AN AUDIENCE WITH PETER CHEESE

Peter Cheese, the new CIPD Chief Executive who also featured on the front cover of July’s People Management magazine, spoke to CIPD members about the changing world of work and how next gen HR responded or might respond to these changes. Below are excerpts from Peter’s talk, which took place on 25 September at BPP Business School, London.

IT’S A VUCA WORLD

Peter Cheese: We live in a VUCA world… we live in a volatile, uncertain, complex and ambiguous world. We can’t predict what’s going to happen next. Economically, we’re in a situation where none of us have been before. You’ve sociological changes going on – [the] generational side… the workforce is changing its nature.

And I’m an absolute believer and have been for a very long time that successful organisations will be those that manage diversity in every dimension in every way. Not just the traditional gender diversity or ethnic diversity, but educational, aspirational, background, experience, managing virtual workforces, part-time, temporary, contract labour. The vast range of people and resources we now bring in organisations. And if we can’t manage that, we’re going to get left behind. And fascinatingly, the UK is one of the countries in the world that should be developed almost better than any others…

RESPONDING TO AN AGEING POPULATION

The population’s now pear shaped…We can’t ignore an ageing population… The best examples are the retailers. B&Q who recruited lots of older men into their shops because they are actually the kind of people you want to go talk to. And they figured out that when I go into the shop, who would I most likely talk to? I’d most likely talk to somebody like my dad because that’s where I learnt DIY from.

MANAGING A FLEXIBLE WORKFORCE

Peter Cheese: Where we work is hugely changing as well. We don’t need to turn up to work every day and yet we’ve got a paradigm, a model, which many of our managers will repeat either consciously or subconsciously that, ‘I only respect or value what you do if you’re here and I can see you’. And we have this problem of saying, ‘I’ve got a workforce that’s virtual. I’ve got people working part-time. How do I evaluate their performance? They’re working from home, they’re working flexibly, they job share. They don’t even work for me. They’re contractors. How do I evaluate their performance? Or they’re working temporarily – should I evaluate their performance?’

Audience: … and what about succession planning? I mean this is what I’ve been thinking about for a few years how do you get an organisational culture, how do you do succession planning? Basic HR issues we need to address.

Peter Cheese: Yes, it’s a great point. So basically, how do you create an organisational culture that resonates when you have all these temporary workers, part-time workers, contract workers, workers working from home. Yet it can be done. I mean, I’ve been working in this model for a number of years.
THE CASE OF JETBLUE
Does anybody know JetBlue the low cost carrier? JetBlue started 10-15 years ago … and said, ‘Right, we’re not going do what airlines do traditionally, which is build massive reservation centres, huge call centres with thousands of people in them.’ They said, ‘Well, what we’re going to do is we’ll have a completely virtual call centre.’ So they said, ‘We’ve got all the technology. And we’ve got all these people who are in the United States [who] typically don’t have opportunities to work because they’re mothers at home in often way out in the country or some place. So, if we can tap into that talent pool. A: we’ve got a completely different talent pool. So we’re not competing with Chicago or wherever. And B: if we do it right, we’re probably going to have a really large [pool of] workforce.’ So that’s exactly what they did. So their whole call centre is entirely virtual. All these people were at home working hours that suit them, which might be from six to midnight because their kids have gone to bed or whatever they do.

TECHNOLOGY HELPS US KEEP IN TOUCH
So it creates that challenge of how do you create that culture? And what is the human need to be part a community? Because we could say, make it all virtual. Well, there is a basic human need to connect.

How many of you are on Facebook or LinkedIn? [many hands shot up] How many of you have got, say, 500+ names? [fewer hands raised] Well, my younger daughter has got over a thousand at 15. I haven’t even met a thousand people [at 15], how can you have a thousand friends on Facebook? [audience laughs]

So the question is … are we creating a whole different way in which we create communities and human interaction? Actually, most of the research says that we’re not… The communities we can relate to personally is around 50, tops, and that is not changing. But what all these things do is that it enables us to keep in touch with people like we’ve never kept in touch with before.

NEXT GEN HR
We need to understand these trends, we need to understand how it impacts us and our organisations and we need therefore to use this context to talk strategically about what’s happening in our businesses. And the good news is this is really interesting stuff.

This context is important because we drive a lot of thinking with HR and the future. What is next generation HR? Well, let me take some instances. If I take this world and its different aspirations and what motivates people, we’ve got to line up our HR practices to recognise that. And in many organisations, we’ve gone through this sort of cycle and what we call the Ulrich model and standardise things, create shared services and all this sort of thing.

Well, great. However, I want to be treated as an individual. And marketing have been talking about this for years… Marketers now talk about ‘we’ve got to segment my market’… And yet the reality is many businesses know more about their customers, particularly if they’re in retail, than they understand about their workforce. They can tell you with great precision that women of a particular age demographic shop at my shop on a Saturday and they buy these products versus what happens on a Monday morning. And they will position products accordingly.

We’ve got to use that sort of thinking in the world of HR. We have to evolve HR to understand these different segments. Both who we employ as well as who we’re targeting, and create employee value propositions which we can then deliver in our organisations, [so] that we can then recognise the different needs and segments of our workforce. We’ve got to get more analytical.