

Trends in HR:

Overview of 2016

It has been another challenging year for HR professionals as they continue to navigate the fluctuating landscape of the global economy. 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 and employers, to fully prepare organisations for the future. In this article, we discuss some of the key themes in HR that have, and will continue, to dominate the HR agenda as we move into next year.

EMPLOYABILITY & DIVERSITY

Identifying and then giving recognition to the many facets of diversity within the workforce - be it experiences, skills, age, gender, religion or sexual orientation - is now implicit in organisational strategy. Businesses of all sizes and from all industry sectors have become increasingly committed, particularly over the last decade, to understanding the link between diversity, performance and productivity.

There is certainly a demand for HR to be effective in this area, yet although many organisations today are quick to claim that diversity is a key part of overall strategy, the details of many diversity policies are often rudimentary in nature. By taking a lead in creating supportive and collegial working environments, HR represents the organisation's commitment to ensuring that diversity and inclusion are at the core of people strategy.





The most innovative companies see the value in adopting a holistic strategy, where the whole ethos of the business in terms of its brand, its values and its approach to identifying, hiring and developing talent becomes focused on the benefits of diversity. For such a strategy to be successful, it is something that needs to be embraced by the whole organisation and driven from the top by the Executive Board.

This is increasingly important in a global world where, for many companies operating in multinational markets, effectively managing diverse talent continues to be a challenge. Tackling pipeline issues in international markets requires an understanding of diversity that goes much deeper than just obvious factors such as age and gender.

It is the responsibility of HR to maximise the potential each individual brings to the organisation. HR teams that adopt a real vision for diversity, that encompass the multiplicity of today's workforce, as well as making diversity something which is truly synonymous with the company itself, rather than a marginal concern, will be the ones that will reap the benefits.

HEALTH & WELLNESS

A 2015 study by PwC asked the question 'Why is health and wellbeing back on the corporate agenda?' The report, presented at a Nigel Wright event in October last year, outlined the ever increasing importance of staff performance and productivity to UK competitiveness and the direct link between performance, productivity and workplace health and wellness. Significantly, it stated that integrating health protection and health promotion was a major factor in achieving an effective health and wellbeing strategy.

There are obviously a number of actions companies can take to make a difference to the health and wellbeing of employees. Some innovative examples highlighted by PwC included employee health assessments; reading, walking and running clubs, discount on gym membership, dietary changes in canteens, counselling, mediation, yoga classes and even standing desks.

Exploring the key factors which influence how employees choose to perform and what makes a difference to their desire to increase their efforts, is fundamental to any strategy planning in this area. Although there are universal factors that will make people happy and motivated at work, each organisation is uniquely different and will need to establish its own 'context' for change.



Often, the most important factor leading to a successful work based health and wellbeing programme is the extent to which employees believe their organisation has a sincere interest in their health and wellbeing. By placing employees at the heart of the strategy and communicating clearly its objective to fundamentally improve their lives, as well as how the organisation seeks to improve engagement in the business, will ensure that a health and wellbeing programme is a success.

Organisations with clearly defined, bespoke and well communicated strategies that demonstrate an understanding of the importance of health protection and health promotion are the true leaders in this area.

REWARD & BENEFITS

The annual Nigel Wright North East Salary Survey has revealed how the importance of employee rewards and benefits has changed dramatically over the last five years. The latest data, compiled from a survey of over 1000 people working across the region in various sectors and disciplines, confirms that since 2012 flexible working and holiday entitlements have become increasingly important factors influencing how satisfied workers are in their jobs.

Fifty-seven percent of respondents selected flexible working as a 'top 3' benefit in the 2016 survey, compared to only 38% in 2012 – an increase of 18%. Similarly holiday entitlement has jumped from 41% to 57% also. Significantly, these factors have risen in importance at the detriment of other traditionally popular employee benefits such as bonuses and car allowances, which have declined in popularity by 12% and 9% respectively. Flexible working is now considered to be the second most important employee benefit behind receiving a company pension.

Interestingly, in another part of the survey respondents were asked what factors would persuade them to change jobs. Over the last five years improved flexible working conditions has seen the biggest increase, with over 20% now indicating this would be a primary factor in their decision to change roles. Achieving a better

work life balance has also risen in importance since 2012. Higher remuneration and new challenges are still the most common incentives, yet they have both declined by 5% and 6%, according to the annual study.

Many companies are becoming wise to the fact that being creative around the benefits packages they offer can attract the best talent. The results of our survey highlight that although financial rewards remain important, there are in fact a range of other benefits that are important to candidates in today's market.

PEOPLE DEVELOPMENT

Instead of focusing on high salaries and lucrative bonuses, we're seeing the emergence of a workforce that is driven by the need for personal success, recognition of their achievements and a quality of life that meets their values and social needs. Time and again candidates tell us they want to work for employers that are interested in their future development. This is particularly the case with younger candidates - they're hitting the employment market and asking potential employers: what are you going to do for me?

There are many examples of companies that recognise the benefits of having life-long learning programs, both for vocational and personal development. The impact of a successful people development strategy can be dramatic in terms of increased productivity, higher retention levels and of course better trained staff. This process does need management and the right HR team to deliver it, but there is no reason why companies of all types and sizes can implement effective people development strategies, in varying degrees.

By engaging employees in the company and creating innovative training and development initiatives, companies are moulding their cultural environment so that it reflects today's society as a whole; while at the same time making themselves more competitive. Workforce planning will continue to dominate the agenda for HR teams this year and beyond, in effort to attract and retain the best people.