

**HR (ABERDEEN) NETWORKING FORUM**

**19 May 11 – Minutes**

Mike Cripps welcomed everyone to the first HR networking forum hosted by Cripps Sears in Aberdeen. The lunch was well attended with 15 people present, including Mike and Nicola Dennes from Cripps Sears, and a number of topics had been submitted for discussion.

**Mergers/Harmonising Terms and Conditions**

There was a lot of experience in this area around the table, which was shared with an attendee who was working on a large merger at the moment. Points noted were that, though from an HR perspective the pace of change is very fast, for employees it feels slow.

Senior management tend to think the challenges are around financial issues but the biggest issues are in fact around softer issues, for example flexible working and canteen arrangements.

It was agreed that during such changes there is a high risk of losing good people because of uncertainty regarding what the future holds for them. The importance of leadership ability in managers was stressed as key to mitigating this risk. One HR manager said that a transition team with an external Transition Manager had been particularly helpful in her organisation and suggested that if companies were doing a lot of mergers and acquisitions it would be worth considering having a dedicated team which would build expertise. It was recognised that supervisors also have an important role to play, particularly offshore where the dangers of the informal communication channels could cause problems.

Quality consultation with employee representatives is important and requires managers to own the process and content.

Several people noted the pressure that this activity puts on the HR function on top of the 'day job'.

The group considered whether retention bonuses are a good idea. The consensus was that if private companies have been acquired and the leadership are entrepreneurial (which is usually the case) then they are unlikely to fit in the corporate constraints of a larger organisation and it is best to let them go, or agree a consultancy arrangement for a transitional period.

**Employee Engagement**

The question was raised of how to build employee engagement when companies have to cut budgets and reduce training. It was suggested that involving staff in interesting projects and/or new technology (giving them 'new toys') was a useful and low cost option. It was agreed involving employees was important – sharing bad news and the whole picture whenever possible so they could understand everyone is in it together and what the challenges are for the organisation. The paternalistic approach is not always helpful.

**Impact of the 'Tax Grab'**

The recent tax increases in the industry have seriously damaged the trust between the government and key operators in the industry. Talks between industry representatives and government ministers have suggested that the Energy minister was taken by surprise too. It was believed the tax would inevitably reduce investment in the North Sea – some projects have already been put on hold. Operators look to the long term for returns on investment and the way the Government has hit the industry with this tax has created uncertainty in the stability of the fiscal regime.

Large players are investing in more profitable overseas basins and the mid level operators who would acquire their North Sea assets are struggling to see economic viability in many of those assets now. Meanwhile, there is a skills drain overseas to areas like the Caspian and West Africa.

**Agency Workers**

There was a lengthy discussion regarding the implications and possible risks arising from the Agency Workers Regulations. One company has already made the decision to change its resourcing strategy to reduce their reliance on agency personnel. There were mixed views regarding the risks from limited company personnel. One area was agreed as problematic, however, and that was bonuses related to work done, e.g. end of project bonuses.

**Parental Leave/Leave for Dependents**

One attendee was having difficulty with an employee who was constantly taking leave to deal with emergencies and causing considerable disruption to the business. It was agreed dismissal was possible providing the correct procedures were followed.

It was noted there is a Government consultation underway regarding proposals to change the balance of leave between parents – the Modern Workplace Consultation.

**Bribery Act**

It was agreed that it was important to educate employees on the ground as to the implications of some current practices when the Act takes effect. Codes of Conduct are helpful but need training to underpin them.

**Restrictive Covenants**

These remain a complex area which incurs hefty legal fees to have them properly drafted.