

# SME Research: Personal Development in the Workplace

A STUDY EXAMINING THE PROMINENCE AND ROLE OF PERSONAL DEVELOPMENT WITHIN SMES IN THE UK

## Introduction

The personal development of staff is as important as the development of the business itself. Without a clear training and development structure, employees can easily lose motivation and become unengaged, which can directly impact productivity, moral and ultimately profit.

Personal development relates to activities that improve awareness and identity, develop talents and potential, build human capital and facilitate employability. Therefore, businesses need to invest in the tools and assessment systems to enable them to easily facilitate the training and development of staff.

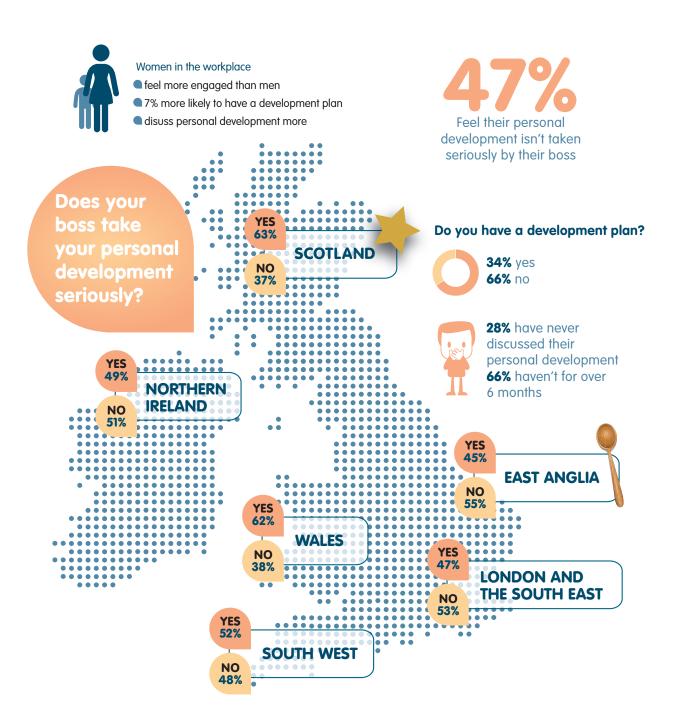
The best run companies are those that manage employees in a structured and caring way – balancing the requirement to achieve company targets with developing employees' work place skills with goals and training.

Commissioned by HR Software provider <u>breatheHR</u>, the Personal Development in the Workplace Survey (conducted by <u>OnePoll</u>), sets out to establish the importance and prevalence given to personal development with in SME's of between 1-250 staff, by surveying 1,000 employees across the UK.

From the research, the headline statistic revealed that 47.8% of employees working within SMEs feel that their personal development isn't being taken seriously by their employer, while a staggering 66% have no kind of personal development plan whatsoever.

These statistics confirm that despite the demonstrable benefits of an engaged and motivated workforce, the personal development of employees is far from a priority for the majority of SME business owners across the UK.

Reacting to the findings, Jonathan Richards, CEO & founder of breatheHR, said: "The results clearly show a fantastic opportunity for small to media sized businesses to gain competitive advantage by spending time developing employees. The good news is that it needn't cost a fortune and with relatively little effort they will increase productivity and reduce costs."



#### Company size and personal development

Company size	Do you feel your current employer takes your personal development seriously?		When did you last discuss your personnel development with your employer?			Do you have a current personal development plan?		
	YES	NO	1-6 months	6-12 months	12+ months	Never	YES	NO
1-10	61.8%	38.2%	39.1%	10.6%	11.1%	39.1%	22.7%	77.3%
11-50	46.7%	53.3%	32.1%	28.5%	11.8%	27.6%	34.2%	65.8%
51-250	51.8%	48.2%	33.7%	30.9%	12.3%	23.1%	38.7%	61.3%

#### **About the Survey**

Commissioned by breatheHR – the online HR software company for SMEs – the survey was carried out by OnePoll in March 2013, and questioned 1,000 employees working within SME businesses (1-200 staff) across the UK.

The 2013 study examines in role and prominence of personal development in the workplace; namely whether employees are given clear goals and provided with access to the requisite guidance.

The survey delivers insights for SME owners and HR managers, providing a valuable barometer of how engaged staff feel with their personal develop across the UK and where engagement and personal development is most lacking/prominent.

# **Key Findings**

## 1. Half of us feel our personal development isn't taken seriously

When the study asked 'do you feel your current employer takes your personal development seriously?', a staggering 48 per cent replied 'no'. That means almost half of all staff working within SMEs in the UK feel in some way undervalued and disenfranchised.

#### Scots feel most engaged at work while the South East lags behind

The regional picture reveals some interesting trends. Notably, that respondents in Scotland feel the most engaged, with 62 per cent believing their employer takes their personal development seriously, which is 18 per cent higher than in East Anglia where less than half (44.62 %) felt their personal development was a serious focus for their boss.

From the results below, we can also see that despite being the UK's largest centre for employment and industry, London and the South East is actually one of the worst regions in terms staff development, as the data reveals:

	Yes	No
East Anglia	44.62%	55.38%
East Midlands	58.82%	41.18%
London	47.40%	52.60%
North East	53.49%	46.51%
North West	54.29%	45.71%
Northern Ireland	48.65%	51.35%
Scotland	62.67%	37.33%
South East	45.35%	54.65%
South West	52.33%	47.67%
Wales	62.12%	37.88%
West Midlands	58.97%	41.03%
Yorkshire and the Humber	45.74%	54.26%

#### Small companies give the personal touch

As you might expect, staff working for small companies (1-10 employees) report feeling more happy and engaged in the workplace, compared with those in larger organisations. In fact in the 1-10 employees category, 61.8% felt their employers took their development seriously. This figure drops by over 15% for staff in companies of between 11-50 employees, falling to just 46.7%.

## 2. Employees face a serious lack of guidance and direction in the workplace

Having a defined structure and clear personal development goals forms an intrinsic part of keeping staff motivated and engaged. However, when asked 'Do you have a current personal development plan?', over 66 per cent of respondents admitted that they don't have any kind of development plan in place.

The last few years have been hard for SMEs so it's understandable that businesses have had other priorities. However, as the economy picks up it is essential for SMEs to focus on their employees as history shows that they start looking at their options as a recovery picks up pace. Structured personal development is the best way to improve engagement and motivation.

## 3. Personal development seems to be a taboo subject

While 34.30 % of respondents have discussed their personal development with their employer within the last 1-6 months, the research revealed that two thirds (65.7 %) haven't discussed their personal development with their employer in over six months.

Worse still, is that a staggering 27.9% admitted to having never discussed their personal development with their employer. This means that over 1 in 4 working in an SME environment do so with no idea how their job and skills might evolve.

#### The responses break down as follows:

1-6 months ago	34.30%
6-12 months ago	25.90%
12+ months ago	11.90%
Never	27.90%

## 4. Process doesn't equal happiness

The survey found that in larger organisations of between 51-250 employees, staff are 16% more likely to have a personal development plan in place, compared with those working in companies of just 1-10 people.

It would be reasonable to assume that these larger organisations are more likely to have a full time HR person or department to ensure that staff are given clear personal development goals.

However, even though you are more likely to have a personal development plan in a company of between 51-250 employees, personal development is actually discussed more frequently in companies of just 1-10 staff:

		1-10	11-50	51-250
1. Do you have a current	Yes	22.7%	34.2%	38.7%
personal development plan?	No	77.3%	65.8%	61.3%
	1-6 months ago	39.1%	32.1%	33.7%
<ol><li>When did you last discuss your personnel</li></ol>	6-12 months ago	10.6%	28.5%	30.9%
development with your employer?	12+ months ago	11.1%	11.8%	12.3%
, , , , ,	Never	39.1%	27.6%	23.1%

Add to this the aforementioned statistic that staff in small companies (1-10 staff) feel over 15% more engaged, and picture starts to emerge showing that employees tend to be most engaged and in an active dialogue about their personal development in a small company.

## 5. Woman are more engaged in the workplace

When looking at the gender split across all questions in the survey, it becomes clear that woman feel more engaged than their male counterparts, discuss their personal development more frequently and are more likely to have a personal development plan in place.

#### Do you feel your current employer takes your personal development seriously?

	Female	Male
Yes	53.89%	50%
No	46.11%	50%

#### When did you last discuss your personal development with your employer?

	Female	Male
1-6 months ago	37.10%	30.65%
6-12 months ago	23.14%	29.49%
12+ months ago	12.37%	11.29%
Never	27.39%	28.57%

#### Do you have a current personal development plan?

	Female	Male
Yes	36.93%	29.95%
No	63.07%	70.05%

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#### How technology can augment personal development in the workplace

By far the simplest way of achieving this is through investing in people management software that provides the tools required to keep staff and managers focussed on these priorities in a clear, transparent and engaging way.

While many employees only see their development plans and appraisal materials once a year in advance of their review, with people management software like <a href="mailto:breatheHR.com">breatheHR.com</a>, these documents can be stored in the cloud where staff can access them whenever they wish.

The breatheHR software can also be used to automatically schedule personal development meetings, while also providing the tools to enable companies to share and acknowledge the achievements of colleagues through a function called Kudos.

While people management will always be best achieved through personal human interaction, technology can now provide a reliable and cost effect way to augment regular and effective communication with employees.

#### **About breatheHR**

Launched in 2012, breatheHR is a web based as software as a service (SaaS) product, which helps small businesses build, motivate and retain great teams through the use of smart technology.

breatheHR supports over 5,000 employees with their personal development, within SMEs across the UK and internationally.

By using breatheHR's proprietary software and intuitive dashboard, clients are liberated from using time consuming spreadsheets and wall charts to manage their employees, allowing the system to simplify and automate many HR tasks including holiday booking, absence management, appraisals and the secure storage of employee documents.

The system allows staff to 'self serve' when booking holiday and accessing their HR documents. As a result, small teams have more time to focus on growing their businesses as the admin involved in managing people is significantly reduced.

breatheHR's cost-effective pricing plans are tailored according to the number of employees and start at just £19 a month.

breatheHR has an extensive client base of businesses across the UK, which are largely digital, creative and tech companies including Plumpton Racecourse, <u>PVL UK Ltd</u>, <u>PushOn Ltd</u> and <u>TekExpress</u>.

breatheHR is owned by Centurion Management Systems who have been producing HR software systems since 1996.



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