

2018

Human Resources practices
in the SME sector.

Introduction

In late 2018 ISME reached out to its members to invite them to take part in the organisation's first national survey of Human Resources practices in the SME sector.

The goal of the survey was to gain a greater understanding of some of the things that make our members unique while also identifying some of the common challenges that they face in the modern business environment.

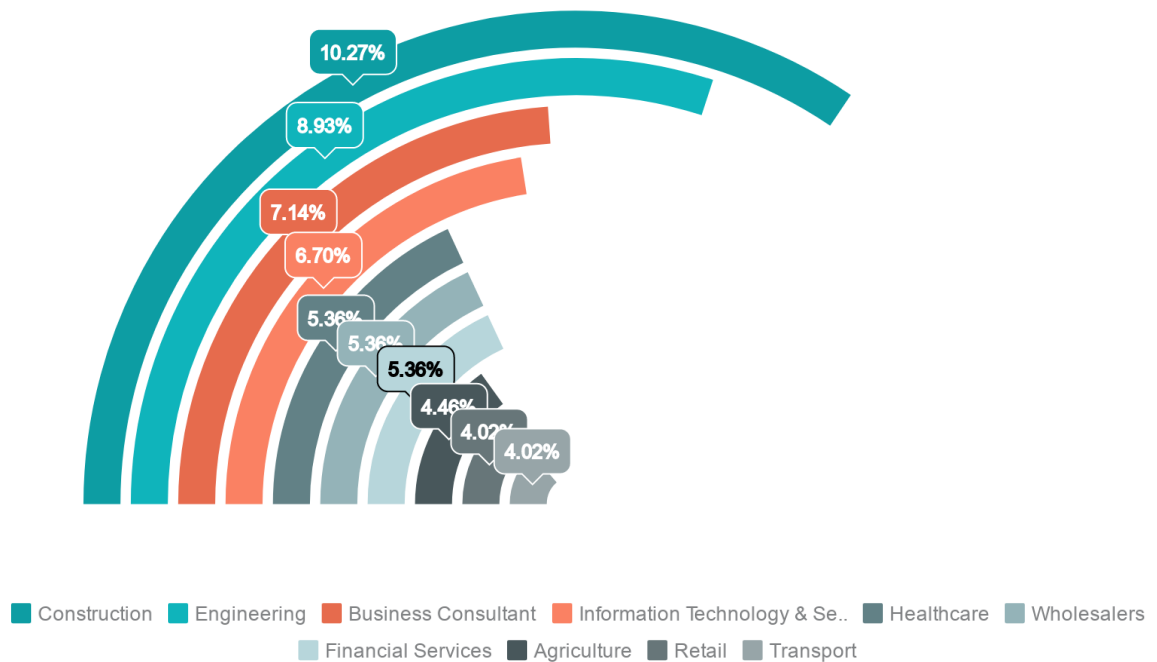
Turnout was excellent and over ten per cent of the ISME membership base responded. While this may not seem like many respondents, considering this was the first survey of its type conducted by ISME we were very pleased with our return.

We recognise that the questionnaire was quite lengthy and required a significant amount of preparation however, this was necessary to ensure that we gained information that was of value to members. The information gathered in relation to Compensation and Benefits should be particularly helpful, however we would recommend that you consider some of the other details highlighted in the HR Section of the report.

Section 1 Overview

First off, we will look at some broad figures on who responded to the survey and where they were located in the country

TOP SECTORS TO RESPOND

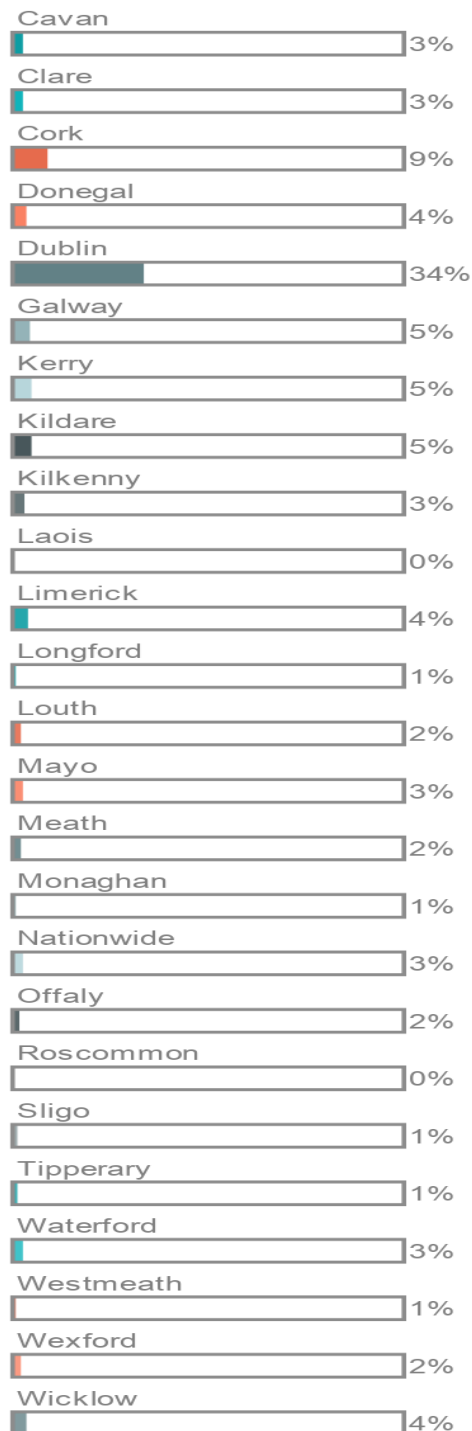


Overall, we received responses from 38 different sectors. The top three sectors account for 33% of the returns and that the next eight sectors account for 42% meaning that the outlined 11 sectors above account for 75% of respondents.

The full table of respondents can be found at Appendix 1.

LOCATION

As you might expect, due to scale Dublin was the primary location identified for respondents with 33.6% however there was an excellent level of response across the nation.

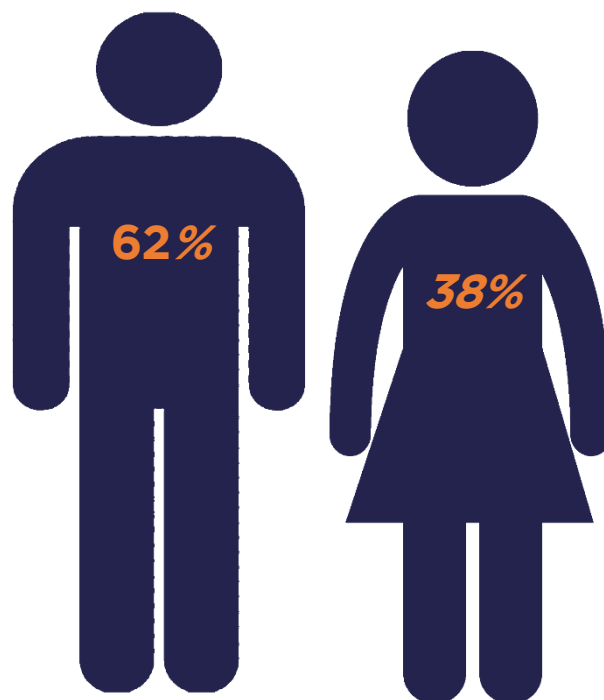


Section 2 Demographics

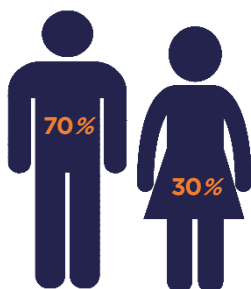
From a regional perspective there was some significant variance in demographics, however this was reflective of the fact that some of the respondents were more isolated geographically. In order to ensure a more representative view of the information it has been disseminated to be viewed provincially.

Gender

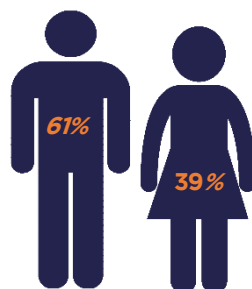
Overall



Connaught



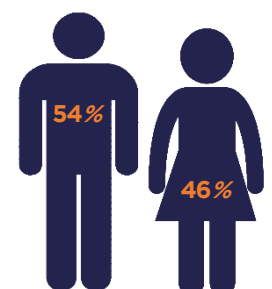
Leinster



Munster

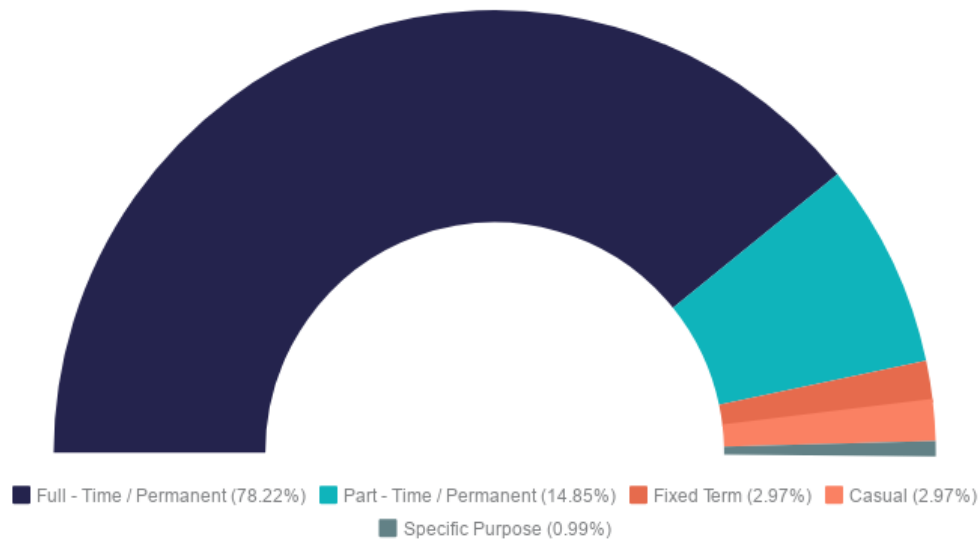


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Employment types

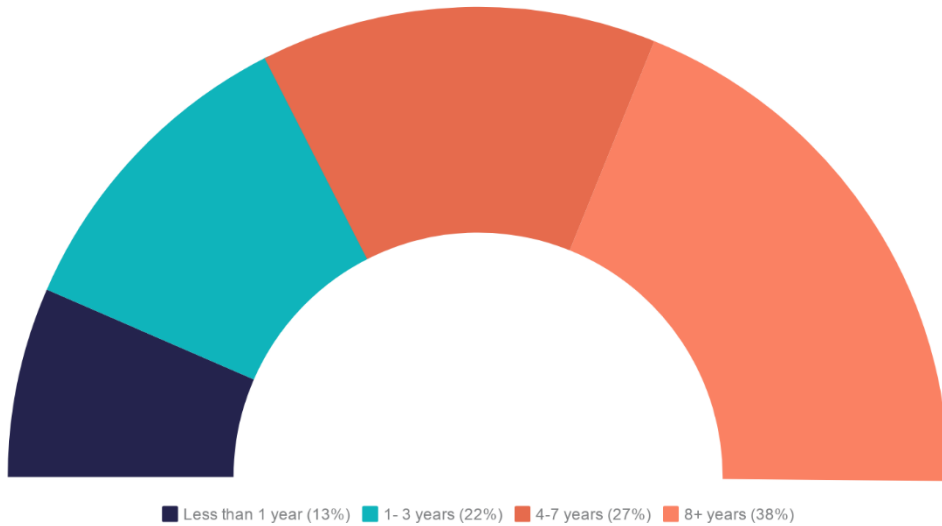
When employment types are reviewed the key takeaway is that 78% of employment in the sector is in Full-Time, Permanent roles. This highlights the importance of SMEs as employers in the economy from the perspective of continuous, sustainable employment.



Length of Service

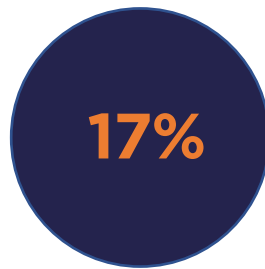
less than 1 year	1 to 3 years	4 - 7 years	8 + years
13%	22%	27%	38%

When length of service is reviewed, the findings indicate that 65% of employees have over four years' service. Again, in terms of employment stability this highlights the importance of SME's as a sustainable source of employment in the economy.



Labour Turnover

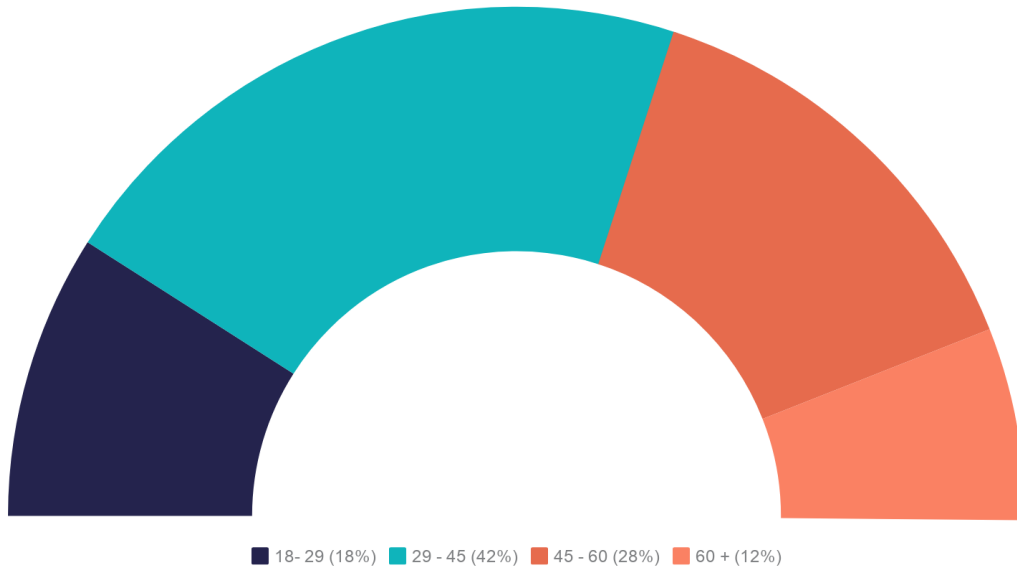
Labour Turnover is the measurement of the number of employees that leave employment over the course of a defined period. While the figure recorded here reflects the overall returns of the survey it is used to highlight the importance of capturing turnover figures as that can be an indicator of problems amongst the team, a rise in Recruitment costs, disruptions in productivity/output and a loss of key talent.



Age Profiles

18- 29	29 - 45	45 - 60	60 +
18%	42%	28%	12%

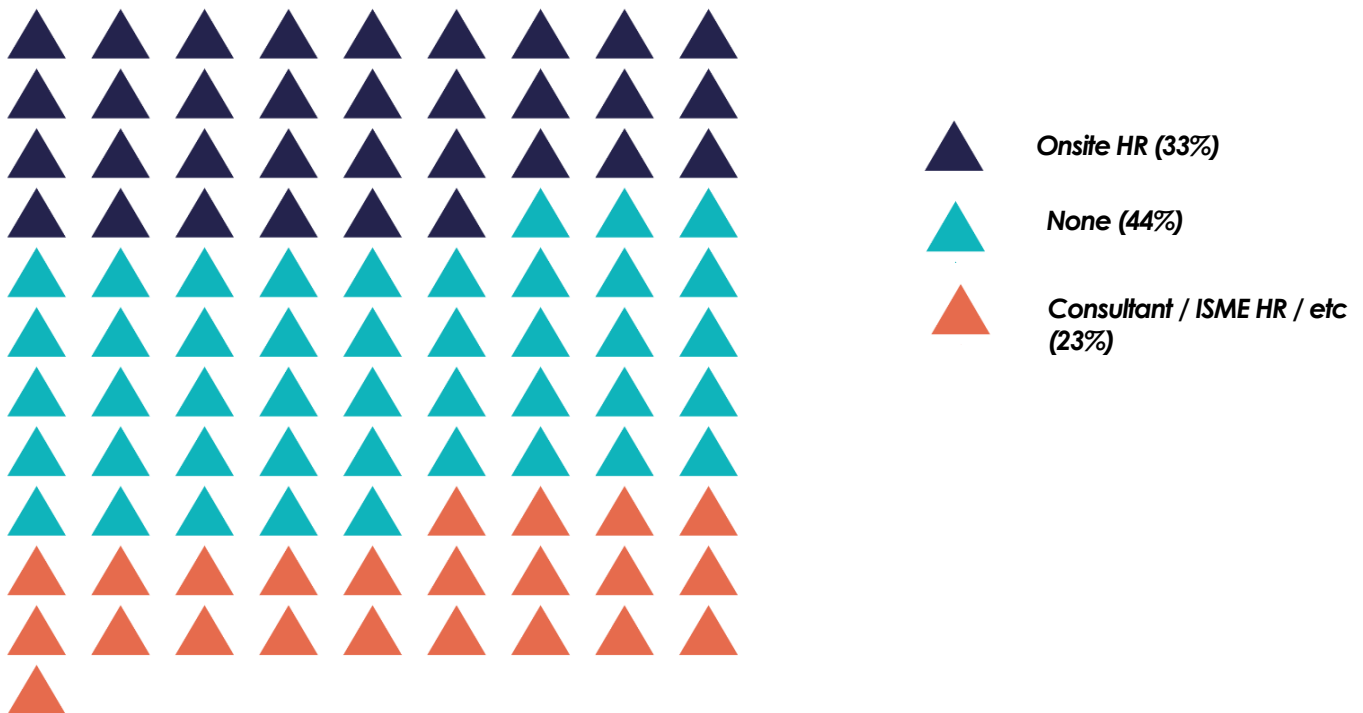
The breakdown in age profiles indicates that while they provide employment to a broad range of individuals, the bulk of employees 70% are in the 18 – 45 age brackets. There are several factors that could be influencing this finding such as an increase in women in the workplace. It is also important to note that this figure echoes CSO census statistics on age profiles.¹



Section 3 Human Resources

Due to their size it is not reasonable to expect that each SME organisation has dedicated Human Resource support, however this does not mean that these companies are not subject to the same challenges as companies with HR teams.

The following is a breakdown of how Human Resources is supported in SMEs:



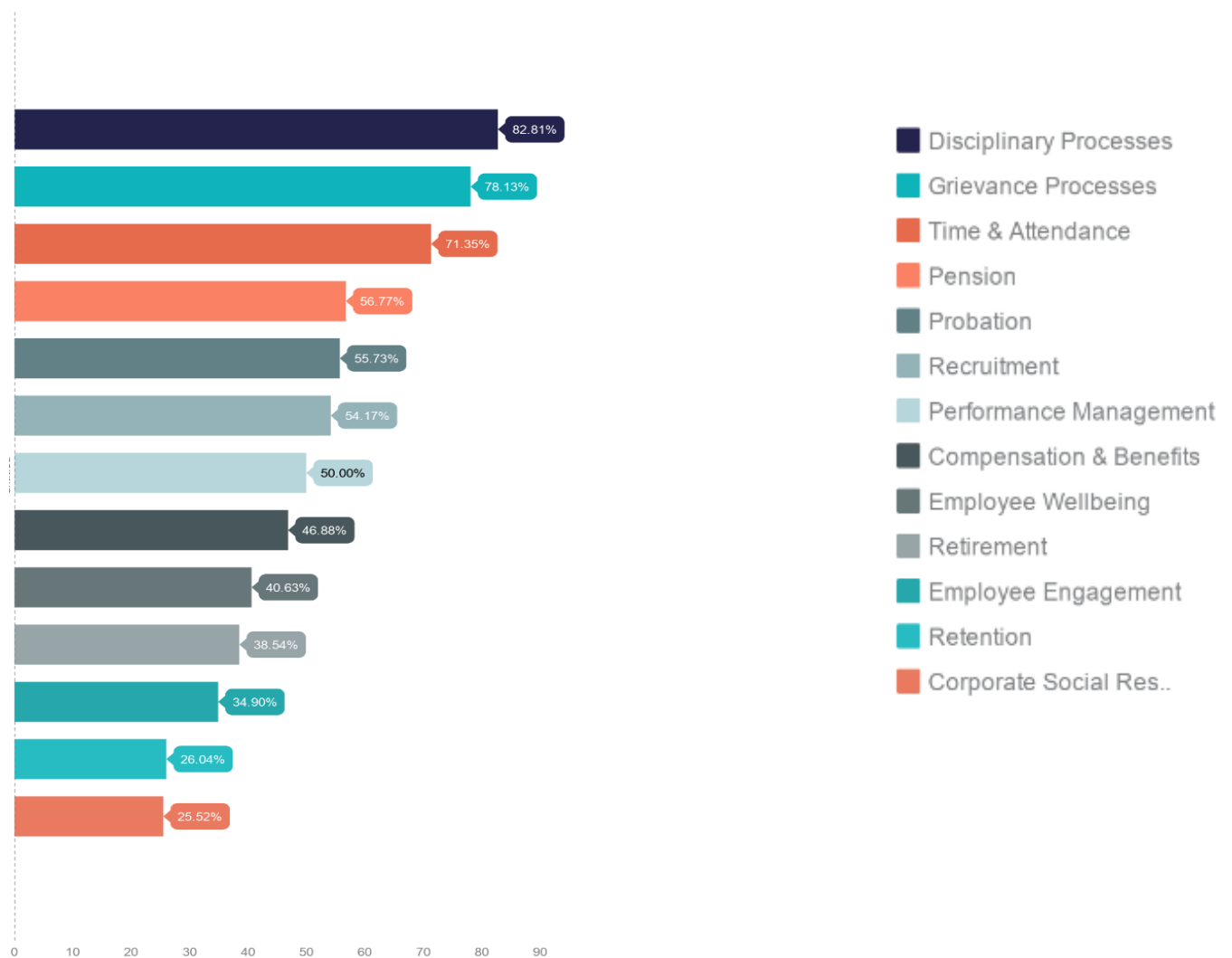
HR Practices

One of the major findings is that when it comes to Human Resources and People Management, the focus is on ensuring compliance. Areas such as Disciplinary, Grievance and Time & Attendance processes appear to be well established however some of the key drivers of employee productivity such as Compensation & Benefits, Employee Wellbeing and Employee Engagement all fall into the second half of the table.

For example, labour turnover is reported at 17% however only 54% of organisations have established Recruitment processes and only 9% are considering addressing employee Retention in the future. As our Labour Market hovers near full employment it is becoming increasingly difficult to recruit new employees so keeping existing talent is crucial.

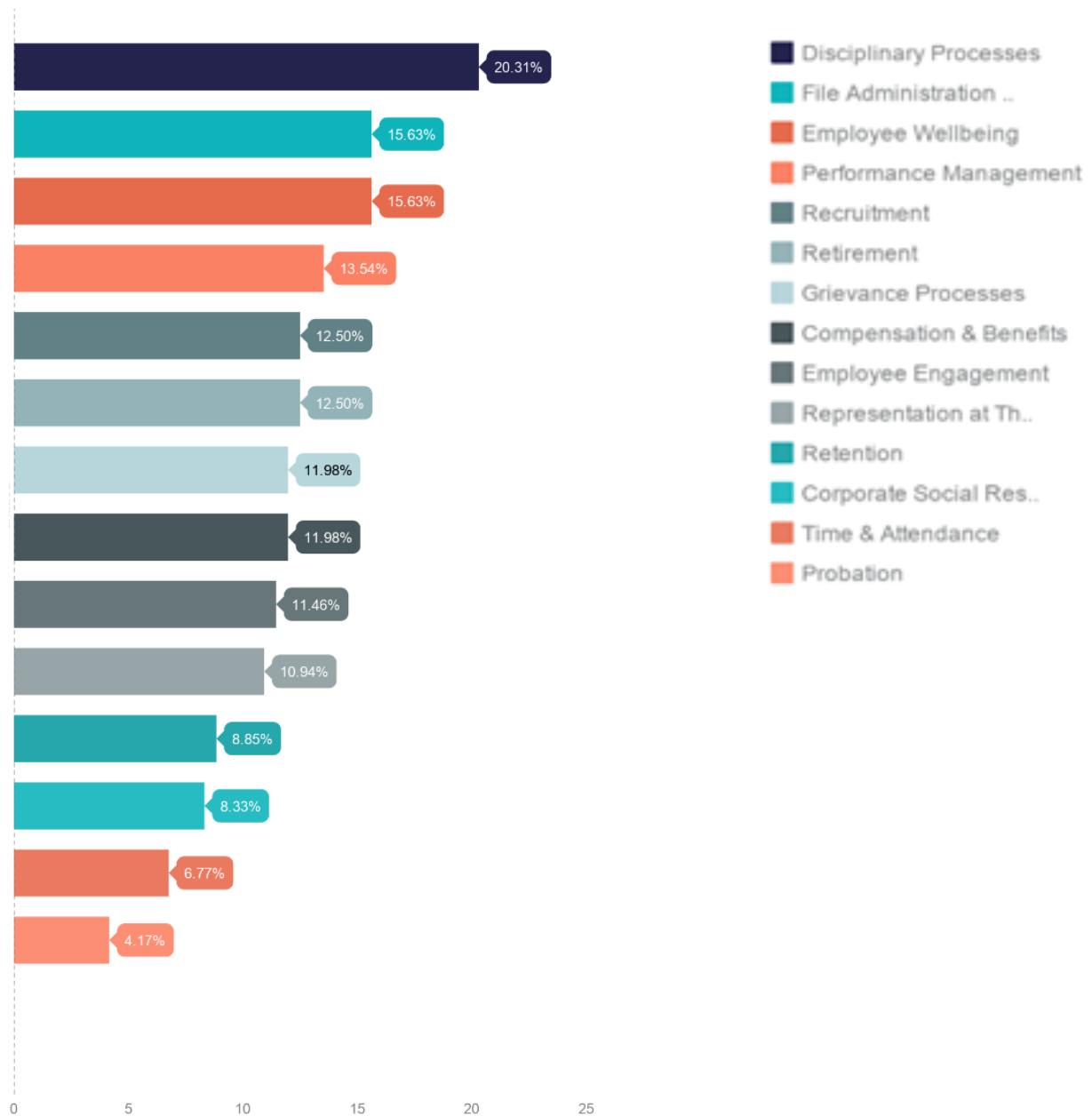
Current HR Processes in SMEs

This highlights the opportunity for SME's to expand their people management processes beyond mere compliance to improve productivity, return on investment for recruitment and retention of talent in a labour market that is becoming increasingly competitive.



HR Support Requirements in 2019

Looking to the future this trend reproduces itself with respondents still focused on compliance issues. Disciplinary and Administration duties are identified the main focus for external support for the year ahead.

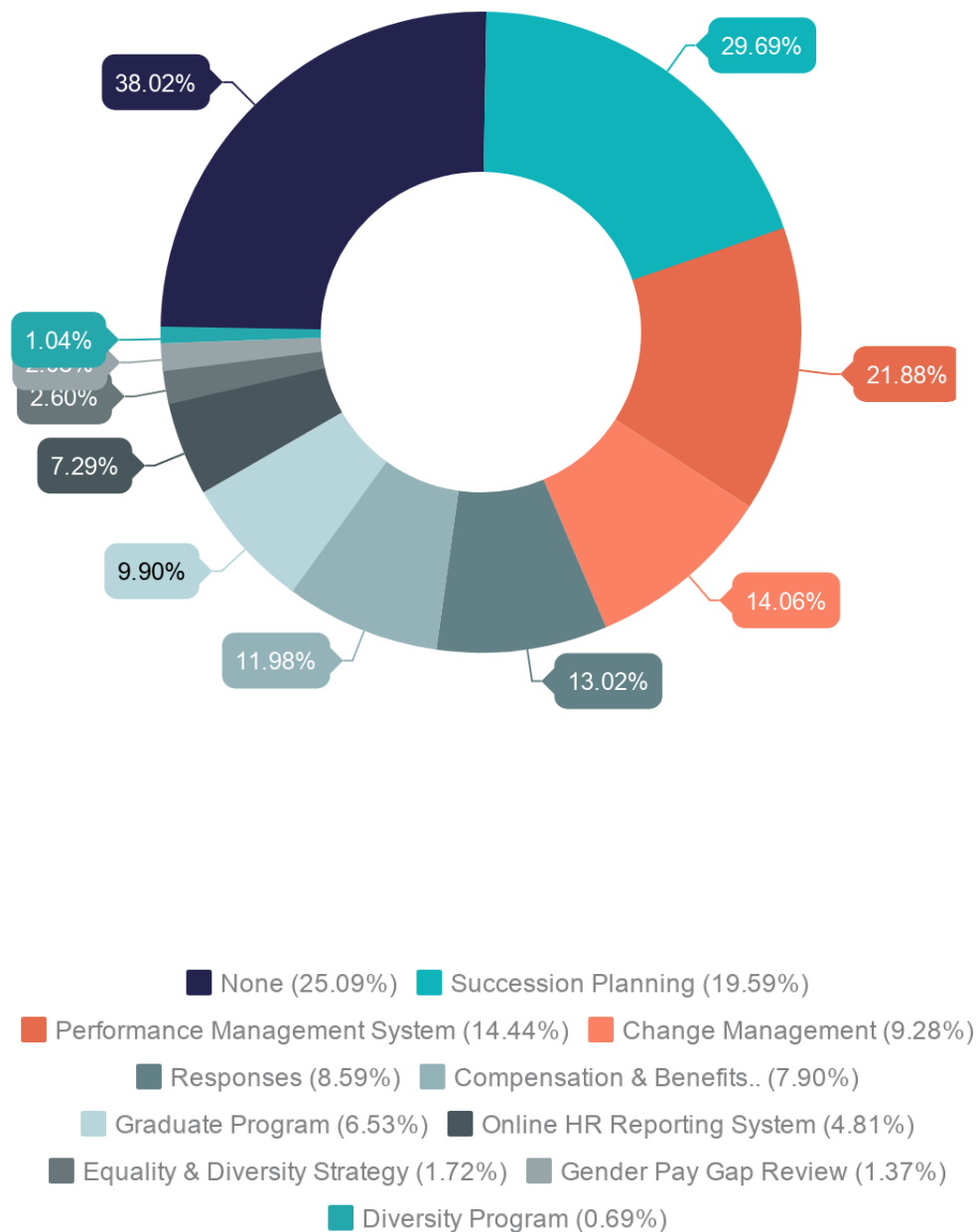


The final question in this section was what People Management projects were companies looking at for 2019.

Disappointingly, the highest ranked answer with nearly 40% was 'None' and again it appears that there is a disconnect between HR/People Management processes and Business strategies.

While these findings may seem negative, they represent a significant opportunity for companies in the SME sector to steal a march on their competitors and drive productivity and employer brands by leading the way in investing in their people and their business.

If you would like to discuss this matter further, please contact the ISME HR team for further insight in some of the options available to your management team.

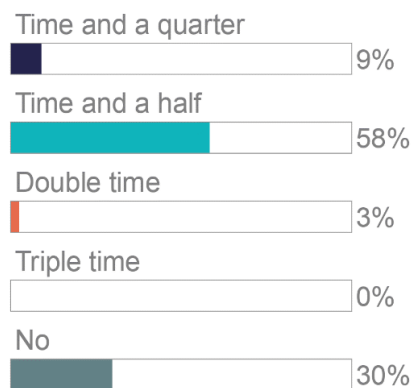


Section 4 Compensation and Benefits

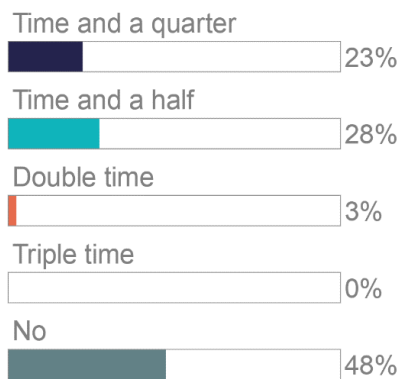
Salary Guide

Due to the scale of volume of information received, the report relating to salaries can be found on the members section of the ISME website.

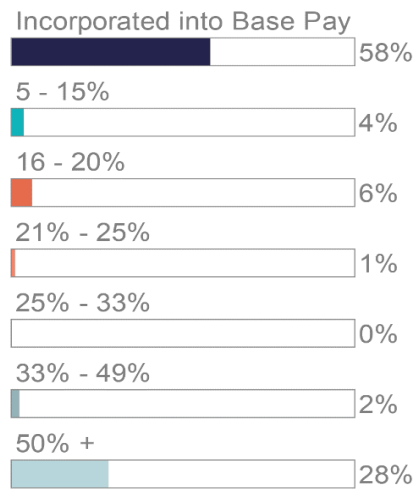
Overtime:



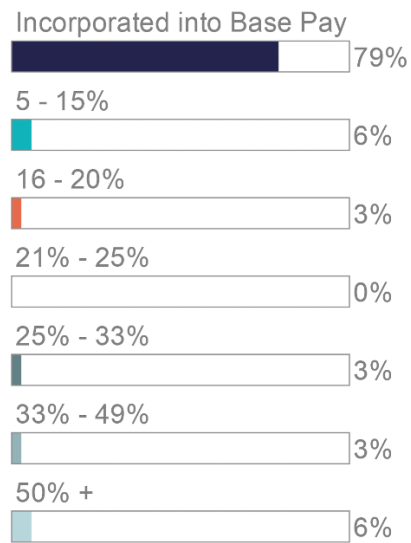
Time Off in Lieu:



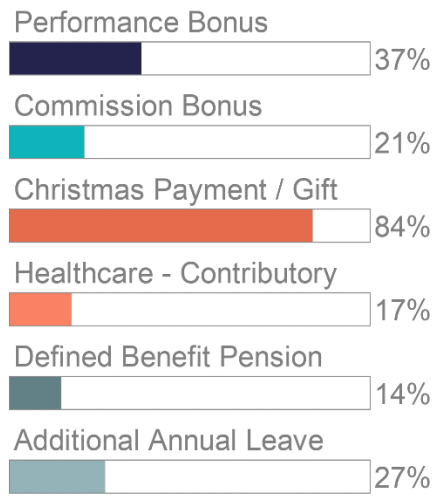
Sunday Rates



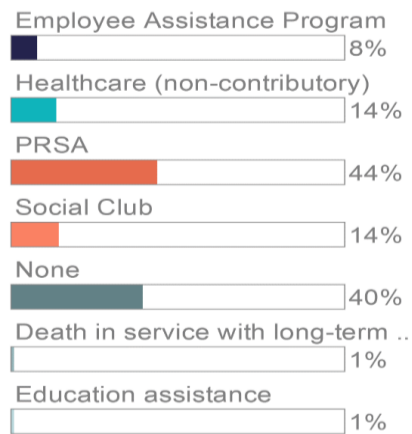
On Call Rates



Benefits



EE Benefit Schemes



Conclusion

As you can see there is some unique information that is specific to the SME sector contained in the report, particularly in relation to Compensation and Benefits. Aside from the functional information, there is some important insight to opportunities available to SMEs. In an ever-changing market that is becoming more and more competitive it is crucial that organisations seek out every commercial advantage and the findings of this survey outline a wide range of opportunities in the field of people management that can provide a unique opportunity for organisation.

If you would like to discuss any of the findings further, please contact the HR team on 01-6622755 or at HR@ISME.ie.

The team at ISME would like to thank all who partook in this year's survey and we hope to hear from you again in early 2020.

External Sources

1. <https://www.cso.ie/en/releasesandpublications/ep/p-cp3oy/cp3/aad/>