

CIPD

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Research report

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HR professional
judgement:
A Middle East
perspective

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 140,000 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.

HR professional judgement: A Middle East perspective

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Foreword

‘We live in an incredibly complex and rapidly changing world, where the picture of risks and possible consequences borne out by our decisions is never complete.’

We live in an incredibly complex and rapidly changing world, where the picture of risks and possible consequences borne out by our decisions is never complete. This means there is an opportunity for organisations to gain a competitive edge by earning the trust of their stakeholders, but also a spectacular price to pay when the gap between the values communicated to the external world and the ones lived out in the actual decisions is exposed.

These challenges are magnified in the Middle East, where the pace of economic and social transformation is placing a premium on decision-makers with a skill to make appropriate value judgements in the context of uncertainty. Importantly, the region is often leading with an appetite for sustainable development, pursuing business growth without losing sight of the health and long-term preservation of the societal interests.

To match this shifting paradigm in corporate governance, the HR profession must also re-imagine the relationship between people and the organisations they work for. HR already holds a unique and increasingly valuable body of professional knowledge on the science of human behaviour, and it is exactly that expertise – coupled with strengthened analytical capability – that will allow the profession to challenge the assumptions of the so-called ‘best practice’ and develop innovative

ways of delivering sustainable business value through people.

But, to become trusted advisers to the business, HR professionals have to be very clear on what they stand for when they are applying their expertise and skills. Most people management decisions involve conflicts of interest with no law, process or ‘best practice’ to tell you what to do to achieve a particular outcome. For too long, the rule of thumb applied by some businesses to choose between alternative decision paths was to prioritise short-term financial profit.

At the CIPD, our purpose is to champion better work and working lives – by improving practices in people and organisation development for the benefit of individuals, businesses, economies and societies. To do that we need a shared understanding of what this means and this is why our work to support the capability of HR begins with defining a set of basic principles of good people management and development. We believe that these principles will serve as a foundation for the profession to make the right decisions and advise business leaders what to do, no matter what the context and no matter what the future may hold.

Peter Cheese
CEO, CIPD

Introduction

The past two decades have seen radical and unprecedented change in the Middle East. Key areas, specifically Dubai, Abu Dhabi and Doha, Qatar, have invested and diversified to build new and significant regional economic hubs. New industries have been created and the region now has created globally recognised brands in terms of airlines, tourism, ports, financial centres and telecoms. With many leading global organisations now operating in the UAE, it has become a *'rapidly diversifying, entrepreneurial, and globally connected business region'* (Bozer 2011). The wider GGC region is also seeing major social change, for example Saudi Arabia's immensely active social media market is encouraging freer expression (Kiefer 2015).

This economic and social transformation is testing the accepted norms of how work is organised and the ways of designing and maintaining the employment relationship in the region. For example, while the arrival of multinationals increased availability and movement of talent, recent regulatory changes have placed constraints on the extent to which foreign workers can be deployed. But, the biggest challenge is the pace of change with which this complex environment is evolving, placing a demand on people management practices to become ever more flexible and responsive to the requirements of the various organisational stakeholders. In this context, there is growing pressure on the role of HR to evolve and play a greater part in developing organisations for the future.

Where the profession has traditionally been defined through a set of 'best practices', this knowledge, developed primarily in large Western organisations, is increasingly inadequate for businesses operating in the region. Instead, HR professionals are expected to have a deeper context-specific understanding of the needs and strategy of a particular firm, as highlighted in the CIPD's *Voice of the Profession: Middle East* (2015c) report, with 31% of business leaders and managers identifying business acumen as the area where HR/L&D professionals have the greatest skills gap. Another area of development is workforce analytics, which is a necessary tool of strategic business decisions (CIPD 2015a).

Although relevant skills are critical for HR to lead innovation in people management in the region, it is essential that when applying these skills practitioners are also clear on their professional obligations. Today, emphasis on shared value-creation – designing work in a way that recognises the interdependency of the business and the communities it is tapping – means that organisations must take into account all the stakeholders impacted by the decision. This sensitivity to the available ethical choices, above and beyond the legal requirements, is what makes professional advice relevant and trustworthy. One HR leader in the UAE described the value that HR adds through the ability to make balanced judgements:

'What does our function offer, what does it provide to the business? If it is purely about setting some policies in place, and making sure that everybody meets them, well then, frankly, we're not necessary. ... What I would like to think we offer is the capability to make a balanced judgement. ... I've got the ability to be able to look at [the circumstances] and balance my decision with all of those factors influencing it, and I think that's the value that we add. That for me is where we make the difference.'

People Profession: now and for the Future

As the CIPD, we are committed to supporting the HR profession to champion better work and working lives – for the benefit of individuals, businesses, economies and society. We recognise that in the context of the complex and uncertain world of work today, HR professionals will be expected to have the knowledge and courage to make trusted expert judgements, creating tailored systems geared towards creating sustainable organisational value through people. This is why, in order to help HR professionals make the right decisions, we are defining and testing a set of principles that will describe what HR professionals stand for.

People Profession: now and for the Future is the CIPD's strategy to ensure we continue to fulfil our purpose as the world of work evolves. It begins with a programme of work to define what it will take for the HR profession of the future to meet its full potential to champion better work and working lives. We are collaborating with a wide

‘The current research aims to understand which professional principles could be important to people management and development practitioners.’

range of stakeholders within and outside HR to define and test a new set of principles that will help HR professionals make the right decisions and advise business leaders what to do, no matter what the context and no matter what the future may hold.

1 Developing the principles

In the context of the larger appetite for standards of human resource management as part of corporate governance frameworks (ISO n.d.), there is a space and a need to define how individual HR practitioners will be delivering shared value to organisational stakeholders, and criteria describing what it means to be a professional in this area. The current research aims to understand which professional principles could be important to people management and development practitioners.

First, we reviewed the moral philosophy literature on the possible ways of looking at the choices regarding work and working lives (Clark 2015). This review identified a number of ‘lenses’, which do not represent ‘right’ or ‘wrong’ judgements about the relationship between people and organisations but describe possible perspectives one may consider when making ethical choices about work (see Box 1).

We then tested the use of these lenses by examining the actual choices that HR professionals and business leaders make in specific workplace situations. We conducted a series of focus groups and a survey in partnership with YouGov in four regions – the UK, USA, Asia, and Middle East and North Africa (Egypt, Jordan, Morocco, Saudi Arabia, UAE) across the public, private and voluntary sectors. Respondents were asked to decide whether

the judgements associated with the lenses were ‘right’ or ‘wrong’. The survey provided two types of information:

- 1 First, it asked the respondents whether (and how often) they use these lenses when making decisions in their professional capacity at work. This allowed us to gauge the extent of prominence of particular lenses in professional judgement, as well as practical challenges of doing ‘the right thing’ within the organisational context.
- 2 In addition, it presented the respondents with a set of abstract scenarios dealing with people management dilemmas across a range of organisational contexts, including growth, cost management, business change and a sustainable business context. In each of the scenarios the respondents were asked to decide whether in their professional opinion each of the lenses was ‘right’ to apply in that particular set of circumstances. Comparing the responses about the practitioners’ own use of lenses with the choices made in the scenarios, we were able to gauge whether specific situations make particular perspectives more or less relevant to making professional judgements.

The next sections focus on the three themes emerging in the responses of the practitioners in the MENA region in particular:

- 1 balancing competing stakeholder interests
- 2 a variety of perspectives on ‘fairness’
- 3 current business needs preventing principled decisions.

Box 1: Philosophical perspectives on how work should be organised

Philosophy offers decision-makers a number of ways to reflect on options and become aware of what the outcome might look like by interrogating alternatives from one or another perspective, neither of which is 'right' or 'wrong' on its own. With regard to working, there are eight perspectives or 'lenses' that can be used to inform decision options.

- 1 **Well-being.** Workplaces should promote well-being in its broad sense, not because it increases employee engagement or productivity, but as an outcome in itself. Work should provide individuals with autonomy and happiness. When there is a choice of providing bad and providing good (for example, when the interests of different stakeholders conflict), the decision should provide as much good and as little bad *overall* as possible (even though some might be worse off as a result of this).
- 2 **Rights.** The rights of people should not be violated just to improve the outcomes for someone else, so individuals shouldn't be treated simply as means to an end. People have a right to be protected from harm, and to have a choice over what happens to them. In the workplace, this means the right to be treated with dignity and respect, to exercise autonomy and control.
- 3 **Merit.** Workplaces should be designed to guarantee equal opportunities based on individual talent and hard work, rather than irrelevant characteristics such as gender, race, sexuality and social class.
- 4 **Fairness as justice.** In practice not every individual is able to compete based on their merit – people have unequal access to education and development, for example, and don't have the same 'power' to argue their cause independently. Workplaces should be designed with an eye to those who might end up being the worst off as a result of the decision.
- 5 **Market.** Rather than distributing benefits based on ability and need, people should get what they can freely negotiate. Some people are lucky enough to have scarce qualities and the ability to negotiate freely to command higher wages, for example. Others are unfortunate to end up with less, even though they might be no less worthy.
- 6 **Democracy.** People should be able to influence the decisions that affect them. Workplaces should give a right of voice to everyone whose interests are at stake and implement procedures for agreeing decisions collectively.
- 7 **Character.** Decision-makers should demonstrate integrity, despite circumstances that might require compromising the principles. Making choices in a difficult situation is not about following a rule, but doing the right thing, something a 'decent person' would do.
- 8 **Handing down.** The long-term interests of people, organisations and society are more important than short-term gains. Workplace decisions should look to preserve the past and support the future interests of the people, the business and the communities.

Finding 1: Balancing competing stakeholder interests

‘Firms have both an interest and a responsibility towards the people that work for them, because what’s good for people is good for businesses, economies and society.’

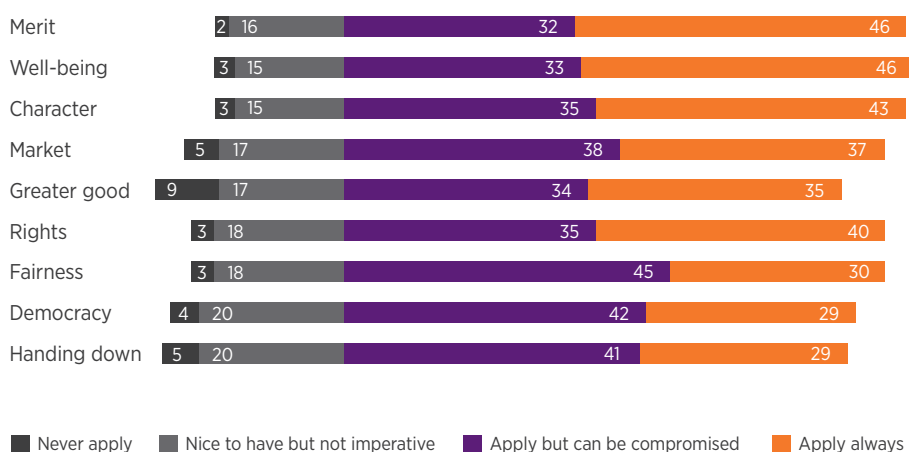
Traditional business models view people simply as inputs into organisational value chains. However, the latest thinking on human capital management and development advocates that more productive and sustainable relationships between people and the business are achieved through two-way value exchange between the employer and the employee (Beer et al 2015). This concept of ‘shared-value creation’ holds that firms have both an interest and a responsibility towards the people that work for them, because what’s good for people is good for businesses, economies and society. To test application of this principle in practice, our survey examined the extent to which people management and development decisions take into account the needs of different stakeholders.

Around half (46%) of respondents indicated that the perspective ‘Work should be good for people’, corresponding to the Well-being Lens, applies in all

circumstances when making decisions in their current practice (see Figure 1). This lens advises that firms should actively pursue positive outcomes for workers, as legitimate organisational stakeholders. However, pursuing this outcome may involve trade-offs, for example if a well-being initiative takes too much away from the business without providing valuable returns (33% said that this lens applies but can be compromised under certain circumstances).

The extent to which survey respondents were able to balance the interests of employees and the needs of the business largely depended on organisational context, and some business circumstances made it more difficult to find solutions that are ‘good’ both for the people and the business. On the one hand, in a scenario describing a business with a strategy for sustainability, the majority of respondents (79%) chose to protect the well-being

Figure 1: Current practice (%) – MENA



of staff. On the other hand, well-being was considerably less likely to be a priority (42%) in a scenario looking at ways to increase performance of staff. The majority of respondents considering that scenario (58%) instead believe the management should set stretching performance standards to encourage competition and to motivate underperforming staff to keep up. This finding suggests that it may be easier to protect employee well-being in a situation where business sustainability is prioritised, rather than where there is a short-term business imperative.

One HR manager in the UAE described the challenge of balancing the interests of the workforce and the business:

'In fact I would say this is a key value: HR must be an advocate for management AND employees so needs to balance these two in as neutral a method as possible. The HR person needs to understand the balance between these two and even if you have a personal preference towards an employee, not to let that get in the way. In the region it is different in that there is very little employee protection, so the stepping to be neutral is not through fear of a compensation lawsuit but because it sets the right example.'

Secondly, and recognising that positive outcomes for people cannot always be achieved, we examined the way people are treated by organisations. The Rights Lens suggests that people should

Example: P&O Maritime

A two-way value exchange between the business and its employees is believed to be creating competitive advantage through people. While the organisation demands a high level of skills, performance and commitment, it prioritises individual needs to create a positive experience at work. One senior leader described this focus on the employee experience:

'How we manage people at the end of the day, how we interact and do the people come to work with their hearts, do people feel good at work? ... This is something which we try and work really hard at to be different, to make the environment better. To make people engage and to motivate people and to, at the same time, make them feel that what they're saying is taken into real consideration. And that they're empowered to do what they are supposed to do and they're paid to do.'

For example, the company's reward and recognition programme demonstrates the value that people bring into the organisation, by letting them understand how they contribute to the business's goals. Similarly, given that DP World operates 24 hours a day, flexible working arrangements support the business by recognising people's individual and family commitments. One leader explained:

'It is appreciating the people who work for you and them knowing the value that it brings to the organisation and being recognised for it. I think that means a lot more to them than any amount of money that we can pay them.'

However, this does not mean that the company pursues employees' interests indefinitely. Instead, there is also an appreciation of a balance between this people-driven strategy and the business direction, and a commitment to find ways of working that are mutually beneficial, achieved through clear and honest promises:

'We have got a fairly tight [organisational] structure, so career planning and development within the organisation has to be focused. There again, it is how we explain it to people where if we are concentrating on their career it may not necessarily be a long-term career with P&O Maritime. It could be that we will develop you to get a job somewhere else or with our parent company, DP World. Let's face it, everyone wants to get well remunerated and we have to strike a balance.'

'It is a matter of I think being transparent in what we do. Whether it is job evaluation, reward, recognition; it is explaining why we do it and the reasons why it is the way it is for P&O Maritime.'

‘Some groups of staff may be treated differently from the core workforce, simply because they are not perceived as key talent aiding the business in achieving its objectives.’

not simply be used as means to a business end; they should be treated with dignity and respect and have control over what happens to them.

The extent to which individuals’ moral rights are protected also varies depending on context. In one example, describing a redundancy situation, the Rights Lens was more important to an overwhelming majority of respondents (75%), who believe the organisation should seek to treat employees as human beings and recognise individual circumstances. It is likely that where negative outcomes for people are unavoidable, professionals believe that treating people humanely – above their legal responsibility as employers – is the ‘right’ thing to do.

However, in other scenarios HR leaders and business leaders were much more pragmatic about their choice to use the Rights Lens. Although 40% of the respondents said they always apply this principle when making decisions in their own practice, some are prepared to compromise it under certain circumstances. Over four in ten respondents who originally said they always use the principle suggested they would compromise it when thinking about staff whose values do not align with the organisational culture during transformational change. Just under half said the same when deciding on the rights of temporary staff and suggested that only the minimum legal requirements should be met. This finding suggests that some groups of staff may be treated differently from the core workforce, simply because they are not perceived as key talent aiding the business in achieving its objectives. One ME business leader explained:

‘In the Middle East [you have] control of the employee’s visa. Where it is possible to make allowances in this respect – [that is], to allow them to remain on the visa for longer and make it easier to find other work – this can be offered... We kept someone on the company visa for eight months, which also meant that they were on medical insurance through that time and the company still had responsibility for them. It was the right thing to do in this instance as the company could afford it and the employee was trusted, although it is not something that I would routinely advocate. ... The decision-making was definitely driven by profits and the company’s short- and long-term goals. In respect to the employee, we were definitely driven by being as generous as possible, which was based on the merit of that particular employee. However, this was only offered because it didn’t have an adverse effect on the company as a whole. So the company needs still took priority, which I think is the norm.’
(Senior Business Leader, KSA)

These findings suggest that there is at least an ambition among organisational practitioners to design two-way relationships between the business and people, even though this is not always possible in their current practice. What is concerning, however, is that some categories of staff may be treated differently in the process – despite an overall desire to treat people as individuals, only a legal minimum practice may be applied to those who are not perceived as part of the ‘core’ workforce or key talent.

Finding 2: A variety of perspectives on ‘fairness’

The challenges of a multigenerational workforce, displacement of skills and evolving meaning of ‘talent’ have put a spotlight on fairness in people management practice. While the employment relationship was previously determined by a formal contract, there is now a deeper understanding of the role of trust and implicit promises between employees and employers, as well as the differences in what individuals expect at work.

Designing ‘fair’ HR policies and practices is, therefore, of increasing interest to employers willing to avoid feelings of injustice among staff, which could potentially lead to low engagement, dropping productivity and increased turnover. However, fairness is a highly subjective concept and people’s perceptions of whether a situation is fair to them are not the same as the situation being fair overall (Sparrow et al 2013).

Example: Bahrain Airport Company

Over the last three years BAC has been implementing a competence-based performance management system. This was a radical change for the organisation, which previously did not have a system in place to measure employee performance. A working committee was set up, made up of departmental representatives, to design the system and obtain the CEO’s buy-in for the final system design, as presented by the employees. The decision to implement such a process was based on developing fairness, since beforehand *‘[performance management] was very, very subjective and there was a perception of unfairness in the business’* (Gordon Stewart).

The chief support services officer set an overall direction and tone for the system, aiming to remove any subjectivity for both the employee and the manager by creating a five-point criteria and a pre-defined success metric for every performance goal. He described managing perceptions of fairness within the company:

‘When you can create systems that create fairness or perceived fairness by your staff, that removes a lot of disharmony. ... My view is that any time somebody is talking about something being unfair, that is a negative resource use, because what they are doing is talking about something in the negative; they are not doing something that adds value to the business.’

The survey examined three different viewpoints for judging fairness in decision-making. While the Market Lens leaves the decision to chance (regulated by free market forces), both the Merit and Fairness Lenses require the decision-maker to apply an objective, consistent approach to making a decision – based on individuals' ability (Merit) or needs (Fairness).

The survey showed that the majority of respondents believe that basing decisions on an objective and consistent approach is the 'right thing to do', rather than being driven by chance or the rules of the market. For example, in determining staff wage levels, around six in ten HR practitioners and senior leaders said that the organisation should pay its employees the wage that represents the value they add to the organisation, rather than paying them the market rate. However, only 37% of respondents said that the statement 'Rewards should be in line with the value of people to the organisation' always applies in their current practice. This suggests that it may not always be possible to develop a robust and fair approach against the market forces, particularly when it comes to reward.

Consistent with the preference in principle for creating an objective process to determine how the outcomes of a decision should be distributed between individuals, Merit is one of the most prominent lenses applied in current practice by HR and business leaders, with just under half (46%) suggesting that the principle 'People should have equal access to opportunities, in line with their ability/merit' applies in all circumstances when making professional judgements. Yet, a further 32% suggested that this lens could be compromised under certain circumstances. Although decision-makers may think it is 'right' to create an objective process for distributing organisational benefits, they may not always do so where it conflicts with the business's interest. For example, the Merit Lens is not as readily applied when it comes to the question of pay. When making a decision about the levels of wages of temporary and permanent staff in the growth scenario, less than half (45%) of HR practitioners and business leaders thought that both groups of employees should have equal access to rewards, while 55% said that 'It makes sense to pay permanent employees more than the new ones'. In a different

situation, where the respondents compared the wages of staff in the head office and those in the call centre in a developing country, an even smaller proportion of HR and senior manager respondents (34%) chose the principle corresponding to the Merit Lens, saying that 'Employees should be paid the same for doing the same jobs'. In contrast, 74% suggested that 'Pay differences are justified by the different context in the two regions'.

One HR professional in the region described a situation where a decision should be judged on merit, while balanced with the interests of the manager:

'Recruitment often comes down to line managers having a preferred candidate. A case I can think of is where one business unit wanted to hire a particular person who had also been a previous employee of the company. ... I think the attitude has to be pragmatic as the line manager is making a personal recommendation and so staking personal reputation on making this hiring decision. That needs to carry some weight and out of respect for the manager there should not be an assumption that it is not a straightforward hire – the people

Example: First Gulf Bank

Since there is a shortage of local talent in the market, the company applies a market-based compensation adjustment, which means that UAE nationals are at higher salary levels. This raises the issue of achieving a fair value proposition for all groups of staff. The senior management team aims to ensure transparency and to show recognition for individual talent, based solely on merit and performance:

'Certainly we do know that that's a determinant in whether people feel engaged or connected to the organisation: is it a meritocracy or not? But also, we are commercial; we are very relative to market. So according to different employee categories, what we say is that we will pay a very competitive reward for the skills that you bring, relative to the levels of reward that are offered in the market for different categories of labour.' (HR Leader)

side of the decision. However, it is also important to look at the candidate's CV and what they are like in person and make a judgement call on whether this is the best person that the company can hire into that role.'

In contrast to the Merit Lens, Fairness is one of the least prominent principles to be applied by HR practitioners and business leaders in their own professional practice. When asked about the general application of the principle 'For an outcome to be fair, the decision-maker should not leave out the factors deemed important by the person affected by this decision', only three in ten respondents suggested that it applies in all circumstances, while 45% thought it could be compromised. The low priority attached to this principle is particularly evident in the situation dealing with redundancies, where only a quarter (26%) of HR professionals and business leaders thought the decision should take into account individuals' expectations of what's fair, perhaps reflecting the inevitable negative consequences for the individuals affected by the redundancy decision. Conversely, Fairness is considered significantly more important in the scenario dealing with the decision to pay people in developing nations a lower wage for doing the same job as permanent staff (70% believe staff should be paid the rate they deem fair).

One business leader described a situation where fairness is difficult to achieve in practice:

'The only area [where the principle of fairness might be compromised is] promotions and bonuses, because these by definition have an element of subjectivity and

of confidentiality. For example, if there are two candidates for promotion and one works for a much more influential partner, the just as deserving other candidate may get pushed back six months because we can only promote one and that partner grosses a quarter of the other. That isn't fair, except of course it is linked to performance in terms of revenue from a partner or team.' (Senior Leader)

One way of creating a workplace in such a way that everyone considers fair for themselves is by giving individuals voice in decisions that affect them (described by the Democracy Lens). However, the survey findings suggest that such a mechanism is not readily applied in practice. Just over a quarter (29%) of practitioners said that the principle 'People should be able to influence decisions that affect them' is one that they always apply in their practice, with a further fifth suggesting it is 'nice to have but not imperative'. However, when making choices in the scenario situations, the respondents were far more likely to indicate that, in their professional opinion, giving people a voice is the 'right thing to do'. On the other hand, voice was less likely to be given to temporary staff in the growth scenario (consistent with the finding on the Rights Lens), indicating that these workers may potentially be perceived as means to an end. While the Democracy Lens is generally important to professionals when making decisions (particularly for permanent employees), the finding that it is likely to be compromised in practice suggests that it may be difficult to achieve democratic decision-making in organisations.

These findings highlight how difficult it would be to reconcile the different definitions of fairness and design policies that would be acceptable to different groups of staff. Yet, similar to the earlier finding concerning the Well-being and Rights Lenses, it appears that organisational contexts oriented towards sustainability are more likely to encourage decisions based on considerations of fairness.

Finding 3: Current business needs preventing principled decisions

As expected business leaders and HR practitioners hold slightly different views on the extent to which principles should be prioritised in decisions concerning people management in organisations. On the one hand, opinions on 'the right thing to do' were similar between the groups, suggesting broad agreement on the principles of building relationships between people and the business. On the other hand, in their current practice business leaders are less likely to apply these principles, compared with the HR practitioners, and both groups said that the main reason why HR practitioners and business leaders compromise their principles is the same for the two groups: 'to meet the current business needs' (see Table 1).

One example of this is the application of the Well-being and Merit Lenses in the respondents'

professional opinion and in their current practice. While business leaders were more likely than HR practitioners to say that employees should have equal access to rewards in the scenarios, fewer of them said that the principle applies in how they make decisions at work (47% compared with 51% of HR practitioners). Similarly, around half of HR practitioners said that the Well-being Lens always applies in their current practice, compared with only 43% of business leaders.

Another prominent trend is the greater likelihood of business leaders to base decisions on the Market Lens in their practice, despite believing that establishing objective and more fair ways of decision-making is 'the right thing to do'. For instance, when developing an approach for increasing performance of staff, business leaders were more likely to apply the Market Lens (61%),

compared with HR practitioners (53%). A similar difference concerns a decision around the rates of pay for temporary staff.

This finding echoes the respondents' choices concerning the Handing Down Lens, which advocates protecting the long-term interests of the organisation while managing immediate problems. While at least eight out of ten professionals believe that prioritising sustainability over short-term gains is the 'right thing to do', only 29% said that the Handing Down Lens always applies in the decisions they make in their current practice. This suggests that while HR and business leaders may appreciate the need to work towards long-term organisational health, the current business needs appear to take priority in the short term.

Example: DP World

Across the organisation, a clear value is placed on treating employees as people, rather than just as inputs into the organisational value chain. This is illustrated by a case of supporting an employee who suffered severe burns following a domestic accident.

While the company's medical insurance terms have boundaries on the type of support available to workers, DP World deliberated further on the extent they could reasonably support the employee given their family circumstances. In this situation, a flexible approach was adopted over the formal policy to ensure the employee's health and their family's financial well-being were supported. Robin Windley, HC Senior Vice President (SVP) of DP World, explained that the decision was driven by values and a strong sense of character in terms of the right thing to do as an organisation:

'Within my remit, I have a certain amount of influence and flexibility, and an ability to approach decisions from a humanitarian perspective. So certain decisions can sometimes be made that would not necessarily be based on policy, but on an understanding of how I felt this company would want to be perceived...'

'I was quite confident in being able to make those decisions, because ultimately, I felt that this was what the company would want me to do... I actually thought that if somebody were to question me afterwards, I would have a very strong case, and be very clear in my conviction, and therefore I didn't really feel that it was much of a risk.'

Encouragingly, a high percentage of business leaders and HR practitioners said that they already hold true to their principles when making decisions at work. As the Character Lens suggests, ‘doing the right thing’ requires strength of character and clarity of priorities when deliberating between alternative courses of action, especially in uncertain

circumstances, or if other organisational stakeholders have different views on how decisions should be made. However, the gap between the ambition of HR and business leaders about ‘the right thing to do’ and their current practice suggests that their value judgements are to a large degree affected by bias.

Table 1: Reasons for compromising principles (%)

	HR	Business leaders
No reason – I always hold true to my principles.	37	35
I have to compromise on my principles to meet the current business needs.	24	28
I have to compromise on my principles when they affect my ability to succeed in this organisation (for example pay rises, promotions, keeping my job).	21	23
I have to compromise on my principles under pressure from my line manager.	17	16
I have to compromise on my principles under pressure because they are different from the principles of my colleagues/peers.	13	16
I have to compromise on my principles under pressure from the business leaders.	19	21
I’m not always clear how to apply principles in practice.	10	12

Conclusion

This report set out to identify how HR practitioners and business leaders make professional judgements in situations dealing with people management and development. Slavishly following 'best practice' no longer provides a guaranteed best result for the business and its people, and today HR professionals need to be able to challenge the accepted practice and offer business leaders a range of critical perspectives on people management issues. However, the findings of this survey of HR and business leaders in the MENA region revealed conflicting points of view and different interpretations of value priorities in making people-related decisions in organisations.

At the same time, the survey also indicates that the challenges of 'good' people management concern the ability of practitioners to reconcile the principles with the current business need. There is a clear ambition to do 'the right thing' both for the business and the people who work for it, but short-term organisational priorities frequently get in the way, particularly in the decisions made by business leaders.

This is where HR can provide greater support to the business by drawing on its body of professional knowledge to ensure that decisions are considered and evidence-based. For instance, better analytics around different people management and development approaches should assist these practitioners in understanding the long-term impact of their decisions, resulting in more

balanced value judgements. Similarly, deepening insight into the needs of different employee segments based on behavioural sciences can help establish more effective and fairer relationships between people and the business, aiding talent attraction, retention and future planning. This approach would strengthen the role of HR in creating different types of value for a range of stakeholders: not only focusing on generating business profit, but also highlighting the reciprocal value associated with fair treatment of people by the organisation.

Gaining trust with the business to provide such advice will require strength of character and courage to challenge. This is where HR practitioners should draw on the professional community and learn from those already making principled value judgements about the way work and people management practice should be organised.

Our work continues by collaborating with a wide range of stakeholders within and outside HR to define and test a new set of principles that will help HR professionals make the right decisions and advise business leaders on what to do, no matter what the context and no matter what the future may hold. We expect the principles to be broad and ambitious – they'll describe desired outcomes rather than prescribe a specific course of action. Applying them in practice will take professional judgement backed by specialist expert knowledge about people and

organisations as well as a thorough understanding of the business context. That's what we think will define the HR professional of the future and that's what we think it will take for HR to remain a trusted and credible profession that can have a real impact on work and working lives.

Appendix 1: Scenarios used in the survey of practitioners

Growth of market share scenario described a premium-quality airline company, growing its position in the market, but having to watch its cost base to remain competitive. Senior leaders and HR practitioners were asked to consider whether the new temporary workers recruited by the company should be paid a minimum wage (a cost-effective decision for the business), or a wage that is more in line with the pay of permanent staff. Line managers were asked to make a decision about employees' holiday sacrifice to deal with increased demand in services.

Cost management scenario described a public sector organisation, a major employer in the community that has to cut its costs by 30%, and is, therefore, making redundancies and service cuts. Senior leaders and HR practitioners were asked to consider where savings could be best made: job losses and service reductions would allow the organisation to better support the remaining staff, while fewer jobs and fewer service cuts would also mean no improvement to the employment conditions.

Change to increase productivity scenario described a technology company under new management, which set out to grow performance by transforming the organisation from a culture of stagnation to one of quality and innovation – a change that led to low morale and a drop in performance among staff. All three groups of respondents were asked to consider whether the management should tighten its performance management process, looking to dismiss underperforming staff, or to invest time and money in developing and motivating employees.

Sustainability scenario described a global FMCG company which moved one of its call centres to a developing market. Senior leaders and HR practitioners were asked to reflect on the ethical issues of the decision to pay people in developing nations a lower wage for doing the same job, driven by cost-effectiveness considerations. Line managers were asked about dealing with unethical behaviours of several team members, where dismissing the employees would have led to financial losses by the company.

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