

THE 2019 HR LANDSCAPE:

WHAT'S IN STORE?

INTRODUCTION

There have certainly been highs and lows in the employment landscape as 2018 has unfolded. Industry events have been packed with HR and payroll professionals keen to maintain and advance their knowledge, which illustrates just how many talented people there are in this space, with a keen eye on the future too.

But their desire to keep learning also undoubtedly reflects the degree of change within the human resources environment. Things are evolving, and the savviest of professionals want to ensure they keep up!

This year, for example, we've seen the introduction of GDPR, mounting Brexit uncertainty and the abolition of tribunal fees has really started to have an impact. According to reports from the Ministry of Justice, the number of claims lodged between April and June tripled when compared with the same period in 2017. Employees are exploring their rights and employers are keen to protect their liability.

Elsewhere some signs of growth in the economy have presented newfound recruitment and retention challenges, and the world of work – as we know it – has started to adapt beyond recognition. In the latter parts of 2018, conversation heated up surrounding the 4-day-working-week and the days of the traditional 9-5 certainly started to appear numbered.

For further information about the poll, to discuss the contents of this report, or to speak to a member of the Cascade HR team about anything relating to your Human Resources requirements, **please call 0113 230 8600, email info@cascadehr.co.uk or explore www.cascadehr.co.uk.**

REFLECTING ON 2018

SUMMARY:

As we compiled our questions for Cascade's annual survey, we were therefore intrigued to see what the research would uncover this time around.

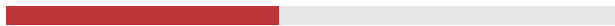
- What would HR teams state as their stand-out achievements from the past 12 months?
- Which hurdles would they forecast to pose the biggest challenges in 2019?
- Would they deem the industry equipped to tackle these obstacles?
- And what role will technology play?

These questions, and more, are answered in this 12 month 'census', commissioned by Cascade HR. Our study of 423 UK HR directors, managers and executives, asked participants to look back on the past year before sharing their predictions for what lies ahead. The findings were then analysed and collated in this report, to pose 'food for thought' for forward-thinking HR professionals who want to thrive in 2019.

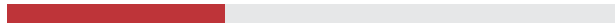
WHEN REFLECTING ON 2018, WHICH THREE TOPICS FROM THE LIST BELOW HAVE YOU FOUND MOST CHALLENGING?

A:

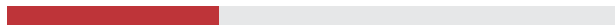
Recruitment - 190 (45%)



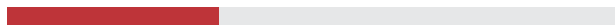
Absence Management - 153 (36%)



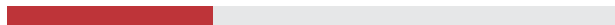
Retention - 149 (35%)



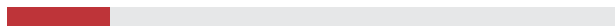
GDPR Compliance - 147 (35%)



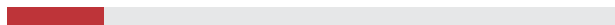
Employee Engagement - 144 (34%)



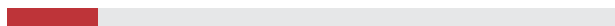
Succession Planning - 71 (17%)



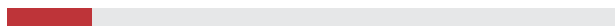
Learning & Development - 66 (16%)



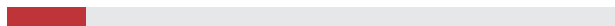
Wellbeing - 64 (15%)



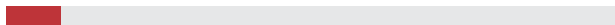
Automation - 59 (14%)



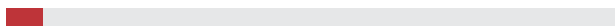
People Analytics - 56 (13%)



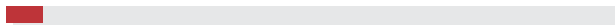
Talent Management - 40 (9%)



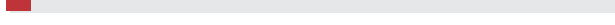
Diversity - 26 (6%)



Employment Legislation - 24 (6%)



The Ageing Workforce - 16 (4%)



Other responses included:

Brexit, change management, IDD regulations, P11D and P11D(B), RSA, Payroll, Performance Management, Redundancy.

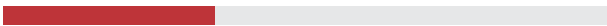
Takeaway point:

When analysing the topics that HR professionals predict will prove the most difficult in 2019, it appears similar themes have posed the biggest headaches as 2018 has unfolded too. In some respects, this suggests an element of consistency in the Human Resources landscape, but the continued nature of these challenges implies further learning and focus is required as HR teams look to the future.

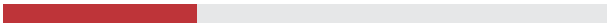
WHEN REFLECTING ON 2018, WHICH THREE TOPICS FROM THE LIST BELOW HAVE YOU/YOUR HR TEAM EXCELLED IN?

A:

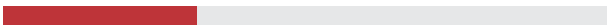
Retention - 146 (35%)



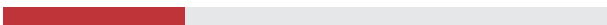
Wellbeing - 135 (32%)



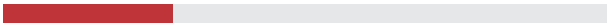
Learning & Development - 135 (32%)



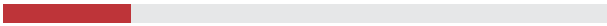
Diversity - 125 (30%)



Absence Management - 120 (28%)



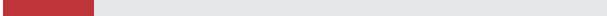
Employee Engagement - 90 (21%)



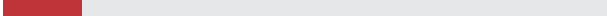
People Analytics - 77 (18%)



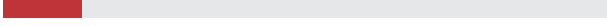
Talent Management - 62 (15%)



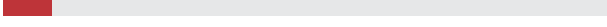
Automation - 55 (13%)



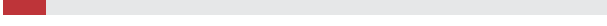
Employment Legislation - 53 (13%)



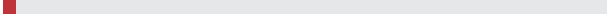
Succession Planning - 32 (8%)



GDPR Compliance - 28 (7%)



The Ageing Workforce - 10 (2%)



Other responses included:

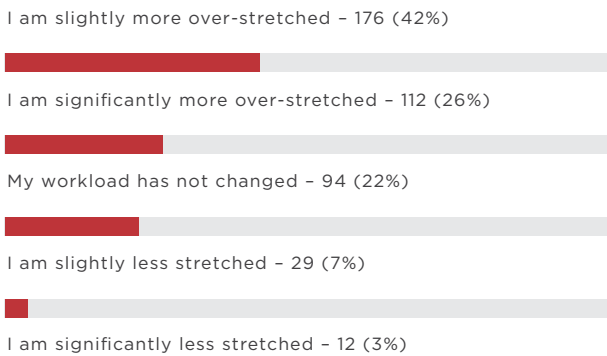
Business integration following acquisition, culture, employee relations, payroll, M&A.

Takeaway point:

Amidst the many HR challenges that dominate the UK headlines, it is important to also celebrate the areas that Human Resources teams have excelled in. Given the results of [Cascade's 2018 Stress Report](#) - which found that stress has grown to become a way of life for 4 in 5 people - it was particularly encouraging to see wellbeing so high on the list.

HOW WOULD YOU DESCRIBE YOUR WORKLOAD COMPARED TO 12 MONTHS AGO?

A:



Takeaway point:

68% of participants feel slightly or significantly more over-stretched in their roles, compared to this point last year, but the figure is even more troubling when considering that 72% had already experienced an escalating workload from 2016 to 2017. This could suggest a relentless upward climb if a resolution is not found soon. It is important to find ways to automate processes and ease administrative pressures using technology, so that HR's precious hours can be used on the most value-adding elements of their role.

THINKING ABOUT GDPR SPECIFICALLY, WHICH OF THE FOLLOWING STATEMENTS DO YOU MOST AGREE WITH?

A:

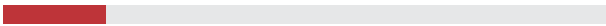
GDPR has been problematic, yet manageable for our team - 280 (66%)



The introduction of GDPR has caused significant headaches for our team - 72 (17%)



The introduction of GDPR has caused significant headaches for our team - 72 (17%)



Takeaway point:

In late 2017, GDPR seemed to be sitting relatively comfortably with the profession, with 61% of research participants concluding that their team was prepared for the legislative changes. Fast forward to the close of 2018, it is perhaps unsurprising that 66% of respondents admitted the data protection overhaul has been problematic, yet manageable.

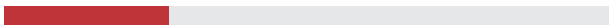
However, compliance training throughout businesses is what will undoubtedly prove crucial to organisations staying on the right side of the law over the coming years.

Interest in Cascade's [GDPR training app](#) was high when it was launched in Spring 2018, which suggests HR professionals were keen to upskill their teams before the new rules were implemented. But an undeniable number of GDPR-related questions are still posed during demonstrations to potential new customers, which shows the level of concern that still exists among businesses keen to safeguard employee data. Fortunately for customers, we've worked hard to include a number of essential features to aid compliance with employment legislation, reduce admin and improve how HR teams manage their workforce.

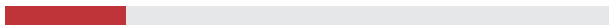
THINKING ABOUT THE PROFILE OF HR IN THE BOARDROOM OF YOUR ORGANISATION DURING 2018, WHICH OF THE FOLLOWING STATEMENTS DO YOU MOST AGREE WITH?

A:

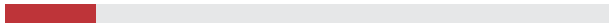
There has been no change - HR has continued to have a strong/respected profile in the boardroom - 143 (34%)



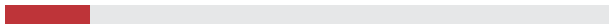
There has been a little positive change - 84 (20%)



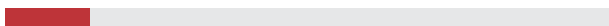
There has been no change - HR still struggles to receive boardroom recognition - 63 (15%)



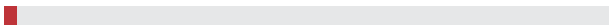
There has been significant positive change - 65 (14%)



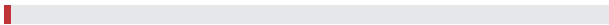
Don't know - 53 (14%)



The profile has deteriorated a little - 10 (2%)



The profile has deteriorated significantly - 5 (1%)



Takeaway point:

The results from this year's survey suggest that HR is now receiving wider recognition for the strategic contribution it makes to businesses. In 2015, 76% of research participants expressed boardroom frustrations, but a more positive picture has emerged from the 2018 poll.

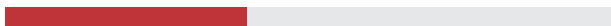
34% believe HR has a strong, respected and maintained profile in the boardroom, with a further 34% claiming recognition has grown more positively as the last 12 months have unfolded. The timing of this strategic impact couldn't be more crucial.

WHAT'S ON THE HORIZON IN 2019?

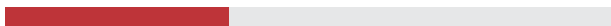
WHICH THREE TOPICS FROM THE LIST BELOW DO YOU EXPECT TO FIND MOST CHALLENGING IN 2019?

A:

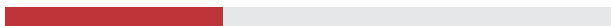
Employee Engagement - 168 (40%)



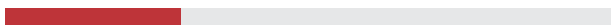
Recruitment - 156 (37%)



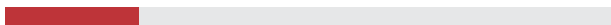
Retention - 151 (36%)



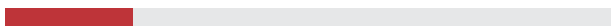
Absence Management - 123 (29%)



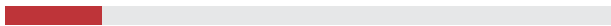
Wellbeing - 94 (22%)



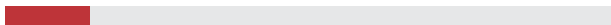
Succession Planning - 88 (21%)



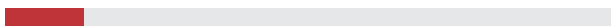
Learning & Development - 68 (16%)



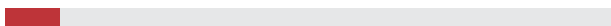
Talent Management - 58 (14%)



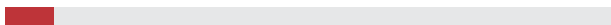
People Analytics - 57 (13%)



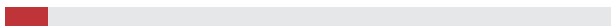
The Ageing Workforce - 40 (9%)



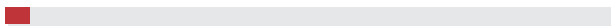
Diversity - 33 (8%)



Employee Legislation - 31 (7%)



The Ageing Workforce - 19 (4%)



Other responses included:

Brexit, pay and benefits, pensions, change management and ongoing gender pay gap legislation.

Takeaway point:

Employee engagement has once again topped the list of topics most likely to keep HR professionals awake at night, after coming first in the polls during Cascade's 2017 research too. But the wide-ranging scope of subjects that appears in this year's results, shows just how tricky the landscape is to manage. Most relate to the increasingly competitive employment landscape, which suggests a clear area of focus for Human Resources teams heading into 2019.

“As we look ahead to 2019, and the continuing business challenges of GDPR and Brexit, the hunt for talent, and the struggle to retain employees is likely to become ever tougher.

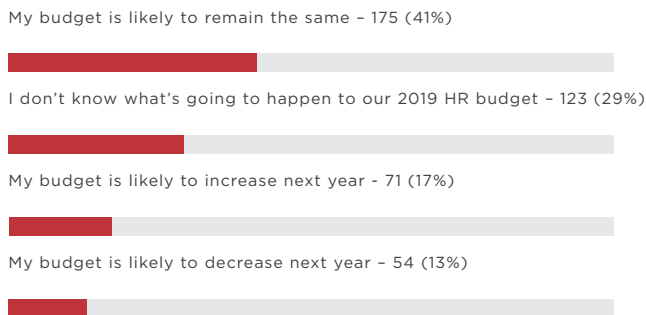
Businesses looking for success in such a challenging environment would be wise to focus on their organisational culture.”

OLIVER SHAW, CEO,
CASCADE HR.

If you're a client of Cascade and any of these topics look set to pose a challenge for your organisation in 2019, talk to us about how our software can help, or which webinars we can offer to upskill your team.

THINKING ABOUT YOUR HR BUDGET FOR 2019, WHICH OF THE FOLLOWING STATEMENTS DO YOU MOST AGREE WITH?

A:



Takeaway point:

Largely maintained investment in HR is reassuring, although it would have perhaps been encouraging to see more companies pledge to increase their budget in 2019 - especially given the findings to Q3. The most worrying statistic to emerge from this question, however, is that, at the time of this report going to print in late November 2018, 29% of HR professionals still do not know what is going to happen to their budget next year. It is difficult to plan amidst a lack of clarity, so conversations about the next 12 months need to happen quickly if HR teams are to plan adequately.

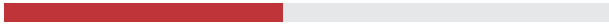
THINKING ABOUT AUTOMATION, WHICH OF THE FOLLOWING STATEMENTS DO YOU MOST AGREE WITH?

A:

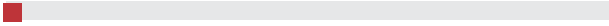
Automation has a partial role to play in our HR department becoming more effective and efficient - 206 (49%)



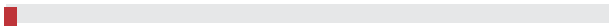
Automation is imperative if our HR department is to become more effective and efficient - 195 (46%)



I don't know - 14 (3%)



Automation is not necessary for our HR department to become more effective and efficient - 8 (2%)



Takeaway point:

It is perhaps unsurprising to see that HR teams widely acknowledge the role of automation as they strive to become more effective and efficient next year. Automation, AI and machine learning have all been hugely-debated topics throughout 2018, with Cascade's webinar - [How every HR team can use artificial intelligence](#) - proving one of the most popular over the last 12 months!

A staggering 95% of respondents stated that automation will play either an imperative or partial role in their activity next year, which may go some way to addressing the strains they expressed in Q3.

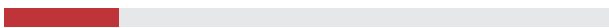
THINKING ABOUT BREXIT, WHICH OF THE FOLLOWING STATEMENTS DO YOU MOST AGREE WITH?

A:

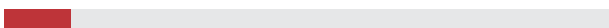
As an HR leader, I am a little worried about the ambiguity and impact of Brexit - 220 (52%)



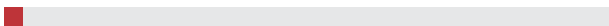
As an HR leader, I am extremely concerned about the ambiguity and impact of Brexit - 82 (19%)



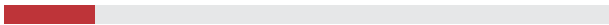
As an HR leader, I don't think Brexit is going to have much of an impact on the employment landscape - 47 (11%)



As an HR leader, I don't worry about Brexit whatsoever - 12 (3%)



None of the above - 62 (15%)



Takeaway point:

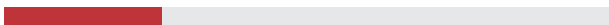
It would be foolish to include a piece of 2018-19 research without touching upon the dreaded B-word, but the mixed responses to this question probably mirror the ambiguity that continues to exist surrounding the subject.

Brexit is clearly causing some concern - probably for certain businesses more than others - but the majority of HR professionals appear to be wary of what is to come, rather than being overly fearful.

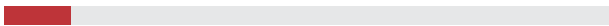
THINKING ABOUT EMPLOYMENT LEGISLATION, WHICH OF THESE STATEMENTS DO YOU MOST AGREE WITH ABOUT HR AS A PROFESSION?

A:

"HR is finding employment legislation harder to navigate" - 108 (26%)



"HR is finding employment legislation easier to navigate" - 48 (11%)



Neither of the statements above - 267 (63%)



Takeaway point:

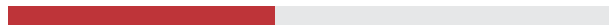
Many people would have perhaps predicted a different response to this question, given the seemingly ever-changing employment law landscape.

However, the fact that 63% couldn't comment whether it feels easier or harder to navigate, perhaps suggests that HR teams are remaining abreast of the developing case law.

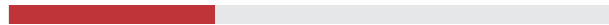
DO YOU THINK YOUR ORGANISATION IS DOING ENOUGH TO HELP EMPLOYEES REACH THEIR FULL POTENTIAL?

A:

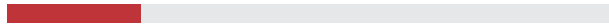
No - 187 (44%)



Yes - 142 (34%)



Not sure - 94 (22%)



Takeaway point:

The results from this question almost mirror 2017's findings entirely - a disproportionate number of HR professionals still don't think that their company is doing enough to encourage colleagues to reach their full potential. Obviously, the level of support provided could be assessed on a sliding scale, so this question does not illustrate the severity of HR's concerns. But at a time when businesses are being encouraged to provide collaborative environments, prioritise L&D and allow employees to take risks - particularly to engage millennials - it would have been great to see some movement on this statistic, when compared to last year's figures.

CONCLUSION

Cascade's annual survey reports often conclude in a similar vein, in that, in the absence of a crystal ball, it is impossible to predict exactly how 2019 will unfold. However, this is the very reason we conduct our research each year – to uncover the thoughts and projections of people working in the heart of the HR industry.

As always, the findings of this study will help to shape Cascade's programme of webinars, training sessions, events and white papers throughout 2019. Our product team will also continue to review the technology roadmap to identify and implement additional functionality that will support clients with the obstacles they may face.

However, encouragement should be taken from this research because, once again, it is evident that HR has not stood still as the last 12 months have unfolded. It has without doubt been a turbulent year at times, but through ongoing learning and development, the clever deployment of technology, plus a commitment to maintaining the 'human' in Human Resources, HR teams have shown just how important this profession really is.

For further information about this study, to discuss the contents of this report, or to speak to a member of the Cascade HR team about anything relating to your Human Resources and payroll requirements, please call 0113 230 8602, email info@cascadehr.co.uk or explore www.cascadehr.co.uk.