Introduction

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National or international standards provide a basis for consistent, coherent and effective management of people in organizations. This book is concerned with emerging standards in areas of people management, HR and human capital management and development (HCMD). It is relevant to practising managers who work in organizations of all types and sizes. It should also be of interest to those who are involved with quality assurance and quality improvement processes, and who want to know how external standards of good practice or excellence can contribute to the achievement of organizational excellence.

In an increasingly competitive global environment, organizations face pressure to deploy their resources in the most efficient and effective way. Standards are a prevalent feature of operational management in the contemporary business and social environment, and affect almost all areas of social and organizational life. However, although organizations, especially large companies, operate a range of HR policies and practices, they have developed them without reference to nationally or internationally agreed standards of practice. Standards specifically focused on areas of human capital management (HCM) and HR have only emerged in recent years, and many practitioners are not yet aware of their availability or potential.

This book takes an international focus. Although some parts of the world have more experience of engaging with external standards accreditation, other countries are catching up fast, and are increasingly active in standards development and implementation processes as a feature of their commitment to professionalizing and upskilling the management of people. Therefore, we hope that this book will provide value for professionals overseeing HR and learning and development as well as risk and health and

safety. In addition, it has relevance to regulators and workforce strategists wherever in the world they are based.

CHAPTER OBJECTIVES

This chapter sets out to:

- describe the trend towards standardization in work organizations and governance, and the widening purpose of standards as a feature of organizational and management practice;

- discuss the emergence of standardization processes relating to the management and development of people;

- introduce the life-cycle model of HCMD as the organizing frame around which the book is structured.

Key terms

The HR field is replete with acronyms and jargon. In addition, the language used by standards specialists may be somewhat 'off-putting'. In this section, we set out the main terms associated with external and accredited standards and with the HR field. We explain specialized terms associated with the focus of subsequent chapters on a chapter-by-chapter basis. There is also a useful glossary of terms at the end of the book.

Accreditation: This term refers to the process of formal approval and certification, by an awarding body, to recognize the achievement of a standard or level of qualification.

Human capital: The terms 'human capital' and 'human capital resources' are contested expressions. Human capital resources refers to individual, unit or corporate-level capabilities relating to knowledge, skills, abilities and other relevant characteristics (Ployhart *et al*, 2014). Chapter 1 of this book sets out how, at a strategic level, human capital resources are the basis for the achievement of sustainable competitive advantage. The debate about the use of the term revolves around whether the individual contribution that people can make to their workplace is overlooked or undervalued

if economic logics associated with terms such as 'capital' and 'investment' dominate decision making in organizations. However, the term human capital as it is used here, and in the book as a whole, connotes our view that people contribute far more than their labour to the organization. People are important sources of value through their individuality, their skills, ideas and networks. These features generate knowledge, ideas and new ways of working that enable organizations to achieve their objectives in a sustainable way. The bottom line is that, regardless of terminological differences, HCM is all about people in the workplace and the combined contribution of skills, attributes, knowledge, talent and expertise that people make in work organizations.

Human resource management (HRM): This term refers to all practices concerned with people in work organizations, taking into account their management as well as their development. This includes systems and practices associated with recruitment and selection, deployment, development and general management of the organization's employees.

Meta-standard: This term refers to management system standards that focus on organization-wide systems and managerial practices that can be audited. Well-known examples of meta-standards are the Quality Management Systems standard, ISO 9001 and the ISO 14001 environmental management systems standard.

National/ international standards: These terms refer to explicitly formulated consensual rules or guidelines published by national or international standardization bodies such as the British Standards Institution (BSI) and the International Organization for Standardization (ISO). They provide an accepted way of doing things relevant to specific products, services or management processes (Anderson, 2017; Mulvie, 2018). Initially, standards served technical design and manufacturing purposes, but over time, accredited standards for organization-wide management systems have been agreed and implemented.

Standardization: This term refers to the process of development, publication and application of guidelines, specifications and rules by a consensus of relevant stakeholders in order to ensure compatibility, interoperability, safety and consistency.

Business excellence, standards and standardization

The influence of standards in organizational and social life has extended profoundly over the last century. Standards now influence market organization and affect benchmarking of products, services and organizational behaviours and practices (Brunsson, Rasche and Seidl, 2012). Early standardization processes were remarkably successful in providing the foundation for design effectiveness, process efficiency and product quality assurance. Without standards, there would be no basis for product reliability and interoperability between components in supply chains. The success of standards in promoting organizational efficiency and inter-organizational effectiveness has led, over time, to interest by national and international standardization organizations, such as ISO, BSI and Standards Australia, to develop and promote a wider range of standards intended for diffusion and adoption by organizations throughout the world. Management system standards, sometimes referred to as meta-standards, have featured as part of standardized practices over the last fifty years. These focus on organization-wide systems as a basis for efficient and consistent operational management practices grounded in common, generically applicable institutional norms (ISO, nd).

Standards are also an important feature of professional life in established and emergent professions, as they provide the basis for 'quality assured', ethical and legitimate professional practice. In the training, learning and development field, the UK Investors in People (IiP) standard, has been available for more than 25 years both in the UK and in other countries (Murphy and Garavan, 2009). Over time the focus of the IiP standard has changed from a focus on learning and development to one directed more at general management and leadership, specifically at practices of continuous improvement achieved through the principles of 'leading', 'supporting', and 'improving' (Mulvie, 2018). Operational practices associated with HRM, such as recruitment and selection, deployment and the management and development of people have, until recently, remained outside the scope of national and international standards (Anderson, 2017).

Standards and standardization for people management and development

In recent years, interest has grown in the potential of standards to contribute to the effectiveness of people management processes in organizations. In an increasingly globally interconnected world, a lack of agreed standards of practice has left HR professionals to acknowledge their vulnerability to the criticism that their field lacks specialized expertise (Monks *et al*, 2013). Corporate scandals of the twenty-first century have also increased interest in the need for standards relating to the way people are managed and treated at work.

In 2016 in the USA, for example, Wells Fargo executives had to admit that they sought to drive growth by putting undue pressure on their employees to hit sales quotas. Such was this pressure that many employees responded by fraudulently opening customer accounts (Conti-Brown, 2017). In Europe, the Volkswagen Emissions Scandal revealed that engineers had been rewarded for developing a gadget that meant that when a car was tested, its performance was different to 'the norm'. Top marks for creative thinking, but bottom of the class for reputable and reliable business practices (Financial Times, 2018).

A further stimulus to interest in standards for the HR domain is that organizations and investors increasingly recognized that people give organizations the 'competitive edge'. People are at the heart of organizations, and every person who works on behalf of an organization contributes in their own way to its success and productivity. In this context a range of employer and employment standards and awards have emerged, such as the Healthy Working Lives Award, the Best Companies Award, the Great Place to Work Scheme and the Top Employers Award. In addition, since 2009, national and international standardization bodies such as ISO and BSI have initiated the development of HR standards.

This book focuses on these national and international accredited standards, and the standardization processes undertaken by ISO and its constituent national standardizing organizations. HR standardization processes were first initiated in the USA in 2009 when ANSI, prompted by SHRM, started work on American national standards in HRM, initiated the development of national HR standards. Two years later, ISO ratified a proposal for the creation of international HR standards, and an ISO Technical Committee, TC260, was established. By 2017, 49 countries were

involved as either representatives or observers on this committee (ISO, nd). Alongside the work towards HR standardization in the USA and by ISO at an international level, the UK, through BSI, has also initiated national level standards development. In the UK in 2011, BSI established a committee, HCS/1, and this led to the publication in July 2015 of BS 76000:2015 *Human resource – Valuing people – Management system – Requirements and guidance*.

The argument of this book is that standards can provide a benchmark from which to assert the value-creation role of the HR function (Cascio and Boudreau, 2017). Recognizing the increasing focus in organizations on the management, development, identification and accounting of the intangible value associated with human capital assets in organizations, professions and nation-states, the chapters that comprise this edited collection identify important standards development processes and their potential 'value-add' to the management, measurement and deployment of HR.

The life-cycle model of HCMD

The next chapter of this book points out that two things – money (financial capital) and people (human capital) – are at the heart of all organizations. The grounding premise of this book is that effective standards of practice in the management and development of human capital provides a foundation of trust from which improved and sustained organizational effectiveness can be achieved. Trust between managers and members of the workforce under-pins employee commitment and performance. Searle and Skinner (2011) describe HRM as an ongoing cycle of activities necessary to carry out efficient and effective work processes. They characterize this cycle as involving recruitment and selection, learning and development, performance management, and reward. Other processes, such as employment relations and change management, affect all of these parts of the HRM cycle and will affect the ways in which people leave the organization. We argue that in today's context, much of an organization's value is intangible and largely tied to the workforce and the value-creating abilities and potential of those who work on behalf of the organization. Therefore, in our model we refer to the term 'human capital management and development'.

Human assets are as important as, if not more important than, manufacturing and financial assets for sustained organizational performance and flexibility. Adaptability and change are crucial features of the employment

relationship in organizations throughout the world. As the basis for this book, we adapt the work of Searle and Skinner (2011) to describe an HCMD model focused on building capability and engaging people (Figure 0.1). The structure of this book reflects this model. The model describes standards of human governance as equivalently important as standards of other forms of corporate governance. Wider organizational processes of change and organizational development form the context and background to a capability building and people engagement cycle that has four elements. These are: entry and pre-entry to the organization, workforce management processes, learning and development, and moving on (or moving out) from the organization.

FIGURE 0.1   HCM model
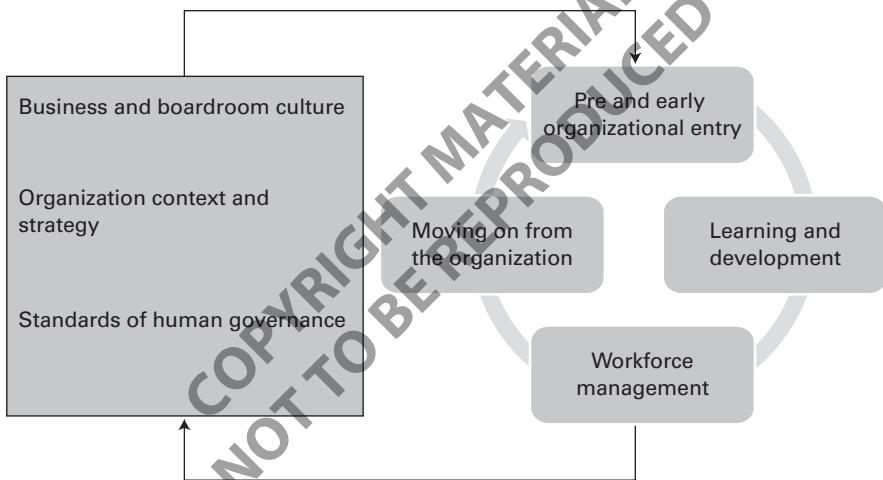
The figure shows the author's model for human capital management, after Searle and Skinner (2011)

Overview of the chapters

Acknowledged experts in a range of HCM domains have contributed chapters to this book. Each chapter highlights the role and purpose of standards and standardization as a feature of HCMD. The process of developing and implementing standards in HR and HCM in organizations of different types and sizes that operate in different regions of the world is not without challenges. Therefore, each chapter author discusses dilemmas associated with developing and adopting national and international standards.

Specific issues that warrant discussion are: what level of detail is appropriate in any HR standard? What time horizon assumptions are appropriate for standardization in the field of HCMD? How should good practice in organization be evaluated to assess achievement in relation to risk, flexibility and innovation?

Chapter 1 introduces different stakeholder perspectives towards the value creation potential of people in organizations. The author, Ed Houghton, discusses the issues of business culture, particularly 'board room culture' and the effect that this has on the human governance processes. They foreground the investor perspective on HCM, stewardship and building and maintaining trust within the organization. In their chapter, they also outline the development of ISO 30414:2018 *Human resource management – Guidelines for internal and external human capital reporting*.

Chapter 2 is contributed by Heather Bond, who is an active participant and expert in many areas of standards development in this field. This chapter addresses wider issues associated with valuing people in organizations. It highlights which standards matter for HCM, and how standards relating to other operational processes recognize the importance of appropriate people management and development processes for operational efficiency and effectiveness. This chapter highlights debates about matters of principle, values and compliance that underpin processes of standards development and revision.

In addition, this chapter discusses the value that HCM standards offer as a basis for mutual understanding, trust and sustained performance.

Chapter 3 is contributed by Julie Sloan, the convenor of the ISO working group to develop standards for workforce planning, ISO 30409:2016 *Human Resource Management – Workforce Planning*. It provides a practical, user-friendly guide to the key elements of strategic and operational workforce planning. In an increasingly global and dynamic business environment, workforce planning is an imperative. Effective workforce planning is required to take account of labour market trends, regulatory or governance requirements and organizational design developments.

This chapter identifies critical success factors associated with workforce planning, and sets out core elements of good practice for the application of quality workforce planning to organizational design processes.

Chapter 4 builds on this trajectory. Dr Sandy Miles, Distinguished Professor at Murray State University and convenor of the ISO workgroup to develop international standards for recruitment and selection (ISO 30405:2016 *Human resource management – Guidelines on recruitment*),

argues that attracting and employing talent is critical for organizational success. She indicates the effect of recruitment processes on employee brand and the effectiveness of stakeholder relationships. In a digital and globally interconnected world, recruitment processes are changing fast, and so global standards for recruitment, as a basis from which to manage candidate relationships and subsequent employment relationships, have never been more important.

In addition to the ISO guidance standard on employee recruitment, this chapter also highlights the benefits and development work associated with standards in candidate experience and the delivery of candidate assessment processes and services.

Chapter 5 is written by Valerie Anderson and Alaa Garad. Knowledge and skills are an important feature of organizational and national economic competitiveness, effectiveness and efficiency, and this chapter considers the strategic contribution of learning and development as the basis for productivity and business growth plans. Both employers and individuals play an important part in the continuous processes of 'upskilling' and life-long learning required for a globalized, technologically innovative and volatile context.

In alignment with other chapters, this chapter highlights how organizational competitive capability requires continuous learning at individual, team and organizational levels. An international standard in learning and development is still under development, but the British Standard BS PD 76006:2017 *Guide to learning and development* provides guidance on learning and development in relation to standards for formal and informal learning, training and development. Their chapter also indicates important new practices in relation to the use of technology in learning and development.

Chapter 6 is contributed by Professor Anne McBride and Professor Helge Hoel, who jointly convened the BSI working group to develop a British standard for diversity and inclusion (D&I) (BS 76005:2017 *Valuing People Through Diversity and Inclusion: Code of Practice for Organizations*). In 21st-century organizations, D&I is an issue that distinguishes 'good' employers and sustainable organizational performance. However, individuals around the world are still excluded from a number of opportunities to fully engage with organizations – whether as employees, suppliers or stakeholders.

This chapter focuses on objectives, policies, practices, behaviours and measures that can facilitate greater organizational D&I. It identifies ways in

which organizations can minimize the negative consequences of a lack of organizational diversity, and sets out a human capital approach to D&I. It provides examples from BS PD 76005 on how to value people through D&I.

Chapter 7 concerns standards for occupational health and safety (OH&S). Organizations that manage OH&S in an effective way are well placed to reap financial and reputational benefits. In addition, organizations with global supply chains increasingly seek assurance as to the OH&S management of their suppliers. Martin Cottam, the author of this chapter, is Chair of the ISO Technical Committee that owns the first ISO standard addressing OH&S – BS ISO 45001:2018 *Occupational health and safety management systems*. Martin argues that the development of ISO 45001 represents the of ISO management system standards (alongside ISO 9001 and ISO 14001, the equivalent standards for quality management and environmental management). This provides managers with useful standards through which to align and integrate their OH&S management systems and to benefit, if appropriate for the business, from the process of certification.

Chapter 8 focuses on processes and good practice in situations where people move on from the organization. Whatever the 'trigger' to move on, when someone leaves his or her organization the management of the transition process is important for organizational excellence. Sustained performance requires that the right workforce be in the right place at the right time. This chapter, authored by Dr Valerie Anderson, provides a practical and applied approach to areas of good practice that organizations can implement to ensure that they manage the 'moving on' stage in an effective way. This can help managers to minimize negative consequences associated with the moving on process.

Chapter 9 shifts the focus beyond individual organizations, and identifies how standards in HCMD can benefit coordination between organizations in specific sectors, and within organizations that operate across national and regional boundaries. Dr Alaa Garad, a standards expert with global experience, discusses the impact on HCM of new technologies such as artificial intelligence (AI) and smart, autonomous technologies fuelled by data and machine learning (sometimes referred to as Industry 4.0).

This chapter also highlights how integrated management systems across sectors can enable collaboration in important areas for HR, such as occupational safety, employee mental health and wellbeing, and performance management.

The final two chapters of the book address the processes involved in certification and the likely future of standards in the HCM field.

Chapter 10 is written by Angela Mulvie, an experienced executive coach and management consultant with specific expertise in the implementation of standards in all areas of the world. This chapter discusses the principles behind assessment and certification, the steps involved, and how new approaches to accreditation are emerging. It provides an overview of some of the bodies that support the assessment process, and considers how the work of assessment and accreditation organizations is itself quality-assured.

Chapter 11 looks to the future. Dr Wilson Wong, who is Head of Insight and Futures at the Chartered Institute of Personnel and Development (CIPD) and independent chair of the BSI Human Capital Standards committee, looks to the future of standards in the HCM field. In this chapter, he offers a personal analysis of the future of work in a context of technological, digital, social and economic innovation.

This chapter considers the complex interactions of external and internal forces as a mosaic of the landscape of the future of work. The chapter makes the case for practitioners, business leaders, and those involved with developing standards to 'look above the parapet' to get a fresh perspective and take the longer view. This future orientation will be crucial as standardization seeks to influence as well as to respond to emerging patterns, intersections and priorities that affect human capital.

Summary

The development of standards by ISO, BSI, and other national accredited standardization bodies in the broad area of HCMD is relatively recent. This is the first published book in this emerging but important area. The book takes an international focus and the chapter contributors, all experts in their fields, provide unique and authoritative information about the influence of standards on HCMD.

With its integrative perspective, this book provides important new ideas worthy of consideration and implementation by professionals, regulators and strategists concerned with risk, health and safety, learning and development, as well as other HR functions important for sustained organizational performance.

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