

New IES research shows talent management evolving to meet fresh challenges

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Fresh in-depth case-study research by IES for The Leadership Foundation for Higher Education shows how organisations at the leading edge of talent management are adjusting their priorities and evolving their practices to align with ever-shifting business challenges.

The organisations sharing their thinking and practice with IES for this research were Rolls-Royce; PwC; Standard Life; the Cabinet Office; the Department for Culture, Media and Sport; Plan International; the British Council; and Infineum.

The Leadership Foundation commissioned the study to help higher education institutions (HEIs) learn from experience in other sectors. Professor Fiona Ross, the Leadership Foundation's director of research, explained: "Universities are only as good as their people, therefore finding, keeping and developing the right talent for the right roles is crucial for success and sustainability. Our report by IES examines these issues from the perspective of other sectors. We hope the case studies

and best practice on talent management and succession planning will be a useful resource for higher education line managers and human resource experts in an increasingly competitive environment."

The study found that employers across a range of sectors wholeheartedly adopt a best-fit approach to talent management, as opposed to simply lifting and copying so-called best practice from elsewhere. So they start with the people issues that the business needs to address and align everything they do with that business context. They still pay close attention to talent pipelines and succession planning for executive and leading specialist roles and for some critical operational roles lower down the organisation.

Fulfilling work: What do older workers value about work and why?



This recent IES report for the Centre IES' recent report for the Centre for Ageing Better shows that many of the things that make work fulfilling for older people are universal.

They want work that is personally meaningful, flexible, accommodating, intellectually stimulating, sociable and age-inclusive. Older workers are more likely to stay in work if they think that it matters, that their employer supports them and that their needs are taken seriously. Professional and career development and informal and vocational training are also highly sought-after.

Therefore, principles for effective management of older workers are very similar to managing staff of any age. Nevertheless, some factors are particularly important:

- Access to flexible or reduced working hours, workplace adjustments, or part-time working to accommodate health needs or caring, as health has the biggest influence on their decision to remain in the labour market.
- Being part of an organisation with a vision, mission and values that they identify with.
- Responsibility and autonomy in their work over how, when and what kind of tasks they do (especially if they are high-skilled);
- Opportunities to pass knowledge via mentoring, coaching or managing others.

However, older workers are not a homogenous group. Health conditions and associated support needs are diverse, so effective workplace adjustments may look quite different for different workers. People in physical work may find automation helps them to manage workplace demands. Older women are particularly vulnerable to dropping out of the labour market if they receive relative lower pay, feel socially isolated or are subjected to sexism at work.

Download the report: <http://www.employment-studies.co.uk/publications>

However, there is increasing emphasis on sustaining active skill and career development for broader core professional groups. Professional expertise is hard to recruit in many occupations and sectors, and experienced professional employees are often targeted by other employers. These people are the backbone of expertise in the business, and they need to keep up-to-date and flexible to take businesses forward. We see a strong emphasis, for example, on the continuous development of the engineering workforce in Rolls-Royce, and finance professionals and consultants in PwC. The Civil Service is also strengthening professionalism in a range of occupations, alongside its well-established approaches to attracting and developing future leaders.

Management development remains high on the agenda but especially strengthening the skills of all first line managers for their crucial role in engaging and developing others. With an ageing workforce in many UK businesses and occupations, bringing in the right kinds of young people for the future in a wide range of occupations is now a much more explicit aspect of talent management. It is increasingly linked with creating a more diverse and inclusive workforce and organisational culture, to bring fresh thinking to business challenges. Recruitment, development and promotion practices are being used to challenge stereotypes more strongly and shift diversity at senior levels more rapidly.

Alongside this research for the Leadership Foundation, IES has also had an exciting opportunity to explore talent management and related topics in a series of four workshops run this year by the Universities and Colleges Employers Association (UCEA). UCEA represents the interests and views of UK HEIs as employers. The four well-attended and lively workshops addressed workforce planning under uncertainty; succession planning; attracting and retaining talent; and data analytics. All these aspects of people management are concerned with addressing changing business needs and using evidence to inform decisions about people.

Helen Fairfoul, Chief Executive of UCEA said *"The expertise of Wendy Hirsh and Peter Reilly across the range of HR practice, together with their understanding of the higher education sector, makes them*

ideal partners for UCEA. We are delighted to have worked with them in this last year to develop a new suite of programmes designed to help and support HR staff in our HE institutions in meeting really pertinent workforce challenges."

The workshops included the practical application of scenario planning, for example, in relation to how their institutional strategies for both students and staff may need to respond to Brexit. Academia is a very global business and employs significant numbers of non-UK EU nationals. The workshop on succession planning addressed some of the most difficult jobs to fill, for example, heads of department – a demanding role for which academics have not, in the past, felt well prepared. HEIs are also facing shortages of technicians who provide crucial support for both teaching and research, often requiring specialised skills. Many technicians are retiring, without an adequate pipeline to replace them.

The capability of line managers at all levels to identify and develop staff with potential to progress was another hot topic at the talent management event. HEIs still have some way to go in moving to a more tailored, experiential approach to development, especially in mid-career.

Data analytics, the subject of the final workshop, can offer many opportunities in universities to go beyond conventional HR dashboards and understand the connections between employee information (both factual and attitudinal), student data, and organisational outcomes.

In conclusion, HEIs operate in very competitive national and international markets for students, staff, and research funding. The old image of an ivory tower feels very far indeed from what IES has experienced in these recent projects with the higher education sector. Talent management – as elsewhere – is central to organisational survival and success.

Read *Talent Management: learning across sectors*, by Wendy Hirsh and Elaine Tyler, at www.lfhe.ac.uk/Hirsh5.8. For further information on talent management and succession planning please contact wendy.hirsh@employment-studies.co.uk. For workforce planning and analytics, please contact peter.reilly@employment-studies.co.uk.

Uncertainty for employers over impact of Brexit

Andrea Broughton, Principal Research Fellow

We live in times of high uncertainty and rapidly shifting sands. At the time of writing, all issues surrounding Brexit are more uncertain than ever, following the 8 June general election and the Conservatives' loss of an overall majority in the House of Commons. Although Article 50 of the Lisbon Treaty was triggered in March, starting the negotiation process that will ultimately lead to the UK's exit from the European Union, it is unclear how the talks will now proceed and whether a 'soft' Brexit may now be a more likely outcome.

The harder the terms, the more likely it is that the impact on UK businesses will vary, largely depending on the sector in which they operate: we can be pretty certain that some sectors are likely to be hit hard if there is a sharp fall in the level of available workers from other EU Member States. For example, the agricultural sector relies heavily on migrant labour, particularly in areas such as soft fruit picking and packing, where the availability of migrant labour has enabled this sector to grow. If seasonal workers no longer come to the UK in such numbers, employers are likely to start to struggle to replace them. Evidence given to the House of Commons in January 2017¹ indicates that it would be very difficult indeed to find UK workers to make up this shortfall, as they tend not to want travel to a different part of the UK to work and for them, the jobs on offer are relatively unattractive. This evidence also found that businesses in the hotels and restaurants sector are also likely to be significantly affected by a shortage of workers from other EU Member States. Many individuals from these countries tend to come to the UK to work for one or two years and are happy to work in bars and restaurants on a relatively short-term basis. As such, employers in this sector may struggle to find UK workers to take their place. Other sectors likely to be affected by a shortage of migrant labour from the EU are health and elder care and construction. A review by the Federation of Small Business² found:

- Over a quarter (29%) of small businesses reliant on mainly low-skilled workers reporting being unable

to meet their labour needs without their EU workers

- Over half (59%) of small businesses with EU workers are concerned about accessing people with the skills they need post-Brexit

One way of attracting UK workers would be to offer training in order to enhance skills levels and match them to the jobs on offer. However, this would require employers to commit to financial investment and time, which may be problematic, given additional costs such as the new requirement to automatically enrol employees in pension schemes. FSB research found that 43 per cent of smaller businesses said that the cost of training posed a barrier to investing.

Employers could invest more heavily in labour-saving technology, although this is expensive and takes time to develop (only one in ten FSB respondents would automate business processes previously completed by workers). Also, for some sectors, such as hospitality and some parts of agriculture, this is not an option, as labour will always be needed for most customer-facing jobs and specific roles, such as soft fruit picking or cleaning.

Many employers are wondering what Brexit will bring in terms of potential changes to employment conditions. The government stated relatively soon after the referendum result that it would draw up a Great Repeal Bill in order to transpose all EU legislation, including employment legislation, into UK law. However, there is speculation about what might happen in the years to come. Much will depend on the government in place at the time of

course, but it is generally thought that more unpopular pieces of legislation, such as the Working Time Regulations and the Agency Workers Regulations, may be vulnerable to amendment or repeal.

There is certainly a debate about the operation of the Agency Workers Regulations, which give agency workers the right to equal pay with user company workers after 12 weeks. The Working Time Regulations also impose restrictions in terms of the average hourly working week and give workers rights to paid holiday and rest breaks. Widespread use is made of the individual opt-out from the average 48-hour week, especially in sectors such as finance. Nevertheless, recent research by the CIPD and employment law firm Lewis Silkin³ has found that three quarters of respondents in its survey of 508 businesses said that the Agency Workers Regulations (75%) and the Working Time Regulations (74%) were necessary.

The Brexit referendum threw us into a period of deep uncertainty for employers, both in terms of their labour supply and the future legal regulation of employment, the election result has just made that even more the case.

1. <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2015/inquiry2/>

2. Peate A, Metcalfe A (2017), *A skilful exit: what small firms want from Brexit*, FSB

3. CIPD and Lewis Silkin (2017) *Employment regulation in the UK: burden or benefit?* Survey Report, CIPD

Mindfulness for strategic change



Download the infographic from:
<http://www.employment-studies.co.uk/resource/infographic-mindfulness-organisations>

This infographic outlines the top insights of the twenty mindfulness experts we gathered as part of the research for our recent mindfulness report.

Our recent HR Network paper builds on previous IES work on mindfulness, and draws on findings from research conducted alongside Cranfield University School of Management during 2015-16. It responds to the demand for more detail on how companies might implement mindfulness programmes, the results and the lessons learned.

The research included interviews with early-adopter organisations, reviews of existing research, and a knowledge-sharing event hosted by IES, where 20 leaders in the field pooled their knowledge.

The report gives details of how seven organisations have used mindfulness techniques in different contexts and formats, with a focus on their outcomes and experiences. It then considers the learning from those examples, offering guidance on aspects such as selling in the concept, which employees to target, use of language, and training delivery format.

Download the paper from:
www.employment-studies.co.uk/mindfulness-organisations

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Watch again: Are line managers damaging your employees' health?

Every day we hear stories about the damaging impact of stress at work and the challenges of stigma, sickness absence and so-called 'presenteeism' in modern workplaces. Of course, a great manager can provide empathy, support and practical advice for staff with health problems and can adapt their work or hours to help them stay in, or return to, work.

However, many of the health, performance and engagement problems which organisations experience can be put down, at least in part, to managers whose attitudes, behaviours and decisions might cause or exacerbate the problems of workplace stress.

In this webinar, aimed at HR professionals, Occupational Health specialists and line managers, Stephen Bevan, head of HR research development at IES, drew upon research evidence and case studies to consider topics such as:

- The 'duty of care' obligations on managers
- The causes of workplace ill-health which can be influenced by managers
- Empathy, emotional intelligence and random acts of kindness – why they are not signs of managerial weakness
- Job design and psychological health at work
- Looking after the health of managers.

Watch the recording of this webinar:
<http://www.employment-studies.co.uk/line-managers-webinar>

IES Perspectives on HR and forthcoming events



In acknowledgement of current turbulent times, our team has pulled together existing research and their own insights from working with organisations, to offer their reflections on how leaders and HR practitioners can successfully navigate the imminent challenges.

Most of these articles relate directly to events we are running, so make sure to also check out our events calendar. Events still to come this year include:

- Change management: Elixir or snake oil?
- Integrating mindfulness and compassion
- Workplace productivity: The human factor

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