

Welcome to the first PPS newsletter of 2011

We hope that you will find plenty of interest in the following few pages, from the **benefits of management information**, to an update on the soon to be implemented **Agency Workers Directive**, and an overview of **why employees left their employers in 2010**.

We have also interspersed the newsletter with updates on the progress of both PPS and some of our clients. I would like to take the opportunity to thank all of our clients for their custom in 2010, and look forward to recruiting many more quality staff for you all in 2011.

Many thanks – Will Shepherd, Managing Director

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Data Discovery Exercise – uncovering the full costs of using temporary staff.

by Charli Brennan, Industrial Placement student at PPS

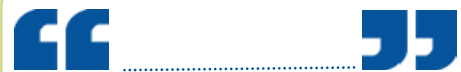
As part of my Industrial Placement, I spent time as project assistant on a data discovery and analysis exercise that PPS conducted of a client's temporary staff use. It's amazing to see how high spend on temporary workforce can be, purely from lack of awareness. It is common that companies won't recognise the benefits of a Temporary Managed Service until they see the collated data that we provide by conducting a PPS data discovery exercise, using the following steps:

Firstly, we collect quantitative data based on spend and tenure from HR and procurement teams, agencies and recruiting managers. We cleanse invoicing reports to calculate the total monthly spend on agency staff, eliminating any additional spend from non-relevant, miscoded or duplicated sources. We then collect similar data from the supplying agencies and reconcile this with the client data – any discrepancies being investigated. We are also able to gain further information from the agencies on temp pay rates, start dates and tenure, which provides a fuller picture of the temporary workforce.

The next stage is to gather qualitative information, asking recruiting managers to provide feedback on the existing processes used to recruit through agencies. This is also valuable in discovering how they would like the process to be streamlined. We collate all results in to digestible statistics and provide practical solutions dependent on business needs.

The outcome of the analysis was self-evident - outsourcing to a Managed Service provider and their technology would allow temporary recruitment to be managed much more cost effectively, and the data would be captured for evermore.

To find out more about a discovery exercise for your organisation, contact Will Shepherd on 0121 702 0716



"PPS have invested time in understanding our business – this wasn't just upfront, but they continue to commit to finding out more and more about our culture and our roles – this feels different to the ways in which many recruitment agencies work"

Kerry Draper –
AAH Pharmaceuticals



"PPS play a major part in providing our recruitment solutions providing both quality, speed of response and value for money. Their experience, customer focus and competitive pricing structure have made them a valued recruitment partner."

Sean Jinks - Total UK



Why recruitment needs Management Information

With millions spent on recruitment every year the importance of good information to guide your recruitment is paramount. Do you know how much you are spending on recruitment, do you know where it is being spent, and do you know if the money spent is getting the results you want? Good management information can tell you all of these things. The aim of management information is to get all of the facts in front of everyone.

Good management information can give you all of the facts you need to recruit the right people. For example, you have a recruitment process that has been ticking along nicely for several months with an average time to hire of 30 days. Suddenly one month it's doubled to 60 days and continues at this pace for the following month. Where have the extra days come from? Is it the approval process, is it poor advertising response, or are you just busy recruiting for more jobs now than you were before? With good management information you have immediate access to all of the information you need to find the problem and identify the areas in your process which are causing the delay, without having to spend many hours trawling through reels of data. You would be able to see how long the job took to be approved before recruitment could commence, which parts of the approval process took the time, how long it then took to advertise the roles, how good the response was for each advert, how long was spent screening all of the applicants, how long was spent interviewing and then how long it took to make the final decision.

Having access to all of this information not only allows you to quickly identify the cause of problems, it can also direct you in your decision making, allowing you to make your decisions based on facts rather than intuition and guess work. If your advertising costs are pushing up the cost of recruitment then you can use the information provided to guide where to advertise. This can be both in general terms and more specific.

Any business trying to put this information together themselves can come across a number of barriers. All good management information starts with good data, and if the data is of poor quality then the information will be of poor quality. Many companies use recruitment agencies, yet it may not be in those agencies best interests to let you know where they get their best candidates from. If you knew that, then you may not have such a powerful need for their services. Equally, recruitment agency software is often not well suited to report on cycle times and recruitment ratios.

However if engaging a recruitment process outsourcing supplier, dedicated to improving your processes, you should expect top notch reporting. It is in an RPO's best interests to not only show you where your best and worst candidates are coming from but also where you are losing potential candidates, and of course how you can improve your recruitment process. Masses of very significant data can be captured throughout the recruitment process and reporting can provide valuable insights in how to save time, money and improve the quality of candidates you can attract.

Make sure that your data is working for you, and that your recruitment efforts are focused appropriately.

For a more in-depth discussion or for more information on how we report on recruitment for our clients here at PPS, call David our data specialist on 0121 702 0716.



"The calibre of people we have received has been first class and MHP would have no hesitation in recommending PPS to other potential clients."

Andrew Kennedy - MHP



"We see ourselves as a next generation retailer and we chose a next generation recruitment solution."

David Dodd – co-founder Hub Retail



"What a fantastic result. Really good to see such spot on alignment in what talent means for Danone. Thank you for a great start!"

Alice Bertin - Danone



New clients in 2010

Why they selected PPS, what they hope to gain, what we have achieved so far.

2010 was a successful year for PPS, with continued growth in our core sectors of social housing, engineering and retail. Further growth also occurred in FMCG, pharmaceutical and security & services industries.

Our solutions have included providing completely outsourced recruitment with client branded applicant tracking technology, supporting additional workload for busy graduate recruitment teams, delivering exit and retention interview programmes, setting up managed services to manage and control the use of temporary workers.

The well documented issues related to the state of the economy over the last twelve months has increased the interest in alternative recruitment methods. Our clients agree with us that we provide an alternative to the way in which recruitment agencies work.

Our clients summarise the key benefits of working with us as the following:

- o Pushing away the administration workload from line management and HR
- o Reducing cost and overall spend on recruitment
- o The ability to provide "Added Value" to problematic vacancies by web mining & specific targeting
- o Providing management information that is extremely helpful
- o Improving the quality of candidates and the recruitment process

Our new clients have enjoyed a decrease in cost while quality and efficiency has risen.

New clients this year have included:



Our Blog

Have you seen our blog yet?

The PPS blog is full of useful and interesting articles to do with all things recruitment.

Articles are written by all members of the team here at PPS, and we are always looking for comments and feedback.

Sign up now by visiting:

www.ppsworks.com/blog.php

PPS' Recruitment Blog

January 21, 2011

Why Do Exit And Retention Interviews?

Filed under: Uncategorized — Tags: CIPD stats, employee leavers, exit interview, management information, PPS, recruitment, retention interview — ppsworks @ 9:39 am Edit This

What are Retention / Exit Interviews?

Simply put its calling your employees or ex-employees and, preferably independently, obtaining open honest feedback on what they think of your company!

The information collected in an **exit interview** can give a company a unique perspective on its performance as an employer and employee satisfaction. People who leave are normally honest about their experiences without fear of immediate repercussions.

Why do them?

- It's best practice in terms of sense checking how staff feel, measuring the employee brand and consistency within the business.
- It can improve the recruitment process and candidate experience, making your organisation even more focused on finding the right people.
- It often only takes a couple of "saves" – employees persuaded to stay following the interview, to pay for the years programme. So as well as supplying **hard core data**, anecdotal evidence often will show the programme is delivering value for money.
- Is your staff attrition rate high? Perhaps it is because your training is poor, or your manager does not talk to them or your working hours are just not flexible enough to meet their needs of work / life balance. Perhaps no one has asked or had the time to ask the member of staff who is leaving the question. Interviews will ascertain the real reasons why people are leaving your organisation.
- Are staff leaving soon after starting? Perhaps someone has started in the role but they are not being given the right training, development, or time so are unhappy and looking to leave. Retention interviews can save you the cost to recruit and train someone again when a chat maybe be all that is needed to solve their unhappiness.
- CIPD Resourcing and talent planning survey 2010 reported the overall employee turnover rate for the UK to be 13.5%. Turnover levels vary between industries. Successive CIPD surveys of labour turnover show that the highest levels are typically found in retailing, hotels, catering and leisure, call centres and among other lower paid private sector services groups.



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Top ten reasons for leaving a job

At PPS we spend a lot of time asking why employees have left their recent employment. Our exit interviews are designed to get the true picture from an ex-employee by being impartial, independent and understanding.

We conduct 100's of exit interviews each year for clients across a broad range of industries, and we thought it might be useful to share some of the higher level data with you.

For more information on any aspect of our work interviewing employees or ex employees, then please contact Bernie Doody on 0121 702 0716 or Bernadette.Doody@ppsworks.com.

| Reasons for leaving | Percentage of all answers |
|---|---------------------------|
| Personal Reasons | 23% |
| Management Issues | 15% |
| Lack of training / progression / appraisals / support | 11% |
| Hours / Shift flexibility | 10% |
| Pay or Benefits | 9% |
| Workload / Stress / Targets | 7% |
| Job Location | 6% |
| Dismissed / End of Contract | 5% |
| Type of work | 4% |
| Culture of organisation / Structure | 2% |

Would you consider re-employment with the company?



Agency Workers Directive 2011

The Agency Workers Directive (AWD) will be enforced in the UK on 1st October 2011. The main purpose of the Directive is to ensure the equal treatment and protection of temporary agency workers in terms of basic working and employment conditions which are pay, working hours, overtime, rest periods, holidays, training, access to shared facilities and internal job vacancies.

Equal treatment does not include the provision of a pension, occupational sick pay, redundancy pay, bonuses intended to reward longevity of service or loyalty and will not include any changes to the employment status of the temporary agency worker. An essential part of the Directive is that equal treatment rights will not come into effect until the temporary agency worker has been in an assignment for 12 weeks.

The implementation of the AWD will have major implications on the cost and use of agency workers within the public sector. Yet research has suggested that approximately 60% of HR professionals are unaware that the Directive will be in place in less than 12 months.

This is a significant piece of legislation that carries severe consequences for non-compliance; getting it wrong could result in serious financial and legal ramifications. It is therefore essential for companies to start getting to grips with the potential areas of impact. Below are a few key questions and areas companies can be focusing on in anticipation of the Directive:

1) How many temporary agency workers will be in place for more than 12 weeks?

It is important to gain an understanding of the current level of temporary agency usage within your organisation to understand the impact the Directive will have. A data analysis exercise would help to firstly establish how many temporary workers are in place, where they are, how long they have been in place, and how long their contracts are due to continue for. This would provide a good insight into what issues you may face and to understand how many temporary agency workers would qualify for equal treatment.

You should also consider and try to forecast what your business needs will be in 2012 onwards, to help further estimate and understand the impacts of the Directive. Please be aware that it does not matter if the temporary agency worker is full or part time and if they have worked in the job through different agencies. If the job is similar then they would be entitled to equal treatment once they reach the 12 week period. They would need to have had a break between assignments of at least 6 weeks in order to renew the qualification period.

For example, a temporary agency worker has worked as a Customer Service Officer through agency A for 10 weeks before leaving. He is then recruited back 1 week later as a Customer Service Administrator through agency B for 10 weeks. As the worker has been recruited to do a similar role involving the same tasks he will be entitled to claim for equal treatment after the 12 week qualifying period.

Continued overleaf...

Predictions for 2011

PPS begins 2011 in a very positive position. The PPS core industry target markets of retail, housing and professional services have already demonstrated strong commitment to our service in 2011.

Housing - the election of the coalition government in 2010 and the subsequent cuts on the public sector means that budgets have been severely restricted in the housing sector. Housing Associations have no choice but to look at making huge efficiencies in their running costs. One of the best ways in which they can do this is by managing the supply chain of temporary staff through a managed service, and enhancing the use of a locum bank and saving considerable amounts of VAT. The pressure on HA's to cut budgets and make savings will not ease through 2011. Thanks to the excellent work that PPS has done with Peabody, A2Dominion, Metropolitan and Genesis we expect to see more housing associations committing to the PPS managed service.

Retail - once again the spending cuts and economic downturn continues to affect retailers. The VAT rise in January to 20% has also meant retailers are having to pull out all the stops to get shoppers through the door and to realise increased sales per square foot. Many retailers have imposed recruitment freezes for the first half of 2011. Nevertheless these retailers are looking at ways to make recruitment more efficient for when they do begin to hire again.

Most retailers realise the benefit of e-recruitment technology and applicant tracking for store recruitment however have still used recruitment agencies for Head office appointments. Many are using the quiet time in 2011 to look at ways in which to

Continued overleaf...

Agency worker directive continued

2. Is there a cost implication to providing equal treatment?

As discussed above equal treatment refers to pay, holiday, training and collective facilities, such as childcare, so it is inevitable that cost will be attributed to these factors.

Where there is a difference in basic pay between the permanent member of staff and the temporary agency worker, this should be budgeted for accordingly. If holiday entitlement is above the statutory minimum for permanent members of staff this will have further cost implications.

It will be necessary to see if there are employees doing a similar role within the organisation who could be used as a comparison for a temporary agency worker. Also be aware when recruiting new permanent members of staff that their salaries and holiday entitlement etc. may be used by temporary agency workers as a bench mark for entitlement.

3. Review your internal processes

It is vital to ensure all hiring managers within the company are aware of the Directive and fully understand the implications of equal treatment and what this means for their temporary workers. It is important to ensure they have access to all necessary information, guidance and procedures to enable them to work effectively to ensure compliance with the Directive.

More details about the Directive will be provided throughout the year to help with the implementation process. However, it is our hope that this information will help to emphasise its importance and the need to use temporary workers in the manner in which they should be. To read more on the equal treatment of temporary agency workers more generally within your organisations, please click on the following link http://www.ppsworks.com/blog_equality.php.

The PPS team are on hand to assist and help make this transition run as smoothly as possible, therefore should you have any questions or would like to discuss this further please contact Mandy Glover, Head of Managed Services on 0121 702 0716.

recruit without the need for agencies so that when the freeze is lifted they have the most efficient process in place. We do predict though that 2011 will see the continued strength of so called 'discount' retailers or low cost stores and steady growth for emerging markets such as pawnbrokers.

Professional Services - many professional services firms saw the market begin to recover towards the end of 2010 after what had been a very tough two years. 2011 will see a steady return to normal levels of recruitment. However, many firms are looking for ways to ensure that any recruitment is done in the most efficient way possible. The downturn meant firms became more conscious of the heavy price of agencies and have accepted that there are better ways of recruiting especially business support staff. 2011 will see firms continuing to manage the administrative task of graduate applicants. Many firms had by December 2010 already reached the number of applicants they had for the previous year and application dates have not closed yet. The huge number of jobless graduates means HR departments will have an increased work load and will often look for external support.

Graduates - businesses who had put their graduate programmes on hold are resuming programmes through 2011 and many have increased the number of graduates they are prepared to take on.

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