

CIPD

*Championing better
work and working lives*

CIPD HR PRACTICES IN IRELAND REPORT 2022

May 2022

Survey findings in
conjunction with



UNIVERSITY OF
LIMERICK
OLLSCOIL LUIMNIGH

Kemmy
Business
School

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About CIPD

Championing better work and working lives

We are the professional body for experts in people at work. For more than one hundred years, we have been championing better work and working lives by setting professional standards for HR and people development, as well as driving positive change in the world of work.

With hubs in the UK, Ireland, Middle East and Asia, we are the career partner of choice for 6,000 members in Ireland and more than 150,000 members around the world. We are the only body in the world that can award Chartered status to individual HR and L&D professionals, and our independent research and insights make us trusted advisers to governments and employers.

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Summary report

CIPD Ireland provides annual insights on the experiences and concerns of the people profession in Ireland.

Each year our HR Practices in Ireland survey is conducted in conjunction with the Kemmy Business School, University of Limerick. The environment in 2021 was challenging for organisations amid the continued impact of Covid. Understanding how the people profession and their organisations responded to these challenges, and their future plans, enable members to benchmark their practices and improve their impact.

While the profile of the profession was raised during the pandemic, our ongoing contribution and leadership will be more vital than ever as society and business adjust to new challenges as a result of COVID-19, economic uncertainty, and technological acceleration. While productivity rates are showing an upward trend, concerns exist around building a positive organisation culture.

The shift to dealing with skill shortages happened quickly, leading to the attraction and retention of employees becoming the top priority for 2022 and onwards. This has resulted in new strategies around recruitment and resourcing. We also found evidence of a great re-evaluation, with employees re-evaluating what they expect from their working life, and changing their expectations. Reengagement and reintegration of employees has moved centre stage, and increasing support for line managers is becoming a critical success factor. This is all feeding into the challenges of implementing hybrid and future ways of working, and lots of experimentation will be required to design the most effective working model.

We appreciate the support of our respondents in contributing to the survey, and many thanks to the research team of Christine Cross, Caroline Murphy and Juliette McMahon of Kemmy Business School, University of Limerick for their delivery of this research.



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Priorities and impact of the people profession

The CIPD HR Practices survey addresses the challenges and critical issues facing organisations from a people management perspective, how HR professionals are adding value to their organisations and driving positive change in how work is managed, valued and rewarded. A positive development is that 78% of respondents to this year's survey indicated that Covid-19 had resulted in increased visibility of the HR function in their organisation. Our findings reveal that HR is adding value to organisations in a range of ways, from championing diversity (86%) and enhancing the employee experience (83%), to leading change effectively (82%).

The contribution of HR will be more vital than ever before as we build new ways of working following the pandemic. However, our findings also reveal that there is more progress to be made in relation to the profession's role in providing evidence-based insights for decision making, and in championing a people centred approach to technology. This was also reflected in the areas that HR practitioners themselves identified as areas where greater knowledge and development is required, including a need for more knowledge on HR/people analytics and technology. In relation to the function itself, 60% reported an increase in automation of HR processes and 54% reported the automation of elements of the recruitment process.

However, the tight labour market and resourcing challenges were expected to dominate the year ahead. It is unsurprising then that in this year's survey both the organisation and the people function report that their top priority is attracting, developing and retaining employees. In addition, employee engagement has become a higher priority for organisations this year at 30% compared to 22% last year.

Skills shortages

A shortage of skilled workers could jeopardize Ireland's economic growth as we reach full employment. There is currently a highly competitive market for experienced employees, reflected in the survey feedback. The majority (85%) of respondents are facing skills shortages with one third (36%) indicating that they experienced significant skills shortages in the last 12 months. Frontline staff in particular were in short supply, reported by 50% of respondents, as were IT personnel (reported by 38%). These figures have doubled when compared with our prepandemic survey in 2020.

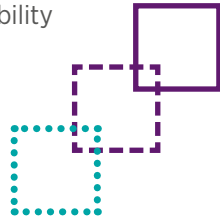
The situation has prompted changes in recruitment practices in the last 12 months, with use of strategies such as employing a more diverse workforce (75%), recruiting from wider geographical areas, and developing talent in house (70%). Despite predictions of automation replacing jobs, a minority of organisations reported this as a counterbalance to skills shortages (21%).



HR Practices in Ireland survey 2022

Top three external drivers of change

- Labour market, skills availability
- Covid-19 related changes
- Talent agenda and expectations of hybrid working



Top organisation priorities over the next two years

- Talent management – attraction, retention and development
- Implementing hybrid and remote working
- Digitalisation and technology



Top HR priorities over the next two years

- Talent management – attraction, retention and development
- Employee engagement
- Workplace planning for the future
- Leadership development



HR knowledge development

- HR analytics and technology
- Legislation and regulation
- Culture and behaviour
- Future of work



How HR teams add value



Top 3 constraints on HR

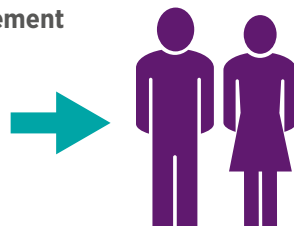
- Lack of time availability for line managers for people management
- Inadequate systems/technology
- Ineffective devolvement of HR to managers



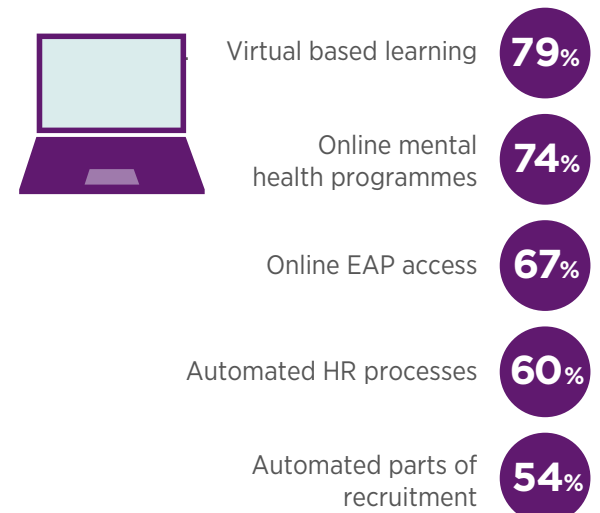
Increased devolvement to line managers – 70%

Actions taken to support devolvement

- Increased emphasis on training and development
- Increased coaching
- Increased use of technology



Increased use of digital tools



HR Practices in Ireland survey 2022

85% of business facing skills shortages



Areas of skills shortage DOUBLED since 2020

- Operations/frontline
- IT
- Customer service
- Research and development
- Other

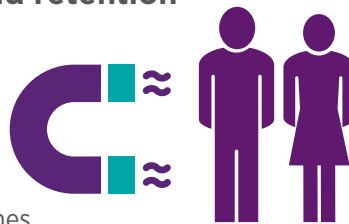
Resourcing over the past 12 months

- Competition for experience talent increased
- Talent more difficult to retain
- Recruited more diverse workforce
- Developed more talent in-house
- Recruited from wider geography



Strategies for recruitment and retention

- Flexible working practices
- Championing diversity
- Assessment of future skills needs
- Investing in employer brand
- Cross functional/global experiences
- Graduate and hi-potential programmes



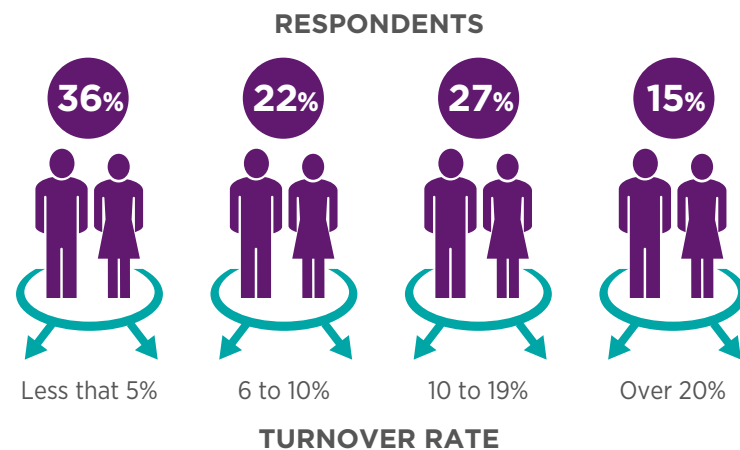
Adaptive strategies

- Analyse current and future skills needs
- Automate/augment activities with technology
- Redesign roles

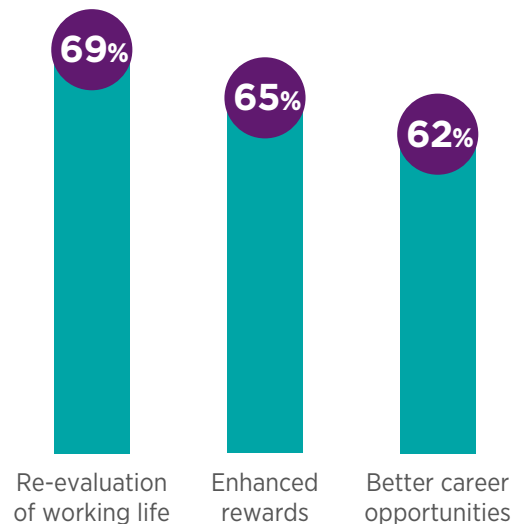


The great reevaluation

Employee turnover rates comparable to pre-pandemic



Top reasons to leave



Concern over 'great resignation'



Expect employee turnover to increase



Survey employees about turnover intentions

With an increased emphasis on employee retention, the findings show that the top three tactics used by organisations to improve retention were flexible work practices (71%), championing diversity (54%) and improving the employer brand (41%). Comparing the 2022 survey with the 2020 survey, all of these methods are now more in use than in 2020. The recent experience of more flexible/remote forms of work has increased demand for this to be offered on a more permanent basis. When asked about future plans to improve recruitment and retention, plans included analysis of skills needs (61%), automating jobs (42%) flexible work (40%), redesign of roles (45%) and upskilling (49%) as future oriented strategies.

The great re-evaluation

The term 'the great resignation' came to the fore in 2021 with worrying predictions that employees would quit their jobs at historic rates. The results from the survey however indicate that turnover rates have broadly remained at prepandemic levels, with a rate of less than 5% being the most prevalent (36% of respondents) and 15% reporting turnover rates of over 20%. While we found no evidence from the data of a great resignation, 62% of respondents had concerns in this regard.

Over a quarter of respondents had surveyed employees about their leaving intentions and why employees might leave, and this yielded interesting insights. Employees were re-evaluating what they expect from their working life with 69% of organisations that carried out surveys citing this as a reason for leaving, evidence of a 'reflection and revaluation' on the part of employees around the role of work in their lives. This is a new trend emerging from the pandemic.



The more traditional areas of better career and salary opportunities were next in order (62% and 65% respectively) as reasons for leaving. Thus, rather than a great resignation, many employees are re-evaluating what they want from work, taking advantage of a positive shift in their labour market power and making different decision, contributing to the skills shortages identified. Over a third, 41% of organisations reported career change as a reason that employees might leave. While less than 50% of organisations reported wellbeing issues such as workload/burnout (45%) and work life balance (35%), as reasons given for leaving, these figures are high enough to warrant concern and perhaps indicate that employees are reassessing their willingness to compromise work life balance and wellbeing due to work.

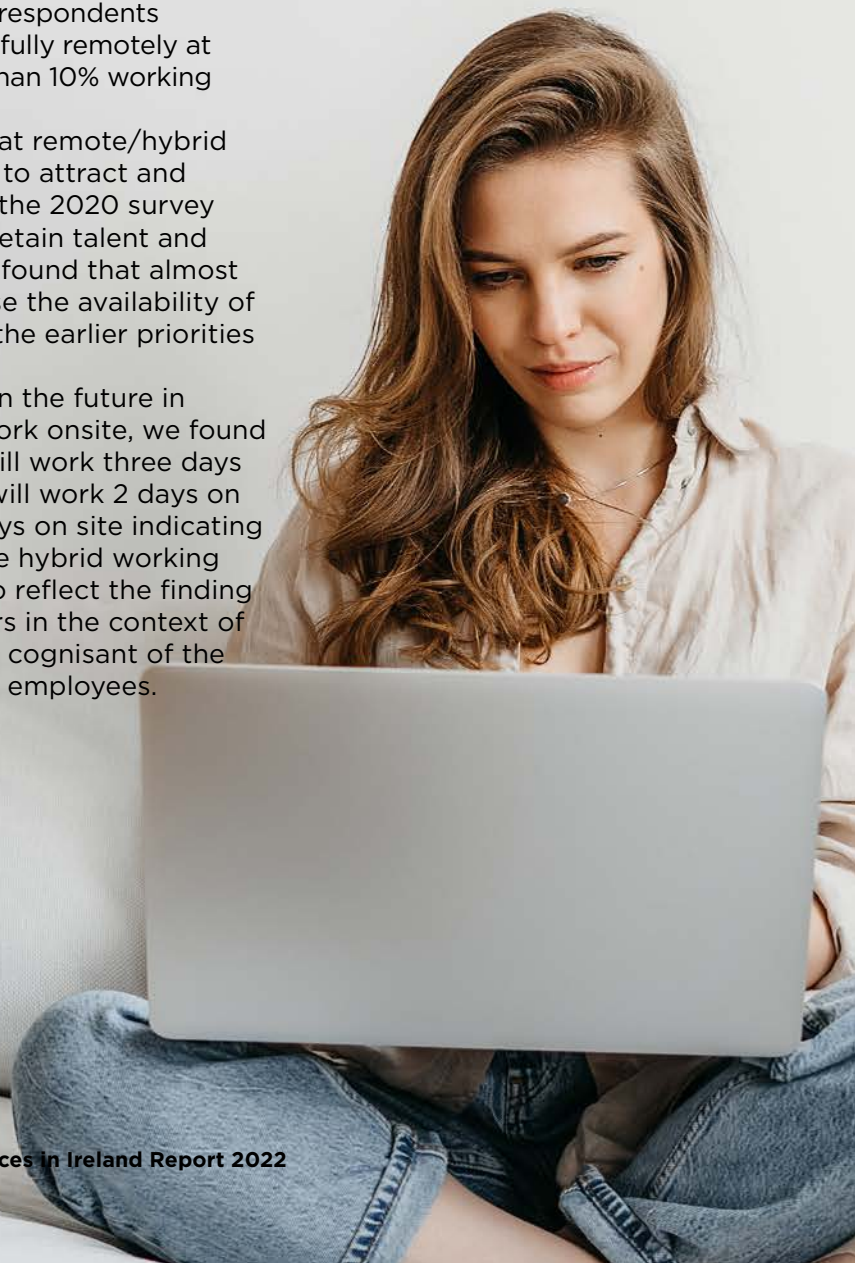
Remote and hybrid working

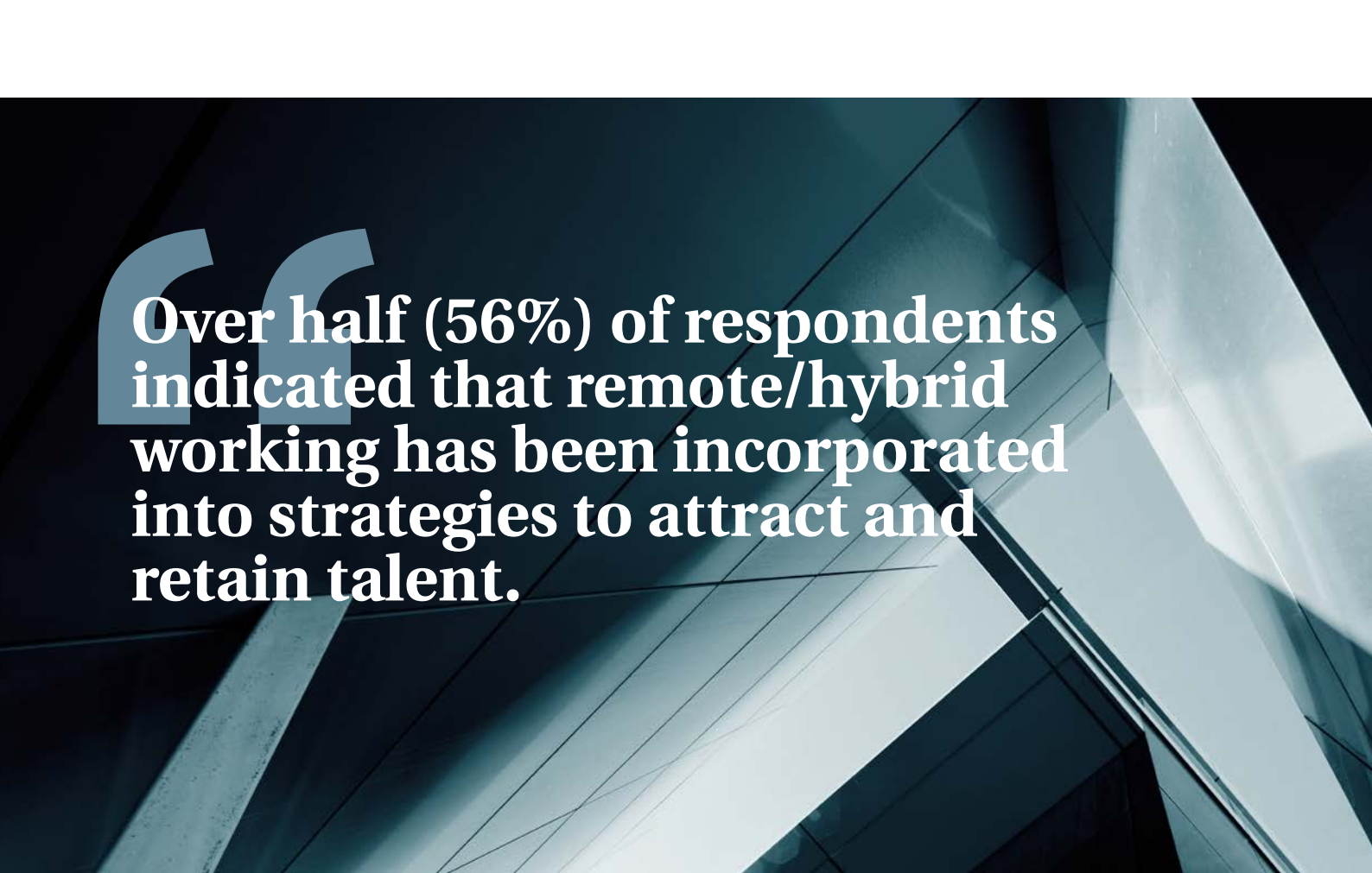
The single most significant change in working practices as a result of Covid-19 has been the accelerated move towards more flexible forms of working, in particular hybrid and remote working models. It is important to note the time period and context during which the data were collected – late November and December 2021, when government guidelines were that where possible, people should work remotely, which may have influenced the findings.

With that in mind we found over one third of respondents had more than 75% of their employees working fully remotely at that point in time, while another third had less than 10% working remotely.

Over half (56%) of respondents indicated that remote/hybrid working has been incorporated into strategies to attract and retain talent. This represents an increase from the 2020 survey where 25% used this approach to attract and retain talent and may indicate a more long-term trend. We also found that almost half of all organisations are planning to increase the availability of hybrid working in the future (46%), reflecting the earlier priorities around the need to attract and retain talent.

In examining what organisations anticipate in the future in terms of the number of days employees will work onsite, we found that over one third (36%) expect employees will work three days on site with one third (31%) anticipating they will work 2 days on site. Only 4% expect employees will work 4 days on site indicating that organisations are certainly considering the hybrid working model in more permanent terms. This may also reflect the finding that employees were re-evaluating their careers in the context of their broader life goals and so employers were cognisant of the need to adopt new working practices to retain employees.





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In terms of how decisions were made on the number of days employees would work, we found that for many it was being decided by the team (43%) while 25% indicated it will be a decision made centrally to apply to all employees on site, and 23% by local agreement. Only 9% reported that the number of days on site will be chosen by the employee themselves.

Many of the challenges of hybrid working, supporting wellbeing, sustaining culture, induction, teamworking, had significantly increased in the past 12 months, indicating where HR needs to be particularly watchful.

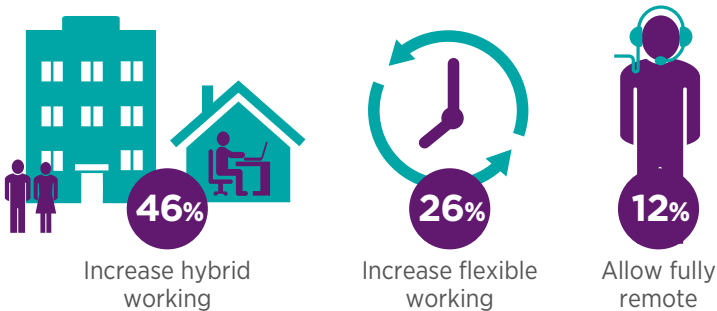
Organisation culture

Organisational culture and employee engagement are areas that could be expected to be impacted by the move to remote working during the pandemic, alongside the other safety factors. Throughout the findings we see that embedding and maintaining culture and maintaining employee engagement proved increasingly challenging. 45% of respondents indicated that culture was negatively impacted by the pandemic, higher than the previous year's findings (37%), a worrying trend. Employee engagement was also reported as a top priority for both the organisation and for HR. Qualitative data revealed that organisations were proactively seeking to embed and reinforce culture through workshops explicitly dealing with culture and values. Other actions included enhanced communications with staff, social events online, engagement monitoring and wellbeing initiatives.

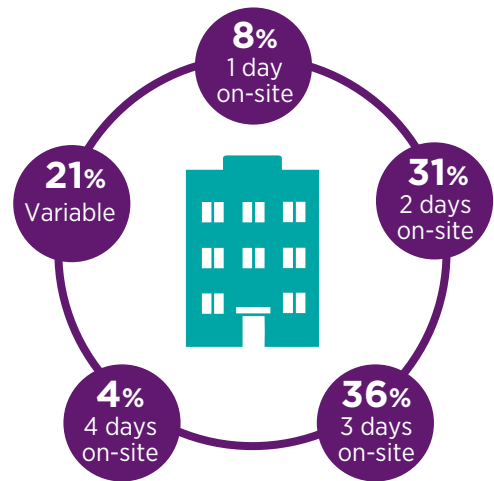
HR Practices in Ireland survey 2022

Remote/hybrid working

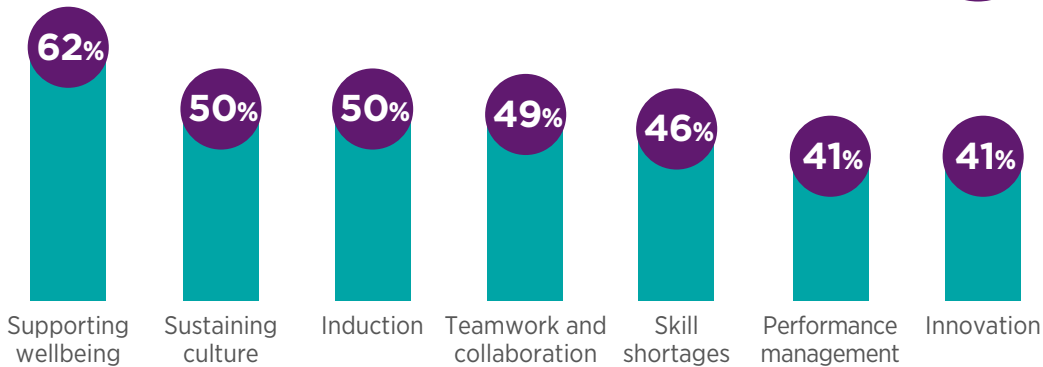
Changes to future working practices



Anticipated future working model



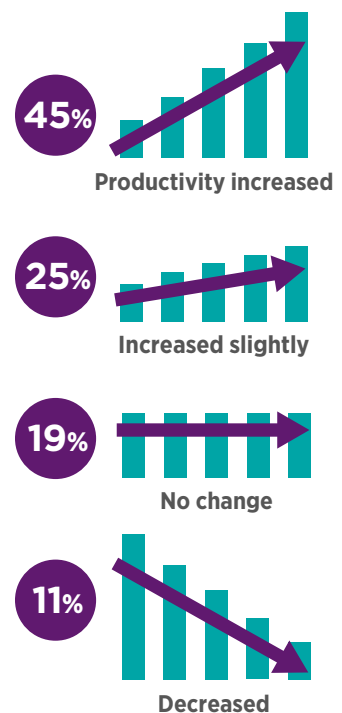
Challenges of remote/hybrid working



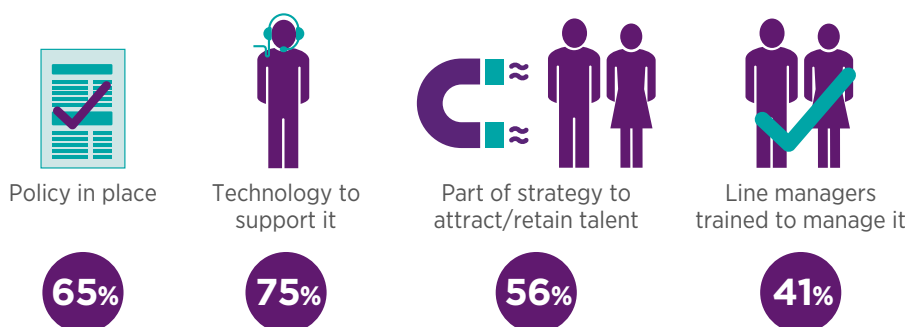
Effect of pandemic on culture



Changes in productivity



Implementing remote/hybrid working



A more negative aspect of culture to emerge from the survey was that there was an increase in an 'always on' culture enabled by technology (47%), which is of concern in terms of well-being and work-life balance.

However, 58% of organisations were actively encouraging employees to disconnect from technology, which is a significant increase from the 2021 survey where this stood at 46%. The concept of a culture of well-being seems to have become more of a priority in 2022, with 67% of organisations reporting that well-being is on senior leaders' agenda. Organisations have adapted to the remote environment in this respect with 71% reporting increased use of online well-being initiatives and increased use of mental health support/awareness programmes (69%) to promote a culture of well-being and engagement.

Promoting inclusive cultures and cultures that embrace diversity continues to remain a high priority with 63% of respondents indicating that this was the case. Key activities were promoting an inclusive culture, flexible and hybrid working, and more inclusive recruitment and retention strategies.

Performance and productivity

Despite the challenging environment 70% of respondents reported that productivity increased during 2021, up significantly from a year earlier. Whilst the data didn't capture levels of increase, it was found to be widespread across all sizes of organisations. No significant difference was found between private and public sector organisations regarding increased productivity levels. However, organisations did report challenges with respect to performance management and this was clearly related to remote and hybrid working. 41% of respondents indicated that performance management had become more challenging in 2022. This was more pronounced in private sector organisations with 40% reporting issues as opposed to 35% of public sector organisations. Yet only 6% reported the adoption of remote performance monitoring systems.

If these challenges continue there could be implications for retention which may pose further problems for organisations when competition for talent is high (46% of respondents reported skills shortages as an increasing challenge, significantly up on the 2021 survey). Furthermore, performance management is often interlinked with other issues such as wellbeing, career management, reward systems and employees feeling valued/supported by the organisation.

Line managers

We ask respondents each year what constraints limit HR's contribution to the business and one important limiting factor appears in every year's findings. This refers to the ongoing devolution of people management responsibilities to line managers within companies. According to our findings, the collaboration between HR and line managers is still in a development phase. The fact that line managers do not appear to have enough available time to carry out the people management component of their function, and that HR devolution to this group of managers is not working as effectively as it should is a source of concern.

The survey findings over a four-year period highlight that this is an ongoing issue for HR, not something that has simply happened as a result of the pandemic. Given the growing importance of line managers in a hybrid work situation, organisations need to reassess the support and development of line managers as a top priority, and there is some evidence of an increased emphasis on training and development. Successful devolvement is important for the development of a strategic approach to human resource management.

Absenteeism

Managing absence is an ongoing challenge and organisations reported that absenteeism rates had increased for 41%, decreased for 33% and a quarter of respondents reported no change. However, there was evidence that organisations with a higher percentage of staff working remotely experienced a decrease in absenteeism, while organisations with a predominantly onsite workforce have seen an increase in absenteeism. The most common reasons for absence in the previous year was Covid-19-related issues, including self-isolation. Worryingly, the next set of reasons related to work-related stress and mental health, including the workload/volume of work, anxiety around a return to the workplace, and the 'always-on' culture enabled by technology. While employers were investing in online well-being initiative, mental health support/awareness programmes, effective interventions and culture change to address stress and mental health are of increasing importance.

Sustainability

Sustainability is increasingly on the agenda for organisations, and it has become important for HR professionals to incorporate sustainability into their practices as a result. Looking at sustainability from the point of view of HR's contribution to climate and environmental issues, sustainability was identified by 30% as a key priority. Actions around sustainability taken by organisations included reducing waste in the organisation, for example through reducing the need for printing (59%), up from 52% in last year's survey. Calculating the carbon footprint of the organisation, developing carbon footprint reduction policies were also among the issues reported to be growing in importance from a sustainability perspective. The introduction of green training programmes for employees and green employee resource groups were the items that received the least importance.



HR Practices in Ireland survey 2022

Gender pay gap (GPG)

Calculate their gender pay gap

Yes

32%

No

55%

Don't know

13%



Gender pay gap (GPG)

Actions for government

- 1 Promote career choices at school
- 2 Provide clear definitions and formulae
- 3 Campaign to explain difference equal pay and GPG

Actions by employers

- 1 Strategy to address GPG
- 2 Concern over capacity to gather and analyse data
- 3 Concern over GDPR issues

Changes in performance monitoring



49%

Increased goal setting meetings

43%

Introduced disconnect policies

6%

Adopted remote monitoring tools

Legal developments



95%

Support right to request flexible working

66%

Support right to request remote working

77%

Support the introduction of statutory sick pay

Increase in wellbeing initiatives

Online wellbeing/health initiatives

71%

Mental health awareness programmes

69%

On senior leaders' agenda

67%

Counselling and EAP services

60%

Encouragement to disconnect

58%



Key ways to promote inclusion

- Flexible and remote working
- An inclusive working culture
- Inclusive recruitment and retention strategies
- Training and guidance for line managers



Sustainability

Areas of increased importance



Remote and flexible work locations

66%

Reducing print waste

59%

Reducing carbon footprint

54%

Calculating carbon footprint

48%

Compliance and regulation

During the pandemic, a raft of new employment legislation was proposed, much of this has now been further progressed. One of the most significant changes in planning is the area of sick pay, and the introduction of a new statutory sick pay scheme to cover all employees will have a significant effect on organisations with no company sick pay scheme. Over 70% of survey respondents agreed with the introduction of such a scheme, possibly reflective of the fact that 72% of those surveyed already have a top-up sick pay scheme in place that covers pay for at least two weeks.

For those that do not have such a scheme already in place, the proposed scheme will incur an additional financial burden. The Regulatory Impact Assessment conducted of the proposed sick leave bill estimates this to be equivalent to a 2.6% pay increase in terms of value to the average employee who currently receives no sick pay from their employer. 47% of those who responded agree with the proposed rate of 70% of employees' wages to be paid while ill subject to the daily threshold, while one third of those who responded felt that the level should be capped at 100% of the employees' wages.

The issue of statutory rights to both remote and flexible working have been a topic of debate in recent years and the covid pandemic has increased the focus on this topic. A clear majority of respondents to this survey (96%) felt that employed should have a right to request flexible working. A smaller percentage of respondents (66%) felt that employees should have the right to flexible working options. Half (51%) agreed that employees should have the right to request remote working from day 1 of employment, 60% said employees should have completed their probationary period before have the right to request remote working.

Gender pay gap reporting legislation was passed in 2021, but has not been implemented. The survey shows 3 in 10 employers are voluntarily calculating their gender pay gap and this figure has barely changed in the past three years. The survey showed that 45% of employers felt the capacity to gather and analyse the required data is a cause for concern, while 52% were worried about the GDPR issues around gathering and publishing data.



47% of those who responded agree with the proposed rate of 70% of employees' wages to be paid while ill subject to the daily threshold.

Note: CIPD Ireland conducted this survey of members and people professionals in Nov/Dec 2021. Of the 341 responses received the majority, 68%, operated in the private sector, with 25% in the public sector and the remaining in the not-for-profit sector. Under a fifth of organisations, 19%, employed 1-50 employees, 28% employed 51-250 employees, 24% employed 251-500 employees and 29% had 1000+ employees. Overall, 54% of respondents worked in HR teams with five or less people.



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