

Investors in People: An emperor with no clothes?

N. J. Higgins & G. Cohen 2006

This article evaluates the Investors in People Standard based on a critical study. It is a meta-review, evaluating evidence based on available research and analysis.

"The evidence points to the fact that the Investors in People Standard can be described as a quality standard which has questionable quality and which lacks a consistency of standard."

"IiP UK is essentially a marketing agency fronting, what amounts to, a state-funded monopoly which has major implications for the HR advisory market and which we believe was never its original intent."

Summary

The recent critical study undertaken by the International School of Human Capital Management¹ stated the following conclusions:

- Available research indicates that there is little evidence that Investors in People accreditation leads to tangible commercial benefit, and therefore the claim that it is a business improvement tool is open to question and potentially without foundation
- The Investors in People Standard is a process framework, primarily based on training despite revisions
- Organisations attempting to comply with the Standard run the risk of misdirected investment and/or potential over-investment
- The current iteration of the Investors in People Standard (10 indicators)

does not appear to have any material business case and therefore casts doubt on the degree to which it links to business performance

- It is difficult to substantiate IiP's claim that accreditation as an Investors in People organisation has any practical value for organisations
- The process of assessment raises many questions around the degree of consistency and quality in the award of Investors in People status, particularly around underlying assumptions, definitions and individual assessor interpretation
- Given the dynamic nature of organisations and people management, the 3-year assessment cycle is overly long and inappropriate
- The value of the badge is diminishing (given the limitations of the 'pass/not pass' scheme) as more organisations have obtained Investors in People status (though 'badging' still appears as a driver for involvement)
- The Standard is not a sufficiently robust vehicle for organisation development (and in fact can be misleading) though this is the prime marketing message to organisations
- In terms of medium to large employer organisations, there is a heavy bias towards the public sector
- Investors in People as a private company receives c. £5m in direct grants and aid, of which £1.8m is spent on marketing, £1.6m on staff and £0.9m on administration
- Since 1997, the organisation has been supported by £32million of public funds, though funding is not assured after 2007²
- In 2005, IiP was named as one of the top nine "most useless" quangos³.

¹ Investors in People: A critical review and evaluation of the Standard with regard to its commercial application in organisations, Higgins N J & Cohen G, International School of HCM, 2006.

² Source: Investors in People UK annual reports

³ Source: Essential Guide to British Quangos 2005, reported in Personnel Today, 11 February 2005

Investors in People UK – the organisation

Investors in People UK is a non-departmental public body that receives in excess of £5million annually from the Department for Education and Skills. The organisation employs 43 people and has 14 Directors and 3 Observers.

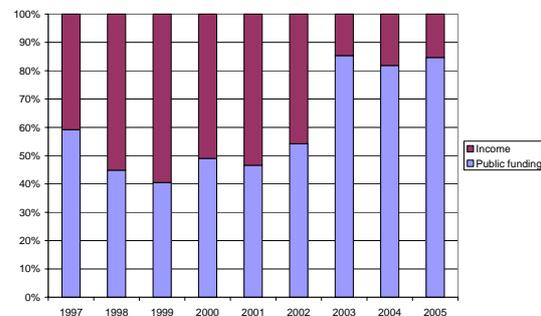
Since 1997, the organisation has been supported by £32million of public funds⁴. This is in addition to any grants and financial incentives made available to companies applying for Investor in People status, through subsidised use of the consultants who assess and work with the organisations that implement the Standard.

This in itself raises several serious issues. Given the extent of the network⁵ of IiP advisers, assessors and other associated personnel, IiP is effectively a state-funded monopoly which is distorting the HR advisory market⁶.

Further, the use of subsidised funding may be having an adverse effect on its intended design, i.e. the association that people related matters do not rank as important as finance, IT, or marketing, for example, where there are no similar Standard-type schemes.

The Investors in People UK organisation has become increasingly reliant on taxpayer funding for its survival, as the table below shows.

Investors in People UK gross annual income



⁴ Source: Investors in People UK annual reports

⁵ Over 1500 as stated in the Investors in People UK annual report 2004-5

⁶ See Investors in People – A preliminary assessment of competition effects of government subsidy, VaLUENTiS Ltd 2006

In the last three years, income from operations has sharply declined, now representing less than one fifth of the organisation's gross income.

This would suggest that the organisation is extremely reliant upon public funding, despite its proprietary status and efforts to license the Investors in People Standard internationally.

Further inspection of the latest accounts (2004-5) provides some interesting findings. Of the c. £5m received in grants and aid, £1.8m is spent on marketing, £1.6m on staff and £0.9m on administration.

This would suggest that IiP is primarily a marketing agency, rather than a standard setter.

If this is the case, then questions need to be raised regarding its remit and positioning compared to the general perception within the market-place, particularly in light of what amounts to a state-funded monopoly.

Investors in People UK delivers the Investors in People Standard and assessment through a regional network of sub-contractors who are largely independent. This structure creates certain issues around quality and consistency.

An independent observer may raise an eyebrow and ask a valid question: is the Standard there to assist employer organisations or to subsidise the large associated network of independent IiP assessors and practitioners, many of whom are 'one-man bands'?

Original intention

The original driver for the establishment of the Investors in People standard was a governmental concern that the UK lagged internationally in terms of both competitiveness, and training & development expenditure.

Following the 1985 report 'Training in Britain', the Investors in People standard was developed during 1990 by the

National Training Task Force in partnership with the Confederation of British Industry and The Trade Union Congress.

It was managed by the Department for Education and Employment (now the Department for Education and Skills), and subsequently tested by regional Training and Enterprise Councils, and Local Enterprise Councils.

Investors in People UK remit

The remit of the Investors in People UK organisation, therefore, includes promoting the IIP Standard within the UK and abroad, with the explicit target of ensuring that 45% of the UK workforce is employed by organisations with or working towards the Investors in People Standard by December 2007.

We note that this remit appears to focus on the somewhat arbitrary, input-type target, of workforce coverage. We would argue that a more output-driven target, such as productivity or performance, would be of more benefit.

A document released by the Office of the Deputy Prime Minister in 2005 put coverage of the UK workforce at 29%, implying considerable shortfall against the 2007 target.⁷

Other figures of workforce coverage, however, further complicate assessment and raise concerns.

Given the nature of Investors in People's workforce coverage target as the apparent justification for its existence, its 2005-06 business plan identified issues around the data maintained, leading to Investors in People downgrading their actual workforce coverage from 39.4% in December 2003 to 37.4% in March 2005⁸.

In addition to the issues of data quality, external analysis of the degree of take-

up of the Investors in People Standard is exaggerated by two factors:

1. Business units, directorates or even branches within the same organisation can hold Investors in People status individually, thus increasing the total number of recognitions.
 - a. For example, one NFP organisation has over **50** 'recognitions', a County Council has **11** separate recognitions, whilst a private sector organisation has **24** related to different branches/units.
 - b. As an illustration of the impact of this, data provided by Investors in People UK identifies 1,013 recognised organisations with more than 1,000 employees. Review of this for unique organisations puts the number closer to 830, i.e. 17% duplications.
 - c. Further analysis of the total 'recognitions', indicates there are c.10% duplicated organisational entries⁹ out of the total of 39,126.
2. The headline number often presented relates to "committed organisations" – i.e. those who have indicated a (non-binding) commitment to achieving the Investors in People standard within two years. This is not the same figure as "recognised organisations" – i.e. organisations holding Investors in People status. To illustrate this, 35,000 commitments were acknowledged in 1998 but only 8,825 organisations were recognised as holding Investors in People status¹⁰.

The evidence, and limited transparency around levels of take-up, in light of the Office of the Deputy Prime Minister assessment, suggests that the Investors in People organisation is struggling to

⁷ Transforming the organisation, improving performance: the local government pay and workforce strategy 2005, paragraph 79. Office of the Deputy Prime Minister

⁸ Investors in People UK 2005/06 Business Plan, FINAL, April 2005

⁹ Based on sample of 2500 organisational entries - as IIP database does not automatically register multiple entries of same organisation name

¹⁰ Source: Investors in People Annual Reports

meet its (apparently arbitrary) target; and that the different ways of counting penetration of the Investors in People Standard are intended to reduce transparency around the actual rate of its take-up.

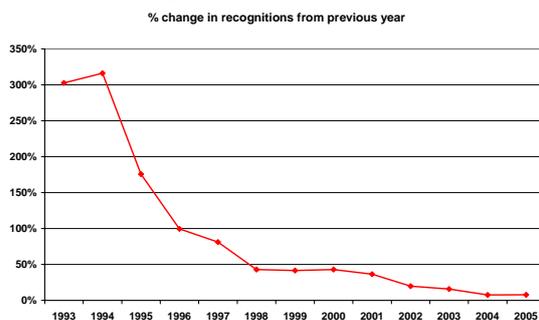
Take-up of the Standard and implications for Investors in People UK

Review of the historic levels of take-up of the Standard sheds light on the potential rationale for recent changes in the Standard and increasing efforts on the part of Investors in People UK to position it not just as a training process assessment but as a business performance tool.

Despite some initial success in promoting the Standard, 1998 marks a turning point in industry's apparent enthusiasm.

The graph below demonstrates how, from this period, the percentage change in recognitions from the previous year declined (following a steady and consistent downward trend), suggesting that the Standard effectively reached saturation within the market.¹¹

Annual change in take-up



This steady decline, representing the characteristics of a typical product 'maturity curve', is problematic for the Investors in People organisation, with the remit of ensuring that, by December 2007, 45% of the UK's workforce is employed by organisations that possess or are working towards Investors in People standard.

¹¹ Source: VaLUENTiS analysis and calculations based on data available within Investors in People UK annual reports

As further context on the implications of this decline, an independent academic study concluded that obtaining the Standard became significantly easier between 1991 and 2001¹².

In light of the decline in take-up and continued insistence on the (perhaps unrealistic) target of 45% of the UK workforce to be covered by the Investors in People Standard, a question remains as to the way forward for Investors in People UK.

Changes to the Standard

Following high levels of consistency over the first decade, since 2000 there have been several wholesale revisions and apparently unwarranted 'extension' of the initial Standard into areas unrelated to training, raising questions both around the ongoing relevance of the Standard, and, indeed, whether the Standard represents a 'standard'.

Given the three years that organisations can take between accreditation periods, it is now possible for two current Investors in People organisations to have been legitimately assessed under different 'versions' of the Standard, calling into question the uniformity of approach and devaluing the nature of any accreditation.

This sustained level of change, both to the Indicators used in assessment for the Standard, and the offering provided by Investors in People, suggests two key themes.

Firstly, whilst it might seem reasonable to review a Standard over a ten or fifteen year time-frame, the pace of activity, with two wholesale changes to the Standard itself within four years, suggests some deeper underlying issue with the validity or usefulness of the construct.

In light of the decline in take-up already identified and collapse of Investors in People UK's commercial income from 2002, this level of activity suggests a

¹² How long until we get there? A survival analysis of the Investors in People initiative 1991-2001. Fernandez, R.M., Taylor, S. and Bell, E. SKOPE Research Paper No. 56 July 2005.

reaction to market indifference in the Standard.

Secondly, the evolution of the offering has now moved significantly beyond the training and development arena.

Review of the indicators shows that the original indicators simply assessed the presence of 'best practice' approaches towards training. As an example, "Objectives are set for training and development actions at the organisation, team and individual level".

The 2000 and 2004 indicators and assessment regime have moved away from this factual approach and into the broader arena of HR management. We observe that the underlying theoretical and practical underpinning for such a change is not clear, and accordingly have concerns that the Standard is now described as providing "good practice" in broad areas of people management without any apparent evidence in support of its application in this area.

It would therefore appear that Investors in People UK have arbitrarily changed the Standard to stimulate additional demand in the marketplace.

Public sector focus, private sector indifference?

We have seen how the Standard has been revised twice within five years, apparently in an attempt by Investors in People UK to overcome market indifference and maintain some progress against its objectives of workforce coverage.

Given its close relationship with the public sector and the scales of the public sector workforce, (for example, the NHS is identified as the world's third largest employer), it is perhaps not surprising that Investors in People UK has achieved large differentials in take-up rates between public sector and private sector workforces.

"Investors in People (IIP) has become recognised as a methodical, externally verified standard, which demonstrates that staff development is fully integrated into organisational development. IIP coverage of the local government workforce reached 74% in 2004. This compares well with the UK average of 29%."

Transforming the organisation, improving performance: the local government pay and workforce strategy 2005. Office of the Deputy Prime Minister.

An independent study into Investors in People accreditation across the 120 local councils holding the award by August 2001 found that 74% of the respondents introduced Investors in People as a result of a corporate policy initiative¹³. This could be interpreted as being an outcome, not of any commercial decision, but of policy guidance and/or indirect governmental influence or suggestion.

It is of interest, given that three quarters of the local government workforce are employed by 'Investor in People' organisations, the current issues identified in the Local Government Pay and Workforce Strategy 2005 around organisation development, leadership capacity, workforce skills, resourcing and reward would seem to contradict or at least call into question any claimed organisational benefits of Investors in People status.

Whilst we believe that accreditation in the Investors in People Standard may be better than no accreditation, for the purposes of introducing effective people management processes, at some stage it seems likely that diminishing returns result from its introduction.

As the Standard is not evaluative, but rather a process quality tool (which engenders a 'tick the box' mindset), it becomes difficult to ascribe value to its implementation, questioning the extent to which it should penetrate a particular sector.

¹³ Berry, C. and Grieves, J. "To change the way we do things is more important than the certificate on the wall": Does Investors in People represent an effective intervention strategy for organisational learning? *The Learning Organization* Vol. 10 No. 5, 294-304 (2003)

Whilst the public sector appears to have adopted the Investors in People Standard with some enthusiasm, or have at least gone about its adoption as a matter of policy, the same cannot be said of UK private sector organisations.

Review of the December 2005 Investors in People UK's database of recognised organisations shows that, of FTSE 350 organisations (i.e. the largest listed UK companies), 13 hold full Investors in People accreditation and a further 31 hold partial accreditation.

We note that the partially accredited organisations range from full business units to Head Office HR functions.

This indicates that Investors in People have achieved a penetration rate of 3.7% for full accreditation amongst 350 leading UK companies. This figure rises to 12.6% if partially accredited organisations are included: a clear differential against either the 29% takeup identified by the Office of the Deputy Prime Minister, or the local government workforce coverage of 74%.

Indeed, the 2005-06 business plan for Investors in People appears to acknowledge its own failure to generate traction in the private sector through its choice of sectoral focus:

- Health
- Education (particularly Schools¹⁴)
- Central and local government
- Construction
- Retail
- Financial services.

"Perception [exists] that the standard is for smaller organisations, less developed organisations who need basic guidance in people development and public sector organisations with productivity issues (that the standard is seen as 'government controlled' merely adds to the latter perception)."

Source: Investors in People UK 2004-5 Business Plan, paragraph 4.3.1

Is there an ongoing justification for the organisation, Investors in People? Why

¹⁴ Education was identified as an area of increasing focus for Investors in People, in a response to a House of Lords question, December 2005. Source: Hansards, 5 Dec 2005, Column WA78.

market a standard that the public sector will adopt through policy, and small businesses through grants? If these are the 'users', is the Profile tool necessary?

Given current issues around national skill gaps and the questions raised around the organisational relevance of aspects of the current Standard, attempts to promote the Standard as a 'business performance tool' are highly questionable and there is a strong argument for it to be curtailed.

There is potentially, still a role for it to play in ensuring that smaller organisations and public sector employers can benefit from effective baseline training approaches.

Other, more scientific tools exist to evaluate the linkages between people management practice and organisational performance¹⁵.

Investors in People UK should accordingly reconsider the positioning of the Standard and Profile tool in the context of organisational development or business performance, reducing related promotional expenditure and seeking to return this to organisations that will most benefit from it in the form of further grants or training support.

Highlights of the meta-review of Investors in People

The following tables are extracted from the separate related report¹⁶ on IIP.

Table 1 overleaf provides a summary overview of the results of various main research, published over the past five years. Of particular concern is the 2004 'impact assessment' study which has serious validity issues but is given prominence.

Table 2 provides a review of IIP case studies¹⁷ which raises questions around

¹⁵ For example see www.vbhr.com and www.hcmiglobal.org

¹⁶ Investors in People: A critical review and evaluation of the Standard with regard to its commercial application in organisations, Higgins N J & Cohen G, International School of HCM, 2006

¹⁷ Source: as published on IIP website 31/03/06.

the validity of benefits provided by IIP. Careful analysis by an independent observer can 'unpick' a number of claims or indeed may find the claims excessive or misleading.

Table 3 provides a summary critique of the Standard which raises a number of issues around definitions and underlying assumptions and thus assessment.

Table 1 – Research overview

Article	Summary findings
<p>1. Investors in People Impact Assessment 2004. Michaelis, C & McGuire M, Databuild Research & Solutions</p> <p>(This article has primary advertising on IIP website)</p>	<ul style="list-style-type: none"> • 'Claims' that IIP organisations increased their profit by an additional £353 per employee per year relative to non-recognised organisations, <i>though underlying method extremely questionable and misrepresentative</i> • Investors in People organisations make many types of change more effectively than non-recognised companies
<p>2. How long until we get there? A survival analysis of the Investors in People initiative 1991-2001. Fernandez, R.M., Taylor, S. and Bell, E. SKOPE Research Paper No. 56 July 2005.</p>	<ul style="list-style-type: none"> • Private sector organisations are more likely to commit to the Standard but not obtain the Award • The Standard has become easier to attain between 1991 and 2001
<p>3. Investors in People: What's it all about? Greener, S. and Bourner, T. Brighton Business School Working Paper, May 2005.</p>	<ul style="list-style-type: none"> • Report reviews IIP and is presented as a series of responses: these imply limited causality between IIP and organisational outcomes
<p>4. Understanding the new Investors in People standard – lessons from experience. Collins, L.A., Smith, J.A. Personnel Review, Vol. 33 No. 5, 2004 pp.583-604.</p>	<ul style="list-style-type: none"> • Conclusions raise questions about the validity of the IIP approach for small organisations
<p>5. Workplace training and the high skills vision: Where does Investors in People fit? Bell, E., Taylor, S. and Hoque, K. SKOPE Research Paper No. 45 Spring 2004.</p>	<ul style="list-style-type: none"> • Calls into question the impact of the Standard in enhancing skills within the UK workforce, its intended objective • £30m of financial incentives targeted at small businesses will devalue the Standard for large organisations
<p>6. Raising the Standard: the contribution of the Investors in People award to quality in the organisation. Tickle, W. and McLean, J. British Journal of Administrative Management, January/February 2004</p>	<ul style="list-style-type: none"> • Paper reviews IIP in the context of other business improvement models, asserting that it improves the results of quality programmes: no primary research in support of this appears to have been carried out
<p>7. "To change the way we do things is more important than the certificate on the wall": does Investors in People represent an effective intervention strategy for organisational learning? Berry, C. and Grieves, J. The Learning Organization Vol.10 No.5 2003, 294-304.</p>	<ul style="list-style-type: none"> • IIP has only a limited linkage with business performance and has limitations as an organisational development intervention
<p>8. All in all, it's just another plaque on the wall: the incidence and impact of the Investors in People standard. Hoque, K. Journal of Management Studies 40:2 March 2003, pp. 543-571</p>	<ul style="list-style-type: none"> • For a significant minority, IIP has had no long-term impact in creating a lasting change and is likely to be seen as a 'badge' • The report raises questions about the extent to which IIP accreditation in reality provides a guarantee of any attainment of a Standard
<p>9. The snakes and ladders of Investors in People. Research Report, Centre for Enterprise 2003.</p>	<ul style="list-style-type: none"> • The report questions the relevance of the Standard to small businesses
<p>10. A longitudinal study of business improvement models: cross purposes or congruity? Taylor, J. and McAdam, R. Managing Service Quality, 2003, 13; 5 p. 382</p>	<ul style="list-style-type: none"> • Staff attitudes towards Investors in People status declined from 1997 to 2002, suggesting either a degree of cynicism or organisational inability to meet raised expectations.
<p>11. Organizational differentiation through badging: Investors in People and the value of the sign. Bell, E. Taylor, S. and Thorpe, R. Journal of Management Studies 39:8 December 2002, pp 1071-1085</p>	<ul style="list-style-type: none"> • This study suggests that increased IIP recognition had devalued the badge for organisations of high reputation by 1998.
<p>12. A step in the right direction? Investors in People and the Learning Organization. Bell, E. Taylor, S. and Thorpe, R. British Journal of Management Vol. 13, 161-171 2002</p>	<ul style="list-style-type: none"> • The Standard is audit-based in nature, evaluating an organisation against set criteria rather than encouraging organisational learning

**Table 2 – Case study analysis
(145 published case studies reviewed - large employer sample provided here)**

Organisation	Result of IiP	Commentary
BBC	"Utilised as a 'lever for change' as part of a broader exercise.... Management practice, as measured within the staff survey, increased by 1% in one year.	Anecdotal commentary only; Insufficient data to indicate a trend, unclear how impact can be attributed to IiP
Beachcroft Wansboroughs	"Working with the Investors in People Standard has enabled the firm to set clear aims and objectives tied to its business goals, and to evaluate and measure results clearly"	Anecdotal commentary only; Benefits unquantified.
BMW (South Africa)	"believes that the feedback received from Investors in People has been valuable in that it has given the company a more holistic feel"	Anecdotal commentary only; Benefits unquantified.
BUPA Care Services	"Job satisfaction has steadily increased and this is as a direct result of the systems and processes we have implemented in line with Investors in People. Since embarking on the path towards Investors in People accreditation BUPA has also witnessed a remarkable reduction in staff turnover."	Anecdotal commentary only; Unclear how impact was attributed to IiP given the introduction of a development initiative in parallel.
DEFRA	"It has kept us focused on where we need to go. Throughout the move to Defra and the subsequent direction the Department chose to take, it has helped support the change programme."	Anecdotal commentary only; Benefits unquantified.
Eurest National Accounts	"Since introducing these new measures the overall satisfaction levels have increased to 84 per cent. This in turn has helped reduce our staff turnover, which has reduced dramatically by around seven per cent."	Anecdotal commentary only; Unclear how impact was attributed to IiP given the introduction multiple parallel initiatives.
Eversheds LLP	"Eversheds achieved the Investors in People Standard across its UK business in March 2004. And independent endorsement of Eversheds' commitment to staff development has been resounding. For the fourth year in a row the firm has been voted one of the top companies to work for in the UK in the annual Sunday Times survey"	Anecdotal commentary only; No linkage apparent between IiP recognition and Sunday Times ranking: case study implies that Eversheds received high rankings before IiP recognition.
Exel Automotive	"It has helped us reappraise the organisation and assess how well we manage people and get the best out of them. It has also made our business processes much more uniform."	Anecdotal commentary only; Benefits unquantified.
Frimley Park NHS Trust	"As planning is a crucial Investors in People criterion Frimley Park replaced their existing processes with a more structured routine. The Hospital also focused more closely on the time and money required to improve the way training and development resources are managed"	Anecdotal commentary only; Benefits unquantified.
Fujitsu Services	"Without the Standard, we would probably rule ourselves out of a significant number of potential Government contract bids"	Anecdotal commentary only; Raises questions about the internal rationale for acquiring recognition, as no quantified benefits stated.
HMV UK and Ireland	"Just 12 months after the launch of CDP, knowledge in critical areas increased by twenty per cent"	Anecdotal commentary only; Unclear how impact was attributed to IiP given the introduction multiple parallel initiatives. Unclear how 'knowledge in critical areas increased by twenty per cent' was a benefit.
IBM UK Ltd (Greenock campus)	"It helps to ensure that lofty mission statements are converted into meaningful processes to communicate on company strategy, business objectives and performance standards. "	Anecdotal commentary only; Benefits unquantified.

Organisation	Result of IiP	Commentary
Johnson Controls IFM UK Ltd	"Recognition under the Investors in People Standard is important in our industry. Investors in People provides a company with clear action plans and helps it to get the best out of its people."	Anecdotal commentary only; Benefits unquantified.
Lloyds TSB Group plc	"Staff now feel they have that all-important clarity. They can see a much clearer link between what they do and the overall aims of the organisation."	Anecdotal commentary only; Benefits unquantified.
Metronet Rail	"We are looking closely at how we can quantify the effectiveness of Investors in People within Metronet but it is clear that communication has improved and that our people have a better appreciation of their roles within the business"	Anecdotal commentary only; Benefits unquantified.
Nationwide Building Society	"Nationwide's business results have improved year-on-year during its long involvement with the Standard. Employee retention and recruitment haven't been problems. Staff attitude survey results have improved year-on-year, particularly in employee communications and satisfaction ratings"	Anecdotal commentary only; Unclear how benefits are attributed to IiP status, particularly regarding any improvement in business results.
Northumberland County Council	"Review has helped us understand how successfully we're communicating with them and assess what we need to do going forward"	Anecdotal commentary only; Benefits unquantified.
Rosenbluth International	"The organisation was able to compare teams whose managers had participated in its leadership development programme with those who had not. On average, there was only a 3% turnover in associates where their team leaders had completed the programme - as opposed to 12% in teams where leaders hadn't attended the programme."	Anecdotal commentary only; Unclear how this relates to IiP status as opposed to a leadership development programme.
Shepherd Construction	"Recognition, together with a profound commitment to employee development, has contributed significantly to a strong balance sheet in recent years. Costs have been reduced and a high level of repeat business has been sustained."	Anecdotal commentary only; Unclear how this is to be attributed to IiP status given the broader programme of 'Total Excellence'
Skipton Building Society	"Investors in People has provided an external standard against which the society could measure itself. "	Anecdotal commentary only; Benefits unquantified.
Strathclyde Police	"Strathclyde Police believes that the Standard adds a sign of value and provides an indication of commitment to the current workforce"	Anecdotal commentary only; Benefits unquantified.
The Co-operative Group	"Performance management has continued to evolve, and development of leadership and management skills has remained a priority"	Anecdotal commentary only; Benefits unquantified.
TNT UK Ltd	"The company feels that Investors in People contributed greatly to the "people" and "results" criteria of the EFQM Model. The company is on record as saying that Investors in People helped them to double turnover and profits within a five-year period"	Anecdotal commentary only; Unclear how this is to be attributed to IiP status given the broader programme of EFQM.
University of Teesside	"By working as a single entity, the University of Teesside has adopted a more consistent and focused approach to staff development that is in line with the business needs of the organisation."	Anecdotal commentary only; Benefits unquantified.
University of Wollongong Library	"The Library can report that it has definitely received value for its investment in both the Australian Business Excellence Framework and Investors in People"	Anecdotal commentary only; Benefits unquantified.
Wigan and Leigh College	"One of the most notable requirements that came out of the Model was the need for a Management Charter that would for the first time define some aspects of what was expected from managers and their role in the organisation."	Anecdotal commentary only; Benefits unquantified.

Table 3 – Summary Critique of Standard

IIP Standard limitations	Explanation
Imprecise definitions	<ul style="list-style-type: none"> The definitions within a number of Indicators and evidence requirements are sufficiently broad to call into question the consistency of interpretation, and the extent to which objective assessment is possible across different organisations
Indicators belie Investors in People Standard's true position	<ul style="list-style-type: none"> As already seen within this evaluative paper, the Standard focuses on quality training processes. Given this, the repositioning of the Standard as a business improvement tool appears excessive, and misrepresentative.
The Standard encourages an individual employee perspective as opposed to a commercial individual-organisational perspective	<ul style="list-style-type: none"> We would regard this philosophy as being of questionable relevance to commercial performance.
Assumptions are made around the nature of roles and organisational structures (e.g. relating to teams and managers)	<ul style="list-style-type: none"> Organisations with matrix structures or multiple reporting lines, or indeed of smaller scale, are unlikely to relate easily to these Indicators.
Assumptions are made around the linkage between employee involvement and organisational performance	<ul style="list-style-type: none"> In the absence of any named study in support of this assumption, this assumption again suggests an employee-centric rather than commercial view of the organisation.
Assumptions are made around the similarity of organisational operating models	<ul style="list-style-type: none"> Employees do not play the same role in organisational operating models, acting in some cases as resource and in other cases as assets or liabilities.
Indicators are process-driven	<ul style="list-style-type: none"> Assessment is adjudged on attainment against these indicators and individual interpretation. It is accordingly difficult to assign evaluative judgement based on an arbitrary percentage or assessment, as to whether performance is 'good', 'bad', 'indifferent' or has any impact.



VaLUENTiS' International School of Human Capital Management, situated in Berkeley Square, London is a global leader in providing commercially focused learning to organisations, management professionals and practitioners.

The School currently offers four main types of executive programmes, with over 60 courses with various accreditation based options.

Clients include FTSE100, Euro300, and S&P500 companies, as well as a variety of public sector organisations.

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