

“THE STATE OF HR – WHAT DO YOU THINK?”

On board The Human Resources Forum 2009, we polled opinions of 160 HR delegates on the current state of the HR industry, the wider role of HR within the organisation and what the future holds in store.

The results of this research have provided a revealing insight into what the UK's most senior HR practitioners think about their jobs, their peers and their futures.

This report contains full results from this interactive keypad keynote session as well as comments and analysis from industry experts.

Thank you to all the delegates who took part in this research and to the experts who have provided analysis of the results.

For further information please contact Kirsty MacMillan, Conference Manager on 020 8487 2208 / kmacmillan@richmondevents.com.

HR & THE ORGANISATION



What is the present role of HR within your organisation in terms of strategy and vision?

- Involved from day 1 – 50%
- Involved to a limited extent – 24%
- Only involved in some aspects of implementation – 13%
- Not involved at all – 4%

Which of the following do you presently regard as the major inhibitor to HR effectiveness in your organisation?

- Lack of funding/budget cutbacks – 37%
- Lack of support/buy-in from senior colleagues – 26%
- Lack of support/buy-in from rest of the organisation – 19%
- Increased and increasing regulation – 17%

During this economic downturn which of the following is the most useful contribution HR can make to the organisation?

- Long term workforce planning – 30%
- Increasing upskilling (budget permitting!) – 29%
- Managing key talent retention – 25%
- Cutting costs – 8%
- Reducing headcount – 8%

If you could choose one 'tool' to improve HR's contribution to the business, would it be

- Total involvement in organisation strategy/goal setting - 41%
- A seat on the main board (or public sector equivalent) – 20%
- A comprehensive, organisation-wide training programme – 14%
- Something else – 13%
- Investment in technology – 12%

Jacky Simmonds, Mainstream Sector - Human Resources Director, TUI Travel plc

"HR probably thinks they are doing a better job than their organisations/chief execs might think so – 67% say HR is regarded as good or excellent but that doesn't correlate with amount who believe there is lack of involvement and buy-in.

45% still believe there is lack of involvement and buy-in from colleagues/business/senior mgt to HR's involvement in strategy and planning (in this day and age that is staggering and has to be a reflection on what HR people choose to spend their time on or quality of individuals)."

Steve Tappin, Founder and Author, The Secrets of CEOs

"There is a big reality gap between how HRD's perceive themselves and CEOs perceptions when they talk off the record.

With the exception of a small number CEOs (only 10% based on sample of 70 FTSE 100 CEOs) the majority of CEOs do not really value HR beyond day-to-day execution of HR processes and rationalisation. However, 2/3rds of HRDs here believe they are doing an great job and are therefore highly regarded by their business.

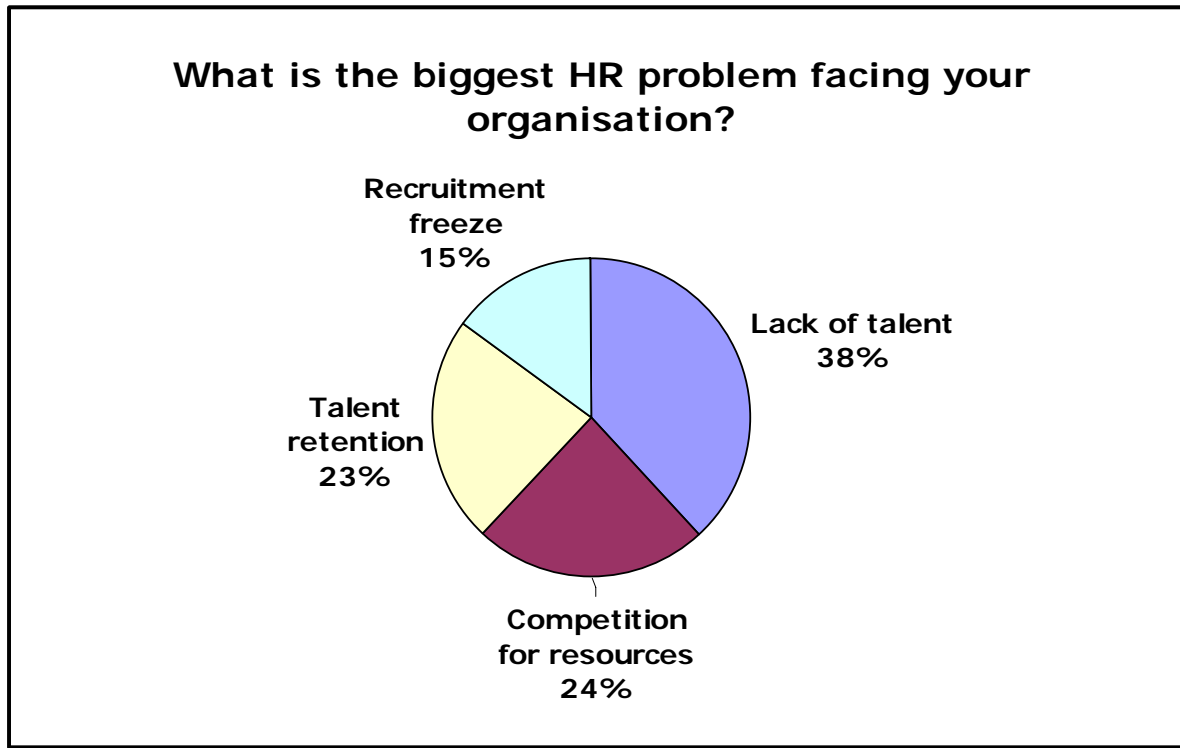
The combination of the pressure of the downturn and this misconception are the main reasons why HR directors are not getting the resources they believe they need to effectively manage talent.

The day to day pressures on CEOs right now mean it is down to the proactive HRD to address this and engage at a deeper level with the CEO and also to stand firm and demonstrate the value in commercial terms."

Duncan Littlefair, Director, Workforce Architecture

With the lack of senior colleague buy-in / support being the second highest barrier to HR effectiveness, it is interesting to see that cost cutting is deemed more important than training. Good to see however that there is a belief that upskilling needs to continue (budget permitting) so it looks like the message has got across that businesses need to be ready for the up-turn.

TALENT MANAGEMENT



In 3 years' time, do you expect your organisation's headcount to be...

- Larger – 54%
- Smaller – 24%
- About the same – 22%

Which of the following do you believe will need your attention most in 3 years' time?

- Talent management & retention – 42%
- Employee engagement – 26%
- Employee benefits/rewards – 15%
- Knowledge management – 12%
- Talent recruitment – 5%

Which of the following do you believe will have the most negative impact on your organisation?

- Inadequate resources to devote to talent retention – 38%
- Shortage of talent – 35%
- Global competition for talent – 14%
- UK competition for talent – 13%

Given the present state of UK education, do you believe that the supply of good graduates 5 years from now will be...

- Inadequate – 29%
- Adequate – 25%
- Worse than now – 24%
- Better than now – 22%

In 3 years' time, do you expect employment contracts to be...

- About the same as now – 50%
- Shorter than at present – 25%
- Longer than at present – 17%
- Many more employees will become independent contractors – 9%

Simon Haben, Head of Leadership Development, Royal Mail Group

"The data leads me to conclude that the HR community has a great opportunity in the next year. The focus for organisations is going to be on making the most of the talent that they have. But, how many organisations truly understand this?"

Robust systems will be needed to ensure consistent and regular talent identification. Development activities that focus on core skills and at the same time really make people feel like individuals and something special will have to be utilised. Buy-in from senior execs will be paramount, partly created through greater involvement and oversight, but also through aligning to business strategy - most probably through finding more cost effective ways of delivering development.

Future needs will have to be examined as well as the current demands - the difference may well be most felt at the leadership level. The opportunity is there to make a difference, to build on the success of delivering day to day activity and to help HR become even more involved in delivering strategy."

Jacky Simmonds, Mainstream Sector - Human Resources Director, TUI Travel plc

"Talent management and retention still a major issue – not necessarily linked to budget/resources as HR people have indicated but it should be a major part of the HR role (recession or no recession).

The talent management and view about graduates entering the job market will have serious consequences for industry if HR people are not fighting for continuing investment in leadership and talent management programmes."

Richard Mosley, Managing Director, People In Business

"Interesting to note that talent retention is still seen as a major issue despite the economic downturn. Also noteworthy that upskilling / talent management and retention are seen as more important HR contributions than talent recruitment over the next 3 years (Q2/Q10). This may be connected with the finding that 53% of the audience felt the future supply of good graduates would be inadequate or worse than now."

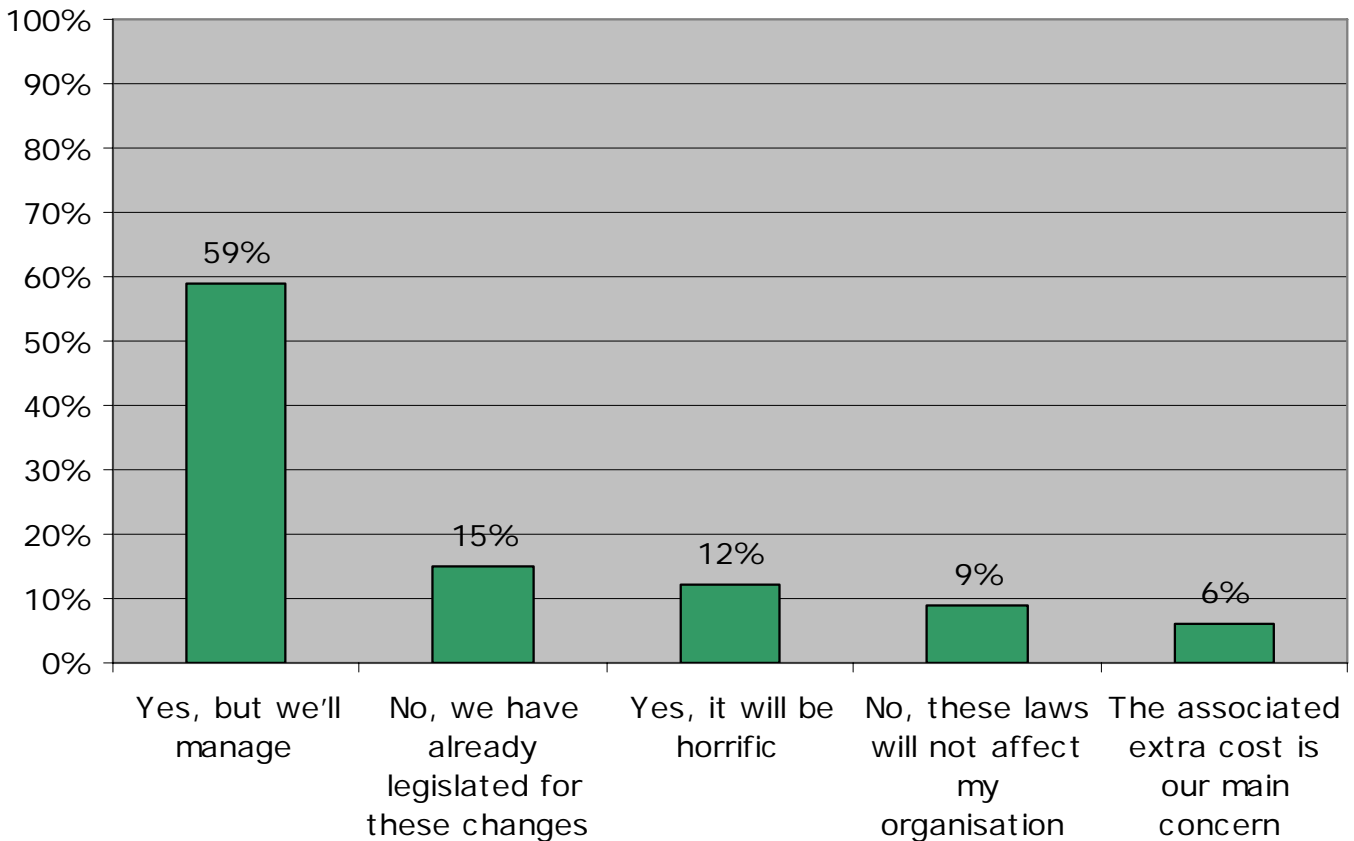
Duncan Littlefair, Director, Workforce Architecture

Interesting to see that 38% believe that there is a lack of talent at present rather than retention being the main issue, but in 3 years time talent retention is seen as a more pressing issue. If companies are going to grow over the next 3 years, I would have expected to see employee engagement to be higher than 26%..

Regarding the supply of graduates, there is only a 6% difference in HR's view of the future supply and it would be interesting to see what the University sector believe will be the case. I would expect to see more of a 25% / 75% split with the supply going down.

LEGISLATION

Will increased legislation (in particular laws relating to immigration and temporary workers) be damaging to your organisation through increased administration, decreased productivity and cost?

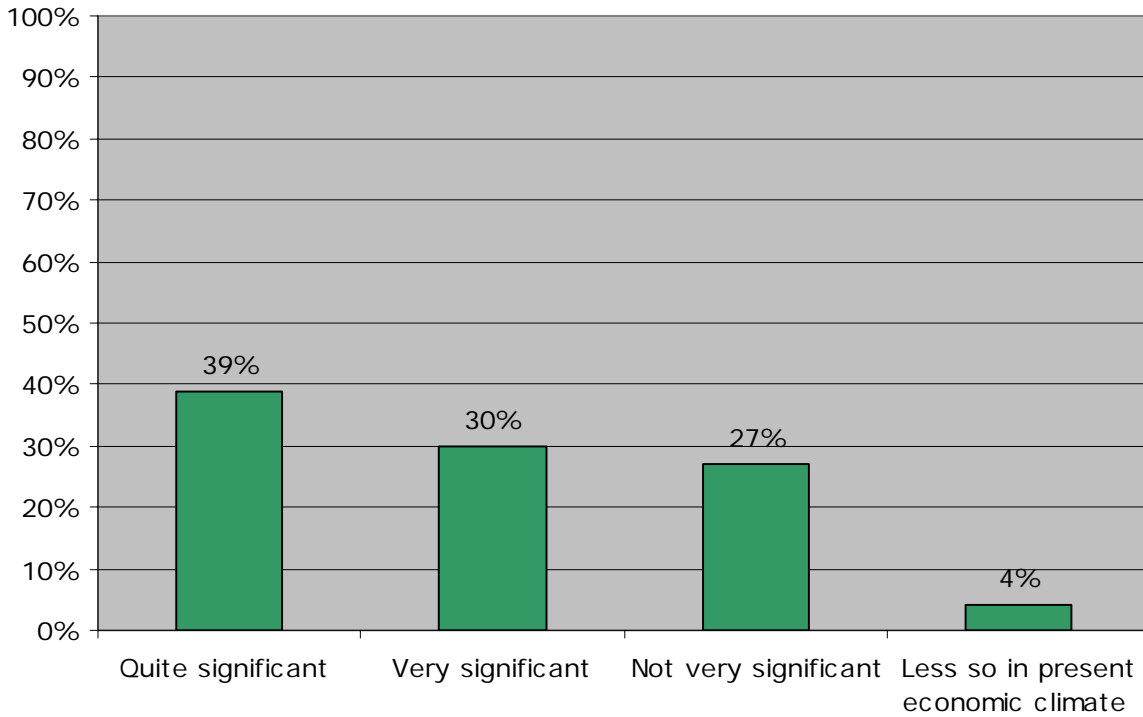


Nic Hart, Partner, Davenport Lyons

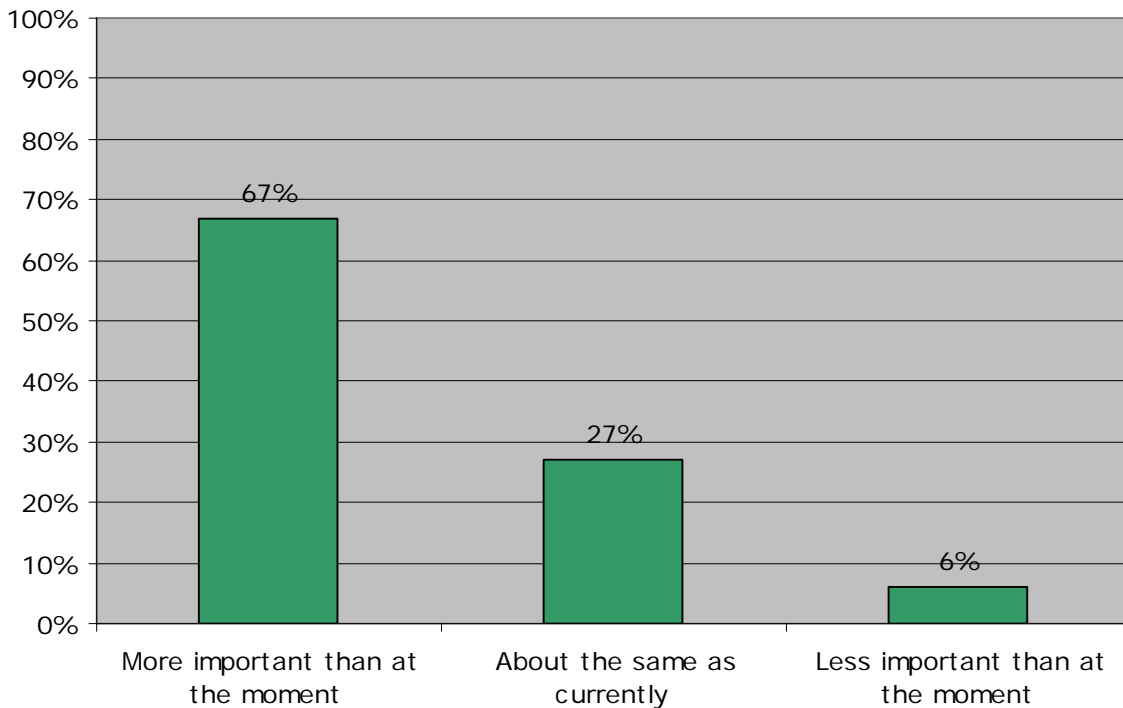
"It is encouraging that businesses remain upbeat despite increasing duties to monitor migrant workers and guarantee rights for temporary workers. This legislation is transforming the way that businesses access the key personnel they need to succeed in such a competitive marketplace. Businesses are however increasingly aware that there are ways of complying with these extra requirements without being overburdened financially or the rules dictating their hiring policies."

CORPORATE SOCIAL RESPONSIBILITY (CSR)

How significant is CSR within your organisation?



How important do you believe CSR will be to your organisation in three years' time?

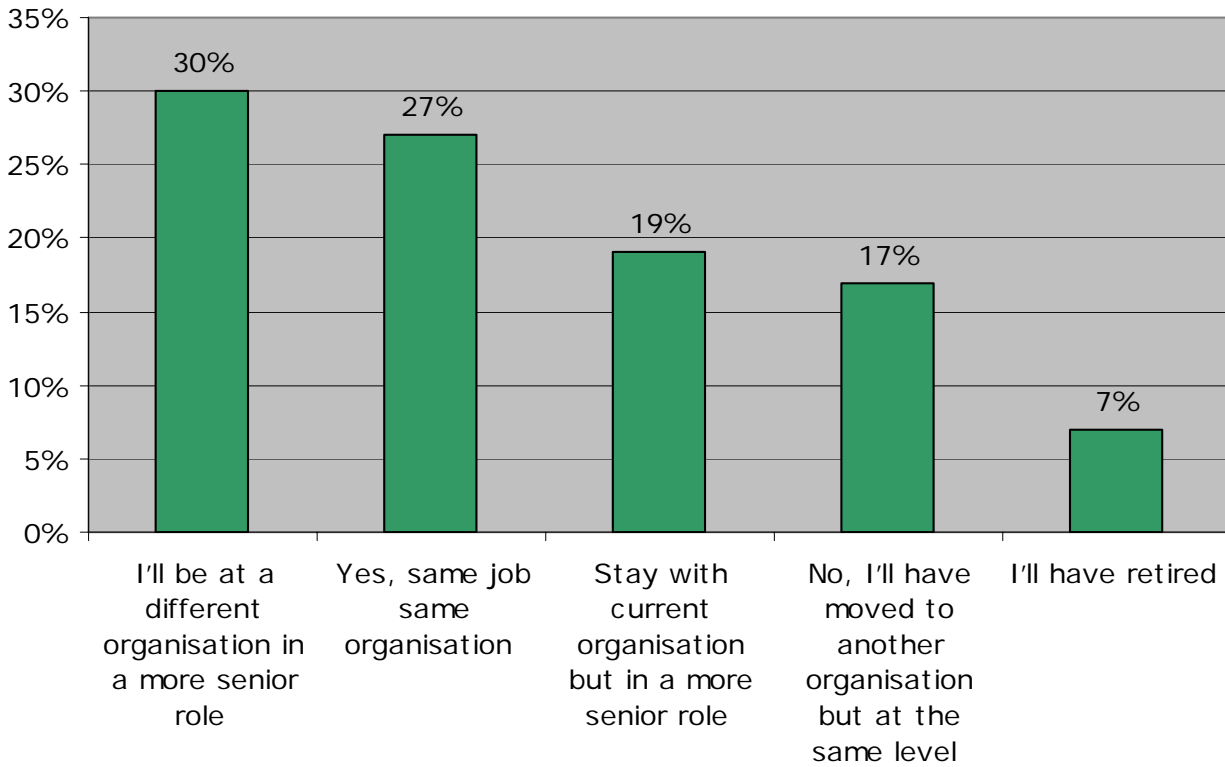


Do you feel that CSR has a positive impact on attracting, retaining and engaging employees?

- Possibly – 31%
- No – 28%
- Yes – 26%
- Less so during a recession – 10%
- Don't know – 5%

PERSONAL AMBITIONS

Do you expect to be in the same job in three years' time?



Claire Howell, Chief Executive, REDCo

"Given the current economic climate we find ourselves in it is surprising that as few as 27% of the audience felt that they would be doing the same job, in the same organisation. It is known that over 70% of CEO's and Finance Directors change jobs in a recession, so stability in the HR function will probably be viewed as being a welcome outcome by organisations.

What is also striking about these results is the number of people (30%) who think they will be in a more senior role in a different organisation. This seems very low to me, it might be a sign of the times but if people are serious about their own development I would have expected this to have been much higher."

BACKGROUND INFORMATION

The Human Resources Forum, organised by Richmond Events, took place from 6-9 May 2009 on board the Oriana. The next forum is taking place from 16-19 June 2010 on board the Arcadia.

Full information can be found at www.hrforum.co.uk.

We also run a one day HR Forum at Savoy Place, taking place on 3rd November 2009. Full details at www.savoyplace.hrforum.co.uk.

If you would like to attend any of these future events please contact Jackie Lye on 020 8487 2299 / jllye@richmondevents.com.

Richmond Events organises 35 senior-level business forums across UK, Europe and North America. For further details on our forum portfolio please visit www.richmondevents.com.