

Some big businesses contradict themselves on Brexit

The large companies that still want us to remain in the EU are pushing back hard on the government.

They contradict themselves. They say an early exit with no deal will be bad for their UK activities, yet their main demand is continuing access to lots of cheap continental labour after we leave! They must be planning to expand their UK businesses whilst suggesting the opposite.

As many of them recommended the disastrous recession creating Exchange Rate Mechanism to the UK, and thought the Euro would be good for the economies of Europe the UK government should be sceptical of their judgement.

Absenteeism in the public sector

“They can’t all be ill” said someone looking at high absence figures in part of the public sector. They probably were not. Some private sector organisations have an absenteeism problem. There it is usually a sign of low morale, poor leadership, poorly structured jobs. Some parts of the public sector suffer from high absentee rates too. Senior public sector managers need to change their organisations so more people turn up. The public sector probably has to have 1% more staff to cover for excess absence.

Anyone who is ill should of course have time off to have it checked out and to recover. The flu ridden employee or the staff member with an infectious cold may do more harm than good struggling in to work, only to spread the disease more. The issue is the employees who claim they are sick because they wish to extend the week-end, have a hangover from excessive drinking the night before, have better things to do than turn up for work. I once had to help senior managers tackle high absenteeism in a factory environment. The factory needed improving in all sorts of ways to make it a better working environment, which management did. They fired the worst offender who took far too much time off when they could prove they were not ill. This had a galvanising effect. Management was congratulated by other staff members who said they were fed up having to cover for that person when they knew it was not illness. General standards rose as a result.

If you wish to manage something you need to show it matters and explain what you want to achieve. It must be fair and sensible. The aim here is not to make people feel they mustn’t be ill, or hurry them when they need rest and treatment. The aim here is to deal with abuse. That needs to be explained. You then need to measure and monitor it, to see if the team follow the new policy laid out.

Figures can be revealing. If there is an outbreak of flu then you would expect a big surge in absence. If the absence figures shows a cluster of non attendance on Fridays or Mondays, or on hot days or days when there are major events or functions, suspicions should be aroused. You should also know your workforce well enough to help them realise their wishes whilst still doing a decent week's work. If there is a big football match on tv they all want to watch, then consider letting them do that at work. You'll lose 100 minutes, not the whole day, and have some goodwill.

[Why do we run such a large balance of payments deficit with the EU?](#)

As some are still worried about the possibility we will trade with the rest of the EU on WTO terms after exit, I am inviting them to explain why it is we run a huge trade deficit with the rest of the EU but a surplus with the rest of the world. Why has this usually been true during our 45 years of membership? Not even large devaluations against the DM and the Euro have changed this.

[The budget and review cycle for Quangos](#)

Ministerial supervision of big bodies like the Environment Agency, Network Rail, and some Housing quangos is essential. Ministers are the only protector of the taxpayer and the consumer interest. As the government supplies much of their revenue as subsidy and much of their capital directly or with guarantees of borrowing Ministers can and should take an active interest in the performance of management. The managers of many of these bodies are paid well above the senior salary norm in the public sector. This is presumably because they are expected to perform better. In order to get any value for these much enhanced salaries it is vital the Minister as the taxpayer representative sets demanding targets and only approves high pay if performance is good enough. In the end in many cases the Minister hires and fires the CEOs and Chairmen, so has every reason to take a close interest in what they do.

I suggest the following major events in an annual review cycle with the Chairmen and CEOs of these bodies:

1. Approval of budget sums for the following year – consideration of past performance and bids for extra cash
2. Review of annual figures for year just completed, including full performance review against targets and value for money review of money spent
3. Corporate plan and forecast meeting to discuss what the state will be buying with the money approved for the following year, and target revision for that year
4. Mid year review if needed by either side. Government might want a mid year review if management figures are unsatisfactory, if there are customer and public service issues etc. Quango may want review if it cannot hit target, if it needs more cash etc

The extent to which the Minister needs to be hands on will depend on a number of matters. If the quango has a history of missed targets and poor customer performance the reviews need to be detailed and regular. If the Quango has a good track record at performance the reviews can be more relaxed but there should still be the minimum regular annual cycle. Saying thank you when they have done well is as important as demanding change when they have done badly. There will need to be more contact and special meetings if something the Quango is doing achieves high public salience, or if performance nose dives.

The aim should be to build a good relationship with the Minister as a kind of supportive shareholder. Unlike a shareholder, however, the Minister also has to directly represent the consumer interest. As many of these Quangos and businesses have strong monopoly characteristics the Minister has to keep prices down and standards up, as there is often no effective market to do that for him.

[Strive Awards in Wokingham](#)

On Friday I had the pleasure of giving out the Strive certificates to all those who have completed the business start up course organised by Wokingham Borough Council and their partners.

People wanting to establish a business of their own gave presentations on what they wish to achieve. 4 experts on a panel gave advice on what might help them to success, and 3 of the business plans attracted prize money to help them on their way.

This is a good annual initiative which reminds people that setting up a business can be a rewarding challenge, and assists them with the many issues you need to sort out when doing so. I wish them all well.