

To consider

Human Resources Report 2013

Issue

- 1 The annual report on Human Resources issues.

Recommendations

- 2 Council is asked to consider:
 - a The annual report on Human Resources issues relating to the GMC as an employer.
 - b The updated diversity report for 2013.
 - c The main themes for the proposed People Strategy.

Human Resources Report 2013

Issue

- 3 Our Human Resources (HR) policies, procedures and infrastructure exist to ensure that we recruit, retain and develop a diverse, talented and committed workforce while meeting our statutory obligations as an employer.
- 4 We report annually to Council on Human Resources issues covering a range of workforce data. This is set out in Annex A with a more detailed commentary.
- 5 Integral to this work is our monitoring and analysis of our data on equality and diversity. This is set out in Annex B.
- 6 This data has also helped us identify our HR priorities for the next three years, and as part of this work we have outlined proposed themes for the basis of a People Strategy.

2013

Recruitment and induction

- 7 Our current turnover level generates around 80 vacancies per year and an increasing number of transfers and promotions mean recruitment and selection remains our main operational activity. In 2013 we recruited 186 members of staff. This has involved reviewing 4941 applications and bringing 1197 candidates through our selection process. In addition the HR team also supports our selection process for Associates.
- 8 All our recruitment is on-line, we use a range of external media options to market our roles, and our costs per hire are in line with external benchmarks.
- 9 All new staff go through an induction, including mandatory training, and complete a probationary review.

Workforce profile

- 10 Recruitment procedures play a central role to our approach to diversity and equality. We monitor all stages of the recruitment process by diversity strand and this informs our work on recruitment policies and procedures.
- 11 At the end of 2013 we employed 884 staff (857.7 FTEs) and the overall breakdown of our workforce is set out in Annex B. Our strategic aim is to achieve a diverse workforce at all levels.
- 12 Our workforce profile has not undergone significant changes in recent years although in terms of gender we have seen some progress in achieving a better balance at senior management (Assistant Director) level and above.

- 13** There has also been a further increase in the percentage of applicants from a BME background, although the percentage of appointments has only grown marginally. The percentage of staff from a BME background has increased from 11% in 2010 to 13.5%, although representation at senior management level is below this level.
- 14** Our monitoring also extends to equal pay, promotions and access to training and we see balanced patterns in terms of ethnicity and gender. Workforce information for all protected characteristics is set out in Annex B.

Diversity initiatives

- 15** We have an extensive action plan relating to Equality and Diversity. We support mandatory training for all staff, specialist training for line managers, and keep our advertising strategy and recruitment processes under review.
- 16** In 2013 our Apprentice programme has been expanded and we will increase from 11 to 13 posts in June this year. We have also undertaken some preliminary work on potential involvement in traineeships, which could provide a logical next step for the outreach work we undertake.

Pay, benefits and pensions

- 17** In 2013 we implemented significant changes to our pension arrangements. This involved setting up a defined contribution arrangement for new joiners in July 2013 and meeting our auto-enrolment obligations from 1 November 2013. The triennial valuation process for the defined benefit scheme was successfully concluded and we supported Trustees as they reviewed their investment strategy.
- 18** Our 2013 pay award was implemented in April. Our system does not have incremental progression and individual pay awards have core and performance related elements. In 2013 employees saw pay increases range from 0 to 5%. Employees in the middle section of their pay band who were assessed as 'successful' received a 2% pay award. Additional measures to support lower paid staff were also implemented, with employees earning under £25,000 per year receiving an additional £300 non-consolidated payment, and the base of our pay bands rising by a minimum of £500.
- 19** Our existing pay structures above apprentice level exceed the current living wage levels and we have become an accredited employer. We now include a living wage requirement in our contracting arrangements for on-site services.
- 20** During 2013 we reviewed our online performance management process. The revised arrangements have operated well and the completion of the current performance management process has run to time.

- 21** We also undertook a review of our benefits provision in 2013. We will be introducing options around buying and selling leave from April 2014 and this alongside our existing policies and the expansion of scheduled homeworking will further enhance the overall package we offer employees.

Employment arrangements

- 22** Throughout 2013 we have reviewed and updated our HR policies and procedures to ensure that they are legally secure and follow best practice. This work was supported by an external benchmarking exercise which showed that our policies are in line with or exceed market practice.
- 23** In 2013 we fully implemented basic criminal record checks for all new staff and Associates. Existing staff are now covered by a rolling programme of checks every third year.
- 24** We have also supported four work-streams that have coordinated our response to the last staff survey. As part of this work we have introduced more formal work-shadowing arrangements, additional support for career development, and additional management development opportunities. We also undertook a review of risks related to key staff across the organisation.
- 25** Overall our turnover remains stable and in line with the wider labour market. Our absence levels remain below average and we enjoy good employee relations, reflected in a positive set of staff survey results.

Learning and Development

- 26** In 2013 we introduced a senior management development programme for Assistant Directors, with a further programme under development for staff at Section Head level. Our existing management development programmes for staff at levels 4 and 3 have been updated and re-launched. They continue to receive excellent feedback and are fully subscribed.
- 27** During the year we also increased our on-line learning capacity and continue to develop our Cornerstone system to integrate learning opportunities with personal development plans and performance reviews. The Learning & Development team coordinates a wide range of in-house programmes and our investment in training is in line with the wider market.

Future Priorities

- 28** The new strategic plan provides an opportunity to review our existing HR plans and ensure they align with the GMC's long term requirements. We plan to engage with staff over the next six months to set out a clear People Strategy which supports our Corporate Strategy and building on our existing plans in areas such as pensions and diversity.

- 29** Our preparatory work has already identified areas where we expect to deliver significant programmes of work. The expansion of our workforce and with it job categories is likely to require a review of our grading structure. Alongside this our pay benchmarking indicates that we are in danger of falling away from market rates and we need to be mindful of our position should the labour market become more competitive for employers.
- 30** We also plan to increase our focus on career and succession planning. We plan to continue our work on apprenticeships and traineeships and have made provision to re-introduce our graduate recruitment programme this year with appointees joining us in 2015. These programmes will also support our aspirations on diversity.
- 31** We will also implement further changes to our employee benefits arrangements and we have outlined our future intentions for pension provision to Council. We are developing detailed plans to implement further reforms in 2015.
- 32** Our next staff survey, reporting in 2015, will provide a good opportunity to assess our progress and in turn will inform our work in 2015 and 2016.
- 33** The development of our on-line learning capability will allow us to further extend training that is role specific. We will also complete a full suite of management development programmes with a new programme for Heads of Section, based on the existing programme for Assistant Directors.

Supporting information

How this issue relates to the corporate strategy and business plan

- 34** This issue relates to Strategic aim 5 which is to work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

How the action will be evaluated

- 35** We have a range of mechanisms for evaluating our work on HR issues. As well as reporting annually to Council, we report regularly to the Performance and Resources Board. Monthly reports for each Directorate are produced covering the main HR performance measures. We have also engaged external consultants to review our performance measures and indicators.

What engagement approach has been used to inform the work (and what further communication and engagement is needed)

- 36** We have an established Staff Forum to consult with staff and our staff survey provides detailed feedback on all aspects of our employment arrangements. Additional consultation and engagement procedures are put in place for any significant changes to our employment arrangements.

What equality and diversity considerations relate to this issue

- 37** Equality and diversity considerations are central to all aspects of HR. We have extensive monitoring procedures and ensure that all our main policies and procedures are covered by equality assessments.

If you have any questions about this paper please contact Andrew Bratt, Assistant Director - Human Resources, abratt@gmc-uk.org, 0161 923 6215.

Annex A

HR Monitoring – Overview

HR Monitoring - Overview

Recruitment and retention

- 1** While recruitment activity reduced in 2013 it remained a significant operational activity, resulting in 186 appointments being made. The diversity monitoring aspects of the process are set out in Annex B.
- 2** We use a range of media for advertising, including social networks and specialist websites and use open evenings to market opportunities for some roles. Our own website plays an increasingly important role and candidates can register for vacancy updates. In 2013 we ran our first recruitment advertising campaign on radio.
- 3** Our recruitment process is based around a competency based application form, anonymised shortlisting, and then a range of assessment options tailored to suit individual job groups. These include competency based interviews, group exercises and ability testing. For senior roles we retain the services of agencies, appointments up to and including Assistant Director level are typically managed in-house.
- 4** Our recruitment processes are all on-line and helps us to run a process that averages six weeks from when an advert goes live, through the selection process to the offer stage.
- 5** All employees are covered by an induction process and complete a probationary period. The number of staff who have this period extended or their employment remains very low. Only two employees have failed their probation in the last 4 years.
- 6** Our overall retention levels remain in line with appropriate external benchmarks and have fallen in line with external trends. A third of turnover occurs in the first year of appointment, this is not unusual but is an area that is kept under review as it drives further recruitment costs.
- 7** Our average tenure is 4.19 years, which is slightly lower than comparable organisations but reflects the high number of new joiners in recent years.

- 8 While current retention trends remain broadly positive we continue to experience some difficulties in appointing to some roles, including investigation officers and several IS roles.

1. Recruitment

1.1 Diversity Strand

| Diversity | Applications | | 1st Interview | | 2nd Interview | | Offer | |
|-----------|--------------|--------|---------------|--------|---------------|--------|-------|--------|
| BME | 1332 | 26.96% | 265 | 22.14% | 44 | 14.72% | 23 | 12.37% |
| Non BME | 3541 | 71.67% | 923 | 77.11% | 253 | 84.62% | 162 | 87.10% |
| Female | 2803 | 56.73% | 715 | 59.73% | 190 | 63.55% | 129 | 69.35% |
| Male | 2095 | 42.40% | 478 | 39.93% | 108 | 36.12% | 56 | 30.11% |
| Disabled | 275 | 5.57% | 57 | 4.76% | 15 | 5.02% | 10 | 5.38% |
| Total | 10046 | | 2438 | | 610 | | 380 | |

Details relating to all diversity strands are set out in Annex B

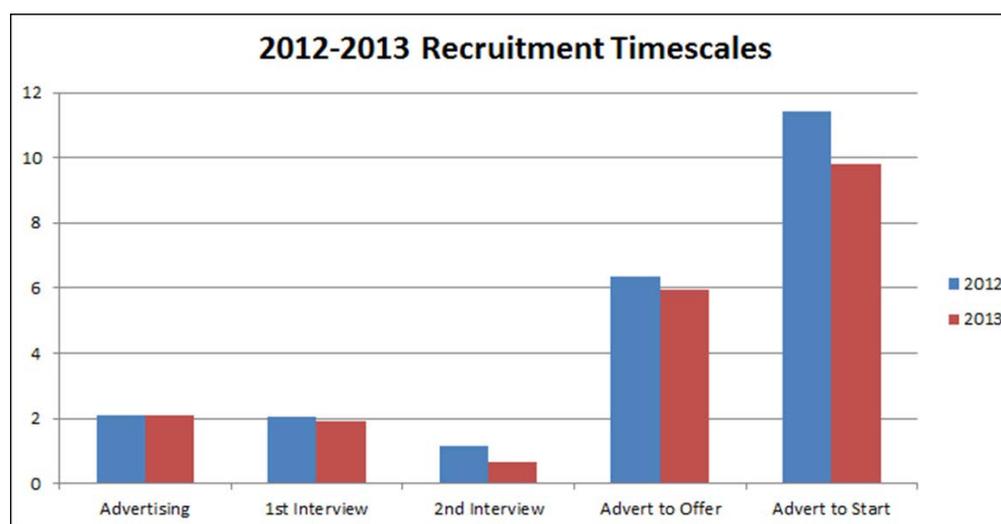
1.2 Internal Recruitment

| | 2012 | 2013 |
|----------------------|------|------|
| Temporary Transfers* | 38 | 48 |
| Promotions | 40 | 57 |

The numbers reported above for Temporary Transfers and Promotions are based on when the staff member started the post (not when they were appointed).

* Temporary Transfers includes temporary transfers at the same grade, and temporary promotions.

1.3 Recruitment Timescales



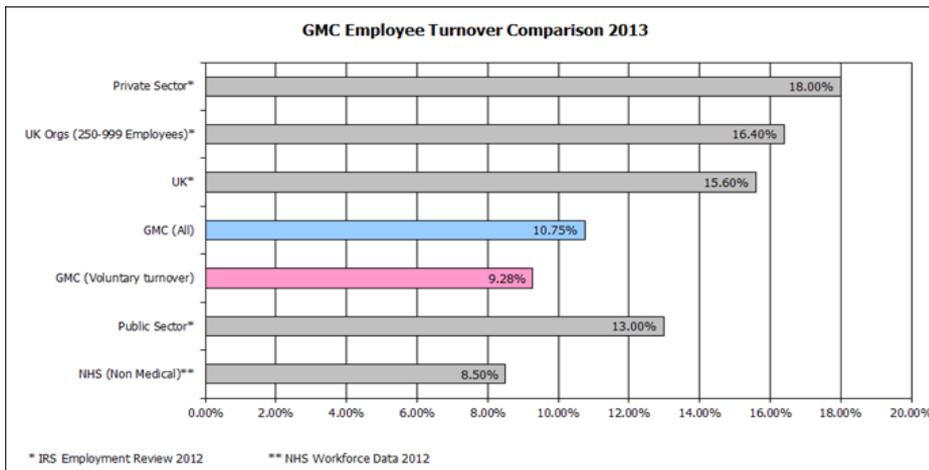
During 2013 the average advert to offer time was 6 weeks and to the commencement of employment was 10 weeks.

1.4 Probation analysis

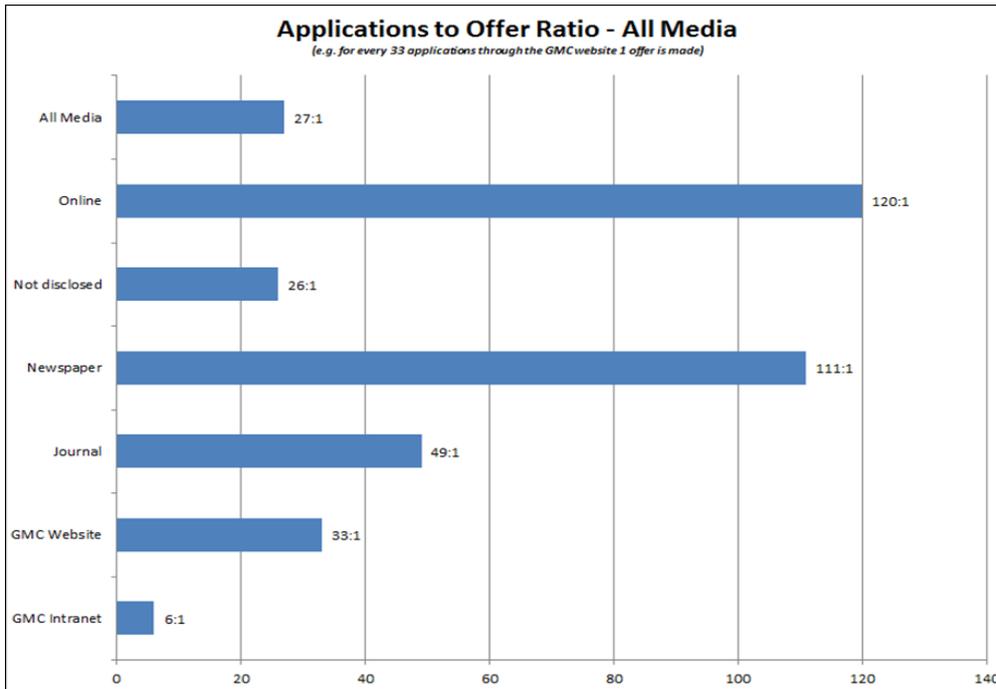
The number of probation periods extended or not confirmed across the organisation during the period 2010 – 2013 is extremely low.

| | 2010 | 2011 | 2012 | 2013 |
|--|------|------|------|------|
| Number of probationary periods extended | 3 | 5 | 6 | 5 |
| Number of probationary periods not confirmed | 0 | 1 | 1 | 0 |

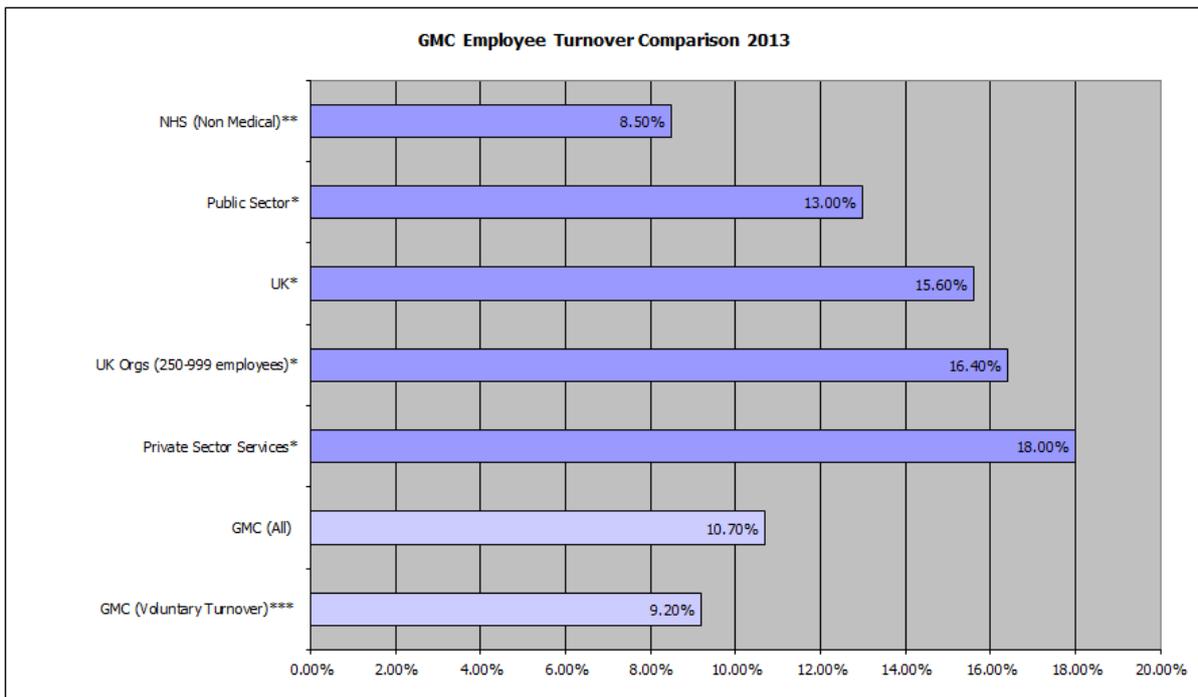
1.5 Turnover



1.6 Application source analysis



1.7 Turnover comparison with other sectors



* IRS Employment Review 2012

** NHS Workforce Data 2012

*** Voluntary turnover includes Resignation, Voluntary Redundancy, and Normal Retirement. Total Turnover includes Compulsory Redundancy, Fixed Term Contracts and Dismissal.

Pay and benefits

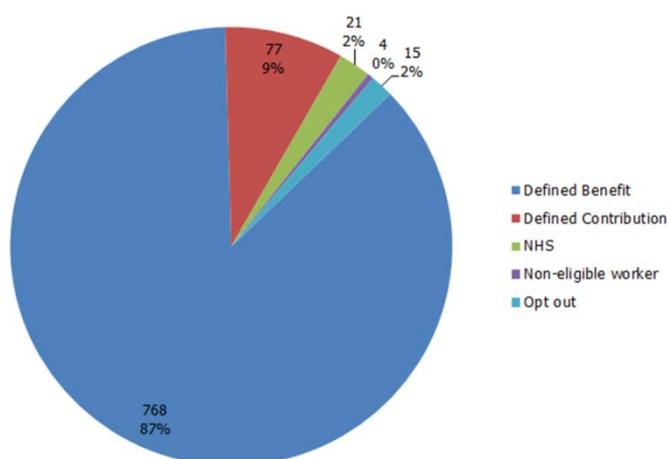
- 1** Our performance management system was reviewed in 2013 and all elements are now on-line. We streamlined some aspects of the process at the mid-year review stage and are now in the processes of completing the quality assurance stage of the current cycle.
- 2** The system has operated well with completion rates for all of the relevant stages close to 100%.
- 3** Our 2013 pay award was implemented in April. Our system does not have incremental progression and individual pay awards have core and performance related elements. In 2013 employees saw pay increases range from 0 to 5%. Employees in the middle section of their pay band who were assessed as 'successful' received a 2% pay award. Additional measures to support lower paid staff were also implemented, with employees earning under £25,000 per year receiving an additional £300 non-consolidated payment and the base of our pay bands rising by a minimum of £500.
- 4** Our pay system is currently based on 6 pay bands below director level. This has provided a simple and transparent pay system, but there are some indications that we may need to make some further refinements in 2015 to reflect the wider range of job categories we have and the expansion in staff numbers. Alongside this we have e-tested a range of current roles against the external market and this indicates that in a number of cases we are slipping away from the relevant market rate. For five key jobs our pay levels were below the lower quartile. While our overall package, including benefits, training and pension remains good we need to be mindful of our position in a potentially more competitive labour market.

Pensions Strategy

- 1** Council has received reports on our long term plans for the defined benefit scheme, primarily to manage future risks associated with an open DB scheme. This was closed to new joiners in 2013 following a process that met the relevant statutory requirements. We have also set out plans to identify options that will keep overall pension costs below 20% of payroll and taking into account of the increased employer national insurance contributions associated with the planned end of contracting out.
- 2** While the DB scheme closed to new members it remains a significant part of the HR team's work. The last year has seen a significant programme of work; we have supported Trustees on a revised investment strategy, completed the triennial valuation process and met all the relevant statutory requirements related to running the scheme.

- 3 For new joiners we now have a DC scheme, introduced on 1 July 2013. This is run on our behalf by Aviva who were appointed following a tender exercise. Part of this process focused on the availability of ethical and Sharia compliant options being available to staff.
- 4 The implementation was completed on schedule to coincide with the closure of the DB scheme to new joiners. This arrangement now meets our automatic enrolment obligations. Our vesting date was 1 November 2013 and we completed the implementation and deployed all the relevant processes in line with this deadline.
- 5 In addition to the GMC's own scheme's we also administer the NHS scheme for the staff that transferred from the Postgraduate Medical Education and Training Board (PMETB) and remain members of that scheme. Membership of our schemes is summarised below.

Pension Scheme Membership
(as at 31/12/2013)



Employment arrangements

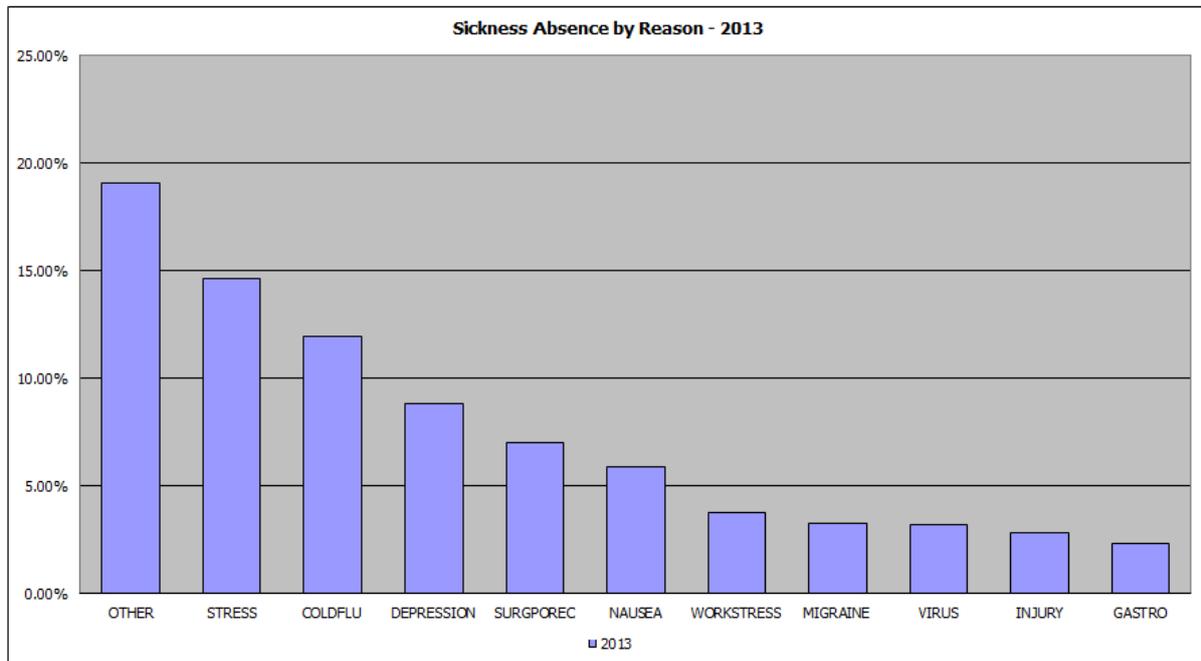
- 1 We keep all our main policies under review to ensure they follow best practice and meet all our legal obligations. Towers Watson benchmarked our main policies and these are generally consistent with or better than wider market practice. We have identified a number of areas for improvement and all our policies are currently undergoing a review to ensure they are more user friendly.
- 2 In 2013 we enhanced our monitoring of flexible working requests (see Annex B), which are increasing, and supported the HR aspects of our scheduled home-working programme.
- 3 Our staff survey in 2012 produced a positive set of results and we continue to enjoy good employee relations. Our absence levels remain below both private and public sector averages, but did see an increase on 2012. Mental health

issues (depression, stress and work-related stress) make up around 30% of all our stated reason for absences.

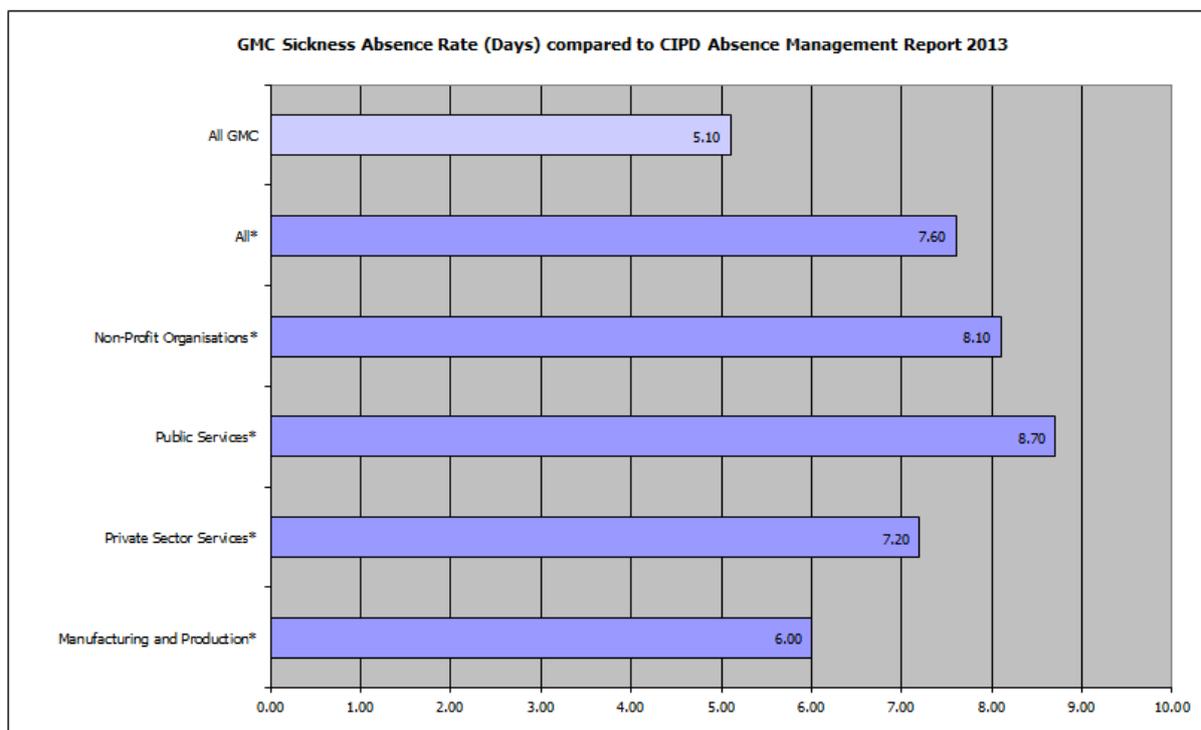
- 4** We have also supported a dedicated Wellbeing work-stream following on from the staff survey and as part of our support for managing absence have occupational health advice, health checks for staff and an employee assistance programme.
- 5** In 2013 we introduced basic criminal record checks for all new staff and existing staff on a rolling 3 year programme. Implementation has gone well and no significant staffing issues have arisen so far. The process has now been extended to temporary staff.

Employee absence

1.8 Sickness by Reason



1.9 Sickness Absence comparisons with other sectors



Learning and Development

- 1** We have a dedicated L&D team which coordinates our training activity across the GMC. Our focus over the last year has been the closer integration of learning and development opportunities with our performance management system which ensures that all staff has a learning and development plan.
- 2** Our central team coordinated the delivery of approximately 2.5 days training per employee. In addition there are role specific training programmes and programmes supported through our study support system (typically for formal external qualifications).
- 3** During 2013 a total of 115 staff members took part in formal management development training. This is an area of our work that has been heavily influenced by the staff survey. This included new guidance on shadowing and mentoring programmes, a commitment to extend 360 feedbacks to all managers and additional management training.
- 4** We have also increased our in-house capacity by an expansion of the in-house team, train the trainer programme, and a re-launched formal work-shadowing programme.
- 5** All our training events are reviewed for participant feedback and satisfaction levels are high.

Annex B

Equality and Diversity

Equality and Diversity

- 1 Our aim as an employer, set out in our E&D Strategy, is to achieve a diverse workforce at all levels. Our strategy sets out three commitments as a fair employer:
 - We will treat everyone who works for us fairly and with dignity and respect. We will ensure that our employment arrangements support our aspirations.
 - We will work towards being a more diverse workforce at all levels of our organisation. We will consider what this means for developing our staff and their progression, and for how we promote ourselves as an employer in the locations in which we operate.
 - We will continue to collect equality and diversity data on our recruitment processes and on our workforce to inform our work and ensure transparency.

Treating everyone fairly

- 2 As an employer we want to see balanced trends on pay, promotions and training within our workforce and ensuring that no group is over-represented in any category of employment disputes or issues.
- 3 In addition to recruitment and promotions we monitor the main aspects of our employment arrangements by diversity strand. In some areas, such as grievances, the numbers of staff are small and it is difficult to draw detailed conclusions.
- 4 Our monitoring of promotions, pay trends over time, Valued awards and access to training shows patterns that are balanced and reflect our overall workforce.

A more diverse workforce

- 5 Our recruitment and promotion practices are central to achieving a more diverse and balanced workforce. This annex sets out detailed information on our 2013 recruitment and promotion patterns. Overall the GMC has seen very little change to its overall workforce profile, but there are some important trends. Female applicants increase their representation as our recruitment process proceeds and we have also seen an increase in the number of women in senior management (Assistant Director

level and above) posts. While the gender balance at the end of 2013 for this group does not reflect our total workforce (which is 63% female) the percentage of women in senior roles has increased from 18% in 2011 to 29% in 2013.

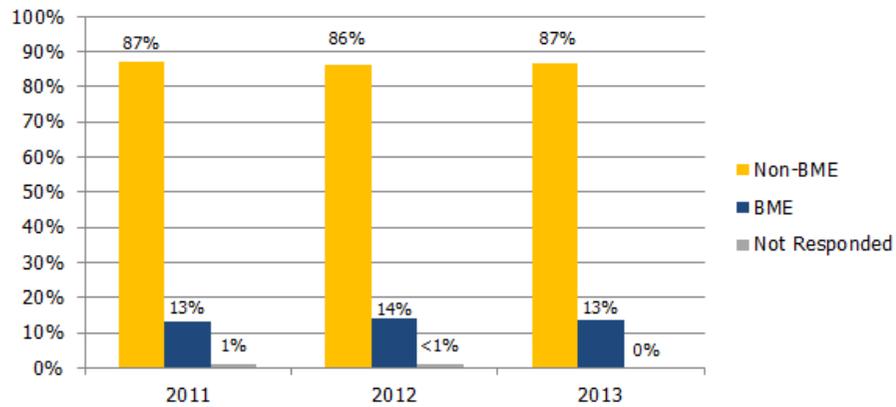
- 6** Our support for career development, an expansion of staff numbers and increasing numbers of successful internal candidates has supported progress towards a more balanced senior management profile in terms of gender.
- 7** On ethnicity we have seen a further increase in the percentage of our applicants who come from a BME background to 28%. However the overall percentage of offers is 14%, broadly similar to 2012. While we have seen a small increase in the percentage of BME staff since 2011, our overall workforce profile in terms of ethnicity remains broadly unchanged, as does the pattern by pay band. This means that further developments on external recruitment are likely to be central to any changes to our workforce profile in terms of ethnicity.
- 8** While our recruitment processes generate a high percentage of BME applicants we will focus on further measures to seek to increase the number of BME candidates reaching the offer stage. This will include a further statistical analysis of our recruitment patterns, further training and guidance for our appointing managers, piloting alternative selection and assessment options and maintaining our quality assurance process for campaigns. We also have previously completed surveys of recruitment candidates to obtain feedback on their experience of our procedures and will repeat this process in 2014.
- 9** We also have scope to target the marketing for certain campaigns on currently under-represented groups.

Monitoring and transparency

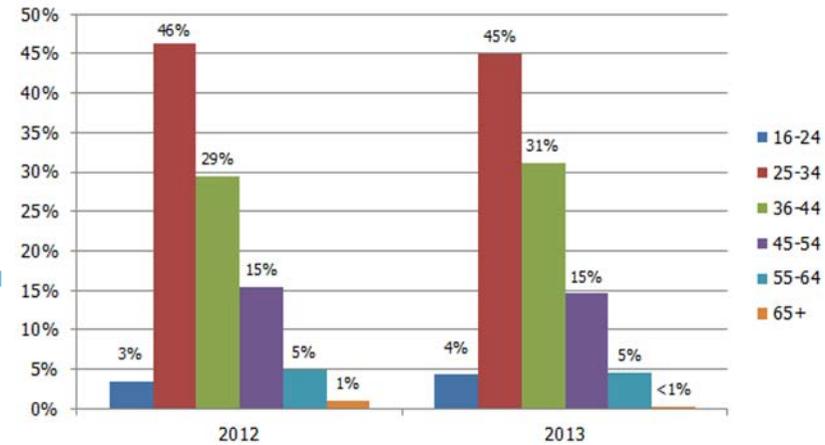
- 10** Our data monitoring and analysis has expanded significantly in recent years and covers all diversity strands. All recruitment campaigns are monitored at each stage. In 2013 we enhanced our recording of flexible working requests and have engaged external consultants to assist in the analysis of recruitment and employment trends and suitable external benchmarks.
- 11** Our staff survey also provides data by each diversity strand and our surveys include a range of diversity related questions. Diversity issues are a standing item at our Staff Forum meetings.

Workforce profile comparison - 2011 to 2013

GMC Workforce profile - Ethnicity 2011-2013

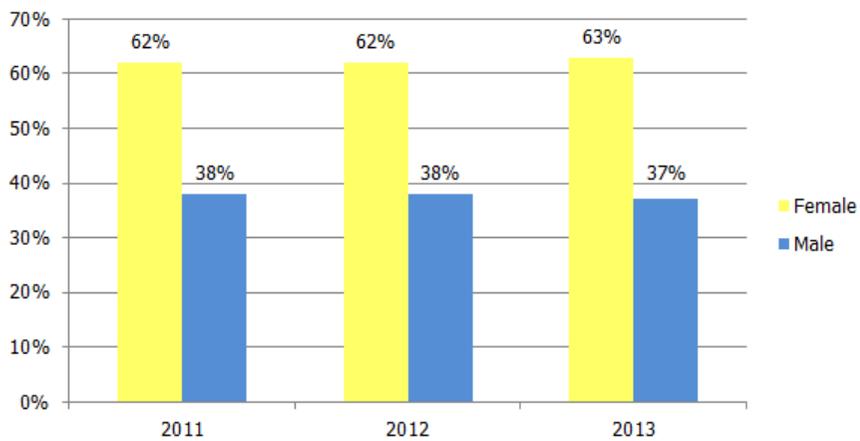


GMC workforce profile - Age

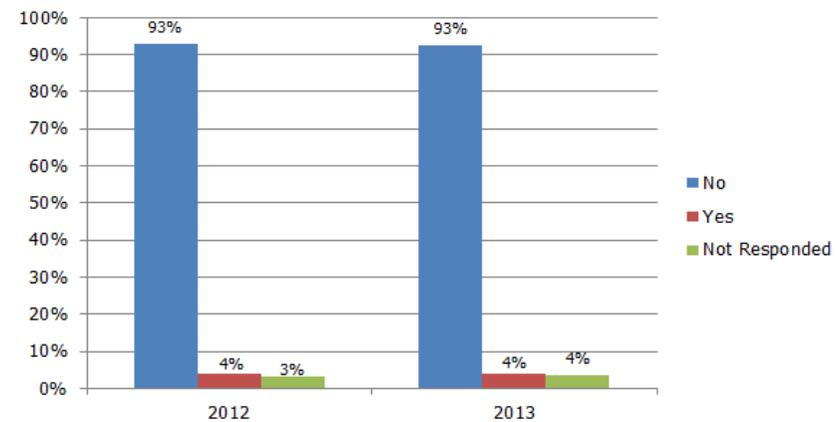


Workforce

GMC Workforce profile - Gender 2011-2013



GMC Workforce Profile - Disability



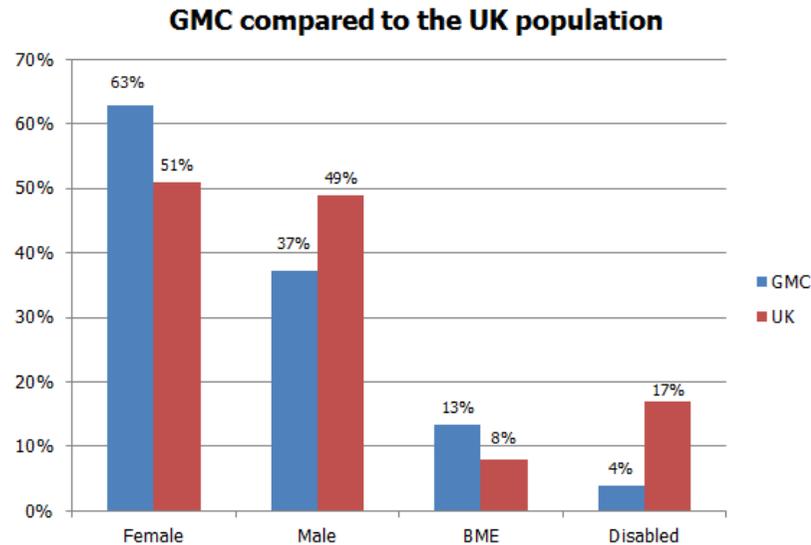
Workforce profile by location and comparison with UK

| | GMC London | London Population* | All GMC |
|-------|------------|--------------------|---------|
| Asian | 12.21% | 13.30% | 7.69% |
| Black | 5.34% | 10.60% | 2.60% |
| Mixed | 5.73% | 3.50% | 2.94% |
| White | 76.72% | 69.10% | 86.54% |

Sources:
 *RfO Regional Factsheet 2008
 **ONS © Crown copyright)

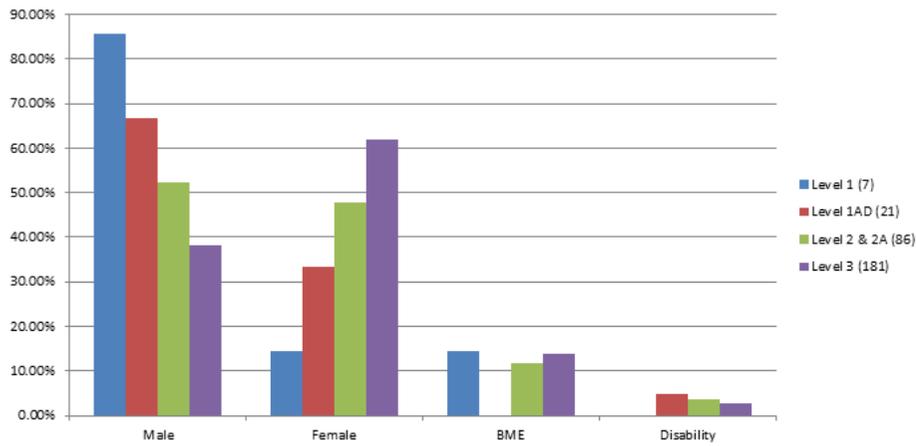
| | GMC Manchester | Manchester Population** | North West Population* |
|-------|----------------|-------------------------|------------------------|
| Asian | 5.79% | 9.90% | 3.40% |
| Black | 1.53% | 4.40% | 0.60% |
| Mixed | 1.70% | 3.30% | 0.90% |
| White | 90.63% | 77.20% | 94.50% |

Sources:
 *RfO Regional Factsheet 2008
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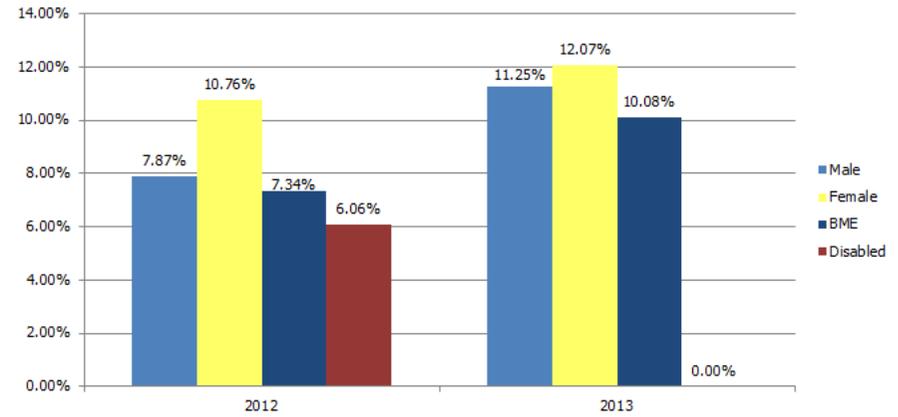


Promotion, Progression & Pay

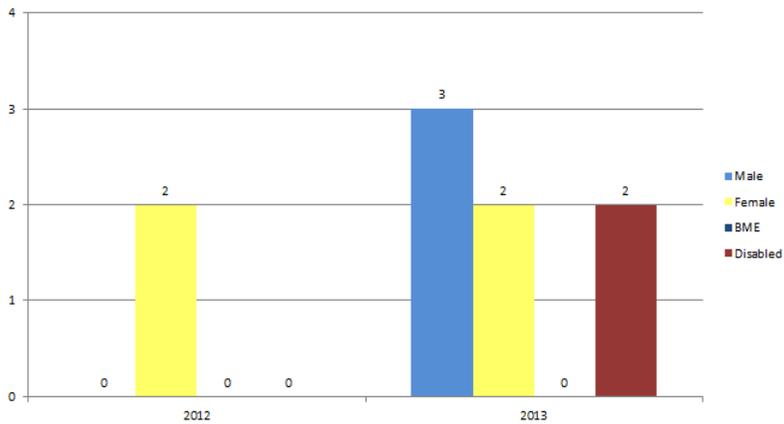
Diversity in management roles at 31 December 2013



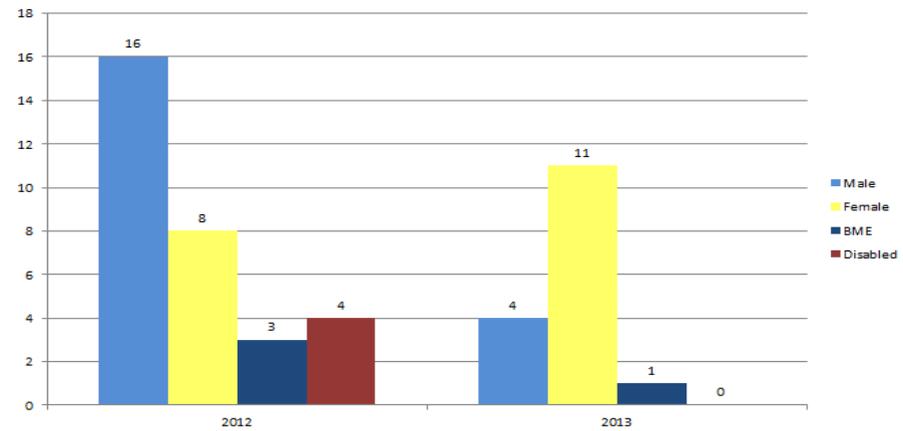
Promotions by diversity strand
(Number of promotions compared to GMC population)



Grievances by Diversity Strand

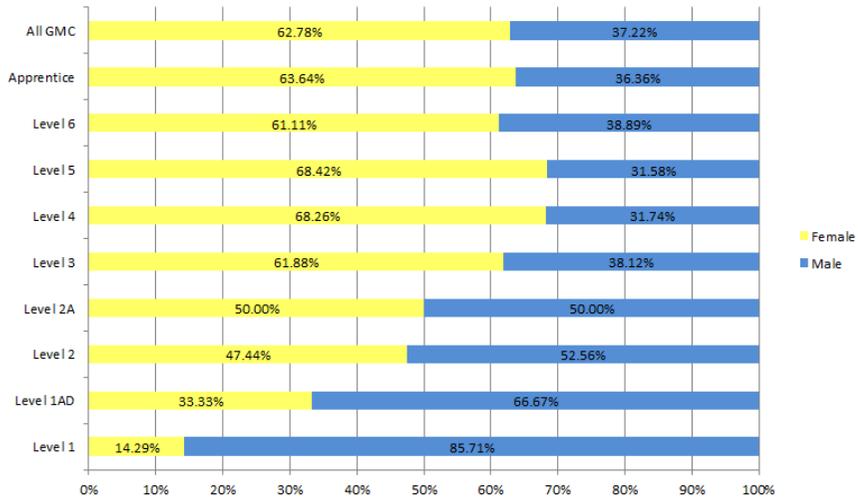


Disciplinary by Diversity Strand

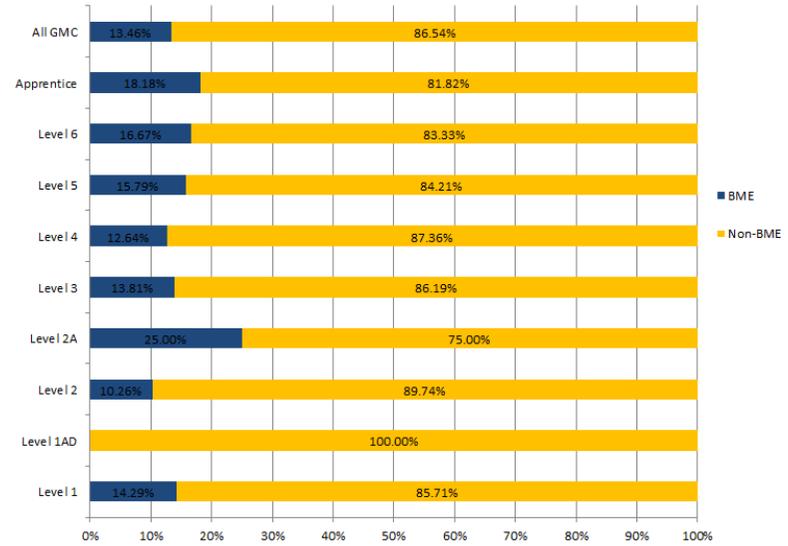


Workforce Profile

GMC workforce profile - Gender by Level

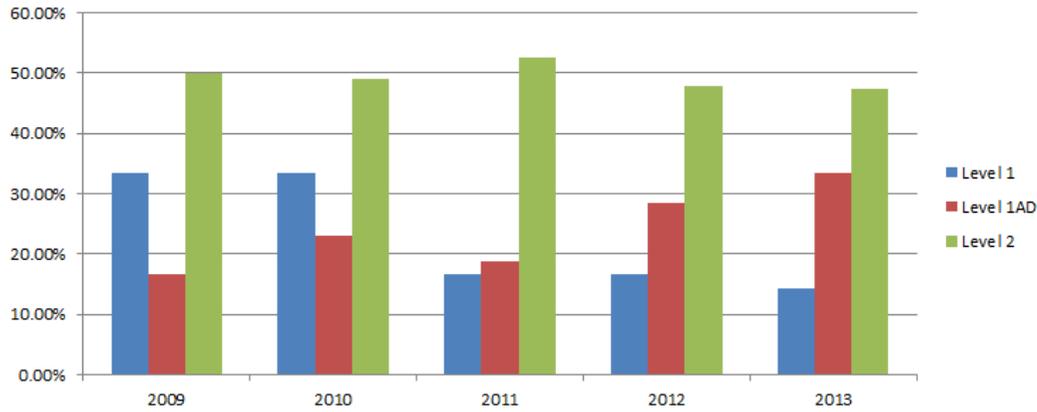


GMC workforce profile - Ethnicity by Level



Management Roles 2009-2013

Number of female staff at Management Grades 2009-2013
(GMC female population is 63%)

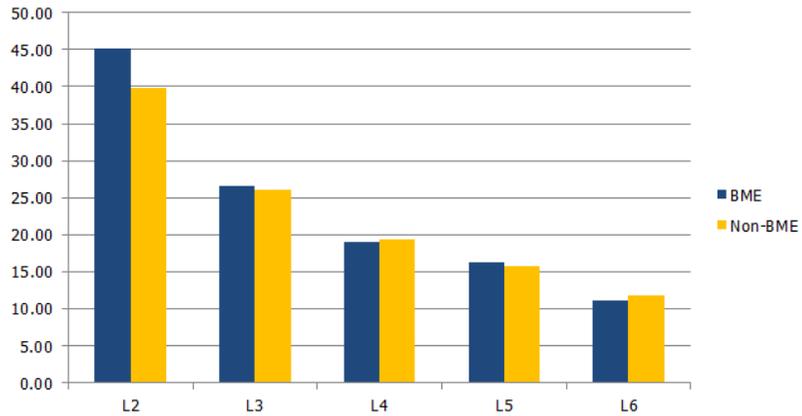


Number of BME staff at Management Grades 2009-2013
(GMC BME population is 13.5%)

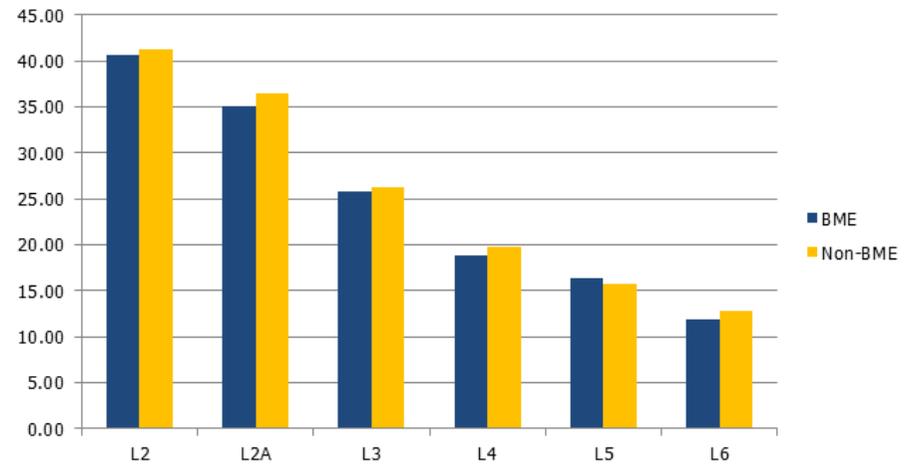


Promotion, Pay & Progression – Ethnicity London

Equal Pay - London Average Hourly Rate (£) by ethnicity by grade 2012

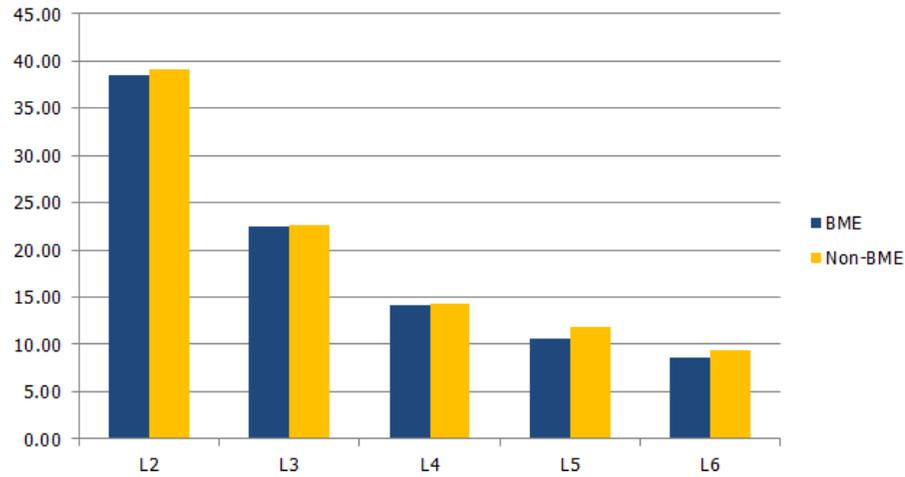


Equal Pay - London Average Hourly Rate (£) by ethnicity by grade 2013

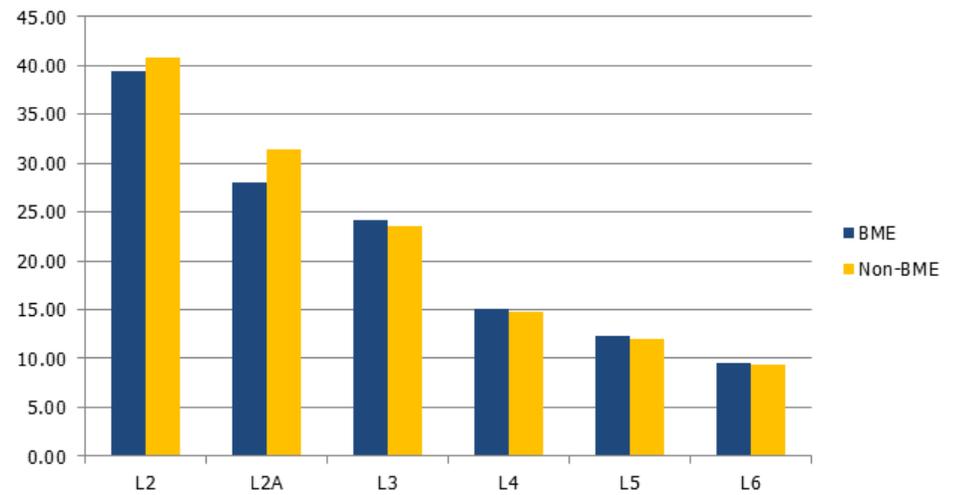


Promotion, Pay & Progression – Ethnicity Manchester

Equal Pay - Manchester Average Hourly Rate (£) by ethnicity by grade 2012

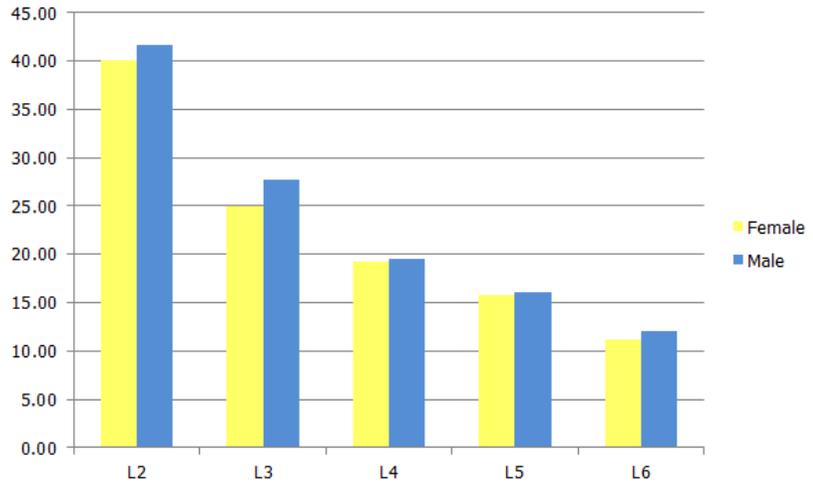


Equal Pay - Manchester Average Hourly Rate (£) by ethnicity by grade 2013

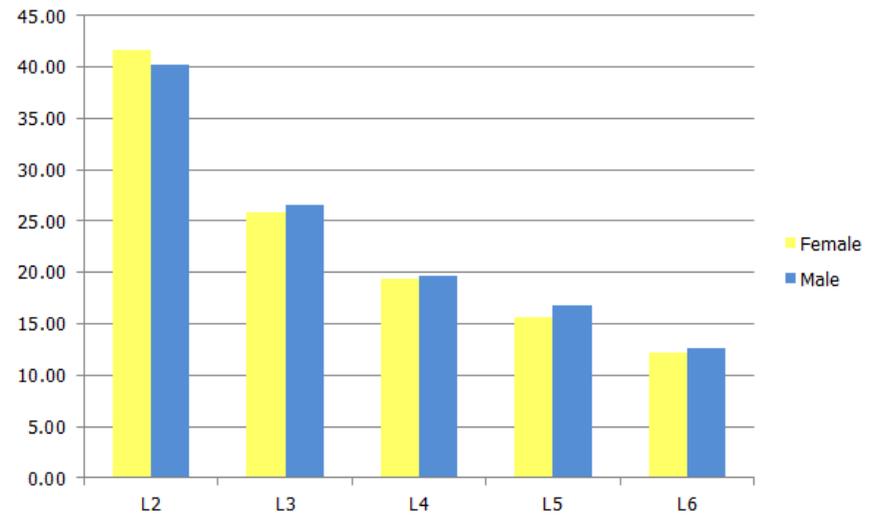


Promotion, Pay & Progression – Gender London

Equal Pay - London Average Hourly Rate (£) by gender by grade 2012

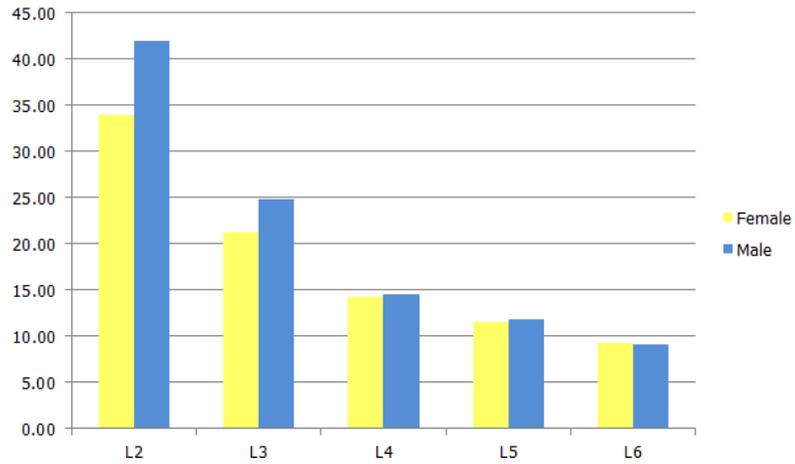


Equal Pay - London Average Hourly Rate (£) by gender by grade 2013

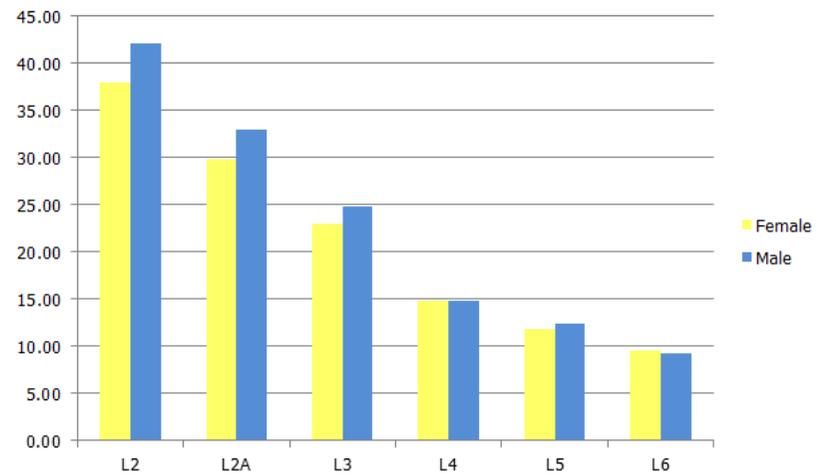


Promotion, Pay & Progression – Gender Manchester

Equal Pay - Manchester Average Hourly Rate (£) by gender by grade 2012

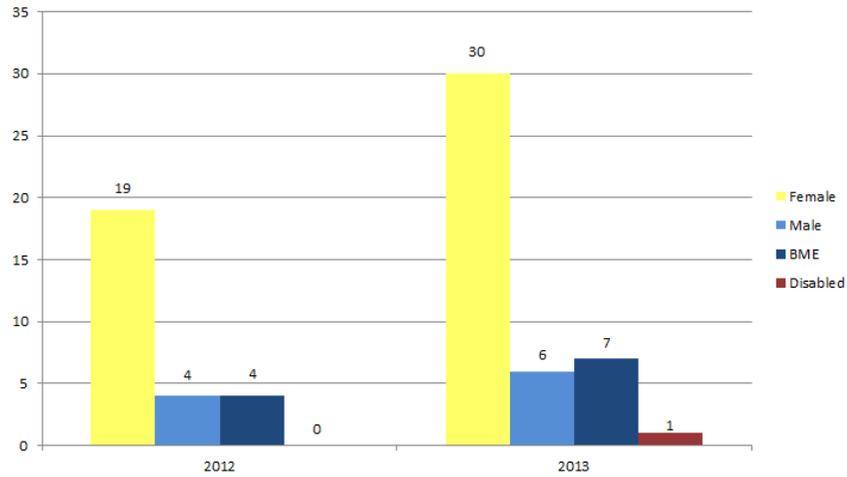


Equal Pay - Manchester Average Hourly Rate (£) by gender by grade 2013

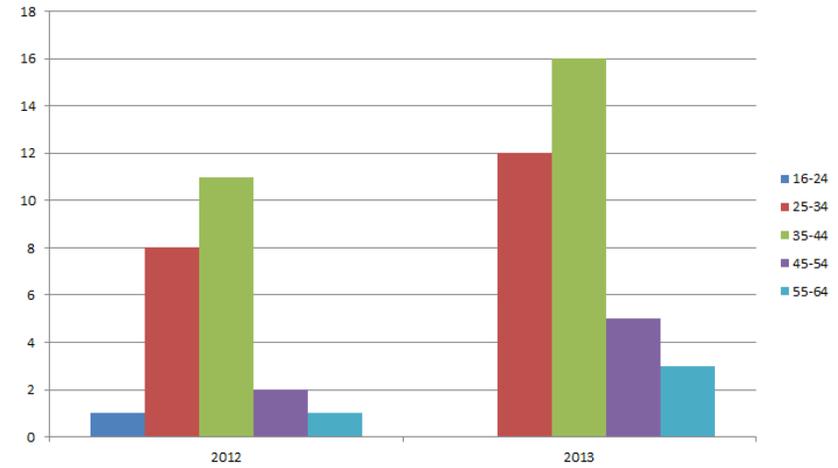


Flexible working

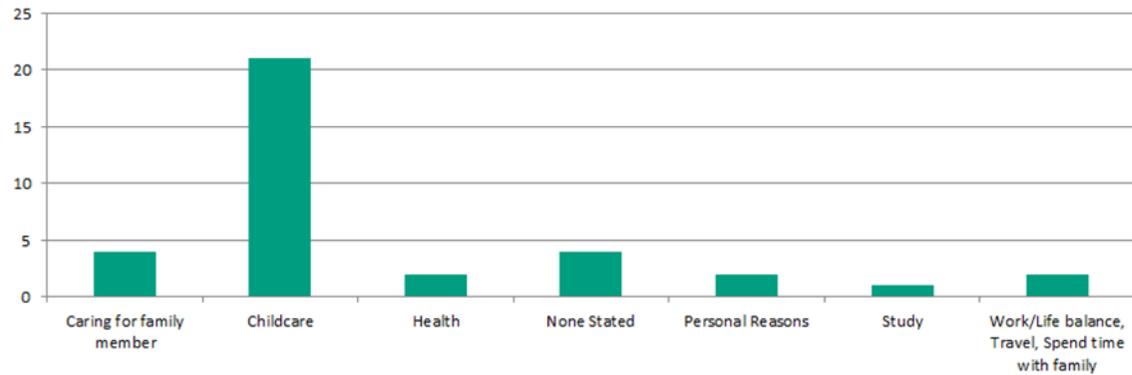
Flexible working requests received by gender, ethnicity and disability



Flexible working requests received by age range



Flexible working requests by reason stated



Of the 33 flexible working requests received in 2013, 23 were approved, and a further 5 alternative work patterns were agreed.

Attraction, Recruitment and Retention

| | Applications (4941) | Offers (186) |
|-------------------|------------------------|-----------------|
| Female | 56.73% | 69.35% |
| BME | 26.96% | 12.37% |
| Disabled | 5.57% | 5.38% |
| 16-24 | 14.03% | 13.98% |
| 25-34 | 44.34% | 60.75% |
| 35-44 | 20.95% | 19.89% |
| 45-54 | 15.54% | 4.84% |
| 55-64 | 3.93% | 0.00% |
| 65+ | 0.14% | 0.00% |
| Not Stated | 1.07% | 0.54% |

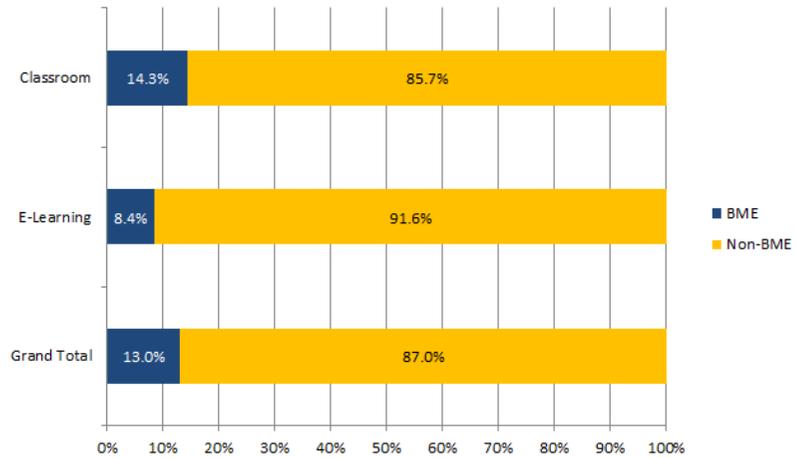
| | Joiners (174) |
|-------------------|------------------|
| Female | 68.39% |
| BME | 13.22% |
| Disabled | 3.45% |
| 16-24 | 10.92% |
| 25-34 | 58.05% |
| 35-44 | 25.29% |
| 45-54 | 5.17% |
| 55-64 | 0.57% |
| 65+ | 0.00% |
| Not Stated | 0.00% |

| | Leavers (95) |
|-------------------|-----------------|
| Female | 65.26% |
| BME | 12.63% |
| Disabled | 5.26% |
| 16-24 | 3.16% |
| 25-34 | 67.37% |
| 35-44 | 21.05% |
| 45-54 | 3.16% |
| 55-64 | 4.21% |
| 65+ | 1.05% |
| Not Stated | 0.00% |

- Offers include internal transfers/promotions where a full recruitment campaign was run.
- The joiners figures report any staff member who joined the GMC between January and December 2013. Some of these staff may have been recruited during Q4 2012.
- Joiners only contains employees new to the organisation and does not include internal transfers/promotions.

Training & Development

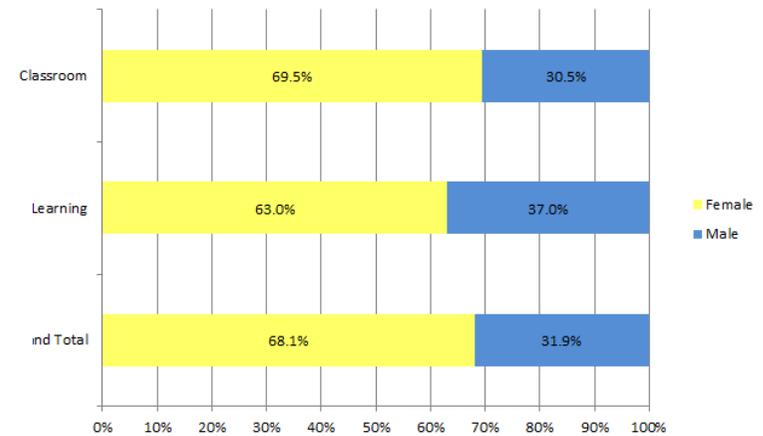
Training courses taken by Ethnicity



The ethnicity profile for training courses taken is in line with the workforce population.

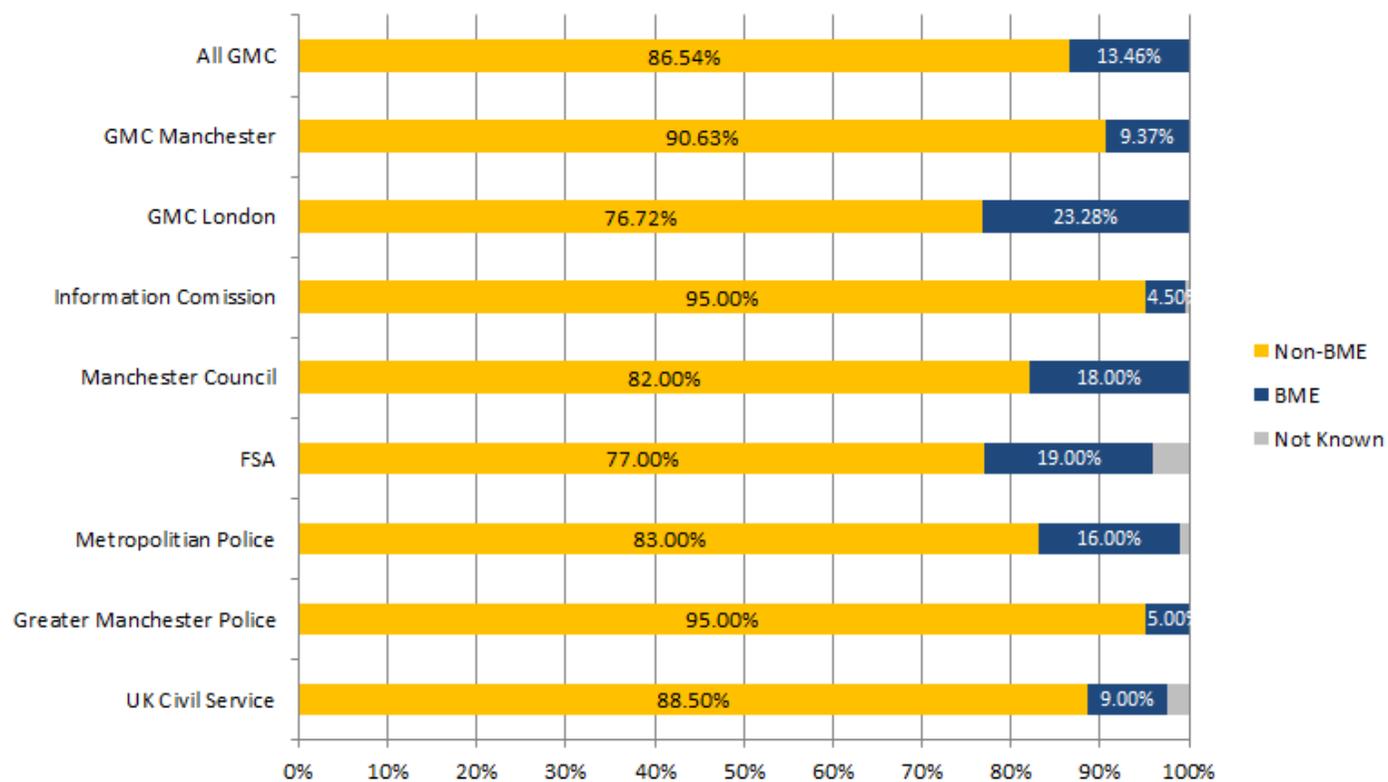
The gender profile for training courses taken is broadly in line with the workforce population.

Training courses taken by Gender



Comparison to other organisations – Ethnicity

GMC Ethnicity compared to other organisations



Comparison to other organisations – Gender

