

HReSourceTM
for personnel peace of mind
Annual HR Survey 2010

In Partnership with

MORTON FRASER ●
SOLICITORS

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Introduction & methodology

HReSource works closely with law firms across the UK to deliver simple and accurate information on the ever changing area of Employment Law. The firms work with HReSource to provide a market leading monthly update viewed by over 15,000 subscribers, senior HR directors/ managers in the UK.

The 2010 HReSource survey had a clear objective, to test the water with these subscribers with specific focus on managing in the current climate and views on the key issues facing them over the next 12 months.

Over 121 fully completed surveys were received. Respondents organisations from across the UK range from PLC's, a wide range of SMEs, Health Trusts, and Local Authorities.

Delivery of the survey

A simple survey (see attached Appendix1) covered questions on their workload, likely changes in workforce numbers in the next 12 months and the challenges facing their respective organisations. In addition respondents were asked to nominate the employment legislation they would most like to abolish or change. Grievances generally are considered to be on the rise, borne out by the rise of 56% in ET Claims (see Appendix 2) this assumption is checked along with a request for information on the types of grievance that are affecting business to determine the developing trend.

Finally respondents were asked to put forward areas of employment law in which they and their colleagues would benefit from training.

Executive Summary

Headline data collated from the survey shows a rather busy HR professional; over 80% report an increased workload. 50% actually say they're experiencing a significant increase in their work however this contrasts with 57% of respondents who state that their workforce is not likely to increase in the next 12 months. Worryingly 23% say they expect their workforce to decrease.

Unsurprisingly 68% confirm that the economy is having a negative impact on their organisation although there is encouragement from a quarter who say that it is not having such an influence.

Only 41% believe there has been an increase in grievances in the past 12 months with management featuring as a significant cause of disputes. There were a variety of detailed responses but the general view is that senior and line managers under pressure to improve business efficiencies are looking for better performance. A combination of poor management and resistant staff resulting in an increase in grievances. If they don't take the management on, they submit a grievance for "stress". Those that feel aggrieved at being asked to "up their game" are submitting claims for "bullying and harassment".

When respondents were asked about the challenges facing them it was no surprise to see the top three answers;

- € Economy *“The local and national economic outlook will inevitably have an impact on my workload and my ability to increase my workforce. The contracts require a lot of input before someone agrees to the work being undertaken.”*
- € Government *“Political / economic landscape and potential changes facing UK businesses”*
- € Finance *“Sterling and stability of Interest Rates which will impact our customers and the cost of investment in new solutions”*

If a “magic wand” were available to the respondents they would certainly change the new “family friendly” legislation. Here are 3 excerpts on that topic.

“Additional maternity leave. Twelve months off work is too long, especially for a small business”

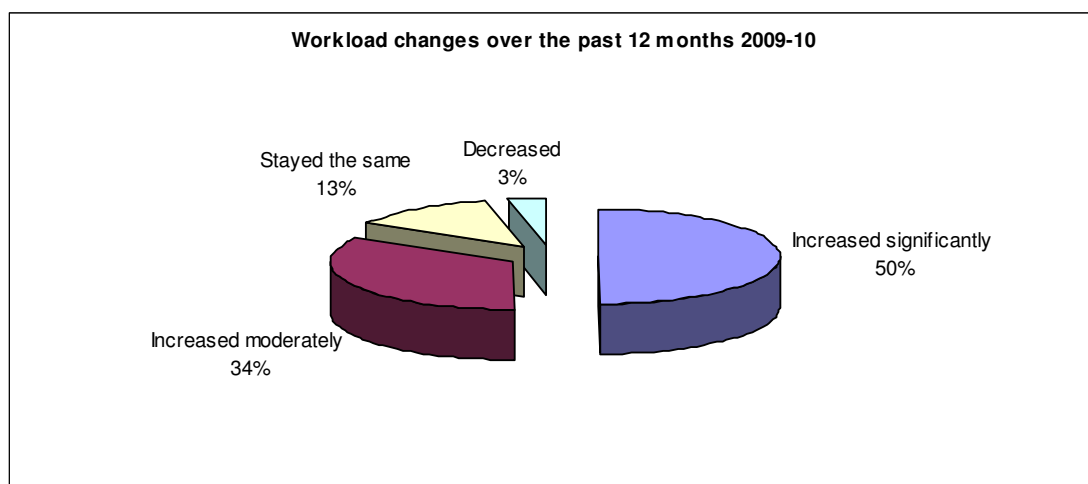
“Increased paternal benefits which disrupt the workforce especially in small businesses”

“Switching of Maternity leave as I think its going to be an absolute nightmare to manage”

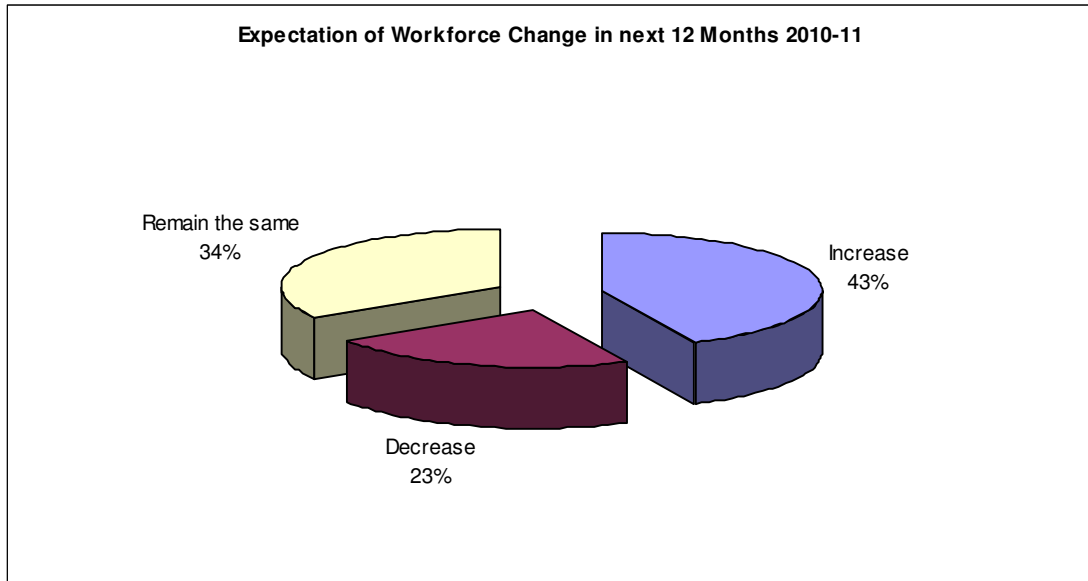
Retirement was also a popular area to review; *“I would like to see a change in right to refuse request to work beyond retirement age so that reason had to be given and justified along the lines of flexible working refusals. At the moment refusal decisions are still made on age of individual rather than capability/skill.”*

Finally the survey touched on training needs. Of greatest interest proved to be the Equality Act 2010 the Acts core provisions become active this October. Other topics that respondents felt further clarity would help were “Managing Redundancy” and “Managing the Disciplinary Process”.

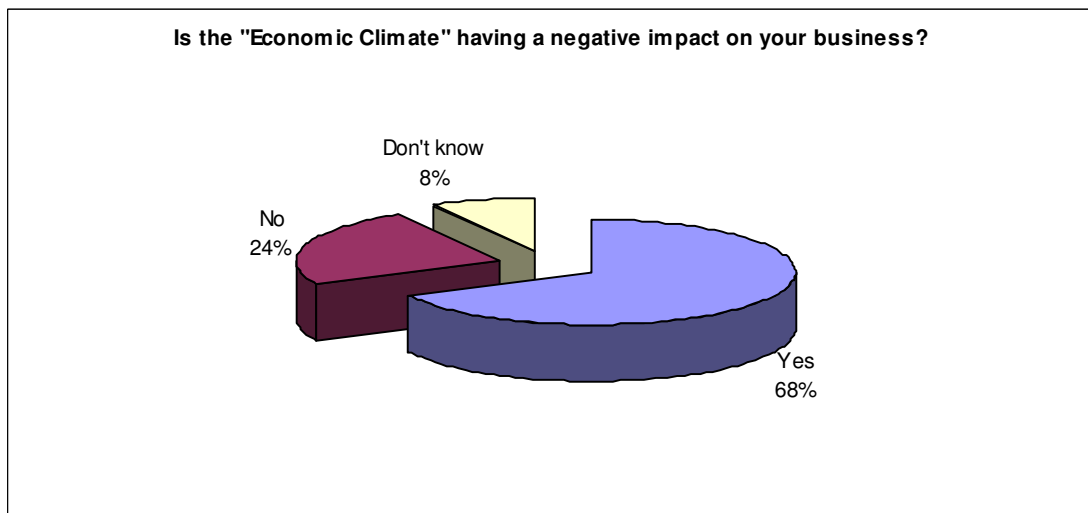
Workload



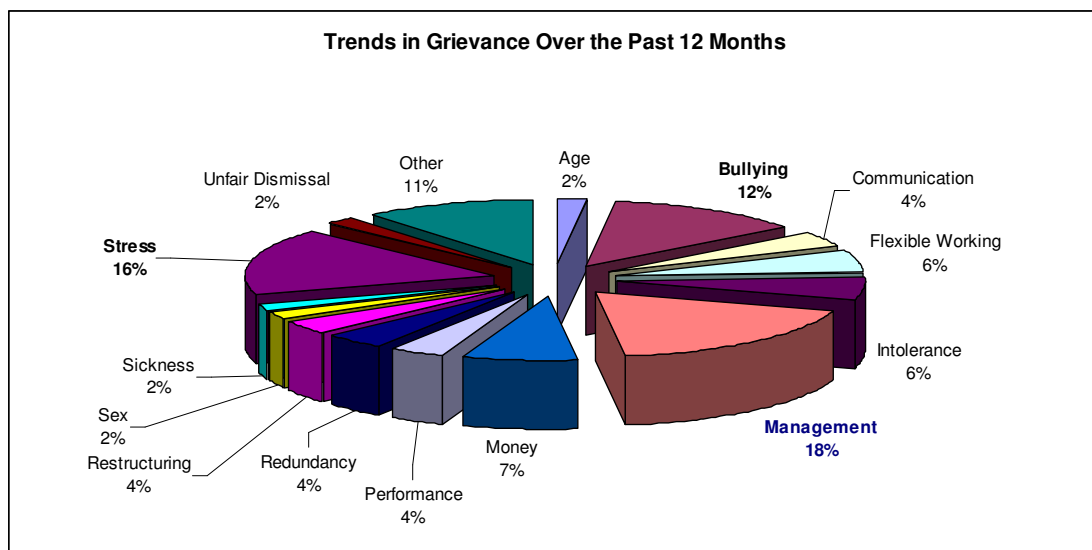
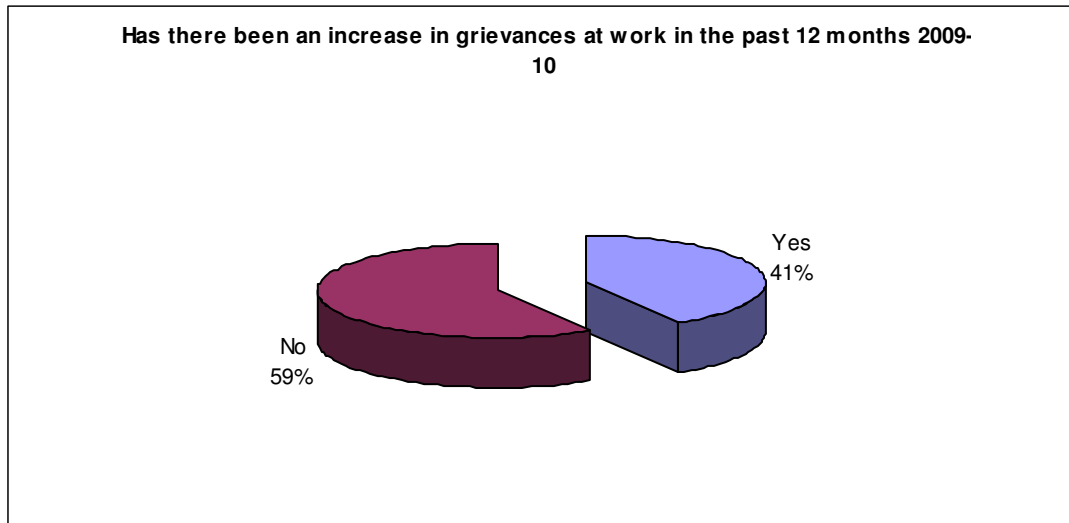
Workforce



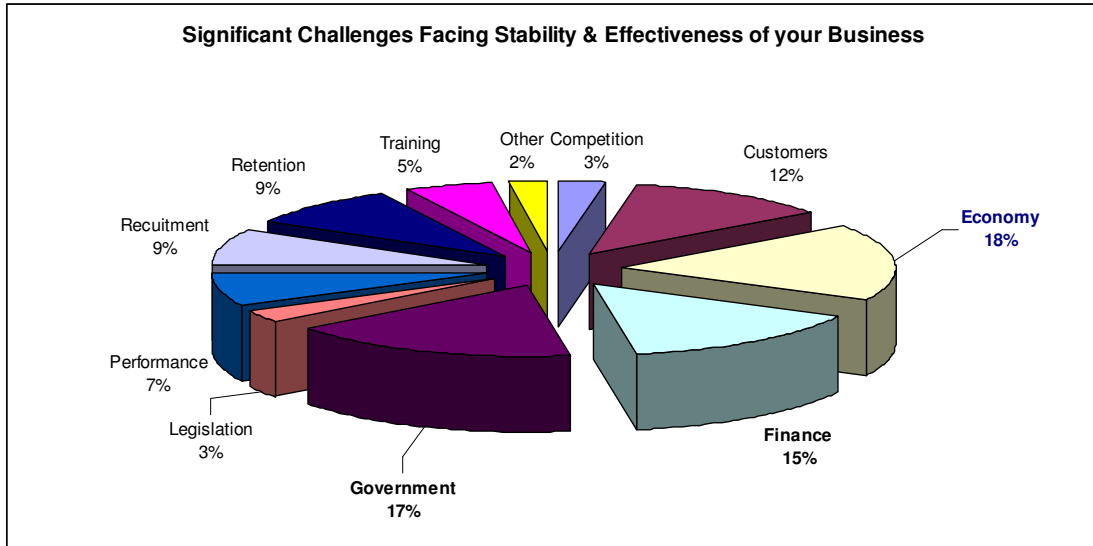
Economy



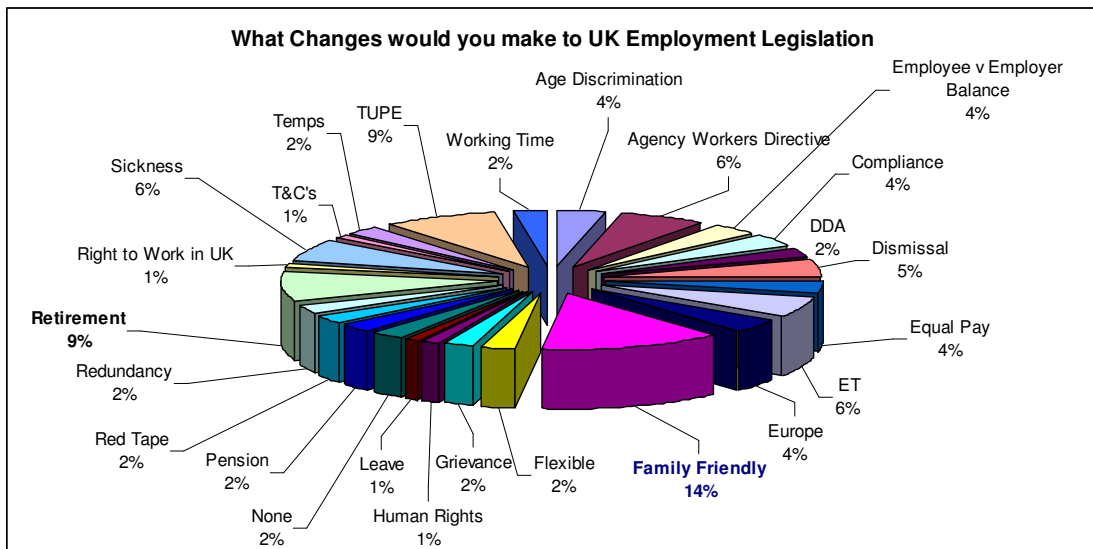
Grievances & Trends



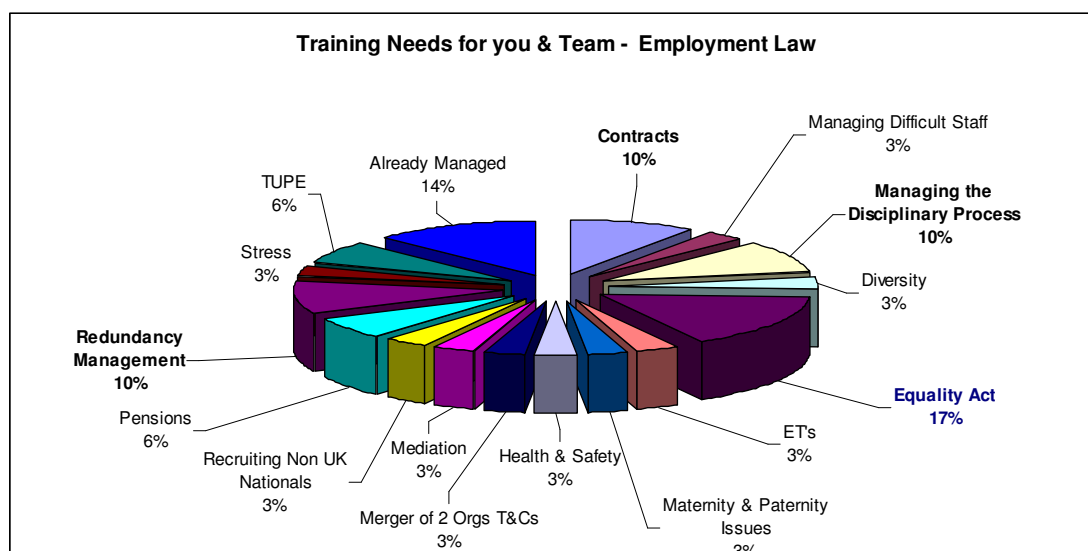
Challenges



“Magic Wand” – Employment Law Changes



Training Needs



Conclusion

The UK HR professional is doing more work with less resource and is unlikely to see a short term increase in staff numbers. The same story can be true of other departments within organisations and in turn pressure has been applied to achieve a greater return on reduced costs to counter the economic downturn.

In addition HR teams have faced unprecedented pressure to manage redundancy processes and implement performance measures.

Tribunals (see Appendix 2) also add to the stress within the HR team and the latest figures from the Tribunal Service show that the number of claims 236,100 in 2009-10, represented an increase of 56% on 2008-09. This increase is largely as a result of the rise in multiple claims – these rose by nearly 90% on 2008-09, but also partly as a result of the changing economic climate.

It paints a rather gloomy picture however there is hope for managing our way through the recession by investing in the HR function. Organisations need to assist the managers to better manage the business and provide something of a reality check for the workforce that the economy is unlikely to “bounce back” any time soon and we’re in for a long rather tough period of economic uncertainty. The sooner organisations are able to communicate their own vision for managing their way through recession the sooner staff can appreciate that they can make a positive contribution and thereby help secure their own position.

It’s true to say that the UK economy has had many years of stable and steady growth which for many in the workforce and management has led to a level of complacency. Frustration is felt by many senior managers that staff are using employment legislation to protect them from those harsher realities. A “no win no fee” Tribunal process encourages speculative claims with the costs being felt most acutely by the business be they guilty or innocent of the claims. Whilst no one would suggest they are treated anything other than fairly the opportunity now exists to put the case for business and the employer. If they are to be successful employment can be maintained, if not staff won’t have a boss to complain to!

(Appendix 1) The Questionnaire

1. Over the last 12 months has your workload:

Increased significantly

Increased moderately

Stayed the same

Decreased


2. In the next 12 months would you expect your workforce to:


Increase


Decrease

Remain the same

3. What would you say are the most significant challenges facing the stability and effectiveness of your business?

a) 

b) 

c) 

4. Is the economic climate continuing to have a negative impact on your business?

Yes

No

Don't Know

5. Which area of employment law would you most like to see changed/abolished and why?

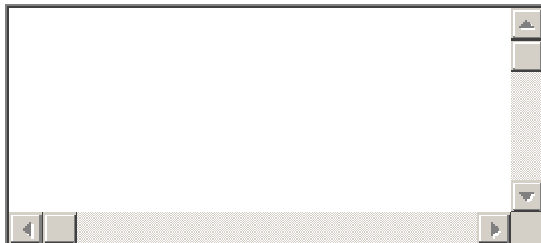
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6. Have you seen an increase in the number of grievances at work over the past 12 months

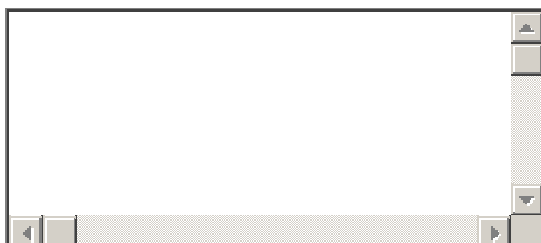
Yes

No

7. Have you identified any trends in grievance type over the past 12 months?

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8. Are there any areas of employment law where you feel you and your team would benefit from additional training?

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(Appendix 2) - Employment Tribunal Claims 2009-10

Rounded Number/Percentage

	Withdrawals	ACAS CONCILIATED	STRUCK OUT (NOT AT A HEARING) 1	SUCCESS FUL AT TRIBUNAL	PRELIMINARY HEARING2	UNSUCCESSFUL AT HEARING3	DEFAULT JUDGMENT	TOTAL
Unfair dismissal	12,200 24	22,400 44	3,900 8	5,200 10	1,200 2	4,500 9		1,500 3
Wages Act	11,100 31	9,300 26	3,200 9	5,000 14	860 2	1,900 5		3,800 11
Breach of contract	7,100 22	10,400 32	2,200 7	5,800 18	520 2	2,300 7		3,700 12
Redundancy pay	2,700 22	2,300 19	930 8	3,000 24	140 1	690 6		2,600 21
Sex discrimination	10,100 57	3,600 20	2,700 15	340 2	180 1	560 3		110 1
Race discrimination	1,400 30	1,700 38	330 7	130 3	240 5	700 15		60 1
Disability discrimination	2,000 32	2,800 45	430 7	170 3	170 3	530 9		60 1
Religious belief discrimination	250 32	250 33	83 11	19 2	64 8	89 12		9 1
Sexual orientation discrimination	160 30	210 40	49 9	27 5	26 5	47 9		10 2
Age discrimination	1,500 39	1,500 39	270 7	95 2	110 3	330 9		31 1
Working time	4,500 22	6,700 33	1,300 6	3,600 18	300 1	1,200 6		2,900 14
Equal pay	14,300 71	2,300 11	3,100 16	200 1	110 1	77 0		10 0
National minimum wage	100 25	160 37	25 6	49 12	10 2	47 11		26 6
Others	5,600 25	6,900 31	1,500 7	4,900 22	670 3	1,300 6		1,100 5
All	73,000 32	70,600 31	20,100 9	28,500 13	4,600 2	14,300 6		16,000 7

Source: ET Management Information Database Figures may not add to totals because of rounding . Not applicable (data was not collected) .. Not available