

### Beyond Brexit?

Typically, at this time of the year, we brief you on the new employment and related legislation being introduced over the next twelve months as well as the implications for you and the members of your team.

The all-consuming needs of and negotiations relating to Brexit have meant that the Government has had no real focus on other issues and, consequently, little or nothing is planned for 2019. Hopefully, the exit arrangements will be agreed in the very near future which will result in the uncertainty being removed on other matters.

Are there any plans for the longer term? The Government has made a number of announcements recently:

- It intends to consult on requiring employers with more than 250 staff to publish their parental leave and pay policies. This will allow job applicants to make informed decisions about whether they can combine the role with caring for their family. It is hoped that greater transparency will empower employees to make choices about whom they work for and that labour market forces will drive change and persuade employers to offer more equal, enhanced parental benefits;
- New legislation is to be introduced "at the earliest opportunity" to ensure that tips left for workers providing a service will go to them in full. This is designed to remove the actions of some restaurants that take a percentage from the service charges left for staff. It will also mean that employers will no longer be able to use tips left for staff to make up wages to ensure compliance with the national minimum wage.

To date, it has not been made clear exactly what the new laws will cover.

- It is looking at creating a duty for employers to consider whether a job can be done flexibly, and to make that clear when advertising the role. The perception is that there are many people who want to work flexibly (for a variety of reasons) but that some workplaces build barriers to prevent it. The government believes that the proposed plan will encourage an enlightened approach in the workplace.

- The Parental Bereavement (Leave and Pay) Act 2018 (the Act) passed into law in September but further regulations need to be made setting out the finer details of the new rights and are unlikely to come into force until 2020.

The new law will give employed parents two weeks' paid leave if they lose a child under 18 or, suffer a stillbirth from 24 weeks of pregnancy. Parents will be entitled to this leave irrespective of their length of service with their employer. Pay will be subject to qualifying conditions and employers will be able to claim back parental bereavement pay from the government.

In light of the tensions and disagreements relating to Brexit, we also have to consider that there may be a change of government in the near future. The Labour Party has a 20-point plan for employment security and equality at work which includes:

- Giving all workers equal rights from day one, whether part-time or full-time, temporary or permanent;
- Banning zero hours contracts so that every worker gets a guaranteed number of hours each week;
- Raising the National Minimum Wage to the level of the Living Wage for all workers aged 18 or over;
- Proposing four new public holidays based on the four national patron saints' days in the UK;
- Using public spending power to drive up standards, including only awarding public contracts to companies which recognise trade unions.

Irrespective of the political party, it is too early to establish whether all or any of the above plans will become reality. At the moment, it's more a matter of 'wait and see.'

### Survey on Holiday and Working Arrangements at Christmas

**It seems an appropriate time to report on a recent survey which detailed the 2018 Christmas working arrangements and related plans of 262 organisations.**

With regard to time-off over the Christmas and New Year period, 42½% of employers count the time that their organisation will be closed as part of an

employee's basic annual leave entitlement. 26.3% count this time as "company days" on top of annual leave and 12.2% as a mix of annual leave and company days.

Just under 36% of employers report that one or more groups of employees are required to work when the organisation is closed over the Christmas period. Employee groups commonly required to work at these times include staff responsible for maintenance, security and IT.

In cases where employers have to continue operating, they still have to manage requests for and allocation of annual leave over Christmas. In most cases, it is a matter of first-come, first-served but a small number give priority to employees who were unable to take leave over the previous Christmas.

Two-thirds of employers vary their regular payroll arrangements in December, to ensure that employees have access to their pay in good time for Christmas.

The median planned spend on Christmas celebrations for staff for 2018/2019 is £40 per employee with the interquartile range (i.e. covering the middle 50% of the response) ranges from from £25 to £70. Two-thirds of employers reported that their planned spending on Christmas celebrations in 2018 is unchanged from last year.

Company-wide parties and department meals remain the most popular way of celebrating but others include Christmas jumper days, Secret Santa events, Christmas quizzes and Christmas baking. Some of the more unusual ideas include Christmas pyjama days, Christmas crazy golf, a Christmas photo booth and a reverse advent calendar (in which each day on the calendar has a suggested charitable act of giving).

## **Just Because They Say They're Happy, It Doesn't Mean They Really Are!**

**How do you take your coffee in the morning? An extra hot, single shot, flat, skinny caramel latte, or does your personal taste run to a mochaccino with a dash of cold milk and a light dusting of chocolate powder?**

Perhaps the baristas bristled at your fastidious order today, or you noticed that they seemed particularly perky and happy in their job. In the world of coffee, engagement matters. Pret A Manger training sessions famously devote as much time to building enthusiasm as they do to explaining the minutiae of pouring milk. Howard Schultz, Starbucks founder has talked about how engaged staff can 'personally elevate the experience for each customer'.

In the HR world, engagement has been a mainstream concept, practised everywhere from coffee shops to management consultancies, though it's far from universally understood. Debate rages over how it should be defined, driven and measured, not to

mention whether a happy employee equals an engaged and productive one. On one thing, however, most can agree – engagement will improve productivity and have a positive impact on profitability.

But does the effort required to raise engagement truly pay off? And is an across-the-board engagement effort more beneficial than targeting key constituencies?

There have been lots of case study successes in the HR press over recent years. For example, Sainsburys has been making the case for a link between staff engagement and performance. They say that engagement accounts for 15 per cent of an individual store's growth.

What exactly do we mean by engagement? The Chartered Institute of People & Development believe it is "being focused in what you do (thinking), feeling good about yourself in your role and the organisation (feeling) and acting in a way that demonstrates commitment to the organisational values and objectives (acting)". A long definition, maybe, so how in practice can you make it happen for you and your organisation? Here are some guidelines:

- Find out what staff think by conducting regular staff surveys to identify people's views (especially in parts of the organisation that can sometimes feel 'neglected');
- Follow up on the surveys and communicate what actions you are going to take to enhance the quality of the work experience;
- Make sure your managers are true leaders and engage with their staff at a departmental level. People are far more engaged when they feel they are being managed effectively and fairly;
- Make sure jobs are designed so that people can see what impact they can have within the organisation. It's highly beneficial when people can see how they can quantify their contribution, especially if they are not front line or customer facing;
- Make it clear what the organisation is focused on achieving by providing regular updates on performance, details of new initiatives, targets, new products and innovation;
- Never stop communicating, even when times are tough. Lack of or poor communication will start the rumours flying which, in turn, will most certainly lead to dis-engagement.

When was the last time that you checked on how your team feel about working in your organisation? If you would like to do something about it and believe that you require support, MCM would be delighted to help.

## IR35 Tax Rules to be Extended

**The BBC has reported that the Government plans to extend IR35 tax rules which has covered contractors in the public sector since 2016, to the private sector in his Budget on 29 October.**

The move has been widely anticipated, with the government closing a consultation on the potential extension in August. It will mean that the responsibility for determining tax status of 'off payroll' workers falls on the hiring organisation. In the public sector, this has resulted in freelancers and self-employed contractors being required to have national insurance deducted through PAYE, with employers also making national insurance contributions when hiring them.

The BBC cited Treasury figures suggesting a third of workers using personal service companies to bill businesses should in fact be classified as employees. It claimed also that the income tax shortfall from failing to reform the system could reach £1.3bn annually by 2023.

It is believed that the implementation date will be April 2020. By then, companies will have to decide how best to undertake the assessments and which contractors will need to be moved onto payroll which will also result in an immediate cost increase in terms of employers' national insurance

As a word of warning, it is also being speculated that the Government might announce measures to extend some employment rights to contractors, potentially ending a discrepancy that sees some individuals missing out on legal employment status but who are still required to pay employee taxes.

## Skills Shortages and Falling Candidate Numbers Present Recruitment Challenges for Employers

**While overall employment remains high, recruitment difficulties and stagnating pay growth will pose challenges for employers in the months ahead.**

The Chartered Institute of People and Development's latest Labour Market Outlook, produced in partnership with The Adecco Group, reveals a continuing high demand for skills which is failing to be met by sufficient supply. Two-thirds of employers are reporting that their vacancies are proving hard to fill and the average number of applicants per vacancy has dropped across all skill levels. And yet, despite these factors putting upward pressure on pay, organisations are limited in their ability to offer increases for all staff due to weak productivity.

How can you improve the chances of increasing the number of suitable candidates you have to choose

from? It is certainly worth reviewing your current approach by asking yourself the following questions:

- How attractive does the job sound in any advertisements being placed?
- Am I selling the training and development being offered as part of the role?
- Have I researched the market rate for the job to ensure competitiveness?
- Why do the existing members of your team enjoy working within your organisation and are you communicating those benefits?
- How many of the requirements of the role have you listed as essential and could any of these be changed to 'good to have' to widen the scope of those attracted?
- Can I offer some kind of flexible hours package to attract a wider range of people?
- Could the job be done on a part-time and or job-sharing basis?
- Is there scope for home-working?

A word of caution though, be careful not to oversell the job. It risks resulting in job candidates feeling misled or deceived and will inevitably end up being to your detriment in the long run.

Once you have persuaded potentially good candidates to apply, you need to keep them interested. Remember they will be talking to a number of organisations not just you, so you must:

- Respond promptly to candidates' applications;
- Do not delay inviting candidates who appear suitable to interview – even if it may inconvenience you or colleagues;
- Ensure that they are provided with as much information as possible on the business, the role and the key tasks/objectives;
- Respond to any queries from candidates quickly – don't keep them waiting;
- Give candidates a tour of the organisation at interview and get them to meet some of the people they will be working with (if possible);
- Provide them with a clear understanding of the benefits being offered – not just financial but the working environment, prospects for development and other key information that is likely to influence their decision;
- Do not delay making a choice – when appropriate, issue an offer as soon as possible and let other candidates know why they have been unsuccessful;

- It is good to follow up formal offers with a friendly phone call or letter to deal with any questions or concerns as well as encourage acceptance of your offer.

If an offer is to be accepted, you have to project a positive, efficient and truthful image of your organisation at all times. The guidance above will help you to do so. Finally – every candidate must be treated in the same way – someone who is not suited to the current vacancy might be right for the one in a couple of months' time and you want them to come back!

### **And Finally....Being Late for Work!?**

**We have all heard many reasons for being late for work – “the car broke down,” “my alarm didn't go off,” or “leaves on the line” being common ones which are seen to be reasonable – providing they are used very occasionally!**

A survey undertaken by CareerBuilder, however, reveals that US employees' excuses range from the innovative to the bizarre. Here are just a few:

- My coffee was too hot and I couldn't leave it until it cooled down;
- An astrologer told me there was a crash on the highway and so I went the scenic route;
- It's too cold to work;
- My dog ate my work rota;
- I was here but I fell asleep in the car park;
- My fake eyelashes were stuck together;
- I forgot I didn't work at my old office and drove there by accident – even though it's been five years.

(Thanks to *People Management* magazine for the above).