

Irish business struggles to recruit

19 November 2019

During 2019 over 80% of Irish businesses report having to offer above the market median salaries to secure candidates for some, or many of their roles, according to the latest survey by Performance Reward Consulting. This is a 7% increase on last year's survey result.

The all Ireland survey, conducted in late October 2019, included 133 leading organisations, across market sectors, covering over 169,500 employees.

This year 83% of businesses report difficulty recruiting. Most are now looking outside Ireland for candidates. In the survey, 65% of organisations report that they expect to search internationally to recruit for some of their Irish based roles in 2020, which is a 7% increase over the last year.

The survey, which covered a range of areas related to Human Resources, also found that the majority of organisations are forecasting pay increases for 2020.

Patrick Robertson, Managing Director of Performance Reward Consulting said "the employment market on both sides of the border has remained extremely buoyant during 2019. In our latest survey 85% of Irish businesses report that they expect their employee turnover to remain the same, or to increase in 2020. Within the survey, the median employee turnover is running at 8%, with significant differences across market sectors. In some sectors, for example construction and engineering, employers are struggling to cope with staff turnover rates of over 15%."

Mr Robertson noted "this year we have seen Irish businesses continuing to focus on staff retention. Salary benchmarking, benefits changes and retention initiatives remain the top reported priorities for 2020. In a bid to attract and retain staff, we have also seen organisations continuing to focus on flexible working, increased leave provisions and enhanced benefits like healthcare, wellbeing initiatives and career structures. With stress levels remaining high in Ireland North and South, over 90% of survey respondents report that they provide support to employees with mental health problems. This is typically through an employee assistance programme or occupational health service."

Performance Reward Consulting has seen significant focus on market pay levels this year, with many of its clients commissioning salary benchmarking reviews. Patrick notes "We have seen incentive levels remaining high in Ireland in 2019 with over 70% of survey respondents reporting their incentive plans have paid out at target levels or above. Despite this, only 48% of respondents feel their organisation is getting full value from their current incentive plan spend and we would expect to see changes to incentive plan design in the next few years."

Note to Editors

Performance Reward Consulting's *Reward Planning for 2020 Survey* covered a range of HR and reward related topics. The survey was sent to HR Leaders, CEOs and business executives in late October 2019. 133 leading organisations participated in the survey. Of these 83 had employees located in the Republic of Ireland only, 12 had employees located in Northern Ireland only and 38 had employees located on both sides of the border. The median Irish headcount across participating organisations was 509 employees with an average headcount of 1,275 employees. The combined 2019 Irish employment from the participating organisations was 169,524 employees. The survey was conducted on a cross industry, all island basis. Further participant information, including a sector breakdown, is attached.

About Performance Reward Consulting

Performance Reward Consulting is a boutique reward consultancy focusing on the Irish market. From advising on reward levels and appropriate reward strategies to support business plan goals, to designing performance based incentives that motivate employees, they tailor their reward solutions to each client's commercial strategy and unique business environment. For more information visit <http://www.performancerewardconsulting.com/>

Survey / Interview Contact

Patrick Robertson, Managing Director, Performance Reward Consulting
patrick@performancerewardconsulting.com
Tel ROI: 087 988 1894