



Insight Guide

**UNLOCK YOUR POWER
TO CONNECT:**

Time to enact change



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Introduction

The world of work is changing.

From the pandemic transforming the way we work to labour shortages amid current economic uncertainty, businesses are facing a constant sea of complex challenges.

No matter what your business size, these challenges are having a knock-on effect on the most important aspect of all - your people. Hiring the right staff can be make or break for a company, as **the struggle to attract and retain talent in a highly competitive market has hit all sectors**.

Recent **statistics** from Hiring People found that while 90% of UK employers were seeking to recruit in 2022, 87% of companies were struggling to fill job openings. Modern work movements such as 'the great resignation' and 'quiet quitting' which have spread like wildfire on social media, though nothing new, also bring with them fresh hurdles to overcome.

To make matters worse, the UK's cost of living (COL) crisis is expected to persist, triggering **multiple cost increases** across the board. Although the impact of this will vary from business to business, no one will be left completely unscathed.

To gain a deeper understanding, we asked our customers a series of questions around their current and expected challenges, helping us build a picture of how the next year in HR is shaping up.

Read on to discover our findings - plus, take away practical advice you can use to unlock your power to connect and enact change.

Retention, retention, retention

According to our survey, 83% of HR professionals' main priority for 2023 is **retaining top talent**. Increasing recruitment competition, fuelled by a combination of factors, has made finding and holding on to existing employees that much more essential.

So, how do you get people to stick around?

It's safe to say the COL crisis adds a layer of complexity. The cost of just about everything has skyrocketed, **with record-level inflation** set to ensure prices stay this way for the foreseeable. While people are crying out for pay rises in order to cope, many businesses just can't afford them right now.

Smaller businesses in particular have cause for concern, with their lack of available resources, meaning many will find it hard to keep up with increasing demands.

Martin McTague, National Chair of the Federation of Small Businesses (FSB), **reaffirms the struggle**: "The prospect of more outlay on recruitment for small firms at a time when many are struggling with inflation in almost every area of operation is a very unwelcome one, especially as small businesses are far less likely to have a dedicated recruitment resource in-house."

The recent **Scaling Up Skills report** found that of those small businesses which have tried to recruit in the past 12 months, 78% have experienced difficulties in recruiting staff. Reasons for this include:

- A lack of individuals with relevant qualifications, skills and experience (82%)
- A low number of applicants generally (60%)

Another mounting cost concern is the recruiting process itself. Taking into account time spent writing job specs, filtering CVs, researching which platforms to advertise on and then forking out for the job listing - costs can quickly snowball. Not to mention the need to build a functioning workflow that covers the entire recruitment process from start to finish.

It's clear the solution for what is ultimately a wider business challenge falls squarely on the shoulders of those hiring - whether you're a business owner, team leader or an HR specialist.

78% have experienced difficulties in recruiting staff



Process for progress

Considering 74% of our survey respondents said they think promoting talent from within the business is the top action to stop people resigning, now is a great time to reassess and refine your progression review approach.

It's worth contemplating the following points:

- **Create a learning organisation and a commitment culture:** as the saying goes, you gain more from failure than success. Companies that transition to a learning model can better build environments of continuous growth, risk-taking and cooperation.
- **Focus on outcomes rather than inputs:** output-based objectives are actions you agree with your team to fulfil a larger organisational goal, as opposed to individually driven results. This creates a culture where everyone knows they're making an impact.

- **Digitise personal objectives:** today's employees can input their objectives into HR software and track evidence of their professional development. When it comes to appraisals, leaders can seek data from a single location and make informed decisions to support their growth.



Honing in on HR

Whether you're part of a 10-strong team or a single staff member wearing multiple hats, those in charge of hiring staff are under more pressure than ever before.

One of the biggest challenges facing HR today is walking the tightrope of salary expectation vs. talent shortages and trying to pad out the safety net with benefits. But while the promise of monthly massages and free Krispy Kremes used to be attractive in a pre-pandemic world, now, it seems all people want (aside from compensation) is flexibility. But this isn't just for flexibility's sake.

Post-pandemic, people's priorities have changed completely, and many are increasingly prioritising a healthy work-life balance and the freedom to split time between home and the office. Plus, new generations entering the workforce have grown accustomed to remote working and flexible hours and have different goals and ambitions.

What's more, traditional methods of objective setting for progression, with their heavy emphasis on financial rewards and holding people accountable for past behaviour (at the expense of improving current performance), are leaving people feeling undervalued and without solid direction. This puts those individuals and teams in charge of people management in the tricky position of coming up with an alternative method - fast - to stop people moving on if they feel they aren't achieving their goals.

Another consideration is that people want to get a feel for a company's culture and working environment before applying or joining. This could require updating recruitment processes to appear more transparent, showcasing the softer side of the business. Not only is this another cost, but it involves wider input from the business and a level of coordination busy HR teams don't necessarily have time to oversee.



Time to connect the dots

Like all difficult situations, the key to survival is finding ways to adapt. There's always a best-practice approach to minimising issues - and all it takes is a little lateral thinking.

It's oh so quiet

You've heard of 'quiet quitting'. You've also heard of 'quiet firing'. But now there's a third workforce phenomenon filtering over from the US to complete the set.

Quiet constraint refers to when someone withholds potentially invaluable information that could benefit the company in some way. This can either be for selfish reasons - or it can simply be because an individual doesn't feel comfortable enough in the working environment to speak openly (and to instead uphold an appearance of virtue). In fact, this [study](#) of 1,600 workers found that while 76% are engaged and want to go the extra mile, 58% are withholding valuable knowledge.

Seemingly an issue that overlaps both culture and communication, HR professionals should look to nip this behaviour in the bud before it has a lasting effect. Creating an environment which gives staff the security for self-expression is essential, before they decide to quit - and take that knowledge with them.

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58% are withholding valuable knowledge

Here are our three key areas of concern, complete with top tips to help you get started.

Engage and listen

Thanks to a countrywide recession, money is tight.

When money is tight, people get stressed out; you might be tempted to improve morale by offering perks and schemes - but evidence shows this isn't the best approach.

Recent [Gartner research suggests](#) those in charge of hiring put too much focus on 'what' we give staff rather than 'why'.

Companies should shift towards viewing their teams as people, not workers. The emphasis now needs to be on how they can provide an exceptional life - not work - experience, and focus more on how their people feel, not just work-related needs.

An example could be leaders establishing a culture of becoming 'calendar allies'. This means carefully considering if a meeting is necessary, ensuring the purpose is clear by adding

an agenda and reminding people it's more productive not to have a blocked-out diary.

HR should always be human-centric, based on conversations and 1:1s rather than endless emails. Some of those chats might be difficult, but ultimately necessary: 65% of our survey respondents said that apart from increasing salary, providing personal finance and life advice was the next best thing. Don't forget to include discussion around career aspirations - plus, even if its uncomfortable, what they think the business can do better.

Taking care to listen to people's concerns is crucial for fostering a positive working environment that keeps people feeling happy and supported. A knock-on effect of encouraging healthy communication across the board is it dampens 'quiet constraint' by solidifying that old adage: it's always better out than in.



Practical advice:

- **Send anonymised surveys monthly**, such as Peakon and SurveyMonkey, to help you understand your team's true concerns and challenges; demonstrating you value their feedback and providing a safe space to make them feel heard and protected from any perceived consequences. Anonymised surveys encourage better, more open feedback

If you've noticed certain employees starting to take a backseat - do they appear tired, quick to snap at colleagues, overworked or underperforming? - and you're concerned they're disengaging - or even quiet quitting

- **Speak with them.** Ask open-ended questions (such as, "how does that make you feel?") to find out why someone is struggling and pinpoint the appropriate solutions, whether via additional training programmes or work socials to boost morale

- **Gain more knowledge.** The more workforce insights you have, from the impact of existing policies to what people think of the company's culture and training programmes, the easier it is to locate employees who are struggling and offer support. Using survey templates allows businesses to zone in on preferred topics, while their embedded tools help to easily deploy and analyse the results - empowering you to make smarter decisions



Recruit effectively

It's official: HR software is a global hot topic. The number one prediction from [CHROs across Europe and the United States](#) is that **elevating HR through digitisation** - especially traditional administrative tasks - will become an essential action in the coming years.

Incorporating technology can lend a crucial helping hand in more areas than one. By integrating an applicant tracker system (ATS), you can build automated recruitment workflows and communications. This can make your recruitment process more professional and slicker e.g. being able to set criteria for those applying means you only see the applicants who meet your needs. It also frees up critical time and energy to focus elsewhere, while improving the applicants' experience.

Another step to bolstering recruitment results is taking a truly multi-channel approach to sourcing the best talent. Simply using job boards is no longer enough; those responsible for hiring should now be deploying passive candidate sourcing strategies, utilising social media (organic and paid), head-hunters and internal employee advocates.

Arguably, reducing the [time to hire](#) is a key benefit here. Finding suitable candidates quickly and efficiently is the name of the game in a challenging market. Plus, you're increasing your touchpoints, meaning you have access to a wider range of people and provide yourself with more options.

Finally, if you need a shake up, try experimenting with different hiring approaches. Harnessing HR recruitment software, such as CV screening and applicant tracking, can speed up the process while catering to your specific hiring needs.

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Practical advice:

- **Employ a fully integrated hiring system.** Recruitment is fast-paced and evolving. An application process which is agile and creative not only onboards people quicker; it guarantees a positive candidate experience. Having access to the right tools - e.g. linking your recruitment portal to your HR system, which links to payroll - can facilitate a seamless link between touchpoints and teams
- **Target your ideal candidates in the correct locations.** Consider candidates' ages and use that to inform where you focus your recruitment efforts. For example, if you're looking to recruit Gen Z, TikTok is probably your best option, whereas Gen X are more likely to frequent Facebook and LinkedIn
- **Ensure your ads cover all the necessary information.** Regarding your company and the role to attract the 'right' applicants. For example: is the role hybrid? How many days a week are people expected to work? Is there overtime?
- **Highlight company culture.** Showcasing awards, charity days, promotions and employee video testimonials, for example, will differentiate you from the competition and attract candidates who share your values

Plan your resources

Right now, it's critical to make best use of your most valuable asset: your people.

Forecasting labour demands is complex during a new period of economic uncertainty. Of course, you need enough people to do the job, but with budgets restricted, there may not be enough money in the bank to support.

Ultimately, getting the most from your workforce comes down to your organisational goals, which may need to be realigned when considering the impact of the financial climate.

With 62% of our survey respondents saying more needs to be done to manage staff workload, it's essential to have full visibility over your team's output. Not only will this help ensure they're not overworked, but it will help you understand productivity levels better and enable you to create an effective [gap analysis](#).

62% of our survey respondents saying more needs to be done to manage staff workload



A sidekick in your arsenal is software

Modern HR software provides insight and intelligence about what your people are doing - alongside tracking relevant trends and patterns - to help with workforce planning.

It's crucial to adapt to the hybrid world of work by staying connected to your workers, wherever they are. Developing strong processes to ensure best practice can make all the difference – especially at a time where every penny counts.



Practical advice:

- **Look at where you're overspending.** Cut back on costs and invest in upskilling and engaging existing staff. If you have to implement cost cutting activities, help your people manage those difficult conversations
- **Reviewing your tech stack** can have immediate benefits. From communication essentials such as Microsoft Teams and project management platforms such as Asana, to specific HR software, there are multiple ways to streamline processes, which can be tailored to your business priorities
- **Prioritise roles** that are either critical, or that might take time to recruit. Reflect on organisational goals and communicate with wider teams to understand what areas need immediate attention. Utilising HR software to automate business admin lets you focus on value-added tasks that address your customer needs
- **Plan for internal growth.** To help with the all-consuming retention problem, make sure you focus on growing staff skillsets and include things like internal promotions, wellbeing groups and secondments into other roles in any workforce planning

Paving a positive future

Despite the challenges faced, HR leaders should see this new landscape as a catalyst for change. Sure, the working conditions could be easier - certainly with less pressure – but all this leads to building a happier workforce who are more likely to stick around.

Ultimately, to truly connect with people, it comes down to taking a **human-centric approach**. Whether that's restructuring your review process, ensuring people have a safe space to communicate their concerns or giving staff the tools to managing workloads better, every move you make should link back to this key action.

Unlocking your power means being armed with the right knowledge to get positive results. By taking the steps outlined above, you're putting your best foot forward on your journey to success.



Find out more about how we can unlock your power to adapt

Our integrated HR and payroll solutions help customers including Air Canada, Skyscanner, KP Snacks, DHL, Save the Children and Arsenal Football Club automate their business processes, so their employees feel better connected, engaged and rewarded.

With the widest product set on the market, our cloud platform is used by over 40,000 businesses and nearly five million employees receive pay slips via IRIS software and services every month.

We are passionate about helping individuals, teams and organisations be successful and with time on your side, you can focus on what really matters to you. Time means value. And value means success.

If you'd like to discuss anything in this guide or find out how IRIS can support you, please contact us and we'll be happy to answer your questions.

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