

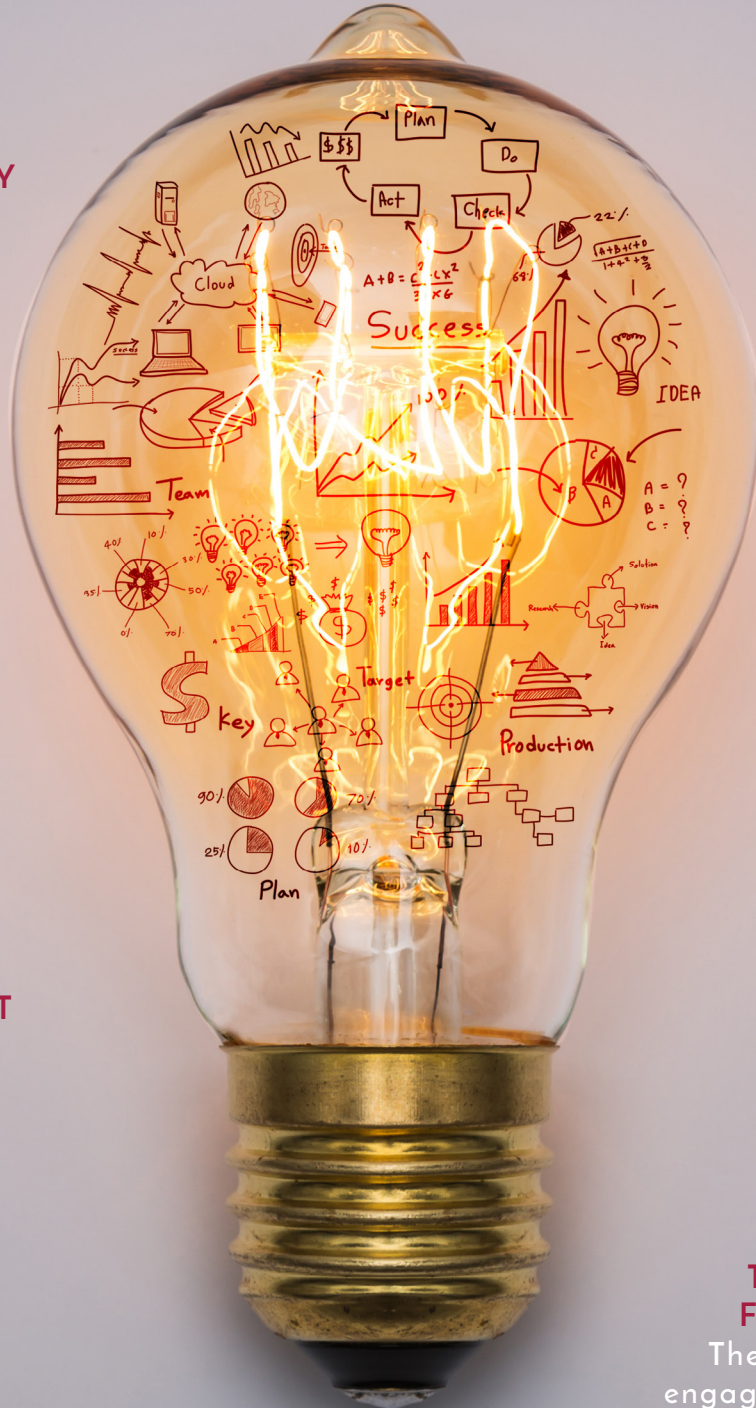
HRINSIGHT

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ISSUE 01 | Q1 2017

PERSONNEL TODAY AWARD WINNERS

Sharon Bridgland-
Gough & Laura
Guttfeld



IR35 UPDATES

Navigating your way
through the IR35
regime changes in the
public sector

THE BREXIT EFFECT

The impact of the
Brexit vote on HR
departments

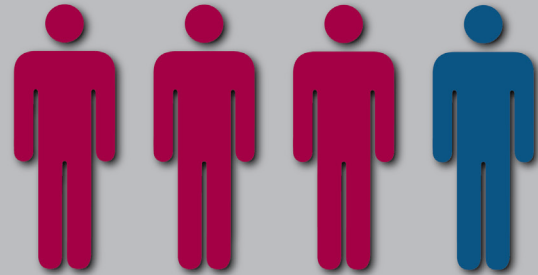
THE RISING DEMAND FOR INTERIM TALENT

The benefits and effects of
engaging experienced interim
HR professionals

HR - 2016 IN NUMBERS



Difference in time-to-hire between junior & senior level roles

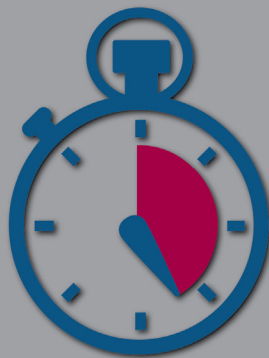


75% of HR professionals currently in employment

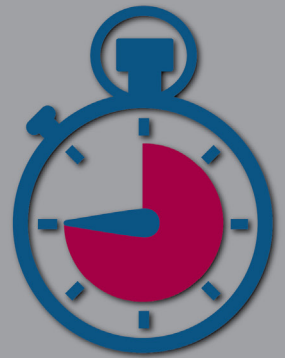
Average Time To Hire



INTERIM
18 days



FIXED-TERM CONTRACTS
19 days



PERMANENT
41 days



Data from Macmillan Davies' 2016 time-to-hire & '100 days post Brexit' surveys

We are excited to be sharing the first quarterly update of 2017 with you in its new format. We will continue to keep you informed about upcoming events and company news, as well as sharing the latest industry insights.

We are kicking off this year's event series with a breakfast seminar addressing the incoming Regulatory Reference Rules taking effect on 7th March 2017 and the Senior Managers and Certification Regime that will apply to all financial service firms from 2018. We are delighted to once again be partnering with Constantine Law following our successful '100 days post-Brexit' seminar series last year. Our survey on p.8 has revealed some interesting insights into the immediate consequences that the Brexit vote has had on businesses, ranging from redundancy predictions to recruitment and the impact on attracting in-demand EMEA talent.

The imminent changes to IR35 for public sector organisations is a pressing issue in the industry as 6th April looms and uncertainty ensues. We have put together an overview on pages 4 & 5 to help you navigate the changing regulations

affecting contract workers and we will continue to monitor the market and support our clients and candidates with best practice advice and guidance.

Towards the end of last year, Darren was invited to judge the 'Innovation in Recruitment' category at the Personnel Today awards. It was a fantastic evening celebrating the best talent in the industry. We meet with some of the winners on p.6 who share their secrets for success and tips to overcoming the many challenges facing HR departments in 2017.

We hope you enjoy this issue and we look forward to working with you throughout 2017.



DARREN HAYMAN & ANGELA FRANKS

UPCOMING BREAKFAST EVENTS



TACKLING GENDER INEQUALITY IN THE WORKPLACE - BIRMINGHAM



Macmillan Davies is delighted to partner with leading law firm Shoosmiths LLP to present this session.

This breakfast briefing will address an employer's legal obligations in relation to gender equality and how to tackle gender inequality in the workplace.

For more details or to reserve your place, please contact **Carly O'Connell** (coconnell@mdhr.co.uk) or **Oliver Martin** (omartin@mdhr.co.uk) or call **0121 651 1500**.

EMPLOYMENT LAW SEMINAR - MANCHESTER



We are thrilled to be once again partnering with Glaisyers Solicitors LLP to host an employment law breakfast seminar.

This complementary seminar will cover the recent and future changes in Employment Law and the impact this will have on HR.

For more details and to register your place, please contact Gaelle Rio on grio@mdhr.co.uk or call **0161 416 6224**.



NAVIGATING IR35 REFORMS IN THE PUBLIC SECTOR

Back in May 2016 the government published its proposal for reform of the off-payroll rules (IR35 or intermediates legislation) and the Autumn statement confirmed the Government's plan to press ahead with these changes despite nationwide opposition.

The new IR35 assessment rules are targeting contractors operating in the public sector and the changing regulations and responsibilities will have a significant impact on public sector bodies and employers. It is essential for those involved to have a strong grasp of the IR35 rules to prepare themselves and effectively manage the inevitable impacts it will have on those affected.

With approximately a quarter of a million personal service companies (PSC's) operating in Britain, and HMRC estimating that the cost of non-compliance in 2016-17 could reach up to £440m, this new initiative has the potential to raise significant additional tax revenues. Whilst the government stated in December 2016 that it is not currently planning to extend the reforms to the private sector, it may only be a matter of time before they revisit this, particularly if they deem the change a success.

What will be happening from April 2017?

Where it was once the requirement of the individual contractor's limited company (or personal service company - PSC) for ensuring that IR35 is correctly operated, compliance responsibility will be shifting to the public sector body, employer or agency that engages that PSC. And consequently, any associated liability would fall to them.

This responsibility will also include making deductions of tax and NICs from the payments of invoices, essentially as if these invoice payments were gross salary payments to the PSC's director.

When will this take effect?

Changes will apply to all payments made on or after 6th April 2017. It's important to be aware that this means all payments, even if the work was undertaken before 6th April or the contract was agreed prior to that date.

Who will this effect?

These changes will affect all organisations listed as a public authority under the Freedom of Information Act 2000. Where, in the absence of a PSC, the contractor would have been regarded as an employee of the public sector authority (under IR35 rules), the public sector body or the agency will be required to treat payments made to the PSC as if they were earnings paid to the contractor from employment with the public body ('deemed employment payments').

As of April 6th 2017, where the contractor is working in the public sector, the responsibility for determining the IR35 status of the contract and for calculating PAYE and National Insurance Contributions on that contract and submitting to HMRC will be transferred from the PSC to the organisation or public sector body paying the contractor.

Definition of public sector:

The debate continues over the definition of 'public sector' or more specifically a public sector engagement. A complete listing of organisations classified as 'public sector' can be found at <http://www.legislation.gov.uk/ukpga/2000/36/schedule/1>.

Chain of supply:

The draft legislation recognises the 'chain of supply' and it is important to interrogate this contractual chain to establish with whom the workers are engaged. The chain of supply structures the worker's intermediary at the bottom and the end client at the top, defining the parties between in terms of whether they are higher or lower than one another, with the party that pays the intermediary referred to as the 'Fee Payer.'

Responsibilities:

It is the end client's responsibility for assessing whether the conditions of employment are met, and for confirming the status of the Fee Payer. It is the Fee Payer who will be responsible for determining how the new rules apply; whether a PSC falls inside or outside IR35. The end client is legally responsible for providing information on employment status to the fee payer to correctly apply these rules.

The online tool:

Public bodies, and all those responsible for determining the employment status of a PSC, will be provided with an online tool by HMRC. The idea behind the tool is to provide a definitive determination of IR35 status, calculating whether someone is legitimately self-employed or should be subject to PAYE and NICs like any other employee.

Currently in Beta, the digital tool will be released to the public for testing at the end of February and will play a big part in the decision making process, essentially giving HMRC's view on the IR35 status of a particular engagement, and assuming that all details inputted into the tool are accurate, and a result of 'outside IR35' is given, HMRC have pledged to stand by that judgement.

If the tool declares an engagement inside the IR35 status, employment taxes will be deducted by the employer and if the tool classifies it as outside the IR35 status, the PSC will be paid at gross and account for tax like a business, as it has always done.

How will this affect PSCs?

For PSC's caught within IR35, the Fee Payer will deduct Income Tax and Primary National Insurance from the payments made to their company + deductions for additional liabilities. The Fee Payer won't be meeting these costs and will account the PSC as an employee, expecting them to provide personal tax details.

Future outlook:

It is not yet clear how the final legislation will be applied across all contractors working within the public sector and with the final legislation not expected to be released until the end of February, it is important that all parties are aware that changes will be made to their current setup.

With these reforms currently only applying to public sector organisations, we may see an exodus of interim talent with readily transferable skills seeking projects in the private sector which will no doubt have significant unintended consequences for the public sector long-term.

MACMILLAN DAVIES MEETS

PERSONNEL TODAY AWARD WINNERS



As one of the judges for the Personnel Today Awards in November last year, Darren Hayman meets with some of the winners to discuss overcoming challenges to HR departments and the secrets to creating a winning HR function.

Laura Gutfeld
**Winner of HR business
partner of the year
ITN Productions**



Q. What is it about ITN's HR structures and processes that make is such a success?

AT ITN we have an HR Director who heads up the team and Business Partners specifically designated to different client groups. This gives you a huge amount of opportunity and autonomy to lead your business group the way you want to.

A key part of ensuring success is making sure your employees feel rewarded. We've got high expectations with targets growing every year so it's so important to make sure we're rewarding people beyond just financials, whether that's prioritising work life balance with exercise classes, drinks on a Friday, or preparing people for growth with L&D initiatives such as in-house or external management training to support that growth.

Q. The judges applauded your implementation of an engaging company vision at ITN. How central is defining and sticking by a vision and core values to an organisation's success?

I think it's so important. ITN don't have a set of values, so for me, especially with our headcount growth, it was really important that we brought something in for my division ITN Productions. We started the process a couple of years ago and ran a number of focus groups for all members of staff, giving them the opportunity to contribute their ideas as to what we stood for as a business. It was a hugely productive exercise and we came up with our mission 'create something amazing. today' along with our core values of 'transparency, innovation and collaboration', something we show commitment to in everything we do at ITN Productions.

We build them into every day working life wherever possible. They define what we stand for and the kind of people we want to be recruiting and as such we've integrated it into the job descriptions, the recruitment process, appraisals as well as internal and external communications.

Q. And how do you make that work for new starters recently joining the business?

Bringing it in from the recruitment advertising stage really helps, and then talking about it in interviews and throughout the induction and on-boarding process. Our Group Managing Director is really behind them, communicating them at staff meetings and employees have really got on board, which is great.

Q. What are the key challenges you face in your role? And what do you think will be the main challenges facing HR departments over the next 12 months?

I'm incredibly lucky that I've got a real seat at the table at ITN, which enables me to stay proactive in my role. Lack of access to Senior Management for HR teams can be a struggle.

Diversity is a challenge, particularly in our industry. Media and TV production is not a typically diverse industry, mainly because the candidates just aren't out there. We would welcome more diverse candidates to better reflect our audiences and we realise that the only way to solve this, as a company but also as an industry, is by bringing people in from the bottom up, making entry routes much more open to a broader mix of people, and only then will we start to see the benefits across all levels of staff in the next five years or so.

Two years ago saw our first intake of apprentices through an ITN scheme aimed specifically, but not exclusively, at underrepresented groups in British society in the TV production and media industry, so we actively encouraged applications from those who haven't been to university and who had perhaps never considered production as a career for them. The first scheme went brilliantly and we have just welcomed our second intake of 6 apprentices in January 2017.

Q. How do you ensure you stay competitive in your industry?

What sets ITN Productions apart from its competitors is the work and content we produce. To do this we need the best people in place and to ensure we're creating an environment in which people enjoy coming into work, are happy and motivated to create amazing things. ITN Productions has really started to appear on the map in a big way in the last couple of years given our growth, and telling our success story is a real part of this. We didn't have a

marketing team two years ago and we've since changed structure to hire new roles that are going to help us get ourselves out there more. We encourage our staff to promote their profiles externally too. Many businesses are scared of putting their people out there for fear of them being poached, but we regularly encourage our staff to go up for awards, speak at events, participate in panels etc.

Q. And finally, what advice can you offer aspiring HR professionals?

Something that's taken me a few years to learn is getting the

Sharon Bridgland-Gough Winner of HR Director of the Year



Q. You have proven yourself to be an outstanding HR leader, what does that mean to your business, and from a personal perspective, what does that mean to you?

This is an absolute accolade for the business and how we as a community and as a group of individuals rise around this shared purpose of building and growing the Cardtronics business within the UK. And that hasn't just come from the leadership team but everywhere within the business. It definitely gave a massive boost for the HR team who were always regarded as a very valuable part of the business but it was great to see the fruits of their labour and the impact of their commitment. I've worked in HR for over 25 years and I get the privilege of coming to work every day, doing something that I love and leading a really significantly talented bunch of people.

One of the challenges for me throughout my career had been coming to terms with my dyslexia, especially back in the 70's when much less was known about it. I have spent a lot of my career working, probably harder than other people to be able to compensate for that, and I think that because I took that no defeatist attitude, applying tools and techniques that helped me move forward probably pushing me further and harder than if I hadn't.

My team will say that I will spend time getting to know and understand them, really thinking about how they are as individuals and, making sure that the environment they are in is the best for their attributes and their contributions. That's something that I had wanted for a lot of my career and it's what leadership is all about. If you invest in your people, they're going to invest their time in their customers which will give you great results.

Q. The judges praised your role in taking Cardtronics' HR from a transactional function into the boardroom. How do you see the HR function evolving further over the next few years & do you see this as a trend for increasing industry credibility?

HR plays a big role at Cardtronics, and right now the business is further developing its own specialism as a provider of ATMS and cash services to a large variety of clients, from a small independent shop owner with one store to a large financial institution. That

balance right between supporting staff but not handholding them. I've learnt that empowering others to do things can be much more rewarding, and in the long run, much more effective. Also, it's important as HR professionals to look for ways to show our value wherever possible. It's not always easy to as our roles are naturally quite qualitative but measuring things like turnover, recruitment, talent management, retention and diversity is a great way to demonstrate your worth to a company and the overall value of HR.

means there's a lot of diverse talent that we have to have in the company, and that talent needs to be nurtured to provide the best service. So it's my job to fulfil that consideration within the boardroom.

Q. What has your leadership style brought to Cardtronics?

I think the credibility that HR can have around that table, the open-mindedness that we need a variety of talent to deliver for the business and noticing and acknowledging talent from a broad background and range of disciplines, and focusing on having the right talent in the right places. That you invest in that time upfront to make sure you're clear on the capabilities you need for the future and take the time to make the right hires, or developing the talent you've got right now for the future. The importance of a talent agenda is one of the things that I've really pushed and strived for.

Q. What are the key characteristics of your top performing employees?

Cardtronics has a huge talent pool and we cover so many different customers that to be a top employee you can't be afraid to show your individual strengths and I think that's what makes the team such a success. Playing to people's strengths and making sure they're set up to be able to make a difference. We are a values based organisation and that links in to how our employees perform. We have four key values that I see happening every single day, from the bottom up to the top down. I'm proud to be part of an organisation that has a value driven culture and our top performing employees really exemplify those values.

Q. And how do you support and motivate your team?

It's very much about the approach I take to pushing and stretching them out of their comfort zone to ensure they achieve their full potential and deliver on their HR excellence. They've shown amazing strength through periods of huge change and rallying a team around a shared purpose is so important.

Q. As an HR Director what would you say is your biggest challenge at the moment? And looking ahead, what do you think are going to be the main challenges facing HR departments over the next few years?

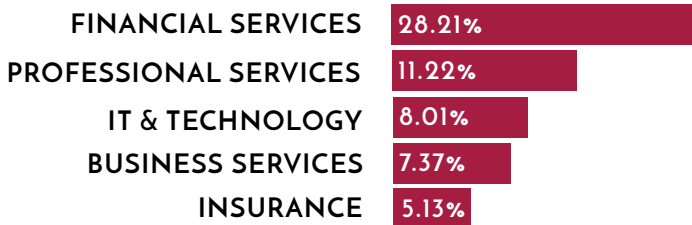
Problem solving, managing governance and risk is a huge focus at the moment while ensuring we deliver the best value to our stakeholders. With the changing landscape of our industry it's a priority to ensure we've got the best talent to make sure we continue to adapt and deliver the best service to our consumers.

100 DAYS POST BREXIT

A SNAPSHOT OF OUR BREXIT IMPACT SURVEY TO OVER 320 HR LEADERS

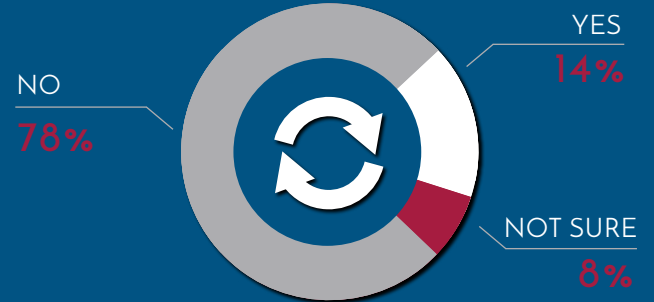
INDUSTRY THAT RESPONDENTS WORK WITHIN

Respondants were widely represented across the survey field of 22 sectors. The top 5 industries with the highest field of respondents were:



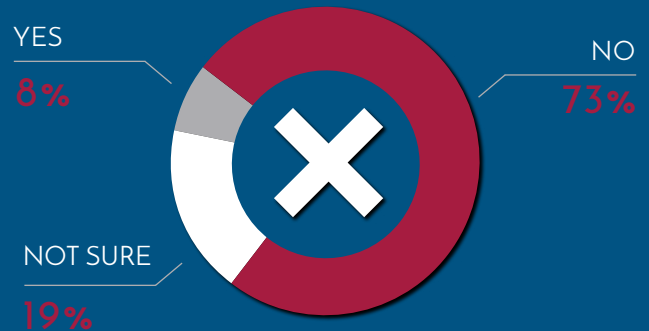
WORKPLACE CHANGES DUE TO BREXIT

Nearly 14% businesses have already implemented changes due to Brexit.



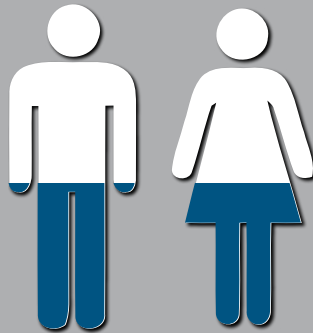
LIKELY REDUNDANCIES

With 8% predicting redundancies & 19% as yet unsure.



38%

Of respondent's businesses have 20% of more EU nationals (not including the UK), with many far higher than this.



26%

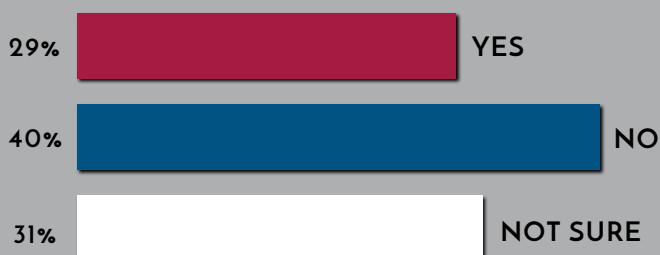
Of businesses are concerned they will no longer be able to attract top talent from abroad.



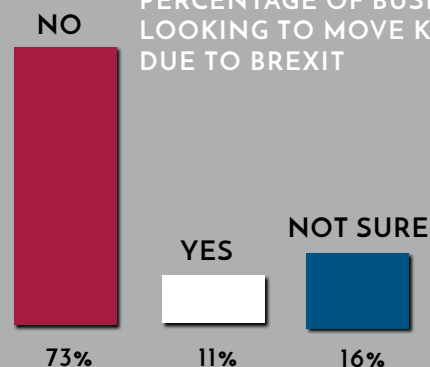
23% OF BUSINESSES HAVE REPORTED A SLOWDOWN IN RECRUITMENT SINCE THE BREXIT VOTE



PERCENTAGE OF BUSINESSES CONCERNED THAT EU EMPLOYEES IN THE UK WILL BE RELUCTANT TO WORK ON INTERNATIONAL ASSIGNMENTS



PERCENTAGE OF BUSINESSES LOOKING TO MOVE KEY LOCATIONS DUE TO BREXIT



WHAT BREXIT MEANS FOR HR



Chris Tutton, Partner at Constantine Law, shares his thoughts on what Brexit means for HR:

The free movement of people is one of the key battlegrounds in the negotiations over Britain's exit from the EU.

EU leaders have been uncompromising on free movement; if the UK wants to stay in the single market, it must accept the free movement of people. From a UK perspective, however, winning controls on EU immigration seems to be a political necessity.

Given these diametrically opposed positions, the UK is almost certainly going to have to come out of the single market (a so-called "Hard Brexit") in order to curb EU migration. Following Theresa May's speech on 17 January, this has now been confirmed as the government's intention. Many employers are now asking their HR function to plan for the impact of a Hard Brexit on staffing.

The primary impact of a Hard Brexit for HR, will not be changes to UK employment law. Any changes to legislation are likely to take place over many years and to be fairly limited, relatively speaking. Of much greater significance is how courts and tribunals will interpret our legislation, once we cease to be bound by the European Court of Justice. Much of our existing employment legislation has been interpreted heavily in light of European decisions, often in a very employee-friendly way. Once we come out of Europe, those past decisions may be open to challenge, and new case law will develop to reflect a UK-only interpretation of our legislation.

Leaving aside the changes to legislation and case law however, the greatest challenge for HR is likely to be how employers still access and attract foreign talent when we lose access to workers in the EU bloc.

Many businesses are heavily reliant on EU talent. A survey of just over 320 businesses conducted by Macmillan Davies, showed that EU nationals (not including UK staff) comprised more than 20% of the overall workforce of respondents. In some cases it is much higher. Curbs on EU immigration are likely to place huge pressure on industries as diverse as construction and leisure to tech and financial services. I expect the UK skills shortage will become more acute as a result of Brexit.

Currently, the government does not favour a points-based-system, despite this being championed by Leave supporters during the

referendum campaign. Instead, it looks likely that a work permit system will be implemented. Given that the position on free movement of people is so intricately bound up with the wider terms of any Brexit however, it will be many years before businesses have any clarity on the future immigration status of their EU workers.

Theresa May confirmed in her speech on 17 January that once the government exercises Article 50, it intends to quickly seek agreement in relation to the status of EU migrants already in the UK, in return for guarantees about UK citizens working in the EU. How quickly the UK will be able to do so, however, remains unclear, particularly given that the timetable for exercising Article 50 has been thrown into doubt as a result of the Supreme Court's decision on 24 January.

In the meantime, to reduce the chances of losing a proportion of EU workers, HR teams are encouraging EU staff to formalise their immigration status. This can mean staff obtaining a registration certificate, or applying for permanent residence or citizenship if they have been in the UK for 5 years. There are however, a number of pitfalls for the unwary in calculating this 5 year period so advice should be taken. These include, for example, the requirement that any time spent as a student will only qualify if the individual had comprehensive medical insurance in place. Many employers are taking an active role in educating and informing staff about their immigration rights and offering training, workshops or access to independent advice.

The Macmillan Davies survey found that 29% of employers were concerned that EU staff working in the UK would be reluctant to undertake international assignments. This reflects the fact that undertaking a 6 month posting abroad could reset an EU migrant's period of continuous residence in the UK and effectively prevent them from obtaining indefinite leave to remain in the UK. However, it is critical that HR are aware of this, as it would be disastrous for employee relations if EU staff lost their right to remain in the UK following an international posting.

The survey also showed that 26% of businesses were concerned that they would no longer be able to attract top talent from abroad as a result of a Brexit. According to Macmillan Davies' Managing Director, Angela Franks, this concern is unsurprising. In Franks' view "many EU nationals working in the UK are highly mobile and the uncertainty around free movement of people could make the UK a less attractive option".

In summary, HR has a key role to play in reassuring EU staff through the uncertain negotiations ahead, and planning how to retain staff and avoid the negative impact of an acute skills shortage.

THE RISE OF INTERIM HR TALENT

More and more HR professionals are considering the flexibility and interesting range of projects that come with time specific contracts or project based assignments. The reasons behind this rise are hugely varied. Experienced HR professionals might be looking for greater work-life balance, or access to a wider range of challenges that fast-track their experience and development.

Across the UK we are seeing an increase in the demands for an executive interim solution for a variety of reasons. This ranges from needing a specific skill set for a defined period of time through to permanent headcount restraints whilst needing to deliver on strategic objectives. This also reflects the shifting trend towards less traditional models of employment and the rise of the 'gig economy', as more and more businesses embrace agile working.

The increasing change of pace in global business, whether that be start-up/ building new markets, M&A, or creating efficiencies, has driven demand for change management and transformation expertise and interim solutions are the fastest and most cost-effective way for businesses to access these skills on-demand.

Engaging interim resource can bring a number of significant benefits to businesses. Project based hires enable cost flexibility, engaging staff based purely on core business requirements and resulting in an enhanced skill set targeted to the project at hand. Interims also guarantee efficient speed of hire over permanent placements, with interims frequently covering senior level positions during the hiring process of a permanent candidate.

To remain competitive in rapidly changing industries, businesses need to respond with speed and agility. Developing a contingent talent strategy gives businesses immediate access to unique skills that bring instant impact without having to commit to long-term or permanent hires. Interim professionals are typically over-skilled which enables them to hit-the-ground running and deliver quick results.

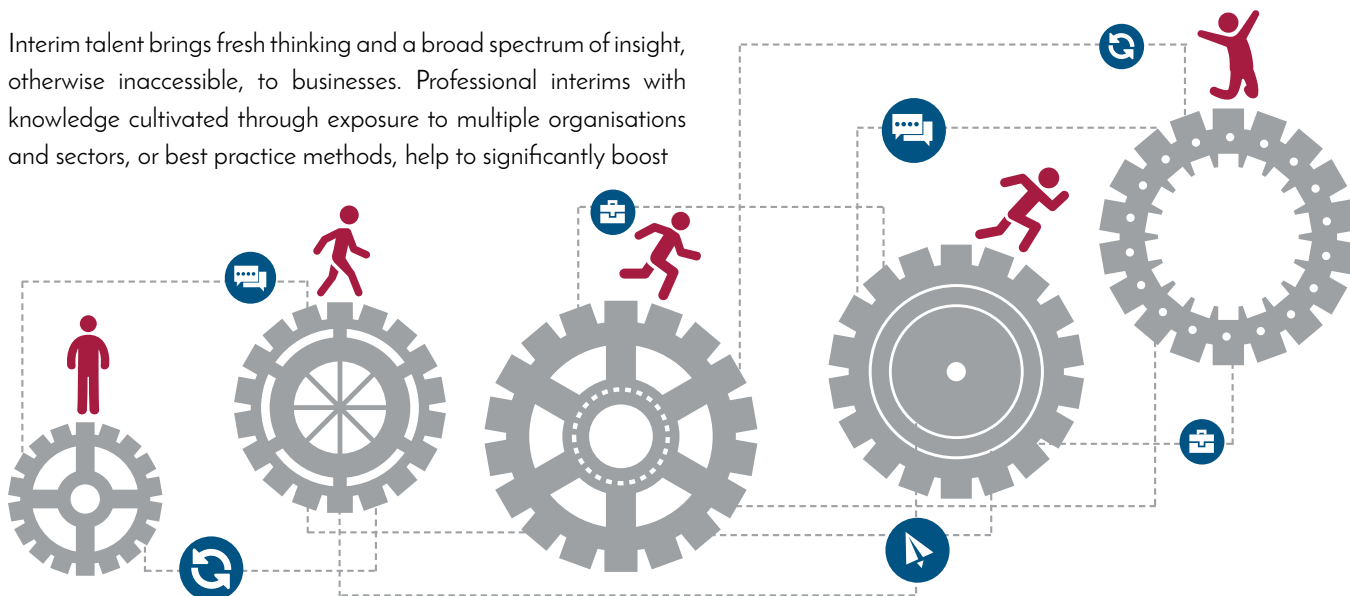
Interim talent brings fresh thinking and a broad spectrum of insight, otherwise inaccessible, to businesses. Professional interims with knowledge cultivated through exposure to multiple organisations and sectors, or best practice methods, help to significantly boost

innovation within an organisation. Additionally, interim executives will not be constrained by company politics, acting upon situations and instigating change objectively.

There has been an increased adoption of interims within the HR market across all sectors. In times of uncertainty, interims can be the ideal solution for leaders reticent to engage a more permanent headcount. From SME's requiring on-demand HR support, Venture Capitalists looking for rapid company growth to support a new opportunity, or PLCs requiring coaching of their executive or a large-scale transformation to reduce costs.

In times of uncertainty, interims can be the perfect solutions for leaders reticent to engage a more permanent headcount. Successful organisations are constantly adapting their business models and interim talent can also be a great way to audit your HR function, incorporating methods of objective analysis to measure what works and what doesn't.

Incorporating interims into your talent strategies can be especially effective when dealing with periods of change or disruption within talent teams, for example, the departure of an HRD. Interim professionals can look at situations with a fresh pair of eyes and take an impartial and objective point of view. Executive interims are also experienced in understanding business challenges and responding to them rapidly and with impact. Highly experienced interims are also of arguably greater economic value to a business than engaging a costly management consultant or agency, but can deliver similarly effective results in a shorter time frame.



GLOBAL MARKET TRENDS



UK

2016 has been a year of significant change, with the June referendum sending shockwaves across the UK and throughout the world. The results of our '100 days post-Brexit' survey featuring respondents across 16 different sectors indicates a slight slowdown in recruitment across the board, resulting in a noticeably quieter Q3 as organisations were caught between needing HR teams to prepare for the unknown and taking a cautious approach to hiring. There has however been a consistent demand for specialist HR roles. Interim demand did not grow as quickly as expected post Brexit with the interim market only recently starting to intensify.

We are optimistic that as we move towards a more structured plan for Brexit, businesses will resume their hiring plans and invest in a strategic HR presence. With job postings in

January 2017 at their highest since March 16 it looks like this is already starting to happen.

We have seen an uptake in demand for skilled HR Generalists in the perm space, in part due to restructures within larger HR functions. Growth continues with SMEs and largely across the digital sector who, due to rapid growth, require experienced HR hires.

There has been an increase in professionals transitioning across sectors, most notably from private into not-for-profit businesses as the demand for commercially minded hires that drive effective change is high on their agendas. At the same time, we are seeing public sector interims looking to leave as IR35 changes will have a significant impact on earnings.

Darren Hayman & Angela Franks - Macmillan Davies

ASIA

2016 saw a decline in hiring in Hong Kong and Singapore with more buoyancy seen in China. Global uncertainties with Brexit and the US election lead to a lack of confidence for many organizations to add additional headcounts.

In Hong Kong, the Insurance sector was a bright star in a market where many doors were closed in other areas of financial services and also commerce. Singapore, despite having had a large number of commercial MNCs move their regional headquarters there over the last decade, and experiencing an associated boom in the job market, had a similarly poor year.

The media, at the beginning of 2016, reported on China's slow down with gusto but the job market remained robust and the

economy finished with a GDP growth figure of 6.7%, down on previous years but still relatively healthy compared to the majority of countries globally.

Across Asia recruitment roles were in short supply but learning and talent management professionals were in demand with generalists and rewards professionals remaining steady.

Since early December the job market in Hong Kong has started to show signs of life and it is expected that Singapore will follow suit shortly. All in all we expect 2017 to be a better year for HR professionals looking for a move after the "annus horribilis" of 2016.

Richard Letcher - Profile Search & Selection

AUSTRALIA

2016 was a good year for the Australian HR professional with a growth in volume of opportunities. The stand out feature was the growth in contract opportunities with an increase of 25% over the calendar year. Permanent job growth has been more modest at 5.1%, with much of this occurring in the first half of the year. The surge in contract job growth can be partly attributed to a move towards a leaner permanent HR team, and the use of interims or contract support as and when required.

Observing the growth figures state by state demonstrates that there has been continued strong performances in both NSW and Victoria, and a clear improvement in the Queensland market especially in the last 6 months of the year. In the final quarter alone, opportunities grew by 16.9% in Queensland.

From a sector perspective the healthcare and medical sectors have seen the largest growth in HR opportunities in the last year. Advertised roles in this sector grew by 80% in 2016 far outstripping the growth in any other sector. The education sector

grew by 14%, professional services by 6.7% and the public sector by 4.8%. Whilst many other sectors held steady, the noticeable fall of 14.3% in HR roles in manufacturing stood out.

Throughout 2016, 46.4% of advertised roles were for HR generalists, continuing the trend of recent years. With recruitment roles at 195% of the market, these two occupational groups are the winners in 2016. Our data suggests though that a significant number of these opportunities are contract roles, mirroring the increase in contract roles from 25% to 35% of the HR recruitment market.

Whilst the Australian HR recruitment market remains healthy, the impact of geo-political issues and commodity prices could both impact the Australian economy in 2017. We remain confident, at this point, that 2017 will be another positive year for the HR profession, albeit we expect the growth of contract versus permanent opportunities to continue its current trend.

John Baker - The Next Step

BIRMINGHAM

20 COLMORE CIRCUS
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