



**CMA** Recruitment  
Group

# Market Analysis.

## Southern England 2020



# Contents

Pages	Title
1	Introduction to CMA Recruitment Group
2	Research Methodology
3 – 4	Analysis of Senior Management responses
5 – 6	Analysis of the Professionals responses

## CMA Recruitment Group

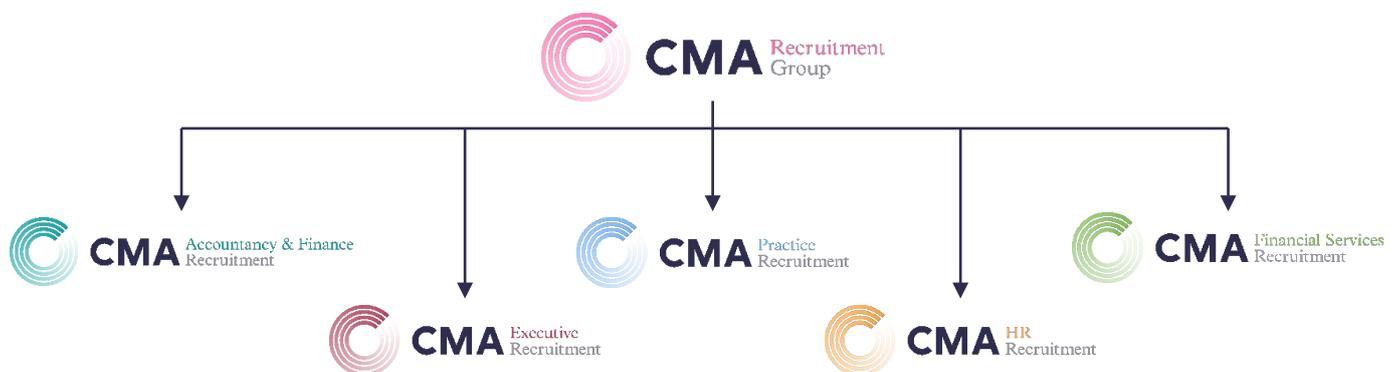
CMA Recruitment Group was established in Southampton in 1980 and over the subsequent 40 years has built a reputation for its open and honest approach, working collaboratively and in the best interests of our clients and candidates. The business was founded by our Chairman Peter Clarke and has grown into a team of 45 with offices in Portsmouth, Bournemouth, Basingstoke and Southampton as well as Guildford which was opened earlier this year. CMA is now the South's leading independent Accountancy & Finance, Executive and HR recruitment consultancy.

**What makes us different?** How have we placed over 20,000 candidates into career enhancing roles and why do we have over 200 preferred supplier agreements with businesses in the region, working with 467 clients last year alone?

We think it's down to two key factors. Firstly our team of specialist consultants, and secondly, the quality of our candidates.

**Our Team** - The CMA team is highly professional and experienced, working at CMA for an average of 8 years, some for over 20 years. This tenure is 11.5 times the recruitment industry average and means our specialist consultants have unrivalled knowledge of the Solent and Thames Valley recruitment market, in each of their respective divisions. The team is therefore best placed to provide honest and consultative advice, supporting our clients and candidates in achieving their goals.

**Our Candidates** - At CMA we work hard to identify and attract the most talented professionals in the region. We do this by utilising our long-standing relationships with the professional advisory community as well as being a major corporate sponsor of key student and member societies. This is supported with an extensive online presence, comprehensive in-house database and continuous social media campaigns. Representing the region's most talented candidates attracts the best jobs, often on an exclusive basis, and so the virtuous circle goes on – continuing to attract the best candidates.



**The South's leading Accountancy & Finance, Executive, HR and Financial Services Recruitment Consultancy**

# Research Methodology

CMA Recruitment Group has undertaken an in-depth research exercise producing this report identifying the key dynamics within the Southern business community, with a focus on employment related matters.

The research was undertaken by the CMA consultancy team in June and wholly by telephone. The results are based on over 250 hours of call time and 350 confidential responses from our clients and candidates alike, covering a broad spectrum of roles, businesses and sectors (see charts below).

We developed separate questionnaires for Senior Management and for Professionals – those more junior Accountancy & Finance, HR and Financial Services employees within our clients' organisations.

The data has provided some very interesting insights, supporting many of the conclusions our consultants had drawn from their unparalleled understanding of the region. However, it is very important to state that the pandemic is far from over and we are just beginning to understand the short term and long term impacts on our businesses.

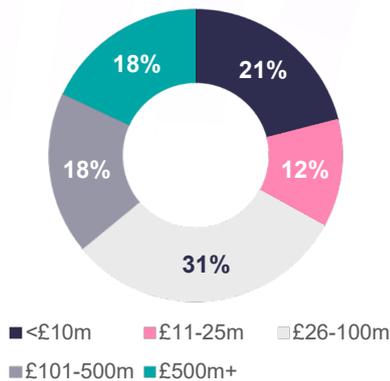
### Further questions

If you have any questions regarding the data presented in this report or any other employment related matter, please do not hesitate to contact one of our team. We have over 400 years' of combined recruitment experience providing a unique perspective on the region's recruitment market trends.

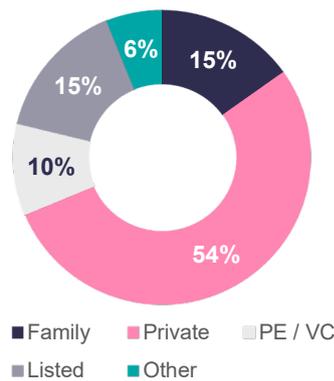
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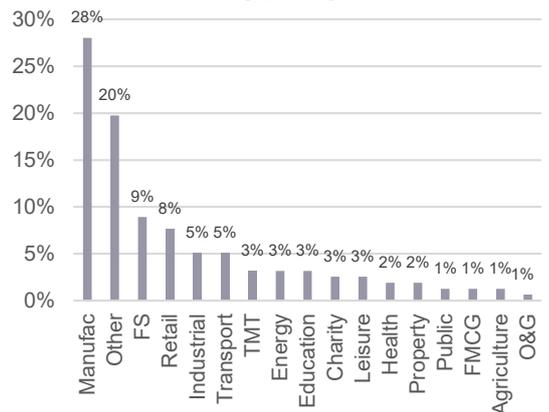
### BUSINESS SIZE (TO.)



### OWNERSHIP



### SECTOR



## Message from CMA's Leadership Team

Thank you for taking the time to read our Market Analysis report. The CMA team has spent considerable time collecting and analysing the data to aid our clients and candidates in making informed decisions. We understand each business is different and that you may not agree with all our conclusions, but we hope they at the very least pose ideas for further consideration.

Like many of you, we have been hugely impacted by the COVID-19 pandemic. We have fought very hard to overcome these challenges and ensure we can continue to support the Southern business community in the future, as we have done for 40 years.

CMA's single biggest asset is its people and the values those individuals uphold on a daily basis. We are very proud of our team and how they have adapted to very challenging circumstances. Our team have remained at your disposal throughout the pandemic and are a phone call away if we can support you in any way.

With our very best wishes,

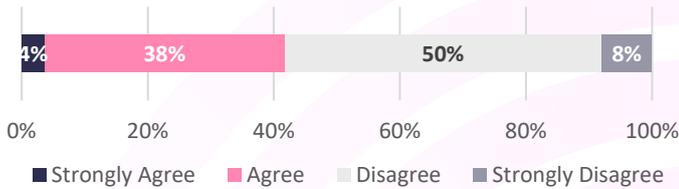
**Nick, Richard, Neil, Aran, Mark and Peter**

# Senior Management - Analysis

## IMPACT OF COVID-19

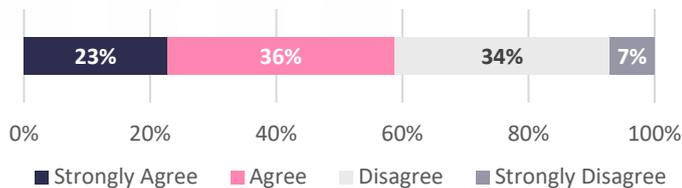
It's important to reiterate that it's too soon to be determining the full impact of COVID-19 on our businesses. However it is clear that Senior Management already see this having structural impacts on their business in the long term with 42% seeking more local supply chains:

**Statement: The pandemic will result in us actively creating a more local supply chain going forward**



And 59% already feeling a greater impact than the Global Financial Crisis – perhaps due to the pandemic's impact on all sectors and businesses.

**Statement: The COVID-19 pandemic has had a greater impact on our business than the Global Financial Crisis**



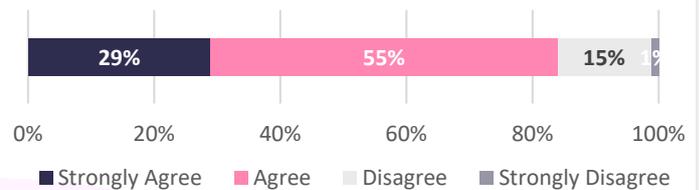
Those surveyed reported that YTD trading was down 49% (vs. prior year) and that 67% of workforces were working remotely. Furthermore, 79% of those interviewed had utilised the Job Retention Scheme.

## REMOTE WORKING

We've seen a huge change in working practices for those businesses that have been able to set their teams up for home working. Many businesses in the region had been moving towards more flexible working patterns but this has been accelerated in recent weeks – how much of the evolved working practices are sustainable and indeed in the interests of companies and employees is a fundamental question.

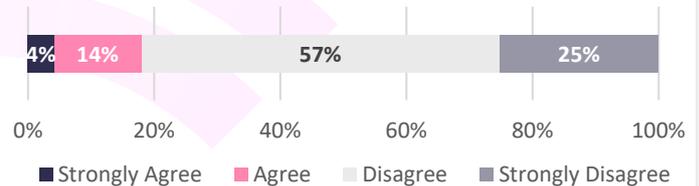
The initial findings in this report suggest there have been significant positives emerging from remote working, at least in the short to immediate term. The longer term impact is clearly yet to be understood – especially the impact on organisational culture.

**Statement: The business impact from remote working has been minimal**



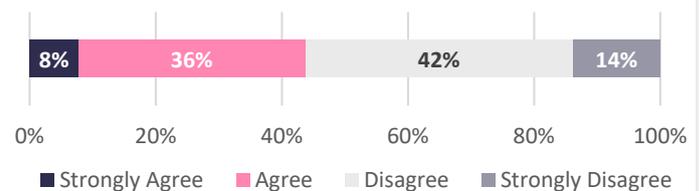
Some 84% felt the impact of remote working has been minimal and only 1% strongly disagreed with this notion. Of course, for some of our clients remote working is simply not feasible due to sector.

**Statement: We have seen reduced team outputs as a result of remote working practices**



Not only have the business impacts been minimal, when specifically asked about employee outputs, only 18% of the region's Senior Management believed they had experienced a reduction.

**Statement: We expect to reduce our office / lease space in the future due to a change in working practices**



Perhaps with such positive results in regard for remote working it's hardly surprising that 44% of businesses in the region are actively looking to reduce their office space as soon as possible. Only 14% intermated that they strongly disagreed this was on their agenda.

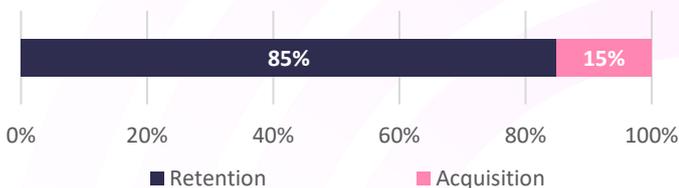
It remains to be seen what this could mean for commercial property rents, particularly large spaces taken on as traditional long leaseholds.

## Senior Management - Analysis (cont.)

### HIRING INTENSIONS

As we undertook the market analysis in June it was clear Senior Management were focused on batten down the hatches rather than growing headcount. From CMA's perspective, we're pleased to say this situation has evolved in recent weeks and at the time of writing job levels are approaching pre-COVID-19 levels. The specialist areas in which CMA recruits, specifically Accountancy and Finance, HR and Financial Services, have responded well as businesses seek the skill sets that can support their recovery.

**Statement: We are more focused on talent retention / acquisition**



In June, the clear focus was on retaining key team members rather than looking to attract new talent.

### KEY CONCERNS

We asked Senior Management to rank the items below, with 1 denoting it was their biggest concern 5 meaning it was their least.

We thought it was extremely encouraging that Mental Health ranked as the #1 concern, showing the empathy that has developed for such matters within our business community – such a weighting would not have been the case 5 years ago.

Working Practices was the 3<sup>rd</sup> largest concern for Senior Management, understandable given the speed at which businesses needed to adapt. Retention, while a priority over talent acquisition, was deemed to be the least important factor, with culture only ranked marginally higher.

### POINTS FOR FURTHER CONSIDERATION

#### Localisation

Supply chain management has become a greater focus for businesses in the region, particularly those procuring goods and services across international borders. As businesses seek to mitigate risk and simplify their supply chains – there may well be opportunities for local businesses to work together more closely.

#### Working Practices

It is clear that remote working for most businesses (certainly not all) has been a successful exercise, one in which Senior Management has seen limited impact on productivity. There is huge appetite for greater flexible working, or indeed remote working from Professionals (see next section). The key question is how does an organisation build and sustain culture under increasing remote working conditions? Linked to this, what management skills will need to be developed to support this evolution?

#### Employee Disconnect

Some 89% of Senior Management believe that their teams will emerge from the COVID-19 challenges stronger. Whereas 52% of Professionals felt that the support they had received during the pandemic had reduced their engagement and loyalty.

#### Talent Retention and Acquisition

Retention was ranked as the lowest concern for Senior Management. However, 58% of professionals have stated an increased desire to find a new job. Furthermore, culture is the Professionals most important factor in selecting a new role (see next section). It was low on the priorities of Senior Management.

It would appear greater communication is required in organisations to drive employee engagement and understand workforce needs.

**“My largest concern regarding employees in the months ahead is, ranked 1 - 5 (1 being the largest)”**

	1	2	3	4	5
<b>Mental Health</b>	37%	24%	16%	15%	8%
<b>Health and Safety</b>	29%	15%	18%	16%	22%
<b>Culture</b>	10%	20%	32%	20%	18%
<b>Retention</b>	12%	12%	15%	30%	31%
<b>Working Practices</b>	14%	29%	25%	17%	15%

# Professionals - Analysis

## REMUNERATION

Assessing the employee mindset prior to COVID-19, 71% of those interviewed felt they were appropriately remunerated for the role they perform and 74% felt that they had a healthy work / life balance. However, since the onset of the pandemic, 44% have stated that as a direct result of COVID-19 they are looking for something different in their role or package. The following charts outline where priorities fall:

Rank the following elements 1 to 5 in their importance in selecting a new role (1 being the most important)

	1	2	3	4	5
Salary / Bonus	19%	31%	25%	15%	10%
Flexible working	16%	16%	21%	27%	20%
Career Progression	18%	15%	24%	16%	27%
Company Culture	32%	27%	19%	16%	6%
Job Security	22%	19%	13%	19%	27%

Salary and bonus continue to score highly as you'd expect but the biggest factor in assessing a future organisation is culture. This is a material shift and underscores the importance of employee engagement in uncertain times. There were polar views on job security with many ranking it as their priority and even more ranking it as their least influential factor. Flexible working was surprisingly low on the agenda, as was career progression.

Rank the following benefits 1 to 5 in their importance in selecting a new role (1 being the most important)

	1	2	3	4	5
Holiday Allowance	34%	23%	25%	12%	6%
Study support	7%	7%	11%	22%	53%
Private Health	8%	25%	28%	24%	15%
Training	20%	19%	26%	28%	7%
Pension	29%	32%	17%	9%	13%

Turning specifically to benefits, holiday allowance was the overwhelming priority. Perhaps informed by the reconnection with family that has been a national trend during lockdown. Pension was a close second pointing towards a focus on long term financial security.

## IMPACT OF REMOTE WORKING

In unison with Senior Management, the Professionals overwhelmingly felt that they had been effective under lockdown conditions, with 38% strongly agreeing with this statement and a further 46% agreeing.

When asked about mental health, 57% believed they had benefited from working remotely. Which was interestingly Senior Management's biggest concern.

In terms of the challenges of working from home, many point towards systems which given the speed at which we moved into remote working isn't surprising. A highly polar response to the impact of family demands – clearly a very personal and situational response. Communication challenges are in line with need to evolve employee engagement initiatives in a remote working environment, something CMA has published a number of blogs on. Missing my team is certainly something we can relate to and again underscores the need for a balance in future working practices – full remote working is not going to be the answer for many businesses.

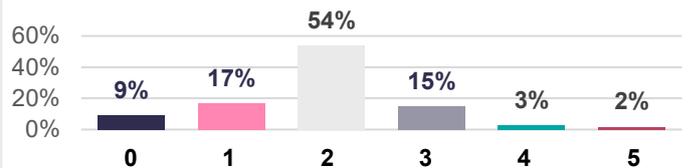
The hardest thing I've found about working from home is... rank the following 1 to 5 (1 being the hardest)

	1	2	3	4	5
Family Demands	26%	9%	11%	12%	42%
Systems / Internet	22%	26%	17%	19%	16%
Motivation	4%	13%	29%	33%	21%
Communication	15%	30%	30%	22%	3%
Missing my Team	26%	22%	18%	18%	16%

## WORKING PATTERNS IN THE FUTURE

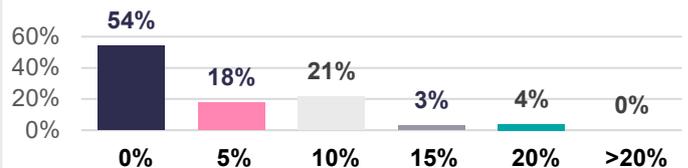
What the "new normal" is going to look like is a million dollar question and one that is clearly different from business to business. We believe the data below provides a definite sense of where Professionals are in their thinking:

Going forward, in the post Corona workplace, I would like to work..... days from home



The clear preference is for home working with 91% preferring to work at least 1 day from home, with 54% feeling that 2 days is the optimal approach.

To enable a flexible working pattern of my choosing, I would take a pay cut of...%



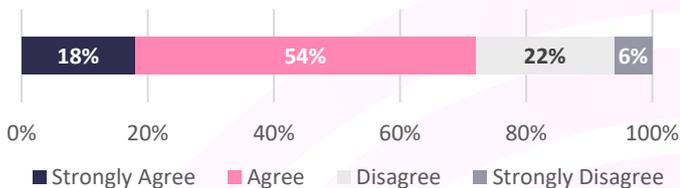
One of the most encouraging things for Senior Management to take away is that there is a high degree of openness to revisit remuneration structures to enable home working – 46% would be willing to take a pay cut, and 28% of those interviewed by 10% or more.

## Professionals - Analysis (cont.)

### ENGAGEMENT

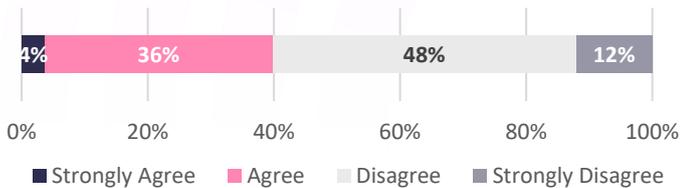
Turning to consider engagement in our organisations, 72% of Professionals believe their employers are well prepared to deal with a shift in working practices.

**Statement: I believe my employer is well prepared to deal with a shift in working practices post COVID-19**



Given the importance attached to organisational culture (see previous page), it's encouraging employees, on the whole, do not believe increased remote working would have a detrimental impact on culture.

**Statement: I think organisational culture would be negatively impacted by increased remote working**

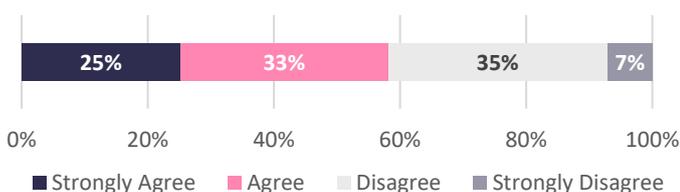


Professionals are agnostic as to whether SMEs or Corporates are better placed to react to the demands of a post COVID-19 workplace. SMEs did come out on top but by 51% to 49%.

### RETENTION

While retention did not score as a key concern for Senior Management, it's evident that our region's workforces are reconsidering what's important to them, and in turn, driving a desire to consider a change of employer.

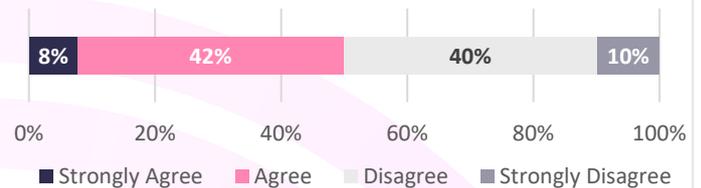
**Statement: The COVID-19 pandemic has increased my desire to find a new job**



58% of the Professionals we interviewed outlined an increased desire to find a new job.

What was also interesting, although perhaps not surprising given the importance attached to flexibility, is the increasing attractiveness of an interim career.

**Statement: I think that an interim career is an increasingly attractive pattern of working**



### POINTS FOR FURTHER CONSIDERATION

#### Remuneration and Engagement

There has been a shift in how Professionals are evaluating remuneration in recent months, with organisational culture and fulfilment becoming increasingly important. We believe it's fundamental that businesses seek to engage with their teams empathetically and through a variety of communication channels. Without building a clear understanding of employee needs in this uncertain climate, retention is going to be challenging with 58% of Professionals considering a new challenge. Equally, those businesses that adapt the fastest are going to find it much easier to attract the region's top talent in the future.

#### Working Patterns

Like all elements of this report, the future shape of working patterns is an evolving picture. What's clear is the demand for flexible / remote working is here to stay. The level this can be embraced will depend largely on sector but importantly there is scope for a sensible conversation around pay levels in return for greater flexibility.

#### An Interim Career

For those looking for as much flexibility as possible, the survey results suggest that an interim career could become a more interesting proposition. Some 86% of those interviewed believed there would be greater interim opportunities in the market as a result of COVID-19 – this combined with the variety an interim career provides is perhaps why 50% of Professionals see this as an increasingly attractive route.



*Accounting  
& Finance*



*Executive*



*HR*



*Practice*



*Financial  
Services*

*Basingstoke*



*Guildford*



*Southampton*



*Portsmouth*



*Bournemouth*



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