

CITY HR TASKFORCE FOCUSES ON SENIOR MANAGERS REGIME

The new Senior Managers Regime, and the Senior Insurance Managers Regime, will come into force on 7th March 2016. The first set of final rules was published by the PRA on 23rd March 2015 and can be viewed on www.bankofengland.co.uk/pradocuments/publications/ps/2015/ps315.aspx

City HR has convened a taskforce to produce guidance around the implementation of both of these regimes which comprises senior line HR practitioners, compliance and risk managers, training specialists and employment lawyers. To date, the taskforce has:-

- Identified the perceived key regulatory requirements of SMR and SIMR and aligned these to the employment cycle from an HR, risk, compliance and legal perspective. This was published at the end of last May and copies are available via the City HR Office.
- Included the requirements of the Certification Regime for staff in 'Significant Harm' functions as well as how to embed conduct rules.
- Scenario tested what SMR and SIMR means for each category of staff.
- Explored the employee education process across all levels within the organisation and developed content in this respect.
- Delivered an HR Metrics Club workshop on 2nd June 2015 to determine what this means for data capture, management reporting and recording. More work will follow in this respect.

Part One of this work (covering the elements above) will be published to members shortly and culminates with a specially convened Member Seminar on 1st July 2015 with presentations from the PRA and FCA. Part Two will commence as further guidance emanates from the regulators. Please refer to the back page of this publication for forthcoming events in this respect.

Appreciation is expressed to a number of firms who have contributed to this work, including Berwin Leighton Paisner, Fox Williams, Oracle, Deloitte and Risk Culture Insights.

HR GUILD INSTALLATION IN JUNE 2015

As part of City HR's role in keeping you up to date with important developments around the HR profession, it seemed timely to do a progress report on the new HR Guild.

Since the approval of the City Of London Corporation's Court of Aldermen to form the Guild of Human Resource Professionals in September 2014, there has been considerable background activity to prepare for the HR Guild's Installation in June this year.

The Master Elect is past City HR Chair, Robert Potter, who has led a steering committee to develop the membership proposition, structure the ordinances and to attract HR professionals across all sectors as members or officials of the Guild. Included in the committee are Peter Cheese, of the CIPD, and City HR's Paul Hucknall and Andrea Eccles who are helping the HR Guild to transition to a fully independent entity.

The difference between a Guild and an institute (or a professional association such as City HR) is that Guilds look outwards to see how member skills can be used to help others either through pro bono work, its charitable interests or individual welfare, whereas an institute is about self and career development. Entities such as the City HR Association exist to represent the interests of corporate members on issues of mutual concern, often including reward, the regulatory regime and reputation.

As part of a recent education initiative, the HR Guild's Sponsoring Alderman – Peter Estlin – chaired a recent information evening, with the two City of London Sheriffs in attendance, the latter who brought the concept of Guilds to life, using some witty illustrations.

To find out more about the HR Guild, please visit www.hrprofessionals.org.uk

IN THIS ISSUE:

- CULTURE AND VALUES HR LEADERS ROUNDTABLE
- WORKING WITH CANCER – CHALLENGES FOR EMPLOYEES AND EMPLOYERS
- WITNESS TRAINING - TIME WELL SPENT
- PENSIONS: COMMUNICATING FREEDOM AND CHOICE
- CITY HR IS RELOCATING

Sponsored by: **ORACLE**
HUMAN CAPITAL
MANAGEMENT



Sheriff Dr Andrew Parmley and Sheriff Fiona Adler



Alderman Peter Estlin and Robert Potter, Master Elect, HR Guild

CULTURE AND VALUES HR LEADERS ROUNDTABLE

In March, City HR in conjunction with Cass Business School, hosted an HR Leaders Roundtable on Culture and Values.

Professor Andre Spicer, Cass Business School, and his team were commissioned by New City Agenda to report on the current state of Culture and Values in the City including research on how well organisations are progressing with its implementation.

Professor Spicer, opened the Roundtable by re-capping on the cause of the banking crisis and summarising the findings and conclusions of his report. This started by looking historically at how the crisis of culture had arisen including reviewing consultancy reports, academic articles and by interviewing Banks and Stakeholders including Heads of HR, CEOs and Leaders of Culture Change.

The research, entitled Culture of British Retail Banking, found the following:

- That complex issues had caused the banking crisis, including sales culture being placed above customer care and stewardship, which resulted in companies looking to peers and copying them

- Approximately a third of cultural change issues had been addressed in these firms with work still continuing
- A huge investment had been made at Board Level in making change
- Regulatory changes to pay and bonuses are overloading Banks and Risk functions are expanding as a result
- Culture change initiatives are very similar i.e. attempts to measure attitude, engagement, employee satisfaction, with some banks attempting to measure behaviour and mapping moral DNA.
- Some banks reporting that the messages re culture change are being lost at middle levels of staff

The report also identified the following Risks:

- Overloading of change initiatives
- Wariness of change
- The message getting lost and not reaching middle levels and below of staff
- Overload of increased regulation particularly on Remuneration
- Over/underestimation of time needed to embed culture change
- In larger banks integration of culture and values at all levels and locations

The report concluded that firms should give sufficient time to embed culture change messages and improve product design, and also look at how the culture change affects employees – does it improve their work experience? The report suggests at middle level of organisations 360 degree feedback should be used to measure employees against new cultural standards. Further culture change should be measured over a long period of time.

It also noted the effect on HR roles with HR as trusted advisors on culture change and people risk and their increased responsibility for producing people data metrics. Recruitment and remuneration are also key to engaging employees with company culture and changing behaviour.

Professor Spicer said that the next steps were to focus on a smaller number and different range of banks looking particularly at middle level messages and how they are communicated and understood.

HR Leaders then discussed progress in embedding culture and values in their own organisations. It is clear that this important issue will dominate the agenda for a considerable time and further research and tools will be developed at City HR during the course of 2015.

WITNESS TRAINING - TIME WELL SPENT

In a recent High Court battle between two Russian oligarchs, the result turned on conversations which had taken place in deepest Siberia decades previously.

The claimant fared badly on the witness stand. In the transcript from the trial the judge found him to be *"an unimpressive and inherently unreliable witness, who regarded truth as a transitory, flexible concept ... sometimes he was clearly making his evidence up as he went along ... on occasions he tried to avoid answering questions in a manner consistent with his case ... he departed from his previous oral evidence sometimes within minutes of having given it."*

Preparation

HR professionals and litigators have seen these traits before, and others that are just as damaging to the case.

Nevertheless, witness performance is often perceived as an element of risk that it is not possible to manage. It means that there may have been scant attempt to prepare the witnesses for the real experience of giving evidence. They may simply have had a discussion with their solicitor, or perhaps even a conference with counsel, explaining the importance of listening carefully to and answering the question, but little else.

However, what witnesses need is to understand and feel as fully as possible what it is like to give evidence.

Effective preparation

In the UK it is impermissible to rehearse, practise or coach a witness in their evidence. Those who are familiar with the issues in the case are forbidden to train the witnesses.

But there are ways in which witnesses can quite legitimately be prepared so as to enable them to communicate their evidence as fully and persuasively as possible.

Assurety Ltd is a new and innovative witness training company

founded by two practising QCs and a senior barrister. It offers thorough training for witnesses. A barrister/QC and a communications expert deliver each course. A former High Court/Court of Appeal Judge can be added as a third trainer. Many of their barrister trainers are also part-time judges.

The training is tailored to each witness. The witnesses are familiarised with the process for the hearing; they understand how decision-makers make their decisions; they watch videos of witnesses giving evidence; they learn what they should and should not do as witnesses; the communications expert gives them a grounding in communications.

Finally, and importantly, the barrister subjects the witnesses to a searching cross-examination. They do not use role-plays or case studies. These take time to learn, and a mock cross-examination on a part that a witness has learned is sterile and artificial.

Already used by many City financial institutions, this training would benefit employees who are going to give evidence or answer questions, to a court, tribunal, inquiry, regulatory hearing or otherwise.

City law firm, Osborne Clarke, hosted a taster session for City HR members. The Association's volunteer witness at the session, Candace Relf, Head of HR at Danske Bank, said: *"It was nerve-racking to be cross-examined after studious preparation at the Member Forum in front of my peers. What would the real situation be like?"*

David Cubitt, Employment Partner at Osborne Clarke concluded: *"The demeanour of a witness when giving evidence is important to their credibility and can effect the outcome of the case. Witness training will increasingly be seen, not just to be time well spent, but essential to effective trial preparation."*

Paul Epstein QC, Assurety Ltd (pictured right)

E: paul@assuretytraining.com

W: www.assuretytraining.com



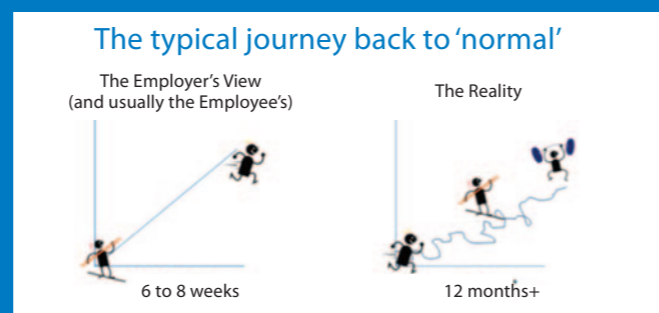
WORKING WITH CANCER – CHALLENGES FOR EMPLOYEES AND EMPLOYERS

By Barbara Wilson

We all know that the incidence of cancer is increasing. There are currently 2.5 million people living with cancer and by 2030 it is estimated that there will be 4 million people living with cancer. There are currently 750,000 people of working age with cancer and this number is also likely to double over the next 10 to 15 years, given we are all living and working for longer, and more and more people are surviving cancer.

The fact is that for most people, whatever their age or type of cancer, returning to work after cancer is a marathon, not a sprint.

There are good days and bad, good weeks and bad. It takes time, and that's because cancer has both psychological and physical side effects. The physical effects might include some or all of those mentioned above plus a few more. The psychological effects usually result from losing that sense of immortality we all have for most of our lives. Nonetheless, and despite all of that, most cancer survivors of working age are keen to return to work and for very good reasons. Returning to work offers routine, social contact, and of course financial security. Also whether we like it or not, most of us define ourselves by what we do in our working lives – it's often the key to our identity and self-esteem. Last but not least, it also offers a welcome return to normality.



So what's the business case for doing anything other than the basic minimum? Providing knowledgeable, informed support:

- Helps to reduce the cost of long term absence - cancer is one of the major elements of long term absence which typically accounts for over a third of all sickness absence
- CRUK have reported that 1 in 2 people in the UK born after 1960 will be diagnosed with some form of cancer during their lifetime. Increasingly, line managers as well as HR will need to know what to say and what to do to support people affected by cancer both during and after treatment

- People working with cancer are protected by law in numerous ways from the point of diagnosis for the rest of their lives. Awards made against employers found guilty of discrimination are uncapped. Surveys show that many managers still are not aware of this

- Dealing with the many challenges posed by having an employee diagnosed with cancer

- Demonstrates that companies really are an 'employer of choice'.

Finally, what are the implications of this for HR professionals and line managers? Here are a few thoughts which can also be applied successfully to managing people with other long term conditions:

- Firstly, don't assume that as soon as your employee has completed a standard 6-8 week phased return to work after their cancer treatment they will be 'back to normal'. Reasonable adjustments should be kept in place and under review for as long as is necessary and for as long as your organisation can reasonably accommodate them. Be prepared to revisit these adjustments if your employee is going through a bad patch – bad patches happen

- Make sure you and/or the employee's line manager have regular, supportive conversations with the employee affected by cancer so both sides know how things are going, what's going well and what's going less well. These conversations are really critical and should not be set aside

- Consider specialist coaching to help employees come to terms with the impact of cancer on their life both at work and outside of work, and provide training for line managers (as well as HR professionals) on how to manage work and cancer because line managers play a really critical role as to whether someone returns to work successfully or not.

Barbara Wilson is founder and director of Working with Cancer, a Social Enterprise providing 'return to work' services to employers. These services comprise one to one coaching for employees affected by cancer, and training and consultancy services about managing work and cancer for HR professionals and line managers.

For further information please contact Barbara Wilson at Working With Cancer **Barbara.wilson@workingwithcancer.co.uk**

www.workingwithcancer.co.uk @WorkWithCancer

PENSIONS FOCUS: MEMBER COMMUNICATIONS IN A POST BUDGET WORLD

We are all pleased to see the recent new regulation bringing pension choice and freedom. However with such freedom comes greater risk, complexity and the need for a better understanding of the significance and potential consequences of the decisions we make at retirement.

Whilst the guidance guarantee through Pension Wise is a positive step forward in terms of support, the reality is we need to engage with members over a number of years, educating them about their options and the key decisions that will have a long-term impact on their financial wellbeing. This will have a far greater impact on members than trying to address everything in a single session.

All too often, retiring members make poor choices that are irreversible and can result in thousands of pounds of lost income throughout their retired lives. With even more choices now available, it is vital that retirees consider all available options and establish a retirement solution that meets their particular circumstances and objectives.

The proposals announced by the Government has revolutionised the way individuals are able to access their pension savings. But with greater freedom comes far greater responsibility. Members need to be directed towards retirement guidance and planning at an early stage in their approach to retirement in order that they understand their options fully and recognise the implications of each, giving them the time to take any remedial action if necessary.

By providing access to retirement planning at an earlier stage, members are more able to make decisions about their preferred retirement strategy and can tailor their investments accordingly. For example, a member who wishes to purchase an annuity may benefit from their pension savings

being switched to lifestyle funds to reduce the risk of the fund value dropping; however this could be counter-productive for those considering drawdown solutions.



Education affects decision making

In order for a member to make appropriate retirement decisions, they must be in possession of all of facts. Factors which each member will need to consider are:

Income sustainability: Will the solution or solution(s) selected provide an income that remains above the minimum that the member can comfortably live on for the rest of their life?

Investment risk: Does the member know and understand their attitude to risk? With a drawdown solution the retirement fund remains invested and the value of the fund could decrease if investments fall.

Capacity for loss: Can the member absorb any fall in the value of their investment and would the loss of capital have a detrimental effect on their standard of living?

Longevity: Will a member's retirement income last their entire lifetime? In the past we considered our retirement to last perhaps 10-15 years, now it is more in the region of 25-30 years. Annuities still remain the only solution which provides insurance against longevity risk.

Ensuring a member fully understands these, and other, concepts will likely take more time than the guidance guarantee can offer and this alone advocates the need for earlier retirement planning.

Robert Tinsley is Principal at ASPIRE to retire.

ASPIRE to retire is a trading name of PSFM Limited, part of the Punter Southall Group. PSFM Limited is authorised and regulated by the Financial Conduct Authority. FCA Registration No. 137684. Registered office: 11 Strand, London WC2N 5HR. Registered in England and Wales No. 2148740. VAT Registration No. 782601821.

CITY HR IS RELOCATING

The lease has expired on our current premises and from the 1st July 2015 we can be found conveniently tucked away behind the House of Fraser store at Monument Tube Station. Our new address will be:-

City HR Association
3rd Floor
St Clement's House
27/28 Clement's Lane
London EC4N 7AE

Our email addresses will remain the same, and we are planning to take the telephone number with us.

Forthcoming events:

- 17 June City HR AGM and Summer Party
- 1 July Senior Managers Regime / Senior Insurance Managers Regime Presented by the PRA and FCA
- 2 July Next Generation Leaders: Part One The alignment of HR to the Business
- 8 July Next Generation Leaders: Part Two The basics of Reward in City firms

New members so far in 2015

Welcome to our new full members:

- Lloyd's of London
- Schroder Investment Management Ltd
- UBS AG

Welcome to our new associate member:

- DMH Stallard LLP



City HR Association Limited Board

Paul Hucknall	Chairman	Lloyds Banking Group
John Renz	Vice Chairman	Novae Group plc
David Barnett	Hon Treasurer	Mitsubishi UFJ Trust and Banking Corporation
Andrea Eccles		City HR Association Limited
Karin Rehacek		Erste Group Bank AG
Faith Jenner		Faith Jenner Consulting Ltd
Robert Potter		Hays PLC
Charlotte Sweeney		Charlotte Sweeney Associates
Ben Higgins		Societe Generale
Barbara Turner		Canopus Services Ltd
Nick Hurley		Charles Russell Speechlys LLP
Louise Batchelor		Standard Chartered Bank

Special Advisors

Stephen Sidebottom Marc Hoodless Ian Nash

Published by

City HR Association,
Providian House,
16-18 Monument Street,
EC3R 8AJ
Telephone: 0207 670 1932/4
E-mail: info@cityhr.co.uk
www.cityhr.co.uk