



'People Science®'

PRESS OFFICE
Global Headquarters
2nd Floor, Berkeley Square House
Berkeley Square
London
W1J 6BD
Tel: +44 (0) 207 887 6108
Fax: +44 (0) 207 887 6100
www.valuentis.com

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PRESS RELEASE

Over 100,000 HR jobs at risk

There is growing evidence that the UK faces a severe downturn and has already begun the downward path. Latest estimates suggest anything up to 1.5 million jobs could go if this downturn proves to be similar in nature to the 1991-1993 recession. This would return the workforce figures to around 1999-2000 levels.

In parallel, we estimate that over 100,000 jobs in the HR industry could disappear with around 50,000 of these related to internal HR functions and the rest in the HR supply industry (e.g. recruitment, coaching, training, consultancy etc). There are various estimates of the number of people directly employed in the HR industry ranging from 250,000 to 500,000+.

We would note that estimating HR industry numbers is notoriously difficult since there is no overall recording of numbers and the difficulties in untangling professional membership with those employed within the industry. For example, latest estimates suggest that there are around 100,000 employed in recruitment alone. However, our calculations have been calculated from various bona fide sources and follow a fairly simple logic to provide some indication.

The figures also suggest that potentially between 20,000 and up to 40,000 CIPD members could be at risk through extrapolating available membership data.

VaLUENTiS' Chief Executive, Nicholas J Higgins, commented, *"These numbers are somewhat disturbing, should the more pessimistic forecasts turn out to be true. My main concern is that evidence we have gathered along with others suggest that many HR functions are not doing anything materially different since the last recessionary period and thus many of the HR jobs created since, are subject to the number of employees employed rather than any specific professional value contribution. It is a point that we have made before and it is why we regard the 'modern HR' as a very qualified success. Time will tell if this is the case. Despite the focus on HR restructuring in all of its guises over the past few years, current HR ratios certainly suggest increased HR support numbers. This implies increased risk unless value contribution can be clearly demonstrated.*

Also, with regard to the CIPD, we should remember that the CIPD came into being after the end of the last recession (in 1995) and had a combined UK membership of c. 75,000 at that time. The latest 2007 figures show a membership of 117,000 in the UK. An interesting statistic is that the ratio of CIPD membership to total workforce employed (excluding self-employed) has increased by around a third in this time. If this relationship proves to be a 'true' correlation, then the CIPD related figures can be seen to be quite devastating. However, this does not necessarily mean that CIPD membership will reduce – just the potential CIPD jobs at risk."

For further information on our Human Capital Management and HR function solutions call 0207 887 6108 or e-mail info@valuentis.com.

'Lean HR to Value based HR'

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