

Skills, Attraction and Retention Report 2023





Contents

Staff attraction and retention challenges after the pandemic	3
Skills shortages are constraining organisations	4
Staff retention is becoming more challenging	5
Nearly all employers need to increase their workforce	6
D&I in recruitment remain a priority	8
Market conditions are pushing salaries up	9
Companies unconvinced about the four-day workweek	10
The importance of trust in remote or flexible work environments	11
Becoming a menopause-friendly organisation	11
The year ahead	12





Staff attraction and retention challenges after the pandemic

There have been a lot of unpredictable and unprecedented changes in the economy over the past year, including the war in Ukraine, a cost of living crisis, the lowest levels of unemployment for decades, as well as uncertainty around employment and markets. This has led to concerns about inflation, supply chain disruptions, and the future of energy prices.

At Nigel Wright Recruitment, these factors have presented both challenges and opportunities for our business. On the one hand, a shortage of skilled workers has created a demand for our services. Though market uncertainty and unpredictability, as well as the cost of living crisis, have made it difficult to plan ahead.

We have a clear ambition to be the leading professional recruiter in the North of England. Establishing a values-driven culture that prioritises helping people – whether they are clients, candidates, colleagues or communities – to prosper has given our business a clear purpose, which continues to help steer it through these volatile times.

Nigel Wright partners with a wide range of organisations across the North of England and at the end of 2022, we surveyed our customers to find out what they were up to from an employment and engagement perspective to attract and retain talent, as well as remain competitive, amidst the ongoing impermanence and insecurity of local, national and global markets.

Various themes emerged from the research including the importance of offering attractive benefits packages and engaging the workforce. The “contentious issue” of remote working was also explored, as were the various challenges currently faced by companies in attracting and retaining talented staff during these unpredictable and uncertain times.

Our survey results were presented at two events in February and March 2023, one at Newcastle’s Crowne Plaza Hotel and the other taking place at Headingley Stadium in Leeds. We welcomed speakers from Home Group, Rycroft Glenton, ScS Plc, Benenden Health, BHP and Northern Gasworks, who discussed initiatives at their organisations linked to the research.





Skills shortages are constraining organisations

Our survey confirmed that there are significant skills shortages across various disciplines, with middle management being an issue for most businesses. Finance professionals, in particular, are difficult to find, with 96% of respondents claiming that the ongoing difficulty in filling mid-management finance positions is preventing their organisation from achieving its objectives.

Overall, 80% of respondents indicated that skill shortages were impeding business growth plans with manufacturing, IT and finance experiencing the greatest shortages at all levels. This represented a 6% increase from the previous year, and almost 20%, compared to two years ago. We believe that the 'Great Resignation' is a key reason behind the ongoing decline in experienced workers.

Which of these disciplines/levels are experiencing skills shortages?

	Junior	Mid	Senior
Sales	8%	85%	31%
Marketing	29%	79%	21%
IT	33%	87%	60%
HR	31%	81%	25%
Finance	29%	96%	29%
Business Support	60%	65%	25%
Manufacturing / Engineering	42%	77%	38%
Procurement / Supply Chain	44%	33%	33%
Executive	0%	0%	100%

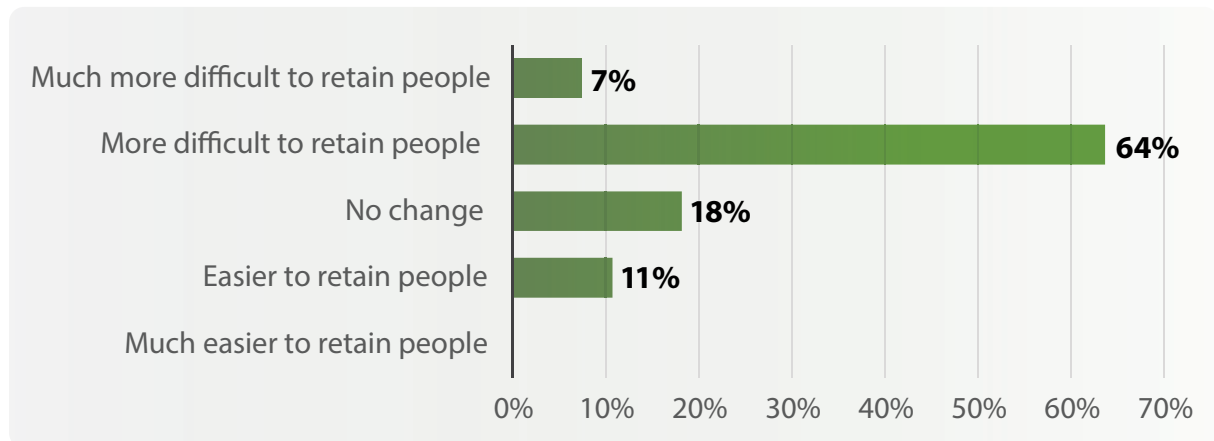
**There are skill shortages at all levels; significantly in middle level positions.
Manufacturing, IT & Finance have the greatest shortages and at all levels.**



Staff retention is becoming more challenging

The majority of Northern organisations are actively making retention a priority (64%), but with competition for talent being high, this is proving to be a challenge. Our survey confirmed that 71% of Northern businesses are finding it harder to retain staff now than they were a year ago and that this trend is likely to continue in the near future.

Staff Retention Compared To Last Year



89% are finding it harder or equally hard to retain staff

Remote working remains a key strategy for Northern businesses trying to retain their talent. Just over half of employers are now offering 100% remote working for some roles, up 40% from last year. The hybrid working trend is here to stay, but firms should remain wary about its impact on remote employees' ability to fit in with their teams and influence others.



Attraction, Retention, Recruitment and Culture

Home Group is a Newcastle-based charity that provides social housing, care and support services and builds homes for sale. HR Director, Susan Fulton, explained

how a diverse workforce with different roles presents attraction and recruitment challenges. The organisation has been working on its culture and has had positive feedback from colleagues, who view it as a great place to work.

Using data from recruitment, retention, and pay benchmarking surveys, Home Group prioritised

skills and roles that were in high demand and/or needed improvement. The organisation then launched a program called 'Grown Our Own' to address career management, conducting career conversations with colleagues and providing development opportunities based on individual career tracks.

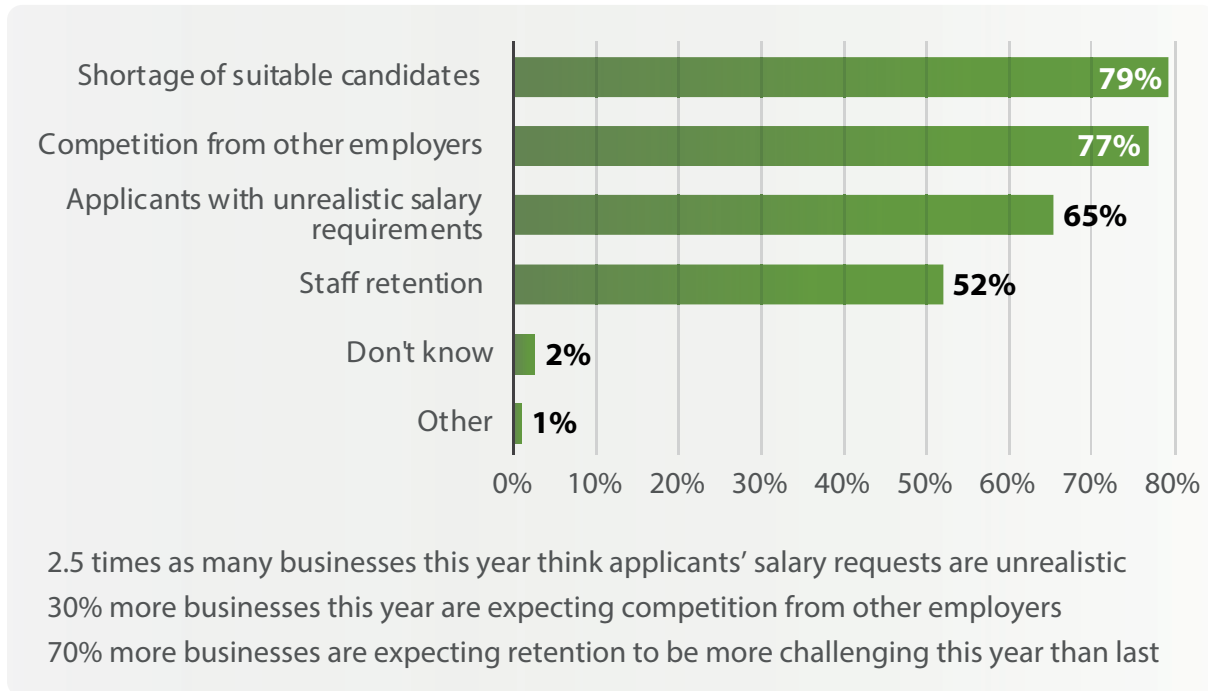
Career development, job security, and great line managers are important factors in retaining employees, says Susan. Home Group is further investing in its Grow Our Own program to build talent from within and redesign the colleague experience.



Nearly all employers need to increase their workforce

Ninety-six per cent of respondents to our survey said they were actively hiring, with 69% aiming to recruit the same number of people or more than last year. A staggering 94% indicated they are finding it difficult to recruit, with the shortage of suitable candidates (79%) and competition from other employers (77%) the main obstacles. The latter has increased by 30% since 2021.

Recruitment Challenges Ahead



Companies are seeking to fill skills gaps amidst heightened competition for talent by recruiting junior positions (57%) and hiring contractors (48%) to fill roles or deliver projects. The intention to recruit apprentices and graduates has increased by 5% since 2021, whereas efforts to multiskill the workforce to offset skill shortages, appear to have declined (45% versus 55% in 2021).



The Importance of Talent Attraction

Ryecroft Glenton (RG) is a large independent advisory firm based in Newcastle. The firm provides a range of services, including audit and assurance, tax, corporate finance, and business advisory services.

According to Head of Corporate Finance, Carl Swansbury, to attract the best talent, RG has made their business aspirational, with a clear strategy, market-facing profile, and brand.

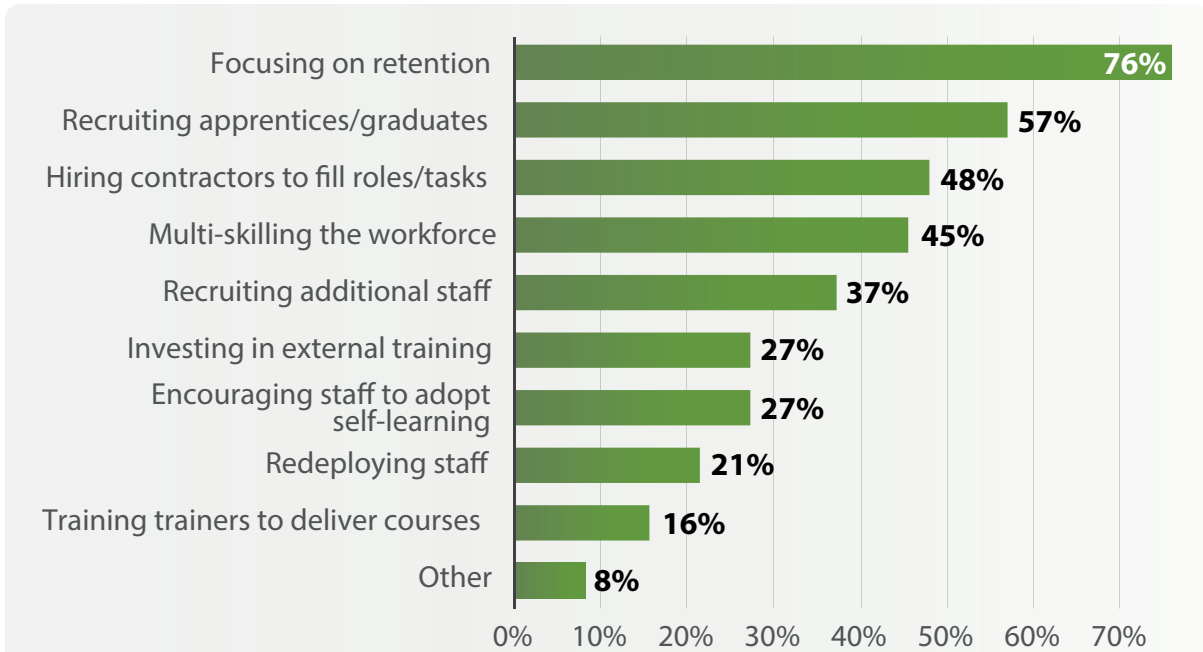
Flexibility is important, says Carl. The COVID-19 pandemic has increased the need for flexibility at RG, including offering part-time working options,

extended paternity leave, and opportunities for self-employed contractors. Having an open-minded approach to hiring is also emphasised, which includes recruiting individuals from different backgrounds, cultures, and academic routes.

Alongside focusing on culture, attitude, and values over skills, Carl highlighted how RG uses creative and meaningful remuneration packages, such as attendance bonuses and employee loans, as well as providing training in areas unrelated to an employee's job, to attract talent. Celebrating their successes and giving employees autonomy and accountability, remain integral for talent retention.



How Skills Shortages Are Being Addressed



What is being done differently:

- Increased salaries, offered fully remote working and recruited more staff with a training plan
- Reviewed pay and introduced new benefits
- Hired more temporary staff & graduates, deployed staff, & used recruitment agencies
- Aiming for multi-skilling and retention of roles
- Reassess bench marking data specific to salaries and roles
- Recruited from different regions
- More cross-skilling and multi-disciplinary teamworking
- Formally included personal development plans to get individuals and managers to think about upskilling/development



Colleague Attraction and Engagement

ScS Plc is a UK-based furniture retailer that specialises in sofas, carpets, and other home furnishings. The company was founded in 1894 and currently operates over 100 stores across the UK. HR Director, Lucy Clough, explained how the business has gone through a process of change in the last two years, focusing on employee engagement and attraction.

In 2021 the company identified talent acquisition, digital competence, and a shift in hiring practices to attract digital talent as areas of improvement. Lucy highlighted how ScS hired new executives

to drive sales teams and focused on enhancing induction, onboarding, learning and development, and performance to create a workplace where colleagues feel valued and proud to work.

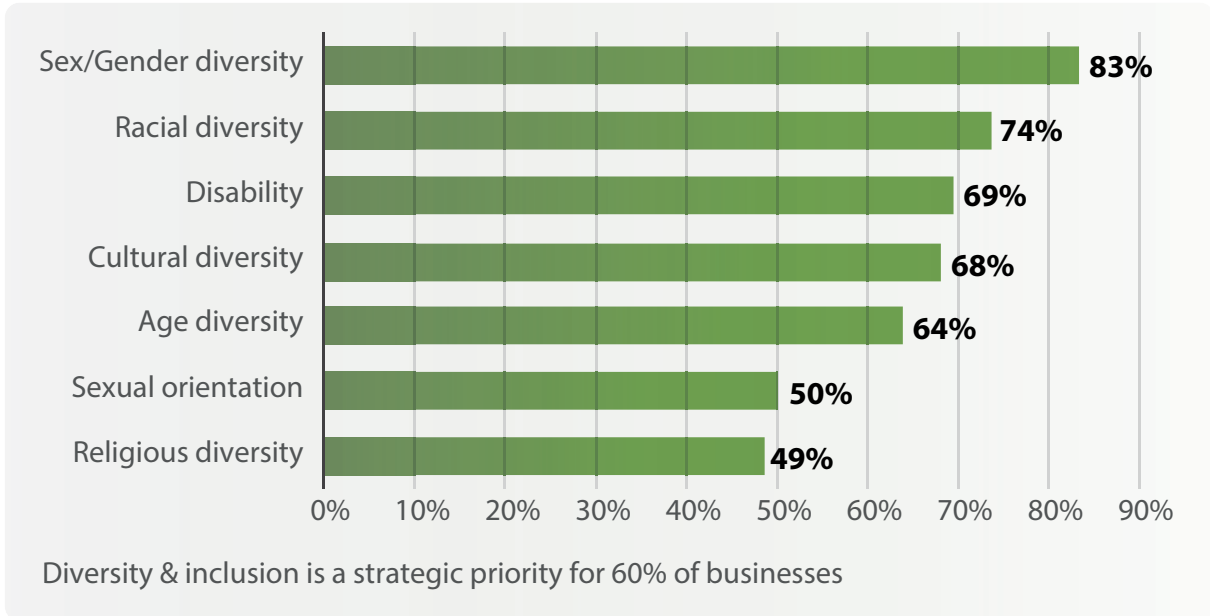
Additionally, ScS is implementing a senior leadership development program to help leaders drive change and innovation, focusing on mobility and flexibility of the workforce. The company is also reinforcing its commitment to corporate social responsibility, sustainability, and environmental issues to help attract and retain employees to the workplace.



Diversity and inclusion in recruitment remain a priority

Diversity and inclusion are a strategic priority for most (60%) organisations, up from 56% in 2021. Companies are particularly keen to promote sex/gender diversity (83%) and racial diversity (74%) when recruiting. Interestingly, fewer respondents selected those areas this time around, while the number of firms prioritising age diversity (64%) and disability (69%) has increased.

Diversity & Inclusion Areas To Address



Nigel Wright’s diversity and inclusion journey during the last 12 months highlighted how change requires taking small steps and continuously working towards progress. Further, we’ve learned that being inclusive goes beyond hiring diverse candidates and involves creating an inclusive workplace where everyone feels valued and respected.



Workplace Wellbeing

Benenden Health is a not-for-profit mutual society that provides affordable health and wellbeing services to its members. Head of Organisational Development, Naomi Thompson, highlighted that despite a shift in the balance of power from employers to employees since the pandemic, there is still a cultural taboo around discussing health and wellbeing in the workplace.

Naomi discussed how the organisation has prioritised supporting employees’ health and wellbeing during the last few years, leading to a widespread transformation. Initiatives include training managers to recognise signs of mental

health issues, wellness checks during one-on-one meetings, as well as offering employees low-cost 24/7 support for physical and mental health services.

The organisation acknowledges the importance of work-life balance and mental health in the workplace and has implemented protected hours to give employees regular guaranteed breaks. A wellness action plan has also encouraged employees to take better accountability for their wellbeing. According to Naomi, these efforts have resulted in improved engagement levels and healthy people metrics, making Benenden Health an attractive place to work.

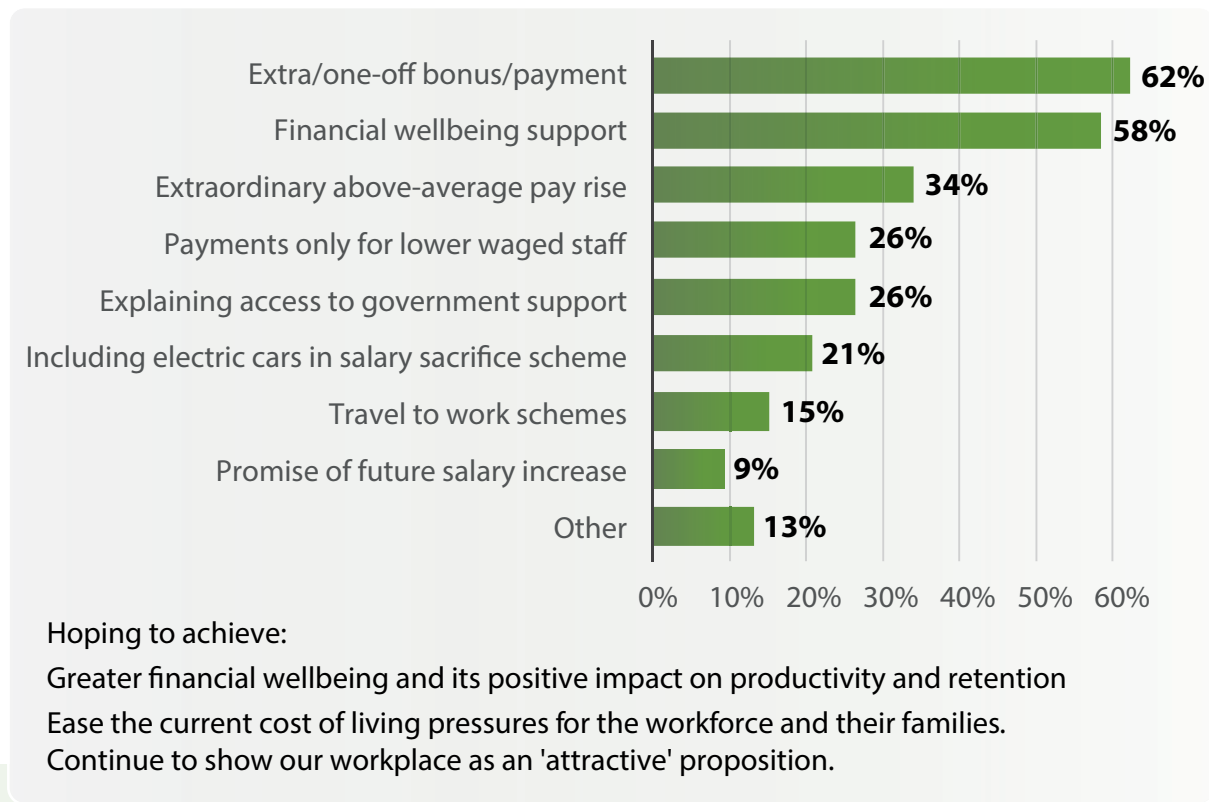


Market conditions are pushing salaries up

Salaries are rising, but the data suggests that wage increases may have been lower than what’s reported in the news. Some companies may have paid more or less, but most pay rises fall within the 4% to 6% range. Two and half times as many organisations this year think applicants’ salary requests are unrealistic. It’s worth noting, however, that only 3% of employers gave pay rises above inflation.

Nevertheless, many organisations are recognising the challenges faced by employees and are implementing various approaches to help them, with a focus on assisting lower-paid workers. Around 40% of Northern businesses are providing financial support, with most offering one-off payments (62%) as well as financial wellbeing initiatives (58%) to address employees’ concerns.

How Staff Are Being Helped Financially



Retention and Attraction Strategies

BHP is a full-service accountancy firm offering advisory and financial services

to clients across the world. Managing Partner, Hamish Morrison, explained how in recent years the business has leveraged competitive remuneration packages as well as implementing policies such as Flexible Fridays and email curfews, to attract and retain staff.

The company places a strong emphasis on employee wellbeing, including mental and physical health support, training mental health first aiders, and hosting an annual staff conference focusing

on personal development. BHP also prioritises employee morale and satisfaction through initiatives such as Match Charity Funding, an inclusive staff party, and various bonuses and gifts.

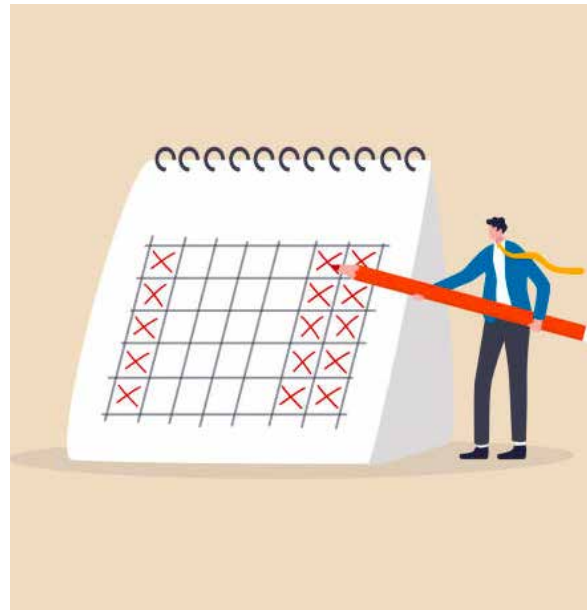
Hamish noted how BHP facilitates individual decision-making and encourages feedback and communication from employees, using Zoom webinars to quickly address problems. Fundamentally, the firm believes in making things easier for its staff and wants to ensure that everyone has a good time while practising open communication and dialogue to improve the workplace.



Companies unconvinced about the four-day workweek

Following the much-publicised results of the UK's four-day workweek trial, presenters were keen to comment on the findings, which suggest that productivity and profits can be maintained with a shorter workweek. While some believe it is a policy worth exploring, others felt there was insufficient data to support these claims and remained wary about potential negative impacts.

Home Group is considering implementing the policy to attract and retain talent in some areas of the organisation, while ScS already operates a four-day workweek in its distribution centre. Presenters in general had concerns about the fairness of employing a four-day workweek across all areas of their business. For now, companies are focusing on flexibility with hybrid working.



In summary, the concept of a four-day workweek has gained attention, but there is insufficient data to support its effectiveness. Companies have different views on its feasibility and potential adverse impact. Most believe that it is too early to determine whether a four-day workweek will become the norm and agree that the idea requires further exploration.



the North East, Northern Cumbria and much of Yorkshire. The business employs around 1,600 staff. According to HR Director, Lindsey Filer, societal perceptions of fossil fuels and concerns about the environment pose significant challenges to strategic workplace planning for the firm, particularly around talent attraction.

Given the eventual depletion of fossil fuels and the shift towards alternative energy, the firm has identified a need to attract a more diverse pool of

Strategic Workplace Planning

Northern Gasworks delivers gas to 2.7 million customers in

candidates and change its recruitment strategy. Investing in apprenticeships and engaging with external community groups and non-traditional sources has enabled the business to find candidates with a diverse range of skills and experiences.

Lindsay explained how the company pays their employees well and offers training and development opportunities, including support for external training and degree-level qualifications. Establishing a proper resourcing team with governance procedures in place to ensure parity in pay, and promoting the importance of inclusion and belonging, will further help future-proof the business.



The importance of trust in remote or flexible work environments



Presenters discussed how COVID-19 has helped improve trust levels for some people in remote or flexible work environments. It was agreed that trust becomes more critical in remote work, and leaders need to have confidence in their team's values and set an example from the top. Mechanisms for feedback are also necessary to ensure that trust is working.

It was suggested that employees should always consider how their actions impact others before choosing where they work. Balancing business and personal needs is crucial, and decision-making processes should focus on maintaining high levels of customer service, supporting colleagues, and ensuring training and development are not unfairly distributed.

When questioned about efforts to encourage employees to return to offices, presenters acknowledged that a healthy balance of home and office work is necessary. While the trend seems to be moving towards more people returning to the workplace, it was agreed that most businesses are unlikely to return to a 5-day office-based week.

Becoming a menopause-friendly organisation

The diversity and fluidity of the workforce require a flexible approach to meet the needs of different age groups. Flexible working hours are crucial for retaining older workers, as are efforts to support employees' health and wellbeing. This is especially the case for women over the age of 50 who may experience menopausal symptoms at work, including low mood swings and difficulty with memory.

There is still a cultural taboo surrounding discussing health issues in the workplace, including menopause, which can make employees uncomfortable. The fear of being judged by colleagues and management is the main reason for this discomfort. Presenters urged companies to acknowledge this and offer open communication and a better understanding of employees' needs.



Firms are increasingly taking positive steps to become menopause-friendly organisations. Initiatives include offering online health webinars to improve understanding of women's health issues, creating policy and guidance fact sheets and generally creating a culture where menopause can be talked about openly. You can find out more in our [2023 Raising of Awareness of Menopause Report](#).



The year ahead

The recruitment market remains buoyant despite zero growth, due to the ongoing shortage of candidates. We predict that talent shortages will continue this year and will lead to increased competition from other employers – not just local ones – particularly in the tech sector. Companies that commit to hiring as a critical issue are more likely to be successful.

Being an attractive organisation to join is critical for hiring success. A good brand can be enticing to candidates, while even a poorer brand can be mitigated with a compelling story about how the company is improving. We recommend that firms think carefully about their brand and their story, as well as the consistency in which they present them to potential employees.



Nigel Wright Group is Europe's number one consumer sector talent search firm and the leading and largest, multi-discipline recruitment business specialising in the North of England. We have 11 offices across the UK and Europe and one in America.

We have significant experience in bringing together high-calibre candidates and local/global organisations for individual assignments and as part of a long-term account. Also, our depth and breadth for handling large scale, transformational recruitment projects is extensive. We have the capacity and capabilities required to provide clients with excellent service levels to help achieve their recruitment objectives.

We add value by helping clients, candidates, colleagues and our communities to prosper and achieve their ambitions by quickly connecting talent.

- Our clients trust us to quickly attract the highest calibre and most suitable candidates first time
- Our candidates trust us to understand them and their capabilities, tell them the truth, and enable their right move
- Our colleagues are highly motivated and feel valued with a strong sense of belonging
- Our communities benefit from how we use our market relationships

Contact our Marketing Department to discuss all aspects of this report.

Marketing Department

Email: marketingdept@nigelwright.com