

Welcome to our HR Update 2015



HR Update 2015

It's been a typically turbulent but ultimately positive 2015 for the UK economy. Business growth has remained constant throughout the year and factors such as low mortgage rates and rising salaries have certainly had an impact on consumer confidence, which has reached above average levels. This, we're glad to report, has all helped set the scene for what will likely be a strong beginning to 2016

Similarly in the North East, the opening of the Hitachi train plant at Newton Aycliffe along with the region's booming automotive industry, have led to thousands of jobs being created; while the Rugby World Cup gave a significant boost to the local economy and helped promote the area, in all its glory, to the nation and the rest of world. However, a recent slowdown in the services sector, relatively weak manufacturing performance and an imminent EU referendum could stifle progress and businesses must therefore remain vigilant as we enter the New Year

As ever, it has been another challenging year for HR professionals. Demographic, technological and societal shifts mean that HR leaders need to constantly analyse and understand the changing nature of work and the needs and the expectations of the workforce to fully prepare organisations for the future. Some of the key themes in HR that have, and will continue to dominate the HR agenda as we move into next year, include engaging and developing leaders, changes to employment law, the introduction of a national living wage, pay differentials, inequality and changes in how maternity and paternity leave is shared.

Furthermore, there has been an increase in the number of HR leaders proactively working as part of the executive leadership team to drive productivity and efficiencies in the workplace as well as tackle employee engagement and promote a health and well-being agenda. These will undoubtedly continue to be on the list of priorities in 2016, and some of the excellent initiatives in these critical areas that we have seen within North East companies over the last twelve months will certainly be showcased in the next annual CIPD awards.

With all of this activity taking place it is no surprise that we're reporting a decline in the number of HR CVs being registered on our database. HR professionals across all sectors are clearly sufficiently challenged in their roles and are finally enjoying greater credibility through influencing change at the heart of their organisations. As notoriety increases, however, the competition for the best talent will intensify. Many organisations have introduced pay rises during the last year in an effort to keep hold of their best people and finding other creative ways to incentivise employees will be a key differentiator for organisations moving forward.

Many of these issues and trends are discussed in this year's HR update which includes articles by Home Group Director of HR and Development, Susan Coulson; PwC's Nick Clynes and experienced Executive Director Dianne Sharp, as well as the results from our 2015 HR salary survey. Thank you for your continued support and as ever, we welcome any feedback on any of the content.

HR salaries on the rise in the region

At Nigel Wright, we conduct an annual salary survey to assess how salaries have changed over the last 12 months. Our online survey was completed by over 1,000 respondents between December 2014 and January 2015. Alongside this data, our HR recruitment team, consisting of three experienced consultants, are well placed to be on top of local and national market trends, regularly speaking to clients and candidates about salaries and how they have fluctuated in recent times.

Salaries in HR had increased faster than any other disciplines, gaining 3.9% in their last salary review. Other disciplines' salaries generally increased by between 2.8% and 3.2%. Our data also revealed that those in HR are more satisfied with their current remuneration than their peers in other disciplines, with 80% of HR respondents compared to on 72% overall.

HR practitioners rated an employer contributory pension and flexible working as the most important employer benefits. Overall, flexible working, as a benefit, has increased in popularity by 11% in the last 12 months and many respondents indicated that it would actually be a major factor in persuading them to change jobs.

We also identified that HR people were more open to career moves than other disciplines, with 56% of respondents indicating that they would be looking for a new role within the next 12-18 months.

Sue O'Donovan, who manages the HR Recruitment team in Newcastle, commented; "The HR market has become increasingly competitive over the last 12 months; talented candidates are in short supply and are consequently commanding higher salaries when looking to make a move to a new company. Those working in HR indicated that they were more open to career moves and we generally find that HR candidates are open to opportunities in different sectors, moving into broader roles that will give them more general experience or enabling them to specialise in a particular area. HR salaries have been flat since the economic downturn, so it's great to finally see HR salaries increasing this year."

To discuss these results with a member of the team please contact [0191 222 0770](tel:01912220770) or download a copy of the report from www.nigelwright.com.

Delivering more for less is not just for local government, Susan Coulson, Director of HR and Development at Home Group



A friend of mine who works in the public sector advised me of a statement that was being used to sum up the impact of austerity measures within their organisation. It was, 'delivering thirty percent more with thirty percent less.' With the recent government changes that directly impact the housing sector such as the living wage and the right to buy our properties, as well as reducing the amount of rent we can charge, this statement certainly resonated with me.

Responding to these changes has meant a fundamental review of Home Group's business plan and model, and involved the Executive team and Directors working together to identify areas where we could operate differently; sustain our high levels of customer satisfaction, reduce cost and maintain colleague engagement. The actions Home Group has taken to offset the impact of the government's changes are as follows:

- **Culture:** At Home Group we take our culture very seriously; it's a culture that was developed to support our values and it is integrated into a comprehensive culture programme, and in all of our HRD policies and behaviours. Our CEO made a powerful statement confirming that Home Group's culture would not be affected by the government's changes impacting our organisation. We have therefore stayed true to our values of Caring, Accountable, Commercial and Energised; each of these values help support and facilitate a change in mind set and behaviours across our Home Group;
- **Colleague Consultation and Communication:** We ensured the challenges Home Group was facing were transparent in our business and we asked colleagues to put forward their ideas on how to tackle these challenges. This process proved to be very successful and, working with our Colleague Forum, which consists of Union and non-Union representatives, key areas of spend were identified; removing areas we have formerly supported, maximising salary sacrifice, maximising technology and re-prioritising;
- **Resourcing and Talent Management:** Following an initial recruitment freeze at Home Group, resourcing and talent management soon returned to the agenda, as inevitably, life for any organisation going through a period of change and transformation, must go on. During periods like this, you're always reminded how important it is to really focus on maximising direct recruitment, as well as working with a small number of great recruitment suppliers who understand your organisation - 'mutual trust' between your business and theirs is essential to getting the best results. You also need to reassess and challenge the talent you already have. It's so rewarding to see colleagues who are asked to step-up and try new skills to support the business, actually succeed;
- **Decision Making:** This needs to be clear and decisive. Home Group believes that, ethically, the Living Wage is absolutely the right thing to do and attending the CBI conference in November, and hearing the Prime Minister talk about the Living Wage, brought greater emphasis to that belief. However, when you operate contracts that are agreed at minimum wage and involve no renegotiation opportunities, it's not something that can be implemented easily. Through reducing spend in other areas, however, we have successfully introduced the Living Wage.

Effective teamwork at the leadership level has been fundamental to Home Group's success. Although we've had to make some hard decisions, the change agenda which has been driven by the Executive team, and the organisation's supportive culture has made our success to date possible. We're not at the end of the change journey, however, but our travels together so far have been strong.

Employers urged to review workplace health services, Nick Clynes, Senior Manager at PwC



With absenteeism costing UK business over £32 billion per year, employee wellness has become increasingly important to employers. Numerous changes to the welfare system, default retirement age and lengthy NHS waiting lists have resulted in employers seeing an increase in absenteeism costs. It has also become apparent that employees are electing to remain in the workplace, as they no longer qualify for welfare payments and are less productive than they might be. The challenge for employers is to fundamentally understand what factors are causing their absenteeism and what interventions would be effective. Many employers have access to sickness and absence data, but do not use this as a tool to quantify the true cost of absenteeism or to allow them to proactively address the causes.

Experience shows us that employers who can accurately collect and use data can significantly reduce cost but also develop a more engaged workforce. In 2014, 32% of the UK's working population called in sick to work due to stress. Early intervention and effective treatment pathways are proven to reduce costs dramatically and in some cases avoid the need for employees to be absent from the workplace. Employers can support employees in a number of ways and there are a variety of service providers in the market who are willing to sell products and services which address these issues.

The key to a successful health and wellbeing strategy is to create an integrated structure, facilitating fast and effective treatment from the most appropriate provider. Often employees will be referred directly to their Private Medical Insurance Provider for assessment. However, it may be more effective for the member to have accessed services for physio etc. via the health cash plan, as this avoids a GP referral and may prevent claims building up within the Private Medical Insurance policy.

Often an employer will provide a number of employee benefits including private medical insurance, health cash plans, employee assistance programmes etc. These services are extremely effective once an employee has become ill and already made a claim. However, many of these providers are now focussed on supporting employees at a much earlier stage and ensuring members have access to services such as physio and counselling, available at no extra cost to the employer, which have the effect of reducing the length of time an employee is away from work.

In order to maximise the return on investment, employers should review the services that are offered by their suppliers and identify specific treatment pathways for common issues such as bad backs, stress etc. In the medium term this will result in lower absenteeism cost, but also help control the cost of providing these insurances and services.

Making one percent improvements in often overlooked areas is at the heart of innovation, Dianne Sharp



Talk about innovation and the image people think of is a scientist in a white coat with a big brain. The dictionary definition is 'the action or process of innovating a new idea, more effective device or process.' The interesting bit is when you look at the synonyms for innovation: revolution, upheaval, transformation, metamorphosis, restructuring, renovation, change, alteration, reorganisation, rearrangement, remodelling, restyling, variation. Words like revolution, transformation and metamorphosis resonate with the scientist image but do we want constant revolution and upheaval in our organisations?

This year Chris Froome won the Tour de France for the second time, and for the third time in four years for Great Britain. However, prior to 2011, Britain had never won the Tour de France. In 2010, Dave Brailsford was appointed

Team Sky cycling manager. Brailsford believed in a concept that he referred to as the 'aggregation of marginal gains.' He explained it as the one percent margin for improvement in everything you do. His belief was that if you improved every area related to cycling by just one percent, then those small gains would add up to remarkable improvements.

The team began optimising the things you might expect: nutrition, the weekly training program, the ergonomics of the bike seat, and the weight of the tires. But they didn't stop there. They searched for one percent improvements in tiny areas that were overlooked by almost everyone else such as discovering the pillow that offered the best sleep and taking it with them to hotels, testing for the most effective type of massage gel, and teaching the best way to wash your hands to avoid infection. They searched for one percent improvements everywhere. Brailsford believed that if they could successfully execute this strategy, then Team Sky would be in a position to win the Tour de France in five years time. He was wrong. They won it in three years.

It is easy to overestimate the importance of one defining moment or innovation, and underestimate the value of making better decisions on a daily basis. Almost every habit that you have - good or bad - is the result of many small decisions over time. We often convince ourselves that change is only meaningful if there is some large, visible outcome associated with it. Whether it is losing weight, building a business, traveling the world or any other goal, we often put pressure on ourselves to make some earth-shattering improvement that everyone will talk about. So coming back to the synonyms, the 'innovation' demonstrated by the Sky team was about alteration, reorganisation, rearrangement and variation i.e. continuous improvement. Therefore, for my businesses and for me, innovation is a mindset or behaviour of continuous improvement. It is about culture.

I believe that anyone and any organisation is capable of innovation. If you give any child (or adult for that matter) a pile of Lego, they will usually build a myriad of amazing (and sometimes bonkers) creations. Over time, our cultures and environment restrict that natural, everyday innovation. As employers and managers, we are responsible for creating the organisational culture that nurtures, encourages and rewards continuous marginal improvements and unleashing the inner Lego builder in everyone.

Five things you may not know about Nigel Wright Group



- Nigel Wright was established in 1988 in Newcastle upon Tyne.
- Today it has multiple offices across the UK and Europe including Newcastle, Teesside, London, Paris, Dusseldorf, Madrid, Copenhagen, Aarhus, Stockholm and Malmo.
- The business has a 'Head of Africa' and in 2016 will launch an office in Dubai.
- In the last 24 months it has won retained work in all six continents, across 27 international territories including Nigeria, Russia, Brazil, India and Australia.
- Nigel Wright works with some of the world's biggest companies including L'Oreal, Danone, Beiersdorf, Carlsberg and LEGO.

Our HR Team



Sue Ormerod, Associate Director – IT & HR

Sue is responsible for the IT and HR recruitment divisions at Nigel Wright, managing two specialist recruitment teams that work with clients throughout the North of England and Scotland. Sue joined Nigel Wright in 2002 and during her thirteen years with the business has established and

launched the IT division, as well as helping to launch IT contract and wider interim recruitment services. She was appointed to the senior management team in 2010. Sue is personally responsible for delivering senior IT management recruitment assignments in the North of the UK and has engagement partner responsibility for several key accounts. She continues to Chair and organise the Nigel Wright IT Director Forum, which has now been in existence for ten years and is also actively involved in the Nigel Wright HR Leaders Forum. As 'invitation only' forums, they provide specialist business leaders with opportunities to build strong and collaborative bonds with other like-minded executives in the region.



Sue O'Donovan, Managing Consultant - HR

Sue O'Donovan is Managing Consultant for Nigel Wright's HR practice in the North East. She initially joined Nigel Wright in 2004 and has specialised in HR recruitment since 2005. As well as being responsible for senior HR appointments nationally, Sue also manages all of Nigel Wright's

HR networking events including HR Directors' Dinners, HR forums and employment law seminars. A member of the North East leadership team, Sue is also a trusted partner for several key accounts and managing relationships with HR Directors.



Stephanie Gilpatrick, Consultant - HR

Stephanie Gilpatrick joined Nigel Wright in 2014 and is based at the company's head office in Newcastle upon Tyne. She specialises in recruiting HR professionals within the commercial sector across the UK, typically for mid-level roles up to £30,000. Stephanie also hosts quarterly

HR Managers' Breakfasts and has successfully built a strong network in the North East. She has recently worked with a number of organisations in a range of sectors including; Hospitality, Retail, Outsourcing, Manufacturing and Utilities.



Claire Harwood, Consultant - HR

Claire Harwood is an HR recruitment Consultant at Nigel Wright, focusing on mid to senior level appointments up to £50,000, across multiple sectors. Prior to entering the recruitment industry, Claire worked within HR at Mears Marine Services and maintains a real passion for the discipline.

After completing her degree in Psychology, Claire discovered an interest in Occupational Psychology, knowledge of which has subsequently enabled Claire to enjoy a successful recruitment career, effectively matching the right talent to organisations from both a skill and personality perspective. Claire regularly organises and hosts HR Manager network events across the North East, and has built a strong HR network across the North East.