

HRINSIGHT

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CELEBRATING
40 YEARS IN BUSINESS

1979-2019



INVESTED IN HR CAREERS

IN THIS ISSUE:

2019 is a milestone year for Macmillan Davies - in September we celebrate 40 years in business! In that time we've placed many thousands of HR professionals with amazing organisations, and are well placed to use that experience to benefit you. See what other milestones occurred way back in 1979 on page 4.

Your continued interest in key drivers and motivations of HR professionals in the UK led us to launch our salary and market survey earlier this year. The survey was completed by more than 1400 of you and in addition to salary data, the resulting report also details key market insights, benefits, bonuses and flexible working expectations, as well as commentary from our consultants. See pages 5 to 7 for a snapshot and contact me if you'd like a presentation of the full report.

Incorporating and effectively managing flexible working practices is a top priority amongst many of our readers and so we are pleased to have Gemma Dale, HR Director at the Work Consultancy sharing her experience and insight with us on pages 10 & 11.

Mental health and well-being is also proving to be a prominent topic for many of you. We are finding that organisations have a genuine need to understand and help promote better mental health in the workplace. At our recent breakfast seminar held in

London at Law Firm, Goodman Derrick, it was clear that whilst organisations want to understand mental health and its impacts on its employees, there are still skills gaps in HR teams. Typically, not being equipped to identify and manage often challenging or personal sets of circumstances. There seems to be more Mental Health First-Aiders trained within organisations (both large and small) and initiatives specifically aligned to the culture or pressures unique to each organisation. One of the simplest and most cost-effective ways to encourage good mental health is early intervention focused around wellness and being aware of the impact the work environment can have on a firm's people.

I am thrilled to announce a number of new points of contact for you in our London and Manchester offices. We welcome Leanne Boddy as Consultant in Manchester. In London we welcome Anthony Coen and Chelsea Adams to the Futurex team supported by Timi Varga, and Cara Harris to the Executive Resourcing team.



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HR MARKET TRENDS

As we move further into the second half of the year we find that Brexit is having a silent but noticeable impact on hiring ability as the UK waits for what comes next. Many large businesses are well prepared and have their plans ready to execute once we go live with the departure from the EU - whichever way that may go. For companies hiring, talent for operational recruiters and business partners is tight. There has been a wave of rationalisation at the senior end for recruitment leaving the roll-your-sleeves up roles in more demand. Senior Interim has certainly felt the pinch as companies focus on buying and retaining permanent staff in preparation for what the next 12-24 months brings. And be prepared to have the conversation about flexible working. It is now the most commonly asked question along with bonus potential.

For people thinking about their next move the market is mixed with some processes moving very fast and others taking up to 6 months or longer. A lot of clients are considering candidates from outside sector where possible, the main reason for needing sector experience has largely been around legal and compliance issues for the sector. The first half of 2019 saw demand across all specialisms, with increased investment in recruitment and learning and development a positive sign of things to come. Employee relations at the junior to mid-level is in particular need. We find most candidates move away from ER after 18-24 months to progress into generalist roles to gain broader experience.

On the topic of ER, our Manchester office hosted a breakfast seminar with law firm, Shoosmiths, in June on Sexual Harassment. The event was well-attended and praised for being informative, relevant and useful. Training on the topic is vital if you are handling these issues as outcomes are largely based on the subjective rather than the objective. Do you have an interest in anything in particular on an HR related topic? Please do get in touch- we could investigate for you. We are always keen to understand the issues our clients and the HR market face and help find solutions or share experience. Please email Timi Varga on tvarga@mdhr.co.uk.



Our Manchester client event

GLOBAL HR MARKET TRENDS



ASIA

2019 continues to look upbeat with record months already achieved across our Singapore, Hong Kong and China offices. New vacancies are opening up and a refreshed desire to upskill the current workforce is present in a number of HR pockets. That said, a level of caution is now present in the market, partly due to the volatility in financial markets in the first half of the year, in addition to the trade war between China and the US. There is a real drive for HR functions to become more commercial and business impact-focused as well as a continued shortage of strategic, mid-to-senior HR talent to lead them, especially within Talent Acquisition, Talent Management and HR Business Partnering. We are seeing a focus on such HR talent across a variety of sectors, with growth in the information and comms sector as one of the highest. The robust demand for HR in the technology sector, and particularly within start-ups, is owed to the Singapore government's initiatives to encourage technological innovations and the start-up ecosystem. The finance and insurance sectors also grew significantly, whereas there are continued challenges within oil and gas, shipping, construction and retail, with significant change programmes and retrenchment work on the cards.

Salary uplifts and expectations are ever increasing with demands of 20-25% not unusual. Companies are considering

AUSTRALIA

Overall, whilst the Australian HR market is remaining reasonably robust with a range of opportunities at all levels, it is in an environment that has seen general unease. This unease can be attributed largely to a Federal election in May and the Reserve Bank's cutting of its cash rate to a new record low of 1.25 per cent, with more to come. Post the Election, HR opportunities have grown by 11.2% in the Contracting Space, indicating that employers are favouring flexibility in an uncertain economic environment.

In New South Wales, the market has observed substantial growth. HR opportunities have risen by 4.8% in the last quarter. The market had been somewhat subdued, however with a state election that was run in May, employers since then seem to have found fresh optimism. The growth in opportunities in the Financial Services sector have declined this quarter by 19.2%. And, although demand is still higher than the end of 2018, the most lucrative HR opportunities post the Australian Royal Commission have now declined. Although the New South Wales market has slightly declined in comparison to the previous year, there is renewed momentum and the outlook is very positive for the HR community.

In Victoria, the HR market has experienced a slight decline, it is difficult to attribute specific causes for this other than more

bonus buy-outs, sign-on bonuses and other sweeteners more than ever, even with bonuses in early 2019 being a little mixed. There is often a disjuncture between the expectations of hiring managers and some of the availability of top talent, who truly know their worth in a highly candidate-driven market. Candidates deemed as high potential are in high-demand and often have multiple offers; organisations are having to work harder to focus on the speed of their hiring process and the culture their organisation is offering, as well as having compensation in line with expectations.

Digitisation, transformation and HR analytics are some of the key trending topics, and clients are looking for HR candidates who have exposure to these areas. The focus on mental health and well-being in the workplace in addition to work-life integration is getting more of the spotlight as well. This is also filtering through to reward and benefits, ensuring that companies' insurance and policies cover the relevant support an individual or group may require. Overall, it will be the clients who can offer strong learning and growth experiences, flexible working, holistic and unique benefits, along with an inclusive company culture, who will be able to better attract the top talent as we head further into 2019.

Franki Crosse - Profile Search & Selection

aggressive state licensing legislation coming into force. Overall, however the demand for HR opportunities remains strong with the Healthcare & Medical and Education & Training sectors providing most HR opportunities as both have grown by 2.4% and 21.9% respectively.

Queensland has had a similar experience to Victoria, again, attributing the decline to the tougher state licensing legislation, however, this is after a record high number of prospects, recorded in April. Western Australia has experienced terrific growth in HR opportunities, 11.4% this quarter. The recent rise in commodity prices in the last year has resulted in significant economic growth. Unless the Sino American trade dispute escalates the market should continue to expand in the second half of 2019.

Overall, across the country, opportunities for Training, Learning & Development professionals have picked up from their seasonal decline at the start of the year and HSE roles have also been picking up as well, thanks to the mining sector. The market remains buoyant for HR Generalist & Consultants, but TA professionals have seen a significant downturn in the volume of opportunities.

John Baker - The Next Step

IN SEPTEMBER WE CELEBRATE 40 YEARS IN BUSINESS

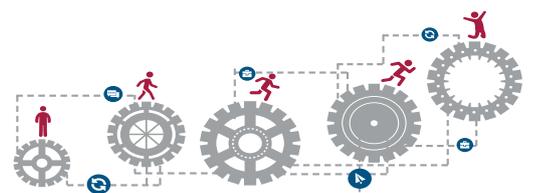


When we first started recruiting HR professionals, way back in 1979...

- Maggie Thatcher became Prime Minister
- The biggest individual day of strike action since the General Strike of 1926 occurred in January
- The first EU elections were held - the UK elected its first 81 MEPs. Will 2019's elected be the UK's last?
- Unemployment sat at 5.6% (it would rise to over 12% in 1982) - it's currently at 3.9%
- The average house price in the UK was £13,650 - in May this year it was £229,431
- Inflation was 17% - currently at 1.8%
- Milk increased more than 10% to 15 pence a pint, now 50 pence.

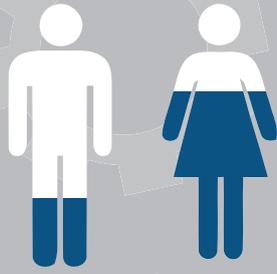
HR MOVERS & SHAKERS

- Angela Gandy joins Kelkoo as HR Director
- Peter Norse joins Norse Group as Group HR Director
- Kathryn Pritchard joins Nord Anglia as CHRO
- Lauren Bennett joins Newell Brands as Head of HR for Europe A&C Division
- Victoria Stuart joins Baxi Heating as HR Director UK&I
- Rachel Coxon joins Entertainment Magpie as Group HR & Talent Director
- Rachel Humphrey joins Legal & General as Human Resources Director
- Victoria Rodgers joins AO.com as Group Chief People Officer
- Anne Icton is staying on at AO.com as Group People Director



Congratulations and best wishes to all those embarking on new opportunities.

SNAPSHOT OF THE HR MARKET



28% MALE 72% FEMALE



52% have more than ten years' experience in HR



64% have held roles outside of the HR function



76% work from home one day a week or more



49% work over 41 hours a week



69% have had a pay review in the last 12 months



77% received a pay rise at their last pay review



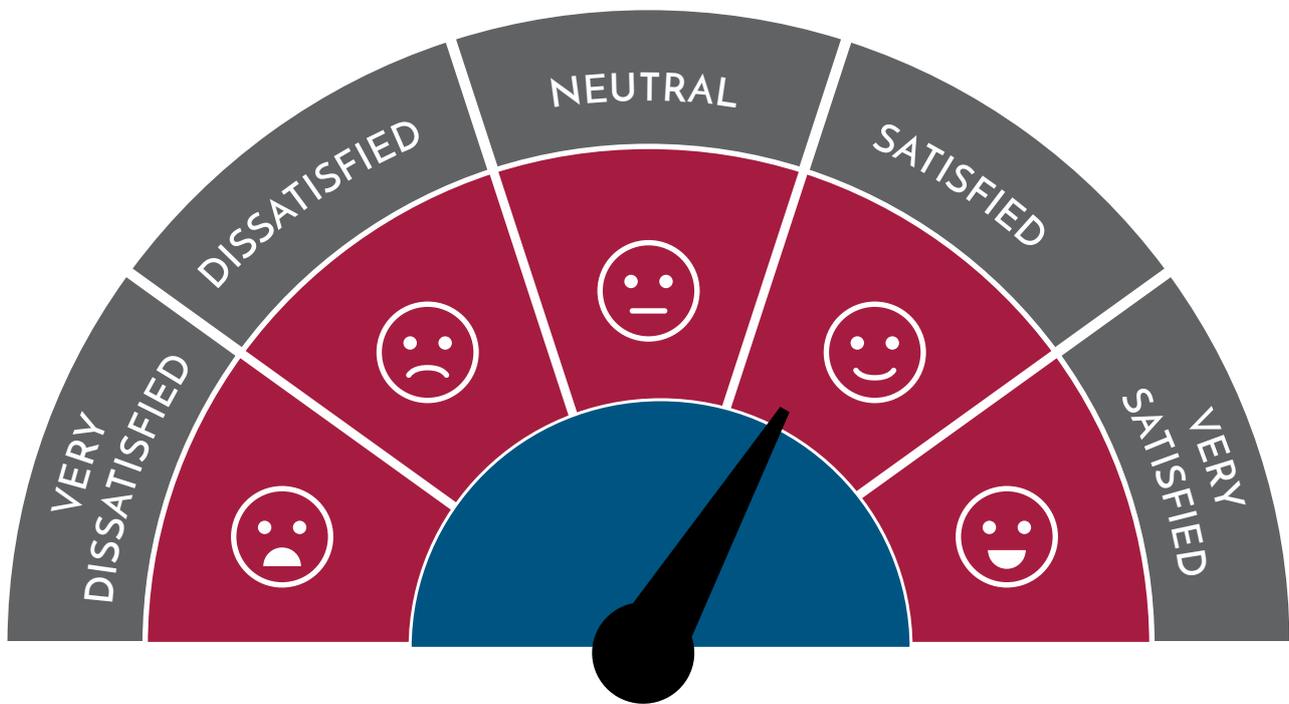
71% of HR professionals cited increased remuneration as their driver for switching jobs



Just 45% were either satisfied or very satisfied with their current salaries



35% received a benefits and bonus at more than 10% of remuneration package



HOW SATISFIED IS THE HR MARKET?

The majority of respondents were either satisfied (37%) or neutral (28%) with their current remuneration. 7% described themselves as very satisfied. Generally the results show a fairly satisfied HR workforce in the UK overall. There is very little difference by gender in terms of remuneration satisfaction, with 34% of female respondents saying they were satisfied, with 7% extremely satisfied, compared to 38% and 9% for male respondents respectively.

An employee's workplace satisfaction is closely linked to a number of factors, from financial remuneration, to a positive working environment and opportunities for growth and development. And with a happy and engaged workforce equating to a productive workforce, managing job satisfaction is a top priority for HR. But what are the strategies HR can employ to help build a happy workplace and increase workplace satisfaction?

1. Creating a performance culture: One of the most difficult responsibilities for HR is effectively conducting performance reviews and managing a performance system.

2. Creating a positive workplace culture. From the time an employee joins an employer, to the moment they leave creating a workplace that is both positive and the right level of challenging to enable performance and create engagement. Workplace culture is achieved not only by people and practices but also by the physical environment of the workplace.

3. Challenging and progressive job roles

One of the most common questions asked during the recruitment process is "where do you see yourself in the next five years?" and yet so often when a new employee joins the workforce, after the first year or so he/she starts to hit a glass ceiling as the roles are not designed progressively.

WHAT DO HR CANDIDATES WANT?

The five most important employee benefits were bonuses, employer contributory pension, flexible working, increased holiday entitlement and private health care. Analysis by gender shows that women ranked flexible working as higher than pension, and a close second to bonus as their highest rated benefit. Men tend to value bonuses and pension contributions as more important factors in their overall benefits package than women do.

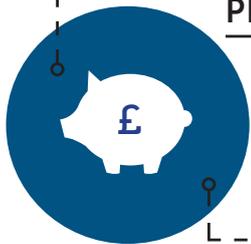
BONUS

Incentive compensation, like bonuses, ...

Whether bonuses, profit sharing or stock options, any financial benefits outside of a set salary, are an attractive tool for attracting top-level candidates.



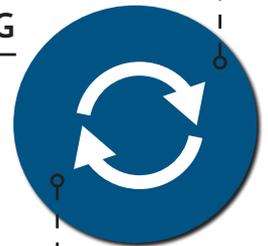
PENSION



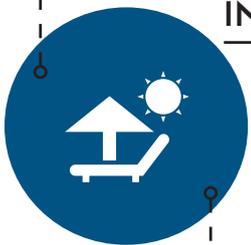
With the average cost of retirement for a UK household coming in at £420,500, it's not surprising that employees of all ages are looking for retirement savings and planning benefits from their employers. Offering pension contributions and retirement plans beyond just the statutory minimum can significantly strengthen your employer brand.

FLEXIBLE WORKING

A study by Fractl revealed that flexible hours can influence 88% of respondents to choose a job that offers a lower salary over an opportunity with a higher salary but a fixed schedule. Employees want to have a lot more flexibility in their work schedule, and our survey of over 1400 HR professionals showed flexible working as a top three benefit across every sector.



INCREASED HOLIDAY



Offering a generous holiday allowance beyond the statutory minimum of 20 days is rated highly by prospective candidates, and bring the added benefits for employers of reducing workplace stress while promoting greater productivity. Additionally, increasing holiday allowance relating to length of service supports loyalty and staff retention.

HEALTHCARE

Employers who help employees feel secure by offering health insurance will benefit by attracting more and better candidates. Employees carefully consider health insurance that helps them cover themselves and members of their immediate family.





FLEXIBLE WORKING

As part of the Macmillan Davies 2019 HR Salary and Market Trends survey, completed by over 1400 HR professionals in the UK, we asked participants to rank their employee benefits. Flexible working featured as a top three benefit across every sector represented. In addition, when asked what would influence an employee to move jobs, better work life balance was selected as one of the main influencing factors by 49% of survey respondents.

According to the same survey, 66% of employees are currently benefiting from flexible opportunities in some capacity. This doesn't necessarily mean a structured timetable for working from home, with many employers leaving it up to their staff to choose what best suits their lifestyle. Those who don't have a defined structure report having the option to do so on an ad-hoc basis when needed, or on a project basis, for example when needing to work without distractions.

Businesses are moving away from the traditional 9-5 and it's not just to meet the needs of parents or carers. Thanks to increased mobility and the facilitation of remote working through modern technology, businesses not embracing flexible working structures are now in the minority. It is an expectation for many candidates to choose a working arrangement that supports their requirements. Whether this means having the option to work from home, part-time, flexitime, or as part of a job share. Organisations who resist flexible working practices are much more likely to miss out on the best candidates.

KEY LEGAL CONSIDERATIONS...



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As flexibility at work remains a hot topic, it is increasingly difficult for employers to avoid this subject. So what are the main employment law considerations in relation to flexible working?

1. Statutory Right to Request - Whenever an employee asks to work flexibly, the first consideration should always be to see whether they are exercising their statutory right to request flexible working. Only eligible employees are able to make such a request. Broadly speaking, an employee will be eligible if they have been employed for at least 26 weeks and have not made any statutory requests in the last year. If a valid statutory request is received, the employer must deal with it reasonably and usually a decision must be made within a three month period. There are limited grounds on which an employer can refuse such a request, being:

- The burden of additional costs;
- Detrimental effect on ability to meet customer demand;
- Inability to reorganise work among existing staff;
- Inability to recruit additional staff;
- Detrimental impact on quality;
- Detrimental impact on performance;
- Insufficiency of work during the periods the employee proposes to work; and
- Planned structural changes.

2. Discrimination - If a request is made (say for a change in hours or to work from home) and it is linked to the employee's childcare arrangements or caring responsibilities, the employee's own disability or their religious observances, there could be potential discrimination allegations if their request is rejected. Such requests should therefore be handled with care.

3. Health and Safety - It should not be forgotten that an employer has a duty to protect the health, safety and welfare of its employees. This applies regardless of whether the employee is working in the employer's offices or off-site. Diligent employers who have regular homeworkers may want to ensure that they

include contractual provisions allowing, for example, a home visit so that a health and safety risk assessment can be carried out.

4. Employee Monitoring - With employees coming and going at different times and/or working remotely, employers may wish to increase their surveillance. It should be remembered that there are laws governing the right to monitor employees, whether that be via CCTV, their use of the employer's IT systems or similar. An employer's monitoring should be for legitimate reasons and proportionate and sometimes the employee's consent may be needed. Employers should also be mindful that there is an implied duty of trust and confidence between employer and employee so excessive monitoring could potentially destroy this trust, leading to constructive dismissal allegations.

5. Data Protection - With the new GDPR rules that have been introduced, data security is a much talked about concern. By having employees working off-site, there may arguably be an increased risk to data security. This can often be addressed by having a comprehensive policy on the data protection standards that you expect the employee to follow.

In addition to the above, there will be many other legal and practical issues that rear their head in relation to flexible working practices; be that how to prioritise competing requests from employees all wanting to finish work earlier to whether the company laptop provided to allow homeworking is covered by the company's insurance policy. Whilst flexible working may bring some headaches for employers, it may also bring some benefits too. Organisations who have embraced it often report better employee morale, increased employee retention, reduced absenteeism and an improved ability to attract top talent. There can also be environmental benefits and possibly even lower costs for the employer, particularly if hot-desking is adopted.

This guide is for general information and interest only and should not be relied upon as providing specific legal advice. This article originally appeared at: <https://economia.icaew.com/opinion/november-2018/the-pros-and-cons-of-agile-working>.

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MACMILLAN DAVIES MEETS:

GEMMA DALE HR DIRECTOR THE WORK CONSULTANCY



Gemma is an experienced HR Director, a Chartered Fellow of the CIPD, and a regular speaker and writer on a variety of HR topics including employee engagement, flexible working, wellbeing and social media.

Prior to founding The Work Consultancy, Gemma held a variety of senior HR roles in higher education, technology and logistics, including leading significant organisational change projects and HR transformation. Gemma is a qualified mediator and coach.

Gemma describes her HR philosophy as being all “about doing good people stuff.” She is an award-winning blogger at www.hrgemblog.com, and regularly writes for a variety of HR publications. Gemma is the co-author of several books on HR and social media, including the ‘Putting Social Media to Work’ series.

Q. We’ve spoken about the many benefits of a flexible workforce, what would you say are the primary advantages for businesses?

Flexible working has many benefits. There is a misconception that flexible working is something desired by parents of young children, and whilst family friendly policies can go a long way to attracting and retaining working parents, the benefits of flexible working are of interest to a much wider proportion of the workforce.

“FLEXIBLE WORKING AND QUALITY PART TIME WORK CAN BE KEY TO WOMEN PROGRESSING INTO SENIOR ROLES - A KEY COMPONENT OF ADDRESSING THE GENDER PAY GAP.”

- **Wellbeing** - long commutes can be tiring and stressful. Working more flexibly can allow employees to have choice about how, where and when they work. They can align their work with when they are most productive, and location flexibility reduces the challenges caused by difficult, expensive and unreliable commutes.
- **Talent acquisition** - when it comes to flexibility, demand outstrips supply. Only around 11% of quality jobs are advertised as flexible, so being willing to offer flexibility still sets your employer brand apart from everyone else - sadly!
- **Employee engagement** - working flexibly gives people autonomy and the ability to balance their work with other parts of their life. Flexibility provides choice.
- **Inclusion** - flexible working and quality part time work can be key to women progressing into senior roles - a key component of addressing the gender pay gap. Flexible working can also enable disabled employees to overcome some of the challenges experienced in obtaining work, and being able to stay in it in the future.

Q. How important do you think offering flexible working is for maintaining an engaged workforce?

I believe it is extremely important right now, and will become even more so in the future. We know that this is how we want to work - It's just that not enough organisations have caught on yet.

Q4. With such high demand for flexible working in 2019, why do you think some businesses are still resistance to change?

In my experience there are usually a range of reasons. There are unfortunately many false beliefs about flexible working - that flexible workers are less committed or motivated, that flexible workers will be more difficult to manage, or that people who aren't in the office might be skiving. There's just no evidence to back it up - its about the biases of particular individuals rather than evidence based decisions.

There can be assumptions that there will be a need for additional technology, equipment or cumbersome policies. This isn't usually true either. Many roles can be done anywhere with just a wifi connection.

The five day per week, 9-5 ish working practice is our default model. It can be difficult to begin with to ascertain how things could be done differently. But for many people this isn't how they want to work - or how they can. So our choice is to innovate and adapt, or face losing key talent.

THERE ARE UNFORTUNATELY MANY FALSE BELIEFS ABOUT FLEXIBLE WORKING WITH NO EVIDENCE TO BACK IT UP - ITS ABOUT THE BIASES OF PARTICULAR INDIVIDUALS RATHER THAN EVIDENCE BASED DECISIONS.

Q5. What advice would you give to HR teams looking to foster a flexible working culture?

First of all, train managers. Make sure they understand what flexible working is - it isn't just going part time or reducing your hours. Make sure that they understand the benefits and the myths, and then help them navigate how to manage differently. This doesn't need to be overly complex or long - I have developed 90-minute training session that help managers make sense of flexible working and answers their most pressing questions.

Look at your policy - does it enable or encourage flexible working, or are the reasons to say no on the first page? Does your policy go beyond the statutory minimum or do you just do what you have to do? Does your policy encourage a trial period so that new ways of working can be tried out to see how they work for both parties?

Include guidance with your policy. Help managers deal with the practicalities of managing a request, and have some simple FAQs to help them.

Consider how to introduce flexibility into your hiring process - even a simple statement saying 'we are open to a conversation' will go a long way - just make sure managers are prepared for the questions they might get.

"I'D LIKE TO SEE HR ACTIVELY CHALLENGING MYTHS AND STEREOTYPES WHERE THEY SEE AND HEAR THEM - AND STAND UP FOR CHANGE."

For many this will be quite a culture change - so taking time to explore and explain the benefits is key to getting buy in. When making the case there is plenty of evidence out there, so use it to your advantage.

Q. What are your predications for the flexible workforce of the future and what's the role HR will play in this?

I think that HR can be key champions for flexible working and can also be effective role models - but of course they first need to understand the benefits for themselves. I'd like to see HR actively challenging myths and stereotypes where they see and hear them - and stand up for change. Unfortunately the role of HR is often pushed to the sidelines - a note taker in a flexible working request or helping to construct the reasons to say no. Only we can change this and argue for better.

As more and more organisations understand the benefits to flexible working I do believe that those who don't offer it will be left behind. This change has already started. Flexible working is already here - it just isn't evenly distributed! (if I can be forgiven for misquoting William Gibson!).

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MACMILLAN DAVIES

