Championing better work and working lives

Annual Review
2014–2015
About us

We’re the CIPD — the professional body for HR and people development. We are the voice of a worldwide community of 140,000 members committed to championing better work and working lives.

We’ve been setting the benchmark for excellence in people and organisation development for more than 100 years. Through our expertise and research, we provide a valuable point of view on the rapidly changing world of work. And for our members we’re the career partner of choice, setting professional standards and providing the expertise to drive the HR and L&D professions forward.

We’re independent and not-for-profit and hold a highly respected Royal Charter. We exist to make work and working lives better. And at a time of unprecedented change, we have the vision, the agility and the strength to make a real difference for our members, for businesses, for the economy and for all working people.
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Please note that all facts and figures in this review relate to the period 1 July 2014 to 30 June 2015 unless otherwise stated.
A year of change and continued progress

Chief Executive Peter Cheese reflects on the CIPD’s year to 30 June 2015.

How would you summarise 2014–15 for the CIPD?

2014–15 was a year of change and continued progress on our major priorities for the CIPD. An organisation restructure, new ways of working and shifts in our culture have not been easy but have helped us make positive progress against our six strategic priorities. In particular, we’re working to become more agile and responsive to the needs of our members and customers, as well as create a culture in which our people (our employees, volunteers and associates) are better able to collaborate, develop their own skills and help us deliver on our purpose of championing better work and working lives.

‘Membership is now at around 140,000 – a sign that HR and L&D are increasingly attractive career choices and that the CIPD is the career partner of choice for so many.’

Our strategic priorities

1. Increasing our impact and voice by advancing and sharing knowledge of the world of work
2. Broadening our reach, relevance and value for a wider range of audiences
3. Developing clearer routes to professional excellence and career development
4. Working with leaders to build the best HR capability for their business
5. Fostering a strong sense of community and connection amongst our members and other stakeholders
6. Growing our international presence to meet the needs of an increasingly global workforce
What were you most proud of on behalf of the CIPD in 2014–15?

Membership grew strongly and is now at around 140,000, and we attracted 14,500 new student members – a sign that HR and L&D are increasingly attractive career choices and that the CIPD is the career partner of choice for so many. The growing number of volunteers who help us and others through programmes such as Steps Ahead Mentoring is a great source of pride too.

I’m also proud of our growing media profile and voice in public policy debates – it’s very important for us and for the profession to be part of the debate on critical issues such as youth employment, productivity and the changing nature of the employment relationship.

Are there areas in which you’d like to have seen more progress?

Our digital infrastructure is critical to our ability to be agile and responsive to customer needs, especially as we increase our international footprint, so I’m always keen for us to move as fast as we can on projects such as our new website and communities platform. But we are making good progress and we’re investing time and money now to make sure we’re fit for the future and in a better position to respond to new challenges and opportunities.

How would you describe the external context in which the CIPD and its members have been working?

Economic conditions in the UK have improved significantly, highlighting skills gaps again. But employment in other parts of the world is still flat and there’s a high degree of economic uncertainty in Asia. However, we’re also seeing exciting debates emerge and the opportunities for HR and L&D professionals to help organisations be more agile and responsive in a rapidly changing environment are huge.

The mismatch in the supply and demand of skills in some sectors and parts of the world is driving more business leaders, as well as governments and regulators, to look to the HR profession for solutions. And now that more and more leaders are seeing that people are the biggest drivers of risk and value in their organisations, strong HR capabilities have never been in greater demand.

We’re also starting to see a greater shift in thinking away from profit-making as the core purpose of business towards the idea of sustainable value-creation. So debates about what good business looks like, and how to build strong organisational cultures driven by values and principles, are coming to the fore.

Who are the CIPD’s main stakeholders and how did you serve their needs in 2014–15?

The most important of our stakeholders are our members – the individuals who work in HR and L&D – and they in turn can have great impact on individuals, organisations and the communities in which they operate. We’ve worked hard this year to improve how we serve their needs at every stage of their career, and we have a particular responsibility towards those who hold one of our professional levels of membership to make sure the badge of professionalism remains relevant and valuable.

Our other stakeholders include the wider business and management communities, policy-makers and regulators, and our own employees. You can read about our work with these groups in this annual review.

What’s the biggest challenge or opportunity facing the CIPD in the year ahead?

Our Profession for the Future strategy is both our biggest opportunity and our biggest risk. If we get it right, we’ll fulfil our purpose of championing better work and working lives by securing HR’s role as a trusted and credible profession that adds real value to all of a business’s stakeholders.’
A year of change and continued progress

credible profession that adds real value to all of a business's stakeholders. But if we fail to engage big business leaders and small business owners in the big debates about 'good business' and the role HR plays, or if we fail to support our members to step up to the challenge, we risk getting caught up in the perennial debates about the value and relevance of HR.

What's the biggest challenge or opportunity your members will face in the year ahead?

As more organisations start to challenge the HR processes and policies we once considered 'best practice', we'll need to think more deeply about the purpose of those practices and go back to our roots in behavioural science to understand how best to deliver the outcomes we're looking for. The challenge will be to combine that with increased business savvy and confidence in what we stand for as a profession, so that we can make sound professional judgements that are trusted and valued by the rest of the business.
Supporting careers in HR and L&D
Supporting careers in HR and L&D

As the professional body for HR and people development, we’re committed to helping our members and others working in HR and L&D be the best they can be – through tailored career support and a range of resources and services to guide their continuing professional development (CPD).

Figure 1: Membership survey 2015

Members think the CIPD is

- Expert: 85%
- Relevant: 82%
- Respected: 81%

Nearly three in four respondents told us that professional status and recognition is the most highly valued aspect of CIPD membership and the most popular definition of professionalism was being ‘trusted for professional integrity’. Our Code of Professional Conduct requires that all members maintain the highest level of professional standards and since 1 July 2012, when the code was updated, we have investigated 28 reported breaches: 11 cases were referred to a Conduct Hearing, 4 of which were upheld. For more information visit cipd.co.uk/codeofconduct

Over the coming years, our Profession for the Future strategy (see page 27) will help members navigate the professional challenges and dilemmas they face, thus protecting and enhancing the professional status of HR and ensuring that membership remains a relevant and valuable badge of professionalism.
Enhanced careers support
2015 saw the launch of a brand new online careers hub for CIPD members. It’s a gateway to hundreds of articles, videos and tools to help build key employability skills and enable members to make the most of their own development opportunities throughout their career. As well as a range of content and advice from fellow members, career coaches and recruiters, the hub features a career planner to help set career plans and goals; a CV builder tool; and an interview simulator to help brush up on interview skills. We also introduced new regular careers advice features in People Management, our monthly members’ magazine.

Throughout 2015 we piloted three new bespoke careers services: a mentoring scheme, a series of workshops and webinars to raise awareness of career opportunities, and a work taster service to match members with employers for work experience opportunities (see Figure 2). The mentoring programme supplements existing schemes that operate at local branch level. For example, the Bedfordshire and Milton Keynes branch has matched and placed over 100 people in mentoring relationships since 2012. Branches also host regular upgrading clinics, where they provide practical support and advice on ways in which members can advance their careers and become a Chartered Member or Chartered Fellow. In total, more than 1,200 individuals upgraded their membership last year, with telephone and face-to-face assessments an increasingly popular choice over the paper-based application. For more information, visit cipd.co.uk/careers

Figure 2: Piloting new careers services

<table>
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<tr>
<th>What we tried</th>
<th>Results</th>
<th>Next steps</th>
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<tbody>
<tr>
<td>Mentoring service for student members who’d like careers support and guidance from other CIPD members (supported by training and coaching from the CIPD).</td>
<td>Mentors and mentees alike found the CIPD support useful. The majority felt they were well matched and reported that mentoring was a two-way learning process that helped them achieve their goals.</td>
<td>Extend the service to Associate and Chartered Members, improve the process based on feedback received during the pilot, and implement further training for mentors and mentees.</td>
</tr>
<tr>
<td>A series of workshops, offered to members on our career bridge register, to help members manage the next step in their career and market themselves as an HR professional with greater confidence and clarity.</td>
<td>Participants found the workshops extremely useful and many found they helped them achieve a new role, or gave them the confidence to pursue new career plans after redundancy, a career break or maternity leave.</td>
<td>Improve the format of the workshops based on participant feedback and make the service available to all members from February 2016.</td>
</tr>
<tr>
<td>A work taster service where the CIPD matches members who’d like a taste of working in an HR department with employers who have relevant work experience opportunities.</td>
<td>Initial interest was high but gaining commitment from both members and employers was difficult, usually due to work pressures.</td>
<td>This service has been put on hold while we focus our resources into the extension of the successful workshops and mentoring schemes. We may review the process and revisit in the future.</td>
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‘We’ve introduced a number of new services over the year, including enhanced careers support and improved networking opportunities.’
Support for student members

One of the key objectives for our new membership structure was to secure a solid talent pipeline for the future of the profession, by making membership more valuable for those starting out in their HR or L&D careers. As well as reducing the cost of entry for student members, we introduced new services including conferences tailored to students’ needs and a monthly e-newsletter, Student Update, to highlight our most relevant research, insights and online resources for students. In the past year alone, we welcomed 14,501 new student members (16.7% more than last year).

Continuing professional development (CPD)

Continuing professional development is a fundamental part of what it means to be a professional member of the CIPD and an integral pillar of our Code of Professional Conduct. My CPD Map is an interactive diagnostic tool that helps members plan their development and navigate the range of ways in which we can help them build their skills and keep up to date with the latest insights on their profession. More than 14,000 members have already used the tool since its launch in January 2015.

A range of 15 different CIPD qualifications help provide individuals with the expert knowledge outlined in the CIPD Profession Map. They span three levels – foundation, intermediate and advanced – and are taught at 265 approved universities, colleges and private training providers in the UK, Europe, the Middle East and Asia.

There’s a range of full- and part-time courses and flexible study options that enable individuals to learn at their own pace and gain credit for their achievements. For example, we’ve recently joined forces with Home

Figure 3: Tools and resources to support CPD

<table>
<thead>
<tr>
<th>15 qualifications</th>
<th>265 study centres</th>
<th>48 practical tools and guides</th>
<th>120 short courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>100s employment law FAQs</td>
<td>200 research and survey reports</td>
<td>141 factsheets</td>
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Learning College to offer a new series of intermediate-level learning and development (L&D) qualifications – the first ever to be delivered entirely online. The first cohort sold out quickly and demand for the next cohort is already exceeding expectations. Find out more at cipd.co.uk/qualifications

Our own training delivery arm, CIPD Training, offers all 15 CIPD qualifications plus a further 12 qualifications and development programmes from other awarding bodies, and more than 120 short courses on specialist subjects. New courses introduced in the past year include an HR Analytics Webinar series, an Advanced Award in Global Mobility, an Introduction to Mindfulness at Work, and a series of one-day master classes in Ireland focused on recruiting and developing talent.

We’ve also worked with the Charity Learning Consortium to launch the CIPD’s first ever MOOC (massive open online course) – an open and free resource where members and non-members alike can learn how to apply new developments in social media to their HR and L&D practices. For more information, visit cipd.co.uk/training

According to our membership survey, some of the most valuable CPD resources we offer are the how-to guides, factsheets and research reports found on our website (see Figure 3). This year we streamlined the content on our website to make it easier to find the most relevant and up-to-date information and introduced a new searchable archive for members, which contains more than 800 documents dating back to 1999. Our monthly members’ magazine People Management also remains a highly valued resource and CIPD Fellows rate our quarterly business journal Work. as credible and relevant to their needs.

**Building the best HR teams around the world**

As well as being a career partner for individual HR and L&D practitioners, more and more employers turn to us each year for help in building capability across their entire HR teams. In the past year alone we’ve worked with more than 240 organisations around the world to benchmark their skills, diagnose areas for development, build capability and recognise their teams’ success with professional accreditation.

For example, the International Air Transport Association (IATA) – which represents 240 of the world’s airlines and has offices in 53 countries based in cities such as Amman, Beijing, Madrid, Miami and Singapore – turned to us to audit its HR team’s capacity to truly support the strategic needs of the business. We assessed existing HR skills and capabilities, at both individual and team level, and provided recommendations for development plans to support the team’s evolution.

To meet growing demand from employers, we launched a new HR Diagnostic Service in 2015. One element of this service is our HR Diagnostic Tool (HRDT), an online 360 questionnaire tailored for each individual taking part. It allows HR functions to assess the capability of their teams against the CIPD Profession Map, identify strengths and areas for development and – along with other diagnostic approaches such as business interviews and focus groups – ‘deep dive’ into the perceptions of HR against a range of standards which determine what great HR practice looks like. Siemens, Veolia and global engineering firm GKN were among the first organisations to benefit from this new approach.
Many of the organisations we work with have encouraged their entire HR teams to undergo our Experience Assessment route to membership: we welcomed more than 400 new members via this route this year, including 18 HR practitioners from the UK’s tax and customs office (see box above).

Other employers come to us with specific challenges to solve. For example, we’ve worked with HR teams and line managers at organisations such as the World Health Organization to help transform their approach to performance management and appraisal, and build capability amongst line managers to reduce the reliance on HR. Find out more at cipd.co.uk/employersolutions

Networking and events

Members responding to our satisfaction survey told us they value the opportunity to learn from their peers and keep up to date with the latest thinking in the profession through our online Communities and at the hundreds of face-to-face events we host and speak at each year (see Figure 4). In fact, our specialist conferences are popular with members and non-members alike.

Our revamped Performance Management Conference in December 2014, which examined alternatives to the annual performance appraisal, was particularly popular – reflecting the growing trend for organisations to scrap their annual appraisal cycle. And our HR in SMEs Conference sold out for the second year running. In June 2015 we held our first ever conference dedicated to HR in international organisations and we scheduled two new conferences on resilience and the science of human behaviour for the latter part of 2015.

We’ve also launched new networking opportunities exclusively for CIPD Chartered Fellows and expanded some of our existing networks, including the Leaders in Learning network and the HR for HR network. In June 2015 we partnered with Benchmark for Business to run two new events for members of these networks called ‘Transforming by doing – lessons for leaders’. Our next financial year will see the launch of special interest groups to facilitate online networking and knowledge-sharing amongst professionals in specialist fields of HR and L&D.

More than 11,000 people attended CIPD conferences and exhibitions throughout the past year, including the Annual Conference & Exhibition in Manchester and the annual L&D Show in London. In addition, our branch

HMRC, the UK’s tax and customs office, is undergoing a significant period of organisational change and the professional development of its HR team is critical to its success. The CIPD has been supporting the team’s development with qualifications, tailored development programmes and master classes, and we’ve guided a total of 46 HR practitioners through the Experience Assessment route to professional membership over the past two years.

William Hague Chartered FCIPD, chief people officer at HMRC, commented: ‘The breadth and depth of HR expertise and experience of my team needed to be acknowledged in a way which would further enhance their credibility and, more importantly, progress their professional development. The CIPD’s Experience Assessment route encouraged my teams to look at their achievements through the lens of the business benefit of their work and will be a powerful stimulant to their future growth as professionals. Working together has strengthened our relationship and we are already preparing the next cohort.’

Supporting careers in HR and L&D

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volunteers throughout the UK and Ireland hosted 2,000 networking and learning events, providing members with opportunities in their local areas to keep up to date on topics including employment law, HR leadership, neuroscience and organisational learning. Our branches tap into a wide range of different speakers, including the CIPD’s own research advisers, as well as hosting special interest networks to facilitate knowledge- and idea-sharing.

In addition to CIPD-hosted events, the CIPD leadership team and subject matter experts also travel the world to share knowledge and insights at a wide range of other events. In the past year alone our chief executive presented at more than 100 events across the UK, Ireland, Europe, Australia, the Middle East and Asia – and other spokespeople for the organisation doubled the total number of CIPD appearances to more than 200. Examples include the first ever HR conference for the Irish Health Services and the Australian HR Institute’s National Convention. Find out more at cipd.co.uk/networking-events

**Figure 4: CIPD networking opportunities**

- **More than 2,000** networking and learning events hosted by branches across the UK and Ireland
- **Facebook page fans:** 15,892 (up from 12,000)
- **@CIPD Twitter followers:** 67,962 (up from 48,000)
- **LinkedIn members group:** 37,980 (up from 29,000)
- **LinkedIn company page:** 62,031 (up from 39,000)
- **More than 11,000** attended CIPD conferences and exhibitions
- **We presented at well over 200 events** across the UK, Ireland, Europe, Australia, the Middle East and Asia (including more than 100 appearances by Peter Cheese)
Extending our reach
We know that HR and people development has a crucial and unique role to play in championing better work and working lives, and our growing membership of HR professionals around the world stands us in good stead to fulfil that purpose. But to sustain our commitment to improving practices in people and organisation development around the world, we must continue to attract new talent into HR and L&D, as well as extending our reach beyond our core membership and beyond geographic boundaries.

**Promoting HR as a career**
As well as being a career partner for our members (see page 8), we play a crucial role in promoting HR as a career and attracting new talent into the profession. The ‘HR World’ we launched in Plotr in 2014 has proved to be one of the online career platform’s most popular ‘worlds’ over the past year, and at careers fairs up and down the UK we’ve connected with more than 400 students who previously knew very little about HR.

To extend our reach further we’ve forged relationships with careers advisers and teachers who can spread the word about the role of HR in business. Through a series of roadshows run by Plotr, we’ve given advice to careers advisers on how best to engage with employers, and we’ve engaged directly with at least 120 careers advisers and teachers, and contacted hundreds more with targeted mailings. Learn more at cipd.co.uk/careers

**Extending the scope of our research**
We have a long history of partnering with academics from various disciplines to produce research that expands our knowledge and understanding of the world of work. These academics play an important role in keeping us abreast of the latest trends and emergent theories in their respective fields. In November 2014 we brought all of those academics together in one place at our first ever academic symposium, and will follow this up with an annual academic conference starting in December 2015. By convening sociologists, economists, philosophers and academics of many other disciplines to share ideas and work together, we’re dissolving some of the silos that can exist in the world of academia and encouraging more interdisciplinary research that could have a real impact on work and working lives.

As an active member of the GSC20 (Global Studies Committee 20), a new committee created by the World Federation of People Management (WFPM) to combine the research capabilities of the world’s 20 largest national HR associations, we’re also playing our part in ensuring HR professionals all around the world benefit from research that is truly international.

Commenting on the CIPD’s internationalisation strategy, Alan Ovens, CIPD Director of International, comments:

“In a world where the supply and demand of skills differs from country to country, businesses and governments will increasingly rely on strong HR capabilities to help them compete and grow. Increased collaborations across borders will be critical to developing and accrediting the consistent individual and team HR capabilities needed to deliver in this international context.”
Dedicated CIPD research advisers in the Middle East and Asia will also see us produce more ‘in-market, for-market’ research in those regions in the coming years, including an in-depth report on the future of talent in Singapore.

**Developing HR capability around the world**

Our role in setting standards and improving capabilities in HR and L&D has been well established in the UK and Ireland for many decades. In more recent years, as the HR profession has become more international, so has our reach and influence. Not only do we have members in all corners of the world, but many of our members have responsibility for HR beyond their home country.

Particular demand for our content, qualifications, membership and employer solutions continues to come from the Middle East and Asia, where governments recognise the vital role HR has to play in building their knowledge economies. We’ve increased our presence on the ground in both regions significantly over the past year and as of October 2015 we’re offering tailored content in the form of quarterly Middle East and Asia editions of *People Management* magazine, as well as producing more region-specific research.

**CIPD Asia**

Early in 2015 we conducted research amongst HR professionals in Asia to get a deeper understanding of their priorities, the opportunities and challenges they face in their roles, and what they look for in a professional body like the CIPD. The majority of respondents told us they feel that membership of a professional body is important and the research highlighted strong demand for more networking opportunities in the region, region-specific research and further collaboration with regional governments to address difficulties with talent attraction and retention.

**Senior/medium-level HR appointments in Asia**

When making senior/medium-level HR appointments, organisations in Asia mandate that successful candidates are professionally qualified

Our new office in Singapore is a hub for our growing community of members across Asia to network, as well as a base from which the CIPD Asia team can serve the needs of local members and employers. Two events to mark the opening of the office attracted nearly 100 visitors, including senior government representatives, HR leaders and HR practitioners from a range of local organisations.

**Extending our reach**

Singapore’s Public Service Division (the government agency responsible for HR, leadership and development within Singapore’s public sector) has partnered with the CIPD to benchmark the capabilities of its entire HR team against the CIPD’s international standards.

Karen Blal, Regional Director for CIPD Asia, comments: ‘It’s an honour to be working with an organisation that’s focused on being a progressive and fair employer and recognises that effective HR is about so much more than that. PSD knows HR can play a crucial role as active agents of change in building a first-class public service.’
employers and multinational organisations. We’ve spoken at and sponsored a number of important HR events in the region already, including the SPIRE HR Summit in Singapore, and an event in Kuala Lumpur hosted by the International Federation of Training and Development Organisations (IFTDO). And over the coming year we’ll be hosting a calendar of events and networking opportunities in the region.

The CIPD Asia team has continued to work directly with a number of employers in the region to assess, develop and recognise their HR capabilities. Examples include Total Oil in Indonesia, telecoms provider Ooredoo in Myanmar and the Ministry of Health Holdings in Singapore. A new partnership with Singapore’s Public Service Division (PSD) will also see us play a crucial role in raising HR capability across the region (see box on page 16).

In addition, a number of productive partnerships and collaborations with other organisations, professional bodies and training providers in the region are helping us extend our reach and influence across Asia even further, in the form of collaborative research projects and the provision of locally tailored CIPD training and qualifications. For example, we have ongoing partnerships with Talentcorp in Malaysia, the Human Capital Leadership Institute in Singapore and the Hong Kong Institute of Human Resource Management. Learn more at cipd.asia

CIPD Middle East

Our presence in the Middle East has been growing for a number of years, as demand for local HR capability has increased to support the region’s growing knowledge economies and nationalisation agenda. A new CIPD office in Dubai, to serve the needs of more than 2,600 members across the Middle East, is scheduled to open by the end of 2015.

In autumn 2014 we commissioned research into the current state of the HR and L&D profession across the Middle East. The data we collected paints a clear picture of what’s important to professionals working in the region – and how the CIPD can support individuals, organisations and governments to raise HR professionalism and capability across the region in the years ahead.

Respondents told us that nationalisation is the highest HR priority in the region and more than seven in ten (in all six GCC countries) endorse the view that people working within HR should be regulated by an appropriate professional body.

Over the past year, we’ve hosted five different networking and learning events for HR leaders and practitioners across the United Arab Emirates (UAE) and Qatar. This included the launch of our HR Analytics in the Middle East research, which attracted around 100 respondents to believe that HR practitioners in the region should be regulated by an appropriate professional body.

‘As the GCC states continue their diversification, creating knowledge- and innovation-led economies, we believe there is a unique opportunity for HR professionals to enable this journey and tangibly champion better work and working lives.’

Matthew Mee, Regional Director for CIPD Middle East
attendees. CIPD Chief Executive Peter Cheese also addressed some 300 HR professionals throughout the year at the Annual HRM Summit in Bahrain, the UAE’s Federal Association of HR (FAHR) International Conference, and the FAHR HR Club.

As part of our ongoing relationship with FAHR, Regional Director for CIPD Middle East Matthew Mee sits on the board of the HR Club, a network for the 10,000 HR professionals who work and live in the UAE. We’ve also been providing research and content for its monthly magazine.

In addition to building relationships with government bodies in the UAE, Bahrain, Qatar and Saudi Arabia, we’ve also worked with a number of employers over the past year to help professionalise their HR functions. Examples include the Saudi British Bank, Tawazun Holding (see box) and Senatt (one of the UAE’s largest industrial investment holding companies, mandated by the Abu Dhabi Government to create, optimise, promote and champion capital- and power-intensive assets). Learn more at cipd.ae

Beyond HR
HR’s level of influence on work and working lives can vary from non-existent in some small organisations all the way through to strategic driver of growth in some large corporations. Our Profession for the Future strategy (see page 27) will help raise credibility, influence and impact, but in the meantime we’re constantly looking for opportunities to collaborate with business leaders, line managers and other professions to extend our knowledge base as well as our sphere of influence.

A case in point is the active role we’ve played in the development of BS 76000 – a new British standard for valuing people, which is relevant for any organisation with employees, volunteers or temporary staff, whether they have an HR team or not. Our head of research and futures, Dr Wilson Wong, is chair of the British Standards Institute’s Human Capital Standards Committee, which has brought together expertise and insights from a range of employers, academics and other industry bodies such as the Chartered Institute of Management Accountants (CIMA) and the

Developing HR excellence in Abu Dhabi
Tawazun is a strategic investment firm focused on the long-term development of Abu Dhabi’s industrial manufacturing and technology capabilities. In line with the local government’s Emiratisation agenda – an initiative to provide national citizens with meaningful employment opportunities – it has been working with the CIPD since 2013 to help build a centre of HR excellence.

Our foundation-level qualifications have helped its HR team develop a common understanding of core areas of HR such as recruitment and selection, talent planning, reward and performance management. In addition, 13 HR practitioners have undergone one-to-one assessments to benchmark their skills and capabilities against the CIPD Profession Map, which has enabled them to identify opportunities for further development relevant to their individual roles.
Federation of Small Businesses. Our work to develop a set of principles for the HR profession, as part of our Profession for the Future strategy, is also being heavily informed by evidence and insights from a range of professional backgrounds, including line managers and business leaders from the UK, USA, Asia and the Middle East.

We have a number of ongoing relationships with other professional bodies such as CIMA and the BIFM (see box below). In addition, CIPD experts regularly address other professions, including civil engineers and IT specialists, at their own industry conferences and events. We’ve also increased our support for small charities and businesses who don’t have their own dedicated HR teams, and have begun gathering evidence regarding the impact HR support can have on small businesses’ productivity and growth.

To give our members and customers access to a wider range of learning opportunities, beyond our core HR and L&D programmes, we’ve collaborated with a number of new learning partners over the past year. For example, we’ve partnered with Nacro, a charity which supports organisations recruiting ex-offenders to strike a balance between safeguarding and enabling people with criminal records to have equal access to education, training and employment. Together we’ve produced a guide for employers and now offer a one-day workshop on safer recruitment and risk assessment.

Other similar collaborations include our new Certificate in NeuroLeadership, in partnership with the NeuroLeadership Institute, and The Resilience Programme, in partnership with Bray Leino Learning.

The Workplace Conversation
From February to May 2015, the CIPD and the BIFM (the British Institute for Facilities Management) invited business leaders to discuss the changing nature of workplace environments. The Workplace Conversation was a staged online conversation, designed to harness ideas and connections between professionals by asking questions such as: how and where do we work well? What do HR, facilities management and other professions need to do to make sure our workplaces improve the quality of our work and working lives? Nearly 300 people took part, generating more than 100 ideas.
Championing better work and working lives
Championing better work and working lives

By advancing knowledge and understanding about people management and development, we’re helping to ensure work creates value for individuals, businesses, economies and society.

Our purpose is to champion better work and working lives, for the benefit of individuals, businesses, economies and societies. In other words, we’re committed to finding the sweet spot between the construct of work itself and people’s experience at work (their working lives), because we believe that good people management and development is not only good for individuals, but it’s also crucial to the success of businesses and economies, which in turn can benefit people and society.

Our pragmatic approach to workplace issues, backed up with evidence from our independent research, makes us a valuable source of insight for media and policy-makers, particularly in the UK and Europe (see box below). And as we continue to increase our presence and relevance internationally (see page 15), we’re also building productive relationships with governments in the Middle East and Asia, where the opportunity to champion better work and working lives couldn’t be greater.

Giving HR a voice in Westminster

During the last year we’ve continued to develop strong relationships with key stakeholders both inside government and across the political spectrum. As part of this work we’ve hosted a variety of events throughout the UK, bringing together government ministers with HR professionals and business leaders.

A particular highlight was our work with former Business Secretary Vince Cable on human capital reporting (see page 24). Another example was a joint CIPD and Department for Business roundtable on apprenticeships reform at Number 11 Downing Street, which was attended by Secretary of State for Education Nicky Morgan. In addition, Employment and Equalities Minister Jo Swinson launched our report Gender Diversity in the Boardroom and we held other events during the year with Welfare Reform Minister Lord Freud on the subject of Universal Credit.

Rachel Suff joined the CIPD in July 2014 as Employment Relations Adviser Europe to help ensure the voice of HR is represented in European policy debates:

‘By sharing platforms with EU policy-makers on issues such as improving employment prospects for young people, we’ve been promoting the role that HR professionals can play in implementing good employment practice. We’ve also responded to consultations on issues such as working time regulations and pensions, as well as contributing to the work of the European Economic and Social Committee on the integration of creativity and entrepreneurship into education and training.

‘We’ve forged relationships with MEPs involved in the European Parliament’s employment and social affairs and gender equality committees, as well as key decision-makers in the European Commission. And a new series of EU briefings that apply CIPD research to an EU policy context is helping us raise the profile of HR and the CIPD in Brussels by encouraging informed debate around key employment issues.’
We submitted evidence to a range of government consultations throughout the year, including an Education Select Committee enquiry into traineeships and apprenticeships, which resulted in the Government redefining the meaning of apprenticeships. We also fed into a high-level debate hosted by Vince Cable on how to build more sustainable corporate cultures, highlighting the key role for HR.

In the run-up to the UK’s general election, our key messages for the political parties were set out in an updated version of our Manifesto for Work, summarising our policy positions and calls for action. Find out more and sign up for regular updates at cipd.co.uk/publicpolicy

‘Scotland’s Skilled Future’
In Scotland, 2014 was the year of the referendum. We developed a compelling but neutral narrative around the role that skills will play in Scotland’s future, which enabled us to provide independent commentary through presentations, news articles and blog posts on all aspects of employment and the labour market, from preschool to pension age and beyond.

Throughout the year, we also built a number of key partnerships and hosted joint events with government agencies, such as the Partnership for Continuing Employment and various Scottish Innovation Boards. For more information, visit cipd.co.uk/scotland

Figure 5: Our model for the future of HR

For more information, visit cipd.co.uk/research
Research and thought leadership

Our research over the past year was broadly aligned with the four key elements of our model for the future of HR (see Figure 5).

Insight on the changing context

Our regular Labour Market Outlook and Employee Outlook surveys provide a reliable temperature check on key trends within the UK workforce, including the impact of EU migration. And in 2015 we published new analysis of employment regulation in OECD countries, exploring the extent to which employment rights frameworks throughout the OECD provide the right balance in providing flexibility for employers and job and economic security for individuals.

Our research this year has also explored in depth a number of issues which are topical in many parts of the world, including age diversity, youth employment and gender diversity in the boardroom.

On the issue of age diversity, we collaborated with the International Longevity Centre to explore the impact of the ageing workforce on different industry sectors. Our joint report, Avoiding the Demographic Crunch, urged employers to consider the benefits of taking proactive steps to mitigate the risks and reap the benefits of an age-diverse workforce. A separate CIPD report, Managing an Age-diverse Workforce: What employers need to know, included insights from HMRC, McDonald’s and Santander to help employers avoid intergenerational conflict and nurture more productive workforces.

Although youth employment in the UK has improved significantly over the past year, young people all over the world face inherent disadvantages and prejudices when accessing the labour market. That’s why raising employer awareness about the importance of investing in young workers remains an important priority. We continue to produce research and guidance for employers on apprenticeships and other routes into work, as well as careers guidance for young people and their parents. For example, The Match Factor: Good practice in apprenticeship recruitment examined the underlying causes of mismatches in supply and demand for apprenticeships and included recommendations for employers on how to overcome unhelpful misperceptions about young people.

Next year we’ll be extending our work on employability to cover other groups who find themselves at a disadvantage in the labour market, including women returning to work, ex-offenders and ex-service personnel.

Our insights made the headlines an average of ten times per day last year – that’s more than 3,600 appearances in media outlets, ranging from HR Magazine to BBC News and the Financial Times.

For example, our report, The Growth of EU Labour: Assessing the impact on the UK labour market, attracted extensive coverage in national newspapers and broadcast media. The findings were used extensively in the Migration Advisory Committee report on low-skilled EU migration, which has a strong impact on the UK Government’s decision-making.

To see our latest press releases visit cipd.co.uk/pressoffice

‘UK business leaders urge Cameron to be bolder.’
The Daily Telegraph
11 May 2015

‘Loyalty and tradition key factors to creating family feel at work.’
Evening Standard
4 June 2015
The science of human and organisational behaviour

Understanding human behaviour at work lies at the heart of effective HR and L&D. If employers’ strategies, policies and processes aren’t in sync with how people are ‘wired’, they’re unlikely to get the best out of them and could inadvertently encourage undesirable behaviour.

In 2013–14 we published a series of research on how insights from neuroscience could be applied to learning and development within organisations. This year we published Our Minds at Work: Developing the behavioural science of HR, which gave an overview of how other behavioural science insights could be applied to key HR issues, such as recruitment, people management, learning and development and organisational change. That was followed by another report, Show Me the Money: The behavioural science of pay and reward, which brought together different schools of thought to encourage new approaches to pay and reward and has set the stage for future research into the behavioural science of recruitment and of executive pay.

We’ve been working with the UK Government’s behavioural insights team, known as the ‘nudge unit’, to share knowledge on these themes and have already begun building new insights into our members’ continuing professional development opportunities in the form of specialist training courses and conferences (see page 12).

Commercial insights and analytics

Our work on the Valuing your Talent programme continued in 2015 with the launch of a new research report, Human Capital Reporting: Investing for sustainable growth, which confirmed that investors are keen to use human capital data in combination with other perspectives on company performance to develop a more holistic view of their investments. We hosted a panel event with the UK’s former Business Secretary Vince Cable, the chief executive of the Financial Reporting Council and the chief HR officer of Unilever to discuss the findings, and have since been working with the National Association of Pension Funds to help HR managers give better-quality information to investors.

2015 also saw our human analytics research expand to the Middle East and Asia, where we’ve conducted research in-market, for-market, on the development of human capital reporting in those regions. Evolution of HR Analytics: A Middle East perspective was launched in Dubai in April and found a huge demand for, but short supply of, HR analysts able to understand both analytical techniques and the complexity of HR.
Processes, practices and policies in HR and learning

The pace of change in the world of work means organisations and their workforces must learn to be more agile and adaptive – and this means constantly evolving our approaches to HR and learning.

Our research report *L&D: New challenges, new approaches* offers insights to encourage more organisations to align their L&D practices to future business requirements and called for L&D professionals to reassess their own roles and skillsets to enable this change. A subsequent report, in collaboration with Towards Maturity (*L&D: Evolving roles, enhancing skills*), explored in more depth how L&D roles and responsibilities are changing, and the skills and capabilities L&D professionals need today and in the future. As we do with much of our research, we contributed articles on this important topic in relevant media outlets, including *Training Journal* in the UK and *HQAsia* in Singapore.

Economic productivity remains high on the political agenda and we’ve contributed to the debate with a series of reports over the past year. *Productivity: Getting the best out of people* examines the ways in which businesses can raise their productivity and improve their performance, and suggests ways for governments to help them do so. Our Megatrends report *Are We Getting Better at Managing People?* highlighted the importance of good-quality management and leadership in improving employee and corporate well-being, and *HR: Getting smart about agile working* explored the benefits of new, more agile ways of working.

While smaller businesses don’t always boast the most sophisticated HR functions, their approach to people management and development is crucial to their success – and to solving the productivity puzzle. Our report *Making Maximum Impact as an HR Professional in an SME* brought together practical advice from HR professionals, business leaders and consultants across more than 20 small and medium enterprises (SMEs). A separate report provided specific guidance on recruiting and developing talented people for SME growth. Looking ahead to the next financial year, we’re partnering with JP Morgan to further explore the impact good HR can have on small business growth.
Volunteering and employability
Volunteering and social action have been hot topics on the political agenda in the UK over the last few years, with an increasing spotlight on the way in which volunteering can enhance a person’s employability and career development and help organisations meet their business objectives. Indeed, in the run-up to the 2015 General Election, the Government announced proposals for every employee of any company with 250 or more people, and everyone working in a public sector organisation, to be given the opportunity to take three days’ paid leave to volunteer each year.

The CIPD has been leading the way in championing a volunteering culture throughout the HR profession, giving individual members opportunities to volunteer through our branch network and programmes such as Steps Ahead Mentoring (see box below), as well as conducting research into employer-supported volunteering and the implications for HR and L&D professionals. We’ve launched two new research reports in this area, Volunteering to Learn and From Big Society to the Big Organisation?, and have continued to develop a number of strategic partnerships with charities, including Step Up To Serve, Team London and NCVO. Over the coming year we’ll be developing a joined-up strategy to enhance the existing range of volunteering opportunities we offer, as well as establish a suite of exciting new skills-based volunteering opportunities for members.

Steps Ahead Mentoring
Our Steps Ahead Mentoring programme matches CIPD members with young jobseekers for one-to-one mentoring sessions to help them improve their employability skills, boost their confidence and find work. To date, we’ve matched more than 2,800 volunteers with more than 2,700 mentees.

Building on our success with young jobseekers, in April 2015 we started trialling the programme with jobseekers over the age of 50 and women returning to work after maternity leave or career breaks. The pilots each involve around 30 mentors and mentees and the results so far have been very positive. We hope to roll out Steps Ahead support to these groups more widely in the coming months. For more information, visit cipd.co.uk/stepsahead
Profession for the Future

Ensuring we continue to champion better work and working lives as the world of work evolves.

Our Profession for the Future strategy got into full swing this year 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 – for the benefit of individuals, businesses, economies and society.

We know that improving practices in people and organisation development will be central to ensuring that work creates sustainable and shared value for everyone. But, the rapidly changing world of work means so-called ‘best practice’ is increasingly irrelevant in many contexts and HR too often lacks the influence and credibility it needs to fulfil its potential.

So our work begins 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 better decisions and advise business leaders 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 prescribing a specific course of action. And applying them in practice will take real professional judgement backed up with 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.

As our work progresses, we’re sharing our thinking and insights at cipd.co.uk/pff as well as asking for input from members and others to help shape our strategy.

Laura Harrison, director of people and strategy at the CIPD, said:

‘We often hear that HR needs to be more business savvy. That’s as true for HR as it is for any other business function and we mustn’t lose sight of that. But the sad fact is that businesses today are not nearly as people savvy as they should be. The HR professional of the future needs to focus on putting the human back into HR – and back into business more generally. We need to go back to our roots in human and organisation behaviour so that we can be trusted advisers on how people learn, what really motivates people and what drives their behaviours. And if we can back that knowledge up with a set of sound principles that help us to make decisions taking into account all of a business’s stakeholders, I think we’ll really be on to something.’
CIPD at work
CIPD at work

The work of a membership body like ours is extremely knowledge-intensive and our success in championing better work and working lives rides largely on the strength of our brand and reputation. So it’s no cliché to say that we couldn’t achieve all that we do at the CIPD without the continued commitment of our employees, volunteers and associates, who all share a huge sense of pride in helping to fulfil our purpose.

Where does our expertise lie?
Our employees work in a variety of roles, ranging from experts in quality assurance for our qualifications to thought leaders in workplace and labour market issues and specialists in public affairs.

As a membership body our traditional core competencies lie in setting professional standards, designing and accrediting qualifications and delivering member services. But the value of these services is inextricably linked to our knowledge capital – only by being the most trusted and respected authority on workplace issues do our services remain valuable to members.

So we are now focusing on turning our thought leadership capability into a greater core competency and have begun defining what it means to be a ‘knowledge business’ today and in the future. We’ve reviewed the skills and attributes we need to build and identified a need to improve our digital capabilities, update our approach to developing and disseminating our thought leadership content, become more customer-centric, and increase our international relevance.

Our first step was to restructure the organisation under four key directorates to facilitate the shifts we need to make in the ways we work (see overleaf). As part of this structure we introduced 42 newly defined roles, including a web content strategist, a multimedia designer, and a CPD solutions lead. Thirty-eight per cent of new positions were filled by existing employees. Fourteen roles became redundant under the new structure, but five of the people affected were able to take on new roles within the CIPD (nine individuals took redundancy).

As well as hiring in new skills, we’ve worked hard to build our digital capabilities internally. We’ve established a new digital team that brings together all our digital experts from across the business to facilitate greater knowledge-sharing and collaboration. We’ve also encouraged greater use of digital and social platforms in our day-to-day work across the organisation, which has increased both competence and confidence for many of our employees.

Newly defined roles

38% of new positions were filled by existing employees
Our core teams

**People and strategy**: Led by Laura Harrison, this directorate’s purpose is to build trust, respect and authority in the CIPD and its brands by developing a unique and differentiated voice on work, workforce and workplace issues. Laura’s teams lead organisational strategy development and align resources (people and finance) to maximise impact and return on investment. Her teams include HR, finance, research, policy and PR.

**Members and markets**: Led by Sue Upton, this directorate is responsible for driving membership growth and maximising our impact by developing and delivering segmented propositions that are relevant and valued by all our members and customers. Sue’s teams include qualifications delivery and assessment, customer services and operations, marketing, branches and regions.

**International**: Led by Alan Ovens, this directorate is focused on building a proposition that enables us to champion better work and working lives internationally and positions us as ‘first choice’ for professionalising HR in our priority markets. His teams, based in the UK, Asia and the Middle East, are focused on business and market development.

**Knowledge and capability**: Led by Gill White, this directorate creates and curates world-class content that’s accessible and relevant to all our audiences, drives business impact and growth, and boosts engagement and capability within the HR and L&D professions. Her teams include subject-matter experts as well as specialists in publishing, instructional design and event production.
Who are we?

We have a total of 365 employees across our offices in England, Scotland, Ireland and Singapore – a number which has grown steadily in recent years in line with the increasing number of members we serve (see Figure 6).

We’re also fortunate to count more than a thousand more individuals who dedicate their time to working with the CIPD. Some of these are paid associates who help deliver some of our training and consultancy services, but around 800 are volunteers who give their time freely in a variety of roles, including board trustees, governance committees (see page 39) and membership upgrade assessors. The majority of our volunteers are signed up as branch committee members throughout the UK and Ireland. They’re in the driving seat for engaging with members at a local level and are therefore important brand ambassadors. During the past year we’ve increased our support for volunteers by appointing more full-time staff in Scotland and Wales to help lead and co-ordinate local activities, and through more practical support such as improved brand guidelines and streamlined events management systems. Representatives from each branch make up the CIPD’s advisory Council, which plays an important role in the governance of the CIPD.

Our governance structure is made up of the CIPD Board and various subcommittees, shown on the chart on page 39. The subcommittees have delegated powers and report back to the Board, which meets formally five times a year and governs the strategic direction of the CIPD. In April 2015 we appointed a new Board Chair, Louise Fisher, who is focusing on collaboration and cohesion between the Board and the Executive Team, to ensure our governance is as streamlined and effective as possible. Council also elected three new Board Trustees during the year, who have brought a wide breadth of experience that we’ve been able to extend to our subcommittees.

Figure 6: Our growing team

'Around 800 volunteers give their time freely in a variety of roles.'
Diversity and inclusion

Like any business, to achieve our ambitions we need a diverse workforce with diverse skills and perspectives. This is particularly important as we continue to grow internationally. The make-up of our workforce in terms of gender, age and ethnicity today (see Figures 7, 8 and 9) broadly reflects the characteristics of our core customers: our members. But we know we are not representative enough of the south London community in which our headquarters are based, nor of our growing base of international members. And as we seek to make HR an attractive career choice for a greater diversity of people, the diversity of our own workforce will play an important part.

This is a responsibility we take seriously: we regularly review the ways in which we can make the CIPD an attractive place to work for a wide range of people and we are looking at ways to ensure that our line management capabilities reflect our commitment to diversity and inclusion. A crucial element of this will be providing our line managers with training and support in areas such as how to manage flexible working arrangements. We’ve also already taken steps to provide more opportunities for young people to work with us through apprenticeship schemes, internships and work experience placements.

*According to official statistics about the economically active population in the UK, taken from the 2011 census
How do we work?
Our work at the CIPD is driven by our four core values (see below). In January 2015 we launched a new brand identity to better reflect these values as well as our overall purpose. The concept of dialogue is the most tangible representation of our purpose, particularly in an increasingly digital world, where the role of conversations – through social and digital networks – is growing day by day. This concept comes through in our visual identity, but words are even more important, so we’ve been learning new ways to make the language we use more purposeful, agile, collaborative and expert. Find out more at cipd.co.uk/dialogue

Over the past year we’ve also been taking a closer look at our ways of working, with a focus on culture, performance and enablement. More than 70 people, from all parts of the organisation, have taken part in 90-day ‘sprint’ projects to identify and implement the changes we need to make to our culture and ways of working in order to meet our strategic objectives. The collaborative and cross-functional nature of these sprints has already led to positive changes in the ways we work and provided valuable learning and development opportunities for those involved.

Our PACE values

PURPOsEFUL
We have clear goals, we don’t sit on the fence and we finish what we start.

Agile
We’re responsive and we think on our feet.

collaborative
We’re united and know we’re better together.

EXPERT
We know our stuff and we have a point of view.

*According to official statistics about the economically active population in the UK and London, taken from the 2011 census
Putting our customers first

To help us become more customer-centric in everything we do, we’ve gathered insights from all of our customer-facing employees, as well as from customers themselves, to identify a series of ‘personas’ that represent our core customer groups. A number of staff engagement initiatives throughout the year have focused on everyone getting to know these personas, and this improved knowledge of our customers is helping us ensure that our products and services better meet the varying needs of different groups. We’ve also continued to invest in new systems, technology and processes to improve our customers’ experience of interacting and doing business with us.

A culture of learning

While our financial investment in staff development is relatively low (less than 1% of payroll is spent on training), there is a strong learning culture in the organisation and we provide a wide range of opportunities for people to learn, develop and progress their careers, including mentoring and coaching, an online virtual learning environment and regular ‘discovery hours’. We currently have four apprentices who are combining classroom-based learning with on-the-job training, and during the past year eight individuals took advantage of secondments to gain new skills and experiences. Nearly 100 people paired up in our internal mentoring scheme last year and we formally recognised 29 people’s development and career progression with internal promotions.

In May we celebrated ‘Learning at Work’ week with a programme of informal and interactive 30-minute learning sessions designed to raise awareness of the opportunities and resources available, encourage staff to take ownership of their personal development, help individuals build essential skills for their role and career progression, demonstrate how learning can be incorporated into your everyday work and help people connect with and learn from their peers.

Flexible working

Flexible working is an important part of our culture for many of our employees, enabling them to successfully balance the demands of their role with their commitments outside of work. Twenty-one per cent of our employees work part-time, two employees take part in job-shares and many more work flexible hours in agreement with their line managers. Four members of staff are officially homeworkers and many more work from home on a regular basis. All of our employees have the right to request flexible working patterns and for the most part we are able to accommodate those requests. Going forward we are looking at ways to ensure that flexible working is a viable option for as many people as possible and becomes a more normal part of the way we operate.

What makes us a great place to work?

A healthy, happy and engaged workforce is an important indicator of our success as an organisation and a sign that our Investors in People (IIP) Gold status is well deserved.

Employee engagement

This year more than 30 employees, eight branch volunteers and five of our associates took part in open and honest interviews with IIP assessors about what it’s like to work with the CIPD. The thorough assessment not only meant we could continue proudly wearing our Gold badge, but, combined with insights from employee surveys and ‘stay interviews’, it told us that people are proud to work with us, love our working environment, feel a strong alignment with our purpose, vision and priorities, are highly engaged with both their
specific job and the CIPD as a whole, and find their colleagues at the CIPD collaborative and supportive to work with. Although we recognise that employee surveys can only provide a crude measure of engagement, we were pleased to see that more than 70% of employees took part in the Best Companies survey this year. Our index score grew from 650 to 676.1, meaning we moved up from the 99th to the 69th best company to work for in our sector (from ‘one to watch’ to ‘very good’). Our overall score was boosted in particular by high scores in the areas of line management skills and leadership role-modelling, reward and recognition, and L&D – all of which were areas we invested in following feedback from the previous year’s survey.

100 best not-for-profit organisations

63 Stockport Homes
64 Benenden
65 Two Rivers Housing
66 Axiom Housing Association
67 Northwards Housing
68 Centro
69 CIPD
70 NCFE
71 YPO
72 Golden Gates Housing Trust
73 Groundwork West Midlands
74 National Housing Federation
75 Rainbow Trust Children’s Charity

Up from 99 in 2014
Health and well-being

The physical and mental health and well-being of our staff is imperative – not only because it affects our productivity and ability to succeed, but also because we care about our employees. It’s a vital component of our mission to champion better work and working lives.

Our regular health and well-being days at our head office promote the variety of ways in which our employees can stay fit and healthy and the range of benefits we offer to our workforce.

Our strong well-being culture means that when we see our absence levels decreasing over time, and tracking comfortably below the national average for the UK (see Figures 10 and 11), we are assured that this trend is not likely to be masking a culture of presenteeism.

A closer look at the causes of absence shows an increase in the number of days lost due to stress or psychological illness in recent years and an increase in the number of people reporting this as the reason for their absence.

The sharp increase in the number of days lost over the past year compared with the slight decrease in people reporting stress as the reason for their absence was due to the figures being skewed by a small number of people absent from work for a long period of time.
Over the past year we’ve increased our focus on mental well-being by inviting the charity Mind to provide our staff with ‘mental health first aider’ training and by taking part in ‘Time to Talk Day’, to encourage more open and honest conversations between colleagues about mental ill-health. We hope this means that the increase in people reporting stress and psychological illness as reasons for absence reflects greater confidence in reporting these issues, as opposed to a decline in the mental health of our workforce, but we’ll continue to monitor the situation and look at ways to continually improve our culture to promote mental well-being.

Two per cent of our employees report that they have a registered disability, but we know that many more of our employees and prospective employees could be living with a range of unreported medical conditions or disabilities and we want to ensure that these circumstances do not unduly affect their opportunities at work. As such we are members of the Business Disability Forum, which gives our employees and line managers access to specialist guidance on disability issues, and we make adjustments to working environments and patterns where needed.

Pay and reward

While pay is not usually the main motivator for people working for a not-for-profit organisation like ours, we want to reward people fairly for the work they do and our total benefits package must enable us to attract the skills we need to succeed.

We assess and reward the performance of our employees in a variety of ways. All employees are eligible for annual bonuses reflecting their individual performance as well as overall organisational performance, and during the last financial year we awarded 185 people with additional bonuses as part of our STARS scheme. These payments provide more immediate recognition and reward to those who go above and beyond the requirements of their role and are equivalent to one, two or five days’ pay.

We are a Living Wage Employer and our salaries are benchmarked against the sectors in which we compete for recruitment purposes. Our chief executive’s salary remains unchanged from previous years at £250,000 and the average CIPD salary is £32,630 which gives a ratio of 7.6:1. We think this is a healthy ratio considering the demands and high-profile nature of the role and the ambitious agenda with which our chief executive is tasked.

On average (based on median salaries), women at the CIPD earn 2.5% more than men. But it’s important to note that this figure is skewed by the fact that we employ more women than men and a look at mean salaries suggests that women in fact earn 11.7% less than men.

In line with our wider commitment to diversity and inclusion, we will continue to monitor pay to ensure that there is no unconscious or conscious bias towards either gender.
CIPD Board

Barry Hoffman
Anne Sharp
Yetunde Hofmann

Ian Icteton
Honorary Treasurer

Dr Gill Rider CB
President

Louise Fisher
Chair of the Board

Peter Cheese, CEO

Anna Kyprianou
Vice President, Membership and
Professional Development

Neil Morrison

Frank Douglas

Tanith Dodge

Alan Price

For more information on the board members visit cipd.co.uk
CIPD governance structure
Financial review
Financial review

Key financial highlights include:

- growth in revenue of £1.5 million\(^1\)
- £1.4 million gain on our investment portfolio
- £2.3 million invested in strategic development projects through designated funds
- a decrease in total reserves of £2.5 million, after allowing for a £1.9 million FRS17 negative adjustment.

Total revenue for the year grew by 3%, excluding prior years’ income from discontinued activities. We have been encouraged by a growth in members to 139,872, which has led to an 8% increase in revenue from subscriptions. The main driver for membership growth was new student joiners, but encouraging positive progress was also made on the delivery of Experience Assessment routes into membership.

The financial performance of CIPD Enterprises, which includes our training arm and conferences business, overall was on a par with last year. We experienced exceptional growth in our exhibition sales this year, with a 13% increase year on year. We also introduced some innovative new conferences aimed particularly at an international HR audience. Our e-learning portfolio has gone from strength to strength, with our new digital learning design programme proving very successful. Our publishing and journals business had more of a challenging year, and we are responding with various initiatives. We continue to build our B2B capabilities and in particular have invested for future international growth in that area; we have increased our presence on the ground in Singapore and have been making plans for the opening of a Dubai office in late 2015.

This year, we’ve embarked on three new projects with funding from external parties. The largest of these is our HR support programme for SMEs – ‘People Skills’ – which has got off to an exciting start.

Costs overall have increased by 11%. This increase has partly arisen from a review into our ways of working, which has involved some realignment of teams to better enable us to deliver on our priorities and has resulted in some additional restructuring costs this year. Our investment in our international business has also resulted in some additional costs this year, but we are confident that our new structure and capabilities will provide us with a strong foundation for growth.

We also continue to invest for the future. Our projects to enhance our digital capacity via replacement of membership, finance and qualifications systems were completed this year. Further significant investment is anticipated over the next few years covering areas such as customer relationship management (CRM), website and e-commerce. We began extensive work on our Profession for the Future strategy this year, which is starting with a two- to three-year programme of work to ensure that we are fit to continue delivering on our purpose as the world of work evolves.

\(^1\)Excluding prior years’ discontinued activities.
We are in the fortunate position of having accumulated a healthy reserve, and over the coming years we plan to use some of these funds to ensure that we continue as a sustainable and relevant organisation, better able to support our members and to continue in the pursuit of our charitable purpose. Our digital projects and Profession for the Future strategy will be critical in achieving this ambition.

**Pension deficit**

The FRS17 valuation of the CIPD’s defined benefit pension scheme at 30 June 2015 showed an increase in the funding deficit from £11.2 million to £12.5 million. This is a reflection of a fall in the discount rate used to calculate the present value of fund liabilities from 4.4% to 4.0% and does not involve an outflow of cash.

We closed the scheme to new entrants in January 2010, and to all new benefit accruals in September 2012. During the year we paid a special contribution of £0.6 million into the scheme in accordance with the recovery plan agreed with the pension scheme trustees. A triennial revaluation of the scheme was completed in March 2015 and showed that the funding level has improved from 78% to 85% since the previous valuation. Following the revaluation, a new recovery plan was agreed with the trustees, starting with a £2 million payment in September 2015 and subsequent annual contributions of £646,000 until 2021. The funding level would have been even healthier if not for the fall in bond yields over the last three years, which has the effect of increasing the valuation of pension liabilities.

**Investments**

Our investment strategy is to achieve long-term growth without taking any undue risk. The market value of the investment assets held at the year-end was £24.9 million compared with £23.3 million at 30 June 2014. This includes an upward movement in our two Wimbledon-based investment properties of £0.3 million.

During the financial year our investment portfolio returned +5%, which was below the target blended benchmark of +8%. Both global and UK equity markets have had a fairly turbulent year, with reverberations from events such as the Greek debt crisis overshadowing a market-friendly UK election.

Our portfolio is well diversified across asset classes and this continues to provide a buffer against the market volatility of recent years. The portfolio’s risk profile is continually monitored and is well within its target range.

**Reserves and funds**

Our investment portfolio, together with our properties in Wimbledon, provides a secure foundation for the reserves and enables continued investment in the future of the profession as well as providing us with significant security in the event of a future economic downturn. We follow a policy of aiming to keep sufficient realisable reserves to absorb the impact of a significant financial shock.

The calculated surplus arising under this policy, being the realisable reserves less the cash impact of a pessimistic financial scenario, was £10.0 million as at 30 June 2015; the estimated cash impact represents approximately 11 months of our fixed costs.

We also keep reserves as designated funds which are set aside for specific purposes in the near future. The designated funds are explained in more detail in the full financial statements and totalled £2.3 million at the end of the year.
### Summarised statement of financial activities for the year ended 30 June 2015

#### Incoming resources

**Incoming resources from generated funds**
- From continuing operations:
  - Commercial income: £17,361,000 in 2015, £15,089,000 in 2014
  - Investment income: £283,000 in 2015, £166,000 in 2014
- From discontinued operations:
  - Commercial income: £- in 2015, £6,085,000 in 2014

**Incoming resources from charitable activities**
- Membership services and education: £22,878,000 in 2015, £23,196,000 in 2014
- Research, innovation and dissemination of expertise: £250,000 in 2015, £689,000 in 2014
- Branches: £453,000 in 2015, £624,000 in 2014

Total incoming resources: £41,225,000 in 2015, £45,849,000 in 2014

#### Resources expended

**Costs of generating funds**
- From continuing operations:
  - Commercial expenditure: (£17,341,000 in 2015, (£14,879,000 in 2014
  - Investment management costs: (£46,000 in 2015, (£58,000 in 2014
- From discontinued operations:
  - Commercial expenditure: (£- in 2015, (£5,655,000 in 2014

**Charitable activities**
- Membership services and education: (£17,277,000 in 2015, (£15,244,000 in 2014
- Research, innovation and dissemination of expertise: (£5,976,000 in 2015, (£5,520,000 in 2014
- Branches: (£2,412,000 in 2015, (£2,746,000 in 2014

**Governance costs**
- (£97,000 in 2015, (£141,000 in 2014

**Other costs**
- (£- in 2015, (£173,000 in 2014

Total resources expended: (£43,149,000 in 2015, (£44,416,000 in 2014

#### Net (outgoing)/incoming resources

**before corporation tax and transfers**
- (£1,924,000 in 2015, £1,433,000 in 2014
- Corporation tax: (£- in 2015, (£100,000 in 2014

**after corporation tax and before transfers**
- (£1,924,000 in 2015, £1,333,000 in 2014
- Transfers between funds: (£- in 2015, (£- in 2014

**before other recognised gains and losses**
- (£1,924,000 in 2015, £1,333,000 in 2014

**Other recognised gains and losses**
- Net gains on investment assets: £1,393,000 in 2015, £2,122,000 in 2014
- Actuarial losses on pension scheme: (£1,904,000 in 2015, (£3,505,000 in 2014
- Foreign exchange movement: (£47,000 in 2015, (£43,000 in 2014

**Net movement in funds**
- (£2,482,000 in 2015, (£93,000 in 2014
- Net fund balances brought forward: £24,485,000 in 2015, £24,578,000 in 2014

**Net fund balances carried forward**
- £22,003,000 in 2015, £24,485,000 in 2014
Summarised balance sheet at 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>12,027</td>
<td>11,912</td>
</tr>
<tr>
<td>Investments</td>
<td>24,875</td>
<td>23,324</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36,902</td>
<td>35,236</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>79</td>
<td>238</td>
</tr>
<tr>
<td>Debtors</td>
<td>4,740</td>
<td>4,779</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>6,826</td>
<td>7,992</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>(2,374)</td>
<td>411</td>
</tr>
<tr>
<td><strong>Net assets excluding pension liability</strong></td>
<td>34,528</td>
<td>35,647</td>
</tr>
<tr>
<td>Defined benefit pension scheme liability</td>
<td>(12,525)</td>
<td>(11,162)</td>
</tr>
<tr>
<td><strong>Net assets including pension liability</strong></td>
<td>22,003</td>
<td>24,485</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>32,127</td>
<td>33,587</td>
</tr>
<tr>
<td>Pension liability</td>
<td>(12,525)</td>
<td>(11,162)</td>
</tr>
<tr>
<td><strong>Net general funds</strong></td>
<td>19,602</td>
<td>22,425</td>
</tr>
<tr>
<td>Designated funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building fund</td>
<td>610</td>
<td>610</td>
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<tr>
<td>Information technology fund</td>
<td>295</td>
<td>232</td>
</tr>
<tr>
<td>New learning fund</td>
<td>143</td>
<td>143</td>
</tr>
<tr>
<td>Research and development fund</td>
<td>469</td>
<td>255</td>
</tr>
<tr>
<td>Strategic initiatives fund</td>
<td>785</td>
<td>820</td>
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<tr>
<td><strong>Total designated funds</strong></td>
<td>2,302</td>
<td>2,060</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td>99</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>22,003</td>
<td>24,485</td>
</tr>
</tbody>
</table>
## Summarised statement of cash flows

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Net cash (outflow)/inflow from operating activities</td>
<td>(323)</td>
<td>2,644</td>
</tr>
<tr>
<td>Returns on investment</td>
<td>283</td>
<td>166</td>
</tr>
<tr>
<td>Capital expenditure and net financial investment</td>
<td>(1,126)</td>
<td>(1,537)</td>
</tr>
<tr>
<td><strong>Increase in net funds</strong></td>
<td>(1,166)</td>
<td>1,273</td>
</tr>
</tbody>
</table>

**Summarised as follows:**

<table>
<thead>
<tr>
<th>(Decrease)/increase in cash at bank</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1,166)</td>
<td>1,273</td>
</tr>
</tbody>
</table>

|                                    | (1,166) | 1,273 |
Sumarised trustees’ report

The CIPD is the professional body for HR and people development and was established to promote the art and science of the management and development of people for the public benefit. Our purpose is to champion better work and working lives by improving practices in people and organisational development for the benefit of individuals, businesses, economies and society.

The document in which this summarised report is published contains an overview of the Institute’s key activities and achievements during the year, including: how we support careers in HR and L&D, how we are extending our impact internationally and beyond our core audiences, and how our research and public policy work is helping us to champion better work and working lives.

This summarised financial statement and trustees’ report gives a synopsis of the information contained in the Institute’s Statutory Accounts that were prepared in accordance with the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ (SORP 2005) for the year ended 30 June 2015. The full report and financial statements were approved by the board of trustees on 29 September 2015, have been audited by Crowe Clark Whitehill LLP, received an unqualified audit report and will be sent to the Charity Commission.

For the full results of the group you can access our financial statements at cipd.co.uk/annualreview or you can request a hard copy from the enquiry team on +44 (0)20 8612 6210 or annualreview@cipd.co.uk