

Paul Nixon: This is Paul Nixon and today I'm with Andrew Mayo who is head of the HR Society. So Andrew, would you care to introduce yourself and let us know a bit about your background?

Andrew Mayo: Okay. I've spent nearly 30 years working in large international organisations, the last 20 of which were in HR and various HR director positions.

I left in 1995, which was before the sort of web generation really took off; and particularly interacting with the web. But since then I have – I'm a sort of consultant and quasi-academic, teaching human resource students – Masters students – in Middlesex University.

And I'm also president of the HR Society which is an organisation focused on the business side of HR.

Paul Nixon: Okay. So let's first of all talk about the different ways the different types of companies go about attracting talent. And we were talking earlier about the different priorities that different types of companies have in terms of reputation and how easy it is for them to find people.

Andrew Mayo: Well, it depends of course what we mean by talent. And if we start at the bottom end, attracting talent from universities, attracting young people one way and another, is a particular recruitment scenario which is expensive but which provides you with the base of your future talent.

So I think there is a scenario about how you do that and how do you do that effectively which is going to be different from how you attract people from other companies who are already mature.

Paul Nixon: So let's start with the graduate type area. How do you think the approach might differ based on how well known you are versus if you're not that well known and how you might go about attracting that sort of group?

Andrew Mayo: Well, there is a survey produced every year about the organisations that are most attractive to new graduates, which is largely based on their image. I think at the graduate level it's much more based on their image as an organisation than it is on their image as an employer.

But those that put a lot of effort into attracting those graduates will make sure that they let people know what it's like to work for them. They will have case studies and examples of people and so on to bring them along.

Paul Nixon: I mean there are some, like Google as you mentioned, who – I mean their corporate website is nothing to write home about and they don't make much effort there at all. They expect people just to come to that and then they'll have a look.

Andrew Mayo: No. Well at the top of the league are places like the BBC, like – believe it or not – the NHS, which always features high in the list, and Google. And then of course for highly talented people you've got the major consultancies. And you used to have the investment banks although their image is a big tarnished now.

And these people are going to attract people anyway so the question for them is how do we efficiently sort the applications that we're going to get and weed out those that we're not likely to want?

Some organisations I think do that in a way that makes it very frustrating for candidates, who may want to apply to several organisations to cover themselves, and find extremely onerous

demands on filling out tests online, on not being able to use their own CV because they've got to fit the format that the company wants and so on.

However if they really want to join them they put up with it. And those companies with a high attraction quotient if you like can afford to create a bit of fuss because they know that people are going to come anyway.

If however you're not in that category then firstly you've got to put much more emphasis in the marketing but also into making it easy for graduates to apply.

Paul Nixon: So that you do more of the work in effect than the graduate?

Andrew Mayo: So you do more of the work but also you – if you're not a well known company the last thing you want to do is make it frustrating to join you or to apply to you or to get into contact with you, because the web and social media and so on are always going to be a preliminary to actually meeting people.

So you don't want to make it difficult and put people off. Especially if it's talent you want because talent has a choice. Talent does have a choice. And so if you make it difficult then they'll say, "Okay, we'll go elsewhere. We'll spend our time elsewhere."

Paul Nixon: And what about the sort of things on the sort of attracting people side that those less well known companies need to do? What sort of things do you see that you like or that you think are good?

Andrew Mayo: I think that the first thing that has always mattered most to new graduates is not, as often thought, the salary and benefits particularly. It's the training that they will get. So, "What kind of

training are you going to give me to equip me not just for your organisation but for others?"

And then obviously there are issues of location and those that want to travel and what have you as well.

Some of the benefits which are of much greater appeal to the more mature applicant, like "What's the pension scheme like?" and "Do you give me fancy cars?" and so on are not so important at that level. So there are different levels of appeal.

And so what kind of training scheme but also, "What kind of work will you give me? Am I going to be stuck around for two years doing very little, not having any responsibility, or will you give me immediate responsibility?"

I chose to join Procter & Gamble in Manchester because they promised real responsibility within six months. And they were true to that.

And they weren't the best payer in terms of the offers that I had. And they were in Manchester, in Trafford Park, which I have to say wasn't my first choice of location in the country.

But it was what they would do for me plus their reputation as a trainer and as an organisation that made the difference.

Paul Nixon: And what's the best way to make that kind of authentic? Because a lot of people will go, "Yes, we do training" or "Yes we do career development" and then not provide the evidence underneath.

Andrew Mayo: Yes. You've got to provide some evidence today. People can search anyway through social networks of various kinds. They can search for people that are working in your organisation whether they know people or not.

But I think you've got to pre-empt that by having case studies and examples and even emails of recent employees that applicants can contact and say, "What's it like?" and ask any questions.

Paul Nixon: So those people who are already in the firm, in their first kind of year?

Andrew Mayo: Yes.

Paul Nixon: And see what it's like?

Andrew Mayo: Companies are still very coy about giving email addresses. And maybe they'd want to channel that for data protection purposes and so on, so there are some constraints around that.

Paul Nixon: Generic graduate contacts

Andrew Mayo: But they can be got round.

Paul Nixon: And for further up the scale then when we go into sort of more sort of experienced professionals then how does the balance change in terms of the sort of ease of applying versus the kind of features that might attract them as opposed to graduates?

Andrew Mayo: Well, there again you have people who don't have a job and people who do have a job. So people who do have a job, there will be those that are looking to move for various reason. There will also be those who are not looking to move. Those that are not looking to move are not likely to be looking at recruitment jobs available.

Andrew Mayo: And you're going to have to get them through head hunters.

Paul Nixon: Yes.

Andrew Mayo: Those that are looking for a job generally will go through whatever hoops you ask them to do. But what they are looking for obviously

is much more to do with the salary level, the location and the benefits, and also the opportunity to grow and develop their careers.

So most people who are joining as mature people are joining looking not just for "I need a job." There are some desperate ones who will be doing that but the best ones will be looking, "So what opportunities are you going to give me?" And they're also much more interested in the company, in its scope, whether it's expanding or not, what its record is and so on.

If they're good they're going to be looking at the annual report. They're going to be looking at the success of the company. They'll be looking at its strategy and its future and so on. And therefore you need to make that available. But you'll be making that available through other channels probably anyway.

Paul Nixon: Do you have any favourite sites or features that you've seen that impress you?

Andrew Mayo: Well, I'm not looking for a job.

Paul Nixon: (Laughter) No, in a professional sense.

Andrew Mayo: So I have looked at websites a lot in researching for my writings but I'm primarily looking for what they say about people. So I'm looking much more from the interest group which are investors, journalists, investigators, trying to find out about the company.

Paul Nixon: So from a human capital point of view?

Andrew Mayo: Well, yes. I'm looking much more for that. So there are different stakeholders that go into a website and one of the challenges of a good website is how do I appeal to the different stakeholders?

I think in general the appeal to investors has improved enormously over the years in terms of the information that's available. And the ability to download reports and what have you has improved enormously.

What they provide about human capital is another question. I'll come back to that. But when I look at websites that's primarily what takes me to them.

And you've got different audiences haven't you? So the recruitment audience is a particular audience and they are going to be much more interested in obviously job opportunities and benefits and salaries and progression than they are perhaps in the soundness of the company. The best people will be interested in that.

But I'm often amazed how people come to interviews and they've done practically no research on the company itself, they've just been focused on the job.

Paul Nixon: And so let's actually come on to that human capital side and how for those different areas you think that people ought to kind of express that in the things that they're – if you like that most people aren't doing at the moment.

Andrew Mayo: Well, the history here is that 10 years ago there was a movement to say since people are – or the best people are the best assets you have, you fill your annual reports with all kinds of historical stuff and pack them with numbers and so on, but you don't really say very much about people; except in a narrative which is a few good things that you want to say.

So this spawned the Kingsmill Report which was sponsored by the DTI. And the Kingsmill Report came out with 10 or so areas of,

“This would be good for companies to report on in numerical terms.”

At the same time the CIPD, the Institute of Personnel and Development, produced their own recommendations as to what would be good to see in reports. It all died a death-

Paul Nixon: In the annual report?

Andrew Mayo: In annual reports. So it was focused on commercial public companies.

In the public sector of course government has always required masses of statistics. So for many years you've been able to go onto a website and find out the absenteeism levels of every government quango and department. It's usually a couple of years out of date but it's there. And they specialise in league tables and so on.

Actually there's more information available in the public sector than there is in the private. There were initiatives in some other countries at the same time, particularly Holland and Scandinavia, about producing reports on intellectual capital.

The Danish government particularly produced an excellent report based on a three year experiment with 20 or so participating companies.

All these initiatives have died. In the UK the DTI did not adopt the Kingsmill Report. They watered it down into a narrative, as you know, and it's called the OFR I think it is, I've forgotten the exact name of it.

But you are expected to say some stuff about your people but it's completely up to you how much you put forward and what you say.

And sadly the more detailed initiatives of some of the continental countries have also died.

And I tried to contact as many as I could of the companies that form part of the experiment and most of them have been taken over or had just stopped. And some of them said, "Well, we just found it too much work for too little benefit."

The other problem of course is that when you look at typical measures to do with people, like how much you spend on training per person, what your labour turnover is, these kinds of things, they vary enormously year by year depending on the demand you have, depending on-

Paul Nixon: And industry by industry?

Andrew Mayo: And they vary enormously industry by industry. So it's actually very difficult to make any sensible comparisons. So for investors, "Does it mean very much?" is a question.

And companies I think in general are reluctant to produce lots and lots of figures year on year, to have relevance; for commercial reasons and because they can be misinterpreted and so on.

So most companies will tell you the good things they've done. They are very selective. They may quote some numbers, if they are good numbers. But they're very selective.

There are some exceptions. The three exceptions I know best of all are Vodafone, Shell, and Smith & Nephew, who have done good work in producing numbers and comparing with previous years and even in some cases saying, "These are our targets."

For me that tells me a lot about the strength of the workforce and the strength of the company ethos, the strength of engagement of the people and so on.

But I've spent the last 10 or 15 years looking at such figures and trying to interpret them. And most companies do not want to be held as a hostage to fortune I think.

Paul Nixon: So what would be the sort of example things that people might do now that you think are practical, feasible, in terms of the sort of information they might provide? Apart from a quantity of training...

Andrew Mayo: Well the quantity of training I think doesn't really tell you very much because you could look at the banks, right, who do a massive amount of training dictated by regulation. If it wasn't dictated by regulation they wouldn't do a lot of it. Yes? So what does that tell you? Not much. And then if you're in IT you've got technology to keep up with all the time. So I don't think it tells you too much.

However I would be interested in a regular figure of investment in training as a percentage of revenues or a percentage of costs. And there are some benchmark figures.

You can then correlate that with the kind of research that is done by the CIPD on an annual basis about what people spend in different sectors so you can get some feel for investment in training.

Of more interest to me is the existence of talent management, succession planning, and so on. And figures like, "We only went outside to the market for 20% of the vacancies that arose" tells me they've got a very robust internal development and growth system. And I know that statistically that correlates with sustainable business performance and so that tells me this is a company worth investing in.

And I think some of the more sophisticated analysts – like Deloittes for example – when they assess companies they have a set of criteria of that kind where they will look at those processes. Because they'll have some intellectual capital benchmarks which tell them the strength of the company.

I'm also interested in figures like engagement. We know that engagement correlates with performance as well. And the more engaged a workforce is the better an organisation it's likely to be both for its customers and for investors.

Paul Nixon: So how do you express that engagement and what are the different ways that you communicate it?

Andrew Mayo: Well, this is the problem you see. On the financial side we only have two or three systems in the world of standards and people conform to a set of standards. So everywhere in the world you know that people are using some standardised format and they'll always specify, "We're working to this standard."

Paul Nixon: Yes.

Andrew Mayo: The American standard or European one or whatever. There is no standardisation about measures to do with people. Even labour turnover is calculated differently by different organisations. And so it is very difficult to make external comparisons really.

The internal comparisons however, if they compare year on year, or they put forward targets and so on, then that has some relevance and some value. But the lack of standardisation is a problem.

Now there was another task force set up by Investors in People three or four years ago to try and create some standardised measures and so on. But that died. Again, it died by the wayside.

Paul Nixon: I see some really good expression of stakeholder engagement starting to be developed say on the Centrica site, where they talk about through having started off with the AA1000 standard for within the CR area and the measurement of different stakeholders and their different issues and how they prioritise and so on.

And they've taken that now further than I've seen anyone else do it to express what they ask them. Not only the nature of how they're engaging with them but what they ask them, what they said back, and reflecting that back in a very open way.

But with employees would it be something similar to that or how would you see – what would your ideal be about how to express how well they do it at different levels and so on?

Andrew Mayo: There are three basic measures of engagement I think; which is defined not as satisfaction, because satisfaction means we haven't got too much to complain about.

But engagement means we actually care and we're committed to what we're trying to achieve here. So that's a deeper level of checking.

The three measures I think are relevant are labour turnover. The trouble is that at a corporate level in an annual report you're going to report an average and an average is always the enemy of truth.

So for all you know the talent pools you've got might have very high labour turnover and your average workers and so on have very low. And it averages out at a reasonable figure but that's not telling you the truth that you want to hear. But if department by department you've got high labour turnover it tells you people don't like working here very much.

And the other one I think is absence rates. So it's very interesting when you look at government absence rates, government departments, the last time I looked – it may not be true today – the worst was the driving licence centre in Swansea and the best was the Cabinet Office.

So you can imagine in the Cabinet Office nobody wants to be away for a day because they might miss something. And they're probably highly engaged people.

So absence figures can give you some kind of clue but the generally accepted route is that you've got to ask people.

So then everybody uses different questionnaires. There is a standardised one that Gallup have developed which is known as Q12, which is certainly the most popular. And it does enable you to benchmark against others.

The problem with Q12 is it has an underlying assumption that there are 12 things that matter to every employee equally and that is not going to be the case. But it's the best standard they've got.

Paul Nixon: And is this the third area of the three key...?

Andrew Mayo: Yes, to ask people. To ask people carefully thought out questions. Not only about, "Are you engaged?" but also checking out the factors that you know lead to engagement, which is all the research that Gallup did; so asking people on engagement.

Now a lot of people confuse an engagement survey, which is generally short, sharp and frequent, with an annual or even biannual opinion survey with 100 or so questions checking everything there is about employment.

And the research in engagement says that actually there are a relatively small number of things that really make a difference to people and whether they understand company strategy or not is not one of them. So asking people is the clue.

Paul Nixon: Yes. I mean to my mind I guess one of the key measures I see is whether people would recommend to their friends; or if there was an opportunity whether they would recommend that opportunity to friends.

Andrew Mayo: Well you have to be careful about that. You see I did a research in the Royal Mail and the Royal Mail, ever since they had the new management from the private sector six or seven years ago, they started to have daily performance measures of every office. And they also had a six monthly 'Have Your Say' questionnaire.

And when they had got enough data and they tried to correlate the two they found that some of their happiest offices had got the worst result.

You see you can have a very slack manager. You're put under very little pressure. You could imagine in a post office, where it doesn't matter really if you get all the letters out today, do your round, you can go home. You can have a second job.

Paul Nixon: Really happy... (Laughter...)

Andrew Mayo: ...very friendly. You have beer parties on Fridays. You could imagine that you would recommend a place like that. "Come and work here, it's really great." That doesn't necessarily mean engaged.

Paul Nixon: Yes. Or that you're doing the right work in the right way.

- Andrew Mayo: Yes. So that is a useful question and I would recommend it. And also, "I don't plan to leave in the next six months." But it's not enough.
- The general definition of engagement is, "I care about what we're trying to achieve and I will go the extra mile if necessary to help us achieve it." so engagement moves from me being okay to us, i.e. me and the organisation.
- Paul Nixon: Yes.
- Andrew Mayo: And so you've got to test that. You've got to test that.
- Paul Nixon: And given what has happened with those various studies sort of biting the dust and so on, do you see that there is any middle way that might emerge in the future or do you think that...?
- Andrew Mayo: Well no, engagement is a very hot topic. It's probably one of the hottest topics in HR today and has been for a while. So you now have jobs advertised 'Director of Employee Engagement' and so on. So it's a very hot topic. People know that it makes a difference.
- Paul Nixon: But is it one that people keep under wraps, so it's purely internal and therefore not published?
- Andrew Mayo: Well again, it depends on your audience. If you talk about the graduate audience I don't think it means very much. If you talk about a maturer audience they will understand what an engagement survey is because they have been a part of it. And if you got really good results you'd publicise it.
- Now related to that are the external surveys done by pieces like Great Place to Work. Now Great Place to Work produce basically league tables. But companies have to apply for that.

Then these external people come in and they talk to all the employees and they've got set criteria that they use.

And there's more than one of these. There's about three surveys going on in the UK I think at the moment.

And if you achieve a high position in that that is excellent publicity and people use that and exploit it.

Paul Nixon: Because generally there will be brilliant comments as well.

Andrew Mayo: And if I were looking for a job and an organisation came in the top 10 of Great Place to Work or the Sunday Times Best Place to Work or something, I mean that says to me this is an organisation to talk to. This is clearly a great place to work.

Paul Nixon: Yes.

Andrew Mayo: So that really matters.

Paul Nixon: And let's step back a moment and go back to some of the more if you like interactive sites, the social media side, in terms of how people are starting to use that set of tools, that set of capabilities now.

And whether in terms of attracting people and engaging with potential jobseekers, whether you see that as something that is very successful for some or whether it's just a mixture of well it will be okay for some companies and not for others; or indeed something that most people should be starting to get into. Do you have views on this?

Andrew Mayo: Well, I'm not really very expert on this. The CIPD in their monthly magazine have just produced a survey on recruitment methods

which I ought to have studied before you came. Well, I've got it out to study.

I don't really know what companies are experiencing on this except that they know that they need to exploit it in various ways.

Most young people are going to be on Facebook. Most maturer people are going to be on LinkedIn or Plaxo.

And you can access CVs of people on those but you are only accessing what they have said, what they have put on there, so you have no idea how accurate that is.

And it doesn't really tell you much more than you will get from talking to them or from them sending their CV.

And I think this is a rapidly developing area. If you asked me what it will be like in five years time in terms of the way these are used for recruitment I know it will be different from today but I don't really know how. There are pundits on that and I'm not really one of them I'm afraid. I don't know how it will develop.

What I do know is that there are a lot of companies today that insist on web based applications only.

And there has been a lot of controversy in the HR press about the right of employers to go into Facebook and find out about people and so on. But at the moment there's nothing to stop them doing it unless the individuals themselves cover themselves.

And Facebook is very clever in that if you want to – you are open to the public by default and you have to go down several levels to sort of tick boxes to say, "No, I don't actually want everybody in the world to be able to see stuff about me."

Paul Nixon: And it's getting more open with some of the facilities they're adding to it.

Andrew Mayo: Yes. So there's always a hidden facility to opt out but unless you find it you're deemed to have opted in.

Paul Nixon: But do you think there is ultimately that need? I mean I sense from whether it's graduates or experienced professionals the ultimate is you want to find someone who's an insider who'll tell you what it's like.

So not just from the, "Oh they got up to the, you know, on this survey and they did very well in it." What is it really like? And ideally if that person knows me, "Do you think I would fit in? Do you think I would enjoy it?" Whether it's cultural, social, all those different elements.

So I mean we do see the sort of facilities now where you can hit a button and using LinkedIn it will tell you who you know in the organisation to your first and second level of people and therefore start providing ways to interact.

But do you think offering that fulfilment of the need to interact with someone in the company would be something that people need to work on?

Andrew Mayo: I personally think that you can't stop anybody obviously asking the question "Is there anybody out there that's worked for X?" However from a company point of view that's extremely dangerous.

You don't know whether they had a good experience or a bad experience. They might have worked five years ago and the

company's completely different today. So organisations have really got to take an initiative here.

My understanding, but I don't know much about this, is that Twitter is one of the – because I don't use Twitter – but Twitter is one of the options organisations have for keeping tabs on their company name being mentioned and for countering anything that comes up that might be unfavourable.

And it's not that difficult to follow because you only have 144 characters or whatever it is, 140 characters, and so on. So it's quite easy to find it I believe. And organisations do use it for propaganda purposes and so on.

Paul Nixon:

But you see now sites like Glassdoor where people post quotes on what it was like to work there type thing. And I think certainly as more of those spring up then the job gets more and more complex for HR departments to keep tabs on these different things.

Andrew Mayo:

Well, people are cynical and they'll be cynical of what any company tells them. So whatever you put on the website you've got to back it up with as many facts as possible because they will start off being cynical.

We know companies only want to say the good things about themselves and don't say the bad things; which is exactly what they've done in annual reports; except for the financial side where they can't hide it.

And also they'll be somewhat cynical I think about the people who you put there because they'll think, "Well these have been specially chosen. They've chosen these people because they know they'll say the right things."

So how do you get round that? I don't know. Somehow a company has got to make sure that up-to-date, relevant, personal information is being made available to people but also in a way it will be believed and it's honest.

Paul Nixon: Yes, it's got to be. There's nothing worse than seeing a people profile type thing where it's all wooden and heavily scripted, obviously. It doesn't work well at all. Better not to have it even.

But certainly I think companies can't – if you're getting a bad reputation, whether it's Glassdoor or wherever, then you can't say, "Oh no, we're better than that" or so on. I think you've just – you've got to be aware of it and it's got to inform your processes so that you get better and you start working and show that you're getting better at those things.

Andrew Mayo: I think it's a big challenge for HR because HR knows I think that it really needs the best image possible to be able to portray – to attract people. And yet a lot of the things which cause the image of a company to be a problem are out of their control.

The HR director of RBS was lambasted in the HR press for not stopping Fred Goodwin and all the others doing bad things. Well I know from having been at a top level in HR there's a limit to what you can do.

Paul Nixon: (Laughter) You're having a laugh. There's no way you could do anything.

Andrew Mayo: No, but there are some people that think, "Well HR should stop it." And HR really does have a problem because it cannot control what the company does operationally and so on.

- Paul Nixon: But it does have an influence on the culture.
- Andrew Mayo: Well, yes. And it may have tried very hard at that. And it has an influence on whether it will go for Great Place to Work and so on. That's typically their decision and so on. So yes, it has a lot of influence. But all I'm really saying is that employer branding as it's often called is a tough job today. But it is a very vital job.
- Paul Nixon: And do you think that HR departments have understood how important the online space is now? Because there was a time where you'd talk to them and they'd go, "Oh, talk to our agency that deals with that. We don't care."
- And more recently I hear of HR departments going, "Actually we're really struggling to recruit people. Here's budget for the website for developing things. Help us be the ones that get the edge over our competitors for people applying"
- Andrew Mayo: Yes. I think it depends very much on the size of the HR department, the quality of the people, and the kind of budgets they're given.
- You see you can have smaller companies. You can have companies up to 1,000 people who are excellent companies to come and work for but their HR department might be quite small which means they are very, very busy and they just may not have the capacity to think, "Well how are we going to harness social media?" and so on.
- So it is tough. If you are really big and big recruiters like PWC and you've got loads of money then you put a lot of effort in.
- So there are real constraints on resources. Firstly in time available and secondly in the knowledge that people have; and to be honest their willingness to break out from the old traditional ways.

Paul Nixon: But do you think that's changing or do you think...?

Andrew Mayo: I think agencies are – my understanding is, and I'm not an expert, as I said, in this area – my understanding is that agencies, like all consultants and third party suppliers, they like to form partnerships with companies.

I think the agencies can be an influence and can be a help to HR, saying "We will do this for you. We advise you to do this. This is what we believe you should do with your website. This is the kind of information you should allow us to put forward to people" and so on. So I think they can be a real influence in changing this scenario. And most companies rely a lot on agencies.

Paul Nixon: Well, we see it starting to change. Let's hope it goes further.

Andrew Mayo: Yes.

Paul Nixon: So Andrew, thank you very much for your time.