conditions side of things onto a sound footing, and Fiona was able to address this in the course of her visits.

Impact

As a result of the People Skills intervention, NSLA were able to issue up-to-date and legally compliant contracts of employment to their staff, and also to support these with a comprehensive company handbook. This gave confidence to Chloe in recruiting new staff as part of their expansion plans. During the course of Fiona's visits she was also able to advise Chloe on the dismissal of a member of staff, something that Chloe would not have been confident about handling otherwise. Overall, Chloe felt that People Skills had put NSLA onto a secure footing in relation to its basic employment arrangements, and that this was an important part of their platform for growth.

Overall learning

Unlocking demand for investing in leadership and management capability

Certainly, People Skills has put NSLA's employment practices onto a sound footing. While this will support the company's expansions plans, it is not clear yet whether the intervention will prove to be transformative. To be sure, it has encouraged the business owners to recognise the value of professional HR support, rather than that offered by more generic providers: *'I certainly wouldn't be going back*

'Overall, Chloe felt that People Skills had put NSLA onto a secure footing in relation to its basic employment arrangements, and that this was an important part of their platform for growth.'

to the solicitor,' mused Chloe. And, NSLA would certainly re-engage Fiona as more HR issues arose in the future.

Inspiring SMEs to invest in and employ young people

Fiona and Chloe discussed apprenticeships as a possibility for NSLA. It was something that Chloe had thought of for a while, but didn't know where to start. When Chloe talked to the researcher shortly after Fiona's last visit, she said that it was something that she was '100% going to do'. At the time of the end-of-project interview, she was still very positive, but hadn't taken things forward yet. She explained that while Fiona didn't claim to be an expert on apprenticeships herself, she had been able to put Chloe in touch with a provider. Unfortunately this particular provider wasn't well versed in providing apprenticeships in the property sector, so Chloe had identified one that was, and was looking forward to working with them to engage an apprentice very shortly. It is definitely something that is on NSLA's agenda, and while it might have been something that would have happened anyway, Chloe reports that they are progressing it much sooner as a result of the People Skills work.

Providing access to high-quality support

Chloe is clear that she received excellent and much-needed support from the People Skills consultant - 'it was absolutely brilliant.' Having someone come into the business and talk to her face-to-face was really welcomed. It was particularly useful that Fiona had worked previously in financial services, so knew the sector. She also knew the local labour market

and was able to advise on wage rates, for example. Having the consultant on site also meant that she was advised on issues as they came up, for example the difficult staff situation mentioned above. 'Fiona became like a department,' as Chloe puts it.

The fact that People Skills was free was a major benefit. Chloe recalls that she kept saying to Fiona, 'Are you sure that this is free?' This aspect was something that Chloe felt that small businesses really benefit from. HR is often the last thing they pay attention to; they just take people on and pay them at the end of the month - until something goes wrong - and they haven't got the resource to get proper support. So this was a 'godsend'. Chloe said that she thought that even if this was part-funded, it would be attractive to businesses like hers, and they would engage.

Potteries Communications (PC)

Background

PC is a telecommunications company that exports mobile phones, primarily to the European market. More recently it has started to expand into the UK market. The company employs 26 people and is growing and going places. HR matters are handled by Paula, a management accountant by training. However, as the company has grown she has taken on HR as part of her role. She freely admits that she has had no specific HR experience or training in the area, but was happy to turn her hand to it. The connection with People Skills came about when a colleague attended a seminar on the project that was run by the chamber of commerce. When he reported back, Paula realised that it would be too good an opportunity to miss, given her expanding HR remit, and secured the approval of the company directors. At this point, Paula got in touch with the chamber.

The challenge and the intervention

Transactional

Following Paula's call, HR consultant Stacey got in touch. Paula had realised that PC needed to get its employment contracts and employee handbook updated and onto a secure footing. She also acknowledged that she needed some coaching on the basics of HR, given the development of her role and her own 'non-HR' background. As a result of this conversation, Stacey visited PC on two occasions. On the first she worked with Paula to update the company handbook and contractual documentation to ensure that all aspects reflected good practice and were up

to date with current legal requirements. On the second day, Stacey coached Paula on how to induct staff, and how to handle disciplinary and grievance issues.

Impact

Paula expressed that she was very happy with both aspects of the support that she received from People Skills. She was confident that PC employment terms and practices were legally compliant, and that she would be able to deal effectively with the HR practices and activities that now formed part of her role. She was happy that the company was *'running things the right way'* – that was important.

Overall learning

Unlocking demand for investing in leadership and management capability

Paula reports that People Skills has provided a platform for further investment in HR. This may involve employing an HR specialist, perhaps in a year or two as the company grows, though in the interim Paula would continue to be responsible. In the short to medium term she trusts that the support that she had from Stacey will be sufficient.

Paula stresses that PC is already a good company to work for. The directors welcome suggestions from staff, and implement those where appropriate. Where employees identify that they need some training, the company do their best to provide it. She recognises that there is more that could be done in HR, but she expressed no firm views as to what that would involve. She did feel that the employment of an HR specialist would mean that staff would have someone to talk to, and who would make sure that they were happy.

Inspiring SMES to invest in and employ young people

Paula was characteristically very honest and straightforward about this aspect. While employing an additional young person (there were currently two), or engaging an apprentice, was not something that PC would rule out, as things currently stood the feeling was that it would involve too much work. They simply *'didn't have the capacity'* at present.

Providing access to high-quality support

Paula reported that the People Skills service was very easy to access. Publicity through the chamber of commerce had been good, and this was something that caught her attention as the chamber were a trusted partner – *'I'm always interested in what they do.'* The fact that the service was free was an important factor in PC taking it up, but Paula was at pains to stress that it wasn't the only one, nor necessarily the most significant one. They were struggling to find appropriate HR courses for PC's specific needs, and particularly for someone to come in and deliver support and training on site. It was very much the company's preference to have training delivered on the premises. Paula explained that this was not just a matter of convenience; it was also attractive to have someone who could talk through issues, and work through documents with her on a face-to-face basis. The fact that Stacey had good knowledge of the local area and of local businesses was also an attractive feature. All in all, Paula was happy with the kind of service that People Skills provided, the ease of engaging with it, and the quality of the support that she had received.

‘The existing performance review system was perceived as being too rigid and slow-paced to meet the training and work-planning needs of a fast-moving environment.’

Treetops Charity

Background

Founded in 2011, Treetops is the brainchild and labour of love of CEO Jane. It offers a lifeline for families in need in Stoke-on-Trent, offering a range of advice and practical support. One moment its family support workers could be helping families with specialist counselling, the next they could be arranging replacement of a faulty cooker so that children can have a hot meal. The charity employs eight full-time staff in fundraising and support roles, two apprentices and around six volunteers at any one time. Jane combines her role as CEO with a professional career, and the day-to-day running of operation falls to Linda (office manager). In keeping with Linda’s own personality, Treetops’ small office is a hugely energetic and informal environment – with phones ringing, volunteers dropping in and out, staff modelling fundraising costumes and constant good-natured ‘banter’. A research visit on ‘Xmas decorations’ day will live long in the memory! Lively, fast-paced and refreshingly slightly chaotic (at least on the surface), Treetops is about as far removed from the corporate world of the HR textbooks as you could get.

The challenge and the intervention

Mixed

Quite fittingly, it all started at a charity fundraising event. CEO Jane got talking, by chance, to People Skills consultant Sarah, and the conversation turned to the new free HR initiative that was being offered in the area. Intrigued by what she had heard, Jane contacted the chamber of commerce (the local People Skills partner) and a programme of support was initiated. While the leadership of Treetops valued the

informal atmosphere very highly, and recognised that staff were already contented and highly motivated, there was a feeling that the lack of formal employment procedures in some areas was leaving the charity vulnerable in some areas, and not always able to utilise fully the skills and talents of its workforce. It was also felt that this might be an inhibitor to future expansion. In particular, Treetops management recognised that the charity needed to improve its arrangement for engaging and inducting new employees and volunteers, and also to develop a more effective system for supporting staff development and performance. The existing performance review system was perceived as being too rigid and slow-paced to meet the training and work-planning needs of a fast-moving environment.

Sarah, the initial point of contact, had by now been formally engaged to provide support and advice for Treetops. She is an HR consultant with significant experience of working with small organisations in Stoke-on-Trent, and with a particularly good knowledge of the challenges faced by the organisations in the voluntary sector. Over a period of around six months, she made a number of visits to Treetops, working one-to-one with Linda. This worked as a mentoring arrangement, with Sarah and Linda involved in joint diagnosis and problem-solving, and Sarah providing some coaching and training as required. The tangible outcomes have been the development of a ‘volunteer agreement’, a formal induction process for staff and volunteers, an employee handbook/contract for employees, and a new development review process for staff.

Impact

Treetops regard the intervention as hugely successful. Office Manager Linda told researchers that the employment of staff and engagement of volunteers is on a much sounder footing, leading to greater security for the charity – ‘our suit of armour’ – and certainty and safety for staff and volunteers. The development review is fully implemented and in its first cycle. Linda says that this has improved the process for agreeing work priorities, communication generally, and the identification of training and development needs. This was fully endorsed by staff interviewed at the end of the project. They told researchers that the new staff and volunteers were much better informed about working standards, procedures and expectations than they had been previously. They also said that the new development review process had been useful to them in enabling a two-way conversation about work allocation, priorities and their development.

Overall learning

Unlocking demand for investing in leadership and people management capability

Working with People Skills has provided manager Linda with increased confidence in dealing with HR matters generally – ‘I was nervous about being out of my depth, a bit thick!’ – and a thirst for knowledge in this area.

‘It’s developed in me a drive; now I’ve scratched the surface, I want to get in deeper and encourage this positive change, as we grow and need to adapt. I found it [the People Skills work] so interesting that I wanted to do something else that joins into my job and links to it.’

Linda has enrolled on an HR NVQ course, and is planning to progress beyond this. Her work through People Skills has enabled her to

see the tangible impact of sound HR practice on the success of the organisation, and the need to develop expertise in that area. In this way the impact of People Skills will be sustained beyond the life of the project.

Inspiring SMEs to invest in and employ young people

Treetops already employs apprentices and is positive about this – partly because it fits with its mission for offering opportunities locally, partly because it offers a change to develop and integrate new staff, and partly because it is a cost-effective form of employment given resource constraints. The People Skills intervention, though clearly successful in other areas, has made no obvious impact here.

Providing easy access to high-quality support for SMEs

Engagement with People Skills was enormously valuable for Treetops. First, it provided much-needed HR support at no cost, when this would have been impossible for a small charity to access on any other basis. ‘Without it we’d be in a very grey area.’ Second, the one-to-one, tailored nature of the support ensured that interventions were appropriate to the nature and needs of the organisation. A concern had been that over-formalisation of HR processes might undermine the informal and flexible culture of the charity – ‘we don’t want to lose the fun!’ – but it was possible to avoid this in designing a ‘bespoke’ development review process – again, something enabled by the tailored nature of the support.

‘The immediate trigger for getting in touch with People Skills was the return of a member of staff from maternity leave. Paul and Margaret wanted to get that transition right and placed on a firm footing.’

Trent Design Solutions (TDS)

Background

TDS is an interior design company, equally at home in designing offices for its corporate clients as they are in adding that special touch to someone’s master bedroom. It is very much a family affair, run by husband and wife team Paul and Margaret. Margaret started the business nine years ago, and when her original business partner moved on, Paul gave up his professional career in the education sector in order to join the business. TDS employ two full-time and one part-time designer. Business is good, they are busy, and are looking to expand. Paul heard about People Skills by chance when he overheard a conversation about it at a networking meeting that he attended. He contacted the chamber of commerce and was put in touch with local HR consultant Stacey.

The challenge and the intervention

Transactional

The immediate trigger for getting in touch with People Skills was the return of a member of staff from maternity leave. Paul and Margaret wanted to get that transition right and placed on a firm footing. However, this was part of a wider feeling that a more formal and structured approach to HR matters generally would be beneficial. The current approach was rather informal and reliant on personal relationships and goodwill. Paul and Margaret certainly didn’t want to lose that, but felt that a more structured, professional approach would be more effective, but also more transparent, and legally sound – and this was particularly important as the company sought to grow. Stacey visited TDC, addressed the immediate issues around return from maternity leave, and worked with Paul and

Margaret to develop more formal recruitment and selection practices, and to improve the processes around engaging freelance workers to support their plans for growth.

Impact

People Skills has had a significant beneficial impact on TDS. In the immediate term Paul and Margaret have been able to successfully manage the return of a key member of staff from maternity leave, on a basis that is mutually beneficial. Working with Stacey, TDS have tightened up their arrangements for engaging freelance workers, and are now able to manage this much more effectively, enabling them to flex their resource with much more confidence and speed. They have also implemented a more formal and structured process for recruiting staff. Paul and Margaret recognised that it was vital that their selection processes were based around matching key skills as well as personal fit, and at the time of writing, Paul was about to engage with the labour market on the basis of newly specified job roles and responsibilities.

Overall learning

Unlocking demand for investing in leadership and management capability

Paul reported that People Skills had *‘changed our perspective, 100%’*, in relation to their approach to people management issues. Paul recognised that he had a bit of a head start over other business owners in this respect, having worked in large organisations with professional HR support. This had given him an understanding that HR issues were important and that there were professional interventions that could make a difference to the business. However, he recognised that this had gone a little to the back of his mind in running the family

business, and that he had become a little *'blasé'*. The need to manage the maternity transition was the trigger for him to put these issues to the forefront of his thinking. Now he is fully on board with the idea of taking a strategic look at (for example) TDS's resourcing requirements, and feeding that through into (for example) recruitment and selection practices. It is perhaps fair to say that while there has not been a change in mindset as a result of People Skills, there has certainly been a *'re-awakening'*.

Inspiring SMEs to invest in and employ young people

Paul reported that Stacey had discussed this agenda with him. As someone who had worked in education, he was very much supportive in principle, and TDS had regularly taken in school students on short work experience placements. Unfortunately, the experience of this had not always been positive, and quite a lot of time had been diverted from the business to support this, so regrettably Paul said that TDS wouldn't be continuing with this in the near term. As to employing young people/apprentices, Paul stressed that this wouldn't be appropriate at the moment. The business needed skilled and experienced people at its current stage of growth, in order to relieve pressure on Paul and Margaret. However, as the business grew, and as more experienced people – and HR processes – were in place, it was something that Paul was sure TDS would consider.

Providing access to high-quality support

TDS reported that it was incredibly easy and quick to engage with People Skills and get the advice and support that they needed. Someone that Paul had met on holiday had suggested that he

sign up for a £70 a month HR advice service. People Skills came along while he was thinking about that, and he was pleased that it did. Not only was the service at no cost, but he was also able to have a discussion about what he needed and what he didn't. Having someone to discuss people issues with independently and professionally was also welcomed – at the moment this happened over the dinner table at home, and Paul and Margaret felt that they had better things to talk about after a long day! Paul stressed that the information you need to do HR well is *'all out there'*; what is needed is help with the interpretation of it, and knowing which bits you need and which you don't. It is this that you get from direct contact with a consultant, and this is what was valued most.

Paul did point out that while there was no fee for People Skills support, there was still a considerable cost in terms of time involved. He stressed that time was a scarce resource, and he mused that this might be a barrier for other SMEs. Indeed, a planned follow-up meeting with Stacey has still not happened, postponed because of time pressures on Paul and Margaret. That said, TDS expressed that they were very happy with the quality of the support that they had received through People Skills – it had made a tangible and demonstrable positive impact on their business. Paul said that he had recommended People Skills to two other businesses in his network.



CIPD

Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ United Kingdom
T +44 (0)20 8612 6200 **F** +44 (0)20 8612 6201
E cipd@cipd.co.uk **W** cipd.co.uk

Incorporated by Royal Charter
Registered as a charity in England and Wales (1079797) and Scotland (SC045154)
Issued: September 2017 Reference: 7448 © CIPD 2017