

WORKFORCE SURVEY 2022



**County Kildare
Chamber**
Advancing business together



Grant Thornton



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METHODOLOGY

Insights into recruitment trends, skill shortages, remote working, training, employee benefits and views on economic outlook are based on a survey conducted in January 2022. We sought the views of over 1500 employers and 4500 employees from organisations of all sizes and sectors through participation in both qualitative and quantitative research in partnership with Grant Thornton, Maynooth University and Kildare Chamber.

Data gathered is from individuals and companies who are predominantly located along the M7 corridor and include companies and individuals based in Kildare, West Dublin, Citywest, as well as counties of Carlow, Wicklow and Laois. A broad cross section of over 14 sectors were represented.

We would like to thank all those who participated in the survey, providing valuable insights and market analysis.



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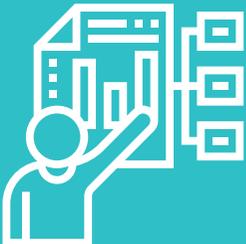
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INTRODUCTION

Clark are delighted to once again collaborate with Maynooth University, County Kildare Chamber and Grant Thornton to explore the world of work and produce a valuable workforce survey report on what both employers and employees think about our economic outlook, the impact of skill shortages, the hugely current topic of remote working, recruitment strategy, training and development and salary and benefits.

The year of 2021 saw the continued pandemic roller-coaster effect on our economy, particularly in the first quarter and yet the resilience, innovativeness and agility we have demonstrated as individuals and organisations has served us extremely well.

2021 saw the return to pre-pandemic levels of employment and according to the latest labour force survey, a comparison between the final quarter of 2021 with the last pre-pandemic interrupted quarter, Q4 2019, shows the number of people employed in Ireland above 2.5million, which is an increase of circa.165,000 over the past 2 years - and that's without all sectors having recovered their full capacity as yet. The labour force survey also shows that 4.9% of the population are unemployed i.e. available for and seeking work, so it's safe to say that as a nation we are verging on full employment.

Our survey shows that from an economic perspective, 66% expect to see economic growth in 2022 with 76% expecting to see an increase in their business activity. It's no wonder that skills shortage are top of the agenda with 63% describing the skills shortages experienced by their organisations in the last year as extreme or moderate. With 85% of organisation's expecting to hire additional staff on a permanent basis, it's not surprising that 66% see the shortage of candidates as being the key hiring challenge.

Throw into the mix the new models of working widely available, the increase in salary levels driven both by a rise in inflation and competition for a smaller pool of talent, the landscape for attracting and retaining people has certainly become a more complex one.

Employers need to work very hard to both attract and retain their people.

Speaking of models of working, of the 81% of employees who work remotely at least part of the time, almost half had never worked remotely prior to the introduction of COVID-19 public health regulations. Now that's agility.

We look forward to the future with the confidence that we have overcome one of the biggest challenges of our time.



Deirdre Coghlan Murray
Managing Director



BUSINESS OPTIMISM DESPITE UNCERTAINTY

The current pace of change in the economic context is difficult to track. Recovery from the “Pandemic Recession” has been faster than expected and despite the Omicron variant causing some concerns, pandemic disruptions appear to have been largely navigated. This brought a greater sense of certainty, with an air of optimism prevailing. The optimism was evident in Grant Thornton’s latest International Business Review (IBR) which found 85% of Irish businesses to be optimistic about the economic outlook; 15 percentage points higher than the global average. Optimism was also evident in the consumer market, with Bank of Ireland’s Consumer Pulse posting strong readings at the start of the year. This consumer optimism is being tempered slightly as households began to ponder the impact of higher energy costs on their personal finances.

While optimism indicators are displaying strong positive sentiment, new headwinds to the economic outlook are mounting. Labour market skills challenges have emerged as vacancies increased faster than expected. Supply chain bottlenecks have also emerged, causing volatility in the level and scale of consumer demand. Almost half of firms in Grant Thornton’s IBR survey think that economic uncertainty is a constraint on their business, up 10 percentage points since early 2021. The most significant changes in terms of constraints have come via energy costs in the labour market. For the first time in IBR’s history, more than half of businesses (55%) cited energy costs as a constraint on their business. Similarly, the availability of skilled labour has shifted dramatically in the percentage of businesses citing it as a constraint on their business. 63% now reference the availability of skilled workers as a constraint, up from 37% in the first half of 2021.

The uncertainty of the previous 2 years is prompting rapid changes to economic forecasts. Following a general trend of better than expected economic performance over the course of 2021, the Central Bank of Ireland revised its forecasts to reflect a more positive outlook for 2022. Its expectation is that the downturn in 2020 was not

as severe as feared and that the growth in 2021, 2022 will be stronger than previously anticipated. In their Q1 2022 Economic Bulletin, the Central Bank highlights a resilience in the economy and suggests growth in Modified Domestic Demand in 2022 of 7.1%, a considerably faster rate of growth than predicted a year ago, when Central Bank was expecting 3.6% growth for 2022.

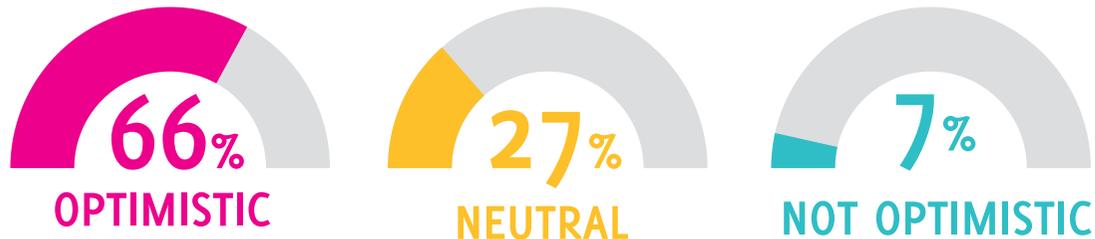
While the projections for 2022 were more optimistic than previously thought, the Russian invasion of Ukraine has overshadowed positive economic sentiment and increased economic uncertainty. Economic forecasts will invariably be amended to reflect higher gas, oil and food prices over the medium term, as well as increased disruption in financial markets and greater sanctions on Russia by the EU, UK and US. The inflation concerns that are baked into current forecasts are shifting to a ‘higher for longer’ sentiment, with increased risks of it becoming entrenched and a larger impact on households’ real incomes and industries’ supply lines. Until clarity, and hopefully a speedy resolution, emerges, the economic outlook is set to remain highly volatile. These increased headwinds in the economy could derail the recovery if they sustain and worsen throughout 2022.



ECONOMIC OUTLOOK

ECONOMIC OUTLOOK IS OPTIMISTIC

How optimistic are you about the wider economic climate?



INCREASED ACTIVITY LEVELS PREDICTED

With **76%** expecting their organisations activities to increase



By Allan Shine, CEO, County Kildare Chamber

This Workforce Survey which County Kildare Chamber has partnered with leading recruitment firm Clark to produce, has uncovered extremely valuable statistics for businesses in the region.

The Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 38,000 employees across the county, County Kildare Chamber is the largest business organisation in the mid-east region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare. Working with our colleagues in Clark and in partnership with Maynooth University and Grant Thornton the results from the survey are extremely interesting.

We of course must take into regard the current challenges we all face with the war in Ukraine and the impact that this has for businesses in Ireland. However, with Brexit and Covid now less challenging for businesses, it's not surprisingly that 66% of those surveyed are optimistic for the year ahead.

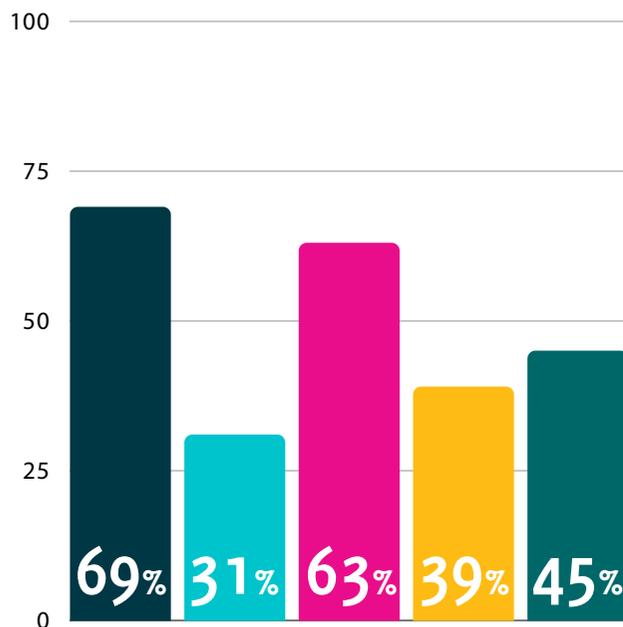
As a member of the Mid East Regional Skills Forum, some key statistics we noted include:

- 31% surveyed do not believe they have the talent needed to achieve current objectives. Stakeholder engagement is required this year to understand the needs of business and to ensure that emerging talent coming from our universities are equipped to enter the workforce.
- 63% say the skills shortages they have experienced over the past year are extreme or moderate. Skill shortages are a huge challenge for every sector. Most prevalent are the manufacturing, food, transportation, and tourism sectors. There is also a challenge for SME's to retain staff with many leaving to join larger MNC's attracted by better pay, work conditions, cultural diversity and a sustainable business model.
- 66% of businesses surveyed say there is a shortage of suitable candidates. We need to expand the work permit provision in the country. Businesses need to access and source suitable talent from outside Europe. Talent must not be restricted. We need to become a more open society, expanding our permits to enable businesses to succeed.
- Disappointing 25% of those surveyed are aware of a gender pay gap within their organisation. Pay must be equal and I hope this percentage will fall with the next survey results.

In the Chamber, we recently recruited a new Public Affairs Manager Sinead Ronan who is actively engaging with businesses in the region. Our new policy agenda will focus on the skills challenges that face our membership along with the shortages we have in housing. For new businesses to set up in or relocate to the region we must have an adequate stock of available housing and of course an emerging and available pool of talent.



THE IMPACT OF SKILLS SHORTAGES



69% think their organisation has the talent needed to achieve current objectives.

31% DOES NOT think their organisation has the talent needed to achieve current objectives.

63% describe the skills shortage their organisations had experienced in the last year as extreme (12%) or moderate (51%).

39% felt skill shortages are impacting ongoing productivity.

While 45% felt skills shortages impacted productivity occasionally.

MAIN CHALLENGES ASSOCIATED WITH SKILLS SHORTAGES



KEY HIRING CHALLENGES IN THE YEAR AHEAD



66%

Shortage of suitable candidates 66%



51%

Competition from other employers 51%



34%

Applicants with unrealistic salary requirements 34%



19%

Possible further restrictions due to public health guidelines 19%



THE IMPACT OF SKILLS SHORTAGES

TOP 4 SPECIALIST SKILLS MOST NEEDED IN ORGANISATIONS

OPERATIONS

39%



SALES

27%



PROJECT & CHANGE
MANAGEMENT

25%



MANAGEMENT
/LEADERSHIP

24%



THE RANKED IMPORTANCE OF BUSINESS SKILLS

PROBLEM SOLVING / CRITICAL THINKING / LOGIC 1

INNOVATION / CREATIVITY / AGILITY 2

COLLABORATION / TEAMWORK 3

EMOTIONAL AWARENESS / RESILIENCE / PROFESSIONALISM 4

ENTREPRENEURSHIP, RESULTS ORIENTED / BUSINESS ACUMEN 5

COMMUNICATIONS / SELF-EXPRESSION 6

SELF-MOTIVATION / LIFELONG LEARNING 7

FLEXIBILITY 8



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BLENDING WORK ARRANGEMENTS

Dr. Jean Cushen, Associate Professor, HRM. Deputy Head of School,
Accreditations School of Business, Maynooth University

It is our pleasure to contribute again to the Clark Workforce Survey and to learn more about the resourcing issues and decisions facing our regional community. This year the survey explores the experiences of and plans for remote and hybrid work. Of course, not all work can or should be performed remotely.

For many organisations, their physical work environment and infrastructure is essential for successful service and product delivery. Here in the Maynooth University School of Business, we are delighted to have returned to in-person teaching this year. Also, plans are afoot for our faculty, staff and students to move to a new, state of the art, 'Technology, Society and Innovation' campus building. Amidst this, and as this year's survey indicates, expectations and arrangements regarding how people work are changing. For those who can perform parts of their work remotely, it seems an instantaneous 'everyone back to the office' is not the appealing siren call it might have been at earlier stages of the pandemic. The prolonged experience of remote and hybrid work has altered expectations and we talk a lot in our School about how we can re-craft the 'psychological contract' we have with each other and with our students. We do not yet know what the pace and pervasiveness of workplace re-opening will look like. However individual preferences, along with the government's commitment to legislate employees' right to request remote work, means creating mutually productive and satisfying hybrid work arrangements will be a pertinent issue facing business leaders and HR professionals going forward.

The scale of workplace change is captured very clearly in this year's survey. 78% of organisations offer remote working and 81% of employees work remotely at least part of the time. Furthermore, only 26% of respondents report they would be satisfied with a full-time return to the office and 77% of organisations will offer some form of remote working going forward. The momentum is certainly on the side of ongoing hybrid work arrangements. The survey data indicates

that such arrangements are seemingly effective for both employees and managers who report high levels of transparency surrounding the effort and performance of remote workers. However, we would caution against assuming transparency in remote work as other studies indicate that remote work and performance transparency can become more challenging for both employees and managers over the longer term. Respondents to the Clark survey also report higher levels of energy and immersion in their work since engaging in hybrid work. The data points to hybrid work being both desirable and viable, and the positive experience of remote work occurred alongside reports of delivering an increased workload. Other studies indicate that the increased workload associated with remote work comes from the additional communications needed to gain clarity and drive remote collaborations. This opens up a wider, important discussion about the relationship between hybrid work and optimum time management and how we best utilise the time and energy we might have previously lost to commuting and other logistical demands.

For some forms of work and learning, arguably nothing can replicate the intangible benefits of positive in-person connections. In our own work, we certainly felt re-energised and were thankful to return to noisy lecture theatres full of students. The survey indicates that the most common longer-term, hybrid arrangements will facilitate remote working approximately 50% of the time and less. For organisations, careful consideration should be given to the relationship between work tasks and location while also being mindful of the in-person interactions that individuals need to develop and be full participants in the organisation's professional community. The importance of collaboration comes through in the survey and respondents reportedly valued the variety of organisational initiatives that supported remote collaborations. However, in general, the prevalence of supports for remote work was low. 33% of employees reported receiving training to help them work remotely. Fewer line managers, 29%, received training to help them transition to managing remotely. Of those that did receive training, 70% found it was beneficial and desired more. Perhaps the lack of training and supports was due to organisations being so focused on meeting goals and managing resourcing challenges; as well as an expectation that offices would be re-open. Going forward we encourage organisations to take a longer-term and more strategic view of the training and supports needed to avoid pitfalls and realise the benefits of hybrid work arrangements. The positive experience of remote work, along with the potential to scale up the training and supports, points to potential

of hybrid work to yield high employee engagement alongside time efficient, productive working arrangements.

We hope the data offered in this survey provides food for thought along with reassurance regarding the professionalism and commitment of our working community and the sense of shared responsibility for our collective success. As with last year's survey, we are once again entering into another new phase of working life. We are already curious to learn more next year about how we navigate these novel demands and opportunities.



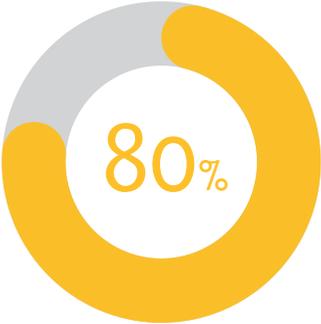
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REMOTE WORK: EXPERIENCES, SUPPORTS AND PLANS

Remote work remains commonplace across the responding organisations. This section sets out the key findings relating to the experiences of and future plans for remote work.

Of the 81% of employees who work remotely at least part of the time, almost half had never worked remotely prior to the introduction of COVID-19 public health regulations. For most, the move to remote work involved significant change to their work.



80% of respondents indicated that the way they work has changed.



55% felt their workload had increased.



Almost 50% felt they skills they need to complete their job well had changed.

TRAINING AND SUPPORTING REMOTE WORK

Organisations offered a variety of supports for remote work including initiatives to enhance mental health, communications and technical/IT systems training, online classes, online quizzes, online town halls, desk-based exercises, online staff roulette for spontaneous meet ups. Most respondents found these supports useful.

Organisations were more inclined to offer supports for the purposes of stimulating knowledge sharing and communications amongst remote workers to replicate informal office interactions. 33% of respondents participated in training for remote work whereas almost 40% participated in initiatives to facilitate/enhance sharing of knowledge.

So, knowledge sharing initiatives were more commonplace than explicit training. These collaboration and communication initiatives were considered more helpful than other forms of remote work training and supports.



REMOTE WORK: EXPERIENCES, SUPPORTS AND PLANS

VISIBILITY OF REMOTE WORKERS: CAN MANAGERS MANAGE REMOTE WORKERS EFFECTIVELY?

Remote working reportedly had minimal negative impact on managers' ability to manage. Only **21%** of respondents felt their line manager was unaware of the amount of work they do and only **16%** felt it was difficult for the line manager to be aware of the amount of effort they exert. Employee's sense of connection to their line managers seemingly did not change all that much.

This view was supported by managers, **86%** of whom felt they were aware of the amount of work their direct reports do while working remotely. Also, **75%** of line managers claimed it was easy to figure out how hard their direct reports are working. This indicates that remote working poses no major obstacle to managing and guiding the performance of remote workers.

However, we would caution against assuming transparency in remote work as other studies indicate that remote work and performance transparency can become more challenging for both employees and managers over the longer term.



HOW DO WORKERS FEEL WHEN WORKING REMOTELY

Employee engagement and immersion in work is reportedly very high when working remotely. **71%** of employees reported high levels of energy and **97%** felt enthusiastic about their job when working remotely. **77%** reported they were mostly deeply immersed in their work when doing it remotely. Respondents reported that these levels of engagement were an improvement of previous times and **27%** felt energy for work had increased.

THE FUTURE OF REMOTE WORK: PREFERENCES AND PLANS

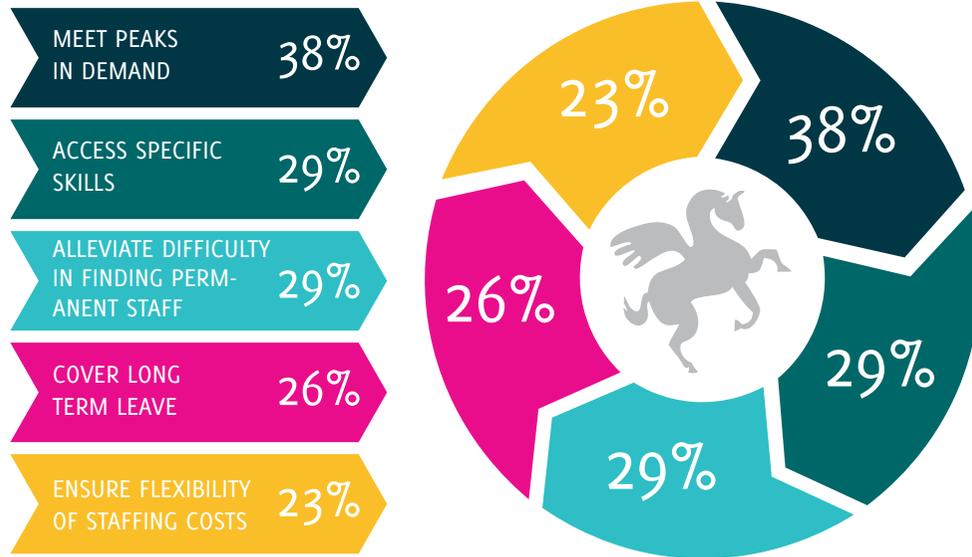
When looking to the future, **47%** of respondents would be actively dissatisfied with a full-time return to the office. **27%** are somewhat ambivalent about their working location while only **25%** have a positive view of a full-time return to the office.

Many organisations intend to offer some form of remote working however plans vary. The most common arrangement reported is for most employees to work remotely approximately half of the time. Only **23%** of organisations will require most employees to work full-time in the office.

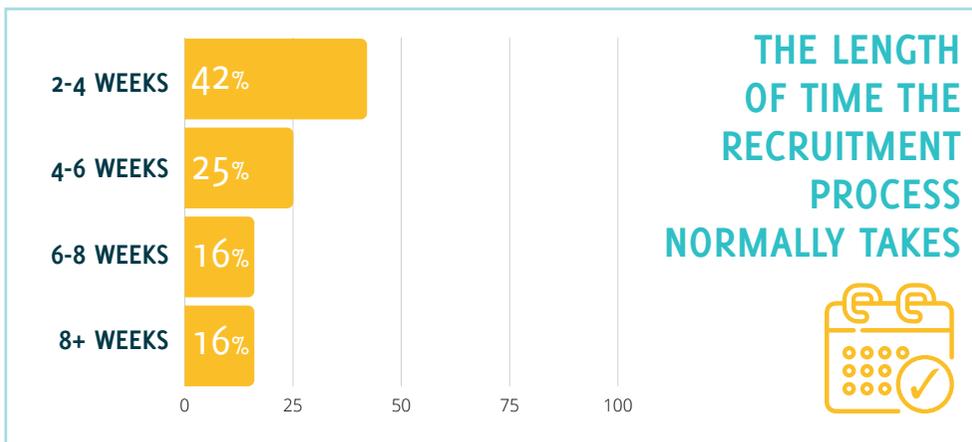


RECRUITMENT STRATEGY

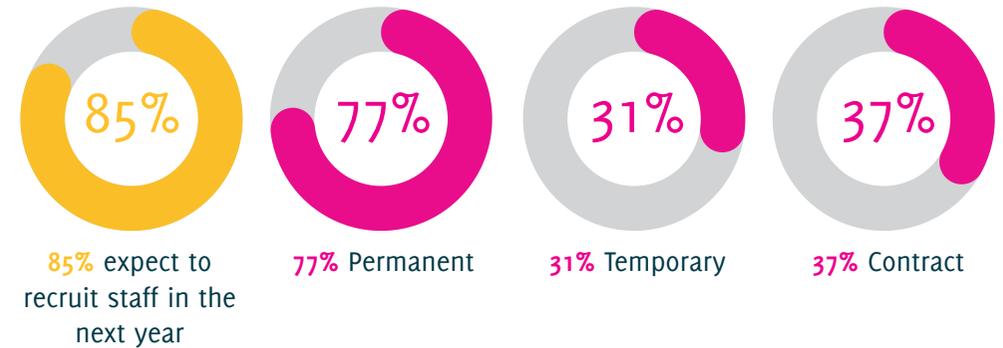
THE REASONS ORGANISATION WOULD RECRUIT TEMPORARY STAFF IN THE YEAR AHEAD



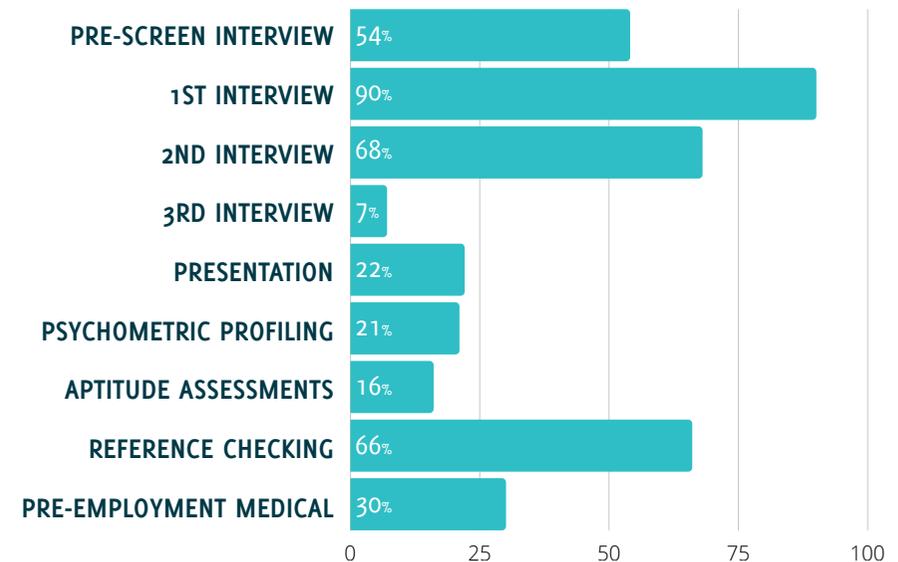
56% of organisations **INCREASED** staff numbers in the last year.
31% remained unchanged.



RECRUITMENT OF STAFF SET TO CONTINUE

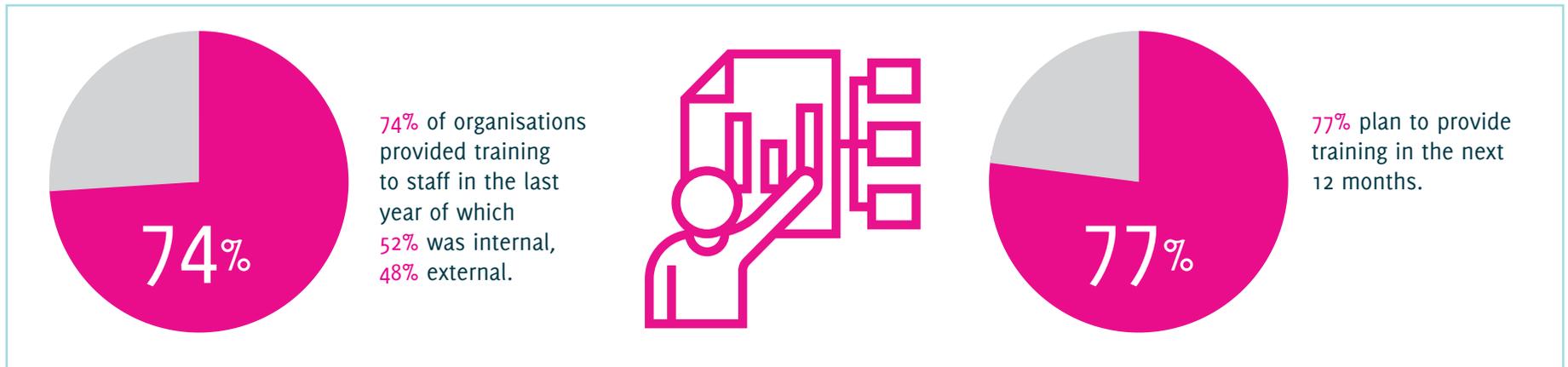


RECRUITMENT PROCESS



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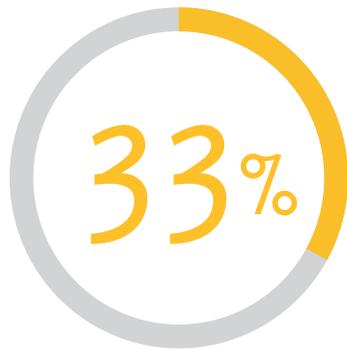
TRAINING AND DEVELOPMENT



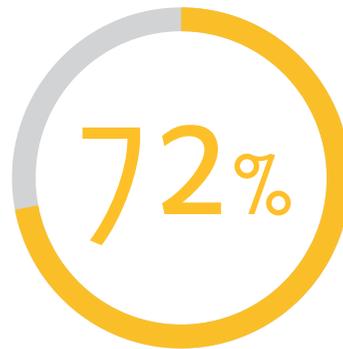
TRAINING IN A REMOTE WORKING ENVIRONMENT



60% had NOT received any training to help them perform their role better in a remote environment



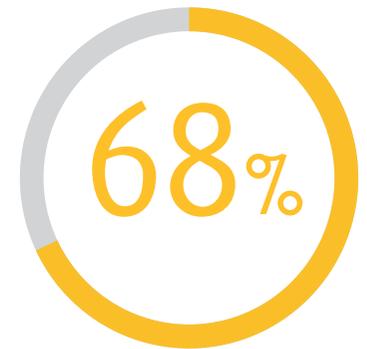
33% had received training to help them perform better in their role in a remote environment



72% found the training they received useful



29% of Managers had received training to help them perform their management role better in a remote environment



68% of Managers found this training useful

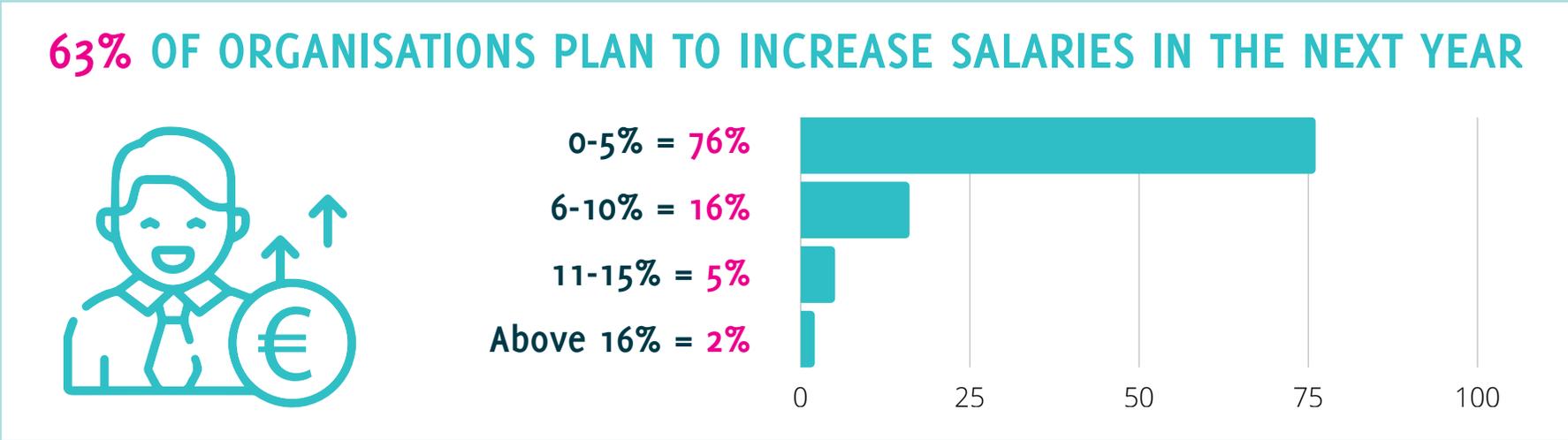
EXECUTIVE COACHING

32% of Organisations have engaged an Executive Coach

43% of organisations have a mentoring programme



SALARY AND BENEFITS



81%

felt it was important that organisations are transparent about how pay levels are set



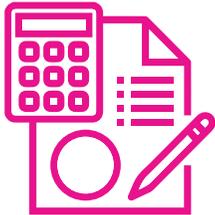
25%

are aware of a gender pay gap in their organisation



24%

of organisations had changed their benefits in the last year



19%

plan to introduce new benefits in the future



THE FUTURE OF WORK

By Patrick Gallen, Partner, People & Change Consulting, Grant Thornton



Grant Thornton are once again delighted to have the opportunity to collaborate with Clark, County Kildare Chamber, and Maynooth University on this very valuable survey. The themes raised in this year's report highlight important issues for the consideration of senior leaders and HR professionals alike. We would suggest that the messages arising from the data sound some warning signals for employers to consider carefully as they construct or review their people strategies for 2022 and beyond.

As we emerge from the headwinds of the last 24 months, the survey data shows that organisations are increasingly optimistic about future economic prospects. 93% of respondents were optimistic or neutral about the wider economic climate, and 76% reported that they expect some form of growth in their organisation. Notwithstanding the current geopolitical climate, it is safe to assume that most organisations are therefore planning for some growth in the short to medium term.

The bad news is that some of those organisations are preparing for this growth on the back of existing skill shortages in their teams. 31% of respondents do not believe that their organisation has the talent needed to achieve their current objectives, and 63% described the skill shortages that they have experienced in the last year as extreme or moderate.

The impacts of these shortages are clearly called out in the survey findings, with 39% reporting that those skills shortages limit organisational productivity on an ongoing basis, and 45% suggesting that this same impact was felt occasionally. Those impacts are qualified in areas such as a detriment to both staff morale and increased stress for leaders, a reduced ability to deliver projects, and limiting the opportunities for productivity, expansion, innovation and creativity in the organisation.

In the face of this employers are naturally concerned about the hiring challenges ahead, with a shortage of suitable candidates, competition from other employers, and rising salary costs quoted as their top three concerns. Indeed, 63% of respondents reported that they intend to increase salaries in the next year, and this coupled with rising energy, transport, and material costs, will certainly raise some difficult challenges for organisations in managing their cost base.

So what can employers do to position themselves for success in this “war for talent”?

We would argue that a strongly articulated Employee Value Proposition (EVP) will be key in attracting and retaining talent in this environment. Aside from financial reward and other benefits, offering an employment proposition that includes training people in the skills they need to do their jobs well, offering evidence that your employees feel valued, are treated fairly for the job they do, and have opportunities to both work flexibly and to progress their careers, will be critical. This sounds simple, but getting it right can be very tricky, and done well it can provide a key competitive advantage for your organisation.

In addition to a strong EVP, organisations must also ensure that their recruitment process is both effective and efficient. Over one third of respondents to the survey reported that their recruitment process takes more than 6 weeks, and in a highly competitive market this is very likely to result in missed opportunities to secure the best talent. Employers should carefully consider their recruitment strategy and end to end process. Thinking of it like a “courtship” and not just a selection process can help, and the use of technology can also help drive efficiency and effectiveness here.

Overall, the survey suggests that there is some optimism over future prospects, but strong headwinds clearly remain. Carefully considering all of these factors, and articulating the organisational response in the form of a detailed people strategy and operating plan, will be really important for employers to help navigate the tricky waters ahead.



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