

Housing Commission

Employers Survey 2006



City of Westminster

February 2006



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# Introduction & technical details

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## Introduction

The Westminster Employers survey provides key research on the perceptions of Westminster businesses and public sector organisations on the demand and provision of affordable housing, staff recruitment and retention issues.

## Background and Objectives

This report contains a discussion of the findings from the Housing Commission Employers survey 2006. This research was carried out by NOP on behalf of Westminster City Council.

## Report layout

Following the introduction, this report contains:

- a summary of the **key findings** of the survey and their **implications** for Westminster;
- more detailed commentary of the **main findings**;
- **appendices**, including a marked-up questionnaire and a guide to statistical reliability.

## Methodology

NOP interviewed a total of 110 firms and public sector organisations drawn from the Westminster Business Directory 2004 and contacts provided by the Housing Commission for public sector organisations.

The sample has been structured to be representative of the business sectors in Westminster using the Standard Industrial Classification (SIC). Quotas were set for SIC code, the North, the central belt and South of Westminster as well as organisational size by the number of employees. Approximately 25 interviews were conducted with each employee number bracket (1-10, 11-49, 50-199, and 200+) to give account of housing issues by organisational size.

As this is a small sample, the focus is on understanding the requirement of different sized firms and public sector organisations.

NOP undertook a 7 minute telephone survey of 110 businesses and public organisations between 16<sup>th</sup> and 20<sup>th</sup> January 2006. NOP were instructed to contact owners/key managers in organisations of less

than 10 people and heads of HR for organisations with more than 10 employees.

## Sample Profile Description

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<b>Standard Industrial Classification</b>	
<b>Transport &amp; Communications</b>	This includes newspapers/magazine publishers and literary agents.
<b>Public administration, Education and Health</b>	This includes councils, hospitals and central government offices.
<b>Distribution, hotels and restaurants</b>	This includes caterers, restaurants and hotels.
<b>Banking, finance, business and insurance</b>	This includes a range of businesses, such as advertising and marketing agencies, business and management consultants, public relations consultants, and market researches.
<b>Other services</b>	Other services included printers, recording studios, film, video and production services and architects.
<b>Other</b>	Other organisations include theatres and religious organisations.

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Source:

NOP

## Sample Profile

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<b>Standard Industrial Classification</b>				
<b>Transport &amp; Communications</b>	<b>Size (Employees)</b>		<b>Area</b>	
	1-10	4	North	1
	11-49	3	Central	5
	50-199	1	South	3
	200+	1		
<b>Public administration, Education and Health</b>	<b>Size (Employees)</b>		<b>Area</b>	
	1-10	0	North	3
	11-49	4	Central	6
	50-199	7	South	13
	200+	11		
<b>Distribution, hotels and restaurants</b>	<b>Size (Employees)</b>		<b>Area</b>	
	1-10	6	North	5
	11-49	3	Central	5
	50-199	5	South	6
	200+	2		
<b>Banking, finance, business and insurance</b>	<b>Size (Employees)</b>		<b>Area</b>	
	1-10	19	North	9
	11-49	8	Central	18
	50-199	4	South	9
	200+	5		

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<b>Sector</b>				
<b>Other services</b>	<b>Size</b>		<b>Area</b>	
	<b>(Employees)</b>			
	1-10	3	North	1
	11-49	5	Central	9
	50-199	2	South	2
	200+	2		
<b>Other</b>	<b>Size</b>		<b>Area</b>	
	<b>(Employees)</b>			
	1-10	5	North	8
	11-49	6	Central	5
	50-199	4	South	2
	200+	0		

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*Source:* *NOP*

### Interpretation of the data

All the data, apart from the comparisons with 2003 results, are not weighted. The vast majority of employers in Westminster have less than 10 employees. If the data were weighted it would mask the demands around affordable housing of larger organisations. Not weighting the data has the merit of emphasising the requirements of medium and larger firms and public sector organisations. These larger organisations are significantly more interested in issues around affordable housing.

It should be remembered that a sample, not the entire population of the area, has been interviewed. In consequence, all results are subject to sampling tolerances, which means that not all differences are statistically significant. A guide to statistical reliability is appended.

Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers. Throughout the report an asterisk (\*) denotes a value less than half a per cent.

# Executive Summary

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## Employer problems

Organisations were asked about a number of background factors that affected their organisation ranging from crime to traffic congestion. The most important of these issues for organisations was affordable housing.

## Recruitment

Concern about being able to recruit staff to work in Westminster is fairly low. Less than one in twenty organisations say that they have any difficulties recruiting staff. However, larger organisations are much more likely to say that they do have difficulties recruiting staff.

## Recruitment issues

Organisations that are experiencing problems recruiting staff cite a lack of skills and adequate education levels as the most important factor. However, affordable housing, salary levels and commuting distances are all also seen as important.

## Staff retention

Staff retention appears to be more of an issue than recruitment. Turnover of staff is greatest at the supervisor and clerical level. Those organisations with a manual element also find skilled and unskilled staff harder to retain.

## Perceptions around recruitment and retention

Most organisations do not see issues around affordable housing as critical to their success or even agree that more affordable housing would improve staff retention. However, there is some interest addressing these issues, especially through partnership, amongst larger organisations.

## Staff benefits

Overwhelmingly organisations do not offer relocation packages or provide housing support for staff. About one in three large organisations has re-location packages for staff.

## Conclusions

Affordable housing is seen as an important issue for organisations. However, it does not appear that a strong connection is made between this and the recruitment and retention of staff. It is worth noting that where organisations experience the greatest retention issues – in the middle of their organisation - these are exactly the people most likely to benefit from affordable housing.

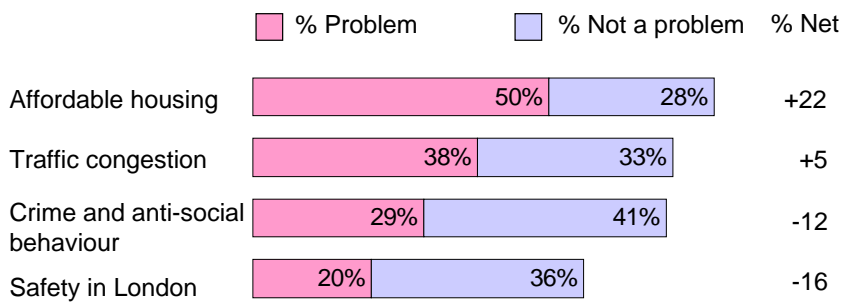
Larger organisations are much more likely to be interested in working with others to find solutions to these issues, especially the public sector. However, it is interesting that most large organisations that were contacted do not have policies around these issues and do not intend in the near future.

# Problems for Organisations

Owners, managers, and heads of HR perceive affordable housing as the most important issue amongst those identified, with a quarter of them saying this was a major problem.

## Problems for organisations

Q Thinking about the quality of life in London, how much of a problem do you consider the following to be for your business?



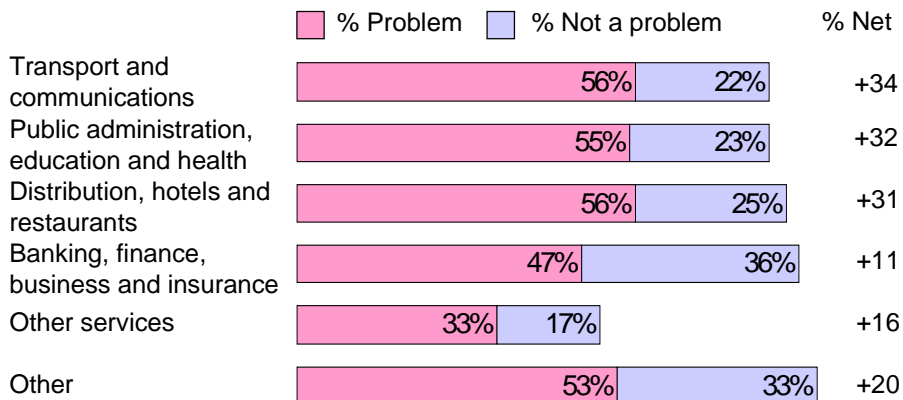
Base: All answering (110)

Source: NOP

Affordable housing is considered an issue by most kinds of organisation.

## Problems for organisations

Q Thinking about the quality of life in London, how much of a problem do you consider affordable housing to be for your business?



Base: All answering (110)

Source: NOP

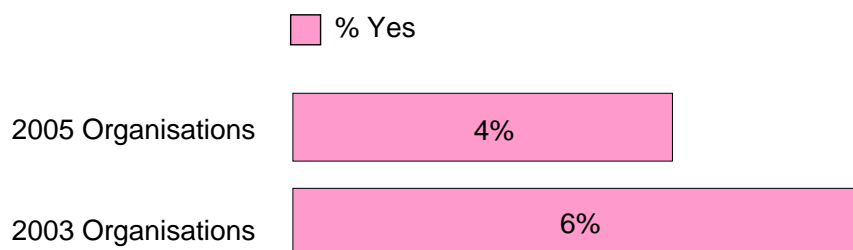
## Difficulties recruiting staff

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The vast majority of organisations (96%) say they do not have recruitment issues. The level of those identifying recruitment issues is comparable to the findings in the 2003 Employers survey. On this basis, general recruitment does not appear to be a significant problem for most organisations in Westminster.

### Difficulties recruiting staff

Q Do you have any difficulties recruiting staff?



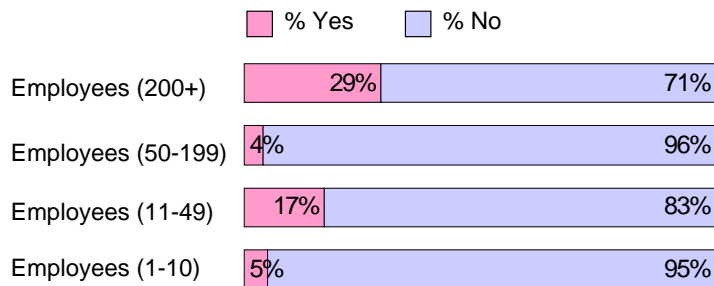
Base: All answering 2005 (110), All answering 2003 (500) Weighted result

Source: NOP

However, large firms and smaller medium sized organisations do have much more tangible issues around recruitment. One in three large organisations and one in six smaller medium sized organisations say they have recruitment issues.

### Difficulties recruiting staff

Q Do you have any difficulties recruiting staff?



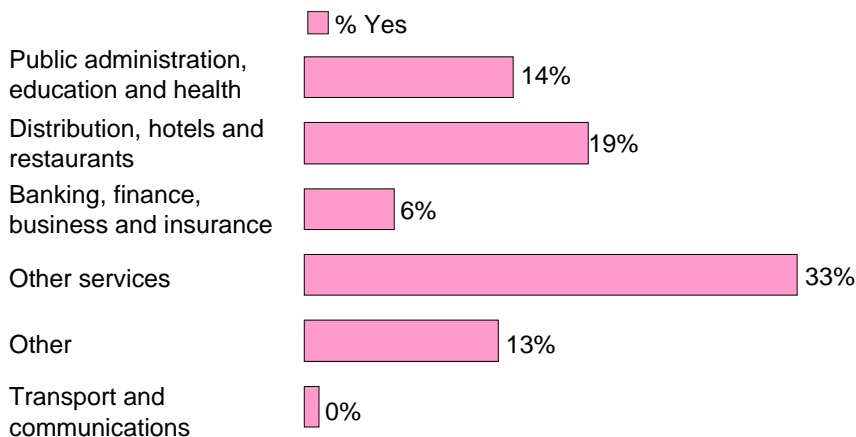
Base: All answering (110)

Source: NOP

There are differences between organisational types in term of issues around recruiting in particular in the other services sector.

### Difficulties recruiting staff

Q Do you have any difficulties recruiting staff?



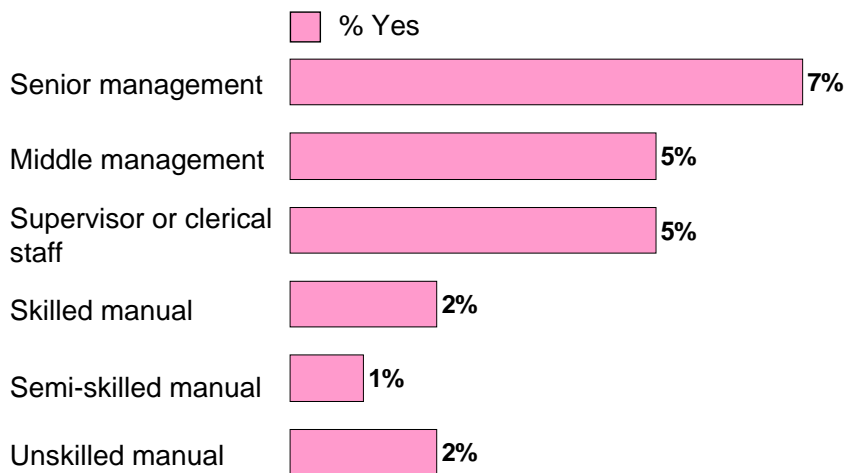
Base: All answering (110)

Source: NOP

Given the small number of organisations saying that they have issues recruiting staff, any observations about the patterns of recruitment of staff at different levels carries a heavy health warning. It is certainly not possible to draw conclusions about differences between organisations in different business sectors. This said, it would appear that the issues around recruitment are greatest at middle and senior levels. This matches findings in the 2003 Employers survey.

## Difficulties recruiting staff

Q Which, if any, of the following types of staff have you had difficulty recruiting?



Base: All answering (110)

Source: NOP

Organisations with recruitment issues were most likely to have difficulties finding candidates with suitable skills or education. Affordable accommodation, salary levels and the cost of commuting all feature prominently as factors affecting recruitment.

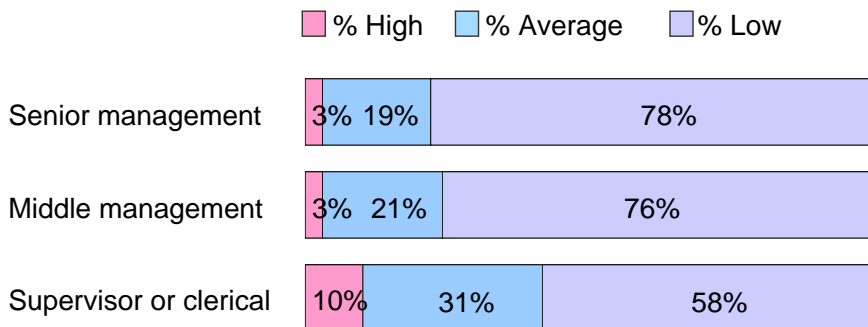
# Staff turnover

The perception amongst respondents is that turnover of staff is lowest at a senior management level and greatest at the supervisor and clerical level. This is perhaps not surprising, given that supervisors and clerical staff make up a significant proportion of the employees in these organisations, and large organisations in particular.

Most organisations in Westminster are service based. However, those organisations with a manual base appear to have retention issues with skilled and unskilled manual staff. It is worth noting, however, that the small base size means this observation is indicative rather than statistically robust.

## Staff turnover

Q For each of the following types of staff do you consider turnover to be high, average or low?

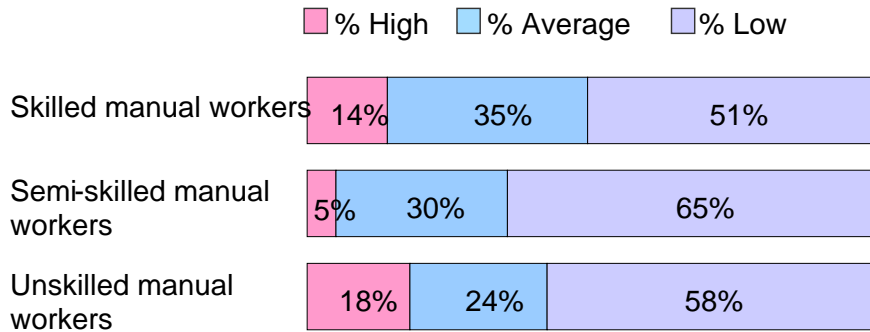


Base: All those citing Senior management, administrative or professional staff 2005 (102), Middle management, administrative or professional staff 2005 (98), or Supervisor or clerical and junior management, administrative or professional staff (99)

Source: NOP

## Staff turnover

Q For each of the following types of staff do you consider turnover to be high, average or low?



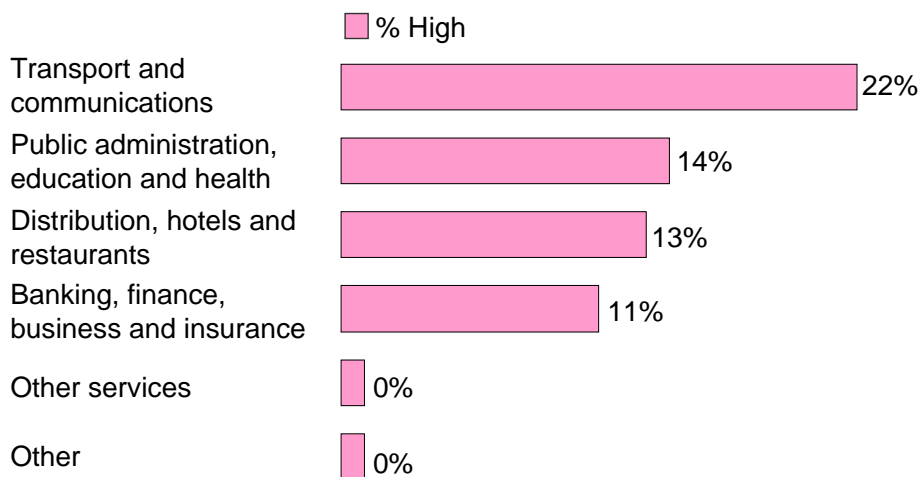
Base: All those citing Skilled manual workers 2005 (37), Semi-skilled manual workers 2005 (37), or Unskilled manual workers 2005 (33)

Source: NOP

Though indicative, it may be possible that there is variation in the level of turnover in the middles of different sectors.

## Perceptions of staff turnover

Q For supervisor or clerical and junior management, administrative or professional staff do you consider turnover to be high, average or low?



Base: All answering (110)

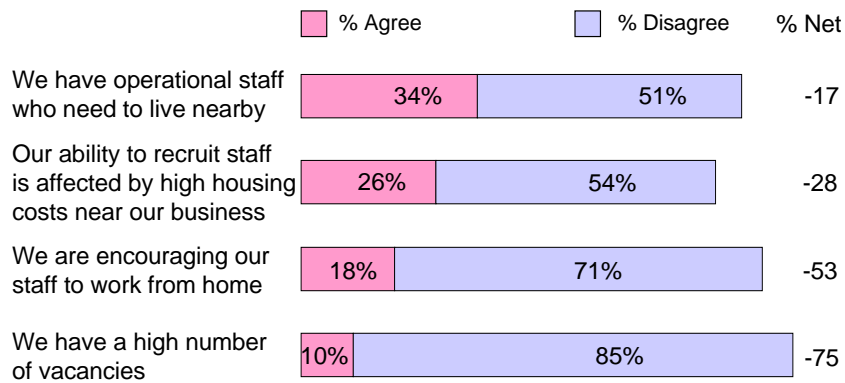
Source: NOP

# Perceptions around recruitment and retention

Most organisations are confident that they can recruit and retain staff and generally lack an appetite to change what they are doing. More than half of the organisations responding to the survey do not agree that the issues raised around staff incentives are relevant to their cases. The exception to this is the idea of organisations working together to provide local housing for staff.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statements?

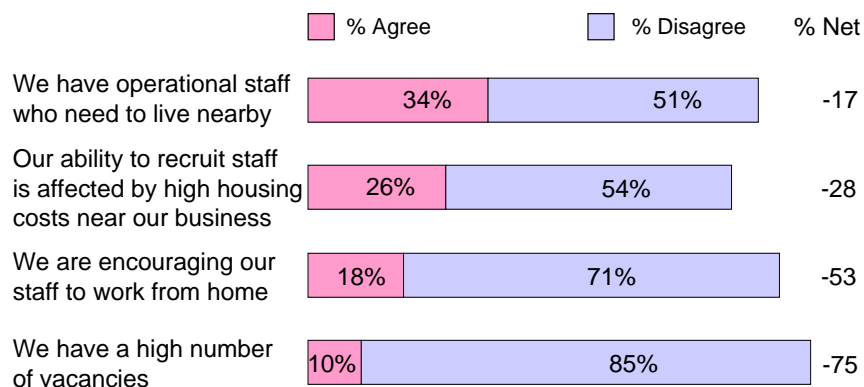


Base: All answering (110)

Source: NOP

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statements?



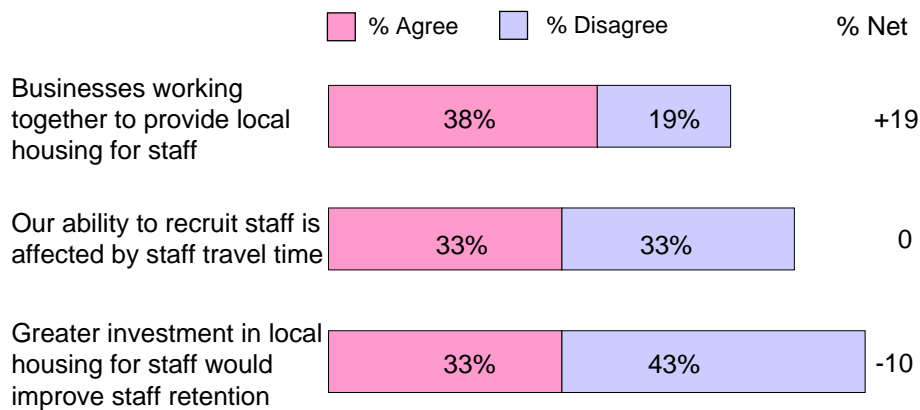
Base: All answering (110)

Source: NOP

However, the picture is somewhat different for the largest organisations in Westminster. They are generally more interested in these ideas. In particular, they are more affected by the high costs of housing on their staff, have a greater need for operational staff to live nearby and more vacancies.

## Perceptions about recruitment and retention Large Employers

Q To what extent do you agree or disagree with the following statements?

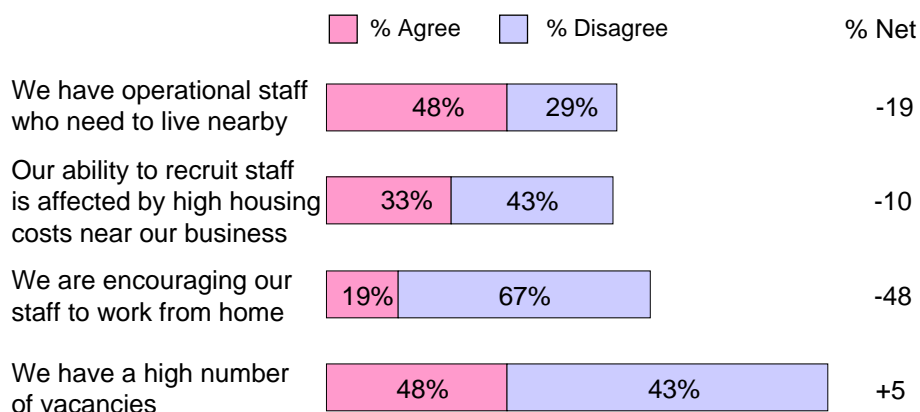


Base: All organisations with 200+ employees (21)

Source: NOP

## Perceptions about recruitment and retention Large Employers

Q To what extent do you agree or disagree with the following statements?



Base: All organisations with 200+ employees (21)

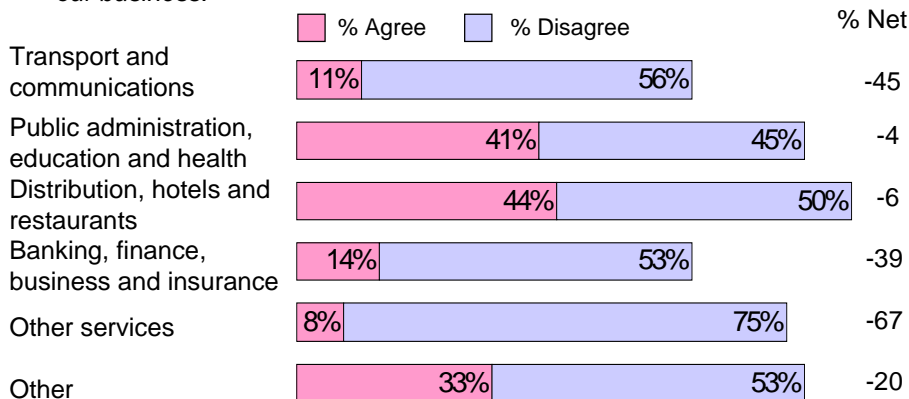
Source: NOP

All business sector results are indicative and carry a heavy health warning.

The distribution, hotels and restaurant sector and the public sector may experience more issues about the cost of housing affecting the recruitment and retention of staff.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statement?  
Our ability to recruit and retain staff is affected by high housing costs near our business.



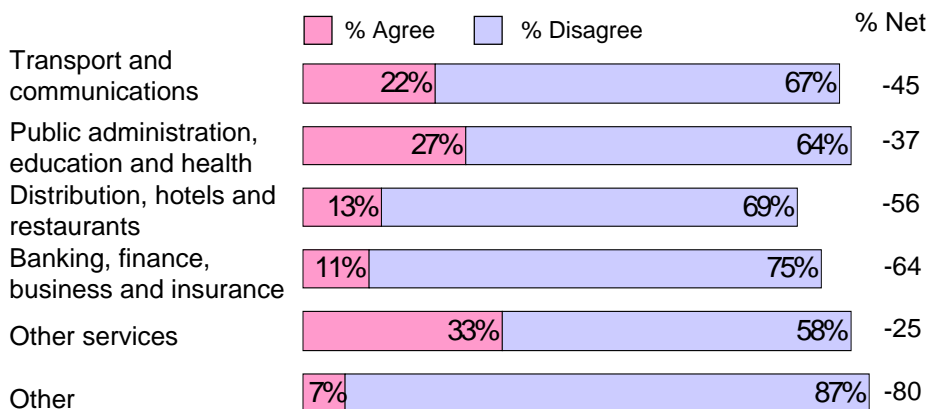
Base: All answering (110)

Source: NOP

There is some variation in the level of experimentation with home working with other services and the public sector leading the way.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statement?  
We are encouraging staff to work more and more from home.



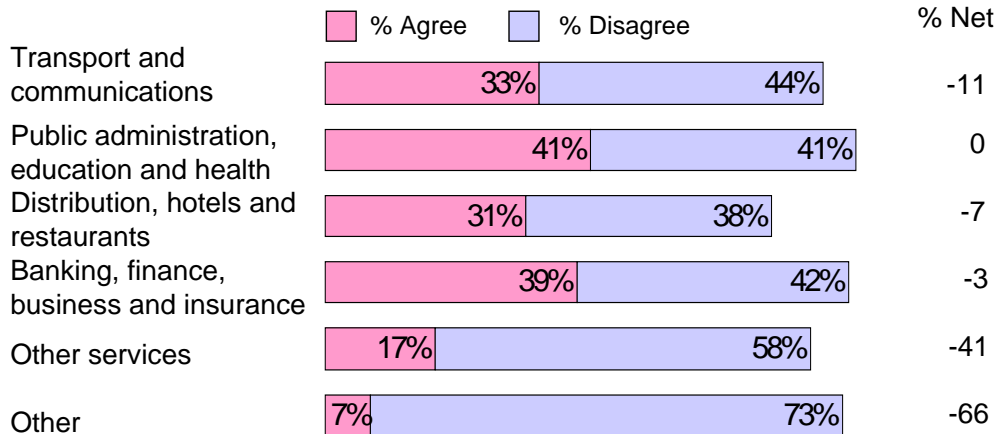
Base: All answering (110)

Source: NOP

Most sectors have similar views about what impact greater investment in housing would have.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statement?  
Greater investment in local housing for staff would improve staff retention.



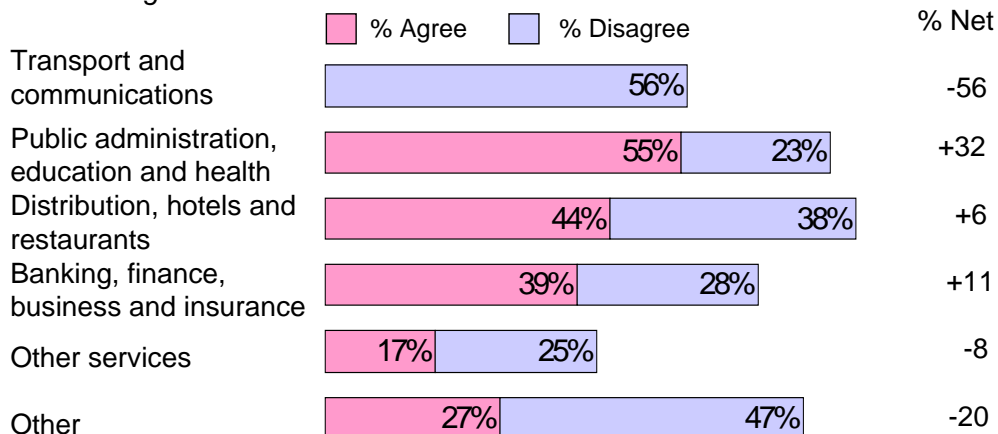
Base: All answering (110)

Source: NOP

Different sectors hold distinctly different views about working together to provide local housing for staff with the public and business sectors most likely to be interested.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statement?  
Businesses should work together in Westminster to provide some local housing for staff.



Base: All answering (110)

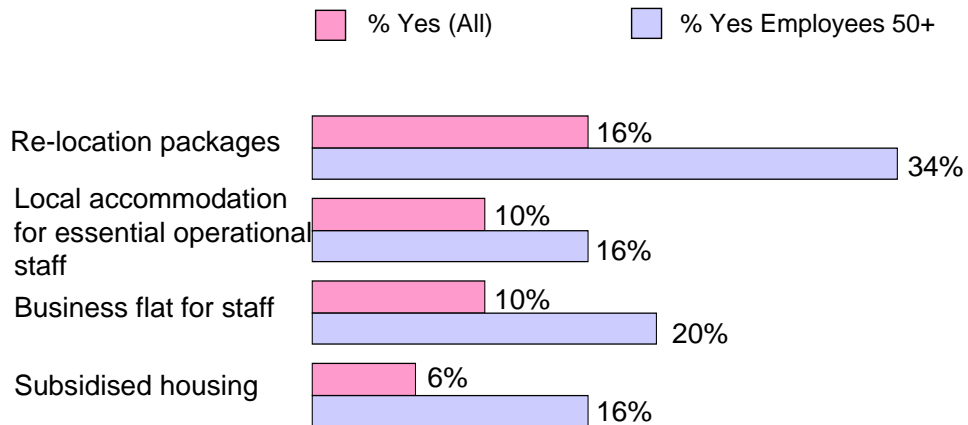
Source: NOP

# Staff benefits

A small number of organisations offer staff benefits around housing in Westminster and very few said that they would offer these benefits next year if they did not already. Larger organisations are more likely to offer staff re-location packages or have a business flat that their staff can use.

## Staff benefits

Q Do you offer any of the following to your staff?



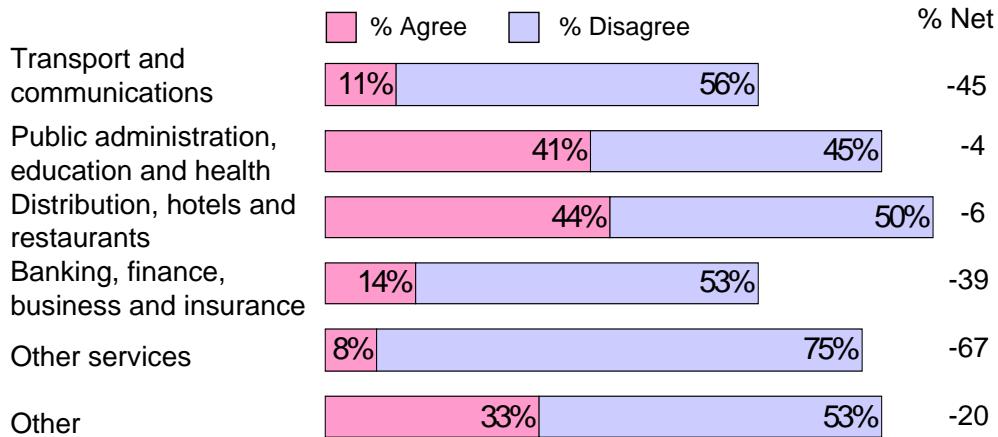
Base: All answering (110)

Source: NOP

Staff benefits also vary widely by business sector.

## Perceptions about recruitment and retention

Q To what extent do you agree or disagree with the following statement?  
Our ability to recruit and retain staff is affected by high housing costs near our business.



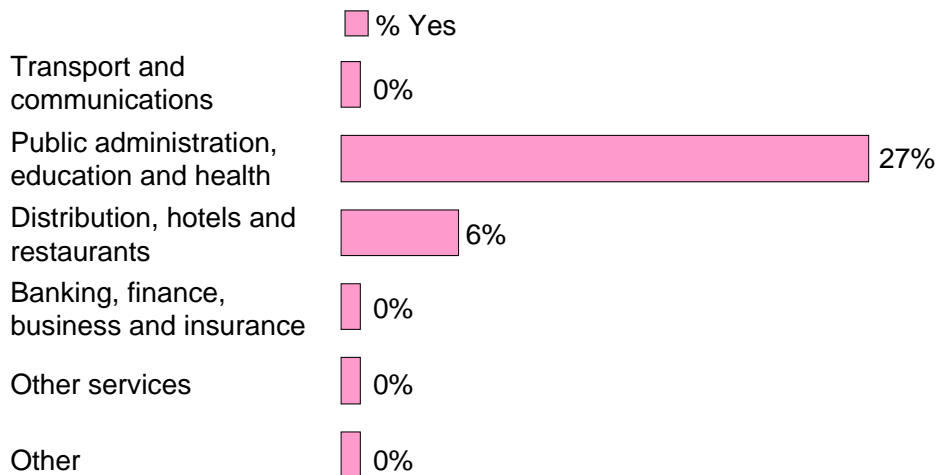
Base: All answering (110)

Source: NOP

The public sector and the hotel sector are the only ones providing subsidised housing for staff.

## Staff benefits

Q Do you offer subsidised housing to your staff?



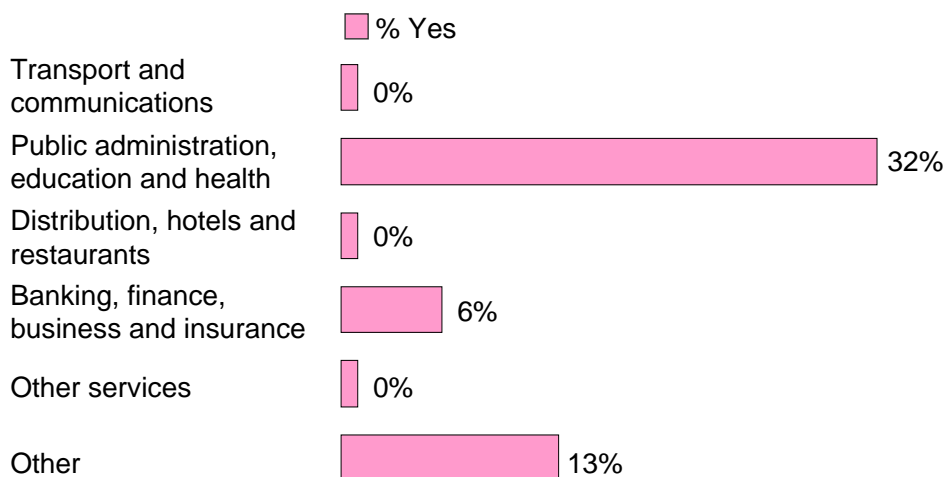
Base: All answering (110)

Source: NOP

Just the business sector and the public sector in our sample had business flats for staff.

## Staff benefits

Q Do you offer business flat for staff to your staff?



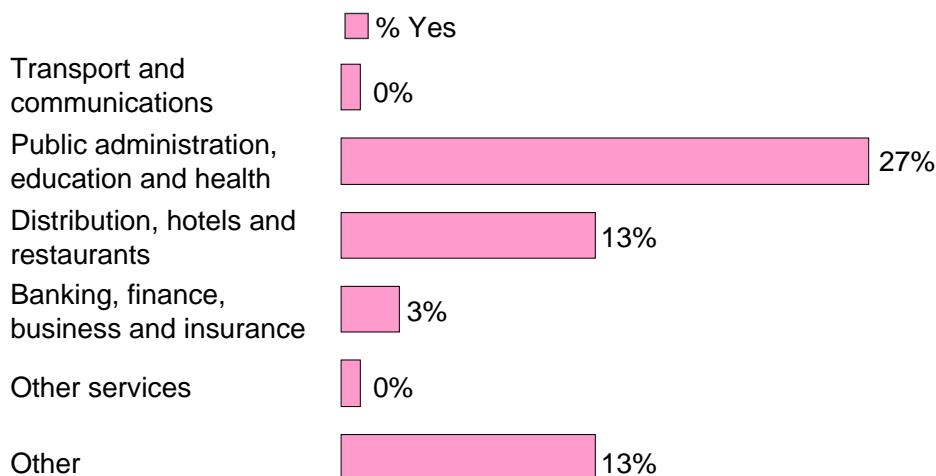
Base: All answering (110)

Source: NOP

Again, in line with the subsidised housing, the public sector and the distribution, hotel and restaurant sector are most likely to have local accommodation for operational staff.

## Staff benefits

Q Do you offer local accommodation for any staff that need to be in close proximity to their work place for operational reasons?



Base: All answering (110)

Source: NOP

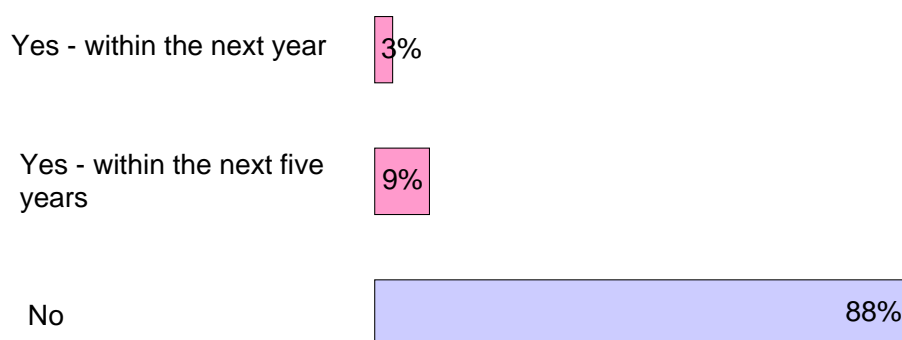
# Relocation

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The vast majority of organisations in Westminster have no intention of leaving the area. Where organisations are thinking of leaving Westminster it is much more likely to be a long term plan than a short term one.

## Relocation

Q Are you considering relocating your business from the City of Westminster?



Base: All answering (110)

Source: NOP

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# Appendices

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## Statistical Reliability

The respondents to the questionnaire are only samples of the total “population”, so we cannot be certain that the figures obtained are exactly those we would have if everybody had been interviewed. We can, however, predict the variation between the sample results and the “true” values from a knowledge of the size of the samples on which the results are based and the number of times that particular answer is given. The confidence with which we can make this prediction is usually 95% - that is, the chances are 95 in 100 that the “true” value will fall within a specified range. These statistical tolerances are based on a representative sample, as these results are only broadly representative we would expect the margin of error to be increased by several percentage points. The table below illustrates the predicted ranges for different sample sizes and percentage results at the “95% confidence interval” for a representative sample.

Size of sample on which the survey results are based	Approximate sampling tolerances applicable to percentages at or near these levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 interviews	6	9	10
200 interviews	4	6	7
400 interviews	3	4	5

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For example, where 28% of the 400 interviewees give a particular answer, the chances are 19 in 20 that the “true” value (which would have been obtained if the whole population had been interviewed) will fall within the range of  $\pm 4\%$  from the sample result (28% $\pm 4\%$ ).

When results are compared between separate groups within a sample, different results may be obtained. The difference may be “real”, or it may occur by chance (because not everyone in the population has been interviewed).

To test if the difference is a real one - i.e. if it is “statistically significant”, we again have to know the size of the samples, the percentage giving a certain answer and the degree of confidence chosen. If we assume “95% confidence interval”, the differences between the two sample results must be greater than the values given in the table below:

Size of samples compared	Differences required for significance at or near these percentage levels		
	10% or 90%	30% or 70%	About 50%
Residents (400) compared to stakeholders (50)	$\pm 9$	$\pm 14$	$\pm 15$
Residents (400) compared to staff (100)	7	10	11
Stakeholders (50) compared to staff (100)	10	16	17