



# Changing times for HR professionals

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GBG Survey Results

November 2016



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## Introduction

**At GBG we have been undertaking a research survey across our database of HR customers and prospects, asking their thoughts on legislation changes impacting their organisations. This report provides a summary of the findings.**

### **One in three HR professionals don't feel up to speed on changing legislation**

Our research revealed that a startling 34% of HR professionals are struggling to keep up with legislation changes that impact their employees and organisations. Changes to Right To Work, the Immigration Act 2016 and the 2015 Modern Day Slavery Act make 32% of respondents feel anxious. Just 28% feel prepared and only 4% are optimistic that the changes will benefit the business.

### **60% believe it's their primary responsibility**

Despite half of HR professionals not feeling prepared to handle legislation changes, 60% believe it's their primary responsibility. One in five said it was their manager's and 9% believed the board should be in charge of monitoring for change.

### **Employee fraud hits record levels but less than one in five carry out ongoing monitoring**

Thirty-nine per cent of people we surveyed said employment screening was their number-one priority. However, less than one in five ran multiple checks throughout the year.

A fifth said they didn't undertake any checking throughout the year, and 10% only ran checks when an incident triggered the process.

Last year saw employee fraud account for 32% of all reported cases of fraud in the UK, costing businesses more than £46m in the first half of 2015.

Reports suggest that the true cost is much higher. Payroll fraud alone is estimated to be in the region of £12bn in the private sector. This includes falsifying expenses, setting up salary payments to ghost employees and making false wage claims.

Every business is susceptible to this activity and it's happening quite regularly without businesses even knowing it. Businesses need to be aware of the risks and have robust processes in place to manage the threat of insider fraud.

As well as the direct costs, a number of high-profile cases of employee fraud making the headlines have had a massive impact on brand and reputation. Earlier this year, a council officer was jailed for five years for giving tenancies to fraudsters claiming to be homeless. At least 20 bogus applications were approved, costing Southwark council £2.4 million.

What this tells us is that the ongoing checking of staff to determine their honesty, integrity and financial soundness is not only critical to an organisation's adherence to regulation, but is imperative for the security of a business' brand reputation and bottom line.

*"Our survey tells us that legislation changes are making HR professionals feel unprepared and we still don't know what the full impact of Brexit will be, which could add further complexity to the situation.*

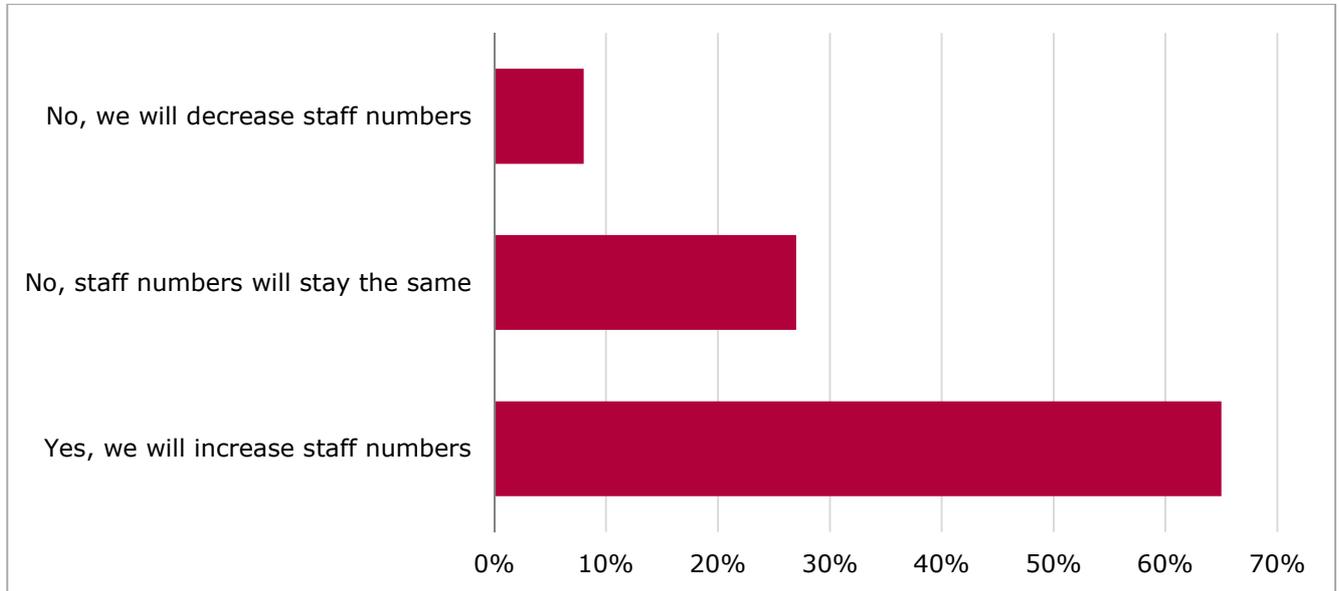
*"HR professionals could be faced with having to report on the nationalities of every member of the workforce. They may have to manage multiple country legislation requirements to ensure compliance. The Home Office is now targeting larger organisations with adherence audits, with fines or potentially imprisonment where they are found to be employing people who don't have the Right To Work in the UK. There's also debate about extending these penalties to cover 'insider fraud'.*

*"The need to know your people is more important than ever before.*

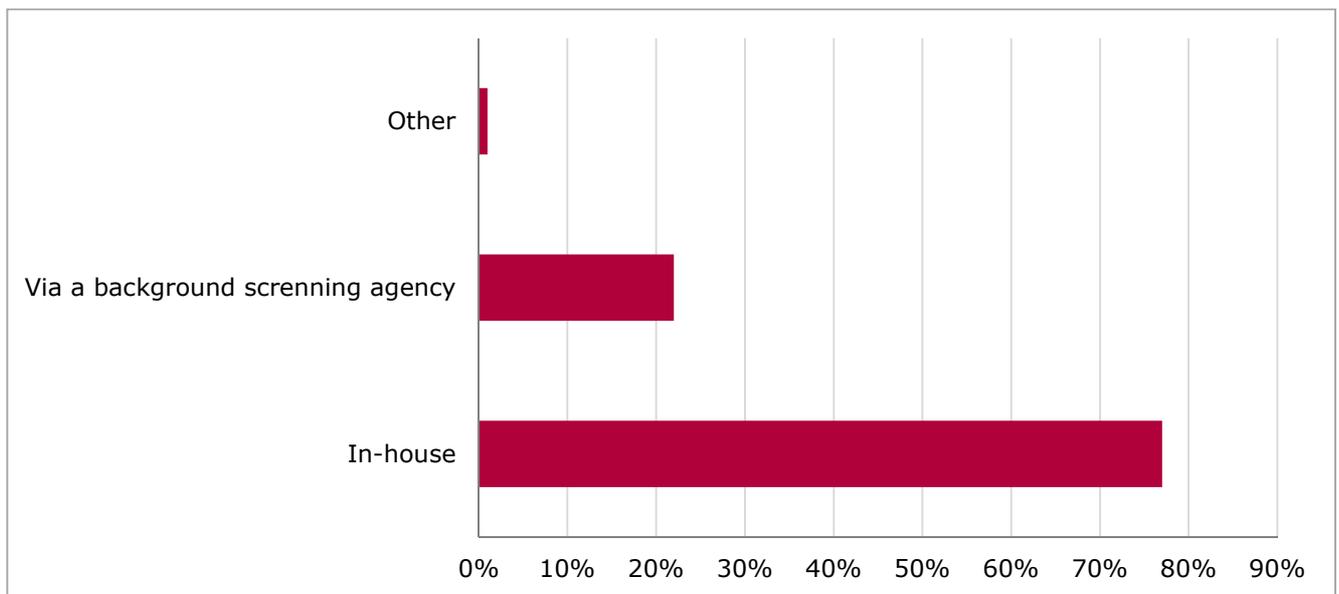
*"The changing landscape around employment screening, legislation and the need to monitor employees more stringently is becoming increasingly complex. Non-compliance exposes a business to employee fraud, reputational risk, reduced turnover and fines. Businesses need to recognise the importance of not just completing the Right To Work checks from a recruitment and onboarding perspective, but maintaining that record throughout their employment."*

**Mark Sugden, Sales & Business Development Director, GBG**

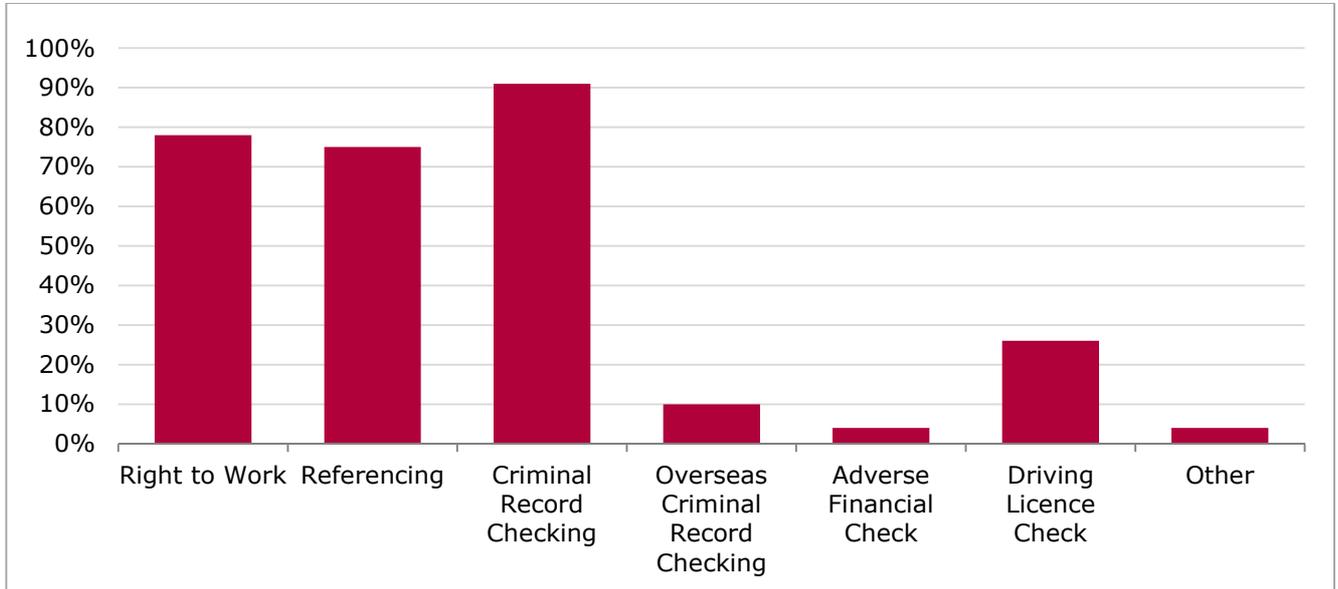
## Will your organisation be a net recruiter in the next 12 months?



## How do you currently manage your employment screening checks?

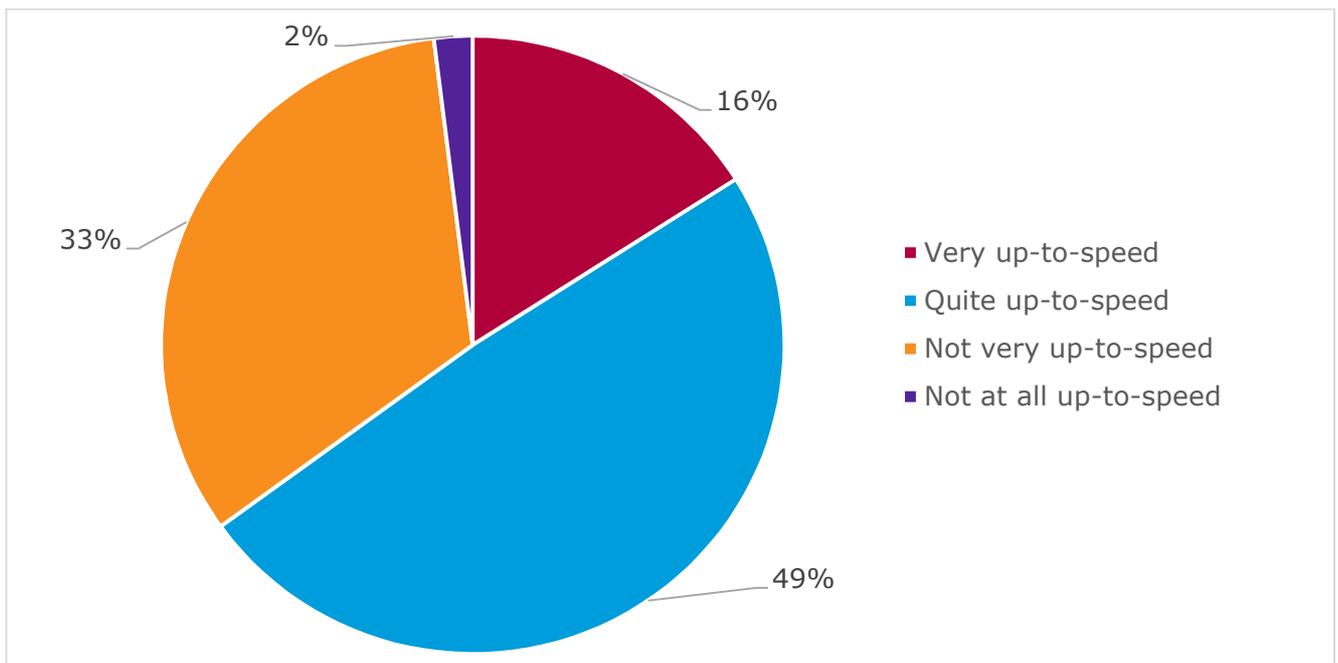


## Which of the following checks are the three most important for your organisation?

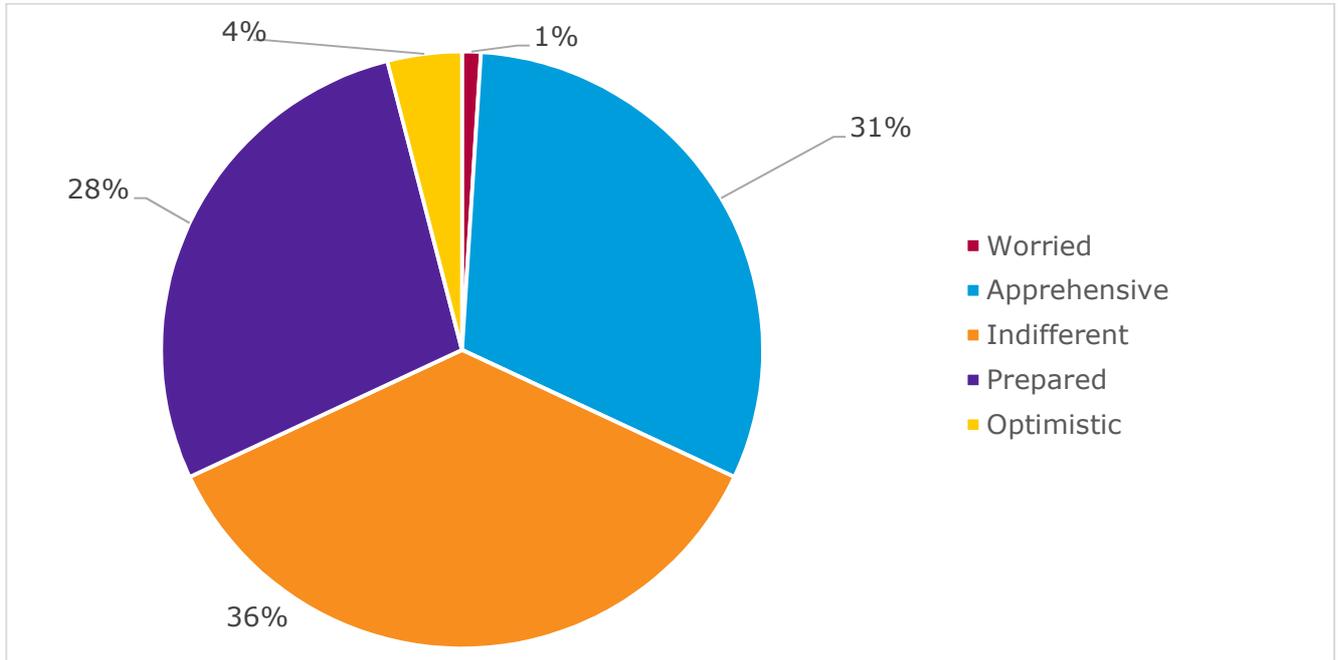


## How up-to-speed do you personally feel regarding legislation changes that will impact your organisation?

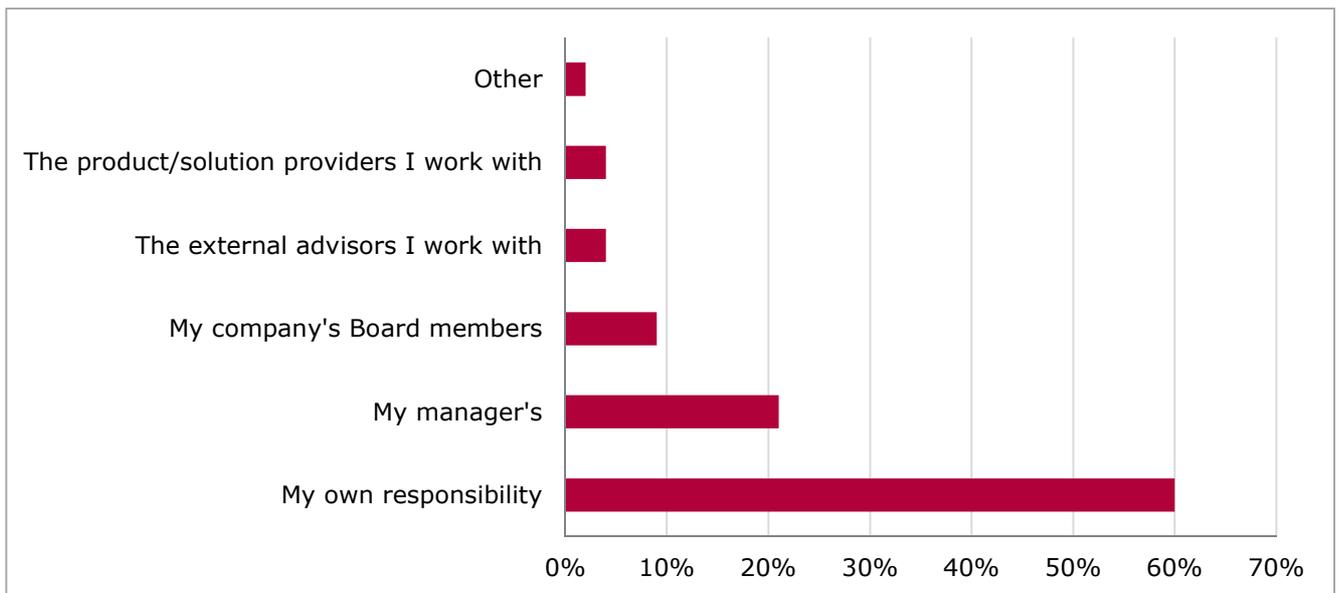
For example tighter regulations relating to the Right to Work pre-screening process?



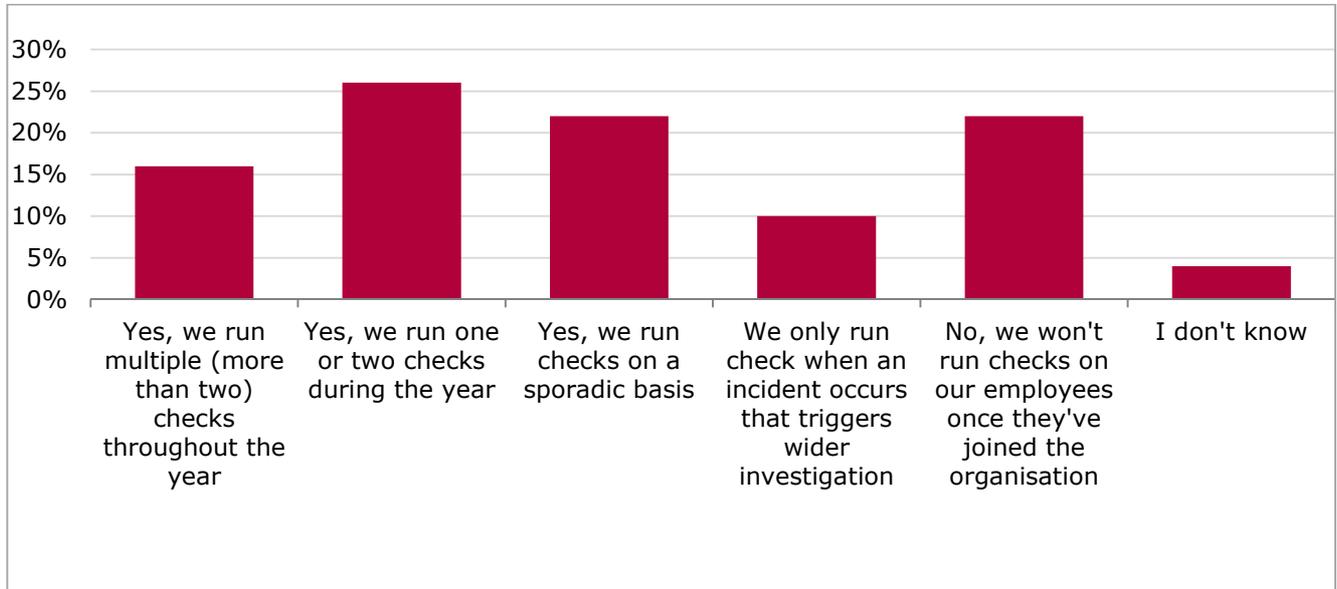
## How do legislation changes make you feel?



## Whose primary responsibility is it to ensure you are kept up-to-speed with these legislation changes?



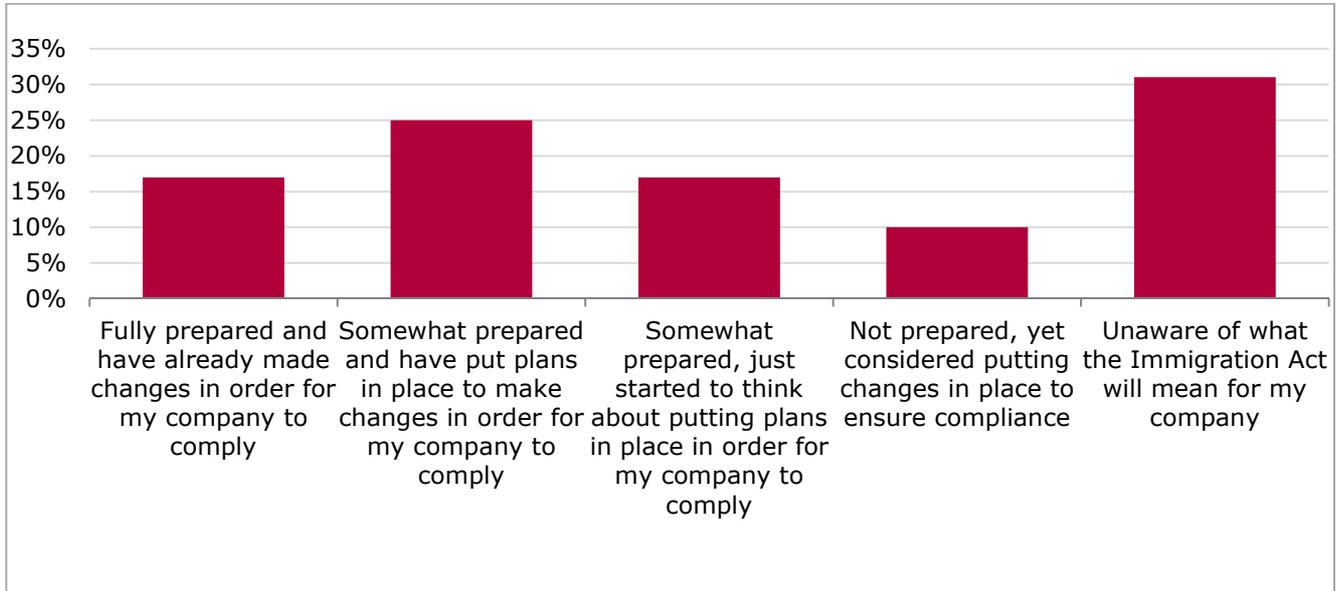
## Do you run regular checks on your employees to ensure ongoing adherence with legislation?



## Place the following in order of focus/priority from 1 (most important) – 5 (least important).

	1st	2nd	3rd	4th	5th
Fully prepared and have already made changes in order for my company to comply	10%	15%	13%	19%	44%
Somewhat prepared and have put plans in place to make changes in order for my company to comply	41%	22%	16%	12%	10%
Somewhat prepared, just started to think about putting plans in place in order for my company to comply	29%	16%	30%	16%	10%
Not prepared, yet considered putting changes in place to ensure compliance	4%	17%	17%	33%	28%
Unaware of what the Immigration Act will mean for my company	17%	30%	24%	20%	9%

## With regard to the Immigration Act, are you...



## What do you see at the most important reason to check employees?

