

IES HR Retreat:

The Cost-of-Living Crisis:

- How should employers and HR leaders respond?

Dr Duncan Brown, Principal Associate

30th September 2022

The current crisis in a chart

- Price inflation 10.1%, Earnings rises 5.1%

=

- COL Crisis

Real average weekly earnings single-month annual growth rates in Great Britain, seasonally adjusted, and CPIH annual rate, January 2001 to June 2022

Figure 3: Inflation has been increasing in recent months, causing real pay growth rates to decrease

Real average weekly earnings single-month annual growth rates in Great Britain, seasonally adjusted, and CPIH annual rate, January 2001 to June 2022

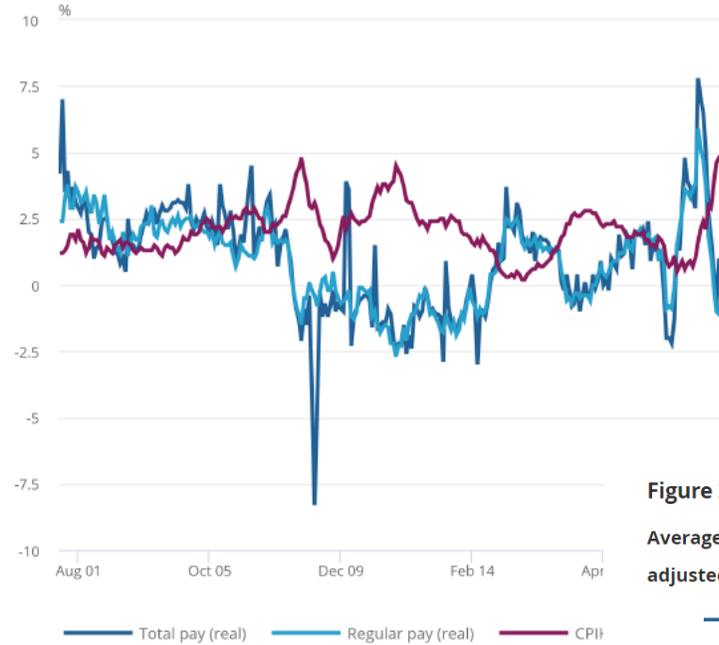


Figure 2: Both real total and regular pay fell on the year

Average weekly earnings annual growth rates in Great Britain, seasonally adjusted, January to March 2001 to May to July 2022



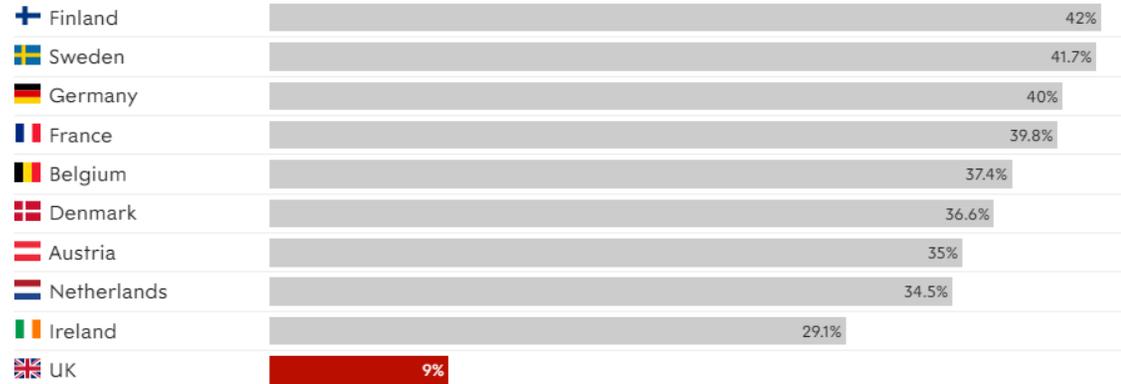
Source: Office for National Statistics - Monthly Wages and Salaries Survey

The crisis in two more sets of charts

- We are a low pay, high inequality economy

UK income has fallen significantly behind that of its rivals

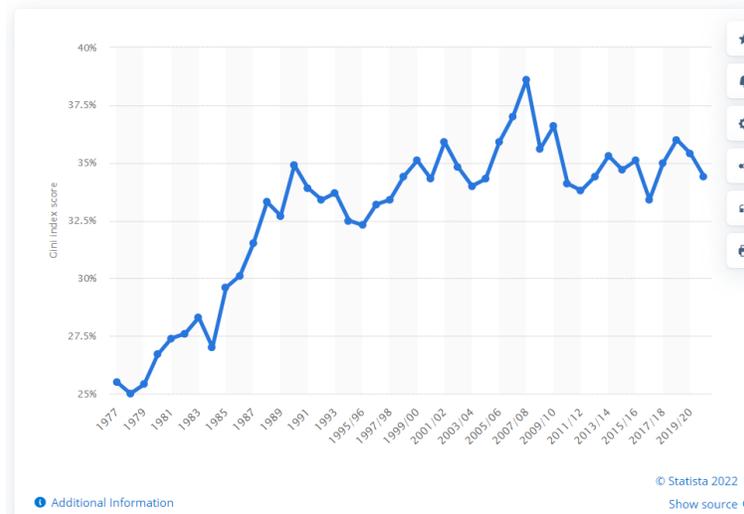
Change in median disposable income, adjusted for purchasing power, 2005-18 (%)



Source: Resolution Foundation

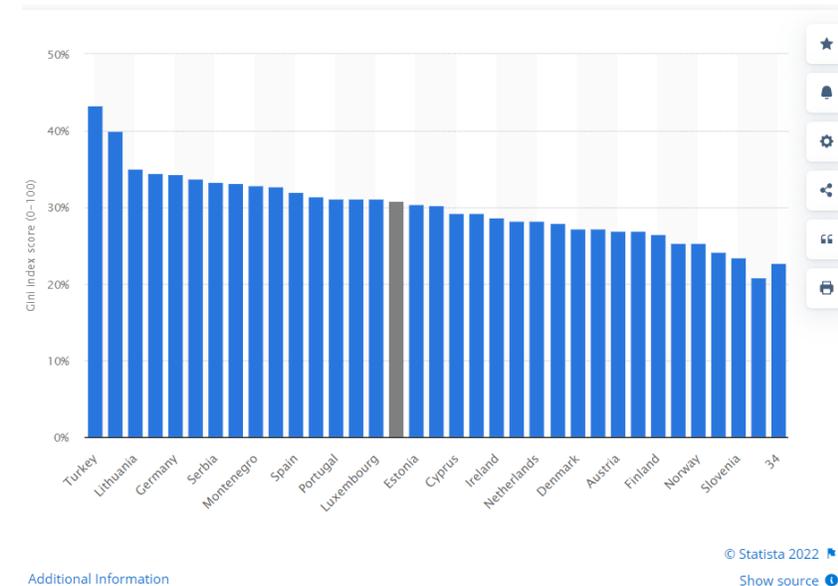
NEW STATESMAN

Gini coefficient of the United Kingdom from 1977 to 2021



Additional Information

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Show source



Additional Information

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The crisis in two more charts

- Vacancies and skills: We are a skills-short economy with supply/ skills shortages now evident across virtually all sectors and levels.

*'The vast majority are chronic and structural, pre-dating Covid-19'.
- REC, August 2022*

- Skills: We are a low skill economy, more like Portugal than Germany, employer training days still 2/3 below the level 25 years ago (Ewart Keep, Oxford, 2022).

Figure 1: The estimated number of vacancies fell on the quarter to 1,274,400

Number of vacancies in the UK, seasonally adjusted, May to July 2003 to May to July 2022

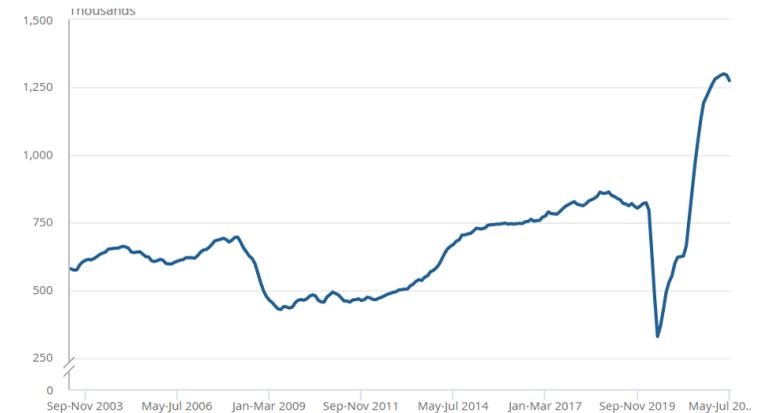
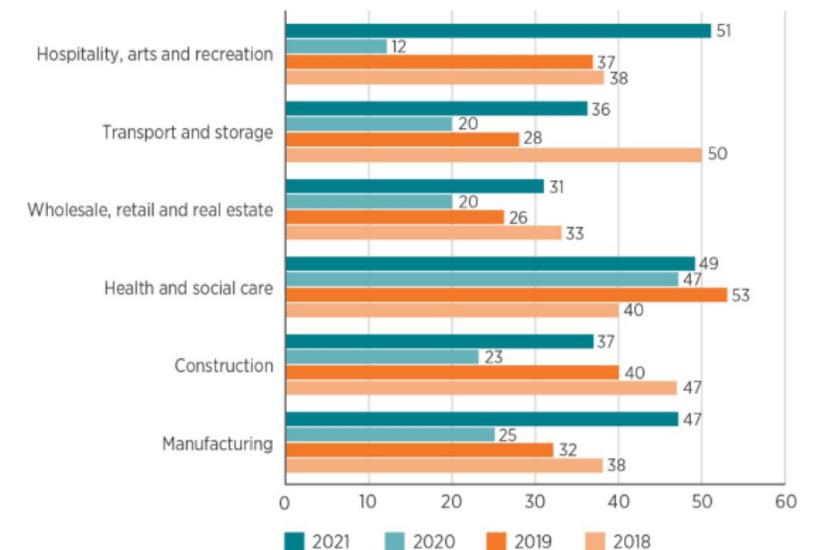


Figure 2: Proportion of organisations with hard-to-fill vacancies (%)



Source: Labour Market Outlook (CIPD)



Your employees are really suffering..

- 'LWF, 2022, survey of ,2000 of the 4.8 million workers earnings less than the real living wage:
 - 78% already experiencing worst ever financial situation
 - 56% had used foodbanks, two-thirds of these had increased frequency of usage.
 - 69% increased anxiety/stress/lower quality of life



Your employees are really suffering.. But how to respond?

- All employers face responsibilities – ‘clear duty’ Macmillan. Half employees believe it’s a workplace responsibility to improve financial wellbeing beyond legal obligations .

- How far to redress impact?

- Stagflationary effect vs suffering of low/medium paid?

- Who pays?

- Raising **key questions** for employers:

1. Whether or not to respond?

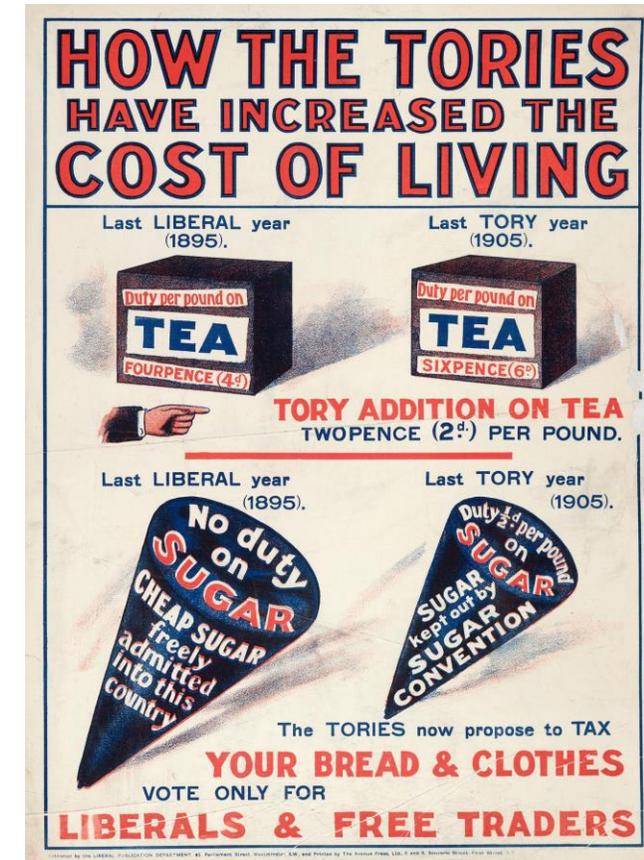
Minority until sudden rush for October

2. How to respond?

Follow the cycle

3. When to respond?

Asap, October likely peak



What is (an employer's) responsibility?

“We can be responsible for (the consequences of) an act only if an alternative act is permissible” – Hegel

“It is appropriate to respond to an agent with praise or blame on the basis of his actions” - Aristotle on moral responsibility

*“Workers seek to maximize their total utility of employment...their total net advantage will depend upon the agreeableness or dis-agreeableness of work, the difficulty and expense of learning, the responsibility, the possibilities of success or failure...compensating wage differentials”
Adam Smith, *The Wealth of Nations*, 1776*

*“Magnificent recreation grounds, a large concert hall with continuation schools, medical attention, works councils, pensions... Owing to this system of paternal employment, the factory workers have better conditions, more security and infinitely better chances of leading a decent and happy life...here is definite and enormous gain”. J B Priestley, after a visit to Cadbury's at Bourneville, from *An English Journey*, 1929*

Responsibility in Covid –

‘HR are true heroes, we just get on with it!’

- 2020 priorities:
 - Furloughing
 - Maintaining performance
 - Employee wellbeing
- Priorities in 2021
 - Employee wellbeing
 - Employee engagement
 - New ways of working/managing performance
 - Diversity, inclusion and fairness
- 2022 and beyond:
 - Permanent change?



- Who we are
- How we operate
- How we grow

Action?

Cost Of Living: Employers Aren't Doing Enough To Keep Up With The Cost Of Inflation, Say Employees Forced To Turn To Alternative Measures

LONDON, UK - July 08, 2022 — Nearly three quarters of Brits (71%) say they do not feel that their employer has adequately kept up with the cost of inflation, according to data from people analytics company Visier.

When asked how they plan to handle the rising cost of living in the next 12 months, over two in five Brits (43%) say that they feel they could be forced to find alternative ways of making money if their workplace does not do more to support them. Some employees said that they plan to hand in their notice at work to take on a new role offering a higher salary (17%) or increase their value with their own employer by showing them they could get a job somewhere else (14%).

<https://www.visier.com/press-release/reverse-retention/>

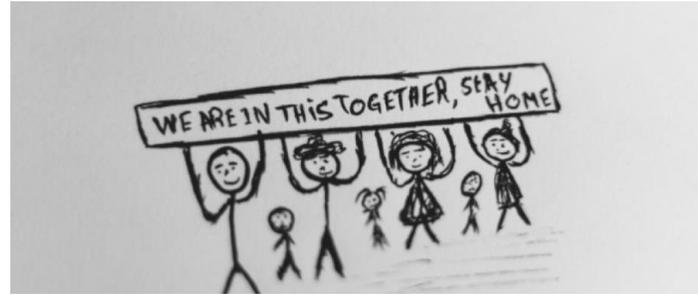
‘Despite ongoing pressures of talent shortages and realigning of employee priorities, many employers still aren't attuned to the needs of their workforce. In particular, only one in three large employers say they are prioritizing support for workers' financial health, according to the latest survey from the Institute for Corporate Productivity. 36% of business said their organizations are not investing in employees' financial wellbeing at all or only to a low extent.

HR Executive, 1.9.22

https://hrexecutive.com/employees-want-financial-help-why-arent-employers-providing-it/?oly_enc_id=6355J5987323E2K

What not to do: 'All in this together'?

*'All over our planet, we are all pulling together in a massive way to beat the health threat that has turned our world upside down'.
Bernard Looney, CEO, BP, 23.4.20*



- 36 FTSE 100 firms made temporary executive pay cuts – typically 20% - in 2020
- Almost all of these pay cuts had been restored by 2021
- 11 firms cancelled bonuses for executives, Almost no action on LTIPs, bar delay in grants
- Particular controversy where firms received government help.
- 19 companies in the FTSE 100 used JRS/furlough and/or the CCFF. Mean CEO total pay £3.23m.
- Some firms repaid furlough money, some didn't eg Foxtons annual CEO bonus of almost £400,000 to "reward hard work" in 2020 (£4.4m in furlough aid, £2.5m in business rates relief).
- Now average total rem back up 39% to over £4 million (HPC, 2022)
- JL executive team incl Sharon White, [donated bonuses](#) to the Red Cross this year and pay ratio policy.
- Top 1% of earners with a 5% cut, 9 million of low/ middle income workers could have wages boosted (HPC); weeks CEO pay could move 80 employees from NMW to RLW.
- Coverage of profit sharing and all employee share schemes remains low, though growth in EO.

What not to do: 'Total Rewards?'

'Total rewards' can only survive if its meaning and application are 'totally reborn' into a new, more pay-focused, engaging, responsible approach to pay and rewards management'. [DB, 24.4.20](#)

- Post the 2008 crash: was it really totally rewarding?
- Real incomes not passed until 2019; a cover for individualisation/casualization/cost cutting?
- Our [literature reviews \(2016\)](#) found:
 - 'confused terminology'
 - 'difficult to isolate and research',
 - 'complex and controversial relationships with performance and HR practices'.
 - 'for many employees 'total rewards' means a routine choice from a list of benefits options'.
- Now again, inconsistency at best, huge annoyance likely, between pushing a wonderful menu of total rewards at employees facing the tightest squeeze on living standards since records began in 1955
- [A & M](#), 'Total executive remuneration increased significantly 2020 -2021... the median increase was +37%
- What might replace it?
 - (Reward) Health and Wellbeing?
 - 'Boring benefits'?
 - Pay, progression and protection?

'There is something palpable about using the term as a generic branding—that is meant to summarize everything without almost saying anything - that's just not okay and very lacking in contemporary meaning or resonance... it's used too much. Everywhere. And ironically, never really explicitly defined.'



The relationship between total reward and employee engagement

Brown D, Callen A, Robinson D | NHS Employers | May 2016

In early 2016, NHS Employers commissioned the Institute for Employment Studies to conduct an evidence review in the areas of total reward and employee engagement. The review would look at the nature of any relationship between the two and whether there is a link to organisational performance.



This report contains our findings and it aims:

- to summarise existing research on the links between total reward and employee engagement
- to draw out the implications of our findings for employing organisations in the NHS in terms of how they can best leverage that relationship.



Great Pay

To reward and recognise the great work you do we offer a competitive pay rate.

Depending on location, Team Members can earn up to £11.40 per hour (after initial training), Baristas can earn up to £12.30 per hour and Leaders (supervisors) up to £12.70 per hour with Mystery Shopper bonus included, which has been increased from April to £1.25 per hour.

[Find out more](#)

<https://www.pret.co.uk/en-GB/pret-jobs>

Other benefits include...



Flexible Hours



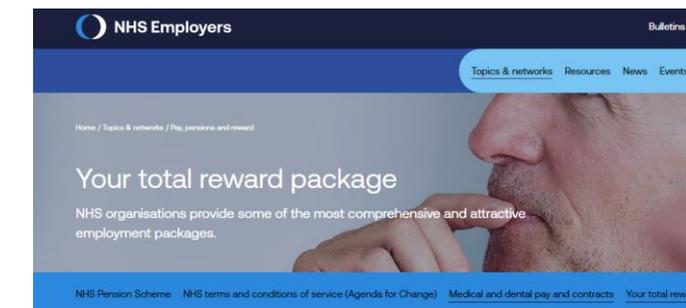
Free Food



Help to Grow



Social events





Action... but responding to what?

- **Partners&, 2022**, n=160 execs: 52% anticipate a significant increase in their employees facing financial difficulties, 32% small increase.
- Cost of living one-off payments:
 - 11% have made, 3% plan too, 19% considering.
- 25% can't afford such payments.
- **PWC, 2022**, n =250 HR/Reward profs: 83% are considering response to the cost of living challenge, most commonly a one-off payment
- 82% of respondents operated 2022 pay budgets of 1.5% - 4.5%
- 79% looking to reduce workforce costs, 97% improve productivity
- 85% report the main challenges are a lack of external supply.

The emerging cycles

Health crisis → unemployment crisis → supply crisis → cost of living crisis

Bit of FW, freebies → cash payments → pay awards → 

- Cash payments:
 - Bonus or fixed pay?
 - Early/more frequent reviews?
 - COL linkage?

'Handouts'? - or A (cost-of-living) 'bonus'?

- Initial focus emergency COL lump sum payments eg:
 - Virgin Money emergency COL payment of £1,000; Beazley insurance £3,000.
 - Often focused on lower paid – eg Virgin under £50k (80% workforce)
- 'When things have become difficult for colleagues, we'd like to encourage HR professionals to signpost their staff to us for additional support.... We can offer financial assistance to those who are eligible through ongoing or one-off payments or via a charitable loan.'
<https://www.theinsurancecharities.org.uk/get-involved/guidance-for-hr-teams/>
- Followed by spreading of these variable cash payments e.g.
 - Barratt Homes £1,000 'the rising cost of living is impacting on staff,' below senior management;
 - Rolls Royce pay deal 4% plus £2k
 - Serco £9 million to staff below management grades
- Adzuna : number of jobs advertised with bonuses x2 as 'employers seek to address staff shortages without adding to their fixed pay costs'
- But a mix of things: performance bonuses (banking), recruitment/ retention payments,(retail, travel), benevolent funds eg rail, emergency payments.
- Little change in base pay structures since 2020. The CIPD's Reward Management Survey found surprisingly little change in pay practices (<10%)



What are employers doing in response? Pay

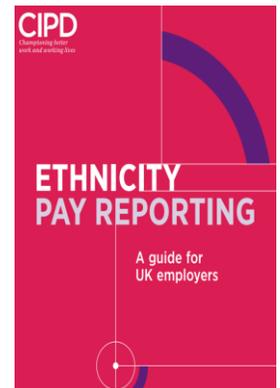
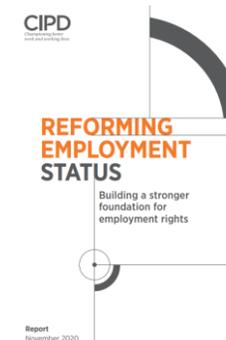
- As crisis intensifies, some evidence of switch from cash lump sum to base pay responses
 - Santander additional 4% pay award for those earning <£35k;
 - Nat West 4% interim 6-month base pay award for those < £32k; Visa 5% for all staff.
 - Aldi in July second award this year, 10% in total (they pay the real living wage)
 - BA check in staff +13% after Unite strike threat – also £1,000 sign on bonuses
- Base pay responses:
 - Interim base pay increases for all
 - Base pay increases skew for lower paid eg NHS flat £1,400, 9.3% band 1 jobs, 4% bands 6/ 7.
 - Earlier pay increases eg RLW increase early, Asda annual review 6 months early
 - Real living wage LWF accreditation – growth x2 during Covid being maintained
- But
 - Base pay award skewed to ‘hot’ skills (68%) high perfs (54%); retention risks (71%) (WTW, 2022)
 - Nearly half employers still not factoring price inflation into awards (Mercer)– big influences are affordability, organisation performance and market pay
 - Biggest pay increases are to already high paid staff in shortage areas
 - Some employers looking at Regional Data showing Northerners’ greater cost of living payments.

Action in future: the 'good chap' theory of HRM?

- Is P & O a one off?
- Taylor Good Work agenda dropped eg labour market enforcement, rights to flexible working, 'switching off'
- Employment status reform..

‘ While the government acknowledged that there are problems with the current system, including the fact that boundaries between the different statuses can be unclear, it concluded that the benefits of creating a new system are currently outweighed by the risks associated with legislative reform ... The government added that, while there could be benefits to better aligning the employment and tax frameworks, there was a lack of consensus on this issue and, therefore, it was not the right time to bring forward proposals to do so...’ (30 page response after 4 years)

- ...dropped in favour of separate guidance sheets on the three states (but 2 tax categories retained)
- Mandatory ethnicity pay gap reporting dropped, despite success for gender, new guide promised....



Back to the UK normal of 2018/19?

- A decade of declining real incomes for most of the workforce restarting
- c5 million working for less than a real living wage
- Over a million workers on ZHCs
- Self employed incomes halving over the past decade
- Top exec pay differentials increasing from 50x back up to 130x ave. earnings
- Sickness absence costing the economy £18bn, some of lowest SSP in OECD
- Sick pay back down and amongst lowest in OECD
- 40% of the workforce in 2018 unable to pay an unexpected bill of £500
- Majority of children in poverty living in working households
- A quarter of tribunal awards simply not paid and hundreds of thousands not receiving the benefits they are legally entitled to like the NMW
- Women and BAMEs suffering disproportionately from economic recession and significant gender and ethnicity pay gaps
- The 'Just-in-time' versus 'just-in-case' approach needed?

'A school in Lewisham told about a child "pretending to eat out of an empty lunchbox" because they did not qualify for free school meals and didn't want their friends to know there was no food at home.' Observer, 25.9.22

The emerging doing and thinking cycles (apologies to Rumi)

Bit of fin. advice, freebies → cash payments → pay awards →



Attention → Guilt → Action → Understanding →



What can we learn from past crises?

- Learning from the downturn (IES 476, 2010)
 - Avoiding redundancies: 10 common actions
 - Collaboration, 'shared destiny', 'one company'
 - Flexible working, maintaining comms and engagement
- Learning from lockdown (2021)
 - Importance of employee involvement
 - Evidence-based and piloting/experimenting
 - Inflexible flexible working continues
 - Evolve

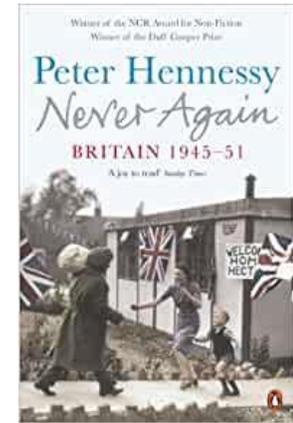
Learning from the downturn:
Key messages from an employer perspective

Catherine Chubb
Peter Reilly
Tom Usher



Some future (crisis) priorities for HR

1. Voice
2. People strategies and workforce plans
3. Health and wellbeing: the 'benefits renaissance'
4. Fairness



If the COVID-19 pandemic has taught us anything, it's that business is all about people. The virus has destroyed lives, jobs and industries; the lockdown has transformed the way we work, communicate, learn and innovate . . . Matters of leadership, workforce engagement, productivity and skills are suddenly at the centre of organisations' strategy formulations.' – IBM Report (2021), 'How HR Leaders are Rewriting the Rules of Work in a Pandemic'

1. Voice

‘During the pandemic calls for a shift away from shareholder primacy towards more responsible, long-term stakeholder-oriented business models have become mainstream...the concept of employee voice has been recognised as the right starting point for employers to consider what works best’ Mike Emmott, IPA

- The EHRC’s research shows that openness and transparency correlate with perceptions of fairness.
- In IES’s values research *the ‘evidence supported a combination of top-down and bottom-up approaches (in) . . . effectively communicating and embedding values’.*
- Some evidence of employers consulting homeworkers more during the pandemic – pulse surveys, etc
- The [latest research report by the IPA](#) on the impact of the 2018 corporate governance reforms:

‘It is disappointing so many FTSE 350 annual reports downplay the importance of workforce engagement, relegating it to boilerplate language in a formulaic table...widespread, continued resistance and skepticism’.

- Kings College (2021)- all forms of flexible working bar homeworking declined during the pandemic, *‘narrowly defined and inflexible options’, unsupportive cultures, ill-informed managers leading to poor implementation and ‘a common failure to consult individual parents on policies or practice’.*

‘Parents want to see lasting changes after the pandemic, including more creative thinking, a gender-inclusive approach, trust & understanding from employers, strengthening employee voice’.

- PwC, who offer almost complete choice on location believe, ‘It’s about meeting people where they are’.
- There has been growth in profit sharing, all employee share plans and employee ownership.

Our IES EFW model: key is to ask

Figure 1 Supporting employee financial wellbeing



Source: CIPD, 2017, with the permission of the publisher, the Chartered Institute of Personnel and Development, London (www.cipd.co.uk).



https://www.fincap.org.uk/en/evidence_hub

https://www.employment-studies.co.uk/publications?search=financial+wellbeing&search_resources=1#results

2. People strategies and workforce plans

- *'The pandemic has highlighted the traditional, reactive, 'muddling through', 'sector-convoy' approach to HR cannot withstand the pressures of a major crisis. Policy responses need to be co-ordinated and aligned . The case for investing in your people, the risks of cost-minimization... brutally highlighted'. IES, 06.21*
- 'You need a strategy to define how your people investment can best develop and sustain an engaged, healthy, productive workforce'. IES, 06.20.
- HR strategies have morphed into people strategies:
 - Direction over detail
 - Opportunistic as well as planned
 - Values/purpose plus evidence & targets.
- 'We found it is a genuinely people-named-and-focused approach, characterised by: *in-depth labour supply and workforce planning, sustained training investment; combined with a genuinely employee empowering and wellbeing-focused, 'living-our-values' set of practices, to produce significant gains in employee loyalty, engagement & performance'.*
- Includes a workforce plan: key job/skill requirements + supply for 3 – 5 years.
 - Do employment market studies as well as market pay surveys.
 - [CIPD guides workforce planning](#) .
- Get a reward strategy
- Think about a retention policy

'Stop dithering start planning',
Wendy Hirsh, IES, 2020

'According to railway engineering expert [Gareth Dennis](#) 'large-scale cancellations by Avanti owe more to a dysfunctional (staffing) model than unofficial strike action'. Apparently cost-driven staffing models have been so tight that 20% of services were being staffed by drivers voluntarily on overtime.'

A strategic rewards review

‘How can we create a more equitable, collective, compassionate approach to reward and people management more generally after this Crisis?’

Four fundamental questions:

1. What are our reward principles, goals, values and success criteria?
2. How well are our current reward policies and practices delivering on these principles?
3. What reward changes have the potential to improve the delivery of the principles?
4. What has changed, what have we learned from perma- crisis?

Set success criteria - the reward principles most common in employer reward strategies:

1. being business-aligned and **reinforcing the goals and values** of the organisation;
2. maintaining competitiveness, so as to **enable the recruitment and retention** of staff;
3. meeting the diverse needs of employees, so as to **motivate and engage them**;
4. **being fair and consistent in how all employees are treated**, with an appropriate distribution of rewards and maximum levels of reward transparency;
5. **reinforcing the collective identity/performance/contribution of the employer**, the teams and individuals within it;
6. **providing an appropriate degree of workforce security, health and wellbeing**, *reward with compassion*.

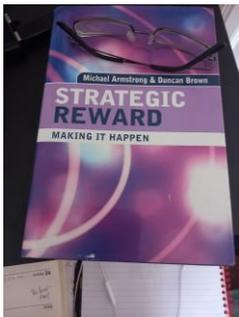
Issues raised by COL crisis:

- What does fairness mean for us?
- Are our rewards really market and performance-related, should they really be our core principles?
- Are we morally and ethically prepared to employ people on less than they can afford to live on?
- What responsibility do we have, to protect/increase peoples' standard of living and in their retirement, in return for their commitment to us?

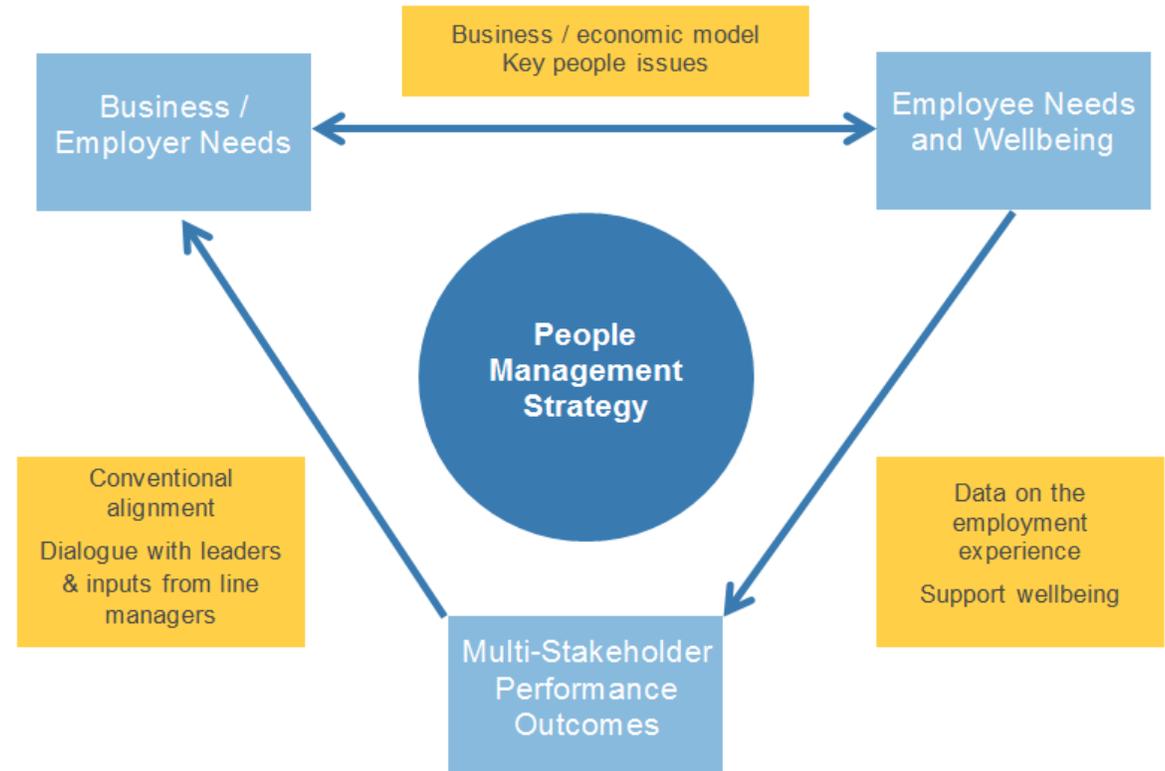
Rewards after the Pandemic

A Charter for reviewing & renewing your reward strategy

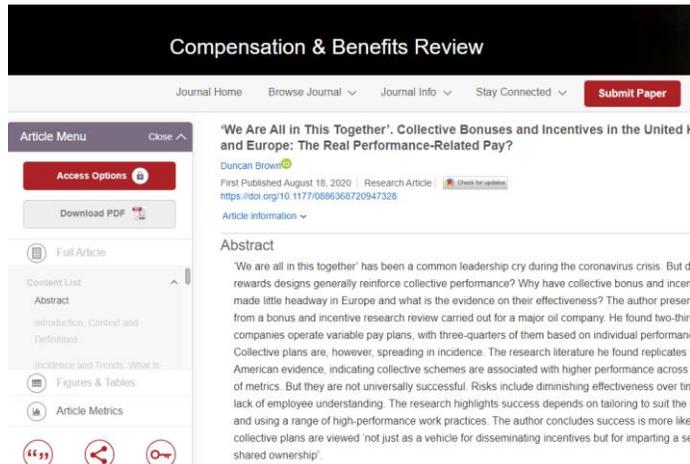
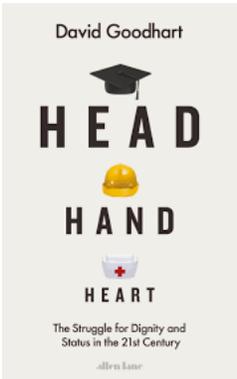
By Dr Duncan Brown



3. People and their wellbeing are key to leveraging performance outcomes (Peccei et al, 2013)



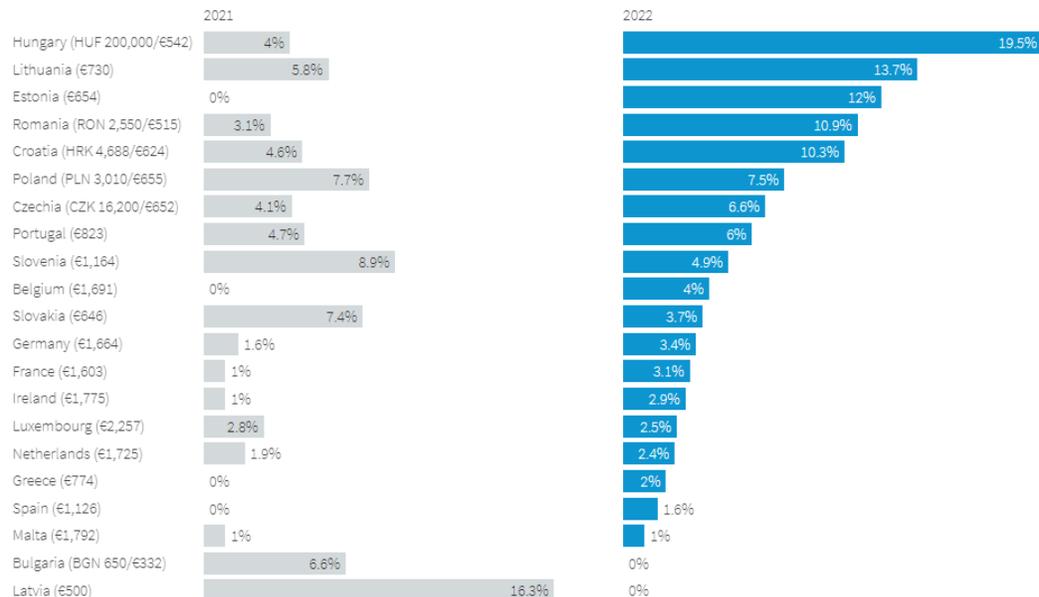
4. Fairness



- Fair pay through job evaluation and a common pay structure. Charters?
- why exclude/isolate execs?
- too much emphasis on ‘head’ over ‘hands’ and ‘hearts’?
- Low pay: Pay and career progression opportunities for all, internal emphasis to talent management, permanent contracts, no hire/fire
- High pay:
 - The end of LTIPs?
 - Future model: competitive base pay, collective bonus, shares
- Collective gainshare and profit-sharing plans: why so few?
- Employee Owned Trust – up from 550 in 2020 to 800 companies

“Covid coming straight after we had abandoned the private sale process was in some ways cathartic.. a real eureka moment... We realised these people who had enabled us to do so well up to that point we considered as employees were in fact much more like our family.”
 Founders of Go Ape FT, 7.2.22

Figure 1: Rates of increase in nominal statutory minimum wages for 2021 and 2022, EU Member States, in national currency and with percentage increases



FAIR PAY IN SHELL



At Shell we power lives and livelihoods by contributing to a diverse and inclusive society. We hire people from many different backgrounds and pay is an important part of the employee experience. We commit to deliver fair and competitive pay, so that all of our employees* are valued, respected and recognised for the work that they do.

Pay in Shell is...

Market Competitive

To attract and retain great talent we ensure that our pay is positioned competitively

- We pay competitively. We check our pay regularly against the market to ensure this.

Free from bias

In line with our Group core values and Diversity & Inclusion standards

- We will not pay differently due to gender, ethnicity or other characteristics.
- We limit the opportunity for bias through:
 - Internal processes to ensure consistent treatment e.g. job evaluation, pay structures.
 - Line leader and HR training for key activities such as recruitment, performance calibration etc.
 - A standard, automated approach for salary increase and bonus.
 - Regular equal pay audits.

Providing security

For the essential care and wellbeing of our employees and their families

- We provide a regular income through a base salary.
- To provide employees with peace of mind, we have the minimum global benefits standards in place for life/accident/disability cover, and maternity.
- We expect that our employees can meet their basic needs through the pay and benefits that we provide. We check living wage benchmarks to confirm this.

For our employees we commit to...

Clear performance expectations

We reward competitively for strong delivery, and offer higher rewards for top performers

- Our line leaders agree an employee's individual goals to help them succeed in their role.
- Annual pay and bonuses will be differentiated according to company delivery and individual contribution and performance.

Opportunity to share in success

Leading in our industry relies on the power of each of us to outperform our competition, and for that, we can all share in success.

- When the company performs well, our employees financially benefit through:
 - A competitive Performance Bonus, linked to individual and business performance.
 - Where available, participation in employee share plan arrangements.
- Since our senior employees are accountable for leading the delivery of Shell's strategic priorities, a large proportion of their pay is variable and dependant on that success.

Transparency and accuracy

Access to information and clear communication of pay outcomes

- We assure timely delivery of pay and monitor payroll accuracy.
- Information can be accessed on Directors' Remuneration and CEO Pay Ratio in [Shell's Annual Report](#).
- Our employees have the opportunity to share their thoughts on pay in Shell through the annual employee engagement survey.

"My pay is set in line with my skills/job level and the local country pay market"

"My line manager helped me to understand how bias is mitigated during performance calibration"

"Shell's global maternity standard enabled me to take paid leave to spend more time with my new family"

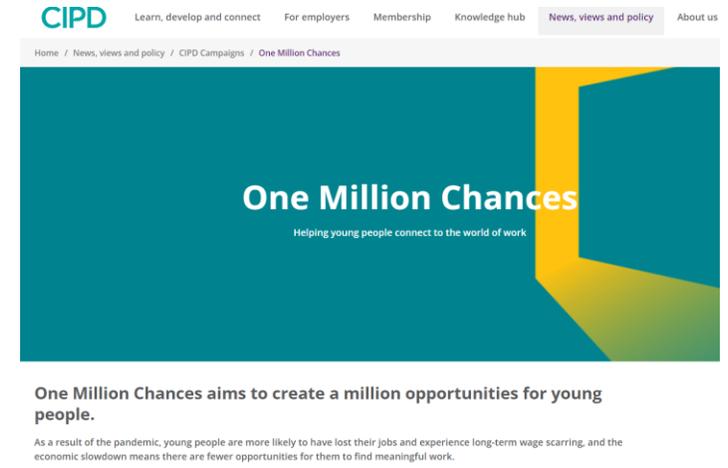
"My line leader and I agreed clear goals and for my delivery I received a competitive bonus"

"Each year I have a competitive bonus opportunity that is linked to group business results"

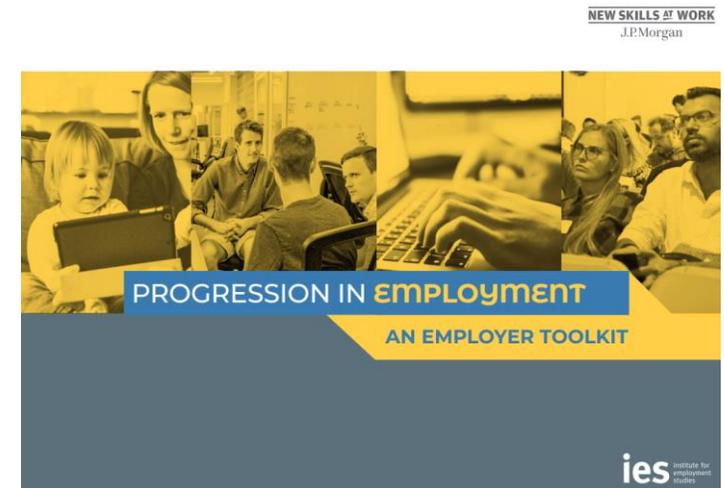
"I receive an annual reward statement and have access to Shell's pay policies to help me understand how my pay

Pay for Skills Progression and 'growing your own'.

- We need to boost reskilling/upskilling to address shortages
- The pandemic highlights the importance of investing in lower paid workers in particular, with many people shocked at keyworkers rates of pay/insecurity'.
- REBA (2021): 63% say improving fairness and inclusivity 'key HR priority'.
- Trend to offering pay and career progression opportunities to lower paid .
- Our IES research found employers taking actions on low-pay workers.
 - Redesign of jobs to facilitate progression of pt workers into supervisory roles;
 - Structured career paths, career pathway mapping, competency building;
 - Contracted minimum hours to address costly turnover;
 - Regular career conversations, development of line management capability.
- Results – lower turnover/recruitment costs; higher quality; employer brand.



'We took the decision early in the pandemic to provide security through goodwill payments to our casual staff . Now fans are able to return we have reviewed hourly salaries to make sure there is a minimum £10 across the board and training and opportunities for everyone.' Manchester United COO Collette Roche



Employer responses to COL : Lessons so far

'The survey shows responses to skill shortages explains by far the majority of what employers are actually doing. They are more comfortable and used to handling this, it's just on a broader basis and responses are in line with their traditional market and performance driven philosophies, even though these have largely failed from every angle - employee engagement, employer productivity, human capital investment, social mobility . That also means they can avoid confronting their moral and ethical position which the COL issues force them to do.

Liz Truss's announcement on energy I suspect will mean many employers who were being forced to consider acting can now breathe a sigh of relief and have their excuse to step back from doing anything and continue to act in line with their traditional failed policies and beliefs.'

- The lowest- cost employment model isn't dead (unfortunately)
- Financial wellbeing benefits can have a major if indirect impact, but investing in their communications is at least as important as the product
- Bonuses don't compensate for inadequate pay and irregular hours/earnings
- You have to be able to afford it... but that's often a weak excuse
- More is more: cash lump sums under £1,000 very limited impact eg social care
- Pay critical: why are we having to make emergency awards and support, what does this say about 'normal' rewards?
- Links of higher pay to change and higher productivity have worked in some settings eg John Lewis, but worsened ER in others eg rail and Royal Mail
- Need to evolve from short-term crisis-response to a more holistic and planned, longer-term approach

Some more interesting actions

- Play *March of the Hebrew Slaves* at your next board or rem co meeting
- Remember the 'Human' (beings) in your title
- By all means, respond to the immediate crisis in ways that best fit your workforce's needs and company culture
- (and by the way, do you know your workforces financial wellbeing/state? See IES free survey tool for the MAS)
- Pay bonuses, beef up your EAP and improve financial education
- Get a workforce plan and reward strategy
- Pay all employees as much as you can afford rather than as little as you can legally get away with
- Get into profit share and share ownership and equivalents
- Try first come, first served recruitment
- Provide all your employees with pay and career progression opps
- Investing in people pays off for all your stakeholders
- Be good and kind

Some Final Questions

- What are your feelings about the context over the next 12 months - Is there strong momentum to permanently change, to improve productivity and the employee experience?
- What is HR's role in responding to the COL crisis and the stresses and challenges it represents for the workforce?
- What does government need to do, what should employers be doing?
- Are the responses in your organisation 'top-down' or more from 'the bottom up and middle out?' Which are more effective?



- 'No! one way or another it would have to come to an end, either quietly by laws, by an understanding in good fellowship, or like savages by burning everything and devouring one another. Even if they never saw it, their children would certainly see it, for the century could not come to an end without another revolution, that of the workers this time, a general hustling which would cleanse society from top to bottom and rebuild it with more cleanliness and justice.' — **Émile Zola**, [Germinal](#)
- '*Businesses have a once-in-a-lifetime chance to change the world of work*' Prof Lynda Grattan, LBS, 3.11.21
- '*With traditional practices, budgets and controls still disrupted by the Crisis, if ever there was a time to experiment to create happier, healthier and fairer workplaces, that time is NOW!*' [Nita Clarke](#)
- "We shouldn't be daunted by the challenges we face," she insisted, adding: "We can ride out the storm, we can rebuild our economy and we can become the modern, brilliant Britain that I know we can be." - Bloomberg on the new PM's maiden speech 7.9.22

"It's easy to blame the pandemic or Brexit . . . but the industry is experiencing staff shortages that are partly self-inflicted," Christian Kaberg, managing director of the St Pancras Hotel Group. "As an industry and an employer, we need to start doing the right things — and one of them is paying people properly." FT 22.9.22

