

HR Practices in Ireland

Survey 2020

CIPD's HR Practices in Ireland surveys provide key insights into the workforce and workplace challenges of the people profession in Ireland. It is clear from recent surveys that HR is adding value to business through championing diversity, enhancing the employee experience, and contributing to the strategic direction of the business. The 2020 survey data was gathered prior to COVID-19, reflecting the context that HR was operating in at the time.

The survey found that three quarters of respondents had seen an increase in requests for remote working in 2019 but only 38% had incorporated remote working into their attraction and retention strategy, and the actual take-up was low. Labour market shortages were a key external driver of change, along with technology, not only to enable flexible and remote working, but with automation and AI changing the nature of work.

The 2020 COVID-19 crisis led to significant changes for Irish workplaces, as society put people and their health centre stage, and the majority of employees worked from home in line with government guidance. With productivity standards being maintained, [CIPD's COVID-19 survey \(June 2020\)](#) found that 70% of organisations were willing to facilitate more employees to work remotely after COVID-19 than before the crisis, and this survey highlights the barriers to be addressed.

Progress on wellbeing and diversity strategies are evident in the 2020 survey, though will need even greater attention in the COVID-19 era, along with increased focus on supports for line managers.

In conjunction with



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02 HR leading the way

Key HR priorities

Prior to COVID-19, employee engagement remained HR's highest priority (51%). This was unchanged from the previous year and 2018 also. The second priority for HR related to the provision of coaching for line managers (46%), this too has consistently featured among the top priorities for the past three years of the survey. The 2020 results also placed a strong emphasis on recruitment and resourcing, not surprising given the level of skills shortages experienced in November 2019. As part of this effort, HR placed significant emphasis on the retention and development of existing employees as well as using a variety of methods to identify new talent for their organisations.

Growing in influence

There are positive results in terms of HR adding value to the business, such as contributing to the strategic direction (86%), decision making through evidence based insights (81%), championing diversity (90%), driving practices that have a people centred approach to technology (74%), and enhancing employee experience (90%). These became of increasing significance during Covid 19.

In relation to improving existing levels of knowledge or expertise, the main areas that respondents mentioned were HR/People analytics and technology (22%) and legislation and regulation (13%).

Technology

An interesting result for 2020 is the growing emphasis on HR technology as a key priority, increasing from 22% in 2019 to 29% in 2020.

A quarter of respondents disagreed with the statement that HR can influence a people centred approach to technology. This indicates that in some organisations, there is a sense that technological progress is occurring without adequate input from HR.

In light of the pace of technological changes facing many industries, this is something which organisations need to examine further as it can have significant impacts in areas like employee wellbeing for example.

Recruitment and skills shortages

Pre COVID-19, skills shortages remained a significant issue facing 83% of organisations, up from 81% three years ago. This was felt more in the private sector (65%) than the public sector (25%), with a small percentage in the not-for-profit sector indicating skills shortages (10%). The parts of the business with the largest skills shortages were operations/front line management (20%), IT (14%) and leadership (13%). This is the third year in a row where organisations are reporting skills shortages in the general area of management and leadership and indicates a worrying trend.

Flexible working emerged this year as a key method being used by organisations to source talent (49%), with the largest number indicating they will upskill employees (53%) due to difficulties in sourcing new talent.

Voluntary turnover remained an issue with 59% indicating turnover rates of below 9%, and 20% of respondents reporting 10%-15%. Of concern was that over one third of respondents indicated that the rate was increasing. The reasons behind the voluntary turnover rate were employees leaving for better career progression opportunities (62%), and for better reward packages (55%). Worryingly, 39% of respondents indicated that work-life conflict was the reason for employee turnover.

03

Top three external drivers of change

- 1 Labour market and skills
- 2 Automation, advanced technologies and AI
- 3 Brexit

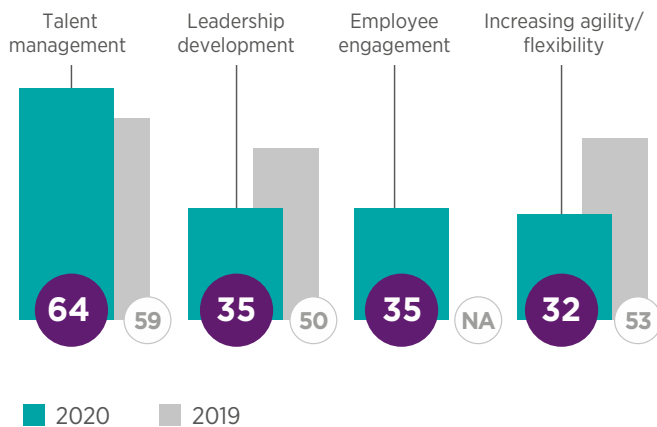


What's constraining HR?

- 1 Lack of time available to line managers for people management
- 2 Inadequate systems and technology
- 3 Ineffective devolution of HR to line managers



Top organisation priorities over the next 2 years (%)

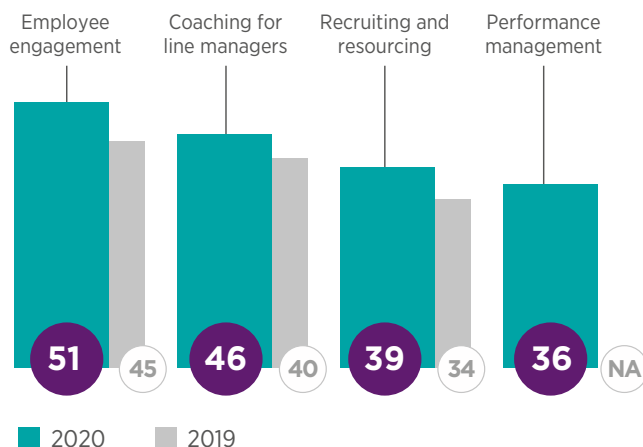


Knowledge requirement for HR professionals

- 1 People analytics and technology
- 2 Legislation and regulation
- 3 Leadership development
- 4 Culture and behaviour
- 5 Transformational change



Top HR priorities over the next 2 years (%)



HR adding value



04 Drivers of change

We explored what was driving change in organisations in Ireland, late 2019. Labour market issues relating to the availability of key skills was identified as the main external driver of change by respondents (50%). The second driver related to automation, advanced technologies, and artificial intelligence as many organisations consider how technology will augment or change the nature of work within their organisation (46%).

Flexible and remote working

At the time of conducting the survey, 73% of respondents had experienced an increase in requests for remote working. From an employee perspective, remote working can have a positive impact on work-life balance, particularly where commutes are long. This was reflected in the survey responses where a key driver of demand for remote working was commute times (77%). A sizeable minority of respondents indicated that remote working has been incorporated into an attraction and retention strategy (38%). However the actual incidence of remote working in 2019 was low with 71% indicating that less than 10% of their workforce work remotely. In stark contrast, our [CIPD Ireland June 2020 survey](#) on the impact of COVID-19, found that over half of organisations, 52%, had more than 75% of employees working remotely, and in total, 64% of organisations reported that over 50% of employees were working remotely. After COVID-19 70% of organisations were prepared to facilitate more employees to work remotely than before the crisis, and only 14% of respondents stated that they would not facilitate it.

From the earlier results attitudinal barriers posed more of a problem for organisations than infrastructural factors with respect to the introduction of remote working. 69% of respondents agreed that there is a lack of buy in from line managers and a similar 69% indicated there is a lack of support for such initiatives on the part of senior management. 51% of respondents agreed that employees perceive negative outcomes from remote working, such as a lack of promotion.

From an organisational perspective remote working can enhance both employee wellbeing and productivity. However remote working needs to be supported by an appropriate infrastructure, employee supports and also support from senior management to operate successfully. Now that organisations recognise the demand for remote working, and have the lived experience of it, there still remains much to be done to translate this demand into a reality in the long term.

Post COVID-19, 70% of organisations will facilitate more employees to work remotely than before the crisis

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Skills shortage and retention

- 83%** Experienced skills shortage in the past year
- 37%** Experienced an increase in voluntary employee turnover



Factors contributing to voluntary turnover

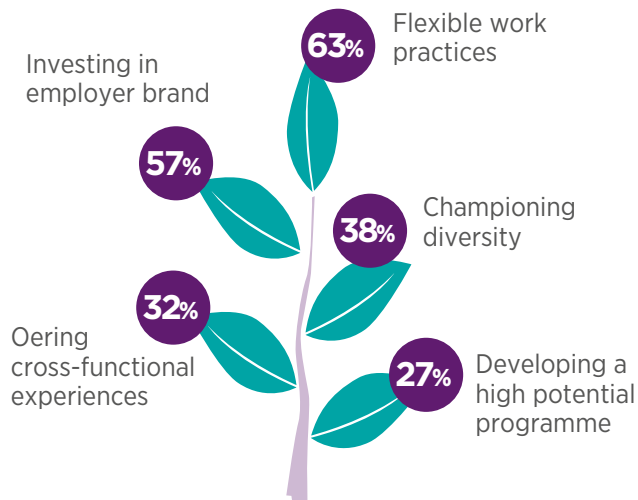
Better career opportunities elsewhere	62%
Enhanced reward package elsewhere	55%
Work-life balance conflict	39%
Ineffective management/leadership	32%
Feeling undervalued	31%
Location	29%

Strategies for sourcing talent

- 1 Upskilling employees
- 2 Offering flexible working
- 3 Augmenting activities with new technologies

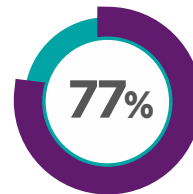


Growing the talent pipeline

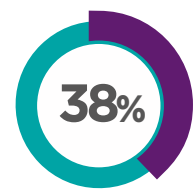


Remote working

Key drivers of remote working



Employee commute times



Strategy for attracting and retaining talent

Factors supporting remote working

Organisation technology



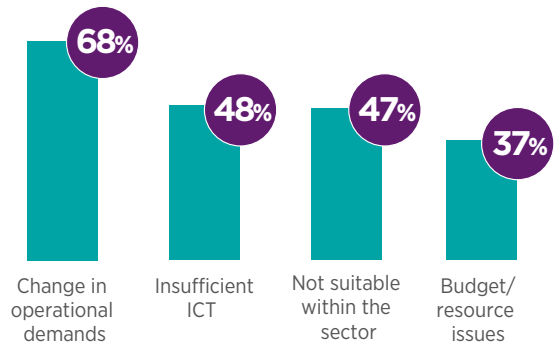
Managers are supported to manage remote working



HR provides guidance to employees and managers on remote working



Operational barriers to remote working



Attitudinal barriers to remote working

- 69%** Lack of visible support from senior leaders
- 69%** Lack of buy in from line managers
- 51%** Perceived negative outcomes eg lack of promotion or negative co-worker attitudes



06 Diversity and inclusion

Progress on diversity strategies is evident in the 2020 survey with the results indicating that organisations go beyond a compliance approach (adhering to legislative requirements) to diversity and inclusion. Similar to the previous year, there are positive results in terms of HR contributing strategically to the business in relation to diversity and inclusion, with 90% of respondents adding value when it comes to championing diversity.

A sizeable proportion of respondents indicated that their approach is to create inclusive cultures (49%) and incorporate diversity and inclusion considerations within recruitment, retention and promotion policies (44%). Many (40%) respondents indicated that they have policies and practices in place to raise awareness among the wider workforce. Similarly, a high proportion of respondents (43%) provide guidance and training for line managers in this regard.

**43% provide guidance
and training for line
managers on diversity
and inclusion**

A more recent development is the appointment of Diversity Officers/Champions, 18% of respondents indicated that they have already appointed a Diversity Officer. So while many organisations have taken positive steps in relation to diversity and inclusion, much remains to be done. As part of the CIPD's end racism at work campaign we have produced a practical guide to help people professionals develop an anti-racist strategy, based around six principles to create a racially inclusive workplace. The guide can be found [here](#).

Gender pay gap

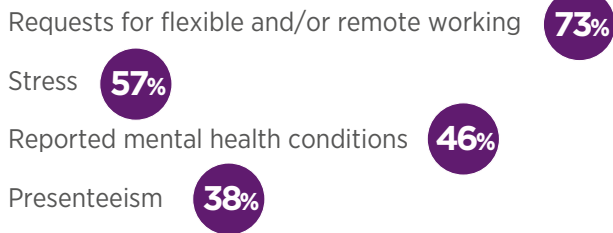
The gender pay gap is an issue that has remained on the agenda of Irish organisations again this year. There is a small increase in the numbers of organisations calculating the gender pay gap, from 30% to 33%, with more than twice as many respondents in the private sector reporting calculating their gender pay gap as in the public sector (66%/27%). It is interesting that 50% of organisations report not having a gender pay gap yet only 33% of organisations are calculating the gender pay gap. We asked respondents what actions they were planning on taking to address their gender pay gap. A number of key actions were identified, with 25% indicating they would improve the gender balance in recruitment and selection shortlists, 25% stating they would get CEO and senior leadership buy in to address the pay gap, and 20% indicating they would increase workplace flexibility.

07

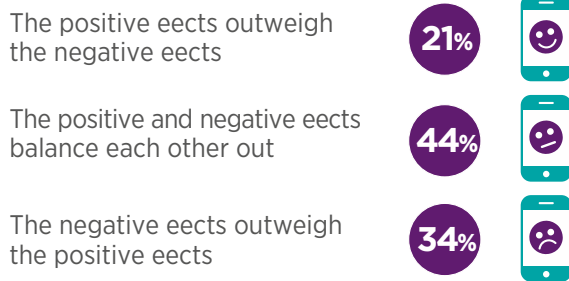
Well-being at work



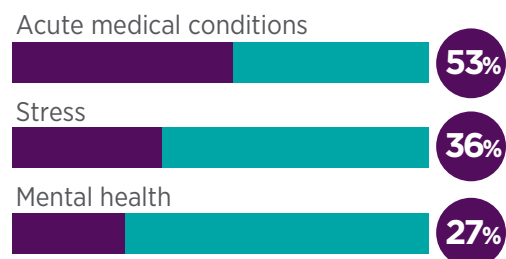
Increases in well-being indicators



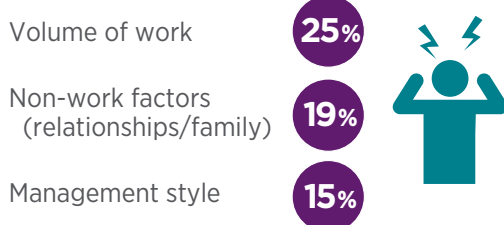
Impact of smartphone use on employee well-being



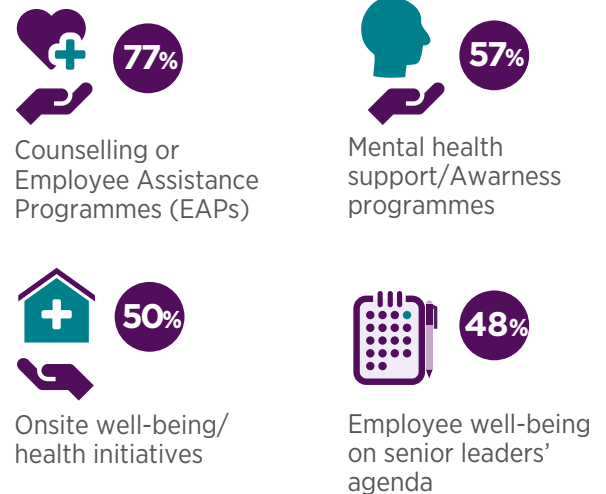
Factors contributing to absenteeism



Top factors contributing to stress related absence



Initiatives to develop a well-being culture

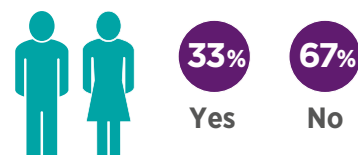


Diversity and inclusion

Promoting a more inclusive workplace



Calculate the gender pay gap



08 Wellbeing at work

There are positive indications in the survey that organisations are becoming more proactive with regard to employee wellbeing. Whilst most organisations provide access to more traditional employee assistance programmes (EAP), there is an indication from the responses that employee wellbeing is being viewed more strategically. 48% of respondents report that employee wellbeing is on senior leaders' agendas, a significant increase on the 2019 results (33%). Looking at more specific wellbeing issues, stress and mental health conditions are identified by organisations as an increasing area of concern. These specific issues were also highlighted in the 2019 survey. The proportion of respondents providing mental health support has jumped by 12% since 2019. This level of support is all the more important given the increased levels of stress and anxiety experienced throughout the COVID-19 crisis.

Smartphones

The impact of smartphones on wellbeing has been highlighted in recent times concerning social interaction, work life balance, and mental health. Thus the 2020 survey included a question relating to the impact of smartphones on wellbeing. A majority of the survey respondents indicated that they feel that both the positives and negatives balance each other out. However it is interesting that more respondents (34%) feel that the impact of smartphones on wellbeing is negative as opposed to 21% who feel that the positives outweigh the negatives.

Absenteeism

A quarter of all respondents to the survey indicated that absenteeism has increased in 2019. However whilst absenteeism is on the increase, the rate of absenteeism remains low. Key differences between public and private sector rates of absenteeism emerge at each end of the continuum. 22% of private sector organisations report absenteeism rates of 2% or less as opposed to 8% of public sector organisations. 4% of public sector organisations report a rate of greater than

20% absenteeism in contrast with 0.5% of private sector organisations. The top reported causes of medically certified absence are acute illness, stress and mental health issues which is a replica of the findings in the 2019 survey, acute medical conditions rose from 46% in 2019 to 53% in 2020. Stress as a cause of certified absence has fallen from 42% to 36%.

In CIPD Ireland's [COVID-19 survey \(June 2020\)](#) there was a significant decrease in the amount of sick absence being reported during the lockdown (excluding Covid-19 illness). A massive 43% of respondents said that sick absence reporting had decreased, for another 41% it stayed at the same level and it only increased for 12% of organisations. The environment of home working, health awareness and being distant from others appears to have a positive impact on the health of the workforce, according to this data.

48% of respondents
report that employee
wellbeing is on senior
leaders' agendas

07 Conclusion

This year, 2020, has brought about the greatest changes that our workplaces have seen in decades, if ever. The people profession has had to address challenges and make decisions like never before, especially in relation to remote working, technology, and diversity and inclusion. Technology has enabled remote working, and our findings tell us that automation, advanced technologies, and artificial intelligence are changing the nature of work within organisations. The journey for creating truly diverse and inclusive workplaces for all has begun, our findings show this to be the case. It is no longer enough or acceptable to simply comply with legislative requirements or take a tick box approach to diversity and inclusion.

Our survey findings provide an important window into the operating context for HR before COVID-19 by providing evidence on what was, and is, working well in our workplaces, evidence that will help to shape what organisations look like in the years ahead.

Methodology

The survey was conducted in November 2019, and distributed to members' organisations across the country, resulting in 502 responses from the HR community in Ireland.

The majority of respondents work in organisations where the HR function comprised of five or less individuals (54%). A higher percentage of respondents than ever before indicated working in HR teams of greater than 50 people.

This research was conducted in conjunction with the Department of Work and Employment Studies, Kemmy Business School, University of Limerick. Our thanks to Christine Cross, Caroline Murphy and Juliette McMahon for working with us on this research.



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