

absolutely business



A load of old politics!

By Denise Walker FREC

Prior to any new CEO joining an organisation, they have invariably been through a rigorous selection process, which has determined that they have the requisite experience, knowledge and skills to enable them to carry out their job effectively. On this basis, if the Prime Minister is the CEO of UK Plc and the Cabinet is its board, why is it then, that not one of the current cabinet ministers has any business experience whatsoever?

I was one of the millions who voted for this party in the “landslide” election of 1997. Having benefited from Conservative policies during the nineties (which enabled me to set up and build my own business) I believed there should be a balance between the free market and social responsibility. The message the Labour Party then put across was that they had changed, were no longer so extreme left and that they understood the value of enterprise. And, along with millions of other voters, I was convinced that this was true.

My disillusionment happened almost immediately, with the introduction of the Working Time Regulations in 1998. At that time, I had been running my recruitment business for 6 years and, like with thousands of other recruitment companies, these regulations had a profoundly negative affect on it. The ambiguity, the confusion and the downright irrelevance to businesses in the UK was apparent and the additional legal and administrative costs virtually wiped out our profit that year. So, unlike in previous years, where our healthy profits meant the Treasury got its share in corporation tax, that year there was nothing to add to the coffers from us. (And it must have been a surprise to them, because the Inland Revenue decided to investigate us - and found nothing untoward of course).

Since then, it seems that the lesson has still not been learned; from spending £millions on the largely ineffective Business Link (a business support service, manned mostly by non-business people), the increase in taxation and the plethora of new legislation from Europe, this Government has done nothing but add to the burden of red tape, treated industry with contempt/suspicion and brought in policies which grind down profits, leaving less to invest in our companies and ultimately our country.

So why does the Government seem so determined to kill the Golden Goose?

Anyone with an ounce of common sense will know that you cannot have great public services without wealth being created by industry to pay for it. But when you look at the history of the Labour Party, it isn't surprising that they see business as a dirty subject. According to the Labour Party's website (www.labour.org.uk), it was created at the turn of the century by working people, trade unionists and socialists to “represent the interests of everybody”. Understandably, the founders' experiences could have led them to see the wealth-creators as enemies – but times are different now, those views are no longer valid and this Government is certainly not representing the interests of *everybody*.

I am not a political activist and have no political aspirations (in fact, I'm sorry to say that politics usually bore me); however, I am passionate about encouraging the growth of business in the UK and that we should create an environment, where it can thrive – to the benefit of everyone.

And I strongly believe that it is our experiences, more than anything, that affect our views and, therefore politicians should ensure that their views are fair, unbiased and based on fact, not just theory. Speaking from personal experience, it was not until I left the environment in which I grew up (extremely Labour-orientated working class, where state benefits were seen as a right); experienced college (where I mixed with people from a diverse range of backgrounds) and was fortunate enough to start a career in recruitment (where rewards are directly linked to effort and skill), that my appreciation of Industry and its importance to the wealth of the nation started to develop. This understanding was further endorsed when I set up and ran my own recruitment business. At what point have our Cabinet Ministers, with no commercial background whatsoever, gained any understanding of enterprise?

This Labour Government says it stands for:

1. social justice;
2. strong community and strong values;
3. reward for hard work;
4. decency; and
5. rights matched by responsibility.

Great ideals but, when it comes to the commercial world, clearly these are not being achieved, especially points 3 and 5. This Government is out of touch with business today and ignorant of the plight of many SME-owners. Only this month, I heard of a thriving, quality-based recruitment company having to shut down due to a technicality on how they had paid their tax in previous years. The amount of tax paid was not an issue, just the method in which it had been paid. How can this be allowed to happen?

I believe this situation is not insurmountable and could be resolved with the implementation of some practical steps:

1. Make it compulsory for ministers to have worked for a minimum length of time in industry and to prove their understanding of business today.
2. Ensure that ministers keep their business knowledge and skills up to date through real involvement in businesses on an ongoing basis.
3. Allow ministers a maximum time limit, for example 3 years, to serve in office.

A non-political solution that is perhaps idealistic and simple – but one with which many of my associates agree. By ensuring that our Government representatives have the right experience, knowledge and skills to give them the ability, and indeed the right, to influence business in the UK, it will benefit us all.

About Denise Walker FREC

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