

Employee Retention The Greatest Business Challenge of 2023

Submitted by: R2b Media

Thursday, 23 March 2023

There's no question that businesses have faced more challenges and changes over the past three years than at any time in living memory. The 70s delivered power cuts and in the 80s we witnessed communities torn apart by industrial action. In the 90s we might've lost sleep with anxiety over the Millennium bug, and the noughties found tech entrepreneurs becoming casualties of the dot-bomb era. The financial crisis of 2008/9 and the subsequent recession was also no easy ride.

Each on their own challenging times to work through, however combining the impact of global and local events we can start to put the past three years into perspective. We've had to deal with Covid-19, the aftermath of Brexit, global warming, the largest European conflict since the end of world war two, the resultant energy crisis, inflation and subsequent rapid rise in interest rates leading to a cost-of-living crisis and widespread industrial action. It all adds up to a bitter cocktail of pain and uncertainty for business owners and their employees.

For this year's HReSource survey respondents were asked to submit their insights across a wide variety of topical issues impacting the productivity and overall performance of their respective organisations. The objective was to understand the response to those challenges and informed views on immediate actions and priorities as they prepare for yet another difficult year.

The results highlight the need for businesses to remain agile and connected to their workforce.

This year's report also highlights the distinct shift in priorities of employers in the UK, notable when we contrast with findings from pre-pandemic surveys. HR professionals are at the sharp end of tackling the issues arising out of the mix of local, national, and global events. Unsurprisingly those reporting an increase in workload stand at 81% with those stating a "significant rise in workload" increasing by 44% over the 2018 survey.

Headline findings feature the highest-ranked priorities for 2023. Marked out of 10 the top "to do" with an average score of 8.4 was the establishing of effective Well-being programmes and at 7.8, investing in employees through initiatives to develop skills. Well-being and employee welfare concerns will be in recognition of the need to provide a workplace that employees can feel comfortable in and reflects the significant rise in reported mental health-related absences.

These two outputs marry with the greatest challenge facing employers. A quarter of all respondents (24%) quoted "Retention" and a fifth (20%) stated "Recruitment".

These findings reflect the difficulties employers are having in retaining talent and subsequently resourcing appropriate replacements.

Julie Ouzman Group HR Director at Holdcroft Motor Group, Stoke-on-Trent, confirmed, "Retention of staff will be our greatest challenge this year due to pay and working patterns for certain roles within the

company. The opportunity will be to grow our own 'apprenticeship scheme' for technicians across the group.”

Ceri Mallon, HR Manager at Everun, Belfast, on the topic of challenges ahead added, “Retaining key employees as business grows - important to ensure that we keep experience and knowledge within the business as we onboard new employees.”

Innes Clark, Head of Employment Law at Morton Fraser LLP commented "It is very interesting to see that almost a quarter of respondents selected Flexible Working as the area of law they would like to have reviewed. Whilst the Government is due to implement reforms to this area it is unlikely that these will satisfy employers given that the proposed changes are largely employee rather than employer-friendly."

David Laud of HReSource commented on the findings, “Business owners need to move swiftly, adapt to remain resilient and deliver their plans. Those that succeed will be organisations that demonstrate agility and an ability to flex with the trends accelerated by recent world events.”

The answer may not be as simple as implementing a 4-day week however the HReSource survey strongly indicates that adopting attractive and innovative initiatives to engage with existing and future employees would be time and money well invested.

Note for editors:

Business network HReSource has undertaken surveys involving HR decision-makers for over 10 years. The HR function's unique role within organisations provides a window into both the employee perspective and that of the leadership teams. Formed in 2000 HReSource originally supplied employment law updates to a growing HR community, it is now a dedicated network for professionals and business owners providing access to support and advice.

The regularly ranked (Apple top 50) HReSource podcast “Insight” has proved very popular, with a wide variety of noted guests sharing their stories and tips.

<https://www.hresource.co.uk/resources/podcasts/>

For a full copy of the survey please email info@hresource.co.uk

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