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2020 has been a challenging year with many businesses experiencing reduced sales, especially when lockdowns were at their most restrictive. As a result, businesses have had to make difficult employment decisions. For example, 27% of businesses have made redundancies due to the Covid-19 pandemic although that percentage may have been higher were it not for the introduction of the Job Retention Scheme. 42% of businesses said their use of the Job Retention Scheme had prevented the need for redundancies.

Another key challenge was having to adapt working practices and workplaces to contain the spread of the virus. The introduction of social distancing meant businesses had to make workplaces Covid-19 secure and, where possible, employees were encouraged to work remotely. For some businesses this meant significant pressure to invest in more IT devices such as laptops and mobile devices to enable employees to work from home effectively. In total, 85% of businesses experienced at least one challenge of remote working.

Despite these challenges the level of resilience and innovation we have seen from businesses in Herefordshire and Worcestershire has been inspiring.

For example, throughout the pandemic it was more important than ever to ensure employee health and wellbeing was well looked after. National lockdowns and reduced face to face contact made that task more difficult. However, we were overwhelmed by the varying measures local businesses have introduced to support colleagues through uncertain and challenging times.

It was also good to see that despite the pandemic 50% of businesses attempted to recruit between May and October 2020.

Although that recruitment may have been to fill existing roles rather than to expand the overall size of the workforce, it was heartening to see businesses invest in employees and skills.

Employment schemes introduced by the government in its 'Plan for Jobs' have also offered businesses the opportunity to invest in talent for the future. For example, the Kickstart Scheme was introduced with the aim of helping voung people at risk of unemployment into 6-month work placements. The Chamber are proud to be a gateway for businesses looking to employ fewer than 30 young people through the Kickstart Scheme. We encourage businesses to continue applying through us because the scheme will not only benefit them but will also be a significant help to young people who have been disproportionately affected by the pandemic. We found that 28% of local businesses plan to use the Kickstart Scheme to employ young people which is great news.

With the extension of the Job Retention Scheme until March 2021, and the news of multiple vaccines, we are hopeful for a more positive 2021. It will be interesting to see whether employment practices introduced out of necessity will persist after the pandemic. 78% of businesses experienced at least one benefit of remote working and 31% of businesses intend to offer greater flexible working options in the next 12 months. Whether we will see a move towards more remote and flexible working remains unclear. What is evident from the resilience shown by local businesses in a very difficult year is that the future of the two counties is looking bright.





We are delighted to once again partner with the Chamber for our annual 'temperature check' on the labour and employment market across the two counties. Of course, this year has been like no other and with so much uncertainty and 'doom and gloom' in the newspapers, it is important that we report on what is really going on at a local level.

My thanks to all the businesses who took the time to contribute to the survey, especially given there has been so much else going on.

A strong theme that came out of discussions and presentations at our recent (virtual) HR Conference, in partnership with the Chamber, was the importance of keeping people at the centre of our businesses. We have all faced so many challenges in 2020, having to rethink, restructure, even restart in some cases – but whatever we are trying to achieve, whether that is to survive or thrive and grow in a Covid and post-Covid world, our people will be our enablers for that.

So, if employee engagement ever left the agenda – it is time to put it firmly back on the priority list. The gap between the best and worst employers is widening as many businesses are creatively and proactively ensuring that employees feel valued and connected, by using new and creative methods to communicate. It's not about having flashy technology or spending a lot of money... human kindness, communication and empathy have never been more valuable.

Here's to a healthy and successful year in 2021 for Herefordshire and Worcestershire.





Covid-19 has brought unprecedented change to the way we work, and its effects are likely to be felt for many years to come. The financial impact of the pandemic has sadly brought stress to many workers including the loss of income and jobs. The pain caused by the pandemic and subsequent lockdowns has not been shared equally, with the retail and hospitality sectors amongst others baring more of the brunt.

Remote and flexible working, which was already on the rise prior to the pandemic, was suddenly thrust upon companies, many whose HR procedures and technology were not prepared. However, although companies have faced significant challenges, many have been able to use it as an opportunity to change the way they work and have seen benefits from their new approach. For most businesses, it has brought at least one benefit, with work/life balance recognised as the main one.

The pandemic brought many changes to the way we were required to work, and businesses were quick to adopt new technologies to help them overcome them. With restricted access to face-to-face meetings and networking, the use of video technology such as Zoom and Microsoft Teams soared in popularity.

One of the other challenges companies faced in relation to remote work was being able to maintain efficient collaboration and communication. This saw a significant increase in the adoption of collaboration tools such as Microsoft Teams. In April

2020, the Teams app reached a record 75 million users in a single day, which was more than 3 times the number just a few months before.

There are mixed views on remote working in the longer term and for many companies it may not be achievable or desirable. However, once social distancing restrictions are removed it is likely that many of these new habits around technology will continue because they have been able to provide businesses and employees with increased flexibility and efficiency.

This survey shows that because of Covid-19 most businesses expect their spend on technology and digital transformation to increase. EBC Group recommends that businesses reflect upon what has and hasn't worked for them during lockdown and how they can change the way they work to benefit both them and their workers. They should consider adopting a digital transformation strategy with the objective of developing an effective digital workplace, including a range of solutions from Cloud Services, Collaboration tools and Unified Communications.

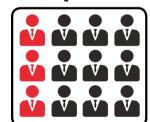


your workplace technology partner

KEY **STATISTICS**

27% of businesses have made redundancies due to the

Covid-19 pandemic.



12%

of businesses who haven't already made redundancies are planning to do so.

42%

of businesses said the Job Retention Scheme has prevented the need for redundancies.



of businesses attempted to recruit in the 6 months between May and October.

30%

of businesses experienced difficulties in the recruitment process.



78%

of businesses experienced at least one benefit of remote working.

31%

of businesses plan to offer greater flexible working options over the next 12 months



85%

of businesses experienced at least one challenge of remote working.



66%

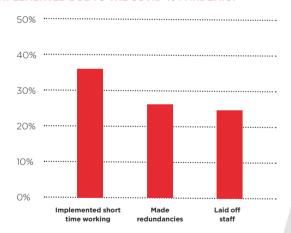
experienced at least one technology issue

of businesses have whilst working remotely.

IMPACT OF COVID-19 ON **EMPLOYMENT**

The Covid-19 pandemic has been an extremely challenging time for businesses. As a result, a series of difficult decisions have had to be made by local employers. 27% of businesses have made redundancies due to the pandemic. This rose to 86% of tourism and hospitality businesses, 38% of professional services businesses and 36% of manufacturing businesses.

WHICH OF THE FOLLOWING MEASURES HAVE YOU IMPLEMENTED DUE TO THE COVID-19 PANDEMIC?



The percentage of businesses making redundancies may have been higher were it not for the Job Retention Scheme. 42% of businesses said their use of the Job Retention Scheme has prevented the need for redundancies.

CASE STUDY: DRPG

Who could have foreseen what happened in the first week of March as project after project was cancelled? Over 50% of our business is dedicated to events and exhibitions, with over 200 of our 350 team members supporting this side of the business. Survival was top of the agenda, against a backdrop of a 55% drop in sales.

Our priorities were people and cash, and how to protect both while looking for opportunities. With our digital and video expertise we were able to convert to virtual overnight, however this meant we had over 200 of the team with no real events to produce.

The Job Retention Scheme and CBILS loan were a real lifeline, they allowed us to retrain many of the team to help produce virtual events. They also allowed us to carry on recruiting key skills in the digital and comms areas, which continued to grow.

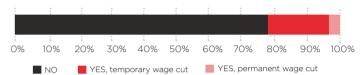
Undoubtedly without the government schemes we would have been forced to let go of most of the events team. This would have seriously damaged our future growth and led to a long rebuilding process once events returned.

2020 will still be the most challenging year in the company's 40-year history, however with the support of the government schemes we have been able to look for new opportunities and protect the team and business for the future."

qlbc

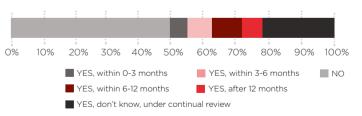
Dale Parmenter Managing Director drpg Due to the pandemic and the unprecedented impact it had on economic activity, businesses also had to make difficult decisions about their salary and benefits packages. 22% of businesses cut wages in response to the Covid-19 pandemic. 3% of businesses expect that change to be a permanent one.

DID YOU CUT WAGES IN RESPONSE TO THE COVID-19 PANDEMIC?



50% of businesses froze their plans for a wage increase or bonus scheme in response to the Covid-19 pandemic. 22% of businesses who froze such plans are unsure when those plans will resume, reflecting the level of uncertainty the Covid-19 pandemic has introduced

DID YOU FREEZE ANY PLANS FOR A WAGE INCREASE OR BONUS SCHEME IN RESPONSE TO THE COVID-19 PANDEMIC? IF SO, WHEN WILL THOSE PLANS RESUME?





IMPACT OF COVID-19 ON RECRUITMENT

In contrast to national newspaper headlines consistently quoting statistics around mass unemployment, it is reassuring to see the figures in this report mirror our experience at Hewett Recruitment - that the two counties are bucking that

'CASE STUDY: HEWETT RECRUITMENT

trend! After an initial shock to the market where businesses were assessing the impact of Covid and organising home working and Covid-secure working, we generally saw that businesses returned to normal recruitment patterns in most sectors.

Data from the KPMG and REC. UK Report on Jobs shows that in comparison to all other English regions, the Midlands jobs market has beaten expectations in recent months, showing the highest growth rate. This is a good indication of how focused local businesses are on recovery and supporting the

local economy.

The Midlands is of course the home of UK manufacturing. Whilst Automotive and Aerospace have been badly hit, other manufacturing markets have out-performed expectations, such as medical and food production related industries. At Hewett, we have seen an increase in demand for highly skilled IT and Engineering professionals which remain in short supply. We have also seen an uplift in the demand for unskilled or low-skilled industrial temporary workers, where businesses have wanted to increase output by tapping into this flexible labour supply."



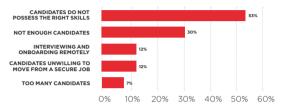
Laura Hewett Hewett Recruitment

October. That percentage rose

In our Salary and Benefits Report 2019-20. 21% of businesses had difficulties recruiting for sales employees compared to 3% this year. Conversely,

30% of businesses who attempted to recruit experienced difficulties in the recruitment process. The most common difficulties are shown in the graph below.

WHAT WERE THE TOP TWO RECRUITMENT DIFFICULTIES YOU FACED?



There were a range of roles that businesses had difficulty recruiting for. Technology and IT roles were the most difficult to recruit for, with 22% of businesses experiencing difficulties.

WHICH OF THE FOLLOWING CATEGORIES OF EMPLOYEE DID YOU EXPERIENCE DIFFICULTIES RECRUITING FOR?



last year 13% of businesses

had difficulties recruiting

employees compared

to 22% this year.

for technology / IT

IMPACT OF COVID-19 ON **RECRUITMENT**

CASE STUDY: THE ROYAL LIFE SAVING SOCIETY UK
We are delighted to be able to access the Kickstart Scheme and are excited to look at how we can support young people into employment.

Despite a global pandemic we are looking to grow our staff resource as we invest in our technology capability. Our organisation has always had an online retail presence, which is growing, but we are also moving our education, awards and learning opportunities onto a new online system.

This means we need to increase our capacity within some of our core teams and see the Kickstart Scheme as the ideal opportunity to scale up quickly and, at the same time, give valuable work experience to those that may need it the most.

Linked to this, and embedded within our strategy, is how we widen participation and support our communities. This scheme also reflects how our organisation can directly support this agenda.

The roles we are creating cover a wide range of skill sets including customer service, marketing, finance and supporting our charitable activity. We hope all our placements embrace this opportunity as we believe there is a real opportunity for them to develop into full-time roles.

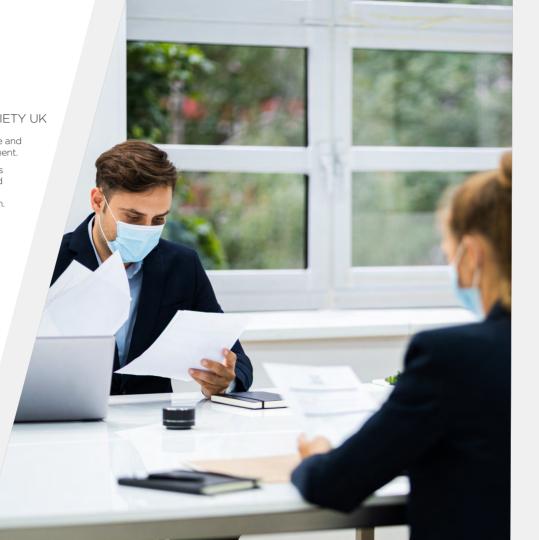
Every placement will be able to access our national training awards and qualifications so they will have a great opportunity to develop new skills which will help in their future career.

I anticipate that after the initial 6 months we will continue to access the scheme with more placements - business plans and Covid permitting!"

Enjoy Water Safely

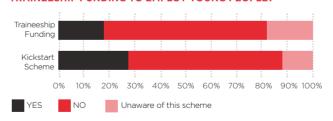


Robert Gofton, CEO
The Royal Life Saving
Society UK

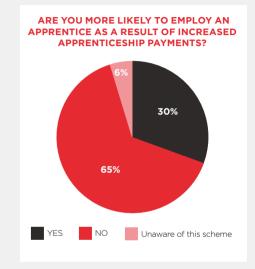


On 8 July 2020 the
Chancellor announced his
Plan for Jobs - a series of
measures designed to encourage
employers to recruit young people
in the rebuild stage of the pandemic.
Labour market statistics released by the
Office for National Statistics in September
2020 confirmed that young people had
been disproportionately affected by
the pandemic. The largest decrease in
employment between May and July
affected those aged between 16 and 24.
We were keen to investigate what
proportion of local businesses were
planning to use the Chancellor's
schemes to employ young
people.

WILL YOU MAKE USE OF THE KICKSTART SCHEME OR TRAINEESHIP FUNDING TO EMPLOY YOUNG PEOPLE?

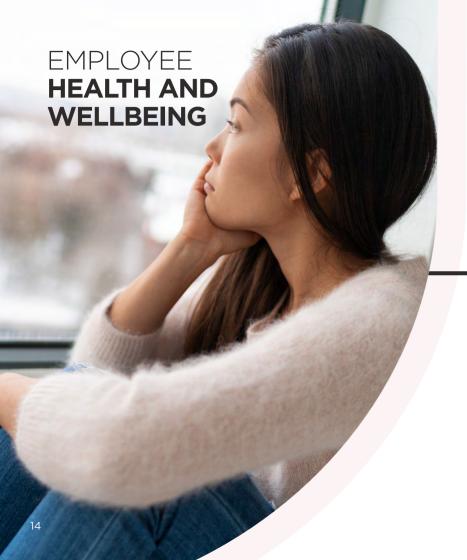


We found that 28% of businesses plan to use the Kickstart Scheme to employ young people and 19% of businesses plan to use traineeship funding. 30% of businesses are more likely to employ an apprentice as a result of increased apprenticeship payments.



22% of businesses believe the introduction of the points-based immigration system, coming into effect in the UK from 1 January 2021, will have an impact on their ability to recruit the staff needed for their business.

That percentage was much higher for three sectors: tourism and hospitality (67%), agriculture, forestry and fishing (60%) and life sciences and health care (57%).



With uncertainty caused by a global pandemic and increased levels of remote working, it has never been more important for businesses to look after employee health and wellbeing. When we asked what measures companies were taking to support staff mental health and wellbeing through the pandemic we were overwhelmed by how much local businesses have done to help their employees. Here is a selection of what businesses have introduced:

When the majority of staff were furloughed in April - June/July, we continued with regular team video calls (at least 3 weekly) and all staff participated in a Quality Mind course together. We ensure the business is as transparent as possible with plans and how we are doing so there is no unnecessary worry from staff. We have plenty of Covid precautions now we are back in the office - screens, hand sanitizer stations etc.

 Professional services business employing 1-10 people

Flexible working from home for office staff. Occupational health referrals for counselling for any employees affected by Covid. Signposting to services - NHS, government, our Employee Assistance Programme. Frequent out of hours contact with HR and Line Managers.

· Manufacturing business employing 50-100 people

We have mental health first aiders and we have a 24/7 confidential help line. The leadership team have had support in looking for wellbeing issues and we have introduced high levels of flexible working.

 Marketing and media business employing 250-499 people

I work alone, so I look to network with other business owners to discuss how we are each managing the impact the virus is having on our businesses, which I find invaluable for my mental health as it helps me to not feel alone.

• Marketing and media sole trader

Management training on managing remote workers. Daily catch ups with teams. Mental Health Awareness training for all staff. Emails with information on stress relief techniques and to check in with each other. Arrange activities and socials via Zoom.

• IT & Cyber Security business employing 11-49 people

CASE STUDY: SUTCLIFFF & CO

of initiatives that are now just part of working at team meetings, a weekly surgery with the MD, promoting to get the whole team involved and bit by bit the culture of 'wellness', as a result colleagues have been far more willing to raise issues and the business has been far better placed to provide support. One of the best steps we took was appointing a 'wellness champion' who not only took the lead in our journey through the Worcestershire Works Well programme but galvanised the office. She has completed a range of training, able to offer support to colleagues facing the range of problems that many of us would normally have to deal with alone or keep bottled up. Without doubt our health and wellbeing measures have not just made our business a nicer place to work, they have been instrumental in helping colleagues through some very difficult times and have also set us apart when recruiting. Lastly. as a boss. I think it has made me a better leader and made the



Duncan Sutcliffe Director

CASE STUDY: UNIVERSITY OF WORCESTER

situation, successfully moving teaching and many organisations, the lockdown changed how the University's work was conducted and the development of technologically enabled learning was quickly

New software, like Panopto, was introduced and training helped staff move to a different way of working. The University developed ways to connect all staff, including virtual meetings and new daily update emails. Academic staff found inventive ways to deliver remote learning and staff in professional services continued vital recruitment efforts by delivering virtual open days.

the new academic year, they have continued to adapt and innovate. The University's blended approach to learning has been a huge success with students appreciating the opportunity to engage with learning on-campus and online. Staff have adjusted well to this new blended approach, and continue to share and support their own, each other's and the students' development."

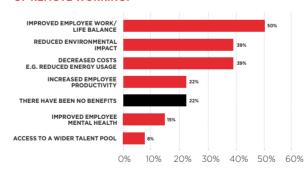


REMOTE WORKING **BENEFITS AND CHALLENGES**

On March 16 2020, the government advised people to work from home where possible. A week later, on March 23, the UK entered the first national lockdown. As a result, businesses had to implement plans to start remote working (where possible) extremely guickly. We were keen to explore how well businesses had adapted to remote working and what the benefits and challenges were. The results revealed a mixed picture.

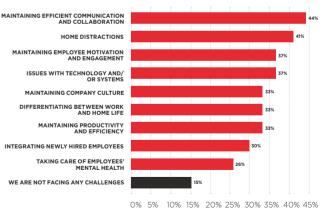
78% of businesses who could work remotely experienced at least one benefit of remote working, 50% of businesses chose improved employee work/life balance as a benefit.

WHAT HAVE BEEN THE BENEFITS TO YOUR BUSINESS OF REMOTE WORKING?



On the other hand, 85% of businesses who could work remotely have experienced at least one challenge of remote working.

WHAT ARE THE MAIN CHALLENGES YOUR BUSINESS HAS FACED IN RELATION TO REMOTE WORK?



REMOTE WORKING TECHNOLOGY

CASE STUDY: EBC GROUP

The lockdowns of 2020 forced businesses to make provision for remote working, many of whom may have never previously considered it. If remote working has shown us applying it's how much can be accomplished away from the

ıd technology

During the lockdowns, most businesses adopted new technologies to help their teams communicate and collaborate with colleagues and clients. So, whilst not all companies will continue remote working longer-term, the new technologies they adopted are likely to become permanent.

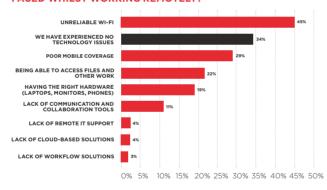
Almost two-thirds of businesses said their spending on technology and digital transformation would increase as a result of Covid-19. So, whether a business is in the early stages of its remote working and digital workplace strategy or already had one in place, as attitudes toward remote working change, so should the approach toward technology and the tools needed to accommodate this new way of working.

This Employment Report confirms that for most businesses there were benefits to remote working, however not without some challenges. Businesses need to reflect on the success or otherwise of their remote working efforts and explore whether adopting flexibility on a more permanent basis will help them meet their short, medium and long-term objectives."

your workplace technology partner Although remote working was on the rise before the pandemic, the scale and pace of adapting to remote working for many businesses was unprecedented. While some would have had a record of strong IT infrastructure and investment, others may not have. We wanted to investigate the technological issues and opportunities that businesses had faced while remote working.

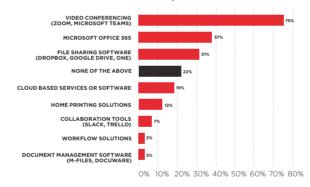
In terms of opportunities, 78% of businesses adopted or increased their use of at least one type of technology due to the pandemic. By far the most widespread was video conferencing, which 75% of businesses have either adopted or increased their use of.

WHAT TECHNOLOGY ISSUES HAVE YOU FACED WHILST WORKING REMOTELY?



66% of businesses experienced at least one technology issue whilst working remotely. The most common issue was unreliable Wi-Fi which 45% of businesses reported.

HAVE YOU ADOPTED OR INCREASED USE OF ANY OF THESE TECHNOLOGIES/SERVICES?



CASE STUDY: SANCTUARY GROUP

When the country was forced into lockdown in March due to Covid-19, businesses had to adapt.

Offices closed, staff were told to remain at home and work went virtual.

With over 1,000 staff working in Worcester, and 13,500 nationwide, Sanctuary Group was one local organisation that faced the challenge of rapidly mobilising its workforce. The business moved from the office to remote working in a matter of days.

We had to act fast, but pre-planning was crucial. Our technology team were ready to roll-out equipment to staff and we established a central point of information for all Covid-related communications to support employees adapting to remote working. Microsoft Teams was rolled out so staff could remain connected and wellbeing information was quickly prepared and shared through an established crisis communications team. We were alread of the game and ready once lockdown was appounced.

We continued to deliver our high-quality services to residents in the 100,000 homes we manage, despite the impact of the pandemic. Resident communications were critical. Our website and other channels were updated so residents understood the impact on service: We also wrote directly to them to provide important information and dvice, including signposting to additional support services.

We've all seen a big adjustment to our working practices and staff have been fantastic. I'm humbled to see how much we accomplished to help the pusiness respond

Our teams have developed ways to keep in touch remotely, maintain virtual face-to-face contact and ensure morale remained high while delivering our essential services."



Nicole Seymour
Group Director - Corporate Services
Sanctuary Group

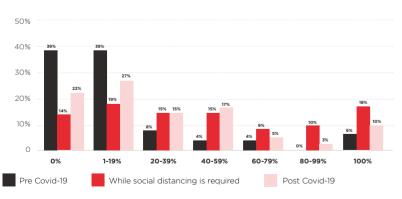
FUTURE OF **WORK**

Covid-19 seems to have accelerated employment trends that were already becoming more popular, such as an increase in remote and flexible working. We were keen to investigate whether measures that companies have introduced because of the pandemic will be sustained.

62% of businesses are expecting their spend on technology and digital transformation to increase as a result of the Covid-19 pandemic, with 37% expecting no change and 1% expecting a decrease.

On average, 16% of a business workforce worked remotely before Covid-19. This rose to an average of 47% as remote working was encouraged where possible. When social distancing is no longer required businesses predict that, on average, 32% of their workforce will work remotely, exactly double the amount reported before Covid-19. The following graph breaks down the shift to remote working by percentage.

WHAT PERCENTAGE OF YOUR TEAM WORKED REMOTELY BEFORE CORONAVIRUS? WHAT PERCENTAGE WILL WORK REMOTELY GOING FORWARD?

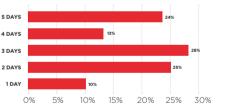




Covid-19 has meant more people have worked remotely and, as this report has shown, sometimes that has brought benefits. We were keen to investigate whether businesses would favour a permanent remote working approach or a more hybrid approach, with time split between the workplace and remote work, after Covid-19.

53% of businesses planning to continue remote working would prefer their employees to work a maximum of 2 or 3 days remotely suggesting the hybrid approach is most popular. However, a significant proportion, 24%, would like their employees to work remotely for 5 days suggesting some businesses may move to remote working more permanently.

IF YOU PLAN TO CONTINUE WORKING REMOTELY, WHAT IS THE MAXIMUM NUMBER OF DAYS YOU WOULD LIKE EMPLOYEES TO WORK REMOTELY?

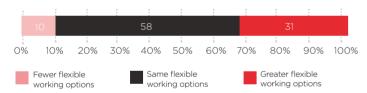


FUTURE OF WORK

We also asked businesses if they were planning to offer more flexible working over the next 12 months. 31% of businesses said they intended to offer greater flexible working options with the majority (58%) intending to keep the same flexible working options.

In last year's Salary and Benefits Report, 63% of businesses were keen to increase flexible working to attract and retain employees (although the question didn't ask for a specific timescale).

DO YOU INTEND TO OFFER GREATER. THE SAME OR FEWER FLEXIBLE WORKING OPTIONS IN THE NEXT 12 MONTHS?



It will take time before we can be sure how businesses intend to adjust their employment practices going forward. As we have seen throughout this report there are many benefits and challenges of remote and flexible working to consider before businesses can make those decisions. What has been clear is the impressive level of resilience and innovation shown by local businesses who had no way of knowing what 2020 had in store.



KFY CONTACTS



LISA TITSHALL Policy, Research & Public Affairs Executive



ARJUN HEIR Policy Executive

The Herefordshire & Worcestershire Chamber of Commerce staff retention, wellbeing in the workplace and skill shortages. The Chamber deliver over 230 training days a year, including our specialised Leadership Development Series for senior management teams and business leaders. We also offer bespoke of vour team.

Our skills-focussed events range from HR conferences for HR professionals to our TYRO event series for young staff new to networking and professional working environments. At our from guest speakers and discuss common challenges and

The Chamber also deliver the Worcestershire Works Well initiative which is a free accreditation scheme designed to support businesses in improving the health and wellbeing of their employees. The scheme has been running for over 10 years All public, private and third sector organisations located in Worcestershire with a minimum of 5 employees are eligible to

businesses looking to employ fewer than 30 young people through the Kickstart Scheme. The scheme was introduced by the government in its 'Plan for Jobs' to help young people at risk of unemployment into 6-month work placements. We believe the scheme will not only benefit businesses by growing talent for the future but will also be a significant help to young people.

If you are interested in discussing any of the HR products and services the Chamber offer and a member of the team will get back to you.

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in Herefordshire & Worcestershire Chamber of Commerce

