

Agenda item:	M5
Report title:	Human Resources Report 2016
Report by:	Andrew Bratt, Assistant Director – Human Resources, Resources and Quality Assurance, andrew.bratt@gmc-uk.org , 0161 925 6215
Considered by:	Performance and Resources Board
Action:	To consider

Executive summary

The annual report on Human Resources issues at the GMC.

Recommendations

Council is asked to consider:

- a** The annual report on Human Resources issues relating to the GMC as an employer.
- b** The diversity report for 2016 and the further work planned on analysing our recruitment process.

Human Resources Report 2016

- 1 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.
- 2 We provide an annual HR report to Council and in recent years the main trends within our monitoring data have been very stable, however 2016 was an abnormal year insofar as we implemented a significant redundancy programme in London and, as a result of the transfer of work to Manchester, saw a major increase in our recruitment activity.

Workforce Monitoring

- 3 In 2015 we reported on these trends and other aspects of our employment arrangements, such as probationary reviews. Along with the last staff survey these suggested a good employee relations environment.
- 4 The 2016 Report is at [Annex A](#) along with a detailed commentary. The annex shows voluntary turnover (which excludes redundancy) in line with recent years and a slight rise in absence rates. Both areas compare favourably with external benchmarks.
- 5 While 2016 was a very challenging year we have not experienced any disputes with regard to the Change Programme process, we continue to see few disciplinary or grievances issues and have had very positive feedback on our extensive programme of support measures for staff and managers.
- 6 While it is important not to underplay the impact of the relocation programme on staff, there is evidence to suggest that we have been able to manage the risks effectively. The staff survey scheduled for April/May will provide detailed insights into how we are performing as an employer and we will report the findings to Council later in 2017.
- 7 In terms of our HR processes, we have managed the increased workload effectively, for example maintaining very similar turn round times to 2015 for our recruitment campaigns. While we have experienced some challenges recruiting for some digital, data and IT roles, the vast majority of our recruitment requirements have been met in line with our 2016 plans.
- 8 While 2016 has seen a significant increase in operational activity, especially redundancy support, recruitment and induction we have also been able to progress our planned work on reviewing our pay system and achieving Investors in People accreditation.

Learning and Development

- 9 We have a dedicated Learning and Organisational Development team which identifies training and development needs. A priority over the last year has been to align learning and development requirements with the Change Programme, including assisting knowledge transfer, supporting new managers and delivering induction training for all new staff.
- 10 Our central team coordinated the delivery of approximately 4,500 training places across the GMC. In addition we support role specific training programmes supported through our Access to Training policy, typically leading to relevant formal qualifications.
- 11 Throughout 2016 we have prioritised staff health and wellbeing; this has included a health and wellbeing week and the delivery of approximately 500 training opportunities. Part of this work has included additional support and training for staff handling the most challenging interactions that arise in our work.
- 12 We have also developed training for our staff in response to the Hooper review recommendations. Our Whistleblowing training reached 300 staff in 2016, mainly in Fitness to Practise and we will extend this to other areas in 2017.
- 13 We evaluate all our learning events and in 2016 we had 90% positive feedback from participants (57% excellent, 33% good).

Diversity and Equality

- 14 We monitor and analyse our data on equality and diversity (E&D), which is set out in [Annex B](#).
- 15 The GMC's workforce profile at the end of 2016 had not changed significantly. We did anticipate some changes to our ethnicity profile as a result of the relocation process, but the overall impact on the Black Minority Ethnic (BME) /Non-BME profile has been limited.
- 16 While there has been a significant shift of recruitment activity to Manchester the percentage of job offers to BME candidates remains very similar to recent years (13.9% in 2016 compared with 15.1% in 2015).
- 17 However, the previously reported pattern with regard to BME job applicants has persisted. BME candidates in 2016 accounted for 30% of our applications and 14% of our job offers. We reported to Council on this issue in 2016 and will now commission some further independent research and advice to help us better understand these patterns. We will integrate this work with our plans to review our existing recruitment process and selection testing in 2017.

- 18** For female applicants there is also an established pattern, with women becoming increasingly well represented as our recruitment process moves forward. In 2016 51% of our applicants were female while 58% of our offers were secured by female candidates.
- 19** In line with this trend we have seen a steady increase in representation of women in management roles. At the end of 2016 just over 60% of our Level 3 managers were women, just over half our level 2 (section head managers) while nearly 40% of our Assistant Directors are women.
- 20** Pay rates by gender and ethnicity for each grade have been closely aligned in recent years and the position at the end of 2016 showed further improvement on a year ago. This is a positive position given that gender reporting is an area where we will see additional scrutiny in 2017. As part of our work to implement the 2017 pay award we are reviewing any equal pay issues that may need corrective action.
- 21** In addition to our work on recruitment and pay we have an extensive action plan that is overseen by the Equality and Diversity Programme Board. In 2017 we will engage in further external benchmarking and our staff survey will provide detailed insights on our performance as an employer.
- 22** A comprehensive review of our employment data will be considered by the Performance and Resources Board at the mid-year stage.

M5 – Human Resources Report 2016

M5 – Annex A

HR Monitoring Overview

Recruitment and retention

- 1 Recruitment activity increased significantly in 2016, with 367 offers being made (up from 252 in 2015). The number of new external hires was 176 with a further 31 new hires due to start in January 2017.
- 2 The diversity monitoring aspects of the recruitment process are set out in Annex B.
- 3 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.
- 4 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 although appointments up to and including Assistant Director level are typically managed in-house.
- 5 Our recruitment processes are all on-line and helping us to run a process that averages six weeks from when an advert goes live, through the selection process to the offer stage. We have managed to maintain this service level despite the increased level of recruitment in 2016.
- 6 All employees are covered by a comprehensive induction process. In advance of the Change Programme we undertook a full review and upgrade of the process. This was subject to a positive Internal Audit review in 2016.
- 7 All staff go through a probationary review process at three and six month stages before being confirmed in role. The number of staff who have this period extended or

their employment terminated remains very low. Only two employees have failed their probation in the last four years.

- 8 Our voluntary turnover levels remain stable and in line with where we would expect to be as an employer. However our total turnover increased significantly as a result of the Change Programme and was at 17.45% in 2016.
- 9 A quarter of voluntary 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. Our average tenure is just over five years.

Recruitment

- 10 A more detailed analysis of our recruitment outcomes in terms of diversity is set out in Annex B.
- 11 Our staffing requirements are met through a mix of internal and external recruitment. In recent years we have seen significant internal movement. As our headcount has grown, especially in Manchester during 2016, opportunities for promotion, transfer and secondment have increased and in recent years we have seen around one in five of our employees change roles during a twelve month period.
- 12 Supporting these processes will become an increasingly important part of our resourcing model as our headcount stabilises.

a Internal Recruitment

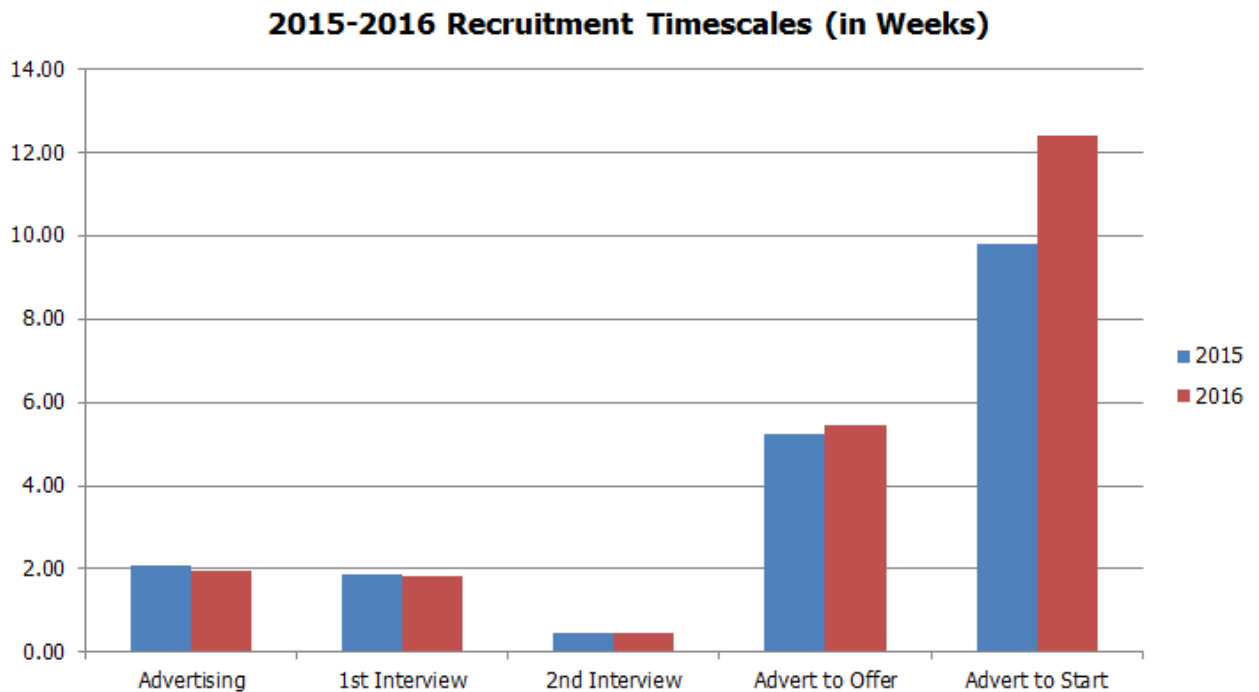
	2015	2016
Temporary Transfers*	74	78
Promotions	85	89
Transfers	32	40

Notes:

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

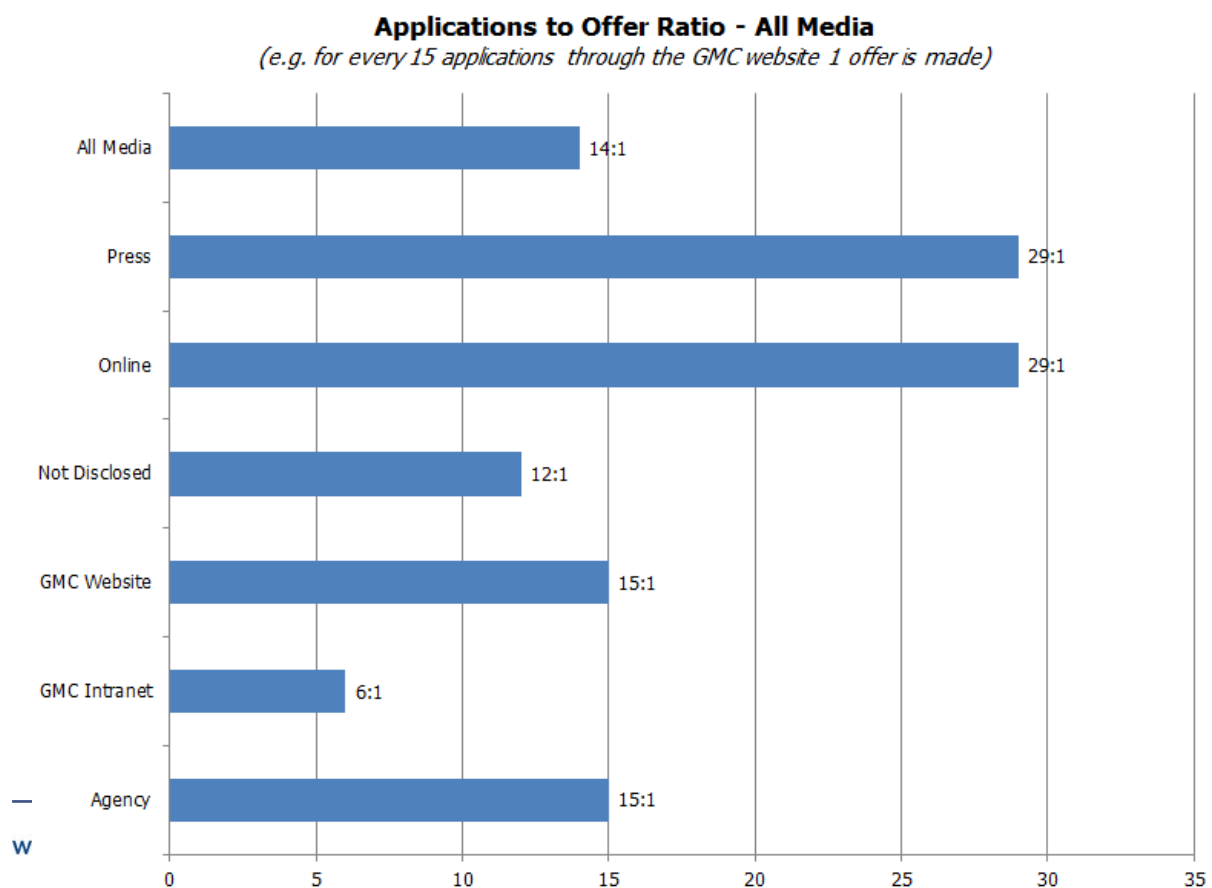
Temporary Transfers includes temporary transfers at the same grade, and temporary promotions.

b Recruitment timescale



- The average Advert to Offer timescale increased slightly between 2015 and 2016, however the average Advert to Offer timescale still remains under 6 weeks.

c Application source analysis

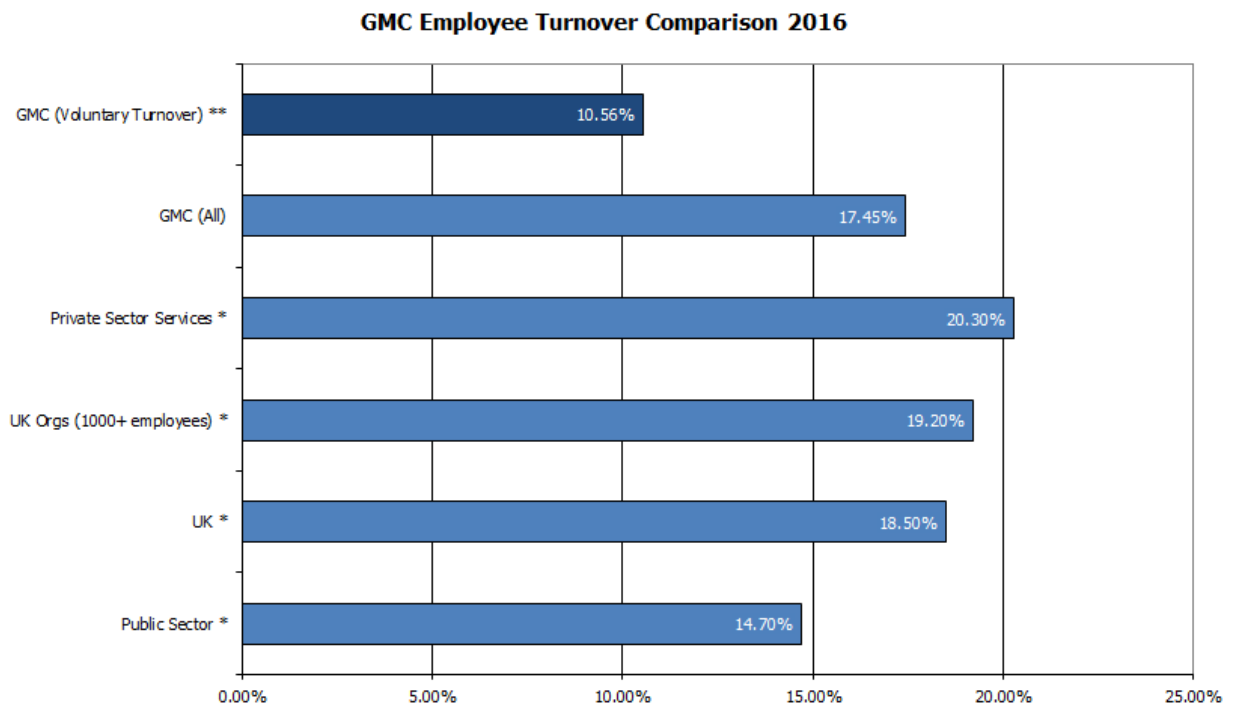


d Probation analysis

The number of probation periods extended or not confirmed across the organisation during the period 2013 – 2016 is very low.

	2013	2014	2015	2016
Number of probationary periods extended	5	11	6	6
Number of probationary periods not confirmed	0	0	2	0

e Turnover comparison with other sectors



* Labour turnover rates: 2016 XperTHR Survey

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

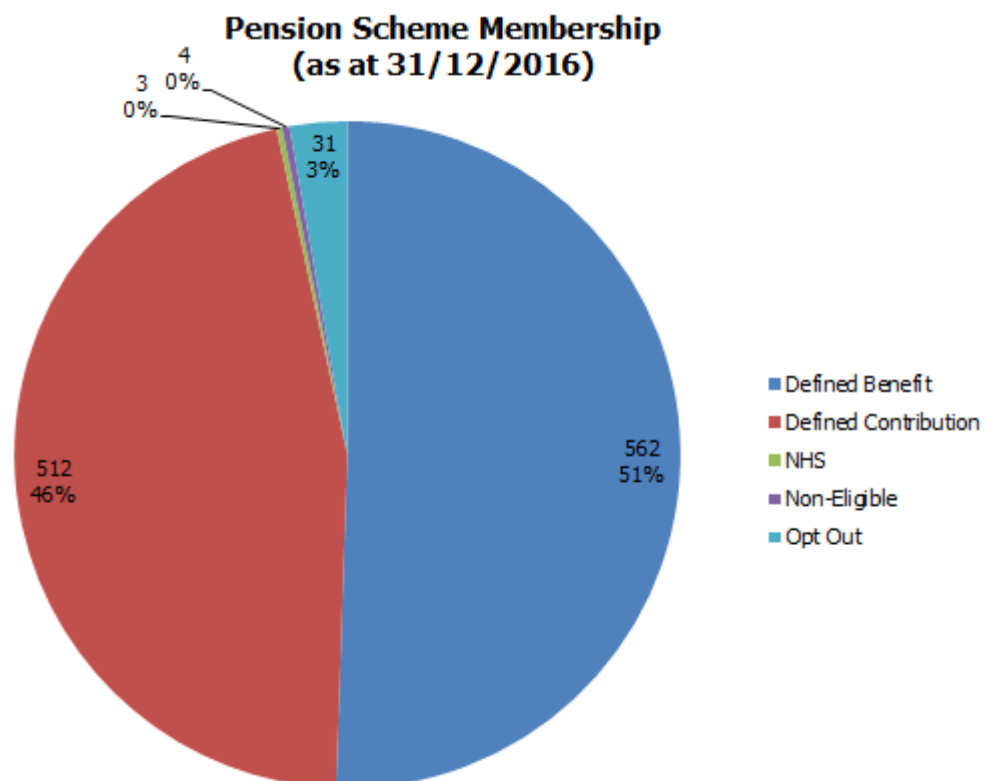
Pay and Benefits

- 13 Our performance management and pay systems are currently being reviewed by external pay and reward consultants Mercer.
- 14 The performance management system is on-line and operates well with completion rates for all of the relevant stages close to 100%. It is subject to quality assurance and peer review by a group of Assistant Directors.
- 15 Our 2016 pay award was implemented in April. Our system does not have incremental progression and individual pay awards have core and performance related elements. In 2016 employees saw pay increases range from 0 to 4%. 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 £26,000 per year receiving an additional £300 non-consolidated payment and the middle and upper bases of our pay bands were increased by 1%.
- 16 Our pay system is currently based on 6 pay bands below director level. This has provided a simple and transparent pay system. We are currently working with Mercer to assess how well our pay bands relate to the relevant recruitment markets. We expect to

make some refinements in 2017 to reflect the wider range of job categories we have and, in particular, specialist roles in digital, data and IT.

Pensions

- 17 On 1 January 2017 we implemented planned changes to the defined benefit (DB) scheme in line with the proposals approved by Council.
- 18 While the DB scheme is closed to new members its operation remains a significant part of the HR team’s work. The last year has seen: a comprehensive membership consultation and the introduction of reforms to benefits; support to Trustees on monitoring the investment strategy; completion of the 2015 triennial valuation process; and compliance with all the relevant statutory requirements related to running the scheme.
- 19 In 2017 we will provide a further report on our pensions strategy and the governance arrangements for our schemes.
- 20 For employees who joined after 1 July 2013 we run a defined contribution scheme. On the 1 November 2016 we reached our automatic enrolment re-staging date. Although we had a period of 5 months to complete this duty we were able to complete this in November 2016. This process ran smoothly and all our re-enrolment obligations are up to date. We will need to re-run this process in 2019.
- 21 A breakdown of the very latest pension scheme memberships is below:

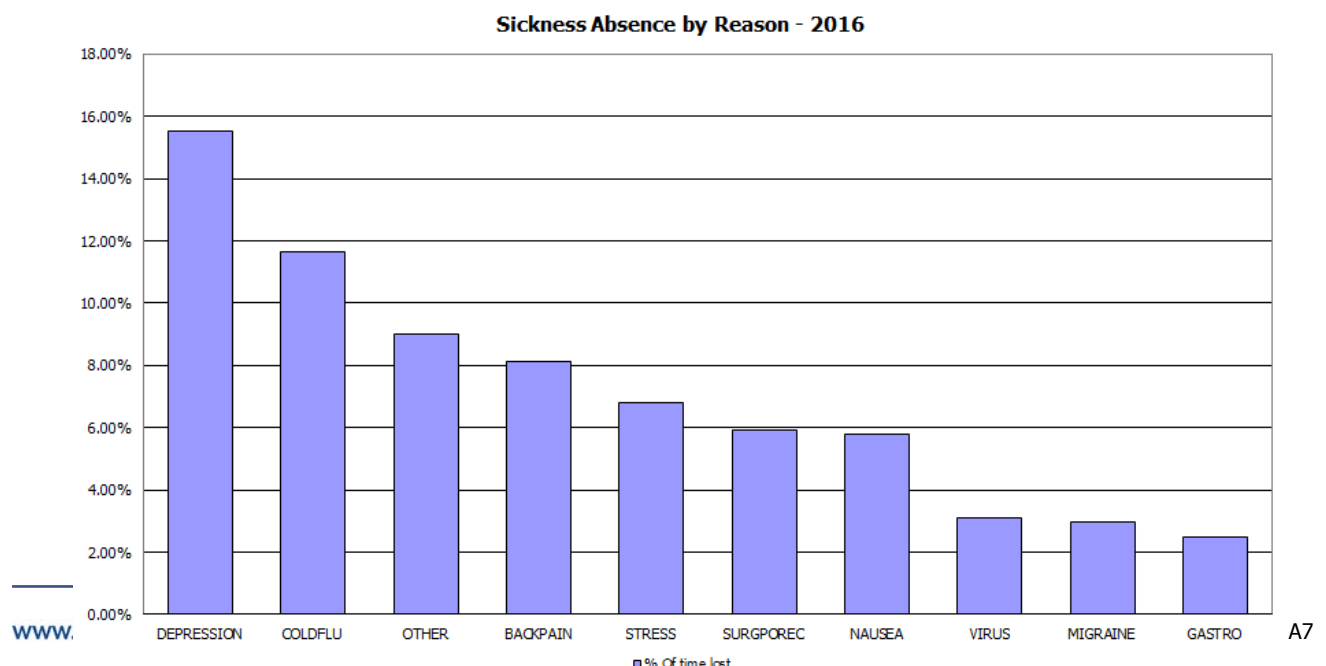


Employment arrangements

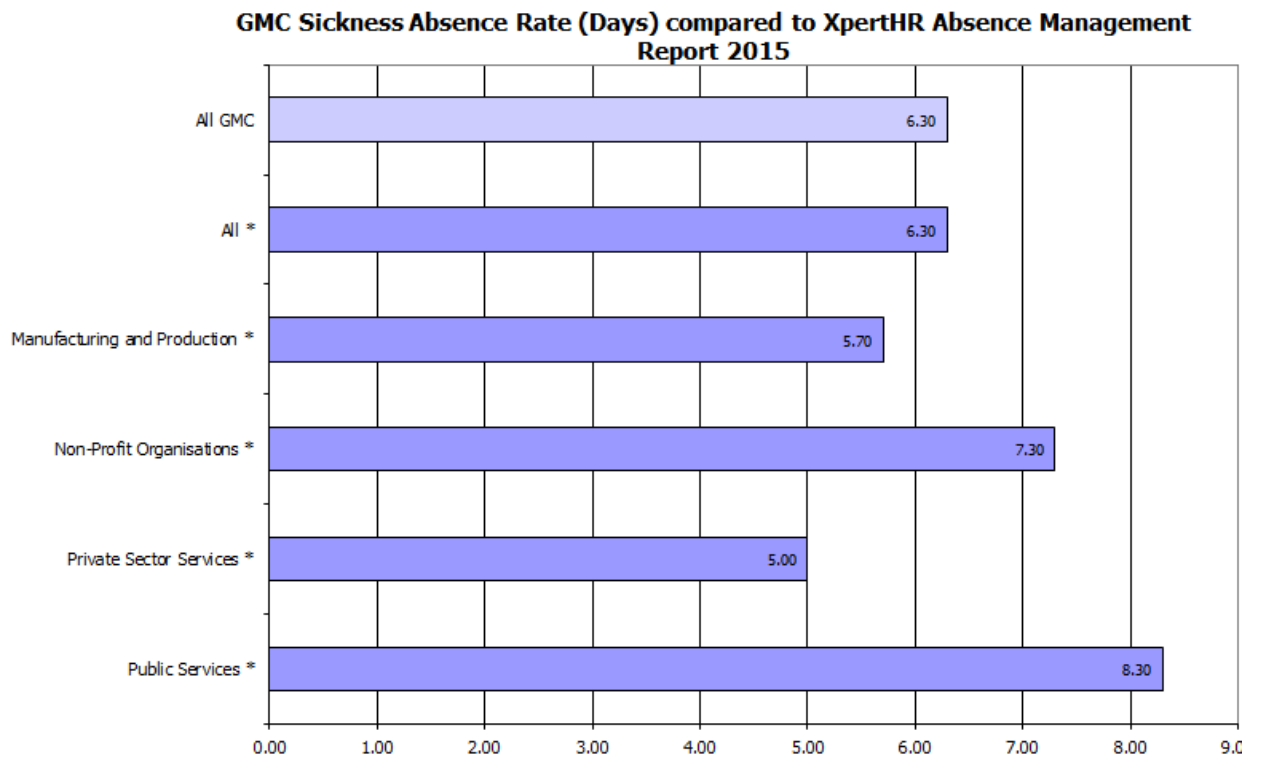
- 22 We keep all our main policies under review to ensure they follow best practice and meet all our legal obligations. In 2016 we further developed our support for scheduled home working and our flexible working arrangements are operating well (see Annex B)
- 23 Our staff survey in 2015 produced a positive set of results and we continue to enjoy good employee relations. Our next staff survey is scheduled for April/May 2017 and we will provide a full report to Council later in the year.
- 24 We have also enhanced our capacity to receive employee feedback through 'pulse' surveys and have conducted a comprehensive survey of our learning and development as part of the Investors in People accreditation process.
- 25 Our absence levels have risen slightly in 2016. They remain below the public sector averages, but are above the private sector benchmark (which fell during 2016). Mental health issues (depression and stress) continue to account for the most significant proportion of our absence.
- 26 We continue to 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, an employee assistance programme and dedicated learning and development programmes focusing on emotional resilience.

Employee Absence

27 Sickness by Reason



28 Sickness absence comparison with other sectors



M5 – Annex B

Equality and Diversity

- 1** Our aim as an employer, set out in our Equality and Diversity 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 building and sustaining a diverse and balanced workforce. This annex sets out detailed information on our 2016

recruitment and promotion patterns. Overall the GMC has seen very little change to its overall workforce profile.

- 6 Our Manchester staffing profile (88% non-Black Minority Ethnic (BME)) is reasonably close to that of our recruitment catchment area. While Manchester's population is 66% non-BME, the figures for Greater Manchester are 84% and for the North West, 90%. In London we are not as closely aligned with the local labour market. At the end of December 31 in 20% of our London staff were from BME backgrounds, compared with the London BME population of around 40%.
- 7 Recruitment plays a significant role in the make-up of our workforce. Within these processes two significant trends have continued. Female applicants increase their representation as our recruitment process proceeds and we have also seen an increase in the number of women in senior (Assistant Director level and above) posts. While the gender balance at the end of 2016 for this group does not reflect our total workforce (which is 62% female) the percentage of women in senior roles has increased from 18% in 2011 to 48% in 2016.
- 8 Disclosure rates for disability tend to be lower at the recruitment stage so our data is not as complete as it is for ethnicity or gender. Disabled candidates are represented equally at each stage of the process, but the overall declared percentage of appointments (7%) is below estimates for the percentage of the working age population with a disability (19%). At the end of 2016 6% of our staff identified themselves as disabled and disclosure rates of existing staff are 95%.
- 9 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.
- 10 On ethnicity we have seen a small increase in the percentage of our applicants who come from a BME background to 29% (28% in 2015). However the overall percentage of offers is 13.9%, which has slightly decreased on previous years (2015 15%). We have seen a small decrease in the percentage of BME staff in 2016 as a result of the Change Programme.
- 11 However our overall workforce profile in terms of ethnicity remains broadly unchanged, as does the pattern by pay band.
- 12 We provided Council with a detailed analysis of our recruitment data stage by stage as part of the 2015 HR report. While there are some positive trends and good consistency through recruitment stages for disabled candidates, we do need to better understand the position with regard to BME candidates.
- 13 One area to explore further is the balance between external and internal recruitment. External campaigns produce a slightly higher percentage of BME appointment. We will

commission independent external advice to help us review our recruitment data and identify any further steps we might take.

- 14** As part of this process we will look at the experience of other organisations. The available data on recruitment for other potentially comparable organisations varies. While there are some organisations that publish data that is broadly similar to our own, in many cases organisations have limited disclosure rates for staff and candidates which limits the value of any comparisons. Some available examples are shown below. In comparison the pattern for BME candidates going through our recruitment is more marked at the GMC, while the experience of female candidates is not unusual.

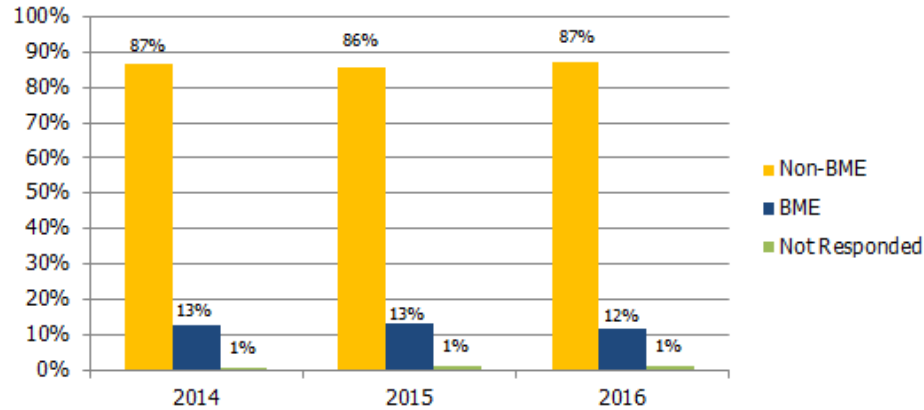
	Female applicants	Female hires	BME applicants	BME hires	Data
GMC	51%	57.8%	29%	13.9%	
OFCOM 2015-16	38%	35%	33%	20%	Based on 50% disclosure rate
SRA 2015	54.4%	60%	34%	28%	91% disclosure rate for ethnicity
DEFRA 2015	53%	61%	17%	13%	77% disclosure rate for ethnicity
Dept. for Business Innovation and Skills 2015	43%	52%	43%	52%	<5% non- disclosure rate

Monitoring and Transparency

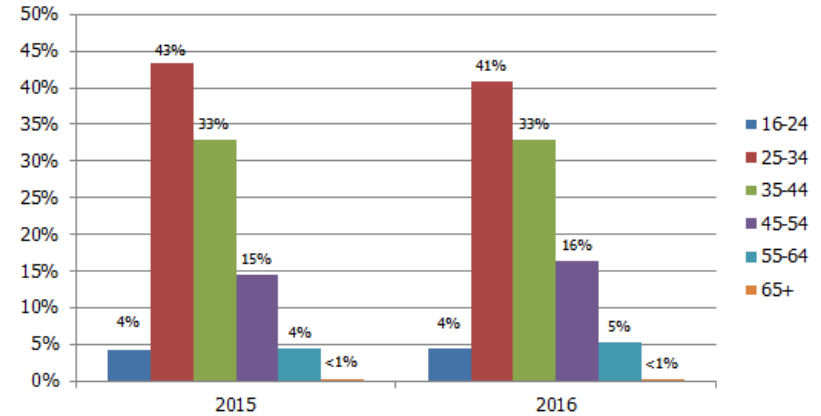
- 15 Our data monitoring and analysis has expanded significantly in recent years and covers all diversity strands. All recruitment campaigns are monitored at each stage.
- 16 Our staff survey also provides data by each diversity strand and our surveys include a range of diversity related questions. Diversity issues are a standing item at our staff forum meetings.

Workforce profile comparison - 2014 to 2016

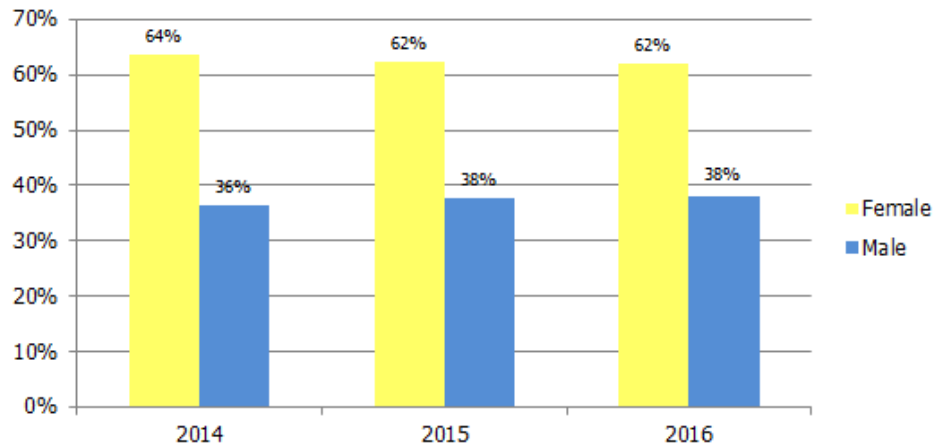
GMC Workforce profile - Ethnicity 2014-2016



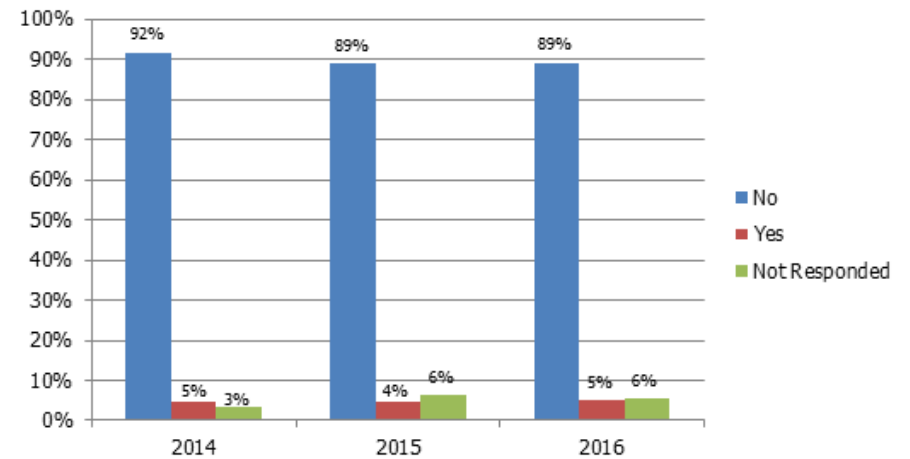
GMC workforce profile - Age



GMC Workforce profile - Gender 2014-2016



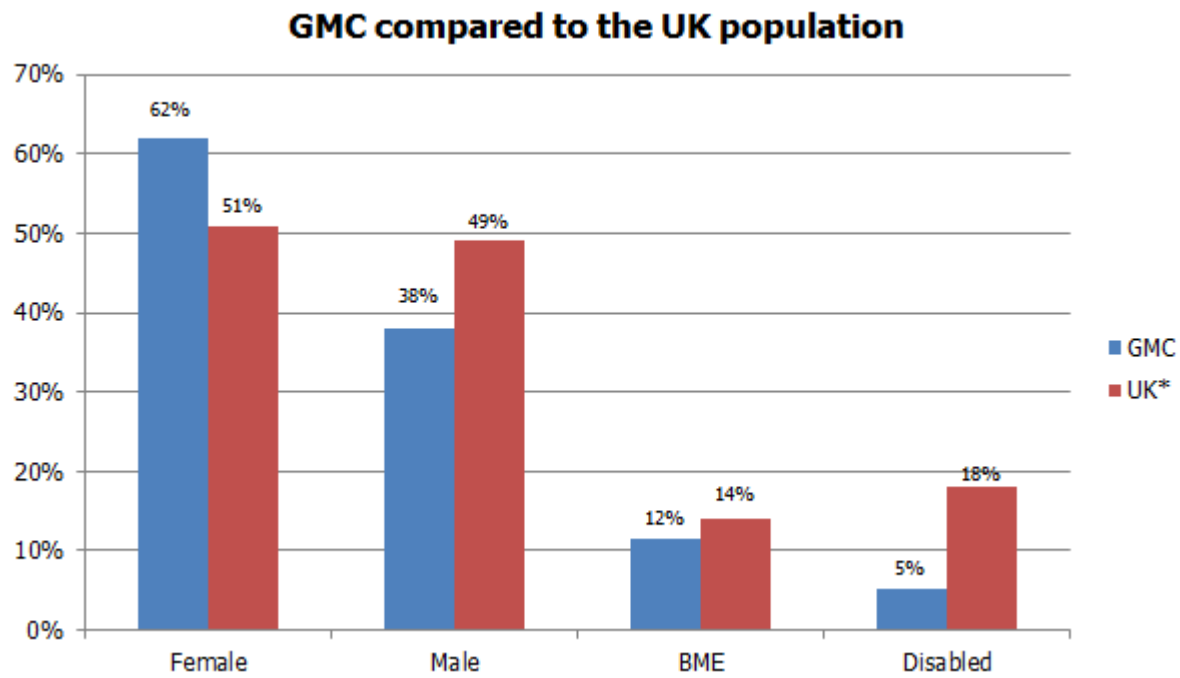
GMC Workforce Profile - Disability 2014-2016



Workforce profile by location and comparison with UK

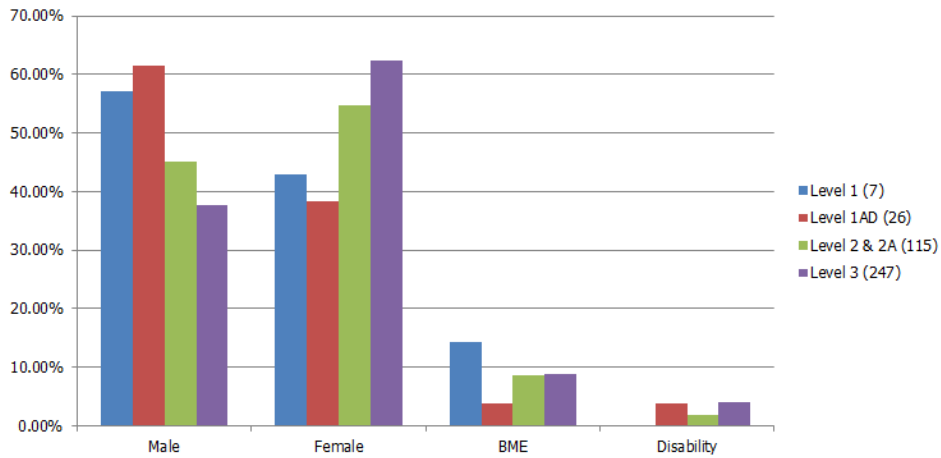
	GMC London	London Population*	GMC Manchester	Manchester Population*	North West Population*	All GMC
Asian	6.92%	18.49%	6.25%	17.09%	6.20%	6.29%
Black	5.03%	13.32%	1.82%	8.64%	1.39%	2.25%
Mixed	5.66%	4.96%	2.27%	4.60%	1.57%	2.79%
Not responded/Other	1.89%	3.44%	1.59%	3.06%	0.63%	1.62%
White	80.50%	59.79%	88.07%	66.61%	90.21%	87.05%
Sources:						
* 2011 Census (ONS)						

GMC compared to UK population

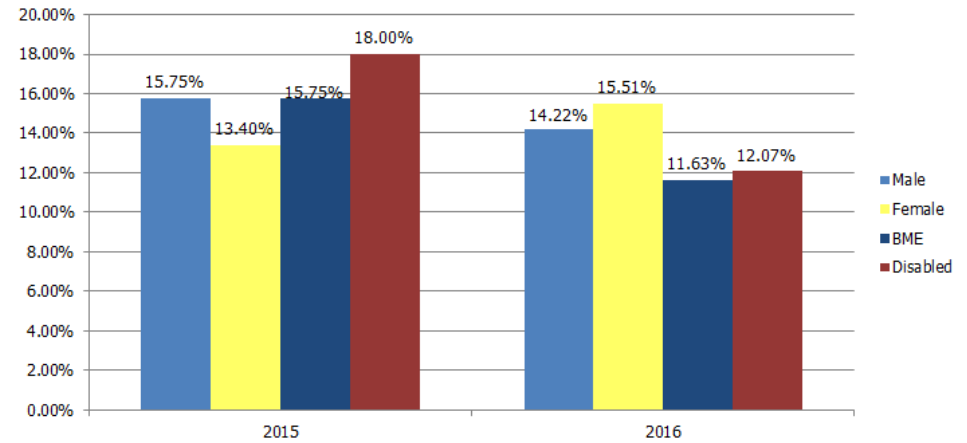


Promotion, Progression & Pay

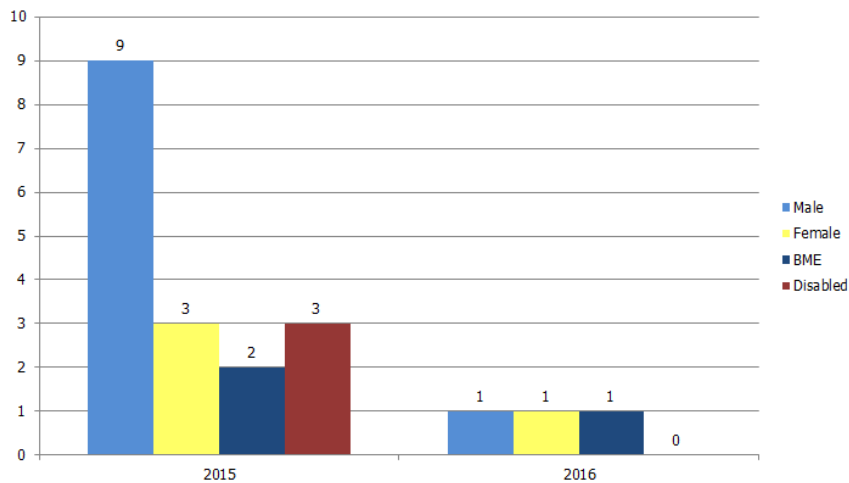
Diversity in management roles at 31 December 2016



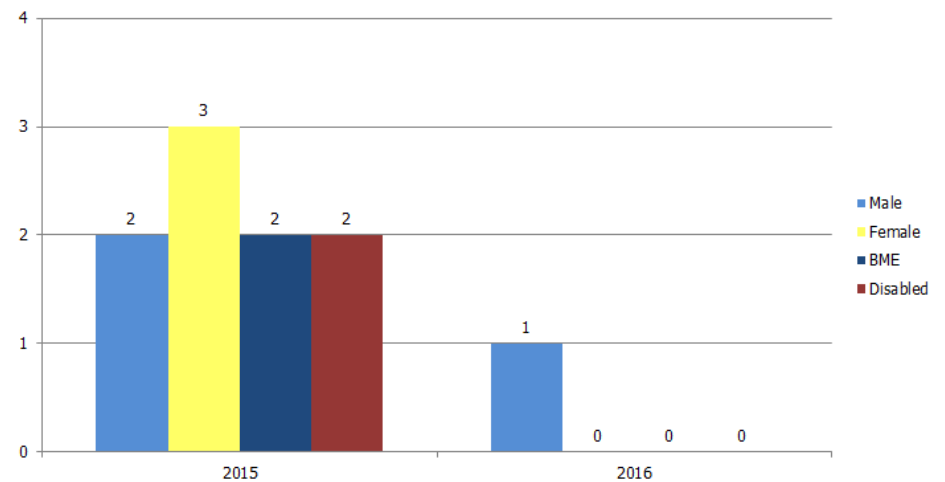
**Promotions by diversity strand
(Number of promotions compared to GMC population)**



Disciplinarys by Diversity Strand

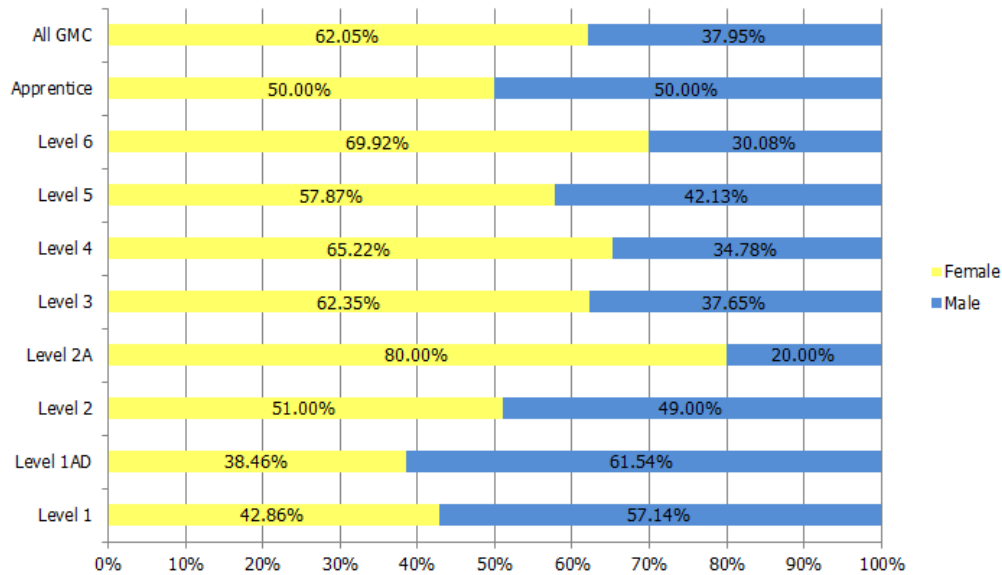


Grievances by Diversity Strand

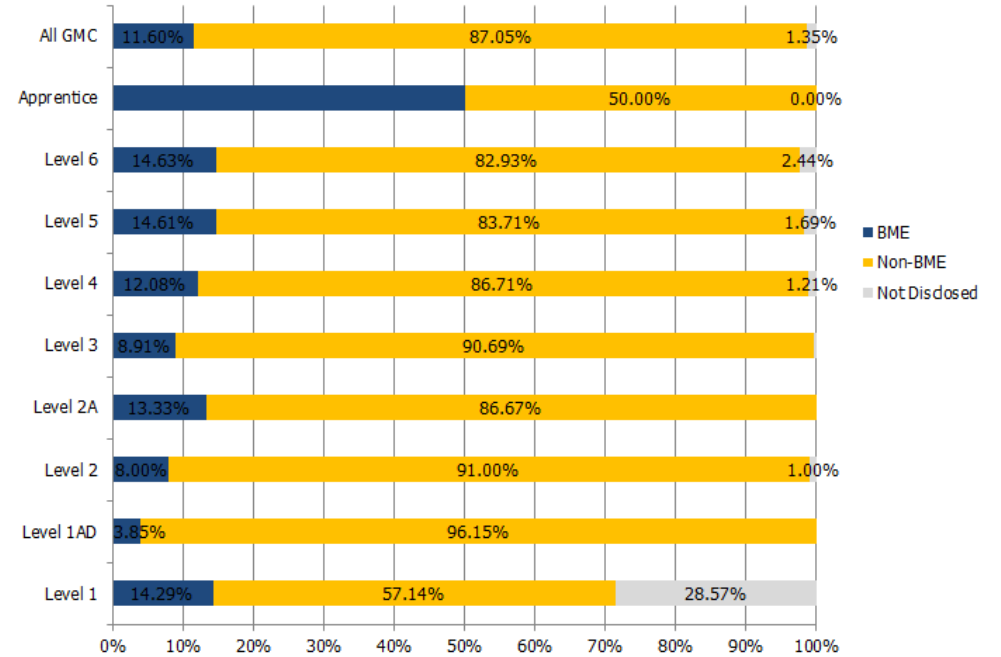


Workforce Profile

GMC workforce profile - Gender by Level

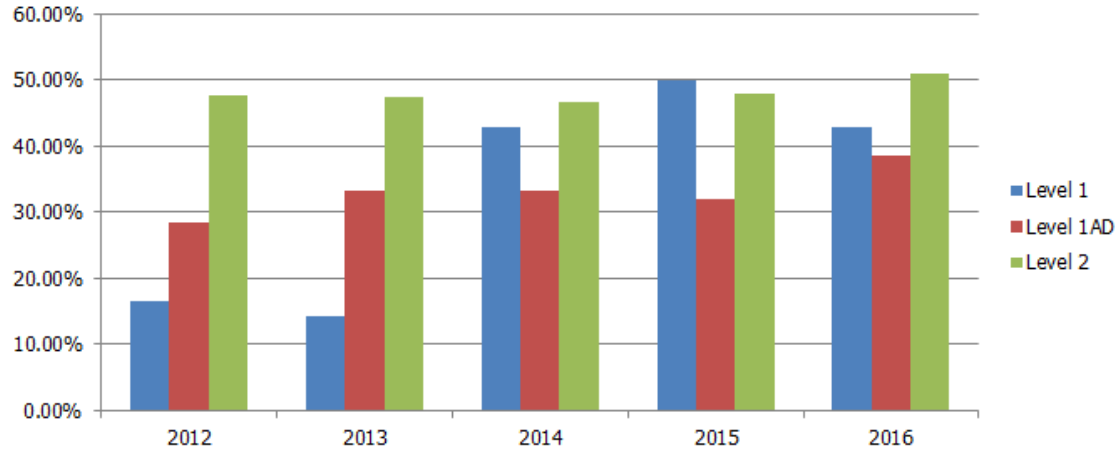


GMC workforce profile - Ethnicity by Level

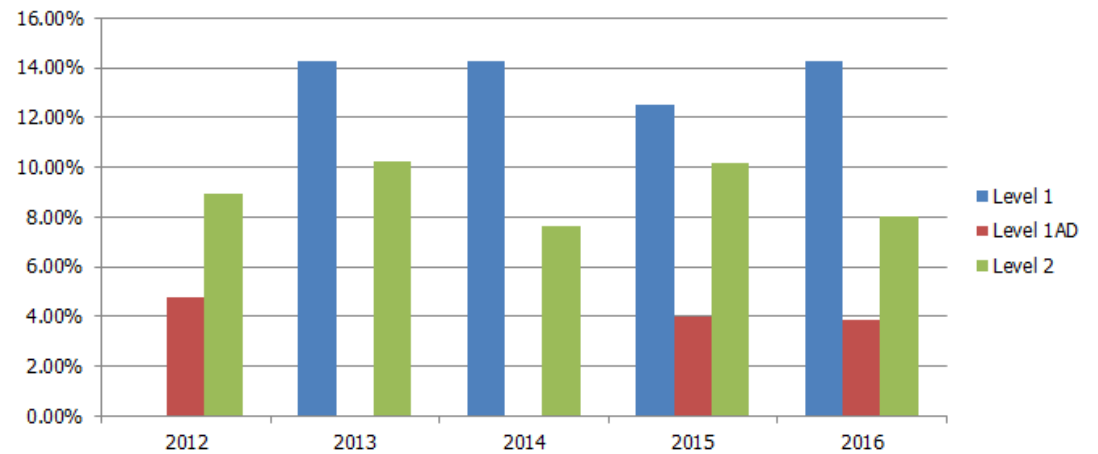


Management Roles 2012-2016

**Number of female staff at Management Grades 2012-2016
(GMC female population at December 2016 is 62.05%)**

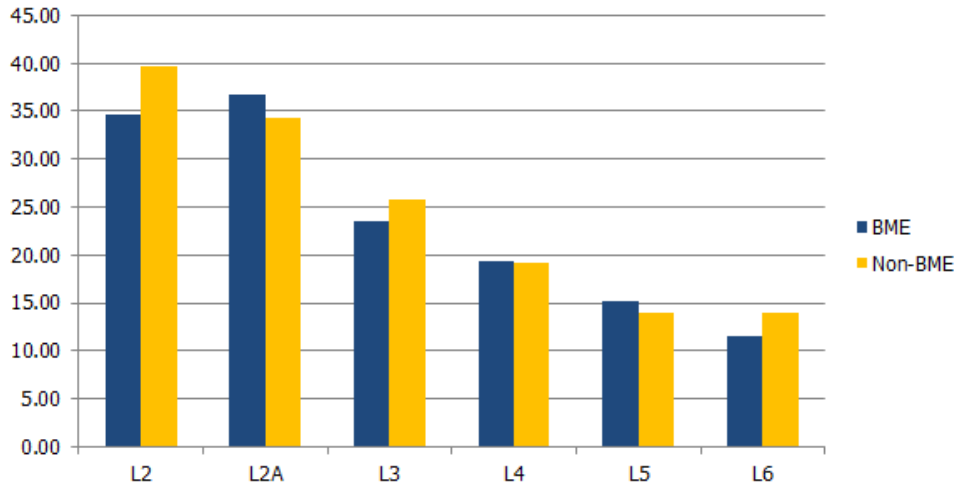


**Number of BME staff at Management Grades 2012-2016
(GMC BME population at December 2016 is 11.60%)**

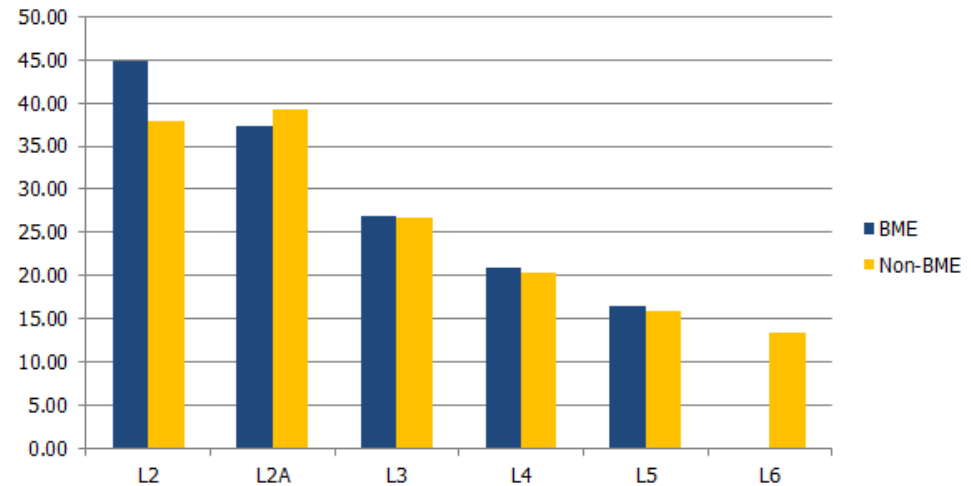


Promotion, Pay & Progression – Ethnicity London

Equal Pay - London Average Hourly Rate (£) by ethnicity by grade 2015

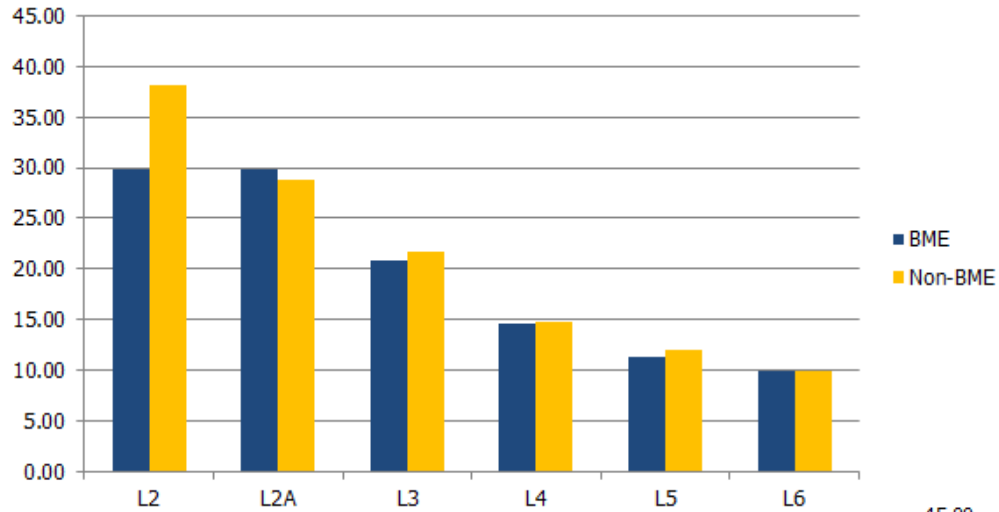


Equal Pay - London Average Hourly Rate (£) by ethnicity by grade 2016

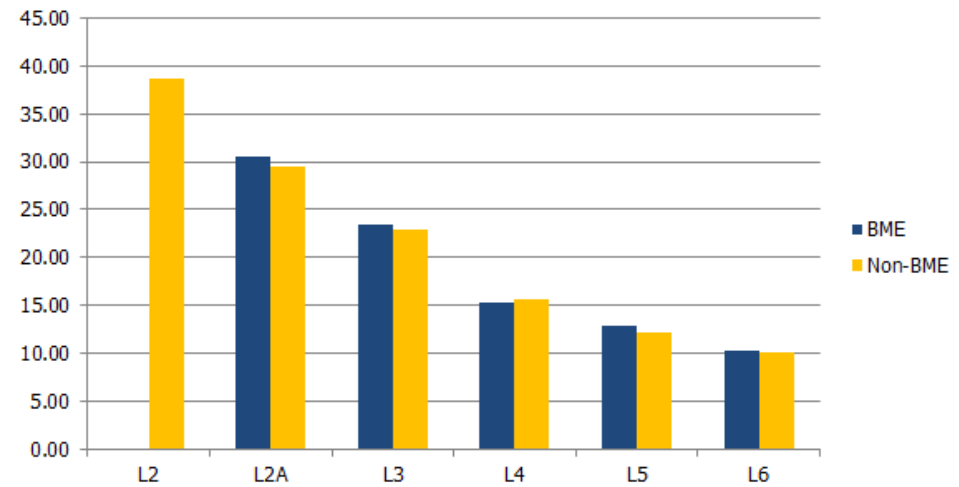


Promotion, Pay & Progression – Ethnicity Manchester

Equal Pay - Manchester Average Hourly Rate (£) by ethnicity by grade 2015

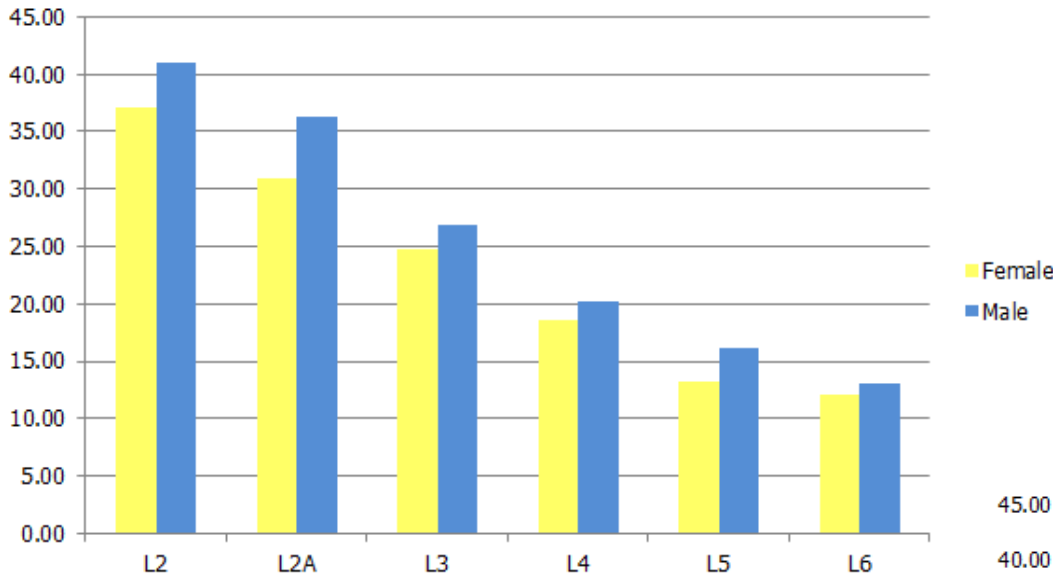


Equal Pay - Manchester Average Hourly Rate (£) by ethnicity by grade 2016

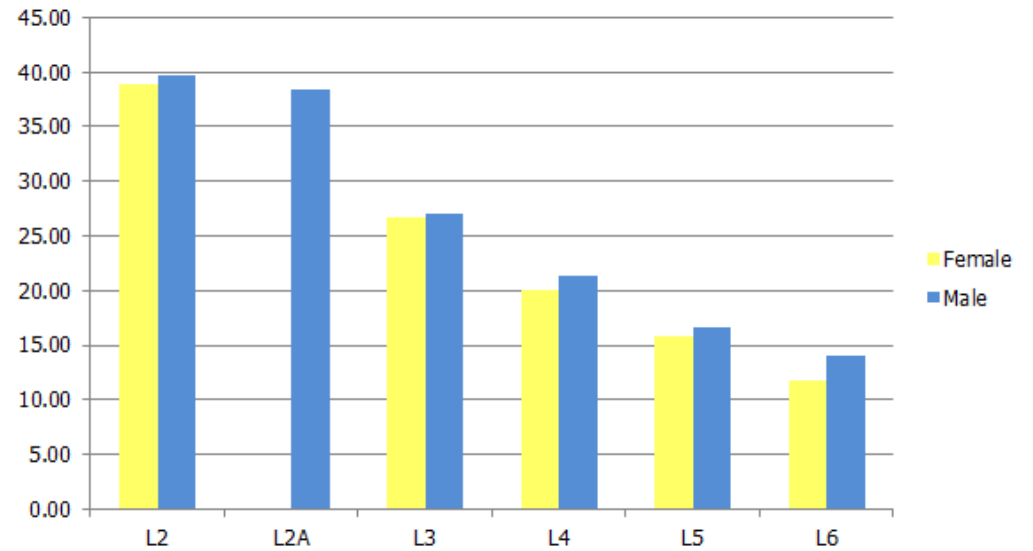


Promotion, Pay & Progression – Gender London

Equal Pay - London Average Hourly Rate (£) by gender by grade 2015

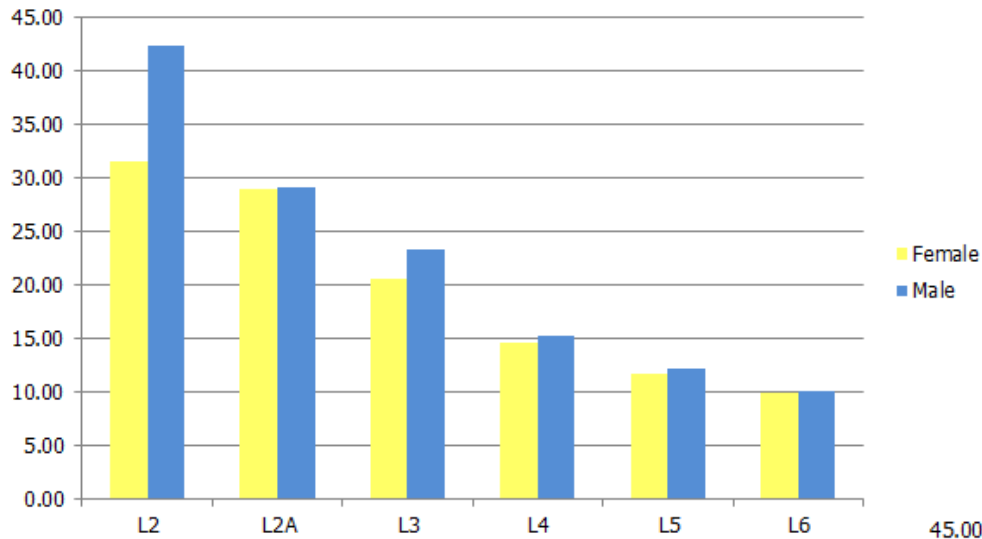


Equal Pay - London Average Hourly Rate (£) by gender by grade 2016

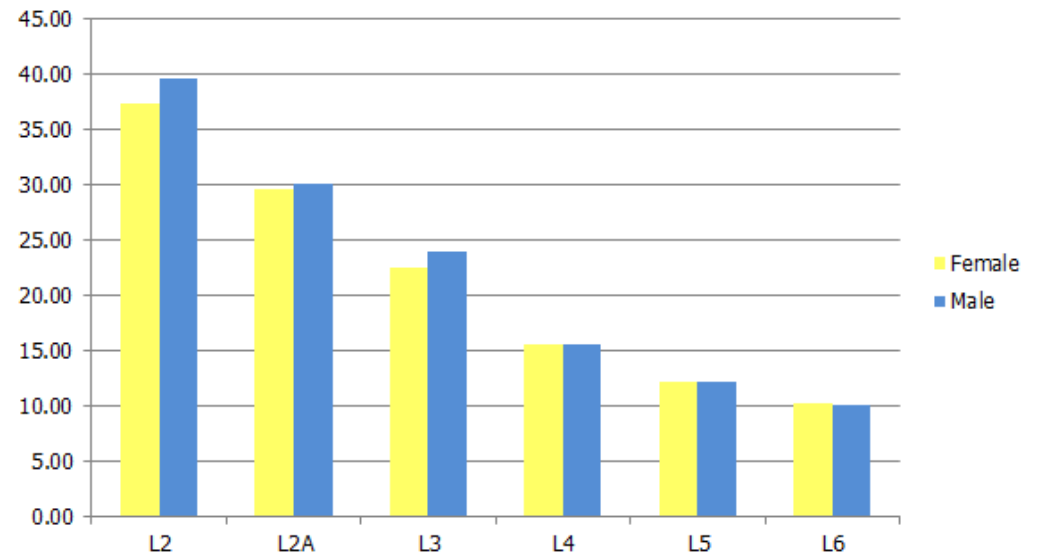


Promotion, Pay & Progression – Gender Manchester

Equal Pay - Manchester Average Hourly Rate (£) by gender by grade 2015

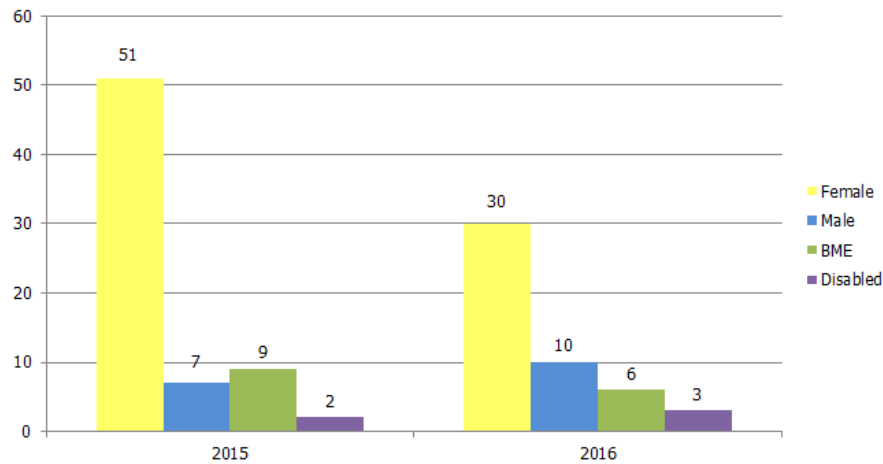


Equal Pay - Manchester Average Hourly Rate (£) by gender by grade 2016

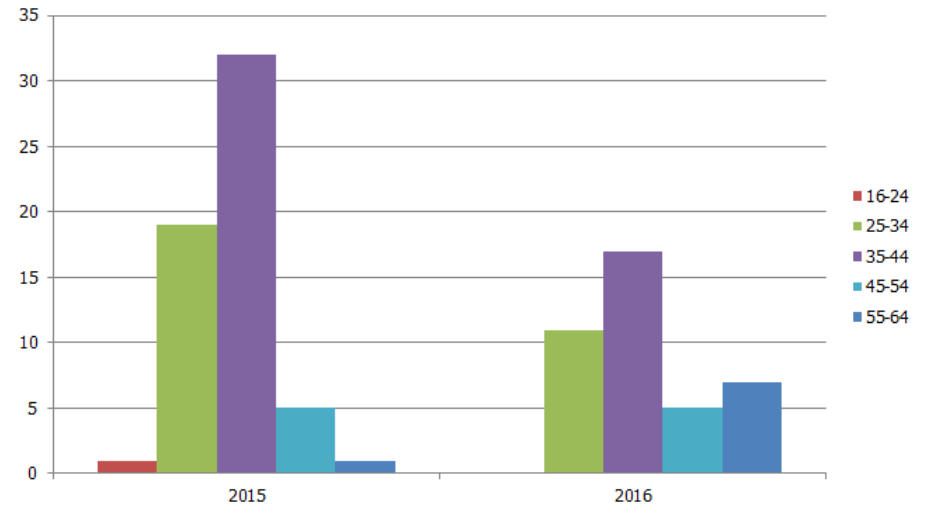


Flexible working

Flexible working requests received by gender, ethnicity and disability

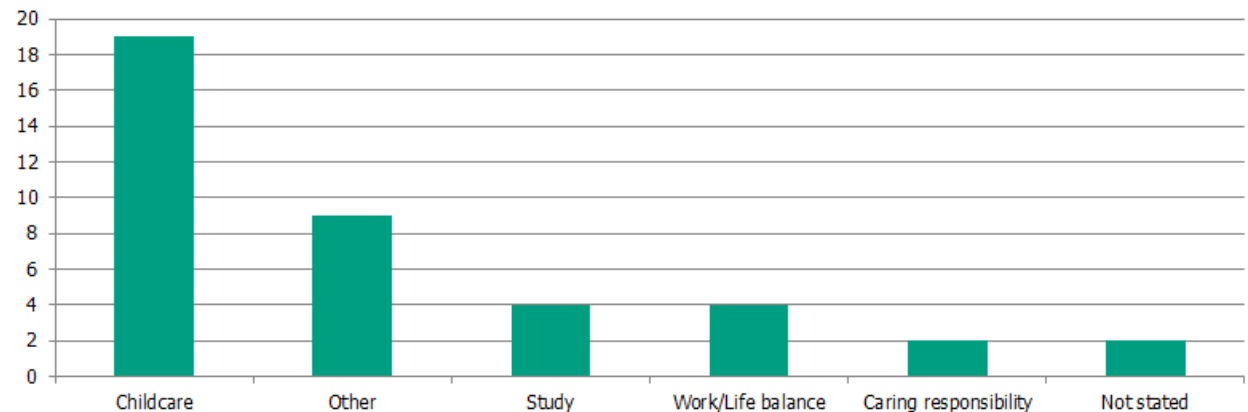


Flexible working requests received by age range



Of the 40 flexible working requests received in 2016, 35 were approved, 2 were partially approved, and a further 3 alternative work patterns were offered and agreed.

Flexible working requests by reason stated



Attraction, Recruitment and Retention

	Applications (5267)	Offers (367)
Female	51.00%	57.77%
BME	29.03%	13.90%
Disabled	7.46%	7.08%
16-24	11.20%	7.90%
25-34	35.47%	39.24%
35-44	22.84%	22.89%
45-54	16.40%	17.98%
55-64	8.43%	10.08%
65+	0.91%	1.09%
Not Stated	4.75%	0.82%

	Joiners (176)
Female	59.66%
BME	14.20%
Disabled	6.82%
16-24	13.64%
25-34	50.57%
35-44	22.73%
45-54	10.23%
55-64	2.84%
65+	0.00%
Not Stated	0.00%

	Leavers (130)
Female	59.47%
BME	22.63%
Disabled	4.74%
16-24	4.21%
25-34	47.37%
35-44	28.42%
45-54	13.16%
55-64	5.26%
65+	1.58%
Not Stated	0.00%

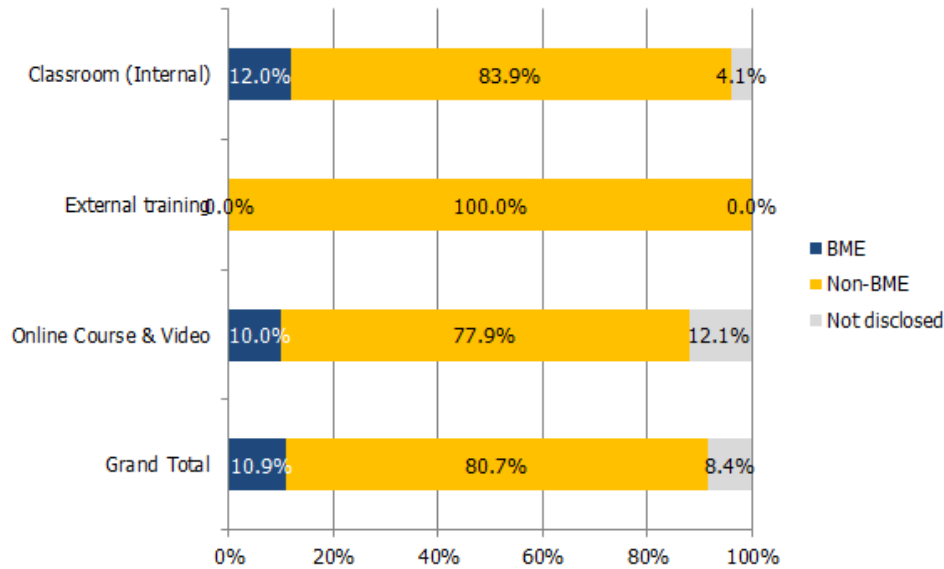
- Offers include internal transfers/promotions where a full recruitment campaign was run.
- Joiners figures report any staff member who joined the GMC between January and December 2016. Some of these staff may have been recruited during Q4 2015.
- Joiners only contains employees new to the organisation and does not include internal transfers/promotions.

Recruitment progression by diversity strands

Diversity	Applications		1st Interview		2nd Interview		Offer	
BME	1529	29.03%	302	21.16%	47	11.90%	51	13.90%
Non BME	3515	66.74%	1062	74.42%	333	84.30%	300	81.74%
Female	2686	51.00%	760	53.26%	229	57.97%	212	57.77%
Male	2453	46.57%	628	44.01%	159	40.25%	149	40.60%
Disabled	393	7.46%	127	8.90%	31	7.85%	26	7.08%

Training & Development

Training courses taken by Ethnicity

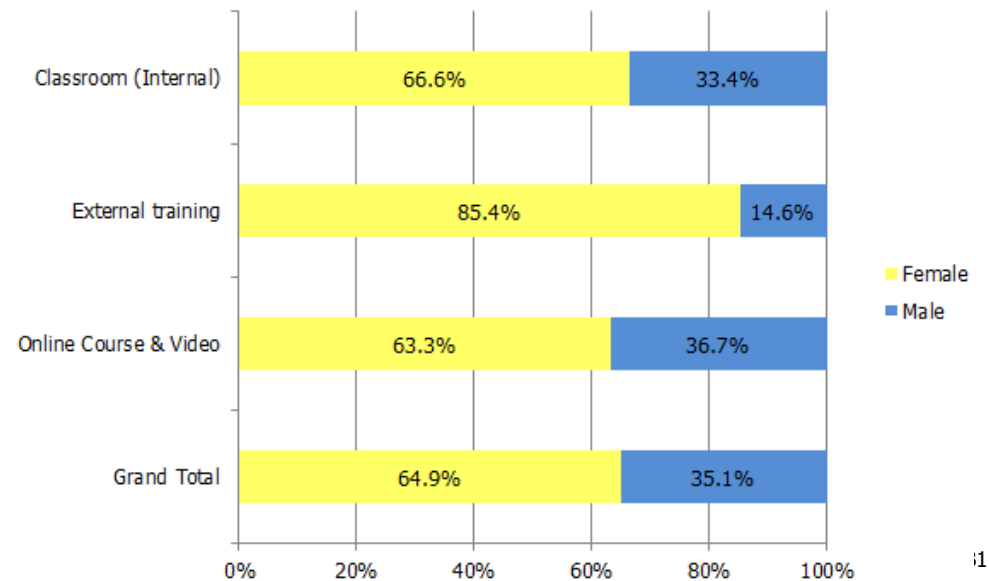


The ethnicity profile for training courses taken is in line with the workforce population.

The number of staff classed as “Not Disclosed” is increased by the inclusion of temp staff. They are required to complete their mandatory training online via the portal. However, we do not hold their ethnicity information in our systems

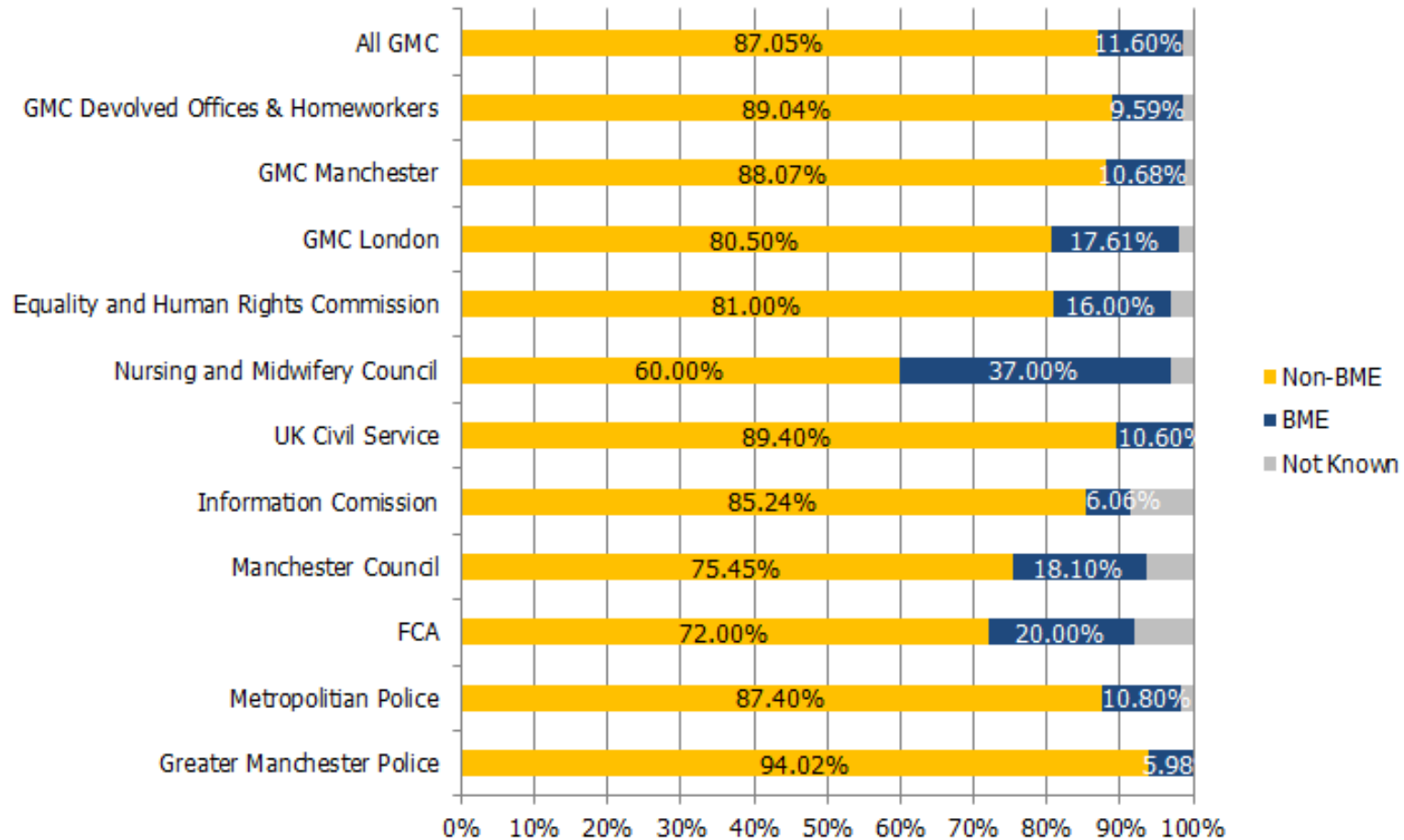
The gender profile for training courses taken is broadly in line with the workforce population.

Training courses taken by Gender



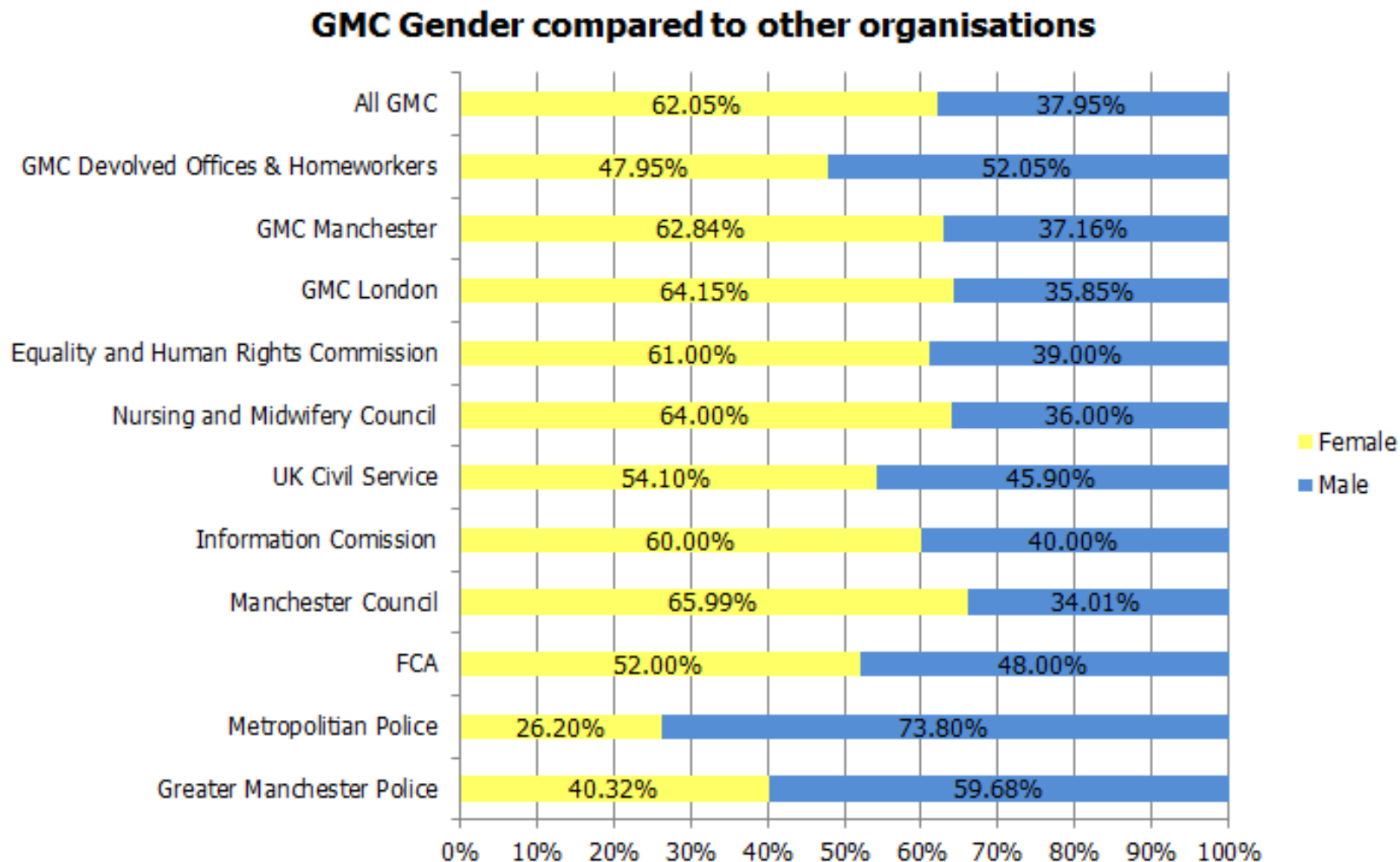
Comparison to other organisations – Ethnicity

GMC Ethnicity compared to other organisations



* Benchmark 2015/16 data taken from organisations websites.

Comparison to other organisations – Gender



* Benchmark 2015/16 data taken from organisations websites.