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# HR practices in Ireland 2019

The 2019 survey findings reinforce the areas of talent acquisition and retention as central to the HR agenda for the next two years, and highlight issues that are affecting the quality of work in organisations

The survey reveals that the number of organisations facing skills shortages continues to grow, at 84% of respondents up from 81% in our 2018 survey. The labour market and skills challenge is seen to be the biggest driver for change for organisations, despite the wider dominance of the Brexit challenge. Emerging issues that we report on include mental health, smart phone usage and gender pay gap reporting.

## Key priorities

### Employee engagement

In line with the 2018 survey, employee engagement remains HR's highest priority over the next two years (45%), followed by coaching for line managers (40%). Amid a context of talent shortages, organisations are placing greater emphasis on improving and maintaining levels of employee engagement. As part of this effort, HR are focusing on the retention and development of existing employees as well as engagement with line managers as a critical element of this process.

### Recruitment and skills shortages

Recruitment and resourcing remain a key priority for HR (34%), although it is lower in terms of priorities than in 2018 (42%). Skills shortages remain a significant issue facing organisations across nearly all sectors and industries. There has been an increase in the numbers reporting skills shortages since last year, up from 81%, to 84%, which highlights the challenge facing organisations.

The sectors with significant skills shortages include IT, customer service, other information services and financial services. The parts of the business with the highest levels of skills shortages are operations/front line staff (17%) and IT staff (16%).

Given the skills shortages being experienced by employers, growing the talent pipeline is a critical issue. Similar to last year's survey the three most popular methods are succession planning, increasing development opportunities for current employees and investing in the employer brand. Hiring more graduates is also a significant activity again this year.

Retaining staff remains an issue, with 43% reporting an increase in voluntary employee turnover in the last year. A fifth reported an employee turnover rate of between 6% and 9% in the last year, and 20% reported an employee turnover rate of 10% to 15% for the same period.

## **Contribution of HR**

The majority of respondents worked in organisations where the HR function comprised of five or less individuals (54%), lower than the 58% in last year's survey. Over 51% expected the size of the HR team to increase over the coming two-year period. In terms of the ratio of HR staff to employees, last year we found that 33% of respondents work in organisations where the ratio was 1:50 or less employees, down from 40% in 2018, indicating a more positive business environment. Only 10% of organisations reported a ratio of one HR person for over 150 employees and 16% had a ratio of 1 per 100 - 150 employees.

Four in five respondents reported that HR is represented at the most senior levels in their organisation, up 9% points from the 2018 survey to 80% indicating a positive trend for the influence of HR. In terms of adding value to the business, respondents were very clear about the ability of HR to add value through operational efficiency, contributing to the strategic direction of the business and in championing diversity (all were 90% or over in agreement).

The lowest level of agreement (70%) related to HR's ability to use metric-based evaluations. Both the 2017 and 2018 CIPD HR practices surveys identified that HR was lagging in terms of technology use and analytics. In 2019 almost 30% of respondents continue to indicate that their organisation did not make sufficient use of metric based evaluations. As a further indicator of the gap that exists, when asked about their development needs, the top need expressed by the profession related to people analytics and technology.

## **Brexit**

The uncertainty surrounding Brexit continues to be a serious matter for Irish industry. The concerns highlighted in the survey relate to an increasing cost base and the free movement of workers between Ireland and the UK/Northern Ireland. This is followed by transfer of personal data outside of EU (16%).

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**HR practices in Ireland 2019 survey results**

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