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Michael leads our HR team. He has over twelve years' experience and his teams work in partnership with a diverse client base, including FMCG, Health, Logistics, Oil & Gas, Banking & Financial Services, Professional Services and Telecommunication organisations.

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87% of organisations intend to grow or maintain their HR headcount this year.

The percentage of respondents stating there is a concern over the economy is at an all-time low of 3%.

A dissipating talent pool is causing serious talent attraction difficulties for businesses.

Benefits such as flexible working hours and child care vouchers are becoming popular retention tools.

EXPECTATIONS ON PERFORMANCE

Confidence levels within the Human Resources sector are higher than previous years with 92% of respondents believing their company will maintain or enhance their performance over the coming year. This is a 19% increase on our previous survey 6 months ago. This sustained confidence has increased the desire to recruit new talent, with 87% of organisations intending to grow their Human Resources headcount over the next 12 months. This is a rise of 43% over the last 12 months, when only 44% of respondents felt confident to predict headcount growth or stability.

Coinciding with this increase, the number of HR Professionals surveyed who believe the economy is their biggest challenge has severely dropped from 37% to 3%, illustrating that worrying about the state of the economy is a thing of the past. Given these figures, it is unsurprising that at the top of Human Resources concerns is the ability to recruit talent, with 73% citing this as their main concern.

Our own experience across the last 12 months further authenticates these findings. Our teams throughout the UK have noticed a sharp rise in the vacancy flow across this period. This is especially evident for permanent positions, perhaps as companies shift their focus onto long-term hires to secure the future stability of their organisation.

The current demand for HR professionals across most sectors demonstrates an increasing confidence, not only in the economic situation, but also in the ability of Human Resources to contribute to business performance.

RECRUITMENT

The main concern for HR professionals is still seen as identifying and attracting talent, which is illustrated in our survey results with 46% of the vote. There are evident talent attraction challenges which have surfaced due to a dissipating talent pool trying to cope with a higher demand for candidates. Coupled with this, HR professionals believe accessing talent with the right cultural fit is an increasing challenge that needs addressing.

Finding candidates with the right values and behaviours which enable them to be successful in an organisation is becoming increasingly important. This is leading to companies adopting the use of trusted PSL recruitment partners who understand their organisation and culture. 53% of survey respondents said the use of a trusted PSL or an RPO provider would best meet their 2014 hiring requirements. This figure has remained the same since our last survey, 6 months ago.

In addition to identifying candidates with the right culture fit, nearly half of responses said skills shortages will present another tough challenge when trying to attract new talent. The main skills shortages are believed to be in Reward, Learning & Development and finding commercially minded HR Business Partners. The feeling is that these shortages will continue to be present throughout the next 12 months. As this survey shows, this is a key focus across all sectors at present; therefore it is unsurprising that talent shortages remain a key concern for the Human Resources sector.

RETENTION

Retention strategies have been on the increase in recent years as Human Resources professionals aim to retain key talent within their organisations. This Summer's Survey results are no different and the focus on retention remains very much the same. Our last survey suggested a marked decrease in businesses willing to offer training and development as a retention tool, however over the last 6 months our survey shows a 13% increase with 35% of organisations keen to utilise this strategy.

Slightly contradicting this hike is the fact that we have also seen a growth in respondents utilising compensation and benefit packages as retention tools. 35% of clients said they used compensation or benefits packages as retention strategies over the last 12 months, over three times the number seen this time last year. Analysing this increase demonstrates our respondents' lack of concern about the economy and improved perception about the coming 12 months in the Human Resources industry.

The Human Resources sector persistence to utilise compensation and benefit packages can be seen as evidence of a greater diversification of retention methods now being used. Where compensation packages before were seen as merely wage increases or bonus plans, we now see that they can include anything from increased performance related bonuses, discount schemes to flexible working patterns and child care vouchers.

CONCLUSION

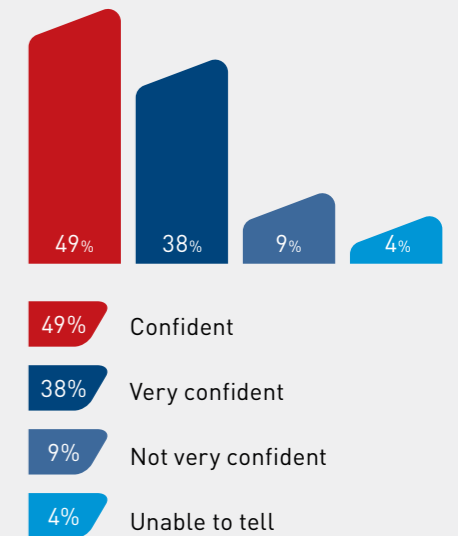
Confidence in our Human Resources respondents is at its highest level for two years and it seems previous concerns over the economy are no longer in the minds of employers. Human Resources as a profession is on the up and consequently, our survey respondents are not only confident in their organisation's ability to sustain and grow, but also in their own ability to assist this process.

There are however severe concerns being voiced about the ability to find and attract the right talent. There is a growing fear that due to the resurgent economy and the increasing need for talent throughout the industry, finding candidates who are both qualified for the role but also a cultural fit will become a constant problem. To tackle the issue we have seen a surge in companies willing to engage with preferred suppliers who understand their organisation and culture. These strategies will begin to address the talent shortages affecting the sector through a clear and decisive strategy that attracts and engages high-calibre talent with the right fit to be a success.

2014 continues to be a strong year for the Human Resources sector, with increased vacancy flow, especially for permanent positions, and a rapidly developing role in the wider business context. A key challenge therefore will be how businesses recruit and retain the best Human Resources specialists in order for their organisation to sustain growth.

UK SURVEY RESULTS

How confident are you that your company will maintain or enhance its performance over the next 12 months?



In the discipline that you recruit for, what are the talent shortages you are encountering?

TOP THREE

- Reward Specialists
- Learning & Development
- Organisational Development

92%

are confident they will maintain or enhance their performance in the coming year

53%

of clients prefer to work with a trusted PSL or agencies