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Workers' rights

Battle deferred over Employment Rights Bill

The stage is set for a battle over the future of work. In the coming months, the government must referee a clash between competing views on flexible working and how best to facilitate a strong labour market that is good for employees, employers and, ultimately, the economy.

The depth and scale of the ambitions behind the Employment Rights Bill are unprecedented in this century. Whatever the result of the debates, it is likely to change the way agencies work in the second half of the 2020s.

The publication of the Employment Rights Bill was described by Neil Carberry, REC chief executive, as “probably the biggest non-Covid intervention in our labour market by a government in 20 or 30 years”.

The pre-Bill discussions with business, industry, unions and stakeholders, including the REC, seem to have caused the government to defer key decisions. It has promised consultations to cover some of the most contested measures. Most are likely to begin next year, since the government is keen to act on its manifesto commitments as soon as possible.

However, some consultations will be published in the coming weeks.

The Bill has been a hot topic in REC forums, although the extended process before operational changes are brought in has calmed some anxiety. The REC will engage with members and the government to help ministers get these reforms right. Within days of the Bill's publication, the REC drew on its conversations with members to write to opposition MPs asking them to raise our concerns in Parliament. We will continue to engage with the government and will co-ordinate work with other trade bodies as necessary.

“It is a case of battle deferred on this, but not for long,” said Carberry “We are confident that we have the evidence and arguments to influence government strongly in these consultations, as we seek to promote temp work as pro-worker, pro-business and pro-growth.”

The policies going to consultation include plans to ban exploitative zero-hours contracts, protection against unfair dismissal from day one, immediate access to Statutory Sick Pay (SSP) – and the removal of the lower earnings limit for it –



and reduced scope for fire and rehire practices.

Unions are divided on the Bill. Unison called it a “game changer”, the GMB said there is “a long way to go” and Unite complained that it “stops short of making work pay”.

Not included in the Bill, but still on the cards, is consultation on the plan to merge the current employment statuses of employee and worker into a single category of ‘worker’.

“The delay to this reflects that the government understands its complexity and difficulty to implement,” said Carberry. “It was sensible of the government to avoid a target date and instead consult with business and industry.”

the view...



Kudos to those who have braved the political and economic storms in 2024 and made a difference, says **Neil Carberry**, REC Chief Executive

I sat down with a leader in our industry recently, and they said to me, “Yes, it’s tough right now. But that is what it means to lead. You have to get on with it.”

There’s a lot of wisdom in that. Client caution has defined the market in 2024 making it hard yards for recruiters across almost every sector. Some of this stems from economics, and some from politics.

As I write, the Governor of the Bank of England has said the Monetary Policy Committee will be “more activist” in reducing interest rates – and therefore the cost of credit – in the months to come. That will help temp recruitment businesses in particular. And perm and temp alike will benefit if clients feel more positive about investment after the industrial strategy is launched.

Client sentiment has been very gently improving in our data, but we are where we are. At the Expo in October, I talked about remembering that there is a lot of activity out there (and always business to win) even when the overall trends are tough. That was also the theme of the Masterclasses we held with Brad Shackleton in the autumn, and it was great to see members in a room together plotting growth. After a harder year, strong business development skills matter more than ever.

In essence, this is the point made by the industry leader I was having coffee with. It’s easy to be a commentator, or to stay inside because it’s raining. But we live on a wet island, and we know that you have to dress for the weather and go out regardless. You do what you need to, with consistency.

So kudos to everyone who has braved the storm this year. We’ll be celebrating the difference you made at our awards at the end of November.

The signals for 2025 are better – and the value clients see in us as we develop solutions to the new problems they encounter will grow. We are the specialists. I see that in the extent to which the REC has been courted by other business groups to talk to their members. These people are your clients. We all make a difference in what we do. As the market turns, let’s get out there with our raincoats on and solve the problems we see.



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



CAMPAIGNS

#TempWorkWorks

Shazia Ejaz, Director of Campaigns at the REC

As an industry, we know and live the hashtag of the REC’s latest campaign #TempWorkWorks. But the new government still needs persuading about the value of temp work for individuals as well as the UK’s economy. That’s why we have put the voices of temp workers at the forefront of our campaign to influence the shape of the Employment Rights Bill (ERB).

We now have a published ERB that sets out the high-level framework for expanded employment rights which will affect all employers. The REC had an enviable position in the room with the Business Secretary and the Deputy PM and was able to influence thinking on parts of the Bill where agency work needs specific consideration, but there is much more to do. Detailed consultations on specific regulations will emerge soon.

The timing of the #TempWorkWorks campaign is crucial. Our video case studies use individuals’ own words to drive home the importance of temporary working and how our industry facilitates life-changing opportunities. They tell the compelling stories of: Ikenna, a masters student from Nigeria studying screenwriting while doing temp work as a cleaner; Jan, a recruiter in the drivers sector who does temp work to help her manage her Multiple Sclerosis; and Clare, a Radiographer who works in the NHS in a way that allows her to run her own training business, helping the next generation of radiographers gain skills.

Politicians engage better with stories of human impact than ‘business lobbying’ and that’s why we need REC members to engage with the campaign and share the content with their MPs. A template letter on our website can be tailored to send to local stakeholders. It’s your chance to remind them of the value you bring to the local economy as a business, and the support you give their constituents to find work and earn a living.

Visit the REC website to access case studies and to download the member toolkit, which makes it easy for you to help us amplify the campaign messages.

the intelligence...

DEI: Not equal everywhere

Mukul Tiwari, REC Research Manager



A cornerstone of modern business in the UK is implementing procedures to enhance Diversity, equity and inclusion (DEI), but the extent and application of these vary across organisations and are influenced by several factors.

The size of an organisation is one of the most critical factors determining the scope, depth, and execution of DEI policies. Small, medium and large organisations tend to have differing capabilities and pressures when it comes to embedding DEI in their workplace culture.

For instance, a recent REC survey shows that 68.8% of large organisations surveyed (250+ employees) specifically state interest in diverse candidates in their job adverts, whereas only 35.3% of medium-sized (50-249 employees) and 29.2% of small organisations (0-49 employees) do this. In the selection process, while 80.2% of large organisations use diverse interview panels, small and medium-sized organisations lag behind with 15.7% and 28.1% respectively doing this.

Large organisations may have the resources and infrastructure to implement comprehensive DEI initiatives, but small organisations often face challenges that limit their abilities. Small organisations are likely to have more limited budgets and may not be able to afford a dedicated DEI professional or to deliver extensive training. As a result, their DEI initiatives are often informal and reactive, rather than structured and proactive. In



Our REC survey shows that in the London region 48.7% of employers specifically state interest in diverse candidates in their job adverts

small organisations, where employees often have multiple roles and responsibilities, there is typically little time for planning and executing formal DEI strategies.

Similarly, regional differences between organisations in London and those in the North, South, East or West of the country can influence the priority given to DEI.

Our REC survey shows that in the London region 48.7% of employers specifically state interest in diverse candidates in their job adverts in comparison with 35.5% from the South (excluding London) and 26% from the North. Furthermore, 57% of employers from London use inclusive words when drafting job adverts, compared with 40.4% in the North.

As one of the most diverse cities in the world, London is at the forefront of DEI policy development. Organisations based in the capital can tap into a multicultural workforce, and many of the largest corporations headquartered in London are global players with a

strong focus on DEI. The South East of England benefits from this proximity, with organisations in this region often mirroring London's focus on inclusion.

The North of England, with its historically industrial economy, presents a contrasting picture. While some cities, including Manchester and Leeds, have made strides in promoting diversity, many towns and rural areas are less diverse, which can affect the implementation of DEI policies.

Regardless of size or location, there should be a growing recognition across all sectors of the need for inclusive practices. Tailoring DEI policies to reflect organisational capacity and regional diversity is essential to fostering an inclusive work environment across the UK. It also enhances a company's reputation, enabling it to attract the best talent and to create stronger customer relationships by reflecting a wider range of societal needs.

For more on DEI, see page 8.

big talking point

Hidden talents

The UK needs to boost growth, yet highly skilled professionals routinely struggle to return to work after a career break. A new REC survey and guidance aims to help recruiters change perceptions.

We all need people to return to work after career breaks – the government has repeatedly pointed to high levels of economic inactivity as a brake on growth, companies need skills, and individuals need the opportunities and the emotional rewards of satisfying work, as well as salaries. So why are so many people in the UK not working?

According to the government's statistics, in 2022, 22% of working age people in the UK were economically inactive. Ethnic minorities were more likely to be economically inactive than white people, and women were more likely to be economically inactive than men. Not all economically inactive people have taken a career break, and some are not able, or do not wish, to return to work. But we know that those who do take time out often struggle to return to a comparable role on a comparable salary.

The REC recently conducted a survey to gain insights into the barriers that hinder people who wish to return to work. It has used the findings to work with Career Returners to produce new guidance for recruiters keen to understand more and make a difference.

The full guidance will be published in early 2025, but this article provides a preview of the key findings and the lessons that we need to take from it. The REC survey shows that “recent experience” was rated as a top priority by 25% of employers when screening candidates. This came second only to

‘relevant industry experience’ (26%). Both were considered more important than ‘length of experience’ or ‘skills listed in the job description’. Employers in the Midlands and London, and those with fewer than 50 employees, were even more likely to rank recent experience as their top priority.

This clearly puts anyone who has not been working even for a year or two at a disadvantage. Many won't even get a chance to argue their case, since a Harvard Business School study of UK, US and German employers in 2021 found that 48% of employers use automated systems to filter out middle-skills candidates with employment gaps of more than six months.

By doing this, they are eliminating candidates with years of relevant experience and valuable (not to mention, expensively trained) skills, who may also bring a fresh outlook and diversity of experience from their time out.

People take career breaks for a multitude of reasons, including caring responsibilities, living overseas and health issues. Some don't work at all in this period, while others take on a lower skill, lower status role than previously, in order to have a less demanding work experience. This looks no better on their CV if they wish to return to their former career than a long period of no paid work.

“We need to raise awareness among recruiters that returners are a highly skilled and diverse talent pool,” says Julianne Miles, CEO and co-founder

at Career Returners (pictured below), who helped to write the guidance. Commenting ahead of the official launch of the project next year, she explains: “We're talking about people with professional experience and qualifications who may have added further skills and diverse experiences during their career gap. When employers give them some support, we know that they can be extremely successful and bring skills and motivation to their roles.”

Career Returners runs a free community for returning professionals, which currently has around 10,000 members. Miles says that 80% of these people have five or more years of experience at work, and half have ten years' experience. They come from all professional sectors and 60% of them have professional or postgraduate qualifications.





What returners say

“After my career break, I was almost immediately rejected for a banking job for which my level and experience were an exact match.”

“I have 16 years’ experience in the accounting industry, but as I had a career break, I feel my qualifications are not worth the paper they are written on. No agents are even calling me to discuss my CV. I have applied for hundreds of roles, varying from basic entry level to slightly more senior, all with no joy.”

“I’ve applied for thousands of jobs in the last eight years and barely got interviews, despite an Oxford Degree, then 10 years in competitive London ad agencies.”

Biased perceptions

So why do they encounter so much bias in the recruitment process? “We often hear that managers and recruiters are concerned that it will take time to get them up to speed,” Miles explains. “However, once they hire someone who has returned after a break, they usually find they regain high performance levels very quickly. Some may need some initial upskilling or technical training, but this investment is easily repaid by what they offer.”

There may also be a perception that someone who has been out of work for a period has issues or responsibilities that make them an unreliable employee. However, Miles says that returners are highly committed employees. They are usually returning to work when the

pressure points have eased for – for example, when they are settled in a new country, their caring responsibilities have ended or their children are older.

Another barrier is that returners often feel out of touch with office culture and experience a loss of their professional identity. Miles’s Career Returners Indicator 2024 indicated that nearly 90% of returners felt that being on a career break had negatively affected their confidence. Being repeatedly rejected by automatic screening systems without an interview then knocks their confidence further.

Some don’t even get as far as applying for jobs that they would be well suited to, simply because the advert states that recent experience in the sector is essential. Recruiters and employers

who are aware of this issue could make a difference by examining how their adverts are phrased and assessing which is more important, recent experience or length and variety of experiences accumulated over a longer period.

Another way to help attract returners back into work and support any upskilling required is for employers to provide multiple pathways into work, including returner programmes, such as “returnships”. These need to be publicised to ensure the people who need them know they exist.

“Many organisations now look to fill skills gaps by hiring younger, less experienced people they can train into the role, so why not bring back those with professional skills built through mid-level career experience, who have simply been out of the office for a few years?” Miles asks.

Recruiters should also bear in mind that some returners are open to – or keen to – pivot their careers, so considering all their skills and experiences and helping to suggest alternative career paths is important. On the employer side, this could not only bring in much-needed expertise from a hitherto untapped talent pool, it could also introduce diversity of thought and different perspectives and ideas, as well as helping them to increase their social engagement, all of which contribute to good governance.

Miles lists a series of positive actions that recruiters can initiate to help clients tap this hidden talent pool. First, start with education and explain the business case and rationale for hiring returners. Second, look at screening activities and adjust interviewing and assessment processes as appropriate. Third, become an advocate for supporting return-to-work pathways and the support that employers can provide.

“Some of these steps will also help to attract more diverse candidates more broadly, so that is good in itself,” Miles adds. “For example, if you offer more flexibility in the role, this may help other people apply, as well as returners.”

The message is clear: if UK organisations are to achieve the growth the country needs so badly, we cannot continue to ignore and reject career returners.

Look out for the new guidance on the REC website early next year.

legal update

What does the Employment Rights Bill mean for you?

By **Sophia Tarin**, REC Solicitor and Commercial Advisor

The much-anticipated Employment Rights Bill was published on 10 October. The Bill follows the new government's promises to introduce an Employment Rights Bill that aims to 'ban exploitative practices and enhance employment rights'. Alongside the Bill, the government has also published its 'Next Steps to Make Work Pay' policy document.

The Bill introduces a number of employment law reforms that, if enacted, could change the employment law landscape for recruitment businesses in relation to their internal staff and their temporary agency workers. The government has set a timeframe to implement these changes and expects that most of the reforms in the Bill will be in force before 2026, with the exception of the reforms to unfair dismissal, which are expected to come into force in Autumn 2026.

The key proposals for recruitment businesses to note are:

- a ban on zero hours contracts through the introduction of a right to offer workers guaranteed hours contracts if they have

been working for an employer for a specified amount of time;

- the introduction of the right to reasonable notice of a shift;
- the right to reasonable notice of a shift's cancellation and payment where such notice is not provided;
- removal of the qualifying period of unfair dismissal;
- removal of the lower earnings limit for Statutory Sick Pay (SSP) and waiting days;
- introduction of day-one rights for entitlement to parental leave and paternity leave;
- the introduction of protections against third-party sexual harassment;
- a narrower scope for fire and rehire practices; and
- the introduction of an enforcement body overseeing compliance with the labour laws including the Conduct Regulations and the GLAA licensing rules.

Many of the specifics of these proposals are still to be determined, because the Bill includes wide powers for regulations supporting its implementation to be made.

For example, the Bill gives the Secretary of State the power to make regulations about the application of the right to offer guaranteed hours contracts to agency workers.

If enacted, the Bill will change the way recruitment businesses operate. However, it is important to note that the Bill will need to go through the Parliamentary process before any changes take effect. The shape and projected timeline for implementing the Bill could also change during the Parliamentary process, because amendments may be introduced at different stages in the process.

Future consultations, regulations and supporting statutory codes will also inform the final version of the Bill. These will further affect the practical steps that businesses should take to be compliant. *REC members can contact the REC legal team on 02070092199 or on legal.services@rec.uk.com for advice.*



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Tips for growth and longevity in recruitment

What I know



Wendy McDougall is CEO and founder at Firefish Software

Growth requires automation and efficiency.

I always knew I wanted to be an entrepreneur and grow businesses. I've helped grow a large recruitment agency, founded and sold my own IT recruitment firm and am now growing Firefish, the recruitment CRM company I founded.

I'm a recruiter at heart, but I understand how technology can advance our industry. To grow a recruitment agency, leaders must drill into every detail, spot the blockages and ask what can be eradicated or automated. You need to understand the metrics for each element – your candidate pipeline, candidates' engagement, returning clients, time taken to place people, your marketing lead time and how much time

your staff spend on in-person conversations that generate business.

Grow past the 'pain point' quickly.

When a firm employs 10-20 people, you do everything with few rewards. Don't lose momentum. Get investment and plan to get past this quickly.

AI will change everything we do.

One in four jobs today won't exist in the future, so we need to watch trends and prepare. Recruiters add value with human interaction, but on average do this only two hours a day. Automating other tasks will help them to do this six hours a day. It's exciting because this is what recruiters enjoy doing most. You can't use AI well until you know what wastes time and how you can adapt quickly and efficiently.

Q&A



Lauren Hopkins is managing director of Grace

Grace has just celebrated 25 years in business. What do you do?

We started 25 years ago providing HR recruitment and business support in the Maidenhead area. I became managing director in 2016 and we now operate across the South East. We have a team of four women with a real passion for positive client experiences, transparent hiring practices and inclusivity.

What's the secret of longevity?

Personality. You need loads of things to be a successful recruitment agency, but the one that has helped us most is our people and the service they provide. Our people stay for a long time, so we know when clients get married, buy homes or are bereaved – the whole life cycle. About

80-90% of what we do is listen. You need to hear individual's stories to understand why they want to work and what drives them. We don't judge and it's never just about filling a role.

What challenges do you see ahead?

There's still a skills shortage, although we have had a recent influx of great candidates, which indicates more confidence.

Many challenges are beyond our control, so it's useful to talk to others running recruitment agencies. I contacted local agencies during Covid to discuss challenges. It can be lonely running a small firm. You need to share problems and ideas.

I'm now looking for more positivity from the government. We know the problems, but we want to be optimistic. Positivity will support growth.



Focus on the benefits of DEI

Joanna McCrae, Diversity, Equity and Inclusion Client Solutions Director at PageGroup

While diversity, equity and inclusion (DEI) is still a key consideration for many business leaders, we are starting to see some fatigue around the discussion and organisations are, in some cases, no longer implementing these initiatives with the vigour they once were.

There are a number of reasons for this, one of which is the friction we've seen arise as certain groups vocalise feelings of alienation in response to existing DEI efforts. While we've seen the greatest impact from this in the US, the wider effect is certainly being felt by UK organisations as well. Another critical factor is the challenging economic climate that many businesses are navigating this year. As budgets tighten, we tend to see DEI de-prioritised in favour of more 'business critical' pursuits.

Despite this, we've seen a genuinely positive impact from past DEI initiatives. Gender pay-gap reporting, for example, provides not just greater transparency, but an incentive for businesses to reflect on their existing structures and to correct their courses if needed. As a result, the careers of many women have accelerated because they have been propelled into more senior roles – and paid equitably compared with their male colleagues.

The Labour government's proposals to introduce ethnicity and disability pay-gap reporting mean that we should expect to see similar advancements among people from these minority groups as these laws come into force.

My advice to business leaders in this market is to look at how they can



incorporate DEI strategies throughout their recruitment processes. We're already seeing this with inclusive hiring training for managers. Beyond this, I encourage organisations to consider wider talent pools – including disabled and neurodiverse candidates, for example – when they plan to hire.

We're still navigating a skills shortage in the UK market, so skills-first hiring, which prioritises a candidate's abilities over

their credentials, can help companies to broaden their people strategies and tap into the skills their team needs.

Working with a specialist recruitment partner can help with this. At Michael Page, we have access to a broad candidate pool and new talent approaches us every day. We can help to bridge the gap between employee and employer, advising on a skills-first hiring approach that unlocks the right talent for businesses.



The official magazine of
The Recruitment &
Employment Confederation
20 Queen Elizabeth St,
London SE1 2LS
Tel: 020 7009 2100
www.rec.uk.com

Membership Department: Membership: 020 7009 2100, Customer Services: 020 7009 2100
Publishers: Redactive Publishing Ltd, 9 Dallington St, London EC1V 0LN
Tel: 020 7880 6200. www.redactive.co.uk
Editorial: Editor Ruth Prickett. Production Editor: Vanessa Townsend
Production: Production Executive: Rachel Young rachel.young@redactive.co.uk Tel: 020 7880 6209
Printing: Printed by Precision Colour Printing

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