Trends in HR 2014:

Nigel Wright Recruitment Survey Results

We recently conducted a survey of HR decision makers at UK companies. The survey sought to analyse HR team structure and reporting lines, responsibilities and stakeholders, how HR performance is measured, as well HR influence within organisations today. In addition to the functional questions, we also asked practitioners what their key priorities were over the next 12 months and how they compare to the previous 12 months.

STAKEHOLDERS

Internal

Respondents were asked who their key stakeholders were.

- Respondents told a clear picture here.
- The key stakeholders for HR practitioners tend to be those at the top of organisations (86%) first and foremost, with the level of importance or likelihood of the stakeholder being considered as 'key', descending through the different levels of management.
- External stakeholders were the least likely to be labelled as 'key' by HR practitioners.

KEY STAKEHOLDERS	%
Directors	86
Middle Managers	76
First Line Managers	62
Frontline staff	40
External	4

External

Respondents were asked whether or not their organisation recognised Trade Unions (TUs).

- Overall, the sample was divided equally between organisations that did and those that did not recognise TUs.
- Typically, it was larger organisations that tended to have TU recognition.
- In fact, none of the organisations with fewer than 50 employees recognised TUs, whereas 66% of those with over 250 employees did.

RECOGNISE TRADE UNIONS	OVERALL %	SMALL >50%	MEDIUM >250%	LARGE <250%
Yes	50	0	23	66
No	50	100	77	33

- It was slightly more common that those organisations that did recognise TUs only recognised one in particular. Of the 53% of organisations that did recognise one TU, the majority (29%) indicated the TU to be Unite.
- Overall, Unite (56%) was the most popular TU, followed by GMB (33%) and Unison (24%)

WHICH TRADE UNIONS?	%
Unite	56
GMB	33
Unison	24
PCS	9
UCU	6

TEAM SIZE AND INFLUENCE

Respondents were asked what the size of the HR team was at their organisations, who HR reported into and whether or not HR sat on the board.

- 12% of respondents indicated that they were in fact the only HR practitioner in their organisation. 67% of these sole practitioners worked for organisations with less than 50 employees.
- Team size tended to increase in line with company size, ranging between averages of one for businesses with less that 30 staff, to 34 for businesses with over 5000 employees.

NO. OF EMPLOYEES	AVERAGE SIZE OF HR TEAM
>30	1
30-50	2
51-100	4
101-250	4
251-500	5
501-1000	10
1001-5000	26
5000+	34

- The majority (73%) of respondents indicated that HR reported directly into the CEO, having influence at the highest level of the business; 9% indicated HR reported into finance, 6% replied operations and 1% a commercial function.
- 68% of those that indicated HR reports directly into the CEO also highlighted that the HR function sits on the board at their organisation.
- Overall, 65% of respondents indicated that HR sits on the board at their organisation.

SERVICE, RESPONSIBILITIES AND PERFORMANCE

Respondents were asked to define the service – central, regional or divisional – the HR function provided at their organisation, indicate its core responsibilities and explain how HR performance is measured.

- Overall, 52% of respondents indicated that HR provided a centralised service at their organisation; 28% selected regional and 15% divisional.
- The five most common roles fulfilled by HR were:

ROLES FULFILLED BY HR	%
Recruitment	95
Learning and Development	93
Apprenticeships	63
Payroll	51
Communications	47

- Other responsibilities included Heath and Safety (25%), Generalist HR (25%) and Volunteering (24%).
- The HR scorecard (44%) was the most common method used for measuring the performance of HR. This was followed by Employee Engagement Survey (37%) and Cost Savings (27%).

HR MEASURED BY	%
HR scorecard	44
Employee Engagement Survey	37
Cost savings	27
Recruitment costs	17
ETs	13

TRENDS IN HR PRIORITIES

Respondent were asked what their top three focus areas were during the last 12 months as well as what their top three priorities would be during the next 12 months.

- During the last 12 months (August 2013 to August 2014) employee engagement initiatives (32%), recruitment (27%) and performance management (26%) were the most commonly selected HR priorities by respondents.
- Employee engagement initiatives (35%) remained the most common number one HR priority for respondents during the next 12 months; followed by performance management (32%) and culture (31%).
- Culture (+9%), talent management (+8) and performance management (+5%) were the most increasing trends.

OVERALL	LAST 12	NEXT 12	%
Culture	22	31	+9
Talent management	19	27	+8
Performance management	27	32	+5

- Recruitment (-8%), increasing headcount (-6%) and direct sourcing (-5%) were the trends most in decline, although recruitment was still a priority for 20% of respondents.
- Across the different sectors, there were some differences in priority.
- Although employee engagement was the number one HR priority for the majority of sectors, public sector respondents tended to place more importance on culture and performance management.

PRIORITY OVER NEXT 12 MONTHS	EMPLOYEE ENGAGEMENT	PERFORMANCE MANAGEMENT	CULTURE
Consumer	1	3	2
Industrial & Manufacturing	1	2	3
Business & Professional Services	1	3	2
Public & Third Sector	3	2	1
Digital & Creative	1	2	3
Built Environment	2	1	3
Average	**1.50**	**2.17**	**2.33**

ECONOMIC INDICATORS

We asked responds if headcount and the number of contractors working in the business had increased, decreased or stayed the same during the last 12 months. Respondents also indicated how much salaries had increased (if at all) during that time.

- 50% of respondents indicated that their company had increased headcount over the last 12 months; 22% said it had decreased.

HEADCOUNT LAST 12 MONTHS	INCREASED
Consumer	50%
Industrial & Manufacturing	60%
Business & Professional Services	59%
Public & Third Sector	55%
Digital & Creative	44%
Built Environment	40%
Average	**36%**

- Increases in headcount were most prominent in the industrial and manufacturing (60%), built environment (59%) and consumer sectors (55%).
- Contractor level, in the main, had stayed the same (58%) during the last 12 months. Increases were most common in the business and professional services (38%) and industrial and manufacturing (29%) sectors.
- Increases in salary averaged at 2.7%. Only10% of respondents indicated there had been no salary increases at their firm.
- The biggest average salary increases were in the business and professional services (3.8%) and industrial and manufacturing (2.9%) sectors.

SALARY INCREASES	AVERAGE
Consumer	2.7%
Industrial & Manufacturing	2.4%
Business & Professional Services	2.9%
Public & Third Sector	3.4%
Digital & Creative	1.6%
Built Environment	2.3%
Average	**2.7%**

BACKGROUND OF RESPONDENTS

- Over 130 HR decision makers at UK companies took part in the survey;
- Company sizes ranged from less than 30 employees to over 5,000;
- The sectors covered were industrial and manufacturing (37%), business and professional services (24%), public and third sector (24%), consumer (8%), digital and creative (4%) and built environment (4%).

If you have any questions about the findings of this report, please contact sue.odonovan@nigelwright.com