

CITY HR: HELPING MEMBERS DURING THE DOWNTURN

Hardly a week goes by without HR issues making the headlines. There has been a huge debate about City bonuses at all levels including the Government, the regulator, the media, throughout the HR profession and within individual organisations.

There is a daily round-up of organisations going through the restructuring process in all industries. Members offering professional services in the field of employment law, career management, and remuneration are exceptionally busy as many organisations adopt a strategy of resize and retain in order to survive these difficult markets.

In a recent City HR survey, 98% of HR practitioners felt that HR had achieved greater prominence, both within the profession and their own organisation. Senior management is now regularly consulting HR at the earliest opportunity on mergers, remuneration, retention and restructuring. The value placed on HR has undoubtedly increased, and yet as a profession, individual practitioners are equally vulnerable to the vagaries of the market ranging from being exceptionally busy through to "at risk of redundancy."

So what is City HR doing to support members and to try and alleviate some of the pressure?

At the end of last year, the Chairman of City HR, Stephen Sidebottom, announced that the association's theme for 2009 would be 'Re-building the City'. Whilst it is appreciated that 'Rome cannot be built in a day' the City HR team has introduced a number of initiatives aimed at supporting both individuals and organisations during these difficult times.

Focussing firstly on the support available to organisations, this can be defined as:

- Free member fora capturing key industry issues and involving greater scope for debate and knowledge-sharing, with the last event exploring City bonuses and employee welfare on 19th February being an example of this. Topics that are relevant and informative will continue to be the backbone of future events.
- Providing members with referrals on HR specialist services delivered by Associate Members or external expert suppliers on almost every HR topic ranging from suitable training programmes to reward issues.
- In-house HR Consulting in the fields of policy development, HR benchmarking and employee or industry surveys using the latest technology and at extremely modest prices. The recent HR Policies Benchmarking Survey is evidence of this and a brief synopsis of key findings appears on the back page of this newsletter.
- Development of relationships with other industry and professional bodies such as the Securities & Investment Institute and the CIPD where this is of benefit to members. Recent examples have included a free lunchtime seminar on the Retail Distribution Review through to taster sessions at CIPD national events.

City HR has recently been asked to structure a "Downsizing de-briefing" session for frontline HR teams so that HR Directors can provide a mechanism for their HR team to off-load any anxieties to a confidential, third party source after intense periods of difficult activities.

Moreover, the Association is being equally proactive in its support of

individuals. This includes:

- Free careers advice session to any HR practitioner who has been made redundant and is seeking a new role. Furthermore, this service is available to those at an internal careers cross-road providing that a referral is made by their HR Director.
- Building stronger relationships with the leading HR headhunters and agencies, all of whom are happy to receive applications and enquiries from City HR Members who have been made redundant.
- Providing free networking opportunities for members.
- A Vacancies Register to match HR roles with HR practitioners seeking redeployment. Two successful placements have been made in the first eight weeks of 2009.
- Occasional free workshops to help displaced HR practitioners to develop their existing skills into a more popular facet of HR. In February, City HR delivered a 'train-the-trainer' session on delivering outplacement support to encourage HR practitioners to make applications to the leading career management firms for interim work.

City HR is therefore demonstrating that it is committed to ensuring that its services are relevant to the needs of both individuals and organisations in the current market, and that such services are either free or at a significantly discounted cost.

Suggestions and enquiries regarding forum topics, HR consulting or practical support services are greatly welcomed and should be directed to Andrea Eccles on andreaeccles@cityhr.co.uk or 020 7670 1934.

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New Disciplinary and Grievance Code Comes into Force – 6 April 2009

There has been a great deal of publicity surrounding the new Acas Code of Practice which mercifully replaces the much-criticised statutory dispute resolution procedures from 6 April.

The statutory procedures are replaced by what aims to be a 'lighter touch' regime based around a short Code running to only 10 pages. This has to apply to businesses of all shapes and sizes and so does not contain anything very controversial (or, in reality, that useful) as it sets out only very general principles of fairness and does not actually deal with any of the tricky practical issues that crop up on a daily basis. More comprehensive advice here is found in the accompanying Acas Guidance (a rather weightier 70 pages) which is mostly aimed at helping employers to deal with disciplinary and grievance issues.

What should employers do differently?

In the vast majority of cases the answer is 'not much'. Any employer that currently complies with the provisions in the statutory dispute resolution procedures has nothing to fear from the new Code of Practice, except to ensure that its disciplinary policy is not now over-complicated by legacy rights to bring grievances against the rejection of appeals etc. The new Code applies to written warnings which the statutory procedures strictly did not, but most employers wisely did not seek to take the point in their disciplinary procedures anyway.

Hidden away in the Foreword to the Code

(and so not technically part of it) is a reference to the undoubted desirability of seeking to resolve internal disputes by mediation. If you have not considered this route before, now may be the time to do so.

What constitutes fair process?

In outline, employers should ensure that:

- disciplinaries and grievances are dealt with in a timely manner and that cases are investigated
- there is an opportunity to deal with disciplinary and grievance issues informally, where possible, prior to pursuing the formal procedure
- prior to a disciplinary hearing, the employee is notified in writing of the allegations against them
- employees have the right to be accompanied
- there is a right of appeal

Finally, a note of caution!

Unsurprisingly, given their contentious nature, the old procedures are going down fighting. There are complicated transitional arrangements for employees who are already in the throes of disciplinary, dismissal or grievance proceedings up to 5th April 2009 and any Employment Tribunal application relating to action up to this time limit may be processed under the statutory procedures. Those involved in disciplinaries or grievances arising wholly after this date will be covered by the new Code. If in doubt, do check first.

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SO WHAT ARE THE KEY CHANGES?

- Dismissals will no longer be automatically unfair (just probably so) if the Code is not followed
- Employees will no longer have to lodge a grievance before presenting a Tribunal claim
- Employers will no longer have to deal with grievances from ex-employees (unless they want to – there are times when it is sensible to do so)
- There will be new financial penalties for failing to comply with the Code. Previously an Employment Tribunal could cut or increase compensation by 10-50% for failing to comply with the statutory procedures. Now the maximum is 25% with no minimum, leading to hopes (expectations is probably too bold) that the Tribunals will take a fairly pragmatic view of procedural hiccups by either party which make no difference to the end result.
- The complicated time limit extensions will be removed, so back to 3 months from the act complained of in the majority of cases

It should be noted that the Code does not cover dismissals by way of redundancy, capability and non-renewal of fixed term contracts. However, since the old unfair dismissal principles survive, the reality is that a wise employer will usually apply the Code's principles to terminations on those grounds also.

For more details on the Acas Code of Practice, please visit www.ACAS.org.uk or

www.BERR.gov.uk/whatwedo/employment/resolvingdisputes

THE HR MARKET IN THE MIDDLE EAST

Simon Stephens, Digby Morgan's General Manager in Dubai

Marc Hoodless, HR Director, Arqaam Capital and Vice Chairman of City HR

The recent downturn in financial markets within the City has seen other economies capitalise on the knowledge and talent of financial service professionals across all disciplines. In particular, there has been a migration of talent to the Middle East, with a number of HR professionals assuming ex patriate assignments in this region. Simon Stephens, Digby Morgan's General Manager in Dubai, provides an update on the region.

The economic outlook in the Middle East remains relatively positive for 2009. Some states, such as Dubai, will perhaps feel the pinch more than others due to its massive exposure to the slowing real estate sector and the global reduction in lending by financial institutions but others, such as Abu Dhabi and Saudi Arabia, have huge wealth funds and are able to withstand the most severe of downturns. Liquidity is less of a problem in this part of the world, and there is more of a sense that this is merely a market correction rather than the first step into recession. Overall, we are still seeing some growth and expectations are that things will pick up again as the year progresses.

The HR market in the Middle East is very mixed. Whilst some organisations have strategic departments that are key contributors to the overall success of their firms, many others are hugely administrative and much more akin to an old style 'personnel department'. The challenge is to educate such firms in the value that HR can bring to a company and help them to transform themselves into a commercial and business-focused HR department that will enable them to compete in an ever-increasingly sophisticated global market.

Marc Hoodless, HR Director of Arqaam Capital, moved to Dubai in 2007 and has first hand experience of work and life in this

region. Marc agrees with this sentiment stating that: *"many organisations across the region are starting to wake up to the contribution strategic HR can make and the challenge for HR is to grasp this opportunity."*

In the last few years, many HR departments in the Middle East have grown into little more than huge recruiting functions in line with the rapid and somewhat uncontrolled growth experienced in the region. Now that this recruitment has slowed, many are finding that they perhaps have the wrong skills in their HR departments – this has led to job cuts and a general re-evaluation of the HR structure and the people within it. So, from a positive point of view, many organisations are, for the first time, taking the opportunity to review and re-evaluate their processes and organisational structures to ensure that they have the right people with the right skills in the right place to withstand tougher times ahead. This will ensure they are better placed to take advantage once the market conditions pick up again, as they undoubtedly will.

Of particular demand in 2009 will be talented HR professionals with experience of working in the Middle East; those who know what a good HR department looks like and who have the ability to lead key executives through the change and transformation that such a shift will entail. Additionally, having the ability and patience to overcome the traditional view of HR in the region will be key. Culturally diverse, financially astute and well qualified HR professionals with negotiating, persuading and influencing skills are even more important in the Middle East and some in-demand roles include regional HR managers and directors, OD consultants and talent development specialists. Less in-demand roles in 2009 will probably include the likes of recruitment officers and administrators and, of course, expats without Middle East experience.

This also applies to professionals in disciplines outside of HR. Hoodless points out that: *"with the rapid growth of the professional expat community the focus for many firms is to find candidates based in the region that know what day to day life is like."*

Many perceive the desire to work in the Middle East or Dubai as a lifestyle choice, so what actually attracts talent to Dubai? Hoodless explains that: *"the lifestyle in Dubai has many attractions for the professional expat. Dubai, in particular, has a thriving expat community and social life though it is nowhere near as cheap as people believe it to be and the temperatures in summer are pretty fierce. You often come across people who came out for a three year stint but who have been here for 10 or more years!"*

In a similar vein to the UK where the public sector is expected to prove a popular area for HR specialists, Government backed investment authorities in the Middle East are also expected to be busy recruiting talented HR professionals. A further sector expected to be unaffected by any downturn could well be the health sector which would include the region's pharmaceutical and private hospital organisations.

Many of the HR activities conducted in the UK translate into Dubai. For example, the DFSA (Dubai Financial Services Authority) has adopted many of the approaches used by the FSA in the UK and training and competence is one of their focus areas during 'Arrow' visits. Firms that have put these arrangements in place already, and too many local firms have still to do so, are well regarded by the DFSA and the marketplace.

Hoodless concludes by saying that: *"the Dubai market in particular is going through substantial change but the current correction will mean it emerges as a more mature environment for HR."*



City HR Academy is launched

The launch event at the Bank of England on 16th March 2009 heralded the long-awaited unveiling of the City HR Academy, which has been established to provide CIPD qualification training in the City and Canary Wharf. Senior Executives from MOL, the selected provider, the CIPD and City HR outlined this unique programme, with added authenticity lent by the attendance of a current tutor and student for the Q&A session.

The programme, which is being delivered by MOL, follows the CIPD's Professional Development Scheme via CIPD Flexible Learning+, in a modular format over a two-and-a-half year timeframe.

Students will undertake a combination of locally delivered twilight workshops within Docklands and the Square Mile on a monthly basis supplemented by additional support through a variety of learning methods. These include a virtual learning environment (VLE), workbooks, CD Roms and learner-centred telephone/email support from tutors, including in the evenings and at weekends.

Successful completion of the scheme will lead to Graduate Membership of the CIPD

with the ability to then quickly upgrade to Chartered Member (MCIPD) or Fellow (FCIPD) status.

Speaking at the launch of the City HR Academy, MOL Director, Steve Clarke confirmed: *"We are pleased to be working in conjunction with City HR to make CIPD qualification training more accessible to those working in the City and Docklands. The City HR Academy will deliver a blended learning programme which includes unique features such as locally accessed twilight delivered workshops, HR topic Masterclasses and student mentoring"*.

This project is the culmination of a long consultation and exploratory process by City HR Chair, Stephen Sidebottom and Director, Andrea Eccles. Sidebottom comments: *"We have been actively working with the CIPD to bring professional standards training closer to our members. In addition to being more accessible, the City HR Academy will help students build a network of colleagues, share experiences, and gain a recognised professional qualification."*

For further details, including a full information pack, please contact City HR on info@cityhr.co.uk or 020 7670 1934.

New Members

City HR is delighted to welcome the following new members who have joined since our last newsletter:

Reinsurance Group of America
European Finance House
Osborne Clarke

Forthcoming events

28 April	Getting a grip on pensions
13th May	Redundancies discussion group
May	Employee Engagement and Motivation
May	Learning & Development
End May/June	Compensation Forum
09 June	Member Forum
June	Compensation Management
16 June	Understanding Financial Markets
23 June	Understanding Financial Regulations
17 Sept	Compensation Seminar
22 Sept	Member Forum
12 Oct	Annual Conference

HR Policies Benchmarking

The first City HR Policies Benchmarking survey was completed earlier this year and yielded some interesting results.

Participants from 32 organisations in the City provided detailed information on a wide range of topics which covered every facet of HR with the exception of reward and pensions. The topics surveyed included HR organisation structure, recruitment, talent management, learning and development, graduate recruitment, flexible working and diversity. Extensive data was also collated on what companies are doing in the fields of employee relations and restructuring.

The reports were published in two parts and provided almost 200 pages of graphs and commentary. The first was a consolidated response from all 32 participants which ranged from large investment banks to

relatively new asset management firms. The second was a peer group report, which analysed data amongst firms of similar size and business, so that participants could see what their competitors were doing as well as the consolidated group. A historical comparison of key HR activities was also produced so that organisations could identify market trends between 2008 and 2009.

Findings from the survey identified that-

- No participating firm had a total hiring freeze in 2008, although almost a third had a partial freeze
- Over half spent less on recruitment in 2008 than 2007
- Just a third have a talent management strategy

- The employee retention tools most frequently cited were bonus, salary increases, career development opportunities, promotion and training
- Half supported sabbaticals
- Of the wide range of flexible working patterns, 90% had part-time opportunities and 75% allowed staff to work from home
- A third have seen an increase in stress related illness in 2008.

The survey results were so insightful that organisations have elected to run the survey again in February 2010. Any organisation that would like to consider joining the survey, or would like to know how participating in a future survey could benefit their organisation, should contact Andrea Eccles on andreaeccles@cityhr.co.uk or 020 7670 1934.



Supporting
City HR professionals

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