



**Investors in People
Impact Assessment
Scotland
2004**



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Investors in People Impact Assessment Scotland October 2004

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1 Executive Summary

1.1 Background

Investors in People is the national Standard which sets out a level of good practice for the development of people to achieve business goals. The Standard provides a national framework for improving business performance and competitiveness through a planned approach to setting and communicating business objectives and developing people to meet these objectives.

In September 2004, Investors in People Scotland commissioned Databuild to establish the impact of the Standard on the profitability and productivity of Scottish businesses that have achieved recognition.

The principle objective of the study was to establish the impact of achieving Investors in People recognition on businesses performance, specifically assessing increases in sales, profits and productivity resulting from following the Investors in People principles. The study also:

- Identifies non-financial benefits such as improved communications and planning
- Assesses the extent to which benefits can be attributed to the adoption of the Standard

The sample consisted of a total of 364 recognised companies, divided between small (1-49 employees), medium (50-249) and large employers (250+ employees).

114 Scottish companies were consulted through the telephone survey for the UK Impact Assessment between 1st March and 25th March 2004. A further 250 companies recognised to Investors in People in Scotland were interviewed between 22nd September and 12th October 2004.

1.2 Key findings

- Changes made over the last three years by Investors in People recognised organisations in Scotland increased profit by £1105 per employee per year, as opposed to £505 per employee per year for UK companies.
- £565 per employee of the annual profit increase achieved by Investors in People organisations in Scotland can be directly attributed to IiP Scotland. When scaled up to include all IiP recognised businesses in Scotland (i.e. is weighted to the number of IiP businesses in Scotland), it can be said that IiP has helped businesses in Scotland accredited to the Standard to increase their profit by £62m a year.
- The profit attributed to working with the Investors in People Standard by size of organisation, is as follows:
 - Small organisations - £580 per employee per year (accounting for 15% of total increase)
 - Medium organisations - £738 per employee per year (accounting for 44% of the total)
 - Large organisations - £131 per employee per year (accounting for 41% of the total)
- 93% of organisations see value in continuing to be recognised by IiP Scotland.

1.3 Contributory factors

IiP helps Scottish businesses to make changes more effectively

- 93% of the organisations working with the Investors in People Standard had made changes to improve their business since commitment.
- For 66% of Investors in People recognised employers, the Standard was either crucial or very influential in making changes.

IiP helps Scottish businesses to realise profit through people

- Organisations recognised with the Investors in People Standard make many types of changes, but are crucially improving profits through changes made through people:
 - 50% of Investors in People companies in Scotland have made changes to leadership and management. The increase in profit arising from these changes is £234 per employee. Scottish companies are making fewer changes than UK companies in this area, but are making the changes more profitably.

- 35% of Investors in People recognised organisations in Scotland have made changes to training and development, the increase in profit per employee arising from these changes is £126.
- 29% of Scottish Investors in People recognised organisations have made changes in the area of appraisals and feedback. The increase in profit per employee arising from these changes is £62.
- 20% of Scottish Investors in People recognised organisations have made changes in the area of recruitment. The increase in profit per employee arising from these changes is £117.

Businesses use IIP expecting benefits to their bottom line

- For Investors in People recognised organisations in Scotland, the Standard is exceeding expectations in terms of staff benefits (e.g. more motivated staff, lower turnover and absenteeism) and in terms of cost benefits (e.g. improved efficiency and productivity, less waste, increased sales). This is particularly significant for costs benefits; 25% of Scottish companies go to IIP Scotland expecting cost benefits which are then realised for 51% of companies.

Greater employee buy-in helps meet objectives

- Working with the Investors in People Standard is most helpful in introducing changes to improve understanding of how employees can help the organisation meet its objectives (it was helpful for 87% of recognised organisations in this effort). The Standard is also very helpful in introducing regular appraisals and feedback into the organisation (it was helpful for 77% of recognised organisations in this effort).

2 Introduction

2.1 Background

Investors in People is the national Standard which sets out a level of good practice for the development of people to achieve business goals. The Standard provides a national framework for improving business performance and competitiveness, through a planned approach to setting and communicating business objectives and developing people to meet these objectives.

The Investors in People Standard is based on four principles:

- **Commitment** to invest in people to achieve business goals
- **Planning** how skills, individuals and teams are to be developed to achieve these goals
- Taking **action** to develop and use necessary skills in a well defined and continuing programme directly tied to business objectives
- **Evaluating** outcomes of training and development for individuals' progress towards goals, the value achieved and future needs.

The benefits of recognition for businesses achieving the Standard are thought to be improved staff and customer satisfaction, staff motivation and quality; reductions in costs and wastage, all leading to improved earnings, productivity and profitability.

In September 2004 Investors in People Scotland commissioned Databuild to establish the impact of the Standard on the profitability and productivity of Scottish businesses that have achieved recognition.

2.2 Objectives

The principle objective of the study is to establish the impact of achieving recognition against the Investors in People Standard on businesses performance, specifically assessing increases in sales, profits and productivity resulting from following the Investors in People principles. The study also:

- Identifies non-financial benefits such as improved communications and planning
- Assesses the extent to which benefits can be attributed to the adoption of the Standard

2.3 Report structure

Following this introduction, the next chapter outlines the methodology for the work detailing the survey method, survey sample and weighting factors used for the research.

The main findings of the research are divided into two chapters; the first outlines the financial benefits of IiP recognition, the second, implications for marketing IiP. Wherever possible the data for Scottish companies recognised against IiP has been compared to the data for UK companies recognised against IiP. Where a direct comparison is not made, the comparative UK figure is given in brackets following the figure for Scottish companies recognised against IiP.

Throughout the report, quotations are used to illustrate the subject matter covered in each section.

Conclusions and recommendations are detailed in the final section of the report.

The weighting factors used in the research and the questionnaire used are added as an appendix.

3 Methodology

3.1 Survey method

The research was carried out in two waves.

Between 1st March and 25th March, a telephone survey was carried out with 1,200 senior managers in a sample of organisations that have achieved IIP recognition and a sample of 400 organisations that have not committed to the IIP principles. This data was used to establish the impact of the standard on the profitability and productivity of businesses that have achieved recognition in the UK.

114 private sector Scottish companies recognised against IIP were interviewed as part of this study. Between 22nd September and 12th October, a further 250 private sector Scottish companies recognised against IIP were surveyed by telephone. Combined this data has been used to establish the impact of the Standard on the profitability and productivity of businesses that have achieved recognition in Scotland.

In all cases, where the organisation had achieved IIP recognition, we spoke to the contact named on the database provided by IIP, where this was not possible (e.g. there was not a named contact on the database); we asked for someone in the organisation who was involved in Investors in People.

There was a 3% refusal rate amongst private sector Scottish recognised companies for this project.

3.2 Survey sample

The sample frame for recognised companies in the Scotland was constructed according to:

- Length of recognition – whether the organisation was accredited in the last year, between 2000 and 2002 or before 2000.
- Size – private businesses were also divided into small and medium (5-249 employees) and large (more than 250 employees)

The sample frame is shown below:

Sector	Size	Date of first recognition	Sample	
Private	Small	2003	46	164
		2000-2	58	
		Before 2000	60	
	Medium	2003	24	118
		2000-2	46	
		Before 2000	48	
	Large	2003	9	83
		2000-2	30	
		Before 2000	44	

Table 1: Sample frame for Scottish companies in the private sector recognised by Investors in People

3.3 Weighting the data

The data from each respondent was weighted to reflect the size of the population from which it was drawn.

The weighting factor for companies recognised by the Investors in People status was calculated as follows:

$$\frac{\text{No. of organisations within subset (i.e. size and length of recognition) on the database}}{\text{No. of organisations within subset interviewed}}$$

Thus for small companies recognised in the last year the weighting factor was calculated as:

$$\frac{\text{No. of small businesses accredited in the last year on database (236)}}{\text{No. of small businesses accredited in the last year interviewed (46)}}$$

All weighting factors used in this research are included as Appendix 1.

3.4 Establishing financial benefits

This section outlines the methodology for establishing the financial benefits attributed to IiP. Respondents were asked:

1. If they had taken **action** to improve their business since deciding to commit to IiP.
2. Whether this change had made any **impact** on their businesses
3. What the **value** of that impact had been
4. To what extent they could **attribute** the changes made to the business to Investors in People

The following explain this methodology in more detail:

3.4.1 Action

All respondents were asked if they had made any changes to the operation and management of their business since deciding to commit to IiP. Changes were categorised as follows:

- Involving people in business decisions
- Improving staffs' understanding of how they can help the organisation meet its objectives
- Instigating training and development to improve the performance of the organisation
- Recruiting appropriate individuals and inducting them effectively
- Regular appraisals and feedback
- Focusing on leadership and management

Where respondents said they had not made any changes to their business, they were prompted with these categories, to see if they had made any changes in any of these areas.

3.4.2 Impact

Where business had made changes, respondents were asked whether they had seen any benefits as a result of that change. Responses were categorised as follows:

- More motivated staff
- Increased staff satisfaction
- More productive staff/improved productivity
- Lower turnover of staff
- Less staff absenteeism
- Increased customer satisfaction
- Improved reputation
- Less waste
- Improved quality
- Reduced costs/improved efficiency
- Improved profit margins
- Increased sales

Where respondents did not mention any of these benefits unprompted, they were prompted to see if the business had experienced any of these benefits as a result of the changes made.

3.4.3 Value

Where the impact of the change had been an improvement in productivity, less waste, improved quality, reduced costs, improved profit margins or increased sales, respondents were asked what the value of that impact had been.

All financial benefits were added together and any increased costs were deducted to establish the increase in profits; we can therefore estimate the impact of changes made in IIP businesses on their profits.

3.4.4 Attribution

The extent to which financial benefits can be attributed to Investors in People was measured through a scale of influence. Companies that had made changes to their business were asked how influential IIP had been in making these changes against the following statements. The statements were rated on a 5-point scale where 1 was not at all and 5 was crucial:

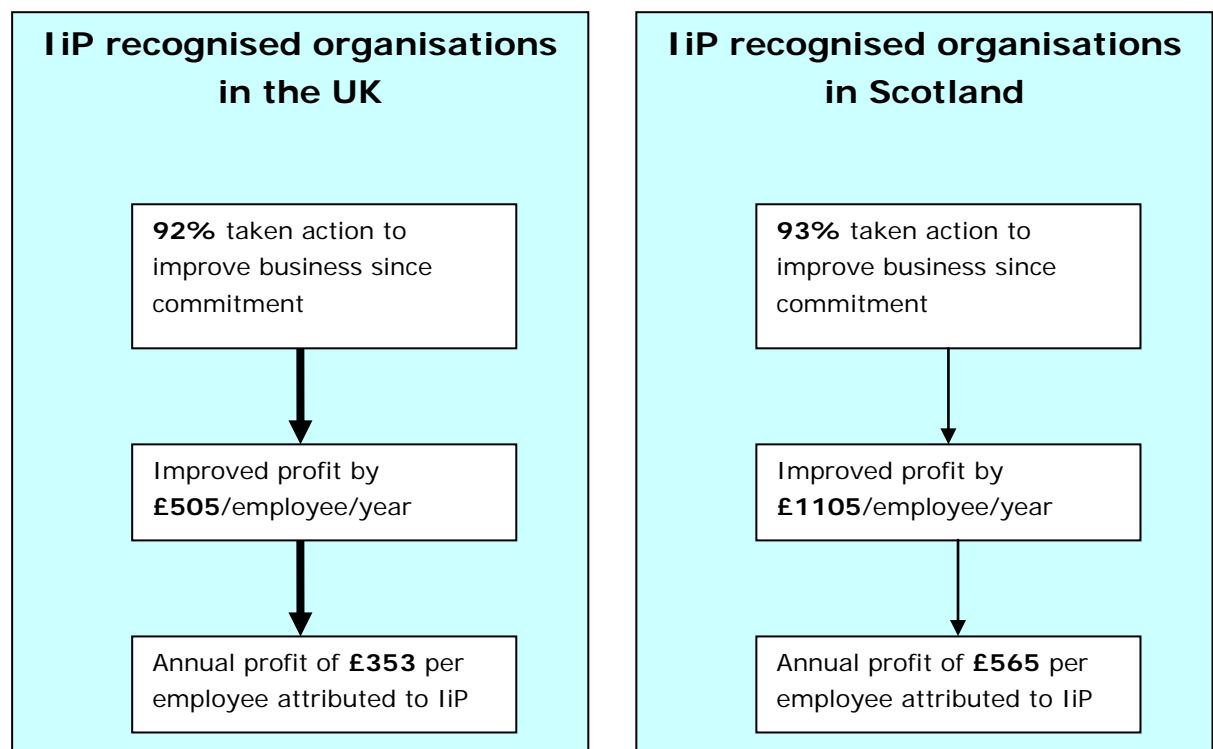
- Knowing what changes to make
- Deciding to make the changes
- Making the changes effectively
- Sustaining the changes

Where IIP was felt to be crucial in any of these areas (i.e. the respondent gave the Standard a score of five in at least one of these areas), 100% of the profit increase was attributed to the programme. Where IIP was felt to be very important (i.e. the respondent gave the Standard a score of four in at least one of these areas), 50% of the profit increase was attributed to the programme. Where the respondent did not give IIP a score of four or five in any of these areas, none of the profit increase was attributed to IIP.

4 Financial benefits of IiP recognition

4.1 Overview

The chart below compares the financial benefits of changes made to the management of businesses with IiP recognition in the UK and the financial benefits of changes made to the management of businesses with IiP recognition in Scotland:



4.2 Investors in People has helped businesses in Scotland to increase profits by £62m annually

Following the methodology as described in section 3.4, Investors in People companies in Scotland have added an average of £565 per employee to their annual profits through their commitment to the Investors in People principles. When this is scaled up to all IIP recognised businesses in Scotland (i.e. is weighted to the number of IIP businesses in Scotland), it can be said that **IIP has helped businesses in Scotland accredited to the Standard to increase their profit by £62m a year**. This represents an average profit increase of 5% of sales.

44% of the total attributed increase in profits is among medium sized recognised businesses who have achieved attributed annual profit increases of £738 per employee. Small businesses have achieved attributed annual profit increases of £580 per employee but account for 15% of the total. Large businesses account for 41% of the total profit increase attributed to IIP but achieved the smallest benefit per employee at £131 each.

These figures are compared to those in the UK in the table below:

Size	% of total profit increase	Average attributed annual profit increase
Small (1-49)	15% (UK 4%)	£580 (UK £303)
Medium (50-249)	44% (UK 60%)	£738 (UK £602)
Large (250+)	41% (UK 36%)	£131 (UK £41)

Table 2: Analysis of total profit increase attributed to IIP by size and country (UK n= 102; Scotland n=110)

In the UK small companies account for only 4% of the total attributed annual increase in profits in the UK whereas small recognised companies in Scotland account for 15% of the total attributed annual increase in profits in Scotland.

4.3 IiP businesses in Scotland are making changes that are profitable

The average annual profit increase achieved by UK companies committed to the Standard was 7.16% of sales or £505 per employee. This can be compared to the total annual profit increase achieved by companies recognised by the Investors in People Standard in Scotland which was an average of 7.53% of sales or £1105 per employee (this is the total average annual profit increase per employee, following the calculations in 3.4. This has not been weighted to reflect attribution).

Comparing improved profit per employee shows that IiP businesses in Scotland are making changes that are more profitable than changes made by companies recognised against IiP in the UK as a whole, however, as a percentage of sales, businesses recognised against IiP in the UK and businesses recognised against IiP in Scotland are making changes that are equally as profitable. This suggests that overall; businesses against IiP in Scotland are less profitable than businesses recognised against IiP in the UK.

UK businesses recognised against IiP are achieving improved profits of £505 per employee per year, 70% of which can be attributed to the IiP standard. Scottish businesses recognised against IiP are achieving improved profits of £1105 per employee per year, 51% of which can be attributed to the IiP standard. IiP businesses in Scotland attribute less of their improved profit to the IiP standard than UK businesses.

The following chart breaks down the total annual profit improvement per employee for both recognised and uncommitted businesses which was as a result of:

- Reduced costs
- Improved productivity
- Improved quality
- Increased sales
- Reduced waste

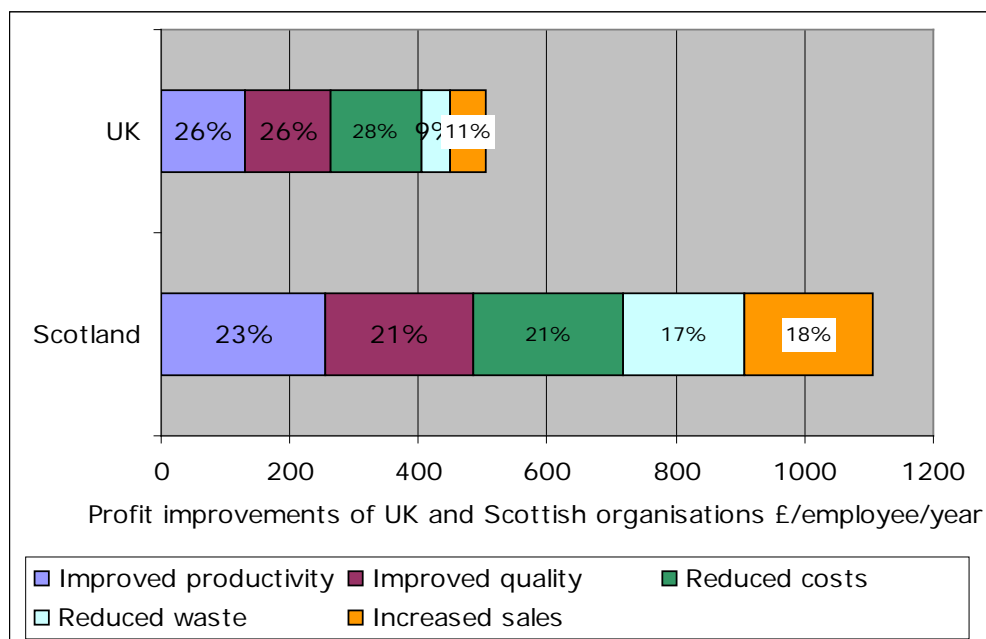


Figure 1: Breakdown of profit improvement in IiP UK and Scottish businesses (UK n=102; Scotland n=110)

The breakdown of profit improvements in companies recognised against IiP in Scotland is very similar to that of IiP businesses in the UK. Both Scottish and UK IiP businesses see improved profits mainly as a result of reduced costs, improved productivity and improved quality. However, IiP businesses in Scotland achieved a greater proportion of their improvements through increased sales than IiP businesses in the UK.

4.4 IiP Scotland helps businesses to make changes effectively

There is no difference between the proportions of IiP companies in Scotland and the proportion of IiP businesses in the UK that have taken action to improve their businesses:

- 92% of UK companies that have been recognised with the Investors in People Standard have made changes to the operation and management of their business since committing to IiP.
- 93% of Scottish companies that have been recognised with the Investors in People Standard have made changes to the operation and management of their business since committing to IiP.

Exploring which sorts of recognised companies have taken action, there are few differences between companies that have taken action in terms of sector, size and length of recognition against the Standard.

Where companies had not made changes to the operation and management of their business they were asked why. Again, the reasons given by businesses in Scotland recognised against IiP were similar to businesses in the UK. These companies felt that there was no need to make changes to the operation and management of the business either because the company was already operating well, the company was too small or the company was too old or too young for change.

Economic benefits appear to increase over time. 88% of the profit increase seen by IiP companies in the UK is from companies that were recognised to the Standard before 2000. This is shown in the chart below where 'n' represents the number of private sector companies recognised against IiP for whom we were able to calculate profit improvement figures:

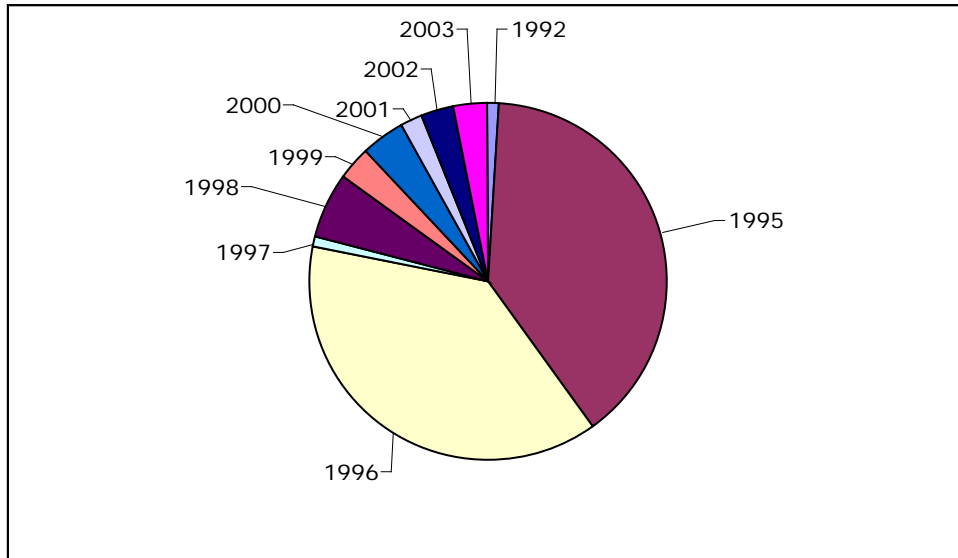


Figure 2: Total annual profit increase in the UK broken down by year of recognition against IiP (n=102)

Economic benefits of Scottish companies recognised against IiP appear to be more equally spread between companies first recognised in 1998 to 2003 than the distribution of companies recognised against IiP in the UK.

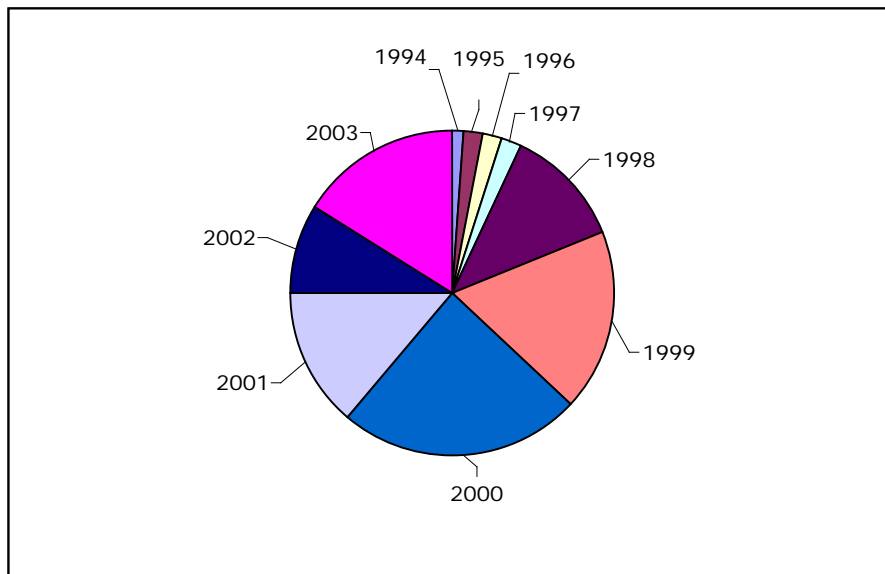


Figure 3: Total annual profit increase in Scotland broken down by year of recognition against IiP (n=110)

4.5 IiP helps businesses to realise profit through people

Having established that changes made by IiP businesses result in higher profit improvements, this section looks at what sort of changes are made by IiP businesses to understand why.

Where companies had made changes to the operation and management of the business, changes were coded into the following areas:

- Involving people in **business decisions**
- Improving staffs' understanding of how they can help the **organisation** meet its **objectives**
- Instigating **training and development** to improve the performance of the organisation
- **Recruiting** appropriate individuals and inducting them effectively
- Regular **appraisals and feedback**
- Focusing on **leadership and management**
- **Other**

The types of changes that both recognised and uncommitted businesses had made to their businesses are shown in the graph below:

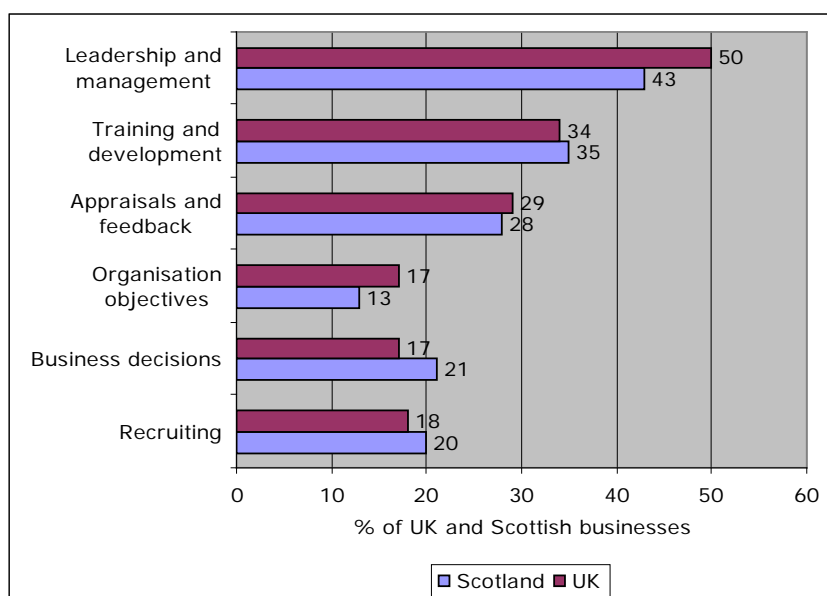


Figure 4: Types of changes made by UK and Scottish companies recognised against IiP (UK n=736; Scotland n = 340)

Involving people in business decisions

"We are much more committed to the overall process, and have a great feeling of shared ownership. We have changed the processes to get people more involved."

"We changed dramatically - staff are now involved with everything"

"We changed the roles and responsibilities to create more team work in decision making."

Improving staffs' understanding of how they can help the organisations meet its objectives

"More regular management meetings"

"...tighter control of communications, regular meetings and assessments"

"defining roles more clearly, staff roles, helping them understand their role better"

"...everyone now knows what they are doing. There is now an annual Business Plan which is reviewed regularly."

The largest area of change for both UK and Scottish companies recognised against IiP is leadership and management. Although Scottish businesses recognised against IiP are making fewer changes in this area than UK businesses recognised against IiP.

On the whole, Scottish businesses recognised against IiP are making the same types of changes to the operation and management of their businesses as UK businesses recognised against IiP.

Instigating training and development to improve the performance of the organisation

"...raised the profile of training and development and placed more importance on it through more publicity and a better infrastructure."

"Training and development has been structured to a new framework because of IiP."

"We've revamped all the HR processes (including induction, training, appraisals etc)."

"We have personnel who focus on training and staff development."

Recruiting appropriate individuals and inducting them effectively

"We have changed our induction procedure."

"...improved staff induction into the company and staff reviews and appraisals"

Looking at which changes deliver the best economic benefits, instigating training and development to improve the performance of the organisation and regular appraisals and feedback are the changes that result in the largest increase in profit for companies recognised by the Investors in People Standard in the UK. Changes to the leadership and management of the businesses are the types of changes that result in the largest profit increase for Scottish companies recognised against IIP.

The chart below depicts this through showing the annual profit increase per employee for recognised and uncommitted companies broken down by the actions that were taken. This has been calculated by taking the profit increase for each company and dividing it between the actions taken. Where we had a direct figure for an action e.g. 'training and development' has lead to savings in training of 'x' pounds then 'x' pounds is attributed to 'training and development'. Otherwise, the profit increase is split equally between actions taken. Savings are then expressed as a saving per employee.

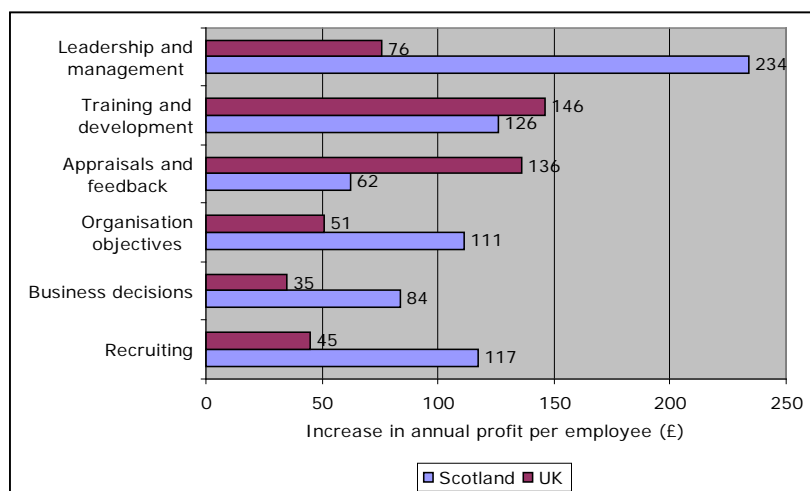


Figure 5: Profit increase delivered by different types of change (UK n=102; Scotland n= 110)

It is interesting to compare figures 4 and 5. Figure 4 shows that Scottish companies are making fewer changes than UK companies in the area of leadership and management; however, as figure 5 above shows, for Scottish companies recognised against IIP the changes are more profitable than for UK companies.

Focusing on leadership and management

"We have had a management restructure. We have changed from a tiered management system to a team management system."

"I have delegated key responsibilities to other senior members of staff."

"The Managing Partner role was created and the senior management team became more focused."

"I have restructured the management team, employing more managers and giving them more responsibility in order to free up the partners time."

Regular appraisals and feedback

"... Introduction of key performance indicators, staff satisfaction surveys"

"We have brought in annual appraisals; annual strategic meetings and we have more internal measurement of our performance."

"We have generally become more focused. We now do more appraisals, have more meetings and collect more staff feedback."

"We are now more involved in supervision and appraisals and talking to one another. We also now have clearly defined targets whereas we didn't before."

4.6 Cost impact of IiP recognition

4.6.1 Cost of achieving recognition

Many businesses have incurred costs in achieving recognition against the Standard. The 70% (UK 61%) of respondents who were personally involved in IiP when their organisation first committed to the Standard and so were able to talk about the recognition process were asked a series of questions about the process that the organisation went through in order to obtain the Standard.

Of these 70% - 82% had used external advice or intermediaries to help them obtain the Standard and 30% had paid an average of £2,254 for this help with a range between £200 and £20,000. 58% had received assistance with funding the recognition process.

The picture of UK businesses recognised against IiP businesses is very similar where businesses have paid an average of £2,400 for external advice with 58% receiving assistance.

"The training and development costs have gone up because we are doing a lot more training now"

"More recruitment which has lead to an increase in staffing costs, training costs and development costs"

"Training costs, but its worth it because our staff are better trained now"

4.6.2 Training and development costs

Organisations that had made changes to the operation and management of their business since committing to IiP were asked if any of their costs had risen as a result of Investors in People. 48% (UK 44%) of IiP organisations said that they had seen their costs rise as a result of Investors in People. 80% (UK 71%) of these companies have seen their training and development costs increase. Other costs that have risen as a result of Investors in People are costs associated with:

- Administration
- Staffing
- Recruitment
- Reassessment

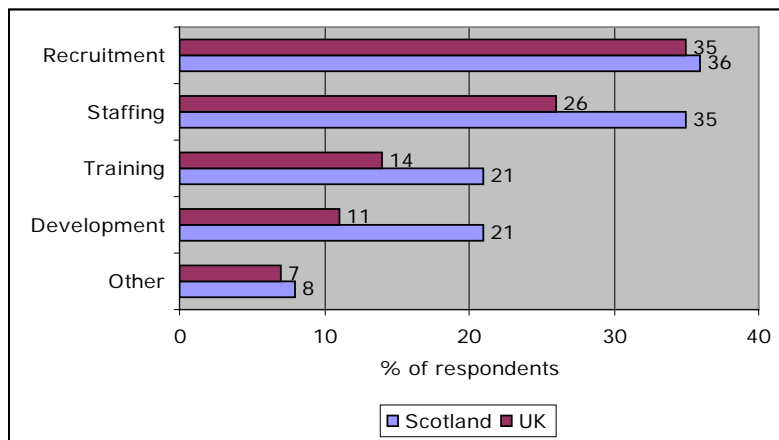
Respondents have seen costs increase from between £450 to £150,000 a year as a result of Investors in People; this works out at increased costs of £434 per employee per year; seven times the UK figure for increased costs per employee.

It should be noted that these costs have been taken into account in calculating the increased profits discussed in sections 4.1 through to 4.5.

4.6.3 Cost reductions

Some companies' costs have reduced as a result of changes made following commitment to the Standard. These accounted for 21% of the profit improvements covered in sections 4.1. to 4.5.

The following graph indicates the proportion of organisations that have reduced costs as a result of changes made to the operation and management of their organisations:



"Agency costs have reduced; staff have recommended more people themselves"

"We have been able to recruit more volunteers and keep them, so we have had to advertise less, which has saved us £4500."

Figure 6: Cost reductions (UK n = 224; Scotland n=77)

Interestingly, although Scottish companies are spending more on the training and development of their staff than UK companies, they have seen larger cost reductions in this area than UK companies.

5 Marketing Investors in People

5.1 People go to IiP expecting business benefits

The unprompted expectations of IiP from both Scottish and UK companies show that organisations go to IiP expecting business benefits.

IiP companies were asked unprompted and prompted questions about the benefits they would expect to obtain by becoming recognised with the Standard.

Interestingly, a large number of businesses (53%) talked about the benefits of the process of Investors in People rather than outcomes, examples include:

- *"...hoped to make sure the workforce understood where we were going. What our objectives were".*
- *"To obtain a clear understanding of the issues facing us in particular areas in order to improve our processes".*
- *"A frame work we hoped we could measure ourselves against"*
- *"A better understanding of employees requirements".*
- *"Motivation, and a sense of achievement"*
- *"To show staff that our commitment to training was serious".*
- *"More structure to the training and development".*

Where respondents cited tangible benefits that they expected to obtain from recognition against Investors in People the responses were coded. The unprompted expectations of IiP organisations are shown in the graph below:

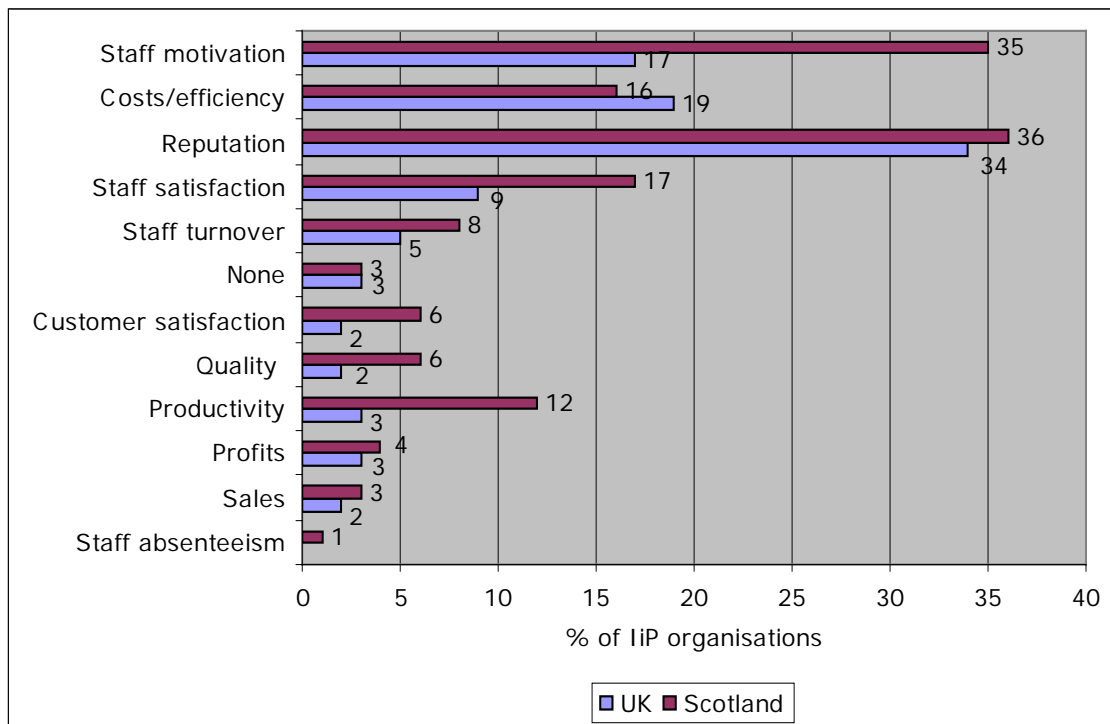


Figure 7: Unprompted benefits expected by IiP organisations (UK n=443; Scotland n=237)

Unprompted, all organisations recognised with the Standard principally expected to see improved staff motivation, satisfaction and increased efficiency with Scottish organisation expecting more staff related benefits than UK organisations.

Only 4% of recognised organisations did not expect to see any benefits at all as a result of recognition against the IiP Standard.

The benefits seen by businesses in both the UK and Scotland are very similar. For both public and private sector organisations, increased staff motivation is the largest benefit obtained from changes made to the operation and management of the organisation; improved quality and increased staff satisfaction are also frequently seen benefits for both sectors.

Benefits can be grouped as follows:

- **External** benefits: improved reputation and increased customer satisfaction
- **Staff** benefits: more motivated staff, increased staff satisfaction, lower turnover of staff and less staff absenteeism
- **Cost** benefits: reduced costs/improved efficiency, improved quality, less waste, more productive staff, improved profit margins and increased sales.

The following charts compare the unprompted expectations of IIP with the unprompted benefits of IIP for both private and public sector recognised organisations.

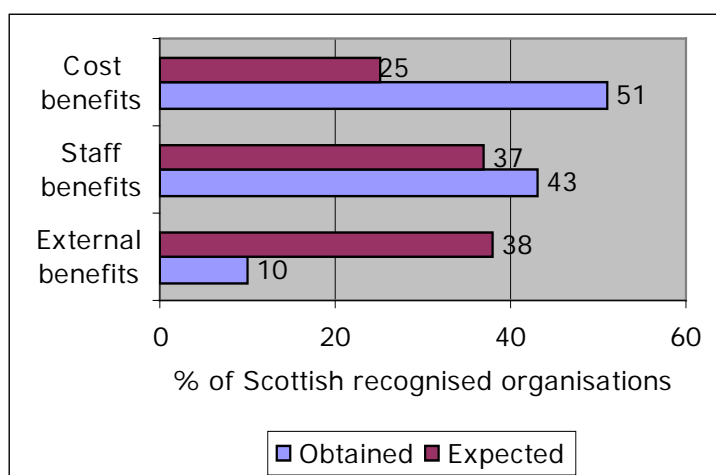
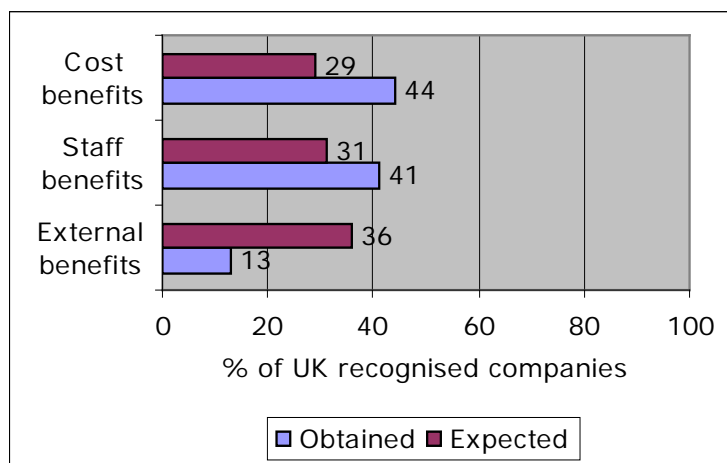


Figure 8: Comparison of expected benefits of IIP against actual benefits of IIP for recognised organisations (UK n=443, Scotland n=237)

IiP is exceeding expectations in terms of staffing benefits and costs benefits.

This is particularly significant for cost benefits; 25% (UK 29%) of Scottish companies go to IiP expecting cost benefits which are then realised for 51% (UK 44%) of companies.

However, IiP are not meeting expectations in terms of external benefits. 38% (UK 36%) of Scottish companies go to IiP expecting external benefits such as improved reputation and customer satisfaction. Only 10% (UK 13%) of Scottish businesses cite either improved reputation or customer satisfaction as a benefit of changes made to the business following commitment to IiP.

5.2 Self-motivated Investors are more successful

All businesses surveyed were asked what the motivation was for becoming an Investor in People. Motivations can be divided into external and self motivations.

Thinking about when you decided to become an IIP, what was the motivation?

EXTERNAL MOTIVATION

"Other people in the market were becoming accredited, so in order keep up with the competition we followed suite".

"We thought it would impress potential employees and client"

"I saw IIP as a sign of quality, which would look good on our paperwork and stationary"

"Recognised quality mark known within the service sector".

External motivations included:

- **Corporate decisions.** The decision to become an Investor in People had been made at corporate or group level and subsidiaries or departments were expected to comply with the decision.
- **Marketing.** Respondents felt that customers were more likely to use companies that were recognised by IIP or customers would only use recognised companies. They wanted the Standard to demonstrate to their customers that they cared about people.
- **Recruitment.** Companies feel that IIP recognition makes them "an employer of choice" and they can therefore attract better quality staff.
- **Not to be left behind.** Companies were motivated to obtain the Standard because "everyone else was doing it."
- **Recognition.** A number of companies felt that they were already doing what Investors in People required, therefore they 'might as well' get the Standard.

Self motivations included:

- **Benchmarking.** Companies wanted to use the Standard as a way of benchmarking or evaluating themselves. This review process would highlight areas for improvement.
- **For staff.** Companies wanted to demonstrate to staff that they were valued.
- **Structure/framework.** IiP was used as a structure or a framework for addressing 'people' issues within the organisation.
- **Manage change.** IiP was used to manage change within organisations.
- **Result of a need.** Some companies were motivated to use IiP as an improvement tool, as a method of improving staff appraisals or team work.

Thinking about when you decided to become an IIP, what was the motivation?

SELF MOTIVATION

"It provided a framework for training and development".

"We wanted to implement a structure within the organisation."

"To get an external view of the company with respect to staff and planning processes"

"We wanted to measure our treatment of our employees, and to better train them as well".

IiP companies can therefore be segmented into two groups according to motivation for obtaining the Standard. Self-motivated investors are internally motivated to obtain the Standard compared to externally motivated investors. Each group is considered below:

5.2.1 Self-motivated Investors

Around two thirds of recognised companies in both the UK and Scotland are 'self-motivated investors', companies whose motivation to become committed to the Standard came from within because they want:

- To benchmark their company,
- To demonstrate to staff that they are valued,
- A structure for addressing 'people' issues,
- A tool to manage change or to improve an aspect of their company e.g. appraisals.

Looking at the characteristics of this group, there is no significant relationship between size of the company and whether or not the company is self-motivated.

However, on the whole self-motivated investors obtain greater financial benefits from recognition against the Standard. **The average annual profit increase for self-motivated Investors is nearly three times as high as for externally motivated Investors for both UK and Scottish companies recognised against IiP.** These companies are also more likely to see the value in continuing recognition against IiP and as such do not need additional incentives to maintain recognition against IiP as they recognise the benefits that can be obtained from the Standard.

5.2.2 Externally-motivated Investors

Around a third of both UK and Scottish organisations recognised with the IiP Standard were externally motivated to obtain the Standard:

- The decision to obtain the Standard was made by head office or a parent company
- Customers pushed them to get the Standard
- They wanted recognition for what they were already doing
- They wanted the Standard because “everyone else has it”.

In the UK, companies accredited with the Standard before 2000 are more likely to be externally rather than self motivated to have obtained the Standard, perhaps as a result of the exclusivity of the award at this time. In Scotland, companies accredited with the Standard between 2000 and 2002 are more likely to be externally rather than self motivated to obtain the standard.

Externally motivated Investors are the companies that might choose not to continue with IiP recognition and need to be provided with reasons to stay. They need the prestige of IiP to be maintained and marketed.

5.3 IiP helps organisations in the process of making changes

The extent to which changes made to the operation and management of the organisation can be attributed to Investors in People was measured through a 5 point scale of influence.

IiP organisations that had made changes were asked how influential IiP had been in four areas. The statements were rated on a 5-point scale where 1 was not at all and 5 crucial:

- **Knowing** what changes to make
- **Deciding** to make the changes
- Making the changes **effectively**
- **Sustaining** the changes

For 66% (UK 64%) of organisations, Investors in People was either crucial or very influential in at least one of these areas.

"It helped us to understand the business better and improve on the team building within the company"

"They gave us a structure, framework that everyone could buy into, it was for everyone not just something management would dictate to employees."

"It taught us the correct procedural disciplines to implement."

IiP is seen to be most helpful in the later two areas, making the changes effectively and sustaining the changes. Often IiP is used as a tool to make and sustain changes following the decision to make a change.

Looking at how IiP helps changes in different types of organisation the following observations can be made:

- The Standard is more influential in making changes effectively in small and medium sized businesses than in large businesses.
- In the UK and in Scotland the Standard is more influential on changes made in companies that received the Standard last year than companies that received the Standard before 2000. However, the impact of memory should be borne in mind here. There is the potential that the longer the changes have been implemented, the less they are associated with IiP.

Where the respondent has given IiP a score of four or five in any of the statements IiP is said to be influential. The graph shows the percentage of people who made each change for whom IiP was influential:

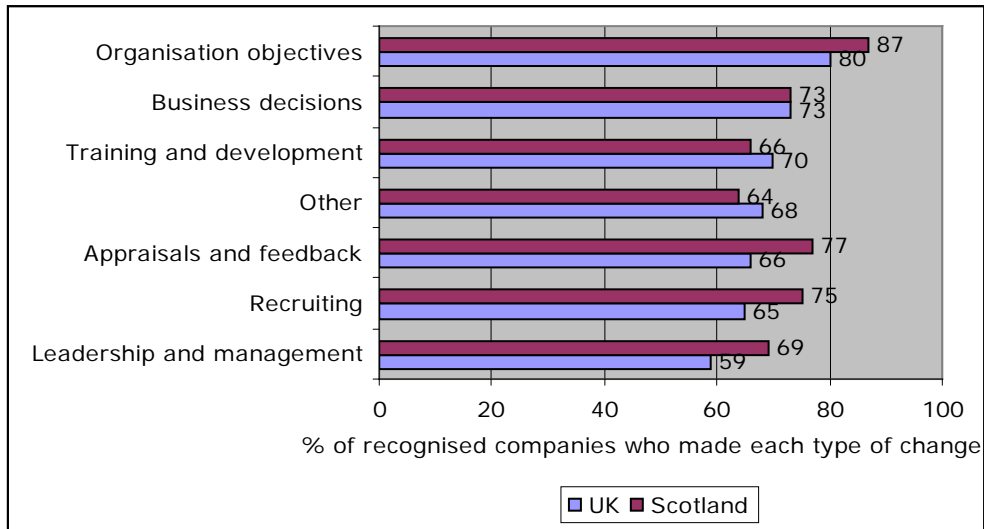


Figure 9: Changes where IiP has been influential (UK n=288; Scotland n=233)

IiP is most helpful in changes involving improving staff understanding of how they can help the organisation meet its objectives and involving people in business decisions and in Scotland instigating training and development to help improve the performance of the organisation. In the UK, IiP is somewhat less helpful in helping organisations to recruit appropriate individuals and induct them effectively and in changes focusing on leadership and management but in Scotland the Standard remains influential in these areas. Overall, IiP is considered helpful for over 50% of organisations making each type of change.

Only 10% (UK 7%) of businesses thought IiP was of very little influence (i.e. they rated IiP at one or two for each of the statements). On the whole, these companies are large, and typically are externally motivated to obtain the Standard and the individual interviewed was not involved when the organisation first committed to the Standard.

5.4 93% of organisations see value in continuing to be recognised by IiP

There are several key reasons why 93% (UK 94%) of recognised organisations want to continue to be recognised by the Standard:

- **Reputation.** The company likes the fact that customers can see they have the Standard, it sets them apart from organisations that don't.
- **Measuring their performance.** IiP is a good way of continuing to monitor their performance; a means of benchmarking themselves at regular intervals.
- **Staff.** Having the Standard demonstrates to staff that they are valued.
- **Maintain Standards.** IiP keeps people "on their toes" and ensures that they maintain Standards.

The reasons for not seeing any value in continuing to be recognised by IiP include:

- *"It is now just one of the tools to improve the business and it doesn't have a significant value of its own".*
- *"We feel we've peaked, we're looking beyond it now. We still refer to it but it is by no means a key tool any longer".*
- *"We feel the standard has slipped; it is a lot easier to obtain it, therefore it has less value"*
- *"it has outlived its usefulness to us - IIP is now just a kitemark to us; the assessment costs are too high; IIP helped us bring ourselves up to a standard which we can now maintain and assess internally without further need for IIP".*

A large proportion of the Scottish organisations that do not see any value in continuing with their IiP accreditation are small businesses who were accredited before 2000. Additionally, in over 50% of cases where the organisation sees no value in continuing with their IiP accreditation, the respondent in the survey was not involved in IiP when the organisation committed to the Standard.

6 Conclusions and recommendations

Conclusions and recommendations are structured around the two core chapters of the report:

1. **Financial benefits of IiP recognition.** Looking at how Investors in People helps businesses to improve their business performance.
2. **Marketing Investors in People.** Looks at the implications of this research for marketing IiP both to existing and potential customers.

The narrative follows the outline of the report with recommendations bulleted as appropriate.

6.1 Financial benefits of IiP recognition

The study has established that achieving recognition against the Investors in People Standard impacts on business performance. Overall, the average annual profit increase achieved by companies recognised by the Investors in People Standard in Scotland was 7.53% of sales or £1105 per employee. Of this, £565 per employee was attributed to IiP.

Investors in People has helped businesses in Scotland to increase profits by £62m annually.

The average annual profit increase attributed to the standard for UK companies was £353 per employee. Therefore **IiP businesses are making changes that are profitable** and on the whole, are more profitable, than similar changes made by companies in the UK.

IiP businesses in Scotland are making the same amount of changes as IiP businesses in the UK and are realising that profit increase in the same way, primarily as a result of reduced costs, improved productivity and improved quality but **IiP Scotland helps businesses to make changes more effectively** and therefore more profitably.

Both Scottish and UK IiP businesses are focusing on leadership and management, and for Scottish companies changes concerned with leadership and management make up a significant proportion of their overall profit improvements.

- The Leadership and Management model is an appropriate member of the IiP toolkit. This area is where both UK and Scottish IiP businesses are making the most changes, 50% of Scottish businesses are focusing on leadership and management changes and making profitable changes in this area. **IiP helps businesses to realise profit through people** and for Scottish companies recognised against the standard this is principally in the area of leadership and management.

Although Scottish businesses are making profitable changes that directly involve staff it should be noted that these sorts of changes can be costly. Scottish businesses recognised against IiP have seen larger cost increases than companies recognised against IiP in the UK, but have seen larger profit improvements per employee.

- For a number of uncommitted companies the perceived costs of IiP act as a deterrent to recognition. **This research suggests that there are costs involved with IiP recognition but that the improved financial benefits of recognition outweigh the costs incurred.** This is a worthwhile message for both potential and current Investors, particularly because it takes time to see the financial benefits.

6.2 Marketing Investors in People

The unprompted expectations of IiP from both IiP and non-IiP companies show that **businesses go to IiP expecting business benefits.**

Unprompted, all organisations recognised with the Standard principally expected to see improved staff motivation, satisfaction and increased efficiency.

Interestingly, around 50% of recognised companies talk about processes rather than benefits when they are asked about the benefits of IIP. However, when prompted, they are comfortable talking about harder business benefits in the context of IIP.

- As most organisations are comfortable talking about bottom line benefits in the context of IiP, Investors in People UK should continue to promote bottom line benefits, using the language in promotional material and IiP materials.

Other motivations for wanting to become an Investor can be divided into External and Self motivations. Around two thirds of recognised companies are 'self-motivated investors', companies who become committed to the Standard to benefit their company on an internal level e.g. as a structure or framework for addressing people issues within their organisation. On the whole, **self-motivated Investors are more successful.**

- Self-motivated Investors do not need additional incentives to maintain recognition against IiP as they recognised the benefits that can be obtained from the Standard.
- A number of these companies can be used as material for case studies, to help persuade top management.
- These companies can 'champion' IiP for those that need more persuading.

Around a third of organisations recognised with the IiP Standard are externally motivated to obtain the Standard, the decision to obtain the Standard being made by head office or their parent company or they wanted the Standard because "everyone else has it." These companies may need more incentives to stay accredited.

- This group would benefit from using the Profile benchmarking tool as this provides continued reason to use the Standard.
- Externally motivated Investors need the prestige of IiP to be maintained and marketed – would benefit from national press coverage of the Standard, or mentions by successful companies.
- If IiP status is a corporate or group decision, encourage companies and groups to want to do IiP not just because they have to but for added incentives e.g. incentives at Sainsbury for being the best Sainsbury store in terms of IiP. The same could be introduced in local schools, hospitals etc., top management could be given tools with which to incentivise and motivate departments to get the most out of the decision to commit.

However, whatever the motivation, the support of IiP is found to be helpful in making changes. For 66% of recognised companies IiP was either crucial or very influential in making changes. It is most helpful in making changes effectively and sustaining change. Typically, **IiP helps businesses in the process of making changes** once the decision to make a change has been made.

- Decisions to make changes in business are largely motivated by the need for changes on the bottom line, improved profits or improved productivity. Although IiP is becoming increasingly associated with bottom line benefits, it is still more associated with helping business processes than making decisions that will affect the bottom line. Organisations will tend to diagnose a problem, propose a solution and then look to IiP to implement this effectively. As the Standard becomes more associated with bottom line benefits, it will be increasingly used for business planning at this level.

93% of businesses see value in continuing to be recognised by IiP. The key reasons why recognised companies continue to be recognised with the Standard are to maintain a good reputation through accreditation, to demonstrate to staff that they are valued, as a means of monitoring performance and as a 'check' to maintain Standards.

- A key reason why companies see the value in maintaining their accreditation to IiP is the reputation of the Investors in People brand. Key to maintaining the value of IiP status for many recognised organisations is for Investors in People UK to maintain the prestige of the IiP brand.
- It appears that where the current individual responsible for IiP was not involved with IiP when the company first became committed to the Standard, IiP status may lose its value in the company. **This has implications for how IiP manage their client relationships. IiP need to market the benefits of IiP status to individuals who take over responsibility for IiP in that company.**

7 Appendix 1 – Weighting

The data used to produce this report has been weighted to reflect its representation in the universe of recognised organisations in either the UK as a whole or Scotland.

7.1 Recognised companies

7.1.1 Private sector companies in the UK

Size of company	Length of recognition	Population (a)	No. of completed interviews (b)	Weight (=a/b)
Small/Medium	2003	1,196	134	8.93
	2000-2	3,764	133	28.3
	Pre-2000	6,462	133	48.59
Large	2003	98	50	1.96
	2002-2	453	175	2.59
	Pre-2000	1,741	175	9.95

7.1.2 Private sector companies in Scotland

Size of company	Length of recognition	Population (a)	No. of completed interviews in first wave (b)	No. of completed interviews in second wave (c)	Weight (=a/(b + c))
Small	2003	236	22	24	5.13
	2000-2	730	19	39	12.59
	Pre-2000	238	14	46	3.97
Medium	2003	50	5	19	2.08
	2002-2	225	4	42	4.89
	Pre-2000	158	10	38	3.29
Large	2003	17	2	7	1.89
	2000-2	53	20	10	1.77
	Pre-2000	92	18	26	2.09

8 Appendix 2 - Questionnaire

1:	QUEST
Questionnaire information	
Project name: Investors in People Impact Assessment	1
Written by: (Michelle McGuire and Charles Michaelis)	2
Questionnaire status: Final	3
Approved by: Sue Burns	4
Date of approval: 3rd March	5

2:	VERS
<i>Extract raw data prior to the change. Increase Version number (Code) with subsequent amendments of the questionnaire. Fill in Questionnaire log. Zip project run on previous version and save it in the "Out of the way" folder.</i>	
Version number	
1st March 2004	03

3:	CHECK
<i>Project manager to fill in while checking data</i>	
Checking status of the interview	
Data OK	1
Correction	2
Clarification	3
Rejected	4

4:	SECT
<i>From database</i>	
Sector from database	
Public	1
Private	2

5:	SIZE
<i>From database</i>	
Size of organisation	
Small (5-49)	1
Medium (50-249)	2
Large (>=250)	3

6:	RECO1
<i>From database</i>	
Date of first recognition	

7:	RECO2
<i>From database</i>	
Date of last recognition	

8: **LENG**

From database

Time since first recognition

Last year..... 1
 2000-2002 2
 Before 2000 3

9: **F8**

..... 1

10: **PHONE**

Phone number

11: **CONAM**

Business name

12: **TITLE**

Title

13: **NAME1**

First name

14: **NAME2**

Surname

15: **INTRO**

Hello, my name is \$I. I'm calling from Databuild. We are an independent research company and we're doing some work for Investors in People. We are currently assessing the impact that achieving recognition against the Standard has on different organizations. Is now a convenient time to talk? Possible issues: The data that is provided to the client will be anonymous. The conversation will last about 15 minutes. All respondents are chosen at random from a database provided by Investors in People

Continue 01
 Busy signal..... BS
 Definite appointment AP
 General appointment GP
 Left message LM
 No answer NA
 General call back..... LT
 Refused personally RF
 Not allowed to speak to respondent GK
 Number unobtainable..... NU
 Quota full..... QF
 Not a 'recognised' company NC
 No longer in business..... DD
 Call back after the end of field work period..... VA
 Duplicate DU

16: **REC**
 ALL RESPONSES WILL BE TREATED IN COMPLETE CONFIDENCE AND
 CALLS MAY BE RECORDED FOR TRAINING PURPOSES

17: **JOB**
Interviewer to categorise
 Please can I confirm your job title?
 Owner/Chief Executive/Partner 1
 Other Director/Senior Manager 2
 HR/Personnel 3
 Manager 4
 Other 5

18: **SECT2**
Interviewer to categorise.
 Can I just check that your organisation is in the <sect> sector?
 Public 1
 Private 2

19: **ACT1**
Record verbatim and classify - private sector
 What does your business do?
 Agriculture/hunting/forestry 01
 Air transport 02
 Computer related activities 03
 Construction 04
 Education 05
 Electricity/water/gas supply 06
 Financial intermediation 07
 Fishing 08
 Health/social work 09
 Hotels/restaurants/bars 10
 Land transport 11
 Membership organisations 12
 Manufacturing, of what? 13
 Mining/quarrying 14
 Other business activities 15
 Other services 16
 Other transport activities/travel activities 17
 Post/telecommunications 18
 Public admin/defense/social security 19
 Real estate activities 20
 Recreation/cultural/sporting activities 21
 Renting of machinery/equipment 22
 Research and development 23
 Retail trade 24
 Sale/maintenance/repair of motor vehicles 25
 Sewage/refuse disposal 26
 Water transport 27
 Wholesale/commission trade 28

20: **MANUF**

If organisation is a manufacturer

Mft recycling.....	01
Mft of basic metals/fabricated metal prods	02
Mft of chemicals/chemical prods/fibres	03
Mft of coke/petroleum prods/nuclear fuel	04
Mft of electrical/optical equipment	05
Mft of food/beverages/tobacco	06
Mft of leather/leather prods/footwear	07
Mft of machinery/equipment	08
Mft of other non mineral products	09
Mft of pulp, paper/paper products:publishing&ptng.....	10
Mft of rubber/plastic products	11
Mft of textile/textile products	12
Mft of transport equipment	13
Mft of wood/wood products.....	14

22: **EMP**

Enter current number of employees
 Approximately how many people work in your recognised organisation? (I.e. site/branch/department/company that is recognised with the Investors in People Standard)

23: **SIZE2**

Automatic coding of size

Small or Medium (5-249)	1
Large (250+)	2

24: **TURN**

Enter 999 for don't know and for public sector
 What is the approximate turnover of your organisation?

25: **NUM**

How many IIP assessments has the organisation had?

1.....	1
2.....	2
3.....	3
4.....	4
5+	5
Don't know.....	6

26: **FREQ**

How often does the organisation get assessed for IIP?

Annually	1
Every eighteen months	2
Every two years	3
Every three years	4
Not with a regular frequency.....	5
Too early to say	6
Other, please describe	7

27: **INV**

If not, get details of why not.

Were you involved with Investors in People when your organisation committed to the Standard?

- Yes..... 1
 No, why not? 2

28: **DECI**

Record verbatim and classify

Thinking about when you decided to become an Investor in People, what was the motivation?

29: **DECI2**

Get details of job title/responsibilities

Within the organisation, who was the first person to suggest that you become an Investor in People?

- Chief executive 1
 Managing director..... 2
 Other director 3
 Human resources/personnel..... 4
 Other, please specify 5
 No one else involved..... 6

30: **TYPE1**

Thinking about your business before you committed to Investors in People, how strongly would you agree or disagree with the following statements?						
	<i>Strongly agree</i>	<i>Agree</i>	<i>Neither agree nor disagree</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Don't know</i>
<i>Growth was a key objective for the organisation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>The organisation was undergoing a period of change</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>We had no clear way of measuring organisational performance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>We regularly used external help to improve our organisation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

34: **CHNG**

You mentioned that the organisation was undergoing a period of change - what was the reason for this?

35: **INV1A**

Did you use any external advice or intermediaries to help you to obtain the Standard?

- Yes, Learning and Skills Council (England) 01
- Yes, Business Link (England)..... 02
- Yes, Scottish Enterprises 03
- Yes, Highlands and Islands Enterprise 04
- Yes, Education and Learning Wales 05
- Yes, Department for Employment and Learning (NI) 06
- Yes, external consultant 07
- Laurel on-line 08
- Yes, other please specify 09
- No, didn't use any external help 10

36: **INV1B**

If organisation have received help from an advisor or intermediary

Did you pay for this help?

- Yes, how much? 1
- No..... 2
- Rather not say 3

37: **INV1C**

Did you receive any subsidies or grants through the recognition process?

- Yes..... 1
- No..... 2

38: **INV2A**

What were the responsibilities/jobtitles of the person who was the driving force behind the organisation becoming accredited?

- Chief executive 1
- Managing director 2
- Other director 3
- Human resources/personnel..... 4
- Other, please specify 5
- No one else involved..... 6

39: **INV2C**

Thinking about support for IIP in the organisation, how committed were top management to the idea of becoming an Investor in People?

40: **INV3**

Enter 999 for don't know

Roughly, how many days a year does the organisation spend on administration and management related to IIP in total?

41:

BENO

Unprompted - record verbatim and classify

What benefits did you expect to obtain by becoming recognised?
 More motivated staff/staff better able to do their job 01
 Increased staff satisfaction 02
 More productive staff/improved productivity 03
 Lower turnover of staff 04
 Less staff absenteeism 05
 Increased customer satisfaction 06
 Improved reputation/like the recognition of having IIP 07
 Less waste 08
 Improved quality 09
 Reduced costs/improved efficiency/better processes 10
 Improved profit margins 11
 Increased sales 12
 Other, please specify 13
 None 14

42:

BENPR

Prompted - for private sector

Did you expect to obtain any of the following business benefits?
 More motivated staff/staff better able to do their job 01
 Increased staff satisfaction 02
 Improved productivity 03
 Lower turnover of staff 04
 Less staff absenteeism 05
 Increased customer satisfaction 06
 Improved reputation/like the recognition of having IIP 07
 Less waste 08
 Improved quality 09
 Reduced costs 10
 Improved profit margins 11
 Increased sales 12
 Other, please specify 13
 None 14
 Increase efficiency 15
 None 16

44:

SKL1

On a scale of 1 to 10 where 1 is very poor and 10 excellent how would you rate your organisation against the following statements:										
	1	2	3	4	5	6	7	8	9	10
<i>The organisation has a plan with clear aims and objectives which are understood by everyone</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>The organisation is committed to supporting the development of its people</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>The organisation evaluates outcomes of training and development against its goals</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

47: **KIPR**

Record verbatim and classify

Do you use any of the following key indicators to measure your business performance?

- Financial performance 01
- Market share 02
- Efficiency (includes productivity)..... 03
- Customer satisfaction..... 04
- Staff satisfaction 05
- None 06

48: **SKP2**

49: **BM1**

Thinking about the organisation before you became committed, on a scale of 1 to 5 where 1 is poor and 5 is excellent how would your rate the organisation's...					
	1	2	3	4	5
<i>Financial performance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Market share</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Efficiency</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Customer satisfaction</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Staff satisfaction</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

54: **AM1**

Thinking about the organisation now, on a scale of 1 to 5 where 1 is poor and 5 is excellent how would your rate the organisation's...					
	1	2	3	4	5
<i>Financial performance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Market share</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Efficiency</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Customer satisfaction</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Staff satisfaction</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

59: **KIPU**

Do you use any of the following key indicators to measure your organisational performance?

- Efficiency (includes productivity)..... 1
- Customer or client satisfaction 2
- Staff satisfaction 3
- Position against competition or league tables..... 4
- Meeting public service objectives 5
- None 6

71: **KIOT**

Do you use any other key indicators to measure your organisational performance?

- Yes, please specify 1
- No..... 2

72: **CHNG1**

Unprompted - record verbatim and classify

Have you made any changes to the operation and management of the business since deciding to commit to IIP?

- Yes, please describe 1
- No..... 2

73: **CHNG2**

Prompted - Record verbatim and classify

Have you made changes to the operation and management of the business in any of the following areas since deciding to commit to IIP?

- Involving people in business decisions 1
- Improving staffs understanding of how they can help the organisation meet its objectives 2
- Instigating training and development to improve the performance of the organisation3
- Recruiting appropriate individuals and inducting them effectively 4
- Regular appraisals and feedback..... 5
- Focusing on leadership and management 6
- Other, please specify 7
- None 8

74: **IMP**

Record verbatim and classify - QUESTIONS ARE ROUTED FROM THIS QUESTION

What has been the benefit of these changes to your organisation?

- More motivated staff/staff better able to do job 01
- Increased staff satisfaction 02
- More productive staff/improved productivity 03
- Lower turnover of staff..... 04
- Less staff absenteeism 05
- Increased customer satisfaction..... 06
- Improved reputation/like the recognition of having IIP..... 07
- Less waste 08
- Improved quality 09
- Reduced costs/improved efficiency/better processes 10
- Improved profit margins 11
- Increased sales 12
- Other, please specify 13
- None 14
- Don't know/couldn't say 15

75:

IMP1A

Prompted question looking at staff benefits

Thinking about your staff, has the organisation seen any of the following benefits as a result of the changes you described...

Staff better able to do job.....	01
Increased staff satisfaction	02
More productive staff	03
Lower turnover of staff.....	04
Less staff absenteeism	05
Increased customer satisfaction.....	06
Improved reputation/like the recognition of having IIP.....	07
Less waste	08
Improved quality.....	09
Reduced costs/improved efficiency/better processes	10
Improved profit margins.....	11
Increased sales	12
Other, please specify	13
None	14
Don't know/couldn't say	15

76:

IMP1A

Prompted question looking at marketing benefits

Thinking about the marketing of your company, has the organisation seen any of the following benefits as a result of the changes you described...

More motivated staff/staff better able to do job	01
Increased staff satisfaction	02
More productive staff/improved productivity.....	03
Lower turnover of staff.....	04
Less staff absenteeism	05
Increased customer satisfaction.....	06
Improved reputation	07
Less waste	08
Improved quality.....	09
Reduced costs/improved efficiency/better processes	10
Improved profit margins.....	11
Increased sales	12
Other, please specify	13
None	14
Don't know/couldn't say	15

78: **IMP2A**

Prompted question looking at efficiency

Thinking about the efficiency of your company, has the organisation seen any of the following benefits as a result of the changes you described...

More motivated staff/staff better able to do job	01
Increased staff satisfaction	02
More productive staff/improved productivity	03
Lower turnover of staff.....	04
Less staff absenteeism	05
Increased customer satisfaction.....	06
Improved reputation/like the recognition of having IIP.....	07
Less waste	08
Improved quality	09
Reduced costs or improved efficiency	10
Improved profit margins	11
Increased sales	12
Other, please specify	13
None	14
Don't know/couldn't say	15

80: **SKP7**

81: **WHIC1**

If reduced costs/improved efficiency/improved staff productivity/improved staff retention/improved staff absenteeism - prompted

You talked about improvements in staffing and efficiency, as a result have any of the following costs reduced...

Staffing costs.....	01
Recruitment costs.....	02
Training costs	03
Development costs	04
Other costs, please describe	05
No costs reduced.....	06
Don't know, couldn't say	09

82: **SKIP8**

83: **Q1**

If quality has improved

What benefits have you obtained from the improvement in quality?

Reduced costs.....	1
Reduced reject rate	2
Reduced the amount of work you have to put into correcting mistakes	3
Other benefit, please describe	4
No benefit	5
Don't know.....	6

84: **SKIP9**

85: **W1**

If waste has reduced

What benefits have you obtained from the reduction in waste?

Reduced your costs 1
Increased your capacity 2
Other benefit, please describe 3
No benefit 4
Don't know 5

86: **SKP10**

87: **WC**

Probe for cost saving

By how much has the reduction in waste reduced your costs?

Amount in £'s 1
Don't know 2

88: **SKP11**

89: **TC**

If training costs have reduced - probe for cost saving

By how much have your training costs reduced?

Amount in £'s 1
Don't know 2

90: **SKP12**

91: **RC**

If recruitment costs have reduced - probe for cost saving

By how much have your recruitment costs reduced?

Amount in £'s 1
Don't know 2

92: **SKP13**

93: **DC**

If development costs have reduced - probe for cost saving

By how much have your development costs reduced?

Amount in £'s 1
Don't know 2

94: **SKP15**

95: **SC**

If staffing costs have reduced - probe for cost saving

By how much have your staffing costs reduced?

Amount in £'s 1
Don't know 2

96: SKP16

97: OC

If other costs have reduced - probe for cost saving

By how much has this cost reduced?

Amount in £'s 1

Don't know..... 2

98: COST1

Have any of your costs risen as a result of Investors in People?

Yes..... 1

No..... 2

99: COST2

Could you describe which costs have risen?

Yes..... 1

No..... 2

100: COST3

Could you estimate by how much these costs have risen?

Yes..... 1

Don't know/couldn't say 2

101: SKP1

102: SKP17

103: S1

If sales increased. Enter 99 for don't know

You mentioned that sales had increased what were your sales before you made the changes (£)?

104: S2

Enter 99 for don't know

What are your sales since the changes (£)?

105: SEST

Prompted

Could you give me a rough estimate of the increase; is it...

Less than 5%? 1

6-10%? 2

11-15%?..... 3

16-20%?..... 4

Over 20%? 5

Don't know/couldn't say 6

106: SKP18

107:

P1

If profit margin/productivity has increased. Enter 99 for don't know
You mentioned that profit margins had improved/productivity had increased, what was your net profit margin before you made the changes (%)?

108:

P1EST

Prompted
Could you give me a rough estimate; was it...
Less than 5%? 1
6-10%? 2
11-15%?..... 3
16-20%?..... 4
Over 20%? 5
Don't know 6

109:

P2

Enter 99 for don't know
What is your net profit margin now (%)?

110:

P2EST

Prompted
Could you give me a rough estimate; is it...
Less than 5%? 1
6-10%? 2
11-15%?..... 3
16-20%?..... 4
Over 20%? 5
Don't know 6

111: **ATT1**

Thinking about the changes that you have made to your organisation, on a scale of 1 to 5 where 1 is not at all and 5 is crucial how influential was Investors in People in,					
	1	2	3	4	5
<i>Knowing what changes to make</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Deciding to make the changes</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Making the changes effectively</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Sustaining the changes</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

115: **ONCE**

How often do you expect to see these benefits of your IIP accreditation?

Continually 1
 Annually 2
 One-off 3
 Less frequent benefit 4
 Other, please specify 5
 Don't know 6

116: **MCH1**

You mentioned earlier that the organisation was undergoing a period of change before you committed to Investors in People. Did IIP help you manage that process of change?

Yes..... 1
 No..... 2
 Don't know/couldn't say 3

117: **MCH2**

How did IIP help you manage that change?

118: **NOCH**

Record verbatim and classify

Why haven't you made any changes to your business since deciding to commit to IIP?

Don't need to/systems already in place..... 1
 Other, please specify 2

119: **VALUE**

Record verbatim and classify

What is the value of continuing to be recognised by Investors in People?

Describe 1
 There is no value..... 2
 Don't know..... 3

120: **NOVAL**

If no value
 Why is there no value to continuing your commitment to the Standard?

121: **HELP**

Is there any further help that you would like from IIP?
 Yes..... 1
 No..... 2

122: **FINAL**

Finally, IIP will be producing a summary of this research, would you like to be e-mailed a copy?
 Yes..... 1
 No..... 2

123: **EMAIL**

Take e-mail address

124: **TIME**

125: **INT99**

Thank you very much for your time and feedback <TITLE>
 <NAME2>, it is much appreciated.
 Completed interview 99

126: **INT**

Interrupt call back 01
 Interrupt don't call back 02
 (INTRO) Busy signal BS
 (INTRO) Definite appointment AP
 (INTRO) General appointment GP
 (INTRO) Left message LM
 (INTRO) No answer NA
 (INTRO) General call back LT
 (INTRO) Refused personally RF
 (INTRO) Not allowed to speak to respondent GK
 (INTRO) Number unobtainable NU
 (INTRO) Quota full QF
 (INTRO) Quote full - recontact QR
 (INTRO) Not SME LG
 (INTRO) No longer in business DD
 (INTRO) Call back after the end of field work period VA
 (INTRO) Duplicate DU
 (INTRO) Unable to conduct the interview in English UE
 (INTRO) Not in the UK UK
 (INT01) Did not qualify NQ
 (INT99) Completed interview 99
 (INTRO) Not a 'recognised' company NC

127: **CB**

128:
Interviewer's comments

F6