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Welcome to our 2017 HR Update

It's been a typically turbulent year for the UK economy. Business growth remained constant throughout the first half of the year and factors such as low mortgage rates and rising salaries certainly had an impact on consumer confidence, which reached above average levels. However, due to a period of uncertainty following Brexit, the UK's growth projection for 2016 was lower than expected by the end of the year.

By diversifying its economy, the North East has remained competitive, excelling in a number of key industry areas and enjoying an abundance of national success stories. It remains the UK's biggest exporter and the only region with a positive balance of trade. During the first half of 2016 vacancies increased significantly and moving forward, local companies continue to show a willingness to invest in their long-term future. The North East therefore remains a rich area of opportunity for a recruitment business, with a broad range of organisations continuing to recruit key staff across all disciplines.

As ever, 2016 was another challenging year for HR professionals. 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, and some of the excellent initiatives in these critical areas that we have seen within North East companies over the last twelve months have recently been showcased at last year's CIPD North East Branch Awards Dinner.

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 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 HR Update which includes articles by Home Group's Director of HR and Development, Susan Coulson, PwC's Susan Blair and experienced HR professional Jules Smith, as well as the results from our 2016 HR salary survey. Thank you for your continued support and as ever, we welcome feedback on any of the content in this update.



HR salary survey overview 2016

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 2015 and January 2016.

HR professionals in the North East enjoyed, on average, a 2% increase in their salaries between 2015 and 2016. Our data also revealed that those in HR are less satisfied with their current remuneration than their peers in other disciplines.

Furthermore, 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 2% 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 most other disciplines, with 47% 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. As well as being open to new career moves, we often find that HR candidates seek opportunities in different sectors, moving into broader roles that will give them more commercial exposure or enable them to specialise in a particular area."

Nigel Wright's HR Recruitment team is 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.

To discuss these results with a member of the team please contact 0191 222 0770 or download a copy of the report from www.nigelwright.com

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 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, 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.

57% percent of respondents selected flexible working as a 'top three' benefit in the 2016 survey, compared to only 38% in 2012 – an increase of 18%. Similarly, holiday entitlement has jumped from 41% to 57%. 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 an effort to attract and retain the best people.

Interim positions on the rise as businesses compete to fill short term skills gaps

The buoyancy of the temp, contractor and interim market, widely reported over the last few years, has not abated. Figures (published in February 2016) from the REC confirmed that 90% of UK employers intended to maintain or increase the number of temporary workers hired during 2016. Brexit has certainly helped to reinforce these notions, with many UK firms pulling back on permanent recruitment plans following the result, looking instead to temporary talent solutions to help them through an anticipated period of uncertainty.

Sue O'Donovan, who manages Nigel Wright's HR recruitment practice, noted that: 'Following the recession of 2008/2009 there was a movement to make UK companies more lean, with a focus on building a flexible workforce to increase productivity. It was envisioned that future organisations would be a mixture

of permanent, temporary and outsourced resources and this is essentially the organisation of today. Most businesses need a stable core team and then they can seek out the right talent for short term requirements, where capability within the organisation is lacking or when workloads increase significantly.'





Nigel Wright successfully place temps, contractors and interim managers specialising in a variety of different disciplines and sectors. O'Donovan confirmed that the business' interim recruitment practice has experienced an increase in demand over the last twelve months in line with the market and was confident that temporary employees will prove to be a hugely beneficial resource for companies regardless of market conditions.

She explained, 'Many of our clients are looking to increase their capability through hiring highly skilled and talented workers, however, there is also a recognition that many of the skills and experiences required are available on a short term basis and can be utilised immediately to assist with specific projects or increased workload. This is creating interesting work for interim candidates, and has also led to a notable increase in day rates.'

Nigel Wright believes that using temporary resource should always be excellent value for money as planning for the use of temporary resource, if managed correctly, can significantly reduce cost in the long term. Hiring a temporary candidate can also allow a business to afford someone that they wouldn't necessarily be able to hire permanently. However, with the current high demand for temporary workers, there has been a tendency for companies to overpay to ensure they get the best resource available. Nigel Wright's 2016 North East Salary Survey confirmed that overall rates for interim staff increased over the last 12 months.

O'Donovan felt it was important to state that while interim employees allow companies to be flexible and reactive to change, it's always vital that businesses put measures in place to assess effectiveness in line with cost. On the whole, her view was that there is generally less risk involved in hiring a temporary worker, with many businesses using it as an opportunity to assess the suitability of a candidate before deciding to make a permanent hire.

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HIRING TEMPS, CONTRACTORS AND INTERIM MANAGERS: WHAT TO LOOK FOR IN A SUPPLIER

An interim recruitment database is essentially a 'live' database. Candidate availability, CVs and rates are constantly changing and therefore need to be updated regularly. It is essential for temp, contract and interim recruitment consultants to know their candidates 'even better' than a permanent recruiter as they must be sure that they have the necessary skills, industry knowledge and attitudes to be able to be an effective short term solution for a specific client need.

With competition becoming increasingly tight in the interim staffing market, it's important for organisations to select a recruitment provider that can help them to react to the temporary skills gap quickly. In order to do this, recruiters must demonstrate the following qualities:

- Have a database of candidates who are immediately available, with a wide range of skills and experience;
- Have a broad selection of public and private sector candidates;
- Can check both formal and informal references for their candidates;
- Have been in the market for a long time and can demonstrate intimate market knowledge and understanding of business needs;
- Consultants who keep in regular contact with their candidates and are aware of trends in contract types and day rates, so they can provide up to date information;
- Are open about the process, managing expectations and identifying any risk involved;
- Proactive and able to identify areas within a business where a temp, contractor or interim could add value;
- Be flexible about methods of engagement, including addressing areas such as contract notice periods;
- Demonstrate financial strength and the ability to pay interim workers.

2016 in stats

Nigel Wright salary surveys regularly show that HR employees are happier in their jobs than other disciplines



28,241

HR candidates/contacts in our database



3,791

interviews with HR candidates



5,266

HR personnel salaries on the system



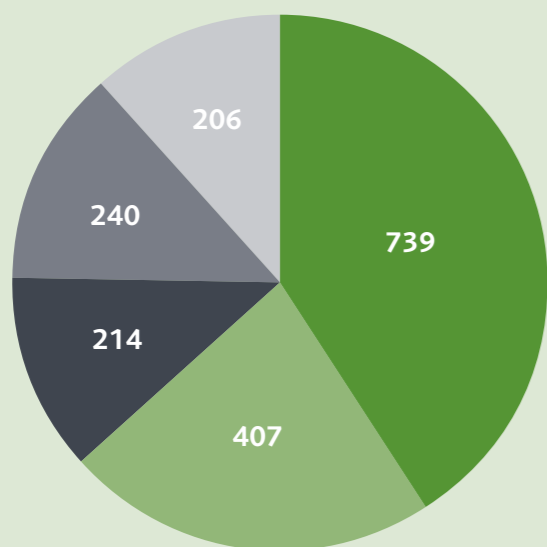
684

HR candidates interviewed in the past 18 months



10,921

telephone conversations with HR professionals in the past year



1,806

face to face meetings with 1,016 HR professionals in the past year

- UK
- Nordic Countries
- German Speaking Countries
- France & Iberia
- Other

Jac Gardner

HR Director



Joining as a graduate in 1996, Jac Gardner enjoyed a successful 15-year career with Rolls-Royce where she progressed to Head of UK Employee Relations, covering 21,000 employees across 15 locations. In 2011 she decided to relocate to her native North East when an opportunity arose to join Arriva as HR Director. We caught up with her to discuss her views on the North East business community and Arriva's talent acquisition strategy, as the transport firm seeks to expand further across the UK and Europe.



FIRSTLY, WHAT PERSUADED YOU TO RETURN TO THE NORTH EAST WHEN YOU DID?

The decision was partly motivated by the chance it offered me to be closer to family. I have three young children and I like the idea of them growing up with an attachment to the area. It also meant their grandparents could spend more time with them. I am, however, primarily motivated by opportunities. When I left the North East, yes, I wanted to experience living somewhere else, but I was ideally seeking a graduate scheme in a big company, where I could develop my career and specialise in HR. Rolls-Royce fitted the bill perfectly and I was very fortunate to develop a great breadth of experience within a blue-chip company so early in my career. In moving back to the region a good few years later I had to be sure that the opportunity was right for me. Arriva ticked all the boxes. It is a large, international organisation with an ambitious growth agenda, and the HR side was a perfect fit for me. It was a role leading the HR strategy 'end-to-end', and as I'd never had to deliver across multiple countries in previous roles, the international aspect was new and challenging.

WHEN SEEKING TO RETURN TO THE REGION, WAS IT DIFFICULT TO FIND A ROLE THAT FIT YOUR CAREER ASPIRATIONS? ARE THE NETWORKS FOR HR PROFESSIONALS AS STRONG HERE AS THEY ARE ELSEWHERE?

There are perhaps fewer senior HR roles in the North East than in some other regions, simply because there are fewer big multinational firms based here. I found out about the role at Arriva through a chance conversation with a colleague, which led to my application and subsequent appointment, but I am sure my search would have taken a lot longer had I been actively looking



for a role. I've found there is a wealth of talent in the North East, and a thriving business community, so I'd love to see more big companies consider moving to or expanding their operations in the North East and therefore creating more career opportunities. The HR networks are as strong here as they are in other regions outside of London. I'm invited to various networking events throughout the year, which allow me to get together with business leaders and other HR Directors in the region. I can't always attend, but when I do, they're always valuable. Where the North East is perhaps lacking is in the number of thought leadership type events that are held here. I would like to see more HR summits or conferences further north, although with the increasing use of technology to share learning and events I guess it shouldn't matter where you are located.

IS THERE ENOUGH DONE, THEREFORE, TO PROMOTE THE NORTH EAST AS A GREAT PLACE TO LIVE AND WORK? WHAT ADVICE WOULD YOU GIVE TO PROFESSIONALS THINKING OF MOVING HERE?

Local companies have a shared responsibility to attract investment to the region. That will continue to be the region's biggest challenge over the next few years. However, the other big challenge is attracting the best talent. The North East offers that 'something special' about being a great place to live and work, which will certainly be attractive to some. However, in a competitive talent market, companies may have to be flexible on location or be able to offer other flexibilities around balancing travel and homeworking to attract the best candidates. For senior

professionals thinking about moving or relocating to the region, my advice would be to consider factors such as any development areas or knowledge gaps they have, or what interests them and motivates them at work, and think about how a particular job opportunity can therefore offer a different perspective to their career. It could be a different sector, a different organisational culture or a different role. Basically, be creative in your job search and focus on career challenges rather than business size.

For senior professionals thinking about...relocating to the [North East], my advice would be to consider factors such as any development areas or knowledge gaps they have, or what interests them and motivates them at work, and think about how a particular job opportunity can therefore offer a different perspective to their career.

ARRIVA HAS RECENTLY HAD A BIG PUSH ON PROMOTING ITS GRADUATE SCHEME. HOW IMPORTANT IS THIS PROGRAMME? WHY SHOULD PEOPLE CONSIDER JOINING THE ORGANISATION?

It's vitally important to the future of our business. We need a strong pipeline of future leaders, but also people who can bring different views and ideas to our business. Our graduates can expect to be given significant responsibility early on in their careers and will find themselves doing placements in a number of different areas of the business to obtain a broad perspective of Arriva and build their network. Attracting graduates has historically been difficult for transport businesses because of the misperception of the industry. In reality it is an exciting time to be working in transport and the mobility sector. Our approach to the graduate market, therefore, is about promoting the industry and Arriva as we aim to lead on 'connected mobility'. Arriva is a place full of opportunity and graduates are guaranteed responsibility early in their career, and with a range of opportunities available. We encourage and challenge our people to always look for improvements in their areas. They gain visibility within the wider business and get to travel and work with people from different countries, which is a great experience to acquire. To be successful here, people must be open minded and value different perspectives. They must be accountable and curious to learn. Ultimately, they must connect with what the business wants to achieve.

EMPLOYER BRANDING HAS BEEN ANOTHER MAJOR FOCUS FOR YOU. THE STRATEGY WAS RECENTLY COMMUNICATED IN THE 'TOGETHER WE ARE ARRIVA' VIDEO. COULD YOU TELL US ABOUT THAT PROJECT?

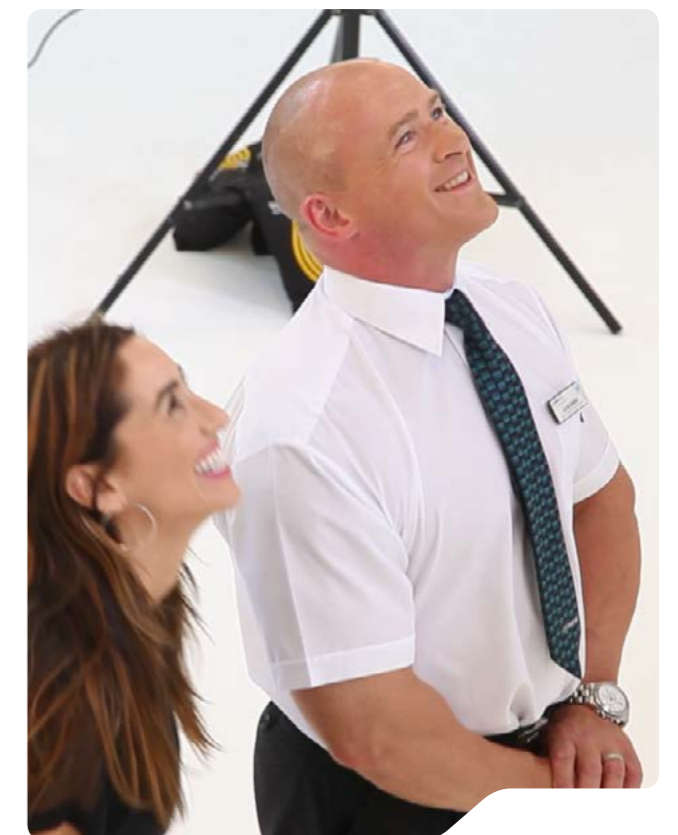
Making the 'Together we are Arriva' video was probably the best day I've ever had at work. The project stemmed from the fact that we have a relatively devolved accountability model across the business but there are a number of strategic areas where we need an integrated approach, and what we represent as an employer of 60,000 people is one of them. While Arriva is an international business, each of our operations has 'local' ways of working based on the markets in which they operate. In developing an employer brand, therefore, we set out to highlight and promote what connects us to Arriva, and our group identity. Colleagues representing each of our countries and businesses took part in a series of workshops to establish our employer brand 'Together we are Arriva' and the five attributes that form our employee value proposition which define what it means to work at Arriva: Belonging, Caring, Talking, Growing and Rewarding. These are underpinned by an 'employee journey' which is designed to reflect that, regardless of what role you have or where you work in Arriva, you enjoy the same experience as an employee. All of this is summarised in the video by our employer brand ambassadors, who came together from across the business to tell their stories. It's been a fantastic project.

WHAT ELSE IS ARRIVA CURRENTLY DOING TO ATTRACT TALENT?

Engagement of our leaders is key – talent across Arriva is their responsibility. One of the phrases we use is 'if you're good, you're welcome'. Our leaders therefore have a key role in identifying the skills and roles we need for the future and attracting and selecting the best people. But there is also a key role for them to play in identifying the talent they have within their businesses already, and ensuring that they understand the aspirations of their people, give honest feedback and provide the right opportunities to help people grow. We welcome different perspectives from our graduate programme, to campaigns run by some of our businesses to recruit more female colleagues. We are also working on creating more visibility of the range and different locations of opportunities within Arriva and our parent group, Deutsche Bahn.

OUTSIDE OF WORK, WHAT DO YOU GET UP TO?

My free time is largely focused on my three children - their social lives appear to have become my social life. I have two boys and a girl and they're all sports mad. I'm usually stood watching them playing football at weekends, or taking them to cheer on Newcastle United at St. James' Park, balanced with horse riding, Brownies and birthday parties! I recently acquired a Fitbit as part of a wellbeing challenge at work, so I'm running more and obsessing over how many steps I've done. I play netball for a local team too.



The Apprenticeship Levy

The story so far and what employers should be thinking about



For a while now, many companies have been calculating the cost of the Apprenticeship Levy. Over the last few months, many HRDs I have spoken to have been reviewing existing apprenticeship schemes (if they have one at all) and reviewing what they can do to ensure a qualifying apprenticeship scheme is in place, to offset the cost from next April.



ABOUT PWC NEWCASTLE AND SUSAN BLAIR

PwC has been serving its clients in the North East since 1912, providing assurance, tax and advisory services globally. The business has 300 staff based in Newcastle upon Tyne, servicing clients across the North East region. Susan Blair leads the People and Organisations team in Newcastle upon Tyne, which specialises in all areas of employment taxes and reward.

So the big questions are:
How will it work in practice? How will the Levy impact your organisation?

THE STORY SO FAR

- The Levy will come into effect in April 2017;
- It will be set at 0.5% of an employer's pay bill - i.e. an employee's "total earnings" liable to Secondary Class 1 National (NIC) - it will not include other payments such as benefits in kind;
- The Levy will apply to all UK employers, across all sectors, regardless of whether they already employ apprentices or not;
- The Levy will be payable through the Pay As You Earn (PAYE) system, alongside income tax and NIC;
- Employers will receive a non-cash allowance of £15,000 to offset the payment of the Levy;
- Employers operating multiple payrolls will only have one allowance of £15,000. This is to prevent employers setting up multiple entities to claim multiple allowances;
- The effect of the allowance means that the Levy will only be payable on annual 'pay bills' in excess of £3 million. Employers with pay bills of less than £3 million will not pay the Levy;
- In England, payments of the Levy will be ring-fenced in the form of a digital voucher that employers can use to purchase training from accredited providers. Powers are devolved elsewhere in the UK;
- Under the Enterprise Bill, the term 'apprenticeship' has become a protected term in the same way as a 'degree'. This will help to mitigate employers paying for existing training under the guise of an apprenticeship.



WHAT IS AN APPRENTICESHIP?

An apprenticeship is on-the-job training available to employees aged 16 and over that usually lasts between 12 and 18 months. However, some apprenticeships can last up to four years. An apprentice is trained and guided towards a skilled role, often with the help of a training provider, so they gain industry knowledge and the skills required to do their job. Apprentices also study towards nationally recognised qualifications.

KEY CHALLENGES

In view of the short timeline before the Levy is introduced, I would encourage employers to consider the following:

- Determine the financial impact of the Levy;
- Ensure you have a qualifying apprenticeship scheme in place in order to access funding to offset the Levy cost;
- Ensure you have effective systems and processes in place to calculate the Levy, approve training and maximise the relief available;
- Consider the appropriate number of apprentices to be hired to balance the cost of the Levy, or accept the additional payroll cost;
- Consider apprenticeships in relation to your existing workforce and talent strategy.

Susan Coulson

Director of People



Big changes are ahead in social housing following the introduction of the 2016 Housing and Planning Act. We caught up with Home Group's People Director Susan Coulson to discuss the impact of new policies and how the organisation has subsequently redesigned its delivery model to ensure customers would not be negatively impacted. Susan also discusses Home Group's employee engagement and talent acquisition strategies and shares her thoughts on what she thinks the sector will look like in 2020.



ABOUT SUSAN COULSON

With a career spent initially in operational roles in banking, fixed and mobile telecommunications Susan moved to HR&D around 17 years ago and until 2008 worked in the in the private sector. In 2008 Susan joined Home Group and has led the HR&D function to a position of credibility and high performance supported by a strong and energetic team who work closely with the business. A fantastic foundation has been laid in HR&D with self-service strategy and systems implemented, new reward approach, award winning learning and development, an accredited approach to equality and diversity, colleague engagement as a priority and an exciting culture programme.

WHAT ARE THE 'PAY-TO-STAY' AND 'RIGHT-TO-BUY' POLICIES?

Pay-to-Stay (formally known as 'HIST' – High Income Social Tenants) for social housing tenants is a new policy being introduced as part of the Housing and Planning Act. In effect, this states that households who earn over a certain level (£31,000 outside London and £40,000 in London) should pay more rent than those on lower income levels. Local authorities will be required to implement this policy, whereas for housing associations, it is optional. Right to Buy is being introduced to housing association properties as part of the Housing and Planning Act. This will entitle tenants who meet certain criteria to buy their home at a discount. Local authority tenants, as well as secure tenants whose properties have been transferred to housing associations from councils, have had the Right to Buy since the early 1980s. Like HIST, for housing associations, it is a voluntary approach.



HOW WILL THESE CHANGES IMPACT HOME GROUP?

We support the principle that those who earn more should pay more, recognising that it could be a route towards either moving into a private sector market rent property or ownership. This frees up an affordable rent property for those in greater need. With regards to Right to Buy, most of the housing association sector is implementing it, and we've already had interest from several customers. Home Group will make Right to Buy available to as many customers as possible who fit the criteria as set by Government. We feel comfortable embracing the policy, as we polled our customers a year ago, and found that 87% would like to buy their own home. We want to encourage them to realise their aspirations. Right to Buy should be cost neutral as Government have committed to compensating housing associations for the discount, although the details of this have yet to be confirmed.

HOW HAS HOME GROUP SUCCEEDED IN MAINTAINING HIGH LEVELS OF CUSTOMER SATISFACTION WHILE ADJUSTING TO THESE DEVELOPMENTS?

In preparation for the changes ahead, there was a 'root and branch' review during which our customers were consulted and had a say on how they wanted services delivered. This informed the development of our recent Customer Service Organisational Design Project (CSOD) where we realigned the organisational model - changing the skills mix and supporting a 'digital first' approach through the contact centre - to ensure that the customer experience would not be negatively impacted. The result is that our services are enhanced through longer opening hours, a robust repairs and maintenance service and a more seamless approach to service delivery through increased use of technology. Repairs have proven to be the single most

influential element in customer service delivery and we have made improvements in repairs reporting, appointment and job scheduling, customer contact and communications, contract management and standardisation of property components such as boilers.

WHAT HAS BEEN THE IMPACT ON EMPLOYEES?

At Home Group, any actions taken following the impact of internal or external forces are done so with the involvement of colleagues. We have employee forums which include Union and non-Union representation, as well as various other communication channels used to consult and involve our people. This ensures that they all play a part in shaping how Home Group responds. Regarding the government changes, the colleague consultations we undertook highlighted a number of things Home Group should stop doing, do less of or keep the same. The key thing here is that there was overwhelming support from employees and HR given to the maintenance of learning and development budgets. Consequently, knowledge management and customer service training have been areas of significant investment, and colleagues continue to report improvements in the availability of information and their confidence in dealing with all types of enquiries as a result.

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HOW HAVE THE VALUES OF HOME GROUP HELPED TO FACILITATE A CHANGE MIND SET AND BEHAVIOURS ACROSS THE ORGANISATION?

Home Group began a major cultural program in 2012 called 'Living Our Values.' The impact of this process is that our values - Caring, Accountable, Energised, Commercial - are embedded across the organisation. They act as a foundation, a common language everyone understands, and provide Home Group with a strong platform from which to move forward with the government changes. For example, Home Group is always looking to provide value for money and a key part of the Customer Service Organisational Design programme was to reduce costs and increase efficiency. This did mean a reduction in headcount impacting frontline roles. 'Commercial' was used to explain this, linked with the external challenges facing our (and other) organisations. Engaging with and involving employees in change consultations is linked to 'Caring' and making sure everyone understood the change and their role in supporting change was aligned with 'Accountability.' Because these values are reinforced at Home Group our people know, very quickly, what we're trying to achieve and why. There is also a strong social purpose and a strong sense of ownership about how actions can impact customers and a pride in making sure services aren't impacted.

WHAT ROLE HAS TECHNOLOGY PLAYED IN THE CHANGE PROCESS?

There has been a major focus on technology at Home Group with the aim of giving our people better tools to do their jobs and provide a better service to customers. 'Digital First' is one of our strategic principles and we're also implementing Oracle (enterprise resource planning software). So far, back office

improvements have been completed across HR, L&D and Payroll. In the Autumn, Finance and Procurement will also be upgraded. We're basically enhancing our channels, how we work with customers and how we operate as an organisation offering a great service, customer satisfaction and value for money.

WHAT WERE THE KEY ELEMENTS OF YOUR TALENT ATTRACTION STRATEGY FOLLOWING A RECENT RECRUITMENT FREEZE?

At the core of our strategy was making Home Group an attractive employer to people from a variety of different industries. We developed tailored advertising solutions and created a planned, focused and targeted approach, building on our values to establish Home Group as an employer of choice and great place to work. This has a positive impact on the CSOD project, where we had a fantastic response for vacancies within our contact centre. Home Group has a great brand and reputation and people want to be part of that.

...we generally feel positive about our capacity to deliver new properties, and are developing exciting new products to fill gaps in the market, e.g. our own 'flexi rent' product.



WHAT ABOUT TALENT MANAGEMENT? WHAT INITIATIVES DID YOU INTRODUCE TO HELP EMPLOYEES' STEP-UP AND TRY NEW SKILLS TO SUPPORT THE BUSINESS?

This happened at various levels. Part of the process was, again, reinforcing our culture. We had value ambassadors who acted as change agents to help facilitate the culture programme. Another aspect was reviewing our L&D propositions and developing 'Learning Pathways' designed to assist people to get to the 'next level' in their area. Effective communication was important as well as the role of managers stepping up and leading and supporting change. Although these are HR initiatives, everyone is accountable for ensuring success. All new ways of working are designed for the business by the business. Our refusal to cut investment in people development has certainly paid off.

WHAT LEARNINGS HAVE YOU TAKEN FROM THIS PERIOD OF ORGANISATIONAL CHANGE?

Change is becoming more complex and multifaceted, so we've had to evolve how we manage the process recognising the mobilisation, transition and transformation phases of change require different approaches. Our framework has become more mature and has included, for example, creating tool kits for operational, project and programme managers. This all helped win 'hearts and minds' and make the process a success.

DO YOU ANTICIPATE THE GOVERNMENT WILL CHANGE ITS APPROACH AND GIVE WELL-RUN HOUSING ASSOCIATIONS GREATER FLEXIBILITY TO MEET HOUSE BUILDING TARGETS?

We hope that the sector will prove it is embracing the new home ownership agenda and that it has the capacity and desire to deliver on housing supply targets. A greater deal of flexibility on tenure type being pushed through government funding programmes and issues around local planning requirements would be welcome. However, we generally feel positive about our capacity to deliver new properties, and are developing exciting new products to fill gaps in the market, e.g. our own 'flexi-rent' product. There are also many opportunities emerging

through, for example, the devolution agenda, where freedoms and flexibilities on a variety of areas including housing are being sought from Government.

HOW MUCH COLLABORATION TAKES PLACES IN THE SECTOR?

We are involved in a lot of networks, e.g. Northern Housing Consortium. Our CEO Mark Henderson chairs Homes for the North and co-chairs a government efficiency network focused on developing new ways of benchmarking efficiency in the sector. Most business departments are involved in networking arrangements and practice sharing groups either within or outside the sector.

DOES HOME GROUP HAVE A POST-BREXIT PLAN?

Like everyone else, we aren't sure what is going to happen once Article 50 is triggered, but we're doing our best to monitor what's happening and anticipate how it would impact upon us. So far, despite the uncertain environment we're operating in, we feel confident about delivering on our current development plans.

WHAT OTHER CHALLENGES LIE AHEAD FOR HOME GROUP?

We await the regulations for the Housing and Planning Act which will provide us with more details of what changes we need to make in some areas. I think this could present both opportunities and challenges to be managed. In addition, we wait to see what the new Government's Industrial Strategy will mean for housing and construction as a sector. Home Group is also a big player in the social care market, and there are challenges ahead in relation to changes to the way that supported housing is being funded (to reduce the Housing Benefit bill). We have worked closely with Government to manage the potential impact of these changes and feel that we have influenced this significantly, but the sector must find a way to respond effectively to remain viable. The fact is that we have an ageing population, and public spend is declining. This challenge for all of us is going to get tougher over time.

WHAT DOES THE SOCIAL HOUSING SECTOR LOOK LIKE IN 2020?

I like to be positive, and looking on the bright side, I'll characterise it as: a bigger supply of housing of a variety of tenures (realistically this will mainly be related to ownership); housing associations will be increasingly innovative in the way they communicate with customers and deliver services, through utilising new technology; and more people will be able to find the sort of home that they want to live in. It's difficult to anticipate, and it's likely that there will be a continued trend towards mergers and acquisitions, so the shape and the size of the housing sector will change. I view this as a good thing – change will refresh and renew organisations to make them more commercial and customer focused. We also believe Home Group and the sector in general will continue to work with brilliant people who want to make a difference.

Jules Smith

Head of People Services - Virgin Money

Jules Smith has followed her dream and risen to the top of her profession. In this interview, she shares with Nigel Wright what has driven her to succeed during her twenty-year career in HR. She also discusses her passion for employee engagement and its direct link to positive customer outcomes.



Jules Smith - CV >>

2016 - Present
Virgin Money
Head of People Services

2010 - 2016
GE Oil & Gas
Head of HR - Europe
Head of HR - UK & Ireland
Global HR Manager
Wellstream
Global HR Director

2008 - 2010
Muckle LLP
HR Director

2004 - 2008
Orange
Head of HR

2003 - 2004
Johnson & Johnson
HR Manager

1999 - 2003
Provident Financial
HR Project Manager

1995 - 1999
PKF International Ltd
HR Consultant



WHAT INITIALLY LEAD YOU TO A CAREER IN HR?

I decided to pursue a career in HR when I was fifteen years old. My father worked in senior corporate roles at Greggs and I knew I wanted to follow in his footsteps somehow. He explained to me what each department at Greggs did, and personnel and training immediately piqued my interest. I did some research and subsequently chose a route through education, culminating in a CIPD qualification, that helped me enter the HR profession.

HOW HAS THE ROLE OF THE HR PROFESSIONAL CHANGED DURING THE LAST 20 YEARS?

Significant changes occurred within HR during that period. At the start of my career, it was a policy, procedure and administrative function. By the late 1990s, however, the HR business partner model had become more prominent. HR practitioners began driving business outcomes, rather than just employee outcomes, and became recognised as a key part of the senior leadership team. Basically, taking on a more commercial and strategic agenda. This expanded again in the mid to late 2000s with the emergence of HR 'centres of excellence.' Organisational development, reward and pay, resourcing and talent planning, etc. started having more influence within the broad HR discipline. During the last few years, there has been an employee engagement revival. As HR evolved into a more strategic function, it perhaps neglected its role as 'supporter of the people.' HR practitioners have since realised that great employee engagement drives the best possible customer outcomes.

WHAT HAVE BEEN THE MOST IMPORTANT ASPECTS OF YOUR CAREER TO DATE THAT HAVE HELPED YOU TO CLIMB THE LADDER?

I have worked with and learned from some amazing people over the last twenty years, gaining new experiences that have challenged me. Right at the start of my career, for example, I learned that HR has a significant commercial role to play. That helped 'set the tone' for how I approached my various roles.

After leaving university I joined PKF, a mid-tier accountancy firm, as a personnel and training officer. It was a generalist HR role where, for a few years, I got to develop a broad range of skills. PKF decided to expand its HR consultancy service, and my boss gave me the opportunity to move into a fee-earning consultancy role. This was a real stretch for me and an opportunity to see how to apply HR practices in different commercial environments. I've since always enjoyed 'getting under the skin' of the businesses I've worked for, finding ways where I can make a difference. When I first join a new company, I invest time to understand what 'makes the business tick.' The best way to do this is to get close to customers, as well as getting to know how the business is measured financially and what influences financial success.

GENDER DIVERSITY AT BOARD LEVEL REMAINS A BIG ISSUE IN THE PUBLIC AND PRIVATE SECTORS. WHAT ADVICE WOULD YOU PASS ON TO OTHER ASPIRING FEMALE LEADERS?

My advice is to be confident, as well as forthright and explicit about what you want at work. I am reticent to generalise, but as a woman I know I have struggled to be those things and learned the hard way. I almost lost out on a role which ended up being pivotal in my career by not putting myself forward and saying 'I want this job.' It was only when my HR Manager took me to one side and told me I was in the frame for the role, that I felt confident putting myself forward. By not coming forward earlier, it appeared I didn't want the job and I very nearly lost out.

WHICH RECRUITMENT CAMPAIGNS HAVE STOOD OUT AS BEING THE MOST INTERESTING OR CHALLENGING IN YOUR CAREER?

At Orange, we had high staff turnover in the call centre and it was challenging to fill vacancies. Shift patterns were the main issue. Orange designed working hours to suit its customers but the shifts were not necessarily convenient for employees. We created a campaign called Your Time which solved this issue. It involved building shifts based on different 'lifestyles' and then targeting people in those lifestyle groups. Targeting students, for example, to fill weekend shift vacancies. Something Orange had previously never done. We tailored early morning shift advertising messages to appeal to retirees. In addition, we created school-run and term-time shifts, designed specifically for parents. The campaign was a big success and won a national award.

HR practitioners have realised that great employee engagement drives the best possible customer outcomes.

It's easy to become insular and absorbed in your own organisation, so I believe in the value of building networks. They allow you to step out of your own company and learn how other businesses are tackling similar issues to yours.

WHAT TECHNOLOGIES HAVE BEEN THE MOST 'DISRUPTIVE' TO BUSINESS PRACTICES DURING YOUR CAREER?

The virtual workspace has, and will continue, to disrupt the way people work. I experienced the cutting edge of this technology at GE. The business uses the Cisco TelePresence programme for cross-country collaboration, which enables a fully immersive video conferencing experience where remote employees feel like they're in the same room. It's impressive and I expect this, as well as tools like WebEx Connect, Skype for Business, etc. to become more widely used, especially as the flexible working trend becomes more entrenched.

AFTER FOUR YEARS AT PFK, YOU JOINED PROVIDENT FINANCIAL AND TOOK ON AN INTERNATIONAL REMIT FOR THE FIRST TIME. HOW VALUABLE WAS GAINING INTERNATIONAL EXPOSURE EARLY IN YOUR CAREER TO YOUR SUBSEQUENT GLOBAL ROLES?

My experience since, until recently, has largely been in international roles, so I would say it was incredibly valuable. Working in an international business does two things. Firstly, it makes you more aware and understanding of cultural sensitivities.



Secondly, it trains your brain to think differently. The HR Project Manager position at Provident Financial was my first leadership role and included a one-year secondment to the Czech Republic, as well as responsibility for developing HR functions in South Africa and Poland. I created a 'performance management' system for use across multiple countries. It tested my abilities because I had to consider the impact it would have within different cultural settings. Putting myself in other people's shoes and learning about other cultures and ways of life. It's daunting and takes you out of your comfort zone but is ultimately rewarding. My advice to anyone is if given the opportunity, embrace it. You'll learn quickly and it will help shape the rest of your career.

YOU'VE WORKED IN A VARIETY OF SECTORS: CONSUMER PRODUCTS, FINANCIAL AND LEGAL SERVICES, TELECOMMUNICATIONS. DO YOU HAVE A FAVOURITE?

I've always taken opportunities as they've come up. I've never specifically targeted a sector nor do I have a favourite. Moving between B2C and B2B, however, was a valuable experience. Links between employee engagement and customer outcomes are less clear in B2B. Influencing and educating people on the positive impact employee engagement can have on overall service performance, and the bottom-line, posed a genuine professional challenge. Moving back into a B2C environment following many years in B2B, though, was refreshing. I'd missed having a genuine connection and empathy with the customer. Rather than the sector, I would say that I prefer working in larger corporate environments. The infrastructure and networks you can build are incredibly supportive. There's always lots to learn too.

HOW IMPORTANT ARE BUSINESS NETWORKS IN THE HR COMMUNITY?

It's easy to become insular and absorbed in your own organisation, so I believe in the value of building networks. They allow you to step out of your own company and learn how other businesses are tackling similar issues to yours. Furthermore, in the North East, many companies only have one or two HR professionals. It can be quite a lonely existence, so in those contexts, networks are hugely beneficial for professional support. You also make some great friends.

IN THE 20 YEARS SINCE YOU BEGAN YOUR CAREER HAVE YOU ESTABLISHED BASIC RULES – LET'S CALL THEM 'JULES'S RULES' – THAT YOU TRY TO ADHERE TO IN YOUR PROFESSIONAL LIFE?

I have five: Be true to yourself; get comfortable with being uncomfortable; have humility; invest in positive relationships; get under the skin of your business. Leaders must act with authenticity, humility and show vulnerability. Getting comfortable with being uncomfortable is important as we must be adaptable and resilient in a changing world. I always find that when I am feeling uncomfortable, I know I am about to learn something.

WHAT PEOPLE, COMPANIES OR BUSINESS MODELS HAVE INSPIRED YOU DURING YOUR CAREER?

Two organisations I'm privileged to have been part of are GE and Virgin Money. Both have offered valuable and diverse professional experiences. At GE, I gained global exposure and had access to some of the best, and most renowned, leadership thinkers in the world. I find Virgin Money's ambition and the way it does business compelling. There's a desire to be different and to make a difference. I have been fortunate to work with some amazing people. My first HR boss taught me how to be a commercially and customer centric HR practitioner. I have also had the privilege of partnering with some brilliant business leaders who involved me and taught me a lot about running a business, which extended beyond the HR agenda.

WHAT KIND OF LEADER ARE YOU? HOW DO YOU GET THE MOST OUT OF YOUR TEAMS?

I like to think I am an inclusive and supportive leader. I certainly try to be. My aim is to help people understand their purpose and let them deliver what needs to be delivered supporting them when they need my support. I try to lead in the way I want to

be led. Honesty and fairness are important as well as regular feedback and coaching. I enjoy building and leading teams and am proud to see some of the people I have supported over the years go on to do some great things.

WHERE DO YOU SEE YOURSELF IN 10 YEARS?

If you'd asked me that question 10 years ago, I would have given a definitive answer. Now, I view my career as a series of experiences and learning opportunities. I don't aspire to any position or stature within a company. Learning, growing and experiencing new and different things is important. And of course, making a difference.

WHAT DO YOU GET UP TO OUTSIDE OF WORK?

My partner and I recently moved to the Northumberland countryside, which is perfect for getting outdoors and walking our dog, Woody. Running is also a new hobby of mine. I did the Great North Run for the first time this last and raised £3000 for Women's Aid. I've not quite got the running bug, but I try and run a few times per week.





North East of England CIPD HR&D Awards

Nigel Wright, associate sponsor at the 2016 North East of England CIPD HR&D Awards, helped to celebrate the region's best HR and development practitioners and companies.

Over 400 delegates from across the North East gathered at the Newcastle Marriott Hotel on 16th June 2016 to celebrate the 10th annual North East CIPD HR&D Awards. The awards celebrate individuals and organisations leading the way in HR and development. Nigel Wright was the event's associate sponsor, which recognised the achievements of some of the region's brightest and best employers including a car manufacturer, a law firm and a private healthcare provider.

Among the employers recognised were Sage (UK) Ltd, LSL Property Services, Northumberland, Tyne and Wear NHS Foundation Trust and Hitachi Rail as well as Muckle LLP, Komatsu UK and Connect Health.

Nigel Wright's Sue O'Donovan said: "Last year's awards were bigger than ever with a record number of applications and even more support from sponsors. The quality of applications was superb, giving our judges a fantastic challenge deciding the winners."

Within the 400 plus crowd were professionals who have proven they are exemplary in terms of HR and Development in recent months, alongside colleagues and friends who were there to celebrate, network and enjoy the special atmosphere of the event.

2016 winners...

SME HR&D
Connect Health

Employability and Diversity
Sage (UK) Limited

Reward and Benefits
LSL Property Services plc

People Development
Komatsu UK Limited

Employee Engagement
Northumberland, Tyne and Wear NHS Foundation Trust

Health and Wellness
Muckle LLP

HR&D Team of the Year
Hitachi Rail

Nigel Wright commits to associate sponsorship 2017-2019

We are delighted to have been awarded with the lead sponsorship position for the CIPD HR&D Awards for the next three years.

We encourage HR professionals in all organisations to consider entering their company and teams for an award. The 2016 Award Categories were:

- SME HR&D Award
- HR&D Team of the Year
- People Development Initiative
- Employability & Diversity Award
- Health and Wellness Innovation
- Employee Engagement Initiative
- Reward and Benefits Initiative
- Organisational Development Initiative

These may be subject to change for 2017, based on input from category sponsors. To discuss becoming a sponsor please contact sarah@cipdne.co.uk

Our HR Team



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.



LOREN BAIN, CONSULTANT - HR

Loren joined Nigel Wright in May 2015. Based in Newcastle, she recruits Junior to Mid-level HR professionals across the North East. CIPD qualified with a degree in Business and HR, Loren is passionate about the HR profession and has a specific interest in L&D, Recruitment, Reward & Benefits and Organisational Design.

Aside from identifying talent in these specialist areas, Loren organises HR breakfast events in collaboration with other HR professionals. These events include workshops focused on relevant HR topics and provide an excellent opportunity for HR Managers to connect and share their experiences.



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 Mearsk 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 region.

About Nigel Wright Recruitment

Nigel Wright Recruitment specialises in the appointment of executive and NEDs, sales, marketing, supply chain, manufacturing, engineering, finance, information technology and human resources professionals for local, national and international businesses.

HUMAN RESOURCES

Our specialist HR team offer an extensive local, national and international network of contacts, as well as in-depth knowledge of current HR talent trends. The team members are experts at identifying and attracting hard to find people and offer clients traditional database interrogation or executive search as well as bespoke solutions to solve specific recruitment problems.

Consultants work on graduate up to board level appointments for start-up, SME and blue-chips clients. The HR team has long standing affiliations with relevant industry bodies and throughout the year organises a number of high profile networking events including workshops, HR Director dinners, sector focus lunches, breakfast forums and employment law updates. Above all, our HR team offers a positive, passionate and enthusiastic service and each consultant works with a sense of self-worth and belief that they can make a difference.

We have 13 offices throughout Europe sourcing the best local and international talent. Nigel Wright provides insight into a specific marketplace wherever that is in the world.

North East Offices >>

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