

Survey of Issues Facing British Business: Summer 2013

A survey of businesses was carried out across England, Scotland and Wales amongst senior executives, directors and proprietors of businesses with 20-500 employees. Depth interviews were conducted with 54 respondents from 44 businesses to gain an understanding of the business issues they currently faced and how they were dealing with them. Each interview lasted 1-2 hours.

Key issues were identified as follows:

1) Not surprisingly, the most frequently cited issue, regardless of business size or sector, was the effects of the current economic climate putting pressure on sales, cash flow and pricing. Not only had businesses dealt with these issues by reviewing and cutting expenses and staff numbers, many had re-examined how they were selling and now were in heightened sales mode, continuously looking for avenues through which to sell or to diversify. A lot of adjustment and reconsideration had taken place, looking for new product development, spotting new sales opportunities and new ways of reaching customers. After many months of paring expenses, companies had started gearing up once again to capitalise on growth opportunities, especially those with 200 or more employees.

2) Staff issues loomed large as an area of concern for employers. Now was seen as a period for stabilising workforces after management changes, pay freezes and, whether or not they had gone through redundancies themselves, recent years of job uncertainty. The main staff issues were: retention in the face of salary freezes, finding ways of getting the most out of people and attracting talent in the face of skills shortages. Employers were now not only recruiting more actively but also more rigorously, trying to ensure that those they recruited really were the right people for the job and the company. In particular there was a shortage of those with engineering or technical skills.

One of the ways employers were dealing with skill shortages was bringing people up through the ranks but this produced its own issues, as 'doers' were promoted to people managers, needing to acquire soft skills of management and more strategic, commercial approaches. Training was viewed as key to tackling these issues.

3) The third most frequent mention was issues arising from legislation; the pace of regulatory changes and the ever-increasing load of regulatory requirements.

4) Keeping up quality and production schedules following cut-backs was also becoming an issue as recovery started.

Staff Issues

HR departments in particular felt the need to deal more effectively with staff retention and staff morale. They were working hard to retain and attract staff in the low-cost environment of the recent economic climate by focussing on increasing staff engagement and creating a positive culture at work. Providing benefits like childcare vouchers and a wide range of discount vouchers, staff fun days and occasional get-togethers, as well as improving communications and transparency all played an important part in this endeavour.

Better sick pay was top of the wish-list if they could wave a magic wand to demonstrate to staff how much they were valued.

Sickness along with short-term and long-term absenteeism was recognised as less of a business issue now than it has been. However, mid-sized companies said it was a problem that middle managers were struggling with. They tended to be focussed more on day-to-day issues and were not trained to recognise that investing in up-front dealing with absenteeism could save the company a great deal of cost further down the line. An aging workforce and psychologically-induced stress were seen as growing problems.

There was little awareness of the availability of insurance packages, such as group income protection, that could help companies deal with the cash flow problems of managing absenteeism, save money by helping prevent illnesses developing into longer-term problems for both employers and employees, whilst also providing a valuable and cost effective means of demonstrating to staff that the company really valued them.

'Good problems'

On the plus side, businesses were now facing 'good' problems of meeting increased demand and managing new development projects, such as site development and the introduction of new production equipment. Businesses right across sizes and sectors were seen to be slowly gaining in confidence and working into recovery.

This report is based on original research conducted by Phoenix Market Research & Consultancy between May and August 2013 sponsored by Unum. You must obtain permission to publish any of the findings reported as we have to ensure that any such published material is accurate and appropriate according to the MRS Code of Conduct. Work was conducted in compliance with ISO 20252:2012.



Whithorne House · London Road · Cheltenham · GL52 6UY
01242 256816 · reports@phoenixmrc.co.uk · www.phoenixmrc.co.uk