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Technology

REC recommends a 'Darwinista' mindset

A groundbreaking report by the REC has made recommendations to help recruiters take advantage of the rapid development of technology such as AI to streamline and enhance processes and candidate journeys. The report is published as hirers cope with labour shortages caused by an ageing population plus the after-effects of the pandemic and Brexit, while recruiters are seeking to add more value and help clients tackle these challenges.

Neil Carberry, REC Chief Executive, said that talent will be scarcer in this decade than in any of the previous four. Recruiters need to prepare because what C-suite executives want now is not necessarily what recruiters have sold in the past.

'We need to become Darwinistas by taking careful steps that bring marginal benefits rather than 'big bang' projects,' Carberry said.

The report suggests that recruiters look for ways to diversify into adjacent markets such as training or apprenticeships, and use technology to provide services that are valuable to candidates and increase their own revenue by supporting efficiency and growth. Technology will also



help them to nurture and facilitate candidate communities.

The report stresses that recruiters should not adopt technology for the sake of it, but should use CRMs to improve performance and streamline their use of vendor management software. It adds that compliance tools are 'essential shields' for recruitment firms.

The authors say: 'Generative AI presents innumerable use-cases, and perhaps no other technology has been so accessible, so quickly, directly to individual users. In this light, it's incumbent on us all to explore how this technology could help us. By

doing your due diligence, testing tools thoroughly, and keeping results under review, you'll put yourself in a better position to leverage solutions effectively and responsibly.'

They suggest that better use of IT is the basis of any digital transformation process. By aligning technology with their strategy, recruiters will get the most out of their existing tech investments and leverage all the software they pay for but never use.

The report, which also draws on research by organisations including Randstad and the World Employment Confederation, is on the REC website.

the view...



Selling the difference our sector makes has never been more important, says **Neil Carberry**, REC Chief Executive

In June I had the privilege, at the invitation of the Government, to represent the UK business community at the UN in Geneva. The annual International Labour Conference is where global labour standards have been set since 1919, and this year we discussed everything from trade union rules to increasing global commitment to apprenticeship provision.

From a UK perspective, international negotiation can seem slow, even remote – but it is vital. The REC being asked to take on this role was a real recognition of the standing and skills of our industry. Perhaps the most relevant challenges emerged in work on the budget for the organisation (where we had to work with the Government and the TUC to protect spending on EDI issues) and on labour protection.

Listening to the debate on labour protection was like jumping in a time machine. Some of the attitudes to temporary work we heard could have come from an era in the UK's distant past. Nevertheless, we have seen other countries, notably Norway and Mexico, slip back in this area in the past few years. The argument is never truly won.

Pleasingly, there was a strong team from our worldwide organisation the World Employment Confederation scattered across the global business group, and we pushed back strongly to tell the real story about the value of agency work and the good it does. But the discussions were a reminder of how much there is still to do to sell the benefits of our sector to Governments, unions and clients all over the world.

With a potential change of Government in the UK next year, we need to be aware of such threats here. Selling the difference that our sector makes has never been more important. From our economic impact, which runs to billions every year, to the opportunities we open up – the REC Restart work has brought over 1,000 people out of long-term unemployment in the past 18 months – our businesses make a difference. But we must never tire of telling people that. They need to understand what we do. Our campaigns this year will help them do that.

If you want to keep up to speed with all things recruitment then follow me on Twitter [@RECNeil](#)



CAMPAIGNS

Government is listening – but there is much more to do

Shazia Ejaz, Director of Campaigns at the REC

Our campaign work is bearing fruit – the Government is listening to us on several issues that could negatively impact recruiters. This is especially important as we move into autumn when policy announcements are made around party conferences, the Chancellor issues his Autumn Statement, and politicians think about what they tell constituents in the general election.

We have been pushing for the regulation of umbrella companies for a few years and, after the call for evidence on the umbrella company market last year, the Treasury has at last launched a further consultation on proposals to regulate them. Meanwhile, senior officials at the Department for Business and Trade agreed to meet and hear our concerns about the Workers (Predictable Terms and Conditions) Bill. Currently progressing through Parliament, the Bill seeks to offer the right to request more predictable working patterns in a way that will undermine existing flexibility within the temporary labour market. We reiterated our concerns about the inclusion of agency workers in the Bill, and argued for changes to parts such as the point at which people will be able to request stable hours. For more details on the Bill and its implications see my colleague Rachel's article on page six.

In addition, the Home Office is looking to expand the documents eligible to check for a right to work, subject to technology and security requirements. It will also undertake a formal internal assessment process regarding making accreditation mandatory, which we have pushed for.

But campaigning isn't easy and sometimes you must try different tactics. One example is our work to get clarity for members in social care in Northern Ireland on whether use of agency social workers will be banned. We had to go to local media when the Department of Health Northern Ireland refused to consult with us. The media has also picked up our survey that found four in ten children's social workers who work as temps through agencies will leave if proposed curbs on agency social workers go ahead in England. We have not given up on an eventual rethink on these two proposals.

the intelligence...

Lots of ideas, but still no sign of the Single Enforcement Body.

Hamant Verma, Communications Manager at REC



It is disappointing that we are still waiting for the Single Enforcement Body (SEB), given that this July marks four years since the Government opened a consultation on it. Responses showed such wide-ranging support from labour market experts that Government agreed to implement it – since then, all we have seen is tumbleweed.

We know that non-compliance is still an issue in the labour market, despite attempts by our members to reduce it and their willingness to act against rogue employers.

In the REC's view, the SEB will encourage closer collaboration between the different strands of labour market enforcement and will make it easier for workers to redress issues. We regularly offer to work with the Government to support its creation. We could, for example, use our extensive insight from the frontline of the labour market to advise on the detail of how these powers might be extended. Our members want a robust and fair labour market where workers rights are protected and compliant businesses thrive.

Think-tank Resolution Foundation is among a host of learned organisations calling for the promised SEB to materialise. Hannah Slaughter, its senior economist, gave a presentation to REC members in June.

As part of her talk, she provided statistics on non-compliance showing that employees aged 65 or older are more likely to have no paid holiday entitlement or payslips. The stats also reveal that just under 20% of those working

Low-paid workers bear the brunt of non-compliance

Proportion of employees reporting zero paid holiday entitlement (Q4 2019 and Q4 2022) and not being in receipt of a payslip (2019-20), by hourly pay quintile: UK



Resolution Foundation's Hannah Slaughter said that lower paid workers are least likely to turn to employment tribunals.



in agriculture, and about one in ten hospitality workers, report getting no payslip. Employees of small businesses and those on low pay are most likely to suffer from non-compliance with regulations about supplying payslips she said.

Slaughter also explained that the number of labour inspectors per 10,000 employed persons is low in the UK compared to other OECD countries. Workers on lower pay are the least likely to turn to employment tribunals, while employees earning £25,000 to £29,999 are the most likely to use them.

Slaughter went on to suggest

that the National Minimum Wage regulations are too complex for some firms.

The REC shares most of the Foundation's views on the SEB. Slaughter told the meeting that the Foundation would like to see an SEB with a broader remit which includes 'all workplace rights', including those that currently do not sit with any enforcement body, such as holiday pay, sick pay and parental provision (ie, the enforcement of statutory maternity/paternity leave and pay).

It also advocates a 'firewall' between the SEB and immigration enforcement authorities. Other suggestions for the SEB include embedding a 'genuine model of social partnership' by giving workers (or workers' representatives) seats on the board of the new body alongside business managers and experts.

REC members at the talk broadly agreed when Slaughter said that the SEB needs adequate resources to achieve its aims. They were particularly interested to learn more about the Foundation's suggestion that a range of work and business bodies should be able to make a 'super-complaint' to the new SEB to flag systemic or emerging practices that undermine worker rights.

Interestingly, Slaughter said that the think-tank is calling for the number of labour market inspectors to double, although this would have to be partly funded from the public purse. There are clearly plenty of ideas to help the Government once it decides to establish the new body.

big talking point

Re-generate

The future of work: how can we retain the multi-generational workplace in a post-pandemic world?

Most changes in the world of work happen slowly. The global Covid pandemic provided a unique opportunity to try a massive social experiment – what happens when we tell everyone to work remotely? Of course, not everyone could or did, however, it was a transformational change for many, and we are still living with the consequences.

Predicting the future of work has become a million-dollar question. It will have a profound effect on the recruitment industry, both through its impact on recruitment firms and on the candidates they supply. However, as some organisations summon staff back to offices, others settle down to hybrid working and a few abandon their offices, there is little agreement about which will become the mainstream.

One issue is the way the changes have divided generations. In general, the young, living in shared houses with no dependents, struggled, while older workers with houses and family commitments welcomed more time at home. Younger people were more likely to be laid off and to miss training and promotion opportunities. Older people were more likely to save money.

Covid itself affected young and old differently and this led to a further generational split. Many experienced professionals subsequently chose to retire early, or scale down their work. Some younger people say they have been inspired to switch to something that 'makes a difference'.

How organisations respond to these conflicting needs and maintain a multi-generational workplace is a critical issue

– and a question that recruiters should be engaging with, both to offer advice and to apply in their own organisations.

'Age diversity is as important as gender and ethnic diversity in impacting a company's bottom line. All companies require that mix of experience and ingenuity and cannot afford to generate a culture of age-discrimination (either for the old or the young),' according to Dr Eliza Filby, a specialist in generational intelligence, in her report "[Mind the Gap: Managing a Multi-Generational Workforce in the Age of Hybrid Working](#)".

However, generalisations are dangerous. 'Generational analysis is a starting point, not an end point. Generational stereotypes are to be avoided, but understanding the context, values and behaviours of each cohort can help create empathy across the generations and raise the consciousness of leaders to ensure better decisions are made,' Dr Filby says.

While recruiters and employers should therefore pay attention to the stats, they should compare general surveys with what they see in specific sectors and hear in conversations with candidates. They can also ask HR managers how much they know about their own employees.



Flexible and holistic

'Employees of the future will want a much more flexible and holistic approach, particularly as the next generation enters the workforce,' according to April Marcot, Chief People Officer at global recruitment firm McArthur, who contributed to a report by Sage *The Role of HR in 2030*. 'They will push businesses beyond their comfort zone.'

Data will become increasingly important and recruiters should not only use data more innovatively themselves, but should also expect to see more of this from clients. Sage's report highlights 'People analytics-based insights that drive business impact' as one of its top five trends for the next seven years.

When it comes to adjusting our working styles and environment to suit all ages, there are myriad ideas. Again, recruiters can add value, not only by promoting innovative employer practices to candidates, but also by sharing others' experiences with clients and explaining the response they've generated. Some are going further and practising what they preach.

Jackson Hogg, for example, introduced a four-day week for all employees in August 2022 and, according to Aoife Owens, the firm's Associate Director for

People, this has improved collaboration as well as aiding wellbeing and retention. 'We did a benefits review and asked what was the most valuable thing we could give our people. We realised it was time,' she says.

This has the potential to appeal to all generations and personalities – those who want to develop hobbies and those who have family commitments. 'We've had clients ask us how it works and whether it could help their organisation – there's a real appetite for this,' Owens says. 'The data adds up. Why wouldn't you do it? We thought it sounded great but wouldn't work in recruitment. The pandemic made us realise that so much more is possible.'

Dr Filby lists other changes that could help to attract and retain the workforce of the future – from offering support with home office infrastructure, equipment and costs, to evolving the ethos and purpose of head offices and even setting up deals with hotels to enable hybrid workers to stay close to the office when they travel in occasionally.

Wellbeing is another hot topic and more employers are looking at hiring wellbeing practitioners and introducing processes to prevent

"burnout" from constant online meetings and connectivity.

Employees are also reportedly becoming more likely to look for strong environmental, social and governance credentials – something that executive search firm tml Partners has taken seriously by becoming B-Corp Certified. The process involved setting up a foundation dedicating 5% of staff time to community initiatives. 'Staff engagement is essential, and twice a year we all do a personal carbon footprint assessment and discuss ways to improve,' explains Charlie Green, the company's MD.

Developments like this highlight the artificiality of the five-day nine-to-five job. If we want to entice people who can afford to retire back into jobs, we must stop thinking in terms of the hours introduced for 19th-century banks and ask what works for people today.

Dr Filby points out that 'the workplace has become more informal and more equitable. On video calls, everyone has a seat at the table and participants all appear as equal-sized randomly arranged rectangles.' Lockdowns 'democratised' workplaces and forced managers to trust employees to structure their workloads. Younger workers are also reportedly more comfortable with providing digital feedback, so may be less shy about expressing what they like and dislike.

These gains should be optimised so that people can identify what they want from a job, beyond the pay packet. This will differ according to age and circumstances, but also by personality type – it could open doors for people with disabilities or who are neurodiverse.

There are also dangers. How can younger workers access training and experience without working alongside experienced colleagues? Will older workers fail to develop crucial digital skills if they are at home? Are people who work remotely more likely to be ignored or become disengaged? Opportunities for fraud may increase and organisations should think hard about culture.

What is clear is that the world of work is becoming less homogenous – there are more opportunities for employers and individuals to differentiate themselves. Recruiters will have to use all the tools at their disposal to understand what candidates want and where they are likely to get it.

Statistics

92% of millennials say flexible working is a top priority when job hunting.

Only 20% of advertised jobs offer flexibility.

70% of job seekers say they want to work for a company committed to diversity and inclusion.

More than 50% of employees want a great work-life balance.

41% of employees say ethics and values are most important for them.

SAGE: *The Role of HR in 2030 report*

legal update

Predictability law may undermine temporary contracts

Rachel Davies, REC Solicitor & Commercial Adviser

There is Government support for a Bill to address concerns about “one-sided flexibility” at work, but the right to request predictable working patterns could have problematic consequences.

The REC is fiercely campaigning against the proposal for a Bill to request predictable working patterns, but there is still a strong chance it will become law in early 2024. The Workers (Predictable Terms and Conditions) Bill provides for two separate but very similar sets of rights, one for agency workers and one for workers.

Broadly speaking, the Bill allows a worker or an agency worker to apply for a change to the terms and conditions in their contract to obtain a more predictable working pattern if there is a 'lack of predictability'. The change relates to their working hours, days or duration of the contract. Once the application is received, the hirer or employment business must respond within a month and, if it is accepted, a new contract reflecting the agreed change to their work pattern should be provided within two weeks.

It is important to note that, as with the flexible working regime, the legislation will provide the right to request this rather than a right for the request to be granted. Employers

and employment businesses can refuse the request for a number of reasons which to a large extent mirror the reasons for refusal in the flexible work regime. If you have a good business reason for rejecting the request, you must explain the reasons sufficiently to the worker to justify refusal. You will need to ensure that you have a suitable process in place to deal with the requests.

What is surprising is the omission within the Bill to define what is meant by 'predictability', although it appears to encapsulate anyone whose working pattern (in terms of days or hours) varies in a way that creates uncertainty for them. For example, someone who is not provided with a guarantee of hours or is on a fixed-term contract of under 12 months would be deemed as not having predictability.

There are clearly concerns with this 'one-sided flexibility', as the Bill appears to eliminate dual flexibility under which agency workers provide their services. This is where there is no obligation to work or be provided

with work, which is a voluntary choice for many agency workers. The Bill therefore has the potential to undermine the fundamental purpose of temporary work. Furthermore, the main distinction between employees on a contract of employment and agency workers on contracts for services is that there is no mutuality of obligation. By introducing a 'predictable' working relationship, it could affect the employment status of workers and cause greater confusion. It may also deter employers from hiring agency workers.

The REC has already made representations to the Department for Business and Trade. We will continue to monitor the progress of this Bill and clarify to civil servants and Ministers why the Bill in its current form doesn't work for temporary workers.

I recently read a thought-provoking report by PWC on what the future of the workforce may look like in 2030.

First, however, I will provide some context by jumping back 13 years to recall past predictions of the future. Back in 2004, there were no iPhones, Netflix, YouTube or mainstream access to Facebook. LinkedIn was a year old and it was rare to work remotely. Furthermore, cloud technology was just emerging – much like artificial intelligence (AI) is today.

We are living through a fundamental transformation in the way we work. The emergence of AI is impacting the skills that businesses are looking for in their people (37% of people are worried about AI putting jobs at risk). The study, which includes a survey of 10,000 people in China, the US, the UK, India

and Germany, postulates four possible Worlds of Work in 2030. AI is one major opportunity and the growth of green jobs is another.

In the Green World, the prime focus is society, corporate responsibility and sustainability. Workforces are attracted to an organisation because they believe in its mission (23% say that doing a 'job that makes a difference' is most important to their career). This will lead to a rise in green jobs, with an emphasis on conscious roles with a positive impact on the future.

Technology is used to ensure there is minimal impact on the environment and those around them as well as to enhance the scarce resources those businesses have. Artificial intelligence will have a big impact on the future of green jobs, including enabling the workforce to accomplish more with a lower environmental footprint.

Future of the Workforce

Stuart Johnson, Bullhorn

Scarce skills and global ambitions

What I know



Donna Parker is MD of the Branch Network and Onsite Divisions, Staffline Recruitment NI

Northern Ireland remains confident, but employers are hiring more temps.

Staffline NI is the largest recruiter in Northern Ireland and the second largest on the Island of Ireland, with 12 branches and 14 onsite locations. We have over 30 years' local experience under the Diamond and Grafton brands. Demand for permanent staff is slowing as more employers seek temps. After the pandemic, the permanent market boomed. There is more caution now, but people are hiring.

Candidates are in short supply.

A broad issue for recruiters is a lack of candidates. Northern Ireland has the lowest rate of unemployment in its history and the highest rate of

economic inactivity in the UK. Many lower paid workers go to the Republic where inflation is lower and the minimum wage is higher. The tax system means that highly skilled employees who retire early don't benefit from earning more. Meanwhile, the UK's immigration policies make it easier for Europeans to move to the Republic.

Diversity and flexibility are key.

Some businesses are struggling, but tourism is booming and the shipyard in Belfast has its first order for naval vessels in 25 years – but we need skilled people. Mechanical and electrical engineers are scarce. We are talking to clients about diverse and flexible workforces, but there is more to be done.

Q&A



Dennis Howes is Co-Founder of Membership Bespoke

What is special about membership organisations?

Many people are unaware of the sector, but it offers great careers. It's commercial, yet profits are reinvested and many people like this ethos. It offers a huge variety of roles, from events management to marketing, training to lobbying. We have eight key departments focusing on the core roles, and the diversity of subject matter is matched by the diversity of the people. A large healthcare membership association is completely different from an organisation representing logistics firms, so there are wide career choices.

How did you get involved?

I fell into the sector 12 years ago and it changed my life. It's

good to work with people who feel they have a stewardship role to support members and pass the baton to another generation.

Why are you now growing rapidly?

We work remotely and the pandemic created a pool of talented recruiters wanting the same. Increased video interviewing also helped us to do more, faster. We're now launching an executive search service which will use psychometric testing and behaviour analysis to help organisations' boards agree on the person they need and then help us to identify the best people. We have the biggest database of people with membership body experience in the UK (possibly in the world) and we'd like to go global in the next few years.

Green jobs will grow only when we have a green jobs market infrastructure

By Professor Katy Mason and Professor Karen Dale
from Lancaster University Management School



The UK must accelerate progress towards the greening of its economy. Definitions of what green jobs are vary, but we think they are those that require the skills to use and innovate low- or zero-carbon technologies, and practices that do less or zero harm to the environment. Multiple linked crises caused by climate change, energy supply and cost of living necessitate immediate growth in green jobs to enable our economy to flourish.

But the UK lags behind its European counterparts in progress towards an effective infrastructure to support green growth and green job transitions. A principal inhibitor of growth in jobs of this nature is the lack of an effective green jobs market infrastructure. By that we mean a structure that sits below the jobs market, enabling those searching for work with the right skills, and those with the right opportunities to develop those skills, to coordinate action.

This requires a significant effort from multiple agencies including employers, education institutions, recruitment agencies, public sector authorities and professional services. They all need to be connected by supporting technical infrastructure that enables the management of the timely training, recruitment and employment of skilled workers. We have been working with a number of different organisations to try to secure funding and design new research that can be easily translated into action to help build such an infrastructure in Lancashire and Cumbria.

The national 'Just Transition' Jobs Tracker indicates that 6.3 million jobs are likely to be affected by changes in the green jobs market in the near future. As one project partner's CEO told us: 'There is no job that will be unaffected by green changes. There is a desperate need for detailed, experiential evidence so that we get investments in the right initiatives in the right places.' In November 2020, the UK government's Ten Point Plan for a Green Industrial Revolution set out support for up to 250,000 green jobs by 2030. Companies and professional bodies recognise this need, but without considerable investment up to 660,000 jobs could be at risk, according to the TUC.

Ongoing regional work by the Work Foundation at Lancaster University reveals acute challenges faced by the social, spatial and economic characteristics of Greater Lancashire and Cumbria, even though the region is forecast to benefit from large numbers of new green jobs. Having the kind of green jobs market infrastructure we talk about above will be critical, as changes to the industrial make-up of the economy and associated policy interventions will require a range of stakeholders to work together to make these jobs come to fruition.

A number of regional organisations and networks have been developed specifically to work on the green jobs/net zero transition (eg, Net Zero NW, Decarbon8, HyNet NW) and the work of cross-cutting organisations is now incorporating green jobs into regional policy initiatives (eg, N&W Lancashire Chamber of Commerce's work on a Local Skills Improvement Plan Trailblazer). We see significant opportunities for researchers like us to work in partnership with regional and national stakeholders to create a mechanism that could connect regional projects and help to establish the market infrastructure we need to support green jobs. For existing expertise and networks, look to Lancaster University's Environment Centre, Centre for Global Eco-Innovation and Pentland Centre for Sustainability in Business.

What we do know is that the current infrastructure is failing: it is not fit for purpose. The lack of a consistent categorisation of 'green jobs' across sectors is inhibiting movement and creating confusion for employers and employees. Professional advisory services are likely to be key for any 'green jobs' market, with advisory services from accountants, bank lending officers, consultants, insurers and so on, needing to be 'greened' to support organisations as they green their operations.

We need to act quickly to develop an effective green jobs market infrastructure. It would go some considerable way to address the significant gap between green aspirations, the capacity to do certain sorts of green jobs, and the establishment of the professional support mechanisms to match people and work.