

HR MANAGEMENT FAILURE

<p>Inadequate or ineffective use of Learning and development resources by D/D's</p> <p>Corporate failure to apply the resources well, identify skill gaps, priorities, changing needs</p>	<p>Low</p>	<p>Expected to remain low</p> <p>Risk is unlikely to increase and may decrease through efforts to gain corporate liP recognition.</p>	<p>Quality of work may be affected, may be unable to do some jobs at all <i>(Low)</i></p> <p>May waste HSE resources, failure to achieve liP recognition, HSE unable to respond to changes in demand.</p>	<p>Monthly report on recruitment and budget issues scrutinised by HSE Board.</p> <p><u>Control Measures in place etc</u> As above</p> <p><u>Control Measures in place etc. –</u> As above</p>
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<p>23. Recruitment failures</p> <p>Recruitment shortfalls due to external factors</p>	<p>Variable (general low e.g. for Band 4 trainee inspectors, Band 6 new recruits but high specially in some specialist areas)</p>	<p>There are some posts where no difficulty is anticipated in recruitment. HSE traditionally attracts large numbers of good quality applicants. However there are typically some specialist posts where HSE has experienced difficulties over the last 2 –3 years in attracting the right quality of applicant. For these the risk of recruitment shortfalls is likely to remain high. At the moment this includes a number of specialist nuclear posts, wells engineers, Railway signallers and rolling stock engineers</p>	<p>HSE unable to meet its targets due to inability to fill key posts; some work may have to be dropped or rescheduled; implications for agreement of starting pay on appointment due to continuing pressure from D/D’s to increase starting pay but this can affect equal pay issues</p> <p>(Medium)</p>	<p><u>Control measures in place?</u> – Annual recruitment programme negotiated with D/D’s and continually updated; continuous improvement measures included in annual Personnel Programme which is reviewed at mid and end year; monthly report of recruitment issues to HSE Board; London recruitment strategy drafted and will be negotiated with TU side; PD and PEFD starting to work together in partnership to review the recruitment plans of D/Ds against current budget situation.</p> <p><u>What mechanisms provide assurance that is operating effectively?</u> – Recruitment issues are regularly discussed with HSE Board and any additional measures thought necessary are put in place (e.g. introduction earlier this year of a specific London recruitment strategy) Budget holders are required to plan delivery of targets and resource outturn within their allocated budgets; those plans form a forecast monthly profile for the financial year. In previous years the recruitment plans of D/Ds were not checked against this profile. With then partnership arrangements now working between PEFD and PD, D/Ds are now being held to account more strictly and are beginning to work towards more accurate forecasting and more controlled risk taking in recruitment terms.</p> <p>PD produces a twice yearly Personnel Digest including a wide range of management information about HSE’s workforce. This statistical data is used both centrally and in D/Ds to plan in both the short and longer term for recruitment needs (e.g. taking account of retirements, turnover rates etc)</p> <p>PD also monitors the success (or otherwise) of very recruitment campaign and maintains contact with D/Ds to monitor changes in the business demands, which might affect recruitment. From time to time PD provided information to HSE Board to consider the impact of workforce information statistics and takes appropriate action as a result.</p> <p><u>Do any new measures need to be added?</u></p>
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<p>Ineffective recruitment processes/procedures</p>	<p>Low</p>	<p>engineers. Risk likely to remain low as processes and procedures are being continually updated and streamlined</p>	<p>Damage to credibility of HR function both in PD and D/Ds, escalating recruitment costs but with poor record of filling posts</p>	<p>The monthly forecasting process is being reviewed between PEFD and PD with a view to incorporating a much more strategic view of the realistic staffing and post filling position across HSE and the consequent impact on income generation, resource outturn and outputs As above</p>
<p>Insufficient resources</p>	<p>Low</p>	<p>Low at present but likely to rise and may become high if CSR cuts have to be made in the recruitment team and recruitment levels remain high (as seems to be indicated for the next couple of years)</p>	<p>Unable to meet HSE demand to fill key posts leading to difficulties in meeting work plans in D/Ds (Low)</p>	<p>As above</p>

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<p>Inaccurate prediction or specification of needs</p>	<p>Medium</p>	<p>No sign that the probability of this risk will decrease</p>	<p>Wasted resources in advertising and recruitment costs and PD staff costs for failed \withdrawn campaigns; inaccurate predictions cause loss of confidence in general public if HSE fails to recruit promised numbers and applicants may never apply for our posts again; effort spent on a wasted recruitment campaign diverts resource from other potentially urgent work</p> <p>(Low)</p>	<p><u>As above</u></p>
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<p>24. Poor Morale Leading to Loss of Commitment</p>				
<p>Loss of confidence in critical HR systems (pay, post filling)</p>	<p>Medium</p>	<p>likely to remain at this level and may increase depending upon the pay deal agreed this year</p>	<p>Any sustained loss of morale is likely to lead to staff retention problems, increased pressure to recruit and a knock on effect on HSE's ability to meet its targets; HSE's senior managers may lose credibility if the change programme is not implemented successfully and may consequently lose commitment from the lower bands.</p>	<p>For ALL risks - <u>Control measures in place</u> A negotiated Personnel Programme for 02/03 agreed with the HR community and TU side which supports the HSE Management Plan; a communications strategy in place for the HSE Change Management project; quarterly meetings between Personnel Division and the HR community which give the opportunity to discuss morale/retention problems; regular (local and national) Whitley meetings between management side and TU side.</p>
<p>Loss of confidence/opposition to corporate actions (e.g. HSE Change Programme)</p>	<p>Medium</p>	<p>likely to remain at this level, may increase depending upon the impact of the HSE change programme</p>	<p>likely to remain low, risk may increase in restricted locations where management problems exist</p>	<p><u>What mechanisms provide assurance that is operating effectively</u> Feedback via the Staff Survey; biannual survey of personnel services to collect feedback from HSE staff; the Change Management Team have encouraged D/Ds to hold communications sessions with HSE staff and to provide feedback on the progress of the programme to the team.</p>
<p>Loss of confidence in line management or other local factors</p>	<p>Low</p>	<p>likely to remain low, risk may increase in restricted locations where management problems exist</p>	<p>As above</p>	<p><u>Do any new measures need to be added</u> If further CSR led cuts are needed across PD this is likely to lead to a severe cutback of some services HSE staff have previously enjoyed (e.g. the potential loss of the Personnel Helpline which answers 20,000 calls annually would be a severe blow). These enquiries would need to be managed somehow, although the resources would not be available in PD. Some D/Ds need to take positive action to reassure TU side that they value consultation and involvement when they are developing or proposing new systems/ procedures affecting staff.</p>
<p>Adverse climate for industrial relations</p>	<p>Low</p>	<p>will increase if adverse decision made against HSE in recent Equal Pay case at Tribunal and is likely to increase</p>	<p>As above</p>	<p>As above</p>

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<p>25. Loss disruption from adverse Equal Pay Judgements:</p> <p>Unmanageable financial implications</p> <p>Loss of trust between HSE and staff</p> <p>Loss of management control over pay and performance management</p> <p>Administration of caseload overwhelms Personnel (pay policy) staff</p>	<p>High</p> <p>High</p> <p>High</p> <p>High</p>	<p>likely to increase in any case due to the more confrontational approach being adopted in recent times by the main Trade Unions</p> <p>The recent Equal Pay Tribunal judgement went against HSE and in favour of the applicant. Four further cases have since been received (3 supported by TU side). An appeal against the judgement has been lodged. Until a decision is reached on the appeal the risk to HSE will remain high.</p>	<p>The cost of fighting the Equal Pay case up to the point of the judgement ran to £30k. HSE has no provision for any of the costs of others. If the current judgement stands (ie starting pay at max, of grade) many large costs could follow. HSE could not meet these from within current resources without cutting posts/recruitment, needing to approach</p>	<p>For ALL risks - <u>Control measures in place</u> It is not possible to put control measures in place to deal with the consequences of the loss of the Equal pay case (and any subsequent cases). However, control measures have been put in place to improve HSE's situation for the future. Equal Pay Audit carried out in 2001, Premium Pay review in place, strong relationship established with expert law firm.</p> <p><u>What mechanisms provide assurance that is operating effectively</u> Communications strategy for PD to inform HSE staff of changes to pay arrangements, including issue of guidance following conclusion of annual pay negotiations; meetings with D/D staff to explain HSE pay arrangements; ongoing casework on pay issues provides feedback on effectiveness of pay systems; information is available via the Staff Survey and the Survey of Personnel Services</p> <p><u>Do any new measures need to be added</u> This will need to be reviewed once the decision on the Equal Pay case is released. Plan to be devised following receipt of decision on Equal Pay case</p>
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			Treasury for substantial additional money. Personnel Division staff may also be overwhelmed by the workload from equal pay cases.	