

Brexit the key challenge for HR, but flexible working seen as biggest opportunity

As part of our national programme of employment law seminars, we surveyed the HR professionals and in-house lawyers who attended about the biggest challenges facing HR in the next 12 months and the greatest opportunities for HR in the coming years.

Brexit the biggest challenge

Unsurprisingly, Brexit and immigration came out as the biggest challenge (19.4% of all responses). Hot on the heels were recruitment and retention and skills gap (10.4 and 9.3% respectively).

Putting together the top three challenges shows just how concerned HR is that Brexit could lead to a shortage of labour, increasing the problems caused by the skills gap and intensifying the war for talent.

As our survey confirms, this is a challenge that applies across sector and regardless of employer size.

This concern will only be fed by recent events. Official statistics reveal the number of EU-born workers in the UK fell by 50,000 between October and December to 2.3 million. There are also reports indicating EU staff may be deciding to leave the UK. For example, a study of lecturers and professors by UCU reported that up to 75 per cent said they are more likely to leave the UK following the vote to leave the EU.

With the construction industry concerned that the potential loss of up to 8 per cent of their workforce could put key projects like HS2 at risk and with record numbers of nurses from the EU leaving the NHS, how the next government balances the shortage of labour with the voiced desire to restrict movement of people will be fundamental to the performance and success of many UK workplaces. A clear Brexit plan is also vital for HR teams in organisations employing material numbers of EU born nationals.

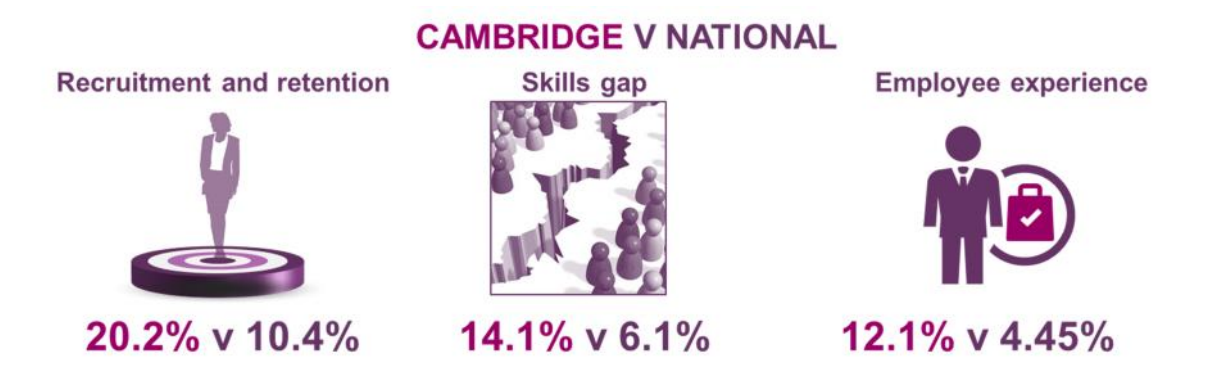
The top 5 challenges...



But Cambridge bucks the trend

Of our six offices, only those responding to the survey at our event in Cambridge did not rank Brexit as their biggest challenge. The top three challenges from those surveyed in Cambridge were recruitment and retention (20.2%), skills gap (14.1%) and employee experience (12.1%).

Commenting on this, Andrew Secker, employment specialist said “The emergence of the concept of employee experience, what happens when an employee interacts with your organisation, should be top of the to-do list for those working in Cambridge. The shortage of talent to work in tech and pharma businesses means the environment and culture of an organisation is how you attract and retain the best talent in a competitive market.”



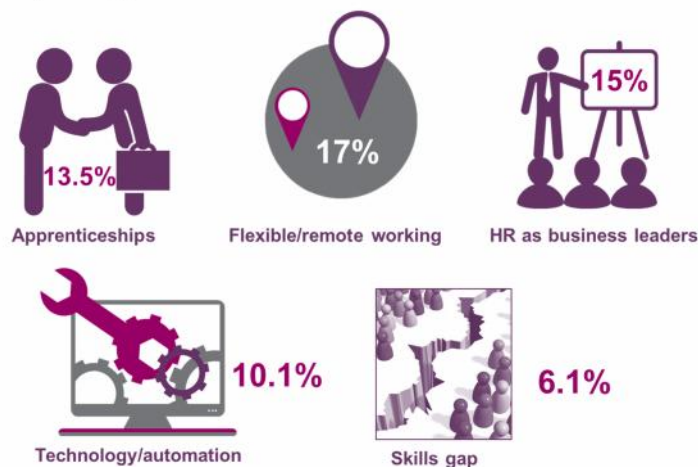
Flexible working is key opportunity

The biggest opportunities according to HR make for interesting reading. Andrew Secker said “Many of the biggest challenges currently within the UK workplace – including how organisations react to automation and adopt technology which is changing the way we work and traditional models of employment – fall within the remit of HR. Our survey highlights that HR is acutely aware now is the time for it to play a greater role in delivering business leadership and strategy.”

Top of the list nationally was flexible/remote working, with this representing 17 per cent of responses. This reflects that flexible working has the potential to help solve many of the challenges in our workplaces. Whether it is looking at means to boost productivity rather than presentism, reducing office overheads or addressing concerns about work life balance, meeting the much talked about needs/demands of the Millennials or helping reduce gender pay inequality, flexible working in its various guises and to differing levels has a role to play.

Andrew Secker said “Smart phones killed the concept of 9 to 5 in many workplaces. It’s time we accept work is changing and embrace flexible working rather than viewing it suspiciously.”

The top 5 opportunities...



HR positive about apprenticeships despite the levy

Despite the concerns and criticisms raised after the government announced the introduction of the apprenticeship levy, it appears HR remains positive about apprenticeships. This was ranked nationally as the third biggest opportunity (13.5%).

The figure was higher amongst organisations with between 51-500 staff and from those surveyed at our event in Norwich, both of whom ranked apprenticeships as the biggest opportunity. Apprenticeships were also seen positively within sectors not usually associated with this, notably Health and Education, highlighting the resurgence of apprenticeships as a career pathway.

Undoubtedly, major concerns about the apprenticeship levy and the framework around apprenticeships remain. However, the survey suggests apprenticeships will play a part in the long term solution to both our skills gap and the productivity gap (with reports indicating the UK per hour productivity is still lower than France, Germany and the US), which should be good news for the newly created Institute of Apprenticeships.

Our survey could also represent a lack of confidence in past government efforts to address the skills gap. It remains to be seen if increase in investment in technical education for those aged 16-19 trailed in the government's consultation paper about future industrial strategy will deliver employees with the skills and personal attributes needed, at least in the near future.

Technology and automation embraced but less positivity on gender pay

AI and autonomous vehicles is on the cusp of radically changing work in terms of what roles human do and how, when and where we do work. Every sales rep currently driving to see customers could soon find themselves tasked to undertake work whilst they are being piloted to the next meeting.



Despite this coming revolution, HR see the use of technology and automation as an opportunity, not a challenge. This was more so in Construction and Food and Beverage, for who this was the top opportunity, which is consistent with how both sectors have been embracing technology more widely.

In contrast to attitudes about apprenticeships, the introduction of mandatory gender pay reporting has not caused HR to be more optimistic about the opportunity of eliminating pay inequality.

Nationally only 2.8% saw gender pay as an opportunity. Those surveyed at our London event saw things differently, with gender pay ranked as its second biggest opportunity.

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Flexible/remote working



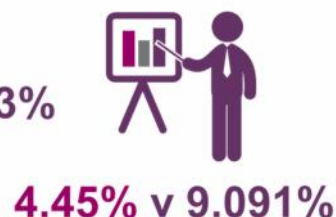
Changing world of work



Gender pay



HR analytics



The survey should not be taken to mean resolving the gender pay gap is off HR's radar or has any less importance. Rather, it reflects that eliminating the pay gap will require long term measures from the government, employees and employers to resolve, so there is not necessarily a quick fix.

The survey was conducted by Mills & Reeve at events held between February and March 2017.



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