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signs of growth, new issues are arising.

Dec. 19, 2012

After four years of fighting a tough economic battle, HR professionals are finding that the choppy waters are beginning to settle, but as parts of the economy show signs of growth, new issues are arising.

The coming year will see more intense competition for good talent and the HR professional taking a more strategic role in the development of the business.

But all is not rosy in the garden, with some HR departments — in banking, retail and the public sector, for instance — still facing an uphill battle, according to Cormac Hughes, Deloitte consulting partner in Human Capital.

“You still have a bunch of businesses which are adjusting to the new market and are still in the process of reorganising and consolidating,” he said.

“For them, change management is a huge, constant reality. It has never been truer that that is the day job for a lot of people. Managing that change and supporting people through it is what a lot of HR people are engaged in.”

There are some areas of the economy that are doing “quite nicely”, he said, but that presents its own problems from a HR perspective.

“You have the talent-sourcing piece but you also have this question around the development of your people, retraining and retooling and how the employer is going to support that,” said Hughes.

“The HR organisation also has to get clear on what is the business of the future. Most businesses are having to look externally much more.

“The days when you could run a business in the Irish market and expect to grow are

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increasingly significant role, not only in the recruitment of staff but also in terms of employee engagement.

“You are seeing it being used to bring the workforce together using applications like Yammer, which is like a Facebook but limited to use within the company. It replaces what you might have had there as an intranet for communications,” he said.

“There is a lot of innovation and development around that. It is exciting stuff and it works well. It gives HR a bit more freedom from the constraints of being just one of the business applications because it is never going to get primacy in an organisation for investment. That is quite a big trend and that is going to accelerate because 2012 is the year when that really started to take off.”

The mobile platform is also having a major impact with younger generations embracing the new working environment created by the advent of smartphones and tablets.

“Deloitte had an iPad app for our recruitment programme for graduates this year and it saved us a bundle in printing. It pays for itself. There are a lot of things that you can do with it. You are still going to need your own HR system to run the processes but it is developing, and the good thing about it is that you can do things cheaply, relatively quickly and, at a time when it is difficult to get funds for bigger projects, it helps,” he said.

With the competition for good talent intense in certain sectors, some companies like Cork-based multinational Trend Micro are making a concerted effort to carry out more direct recruitment.

Lauren McKenna, Trend Micro's senior HR director for EMEA, said recruitment would be a major issue for companies in the coming year.

“There is no way that we are going to get away from having to use recruitment

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“Who are our best advocates? Our employees,” said McKenna. “We pay the employees if they refer someone and it is set at two different levels so we pay a bigger sum for those really, really hot jobs that are hard to fill.

“I think it is important to use your employees, because it is engaging them. Their recommendation is key. In the US, with employee referrals, they just kind of hand CVs in and they are not actually thinking about the person, whereas Europeans are not going to recommend someone unless they know that they are right. It is really working for us.”

As it is not as well known as global heavyweights Apple or Microsoft, for example, the company uses other avenues to raise awareness of its brand and source talent. These include recruitment fairs and the JobBridge scheme. “I have been very particular about what functions we have taken on because it is not about getting cheap labour. This is not about that,” said McKenna.

“Trend is very much about giving people the opportunity and trying to help them. Over half the people that we have taken on in that programme have been converted to permanent.”

There has been a significant shift away from the administration and operational functions previously carried out by HR professionals toward a shared services model.

This enables multinationals to streamline the transactional work for operations across a number of countries to one location, according to Niamh O'Driscoll, managing director of Fastnet Recruitment.

“There is a more decided move toward globalisation and that is very evident from the companies that we are working with,” said O'Driscoll. “HR is following what has happened in a lot of other disciplines such as accounting and finance, where you see more automation and consolidation of processes.

“It can be managed within the same organisation but collaboratively as opposed to

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than being an afterthought once the boat has sailed.

The aim, O'Driscoll said, was to ensure that, in the context of competitiveness and maximising efficiencies, the HR professional was adding value to the business.

“Where HR people can add value is in a coaching capacity or looking at strategic initiatives like talent acquisition, people development and retention,” she said.

“Rather than being bogged down in employee files and recording dates and absences — all that is automated and can be looked after by a central resource.

“Those kinds of things are huge time-eaters. Most organisations are so aware that human capital is the only way that they can get competitive advantage over the others, that it is just so important to manage that talent appropriately and HR plays a hugely influential role in that.”

Some HR professionals in sectors like banking are still firefighting, with change management likely to occupy them for years to come. However, in IT, finance and bio-pharma, the opposite is true.

Talent shortages are going to get even more pernicious in 2013, and retention of employees is going to become a huge factor for HR departments in the sectors affected over the coming year.

“Retention will be a big issue,” said Hilarie Geary, managing director of Executive Connections.

“We have seen attrition go from 3 to 4 per cent up to 6 and 7 per cent within the financial services sector, so it is changing and it will go up higher than that in 2013 unless it is taken care of within the organisation”.

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that customer base.

“They then need to have an increased understanding of their client strategy and their client requirements going into the year, and ensure that HR development programmes support that.”

There was balance coming into the market, she said. Employees have survived storm and are now conscious of the fact that they can move. HR measures — like providing learning and development opportunities, incentives in the workplace and remote working adaptation — will go a long way to ensuring that, once you have the talent, you keep it.

“It is a very different and strategic role. HR people have had a different head on over the last number of years; they have been getting on with their job and doing what they could but feeling that they could be doing more — and this is going to be the year for doing more,” said Geary.

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