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Insight

Pathway to a fairer future - the Equality Bill explained

In June the Equalities Minister, Harriet Harman, set out the Government's 'landmark' move to end discrimination with the launch of the Equality Bill white paper. Referred to by the Cabinet Office as "positive action" rather than "positive discrimination", the Bill sets out to make it easier for women to demand equal pay and reduces discriminatory practices in the workplace. At Insight we have been studying the proposed Bill carefully to find out what this "positive action" actually means to employers.

So what has been announced?

This single Bill will replace the 116 different pieces of equality legislation currently in force across England, Wales and Scotland. Yet the Bill represents more than simply legislative housekeeping. It aims to tackle the pay gap between men and women and broaden the scope of current discrimination legislation.

How will "positive action" work?

Employers will get the right to address under-representation within the organisation. Under the Bill, employers will be able to favour

female and ethnic minority candidates over white male candidates when they are equally qualified for the job. This has led to cries of "positive discrimination" from segments of business and society.

OK, let's get to the bottom of this. Does this mean the CVs of white men will be chucked on to the reject pile by the Bill? Given two equal candidates, an employer may select on the basis of gender or ethnicity to rectify some existing imbalance. A male teacher might be good news for boys in an all-woman primary school, a black police officer an asset in an Afro-Caribbean neighbourhood. Contrary to much misleading reporting the selection under the Bill will be entirely missive, rather than compulsory.

The pay gap

Over 30 years after equal pay legislation was introduced, there are grow-

ing concerns that the gender gap in relation to pay between men and women is continuing to show inequality. Official figures show that for every pound a man earns, a woman still earns just 87 pence. Many contracts include clauses that prevent colleagues discussing what they earn - these will be outlawed by the new Bill. The Bill will also encourage employers to disclose information about workers' salaries. Public sector organisations and private sector firms with contracts in the public sector will be forced to publish equal pay audits.

Insight encourages any organisation that has not conducted an equal pay review recently, or feels that they would benefit from an independent third party review, to liaise with us to consider what may be necessary as part of an overall review of remuneration strategy.

For further information or advice about the Equality Bill or more specifically on Equal Pay, please contact Insight on 01403 892910.



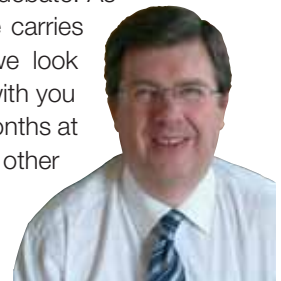
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Autumn 2008

The world of HR is challenging at best, but with new legislative changes on the horizon and regular case law, practitioners are having to think clearly and innovatively to address many typical issues. Within this edition we look at some current matters alongside intentionally thought provoking themes that should help create debate. As always our website carries much more and we look forward to talking with you over the coming months at conferences and other events.

Richard Purchase
Chief Executive





Labour Market Outlook

A sharp rise in expected redundancies will hit the UK jobs market hard, a recent survey has revealed. The CIPD Labour Market Outlook (LMO) survey shows that almost two in five (38%) companies intend to make some employees redundant this quarter - a sharp increase on the autumn 2007 LMO survey figure of 17%. This is the highest figure for redundancy intentions since the LMO survey began in 2004.

Redundancy intentions are highest in the East Midlands (47%), the West Midlands (45%) and the South-West of England (45%). The least affected areas are Scotland (33%), Wales (35%) and Northern Ireland (36%). Redundancy intentions in England are lowest in Yorkshire and Humberside (34%).

Redundancy intentions have increased in all sectors since the autumn 2007 survey and are strongest in the public services, where almost half (48%) of employers surveyed expect to make at least some staff redundant this quarter. The main difference is circumstances between the sectors; private sector employers are facing a mix of tougher trading conditions and higher costs, and employers in the public sector are being required to make further efficiency savings and cope with tighter budgets.

Therefore, it is inevitable that some companies will announce redundancy plans in 2008, however all companies need to ensure that looking to reduce their head count is the last option.

If an employee puts in a claim to a tribunal, they will expect to see a sound detailed business rationale as to the process that led to this decision. All too often companies don't consider all their other options, and since the consultation process exists to consider any alternatives to avoid redundancies then companies should do just that.

Insight are often presented with questions from clients about what these options are, if redundancies are needed to ensure that the business remains a going concern, we often find, through the work we do with companies, that many companies have already gone through a checklist of options without even realising.

The consultation must take place with the elected representatives/individuals and must include consultation about ways of avoiding the dismissals, reducing the number of employees to be dismissed and mitigating the consequences of the dismissal (Trade Union and Labour Relations (Consolidation) Act 1992, section 188(2)). Failure to do so could result in a complaint being presented to an employment tribunal.

Think creatively, ask yourself what amount of money needs to be saved, and what different options could meet this need.

Insight Checklist – Measures to consider

- Reducing staff hours
- Reducing/stopping overtime
- Changes to shift patterns
- Reducing pay
- Ending agency staff contracts/casual staff/contractors

- Reviewing staff who are absent on long term sickness absence and seeking GP advice/support to get employees back to work and cut down any sickness payments
- Reviewing staff who are not performing and putting in performance improvement plans
- Reducing budgets across all areas
- Recruitment/promotion freeze
- Workforce planning to determine natural wastage
- Consideration to redeploy staff within the company
- Early retirement
- Voluntary redundancy

Short term measures

- Lay off
- Working extra days without pay
- Reduction in pay for a temporary period
- Job share for a temporary period

Of course, as with any change management process this is just the starting point, Insight can guide you through the minefield, help assess and minimise risks and ensure a positive employee relations outcome.

21% increase in companies intending to make redundancies since Autumn 2007

Within the 38% of employers surveyed who expect to make some staff redundant, a quarter indicated that at least ten staff will lose their jobs. Thirty-seven per cent expect to make fewer than ten roles redundant, with the remainder uncertain of the numbers likely to be involved.

Social Housing Board Payments lead to Improved Business Performance

Fifty-nine percent of English Housing Associations who pay Board Members believe that their decision to do so has resulted in improved Board performance. This is one of the key findings of our fifth annual survey on Board Members' pay. Despite a continued steady growth in the number of organisations which have introduced payments during the last 12 months, and in those still contemplating paying Board Members, there is still scepticism amongst those RSLs and ALMOs who do not pay as to whether it will produce benefits. Whilst paying organisations claim to have reaped benefits, those who do not pay are much less convinced about the potential for improvements in Board performance.

The greatest improvement in Board performance noted by the survey was the attraction of new Board Members with enhanced skill sets, closely followed by improved performance management and the greater ability of their Boards to drive and change strategic vision. However, only a fifth of non paying RSLs and 35% of ALMOs who responded believe that making payments would improve the performance of the Board.

Our annual survey also looked at the reasons why organisations do not make payments, which organisations are more likely to make payments and produced detailed research on

the level of payments being made to Board Members throughout England. This year's survey, produced from a sample of 199 organisations, shows that the national average of payment for a Group Chair is £10,592, a Non Group Chair £7,805, a Group Vice Chair £5,804, the Chair of a Subsidiary Board £6,660, the Chair of a Specific Committee £5,042, Individual Group Board Members £3,585 and Individual Subsidiary Board Members £2,728. As these are average figures it is accepted that the larger groups do pay more as allowed for under the guidance from the Housing Corporation. A Group Chair in London is paid 17% more than the national average and Non Group Chairs are paid significantly more than their counterparts in the rest of the country.

Research for the survey was carried out within the last 4 months and questionnaires were sent to 950 RSLs and ALMOs with approximately 21% responding, an increase of 1% on last year's survey. Of the 199 respondents, 124 were a non-group structure, 64 were with a group and 11 did not specify. Responses were received from a range of housing associations with an overall representation from both small and large organisations. Forty-seven percent of responses were from organisations with less than 2500 units in management and 37% were from organisations with over 2500

units in management.

You can obtain a copy of the survey report by contacting Insight directly on 01403 892910 or alternatively download a copy from our website www.insight-hr.co.uk



Download your copy now
www.insight-hr.co.uk



Corporate Social Responsibility – the HR Agenda

Corporate Social Responsibility (CSR) is arguably the buzz-term of the decade in the business environment. But what is it all about, why is it important and, more to the point, what does it mean for HR?

CSR covers every aspect of corporate governance and, in particular, the ethical aspect of how companies conduct their business. In an age where global communications have opened up the world to scrutiny, people have become increasingly more aware of the environmental, social and economical impact of their actions. This is also true at the level of governments and large corporations and indications of this increased awareness can be seen in the setting up of initiatives designed to improve and protect the environment and to increase social responsibility, such as:

- The Kyoto Agreement, with signed up countries agreeing to reduce their carbon emissions to 1990 levels by 2012.
- The Companies Act 2006, which has a strong commitment to social responsibility and which acknowledges the reality of climate change, with economic and regulatory implications across all sectors.
- A significant shift in the ethical stance of many large corporations such as Shell, Cadbury Schweppes and Unilever, amongst others.

It is unfortunate that the issue of CSR has grown in importance largely because of public scandal and mismanagement. Take, for example, the damage to the social credibility of organisations

such as Nike who, allegedly, use child labour, and Coca Cola, who were the subject of a water scandal in India. CSR not only makes sense from an environmental and social perspective, but it also makes good business sense.



The Companies Act was clearly an opportunity for the Government to demonstrate its commitment to promoting socially responsible business and it has taken a fairly self-regulatory approach to social and environmental is-

**More talent joins
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ues. The Act places a responsibility on directors to consider the impact of the company's operations on the community and the environment; however CSR activists believe that the legislation does not go far enough in promoting transparency and accountability.



CSR is also about communities and community involvement schemes, with many employers now setting up workplace volunteering schemes, where they give their staff paid days leave to become involved in voluntary and charity work, both locally and abroad.

The benefits of successful CSR can include promoting and protecting the company brand, being seen as a leader, or having a well-defined

position in the marketplace and creating mutually beneficial relationships with employees and customers built on trust and credibility. CSR, therefore, has the potential to make a dramatic contribution to the organisation's overall credibility.



HR has a significant role to play in ensuring their organisation is proactive in implementing and supporting CSR initiatives. In practical terms, HR can work in partnership with other functions within the organisation to co-ordinate the CSR strategy. According to the CIPD, to create an effective CSR strategy organisations will need to consider the following points:

- Clarify their core values and principles.

- Make sure they know who their key internal and external stakeholders are and which issues affect their relationship with them.
- Get the top team on board, and know how to sell the benefits of CSR to different stakeholders.
- Understand how the CSR strategy is aligned to their business strategy and HR practices.



- Get endorsement for the CSR strategy from inside and outside the organisation.
- Communicate consistently.
- Training is vital, as CSR will only have an impact if employees are engaged: attitudes or behaviour won't change otherwise.
- Effectively measure and evaluate CSR, otherwise the time, effort and money invested are

based on assumptions, not results.

This list is easy to read and imminently more difficult to implement, but CSR strategy cannot succeed if organisations only pay lip service to the concept, or if they fail to deliver on their promises. The trust that is engendered by commencing such initiatives is practically impossible to regain once lost.

In order to be successful, CSR needs to be embedded in the organisation's culture and be seen to have the support of the top team. It sits quite comfortably with the way HR already works in terms of communicating, implementing policies and cultural and behavioural change. This places HR in an ideal position to directly influence the organisation on CSR strategies and can prove successful. Research from IRS suggests that 88% of HR professionals believe that the HR function has made a genuine difference to their organisation's ethical profile by promoting positive behaviour and relationships in the workplace.

Direct initiatives that can support CSR are wide-ranging and can include setting up Employee Volunteering or Community Involvement Schemes. Large corporations have led the way with these initiatives, with companies such as Pfiizers, Henkel and Friends Provident. Pfiizers give their employees three paid days off per year for them to volunteer with a charity of their choice; Henkel provide five volunteering days per year and Friends Provident has set up a Friends in the Community scheme where they back local community projects and match staff contributions to charity.

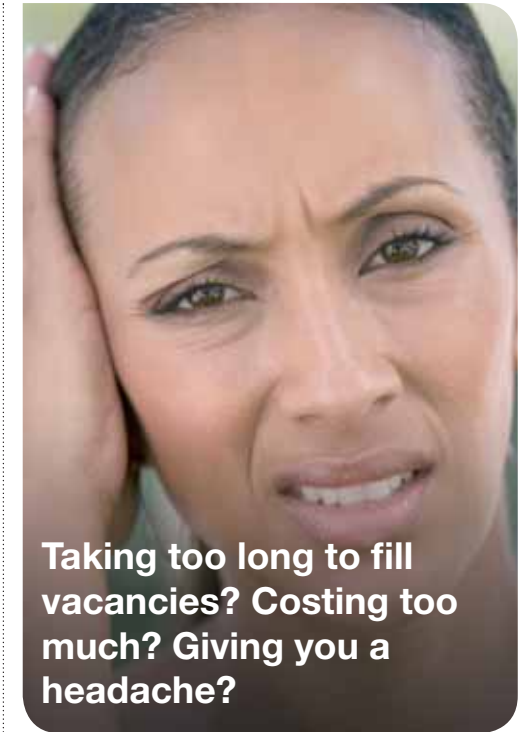
In addition to these schemes, organisations

are taking an ethical stance on environmental issues; taking practical steps such as offering employees 'greener' company car options, recycling as much as possible and rewarding employees for taking environmentally sound choices, such as car-pooling.

From an employee perspective, when CSR becomes embedded in HR you have a function that transforms the way staff can engage with the organisation. This affects the degree to which people think positively about where they work and increases their emotional commitment. This, in turn, has a direct impact on recruitment and retention.

It is becoming increasingly clear that CSR needs to be integrated into the organisation's culture in order to be effective and HR is responsible for many of the key systems and processes (e.g. recruitment, training and communication) on which effective delivery depends. CIPD research indicates that, where CSR became an instrument for change in an organisation's behaviours, attitudes and performance, this was where the HR function made one of its greatest contributions.

Many organisations recognise that part of an HR Strategy going forward will have CSR as a theme, linked of course to wider business issues. The development of the HR Strategy will be key and help and assistance in scoping, developing or implementing the Strategy are areas where Insight have a wealth of knowledge and experience.



Taking too long to fill vacancies? Costing too much? Giving you a headache?

e-recruitment is the professional solution delivering "speed, quality and expertise."

To see how e-recruitment can save you time and money call us on 01403 892910.

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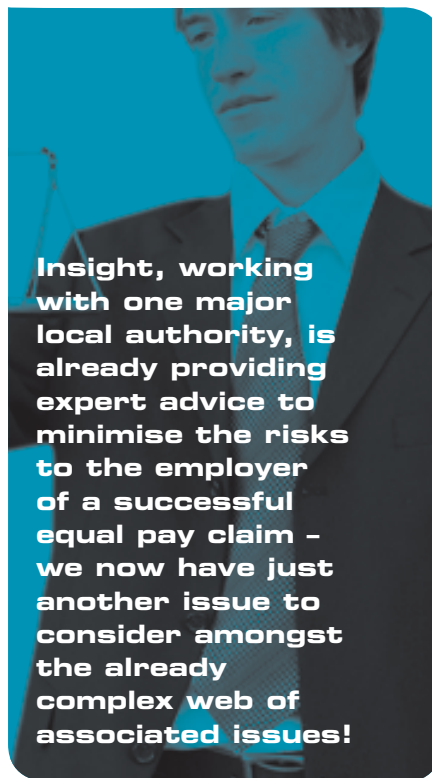
A Bad Day for Unions ... and Employers?

Women working for Middlesbrough Council, paid less than male colleagues for work of equal value, were in a position to claim up to six years' back pay. While negotiating a single-status agreement, the GMB reached a deal with the council that protected pay at the cost of a full settlement of claims. It persuaded their members to settle, but failed to tell them they would be likely to receive much more if they pursued their claims. The Court of Appeal ruled that the union's prioritising of pay protection over back pay was indirect discrimination as it disadvantaged women. [Allen and others v GMB (A2/2007/2424)].

The GMB National Secretary, Brian Strutton, having considered the decision said, "The Court of Appeal has rightly emphasised the unique circumstances of this case. It had earlier been established at Employment Tribunal and Employment Appeal Tribunal that GMB had not directly discriminated or victimised these 26 women claimants in Middlesbrough. These rulings have not been challenged. However the Court of Appeal has overturned the Employment Appeal Tribunal's earlier view that the Union's actions were objectively justified and therefore did not amount to unlaw-

ful indirect discrimination. The Court of Appeal has found that the way the Union went about getting the balance right between conflicting collective needs and individual rights was not correct. So we are seeking an appeal to the House of Lords to get absolute clarity on precisely what is the correct way to go about achieving this balance."

The introduction of Single Status in Local Government (to which this matter directly refers) was and is challenging, both for employers and unions. There are/were winners and losers amongst workforces – employees whose pay reduces as a result of the job evaluation scheme and employees whose pay increases. Local authorities are clearly looking to cap additional costs that



might result from the introduction of Single Status and limit the unhappiness and upheaval that might be caused.

The GMB wanted to achieve a balance between prioritising collective and individual negotiations. This decision could potentially lead to a scenario of tribunals and courts acting in a supervisory capacity in determining whether or not a union's collective bargaining stance was non-discriminatory or not.

The biggest issue the employers face is dealing with, and meeting the costs of, equal pay claims backdated for a full six years. Now employers may try to conclude agreements on compensation with individual employees, although many may refuse to reach a deal. Not a happy position from anyone's point of view.

Older Workers Fill Skills Gap

The Sunday Times recently reported that senior executives in European, American and Asian companies have admitted for the first time that older workers are the key to fixing the skills gap, according to a study by Stepstone, an online recruitment firm.

The study revealed however, that few of those same executives had yet done anything to persuade employers to stay on beyond retirement, or to recruit other experienced staff. It went on to discuss that there is such an enormous white-collar and professional skills shortage that attitudes are having to change. Businesses are realising that they have to hold on to older, skilled workers.

At Insight executive interims, we understand this issue. Many of the interims we represent are 'post career' interims. Who, having reached the pinnacle of their careers, when faced with retirement, simply choose to give something back. Although unlikely to be interested in remaining in a permanent role, they do enjoy the challenge of project based work, which gives them enough time throughout the year to still enjoy part-time retirement.

The level of their experience and therefore, their ability to 'hit the ground running' is precisely the reason why our clients engage their services. However, it does mean that the key objectives of a permanent post need to be broken down into project sized chunks, working to strict timeframes that strategically align to the overall business plan.

If you are finding it difficult to recruit a senior manager or director for your organisation, engaging an interim to take a project based approach might be a solution. If you would like to discuss this in more detail, please contact Anaya Castell, Consultant – Interim Management Services on 01403 892924.

E-recruitment evolves

The use of online recruitment tools to speed up the recruitment processes of organisations and thereby significantly reduce costs has been recognised for some time, but some employers are still using traditional “pack and dispatch” methods or using websites for pack downloads only.

If the whole resourcing process can be streamlined and web based the time taken to fill a role can reduce by up to 10 days. We recently heard of an example where an employer saved approximately £1200, on a £20,000 role, by reducing the amount of agency cover needed by just this amount. On top of this the employer saved significantly on postage and printing!

Insight has recently updated and refined the e-recruitment portal we offer to employers. Application forms are online and are “badged” for the organisation. The system is easy to access and user friendly with prompts at vari-

ous stages including 5 and 3 days before the closing date if the application form has been started but not finished. Postage is reduced as applications are acknowledged by email and all preliminary correspondence uses the same approach. The need for 100s of printed application forms diminishes as applications can be viewed electronically, by short listing managers, and sent directly to their computers immediately after the closing date.

With a need to monitor performance and collect key data, the system can produce reports in line with regulatory needs. As part of a process by which candidates judge the quality of the prospective employer from first contact e-recruitment is a true sales tool.

One client we have worked closely with over the last year believes our e-recruitment system has saved their organisation £40,000 in printing and postage costs alone, savings that

deserve to be explored in detail. In this case there was a direct link from the client’s website to the e-recruitment portal. They are delighted with the responses they are getting to adverts and the feedback from candidates about the online system. There are some jobs where it is sensible to offer traditional resourcing methods in addition to the online processes. However, with over 80% of the population now having access to the internet this issue could be said to be diminishing.

Looking at the websites of many organisations the ability to download data is common, but many do not offer the functionality to process applications online. Now is the time to consider a different approach, one that is very cost effective, responsive and professional. If you want to know more about our e-recruitment portal and the services we offer please contact us on 01403 892910.



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More Talent Joins Insight

We are delighted to announce that our latest recruitment drive has led to the appointment of six talented new members of the consultancy team. Following a fantastic last trading year we are keen to build on our success. Despite the current economic climate, we have not lost sight of our vision to always deliver the highest quality services to our clients and are continuing our plans for expansion.



Adelle Hutton joins us having previously worked in the travel industry and subsequently as a generalist HR consultant working mainly with Social Services and Regeneration

Departments. Adelle is CIPD qualified, her strengths are advising on the application and interpretation of employment law and providing commercially focused employee relations solutions to clients to meet their needs.



Amanda Brett joined Insight in June 2008 having spent 4 years working within a manufacturing environment. She has worked in HR for over 10 years both in the private and charitable sectors. She is part CIPD qualified and working towards gaining the full qualification.

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Fiona O'Neill, is a Chartered Fellow of the Chartered Institute of Personnel and Development, and holds an MA in Human Resources Management. With over 17

years' experience working in the not-for-profit and charity sectors, she has successfully led on HR strategy, change management, Investors in People and employee involvement programmes.



Vikki Booker is a Chartered Member of the Chartered Institute of Personnel and Development and holds an MSc in Human Resource Management. Vicky joined the Insight

team in June 2008 and brings over 11 years of HR experience, gained in both the NHS and Higher Education sectors.



Julie Chmiel is a Chartered Member of the Chartered Institute of Personnel and Development and joined the Insight team in August 2008. Julie

has 17 years' experience gained in the private sector, managing pan-European and International remits. With a proven track record of operating at strategic level, Julie also has a wealth of experience in delivering effective operational HR solutions, covering the full range of HR services.



Neil Griffin is an energetic, results-driven HR consultant with over 30 years' experience in the profession. His varied career includes 24 years' corporate experience, under-

taking senior HR roles in major organisations such as British Gas, NatWest and Prudential. During this time he gained in-depth expertise in all aspects of HR Management.

For full profiles of these and all our consultants visit our website.

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