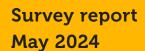
## CIPD



## HR practices in Ireland 2024

The CIPD has been championing better work and working lives for over 100 years. It helps organisations thrive by focusing on their people, supporting our economies and societies. It's the professional body for HR, L&D, OD and all people professionals – experts in people, work and change. With over 160,000 members globally – and a growing community using its research, insights and learning – it gives trusted advice and offers independent thought leadership. It's a leading voice in the call for good work that creates value for everyone.

#### Survey report

### HR practices in Ireland 2024

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### 1

### Introduction

The CIPD's *HR practices in Ireland* report provides annual insights on the impact and challenges of the people profession in Ireland. The research is conducted in conjunction with Kemmy Business School, University of Limerick.

The external environment and pace of change over the past year has been challenging for organisations and people professionals. The contribution of HR is more vital than ever as we address drivers of change and embed new ways of working. Understanding how organisations and HR practitioners have responded, and their future plans, enables the profession to benchmark its practices and improve its impact.

The 2024 survey report explores key priorities, how challenges are being dealt with and the impact of the profession. It looks at talent management and resourcing solutions, and gives recommendations for enhancing culture and productivity, digitalisation and hybrid working, with an additional focus on wellbeing, inclusion and sustainable people practices.

### 2

# Talent management and resourcing remain a top priority

#### 91% of businesses are facing skills shortages

- Operations/frontline
- IT
- Leadership
- Finance
- Other



#### Top external drivers of change

- Workforce expectations
- Availability of key skills
- · Cost increase and inflation
- Automation, technology and AI



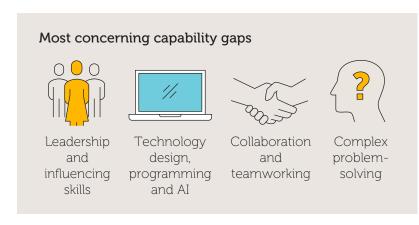
Talent management and resourcing continue to be a critical focus as organisations compete to attract, retain and develop the workforce they need for the future. The changing nature of employee expectations – with people seeking a more personalised way of working and support structure – adds further pressure.

The 2024 survey identified workforce expectations as the top external driver of change (17% of respondents prioritised this), a factor that did not appear in the 2023 survey. This was followed by the availability of key skills (16%), highlighting that organisations are very much alert to the changing landscape of the workplace.

Financial pressures facing organisations are also a key driver for change (16%), with automation, and advances in technology and AI being another driver (14%).

In Ireland, we face a shortage of skilled workers, which could jeopardise economic growth as we have reached full employment. There is currently a highly competitive market for experienced employees, which was reflected in the survey feedback. Indeed, 91% of respondents said they are facing skills shortages, a figure that has not dropped below 80% since we first asked this question in 2021.

Interestingly, those in the public sector reported the highest level of significant skills shortages in last 12 months (47%), no doubt reflecting the growth in public sector employment. This was followed by the not-for-profit sector (37%) and the private sector (31%).



Frontline and operations staff in particular were in short supply, reported by 37% of respondents, followed by IT skills (34%), up from 29% in 2023. The issue of leadership was also identified as a skill shortage: 36% of respondents identified leadership

and influencing skills as the top capability gap, far ahead of technology design, programming and AI in second place at 13%.

This leadership gap was also identified in the challenges of sustaining organisational culture (56%), managing employees effectively (55%), and as a barrier to HR performance, due to managers' lack of time and availability for people management (56%).

#### Resourcing trends over the past 12 months

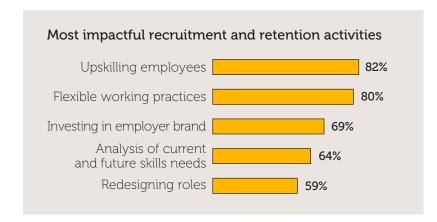
- · Increased competition for experienced talent
- More in-house talent development
- Recruitment of more diverse workforce
- · Talent more difficult to retain
- Housing issues causing more difficulty

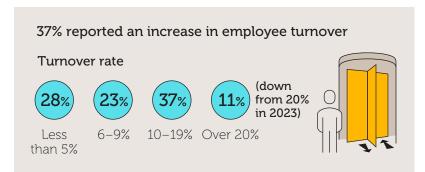


### The spotlight remains on recruitment and retention

Skills shortages continue to put recruitment practices and employee turnover in the spotlight. The survey found that 90% of respondents had faced an increase in competition for

experienced staff and 77% reported retention difficulties. In addition, 70% reported that access to housing has made recruitment more difficult. Similarly to 2023, the survey found that organisations are adopting strategies such as employing a more diverse workforce (79%), recruiting from wider geographical areas (65%) and investing in the development of in-house talent. Despite predictions of automation replacing jobs, only a minority of respondents reported this as a counterbalance to skills shortages (17%).





With an increased emphasis on improving recruitment and employee retention, the findings show that the most impactful tactics used were upskilling employees (82%) and offering flexible working (80%). Investing in the employer brand also had a high impact this year (69% of respondents identified this, compared with 41% in 2023).

#### **Employee turnover**

Our findings reinforce the extent to which lifestyle decisions are now influencing job movements.

Employee turnover rates remain high, though they may have peaked in 2023. This year, 37% reported an increase in employee turnover rates, down from 50% 12 months ago. Over a quarter of the 2024 respondents (28%) reported a decrease in voluntary turnover rates as opposed to 13% in 2023. More private sector organisations reported a decrease (33%) than public sector organisations (14%).

The most prevalent turnover rate remains the 10-19% range (37% of respondents reported this). Turnover at the higher levels has decreased since 2023, and only 21% of 2024 respondents reported a voluntary turnover rate over 16%, compared with 33% in 2023.



surveyed employees about leaving intentions

15%

used predictive analytics

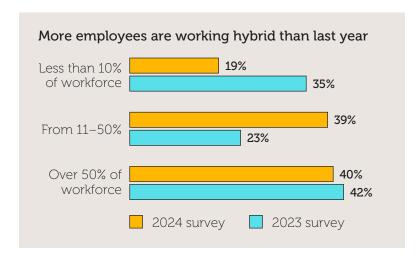
To help manage this, and to measure voluntary turnover intentions, 46% of organisations used employee surveys, a significant increase

from 21% in 2023. Only 15% used predictive analytics as part of this process, indicating that the profession could do more to better understand employee intentions to stay or leave. While we commonly see employees moving for career progression or career change, the cost of living (48%) and location (31%) were again identified as key factors contributing to employee turnover this year. This shows the impact that inflation and the housing crisis is having on employee decisions about where they work and live.

The survey also identified that work—life balance conflict (29%), feeling undervalued (27%), experiencing burnout (27%) and poor management (27%) also contributed to employees' decisions to leave. These figures are high enough to warrant concern and indicate that employees are reassessing their willingness to compromise work—life balance and wellbeing or accept a poor working environment, and are willing to change jobs to remedy this.

## Hybrid working: Is a standard pattern emerging?

The debate about the best approach to managing flexible and hybrid working continues. Matching ways of working to individual, team, organisation and customer needs remains an ongoing challenge. Organisations recognise they must respond to employees' requests for hybrid working arrangements, and four in five respondents identified it as a highly impactful tool for recruitment and retention purposes. It is also a central tool for promoting an inclusive working culture.

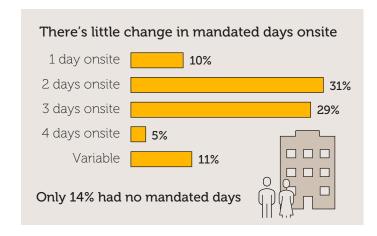


Access to flexible and hybrid working continues to grow, with 40% of organisations surveyed planning to increase the use of hybrid working and 13% planning to introduce fully remote working. Interestingly, 33% plan to introduce flexitime, most likely in response to demand from employees wanting more flexibility in their commute patterns.

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In 2024, we found that 40% of organisations had over half of the workforce working in a flexible/hybrid manner, a similar proportion to 2023. The number of organisations where very low levels of the workforce (under 10%) have access to flexible and hybrid working reduced from 35% in 2023 to 19% in 2024. This is a significant improvement, but there is still some way to go. In addition, the number who gave access to flexible and hybrid working to between 11% and 50% of the workforce increased to 39% in 2024, up from 23% in 2023.

We have yet to see the impact of the new legal entitlement introduced in March 2024 giving employees the right to formally request access to remote or flexible working under the Work Life Balance and Miscellaneous Provisions Act 2023.



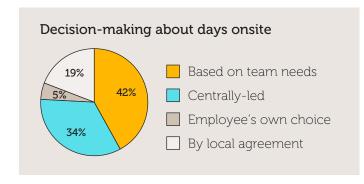
#### Hybrid working models

The issue of whether organisations should have a mandatory number of days onsite has become topical with the advent of hybrid ways of working. In the 2024 survey, where organisations were operating a hybrid model, we asked how many days per week employees are generally mandated to work onsite. The results are similar to last year,

with around one third mandating employees to work onsite two days per week (31%) and nearly the same number working onsite three days per week.

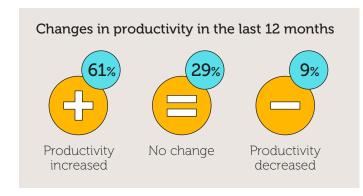
Only 14% of respondents reported having no mandated days, which shows a general appetite for a structured hybrid model.

There is an interesting variation between the public and private sectors on this. In nearly half of public sector organisations (48%), employees were mandated to be onsite two days a week, compared with 28% in private sector organisations. This was reversed somewhat when it came to the mandate for three days onsite: 32% of private sector organisations required this, compared with 25% of public sector organisations. No public sector organisations had a mandate for four days, and more private sector organisations had no mandated days (15%), compared with 7% of those in the public sector.



In terms of how decisions are made about mandating the number of days onsite, a third of respondents (34%) said this was set centrally, and 42% said the decision is based on team needs. Putting employees at the centre of this decision is a positive move, and is more likely to reflect having principles and purpose for employees to come together in the workplace.

Only half of line managers had been trained to manage hybrid workers. This is disappointing, particularly in light of high employee turnover rates and the challenge of dealing with culture and performance issues. In addition, a quarter of organisations have not yet created a policy on remote and hybrid working, a factor growing increasingly urgent in light of current practice and the new legislation on the right to request both flexible and remote working.



#### **Productivity**

There have been widespread concerns that remote working might have had a negative impact on productivity. Figures from the 2021 survey, and every year since, have allayed this fear, as overall responses have indicated that productivity has either increased or remained steady at pre-pandemic levels.

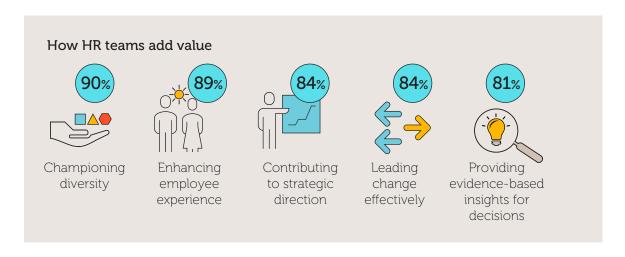
In 2024, despite the challenging environment at the time of this survey, 61% of respondents reported increased productivity in their organisations, and only 9% found a decrease. This is a substantial increase, reflected in company reports and economic indicators, and shows that remote and hybrid working are not barriers to success. However, questions remain about the extent to which national increases in productivity reflect increases in working hours.

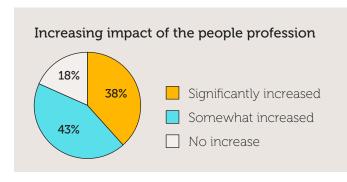
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# The impact of the people profession: Where are we adding most value?

Our 2024 survey looked at the way in which people professionals are adding value and driving positive change in how work is managed, valued and rewarded. The contribution of HR is more vital than ever as we address external challenges, meet employee expectations, build skills and embed technology and ways of working. Overall, a high number reported an increase in the impact of the profession in the last 12 months (81%).

Our findings show that HR teams see themselves as adding value in a range of ways, from championing diversity (90%) and enhancing the employee experience (89%), to leading change effectively (84%). A positive trend was that 81% reported providing evidence-based insights for decision-making.





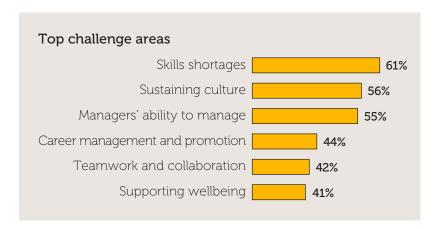
The number who reported that HR adds value through championing a people-centred approach to technology and AI has declined in the past year (53% in 2024, compared with 77% in 2023). This is of particular concern given the need for HR to create clear policies surrounding the use

of AI tools. The use of AI is expanding globally and, as a result, people professionals and businesses need to move quickly to understand how to minimise the risks and maximise the benefits of these tools.



The tight labour market, resourcing challenges and digital transformation will dominate the year ahead. This year's survey showed strong alignment between the organisational and the people function priorities for the next two years: talent management, attraction, retention and development being the top priority for both. Leadership development, the employee experience and cost management were also emphasised. Leadership and influencing skills were clearly identified as the capability gap

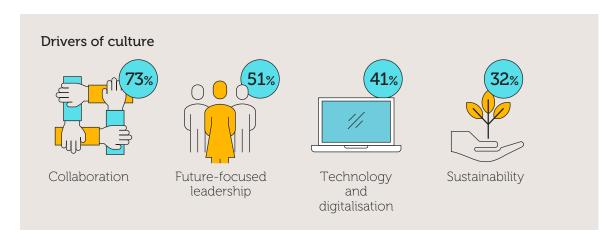
of most concern, as organisations recognise that future leaders are not adequately equipped with the skills and mindset to build the right culture and support the employee experience in a new, hybrid working world.



In terms of particular areas of challenge that organisations are facing around the people agenda, skills shortages top the list (61% of respondents highlighted this), reflecting the recruitment and attraction challenges and tight labour market, and career

management and promotion were also mentioned (44%). A significant number of respondents called out the challenges of sustaining culture (56%), along with managers' ability to manage (55%).

The survey explored what respondents identified as the key drivers of culture within their organisations. Collaboration is by far the strongest driver (73%), followed by future-focused leadership (51%). Technology and digitalisation were a culture driver for 41% of respondents, and a third mentioned sustainability.



To stay relevant and sustain our positive impact, the people profession has to ensure that knowledge and skills are kept up to date and continue to grow. The key areas where respondents felt that skills development is required are leadership (50%), HR analytics and technology (46%), legislation and regulation (41%) and transformational change (39%). The CIPD's <u>Learning hub</u> is a good place for members to start assessing their learning needs and progressing them.

#### Top constraints on HR

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

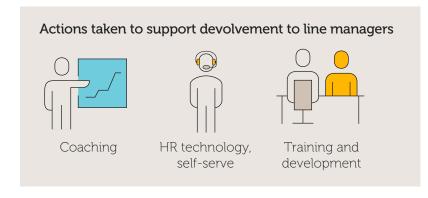


#### Line managers are a key constraint

We ask respondents each year what constraints impact HR's contribution to the business, and one important limiting factor appears in every year's findings. This refers to the lack of time managers have to carry out people management

activities and the inadequate transfer of people management activities to line managers. 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 effectively, is a source of concern.

This year, for the first time, budgetary constraints was second at 54%, reflecting the impact of the cost-of-living crisis. Inadequate systems and technology was highlighted by 43%, 35% mentioned ineffective devolvement of HR to line managers, and another third said there were not enough people on the HR team. The profession needs to evaluate how to overcome some of these constraints and significantly improve the employee experience and retention.



The survey findings over a five-year period highlight that devolvement of tasks to line managers is an ongoing issue for HR. Given the growing importance of line managers in a hybrid work situation, and the trend to

increase devolvement to this group, organisations need to reassess the support and development of line managers as a top priority. Some evidence of an increased emphasis on training and development is emerging, with nearly half actioning this, and another half providing coaching to line managers. A growing number (51%) are using HR technology (such as self-service) to support devolvement.

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## Digital transformation and the growth of automated HR

Digital transformation was one of the critical themes people professionals identified as impacting the current and future world of work, according to the <u>CIPD People Profession 2030 report</u>.

However, digital transformation is more about changing people's mindsets and organisational practices than it is about choosing specific technology. It is about formulating a business strategy that appeals to both employees and customers, shaping a new culture that supports agile decision-making and minimises the anxiety around change.

There is no doubt that technological developments are increasingly impacting the people profession: in what we do, how we use our expertise, and how we deliver the employee experience. More than in previous years, the 2024 survey confirms how technology has infiltrated the work of the people profession in Ireland.

Automation, technology and AI is now one of the top external drivers of change, pushing organisations to take advantage of technological developments to remain competitive, manage costs, meet customer needs and remain attractive places to work.

Only 17% of respondents reported that technology, automation and AI had replaced some jobs, a figure that has not shown any real change over the last three years. However, for the first time, technology design, programming and AI skills emerged as a worrying capability gap, as did skills in technology use, monitoring and control.

In terms of what employees or potential employees might be looking for in a future employer, flexible working and upskilling employees were the most impactful activities. Given the proliferation of public attention on automation and AI, it is interesting that only 28% of respondents saw this as having a high impact on the capacity to recruit and retain employees. However, 41% of organisations identified technology and digitalisation as a key driver of the culture, showing the central role that technology plays in the employee experience.

## Accelerated use of HR digitalisation 66% 64% 61% 57% 54% Virtualbased HR access to tools elements of talent acquisition

#### Digitalisation of HR

When it comes to how HR adds value, our 2024 survey found a drop in respondents' opinions of how well we champion a people-centred approach to technology (only 53% of respondents said they do this, compared with 77% in 2023).

This may reflect the extent to which generative AI has expanded, increasing the profession's concerns around the need to learn more and provide appropriate leadership. This is of particular concern given that HR should provide guidance and clarity on policies surrounding the use of AI tools such as ChatGPT. The use of AI is expanding globally, and it is clear that people professionals and businesses need to move quickly to understand how to minimise the risks and maximise the benefits of these tools.

When we examined the constraints facing people teams, inadequate systems/ technology were identified as a barrier by 43% of respondents in the 2024 survey – a similar figure to 2023. The findings show that HR technology and self-service systems are a necessary part of the actions to improve the effective devolvement of people management to line managers.

It is very evident from the findings that HR is using a wide range of different methods and systems to accelerate the rate of the function's digitalisation, with many reporting substantial increases in the past year. The growth in virtual-based learning has increased substantially, reported by 66% of organisations.

The move to automated HR options for employees is clear from the fact that 64% of respondents had automated processes and another 46% had invested in human capital management systems in the past 12 months. The increase in the use of HR analytics is also a positive move (57%).

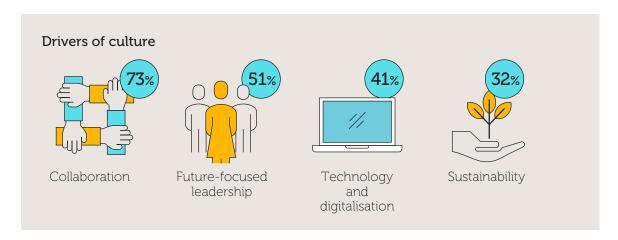
Given the move to hybrid working, access to online employee assistance programmes has increased, according to 61% of respondents. More worryingly, employee monitoring software and tools are visibly on the increase, used by a surprising 37%.

In relation to wellbeing, we continue to see strong use of online wellbeing and health initiatives (62%), and 50% reported that they encouraged employees to disconnect from technology. However, when we explored the factors contributing to mental health issues, close to the top were workload/volume of work, an 'always on' culture enabled by technology, and job design and job changes. These show the risk of technology having a negative impact on employees and the need for care and a people-centred approach to its use.

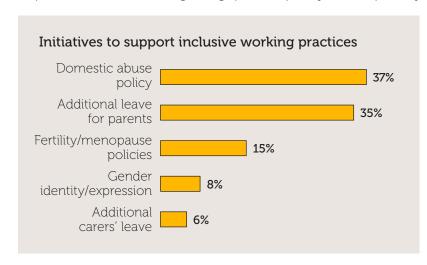
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# Culture, inclusion and sustainability: Emerging challenges

Organisational culture and productivity were impacted by the move to remote working during the pandemic. Our first <u>HR practices survey in 2021</u> after the arrival of COVID-19 reported that over a third of organisations (37%) felt there had been a negative impact on culture as a result of the pandemic, while almost a third reported a positive change and 30% reported that there had been no change. This has shifted as time has passed and, this year, 56% reported that sustaining culture is a particular challenge, down from 71% last year.



In 2023, we found that organisations were engaging in a wide range of measures to counteract the negative effect of new ways of working on culture, including social gatherings and putting an emphasis on the employee experience. This year, it's clear that collaboration, leadership and technology are being called out as drivers of culture. Building a common purpose and new ways of working will become of greater significance as digitalisation grows and ways of working diversify, highlighting the importance of addressing the gaps in capacity and capability among line managers.



#### Inclusive culture

Having an inclusive culture is central to the strategy for attracting and retaining talent, using activities such as flexible and remote working. The 2023 HR practices survey report found that less than half of respondents (48%) provided line manager training on how to build an

inclusive culture. This is a significant gap, even though 40% had invested in raising diversity awareness among the workforce. The impact of the line manager role in creating an inclusive environment should not be underestimated, and increased levels of training are needed to ensure that policies are being enacted as intended.

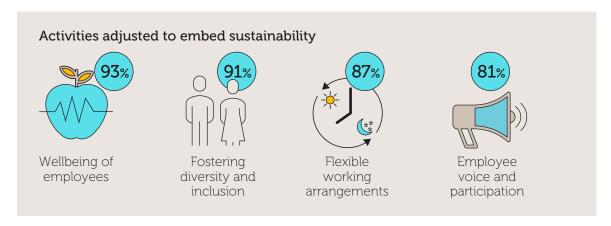
More organisations are starting to adopt a suite of policies as part of supporting an inclusive working culture. Following a change to legislation in late 2023 that provided domestic abuse leave to affected employees under the Work Life Balance and Miscellaneous Provisions Act 2023, 37% of respondents had introduced a domestic abuse policy. While new statutory employee support now exists, many organisations have been slow to adopt a policy and support for this affected group.

Another third of organisations (35%) had introduced additional leave for parents, 15% had fertility/menopause policies and only 8% had a gender identity and expression policy.

Alongside this, organisations were asked if they had seen an increase in issues relating to diversity and inclusion. Only a small proportion indicated that they had (15%), but worryingly, over half of these called out bullying and harassment (54%), and a third (30%) raised concerns about reasonable accommodation for people with a disability. Reassuringly, racism, gender discrimination and homophobia were not found to be an increasing issue in the vast majority of organisations.

As more organisations put a focus on positive inclusion practices, it is critical that basic workplace rights – like an environment free from bullying and harassment or access to reasonable accommodation – are safeguarded, and adequate attention is put on having a culture and mechanisms that can speedily address these.

The lack of time and/or availability of managers to carry out people management activities is not only a constraint limiting HR's contribution, but is also likely to impact on employees' experience of both the culture and inclusion.



#### Sustainable working practices

The issue of sustainability has gained much traction in recent times in both the area of climate sustainability and that of sustainable people practices. The CIPD in Ireland is the sponsor of a <u>Sustainable HRM Skillnet project</u> to develop a toolkit to support people practitioners to evaluate and implement sustainable people practices. The ambition is to ensure that employees are supported and developed to thrive personally and be 'net better off' in terms of health and employability.

The survey responses present a mixed picture in relation to sustainability. Worryingly, only 10% of organisations called out sustainability and the environment as an external driver for change, and only 15% said it was a top priority for the organisation over the next two years. Twenty-one per cent of people professionals reported that building a sustainable culture is a priority for HR over the next two years, 32% saw it as one of the drivers of culture and, positively, 66% reported already integrating people practices into the organisation's sustainability agenda.

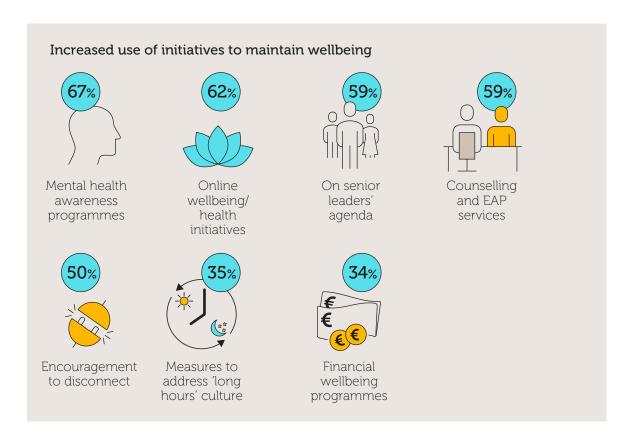
A significant majority of organisations did not have a specific strategy on sustainable people practices (86%). Public sector organisations were more likely to have a strategy (19%) than private sector organisations (12%).

Despite this, when it comes to embedding sustainability into people practices, many organisations were actively engaged in making changes aligned to sustainability goals. Examples of this include having policies and practice relating to wellbeing (93%), fostering diversity and inclusion (91%) and providing flexible working arrangements (87%).

In addition, 81% were enhancing employee voice and employee participation, 71% were using external social engagement activities, and 65% were working to embed environmentally sustainable behaviour. Overall, these results present a positive picture.

Over half of respondents (55%) reported that sustainability was built into the organisation mission/vision which may, in time, translate into explicit policies. Fifty-six per cent of private sector organisations reported the use of purpose-led roles, compared with 38% of public sector organisations. A third of private sector organisations (34%) were re-evaluating job descriptions compared with only 21% in the public sector, and about three in five public sector organisations (59%) had increased reporting on sustainability, 15% more than private sector organisations.

## Wellbeing a challenge, while absenteeism and mental health remain a concern



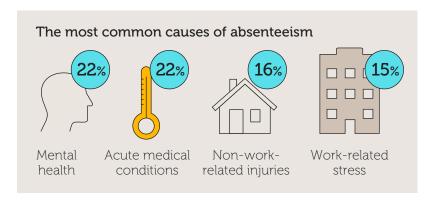
#### Wellbeing culture

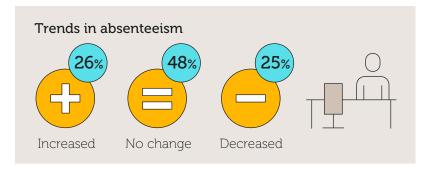
With growing levels of change and digitalisation, increased effort is needed to sustain a wellbeing culture, and over a third of organisations report this as a challenge. The survey found an increased emphasis on mental health support (67%) and online wellbeing/health initiatives (62%), which is likely to increase employee accessibility and take-up. However, 59% of respondents said wellbeing was increasingly on their senior leaders' agenda. Lower levels of attention went on financial wellness initiatives (34%), even though the cost of living was identified as a contributor to employees leaving.

Attention is also focused on encouraging employees to disconnect from work technology outside working hours and tackling a 'long hours' culture (50% and 35% respectively). This needs further care in light of the finding that workload is one of the top factors contributing to employee mental health issues.

But how is HR addressing the wellbeing of those within the profession? Recent CIPD <u>research</u> identified an improvement in the wellbeing of the people profession from the previous year. The profession has to lead by example when it comes to wellbeing, particularly regarding working practices relating to hours of work and communications.

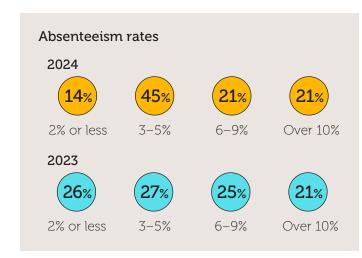
While many respondents noted that actions being taken to create a wellness culture are not specific to the HR function, some called out consciously using best practice on workload management, holding no meetings on Friday afternoons, and having team anchor days. Activities such as trying to establish a culture of short breaks between back-to-back HR meetings to allow for mental recharge and basic physical needs were seen as valuable.





#### Absence

Managing absence is an ongoing challenge and organisations reported less positive trends than a year ago. Over the past 12 months, absenteeism rates have increased for 26% of organisations, decreased for 25% and stayed the same for 48%. Worryingly, the most common reason for absence in the last year was mental health (22%, up from 17% a year ago), while 22% also cited acute medical conditions, up from 14% a year ago.



In terms of the factors contributing to mental health issues, workload featured significantly, with 55% of respondents identifying this. Nonwork issues such as relationships/family were reported by 59% of respondents, and 47% reported a perceived lack of management support. These factors are significant and warrant attention to reduce any negative impact of work on employees.

#### Top factors contributing to mental health issues

- Non-work factors (relationship/family)
- Workload/volume of work
- Perceived lack of management support
- · 'Always-on' culture enabled by technology
- Job design/job changes

Interesting differences were found between public and private sector respondents. A higher amount of public sector respondents indicated that financial stress was an issue (35%) than private sector respondents (25%). Bullying was reported to be a factor in more public sector than private

sector organisations (37%, compared with 27%). A sizeable number of public sector respondents reported returning to the office after the pandemic as an issue (41%), compared with 22% of private sector respondents.

The findings highlight the need for managers to be more effective in managing workload and conflict. Investing in leaders and managers has the potential to be a gamechanger and could directly contribute to cost savings from reduced absence and employee turnover.

### 8

## Summary of key findings and recommendations

#### Talent management and resourcing

The survey identified that talent management and resourcing is the top priority as organisations compete to attract, retain and develop workforces for the future. Nine out of 10 respondents face skills shortages, especially in operational roles, and leadership and influencing skills are the top capability gap.

Upskilling and flexible working are seen as high-impact strategies to address recruitment and retention challenges. Employee turnover remains high, and there is little evidence of automation replacing jobs.

Employees are moving for career reasons, cost of living (48%) and location (31%), showing the impact that inflation and the housing crisis is having on employee decisions about work.

Less than half of organisations (46%) use employee surveys to measure voluntary turnover intentions, and only 15% use predictive analytics as part of this process.

#### Recommendations

- Give greater attention to analysing future skills requirements and increasing upskilling to reduce skills gaps.
- Invest urgently in leadership and people management skills to build capability in leading and retaining employees.
- Consider using pulse surveys and predictive analytics to identify the profile
  of employees at most risk of leaving, and the drivers of their behaviour. Take
  action based on the findings.
- Implement financial wellbeing measures to help deal with rising costs and accommodation supports where necessary.
- Invest in manager training to reduce the impact of unacceptable workload, work-life balance and poor management, which are contributing to employee turnover.

#### Hybrid working patterns

Access to flexible and hybrid working continues to grow. About a third of organisations require employees to work onsite two days per week (31%) and a similar number require onsite working three days per week. Only 14% reported having no mandated days, which shows a general appetite for a structured hybrid model.

Only half of managers have been trained to manage hybrid working, and a quarter of organisations have not yet created a policy on remote and hybrid working. Sixty-one per cent reported increased productivity in their organisations.

#### Recommendations

- Recognise that remote and hybrid working needs to be reviewed on an ongoing basis, and adjusted to meet the changing needs of the organisation.
- Train and support managers to operate effectively in a hybrid world.
- Be more creative in finding ways to increase access to hybrid working and meet the expectations of more employees.
- Ensure that collaboration and the right activities are structured into onsite days and there is a clear rationale for onsite versus offsite work tasks.
- Review policies and procedures to align with new legal entitlements around requesting remote or flexible working.
- Ensure that the organisation's culture is realigned to support future ways of working.

#### The impact of the people profession

The survey found that the main ways people teams are adding value are through championing diversity, enhancing the employee experience and leading change. There was a drop in the number who mentioned championing a people-centred approach to technology and AI, which is potentially a response to the explosion in its use and the AI debate.

Our findings highlight the top challenges on the people agenda as skills shortages, sustaining culture, and managers' ability to manage. The top constraint limiting HR's contribution to the business was lack of time and/or availability of managers to carry out people management activities, along with systems and ineffective devolution of HR to managers.

Actions taken to support devolvement to line managers include coaching and training, as well as using technology such as self-serve.

#### Recommendations

- Assess the effectiveness of current supports to people managers, diagnose key skills gaps and increase the levels of training to embed good people management practices.
- Define how best to devolve HR practices and increase the use of technology/
   AI to support managers in their people management responsibilities, focusing on the impact on employee experience and retention.
- Provide ongoing upskilling and development for the people team, particularly on leadership, technology and the team's capacity to deliver transformational change.
- Use the CIPD <u>Learning hub</u> to assess the learning needs of the people team and access relevant learning resources.
- Put metrics in place to demonstrate the impact of line management on employee performance and retention and agree future priorities and practices.

#### Digital transformation and the growth of automated HR

Technological developments are increasingly impacting the people profession and, in this year's survey, automation, technology and AI were one of the top external drivers of change.

Despite the proliferation of public attention on automation and AI, only 28% reported this as having a high impact on the capacity to recruit and retain employees. The survey identified that technology skills were a worrying capability gap, and only 17% reported that technology, automation and AI had replaced some jobs.

There is evidence of the people function accelerating the rate of digitalisation of its work through a range of different methods. Most popular were virtual-based learning, automating HR processes, the use of HR analytics, and investment in human capital management systems.

#### Recommendations

- Ensure that people-centric decisions are central to the introduction of technology and maximise the benefits of technology in delivering HR strategies and services.
- Develop people professionals, managers and employees so they are up to date
  with technological developments and can deliver the required transformation, while
  minimising the risks and maximising the benefits of emerging digital/AI tools.
- Grow digital and data analytics capability and be able to tell the 'people story' to influence business leaders on the way transformation is needed.
- Provide ground rules for the organisation in the appropriate use and risks of AI tools.

#### Addressing culture, inclusion and sustainability

Sustaining the organisation's culture remains an ongoing challenge with current ways of working, even though fewer respondents in 2024 than in 2023 reported a concern (56%, versus 71% last year). Leadership and influencing skills were identified as the capability gap of most concern as organisations recognise that future leaders are not adequately equipped to build the right culture and support the employee experience in a hybrid working world.

Our survey found an increasing number of organisations are adopting policies to address employee issues, including those for domestic abuse, additional leave for parents, and fertility/menopause challenges. Only a small number of organisations indicated that they had seen an increase in issues relating to diversity and inclusion (15%).

A significant majority of organisations do not have a specific strategy on sustainable people practices, highlighting the gap that led the CIPD in Ireland to sponsor a <u>Sustainable HRM Skillnet project</u> on the implementation of sustainable people practices. However, most organisations are actively engaged in activities that support sustainability, such as wellbeing, diversity and inclusion, flexible working arrangements, employee voice and external engagement activities.

#### Recommendations

- Establish a culture that is built around a common purpose and ways of working, taking into account the increasing level of digitalisation and diverse ways of working.
- Don't underestimate the impact of the line manager role in creating an inclusive environment, and increase levels of training to ensure that appropriate behaviours and policies are driving the employee experience.
- Address the need for a culture, policies and procedures that provide basic workplace rights, and an environment free from bullying and harassment.
- Build the employee experience through progressive policies and ensure that a
  policy on domestic abuse leave is implemented in line with the new statutory
  employee leave entitlement.
- Upskill on sustainable people practices, and provide appropriate leadership on addressing the issues organisation-wide.

#### Wellbeing, absenteeism and mental health

Maintaining a wellbeing culture remains a challenge for over a third of organisations, and the survey found an increased emphasis on mental health supports (67%) and online wellbeing and health initiatives (62%). Attention was also put on encouraging employees to disconnect from work technology outside of working hours (50%).

The two most common reasons for absence in the last year were mental health and acute medical conditions. Just over half of organisations identify workload as a contributing factor to mental health issues, alongside non-work issues and a perceived lack of management. These are significant and warrant attention to reduce the risk of any negative impact of work on employees.

#### Recommendations

- Consider building more effective management training programmes –
  including absence management in order to support employees and address
  working hours and workload issues.
- Invest in leader and manager training, a potential gamechanger that could deliver cost savings from reduced absence and employee turnover.
- Adopt a more proactive approach to ways of working and job design in light of workload and technology challenges.
- Increase messaging around disconnecting from work outside working hours and tackle any 'long hours' culture which may be contributing to employee mental health issues.

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### Research method

Each year, the CIPD conducts its *HR practices in Ireland* survey in conjunction with the Kemmy Business School, University of Limerick, to collate annual insights on the challenges and concerns of the people profession in Ireland.

The CIPD conducted this survey of members and people professionals in Ireland in November and December 2023. Of the 344 responses received, the majority (68%) operate in the private sector, with 23% in the public sector and 10% in the not-for-profit sector.

A fifth of respondents (20%) are employed in organisations of 1–50 employees, 29% have 51–250 employees, 13% have 251–500 employees, 9% have 501–1,000 employees, and 29% of respondent organisations have 1000+ employees. Overall, 59% of respondents work in HR teams with five or fewer people, and 75% who responded are CIPD members.



CIPD Ireland
A3 The Locks Charlotte Quay Dock Dublin 4
T +353 (0)1 678 0090 E info@cipd.ie W cipd.org/ie

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