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THE NOW OF WORK



The reward and benefits system is **broken**.

Find out how to mend it.

Better benefits make for better business.

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RECRUITMENT

How to fix the broken recruitment process

Is the recruitment process broken? Many disgruntled jobseekers think so. High-quality recruits are sorely needed, so employers must ensure their recruitment practices are fit for purpose

Nick Easen

When Lauren Spearman decided in early 2023 that it was time for a new job, she expected to be snapped up within weeks. After all, she had 17 years of experience in sales and marketing. But after applying for 40 jobs over five months, Spearman was surprised to only be offered a handful of interviews.

It wasn't long before despondency set in. With no work, she began to question the effectiveness of the recruitment process.

Spearman found that job descriptions often lacked clarity. There was usually no information on salary: even when there was, the figure was half what she was expecting. Some vacancies never actually existed despite being advertised on popular job boards; some are still open for applications months after being posted.

Spearman was rarely contacted when she submitted an application. And feedback on the process was essentially non-existent.

"When I was approached for interviews and I replied, I would often be ghosted," she explains. "After several months of searching for new work, I felt like I was going mad. I'd really taken a knock with my confidence – with all of my experience, why can't I find a job?"

The final straw came when a potential employer asked her to complete an especially onerous pre-employment task. Spearman removed herself from consideration. "It was ridiculous," she says. "This wasn't a task to see if I could do the job – this was the job. I was being asked to do free consultancy. This is when I turned to TikTok."

Spearman posted a video detailing her experience and quickly realised she wasn't alone. "Every day I still get messages on LinkedIn with people pouring their hearts out to me with stories about poor recruitment," she says. She now works as a freelancer and has become an advocate for better hiring.

While it's difficult to gauge how common such experiences are in the UK, rants about the hiring process are a regular thing on social media sites. Typical gripes touch on vague job descriptions, myriad duties with little overall focus and hybrid working policies that are later revealed to permit only one remote-working day.

Michael Stull, MD for Manpower-Group UK, thinks there's an elevat-



tion process that would typically take several weeks.

"All of that care, effort and investment that was once lavished on what is essentially a rejection process has now gone. We've squeezed into the thinking time," says Andy Parsley, a partner at OrgShakers, an HR consultancy.

"Today there are no longer visible upfront costs, but significant invisible ones involved in the processing of thousands of mostly unsuitable applications. It takes a lot of time."

There are other hidden costs, Parsley explains. "When vacancies aren't filled, sales or customer services targets are missed or expensive temporary staff must be hired. And businesses aren't able to respond to candidates thanks to the sheer volume of applicants. This can be a reputational hit to organisations as well. One could argue that the old way of doing things forced businesses to put in place a process that was much more efficient in terms of time, effort and costs."

No one expects the clocks to rewind to an analogue age of old school recruitment. However, more upfront investment and thinking time at the start of the hiring process could help produce more focused advertisements tailored to particular audiences, especially in an age when candidates can copy and paste their resume and cover letter into an email within seconds.

More consideration at the outset could also lead to fewer and better-focused pre-employment tasks and enable hiring teams to plan a more effective way to communicate with applicants. The aim would be to generate a smaller number of higher-quality applications.

Accounting for investment and activity in the recruitment process would also help. A tangible ROI is needed for both visible and invisible costs. "Many businesses have reams of data in terms of recruitment, but they don't really use it in the most intelligent way. It's not connected to outcomes and that is always the key," explains Stull.

Good recruitment requires resources and skills, which can be in scant supply when HR budgets and headcount are kept in check in a subdued economic environment. "Investing in hiring shouldn't be a 'nice to have' – it must be an essential and priority business function," concludes Spearman. "Many employers simply do not realise that the reputation of the company is at stake."

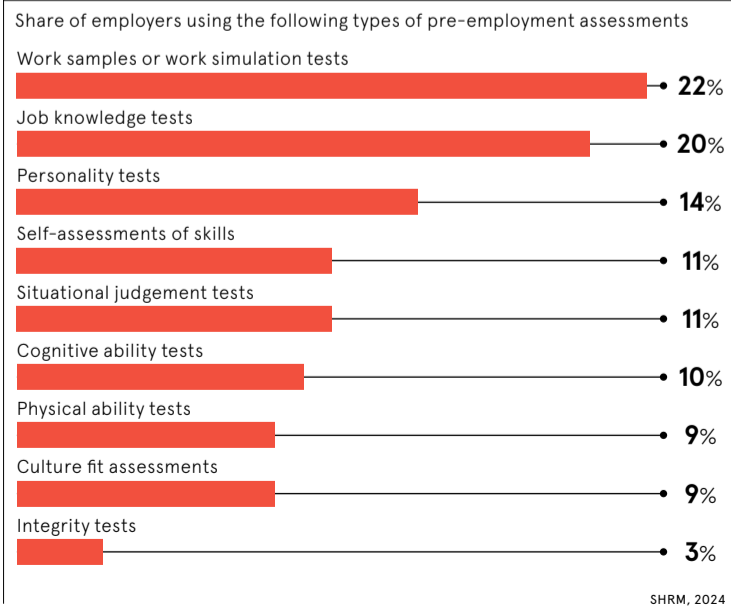
ed level of mistrust between employers and candidates. "There are so many job vacancies right now, but we're not seeing the levels of hiring that should align with the amount of posts. This tells you that there is a growing problem," he says.

The problem could be the recruitment process itself, which has evolved beyond recognition since the late 1990s, driven in part by the multitude of digital job boards. Today, the process of posting a job advertisement is democratised and digitalised, requiring very little outlay. An HR manager can type up and publish a job advert within an hour,

perhaps as a kneejerk reaction to a panicked executive wanting to make a hire: they can even use GenAI to generate the job description.

An unintended consequence of all this is that the process has become, in many cases, haphazard and highly inefficient. In the past, the thud of *The Sunday Times* on the doorstep meant the "Situations Vacant" section had arrived. It was packed full of carefully crafted recruitment ads written by professional copywriters, costing thousands of pounds to create and print. HR teams and recruitment specialists had to get things right at the offset, in a crea-

UP TO THE TASK?



'Labour's proposed changes represent a significant shift in our employment law'

Raconteur's resident employment law expert, **Jo Mackie**, outlines the latest changes coming in to protect UK workers

The government has returned from summer recess and is making big changes to UK employment law. As the new Labour government beds in, further protections for workers are first on the slate.

The right to disconnect

This refers to employees' right to not engage in work-related activities outside of contracted hours. The government plans to make this a right for all UK employees, following some EU states which have already enshrined this right in their domestic legislation.

UK employees currently have no such right, so Labour's proposed changes represent a significant shift in our employment law. The plan is to create a code of practice, similar to the ACAS disciplinary and grievance procedures codes, which will place the responsibility on employers to agree with its workforce when they can be contacted outside of their contracted hours.

If an employer fails to follow the agreement there could be an uplift in the remedial award given by employment tribunals. It's unlikely this will allow for new claims relating solely to breaches of a right to disconnect, but these claims could lend weight to other claims such as constructive dismissal, increasing the penalty payable by an employer who is found to be in breach.

Duty to prevent sexual harassment at work

From October 2024 the Worker Protection (Amendment of Equality Act 2010) Act will come into force. This new law places a duty on employers to take "reasonable steps" to prevent sexual harassment of its employees.

Tribunals will have the power to increase compensation by up to 25% if they find an employer has breached this duty. The initial proposal was for employers to take "all reasonable steps" but this requirement has been made less onerous. The change has been welcomed by employers, but trade unions have been highly critical of the dilution.

Employers must understand their duty and what constitutes sexual harassment. It includes unwanted conduct related to a person's sex, which has the purpose or effect of violating their dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for them.

The duty is to prevent sexual harassment by any perpetrator, including third parties such as customers, clients and members of the public. This is a very broad responsibility for employers. So what can they do to prepare?

Employers must be proactive and systematic in how they prevent and tackle sexual harassment at work and will need to show evidence of the reasonable steps taken.

To do so, they must focus their attention on several priority areas:

Policies and procedures

Employers must have written policies and guidance to define sexual harassment, give examples of what it is and outline everyone's responsibilities for preventing it. These can be used to promote the organisation's commitment and to educate the workforce about sexual harassment. Most employers will wish to update their employee handbook accordingly. The upshot should be cultural change, though this will take time.

Training for all staff

There should be regular training for all staff, regardless of seniority, so that they understand what sexual harassment is and what their role is in preventing it.

Reports and disciplinary powers

There should be clear reporting channels for complaints, with steps that must be taken to address allegations of sexual harassment, including investigations, disciplinary and grievance processes.

Employers must take action urgently to get their policies, training and systems in place if they have not already. ●



Jo Mackie
Partner and director of employment, Burlington Legal LLP



HR's secret weapon for a competitive advantage in business

AI-driven innovation enables businesses to future-proof their workforce, create personalised career pathways and improve retention by leveraging real-time insights

Embracing AI is not an option for HR, it's a necessity. Businesses that want to retain a competitive advantage must leverage this rapidly-advancing technology if they wish to scale effectively and stay ahead of the game.

However, HR is lagging behind other industries, despite the clear benefits AI can bring to the sector. In fact, AI is essential for businesses striving to become skills-based. According to Deloitte's 2023 Global Human Capital Trends report, workplaces that foster a culture of learning through AI are 63% more likely to achieve higher performance and 53% more likely to experience greater retention. So, this relatively new tech is a clear win for HR.

Talent experience solution 365Talents know this only too well - the company has worked with global HR teams across 80 countries, with 1 million users deployed. CEO Loïc Michel says skills-based HR innovation is critical to key areas of business success that, if unaddressed, will pose significant challenges. If they do not innovate, HR leaders risk talent shortages, reduced competitiveness and obstacles when it comes to future-proofing their workforce, Michel warns.

"Our broad vision is to help HR and the C-suite turn their workplaces into skills-based organisations. It's a big challenge for large organisations to leverage all of the data available on skills because it's complex information coming from different systems, different people at different levels in an organisation, in completely different structures and languages."

There is a need to leverage this data and put foundations in place to turn this information into actionable insights. This isn't a one-click answer, but a wider cultural change for the entire organisation.

"We can help transform the way organisations deal with people, retention and development - all at the same time," says Michel. Here, we explore key areas where solutions such as 365Talents can transform your business.

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Upskilling and employee retention

AI is a powerful tool to help manage upskilling and the retention of talent. It can build knowledge of a company's skills and jobs architecture from the ground up, based on internal and external insights.

AI can simplify data to help HR build personalised career development opportunities for individual employees with easy to access, curated sources for development. In fact, a survey by LinkedIn shows that 94% of employees would stay longer at a company if it invested in their learning and development, so getting it right can be pivotal for retention.

Forecasting workforce needs

AI can help HR anticipate and fix skills gaps, aligning workforce needs with company strategy - it can drill down into data to analyse gaps that occur when employees leave the company or move position. Also, where there are gaps, HR can leverage AI to recommend transformation plans and build new

pathways, suggesting potential internal hires or the need for different roles.

Empowering managers

AI can assist managers by helping them understand their team's critical skills and needs - on an individual and team level. "Managers are employees who, like other team members, merit a seamless experience," says Michel.

Access to consolidated data can help them create mentoring plans or identify which team members have the right talents for certain projects via a dashboard showing employees' strengths and weaknesses.

This information gives managers and HR a clear vision of who is meeting expectations and who may need upskilling. It also opens the door for a more fluid internal job market, whereby the business can become more project-oriented and agile.

Business agility

The internal talent marketplace is a rich environment for a skill-based organisation. AI can help to develop tasks and projects, matching the required skills with those available. "With AI, you don't rely on a structured framework for your skills and job data - you are able to react quickly to any changes or new elements in your market," says Michel. This means AI can help the C-suite to develop cross-functional skills and embrace a growth mindset, which is the best way to stay competitive today.

For more information please visit 365talents.com

365
TALENTS

Get your benefits right or risk losing top talent

Company benefits are meaningless if they don't work for everyone and employees don't feel their value

Employers beware: a poorly designed and poorly understood benefits approach could be costing you dearly in money and talent.

This is particularly true at a time when the UK continues to experience labour and skills shortages. Top talent is in high demand, with many candidates receiving multiple job offers. If a benefits package isn't up to scratch, they will simply go elsewhere.

Figures from the Chartered Institute of Personnel and Development indicate that the UK's 34% average worker churn rate is among the highest in Europe. And this situation exacts a price. Losing and replacing each individual can cost between 80-200% of their salary, according to a study from Oxford Economics.

Unsurprisingly, offering an appropriate benefits package is becoming increasingly vital for the growing number of employers focusing on retention.

A recent report published by pensions, benefits, investment and wealth advisory firm Isio reveals a clear link between benefits and retention levels. It shows that employees who feel their benefits package offers everything they need are much less likely to switch jobs. Some 58% said they have no plans to do so compared with 40% across the wider population. The survey of 7,674 private sector employees was conducted on behalf of Isio by pollster, YouGov*.

Ensuring benefits are relevant

It is worth noting that benefits include financial offerings, such as pensions, and non-financial ones, such as flexible working and healthcare. Whatever form they take, employers must ensure they are relevant to employee needs and reflect what they care about and value.

Andy Craig, who leads Isio's reward

*In conjunction with YouGov, Isio surveyed 7,674 private sector employees in June 2023 on a range of issues surrounding employee benefits and personal finance concerns. Responses for don't know or prefer not to say answers have been removed, unless explicitly shown

and benefits practice, says the equation here is simple.

"If you're deriving lots of benefits from working for an organisation, you'll connect with that organisation and feel more satisfied and engaged," he explains. "But if they don't feel relevant, you won't experience these things as benefits and won't attach value to them. You won't feel your employer understands or is addressing your needs."

Unfortunately, many employees do not consider their benefits relevant, nor do they value them. Isio's report indicates, for instance, that a worrying 26% of those questioned believe either most or all the benefits on offer are irrelevant. A further 43% felt their benefits were only partially relevant.

Unsurprisingly then, employee uptake and appreciation of benefits remains consistently low.

A key problem here is that most benefits strategies have been developed sporadically. Employers make small, regular updates around the edges without reviewing their schemes against principles to see if they truly meet employee needs.

For example, in the middle of today's cost-of-living crisis, some employees may perceive their benefits focus more on safety and security (for instance, death in service, sick pay and retirement) and less on their more pressing physiological needs (food, warmth and shelter), as laid out in Maslow's Hierarchy of Needs.

The importance of demographics

Another common challenge is that most benefits are weighted towards older and more affluent workers.

Craig explains: "Most benefit programmes have an age bias. For example, they offer a big financial subsidy to help employees save for retirement, which is a priority when you're older. However, most do nothing to help people buy a house, which is what the younger generation is more focused on."

But age is not the only factor. Gender is another. For instance, Isio's research points to a clear link between an individual's confidence in their financial



abilities and the likelihood of them staying with their employer.

If individuals have low financial confidence, they are 34% more likely to feel their benefits fail to match requirements. They are also 23% more likely to want to change jobs over the next year.

As Craig points out: "Financial confidence is critical for people to get the best out of their benefits and feel in control. If they have that confidence, they use them more effectively and cherish them more. This, by extension, leads to a greater appreciation of what their employer is doing for them, more loyalty and higher retention levels."

A major problem, however, is that more women tend to have low financial confidence. A mere 18% would describe themselves as being 'very confident' when making financial decisions compared with 27% of men.

"Although there may be a financial confidence gap between men and women, this doesn't translate to a capability gap. "Our data shows that confidence can often be misplaced," says Jen Norris, Isio's head of employee and member support.

“Many organisations now see the advantage of moving beyond traditional benefit brokers and benefits platforms

Unlocking the true value of benefits

There are, therefore, several considerations when trying to unlock the true value of benefits for employers and their workforce. Firstly, it is undoubtedly important to personalise them for specific demographics.

A second but just as crucial point is helping employees engage with their benefits more effectively by providing relevant support and education. Unfortunately, doing so tends to be the exception rather than the rule today.

Those who ignore this second consideration risk throwing money down the drain as their benefits simply won't be used or used well. The scale of the problem becomes clear when businesses combine expenditure on the benefits themselves with the cost of poor engagement, low retention rates and high recruitment fees.

"The key to unlocking the power of benefits and finances lies in having both knowledge and confidence. Different people will need help with one, or the other, or both – but what our experience shows is that most people benefit from financial guidance to support this," says Norris.

"Employers are increasingly alive to this issue and we often work with them to provide a listening ear and a helping hand to their employees on financial topics whether that be saving for their first home or a decision around retirement."

Many organisations now see the advantage of moving beyond traditional benefit brokers and benefits platforms. Advisors like Isio, for example, take a more strategic and data led approach to get the design right. This

enables them to produce coherent strategies for clients that provide the right benefits and include appropriate support structures. The aim is to ensure employees understand and use the benefits being offered.

The issue is that most benefits packages have evolved over decades and are rarely based on a clear rationale or strategy, Craig says. But many employers are realising that it no longer makes sense to simply keep adding new products to their portfolio and hoping for the best.

"A lot of organisations come to us for help as they aspire to tackle the issue but don't have the time or bandwidth or struggle to make a business case for tackling this kind of 'silent cost'," says Craig. "But at a time when employee experience is paramount, it's becoming too important to just languish on the to-do list year after year."

Isio offers a benefits review service to help organisations identify whether the benefits currently offered to employees are truly valued and identifies opportunities to improve them.

Search Isio employee benefits or contact curious@isio.com to learn more



isio.

DIVERSITY

DEI job cuts: death knell or sign of change?

DEI cuts at household names have rung alarm bells. But rather than any shift in priorities, they may point to a change of approach

MaryLou Costa

It's a tough time to be a DEI specialist. In big tech, the likes of Amazon, Google, Meta, Twitter, Zoom and Snap have all slashed their DEI roles amid wider staff cuts over the past year. DEI job postings more broadly have fallen by 43%, according to economists at Lightcast.

But rather than signal the death of DEI itself, could it point to a change in approach that's actually for the better? Is it possible that DEI cut-backs could pave the way for a new era where leaders recognise that creating diverse businesses is more about action and impact, rather than roles and departments?

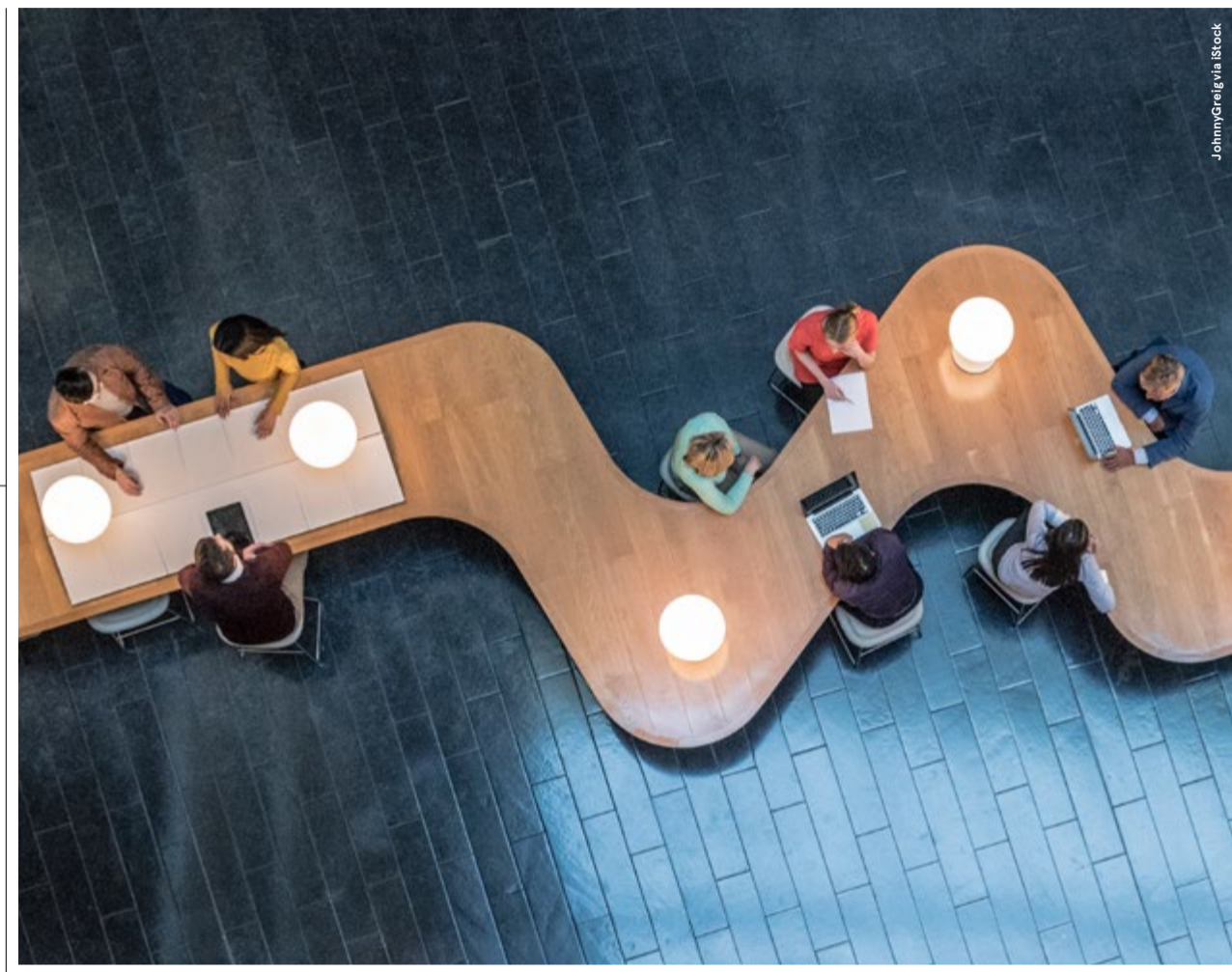
The cuts certainly highlight an acknowledgement that DEI budgets have not always been spent in the most effective way, argues Kate Pjaskovova, a former head of HR who's the founder and CEO of Fair HQ, a DEI data-analytics platform.

Pjaskovova has observed two key issues that lead to DEI roles being cut. First, companies spend their DEI budget on hiring the team itself, who are then left with few resources to implement anything effective. And second, any budget the team is given will usually be spent on things such as training and events that are highly visible and easy to tick off a list, but don't create lasting change or improve the metrics that matter at board level.

"If you ran sales or marketing this way, you'd be fired. If you're a CMO and one of your employees comes to you with an idea for a campaign, the question should be, what's going to be the impact on revenue? What inbound leads are we going to get? This is the question you'll be asked immediately," says Pjaskovova.

The team members who suggest these initiatives typically aren't focused on the bottom line in the first place, she says.

"At a leadership level, they also need to understand why they should care about these initiatives, and they need to hear it in metrics that matter to them, which usually revolve around EBITDA [earnings before interest, taxes, depreciation and amortisation], turnover and employee engagement. It's often not presented to them like this."



“Leadership needs to understand why they should care about these initiatives, and they need to hear it in metrics that matter to them

Pjaskovova is seeing more chief people officers bring in DEI data-analytics platforms in lieu of hiring dedicated teams. The goal is to spot the most pressing issues in the business and suggest relevant initiatives to correct them.

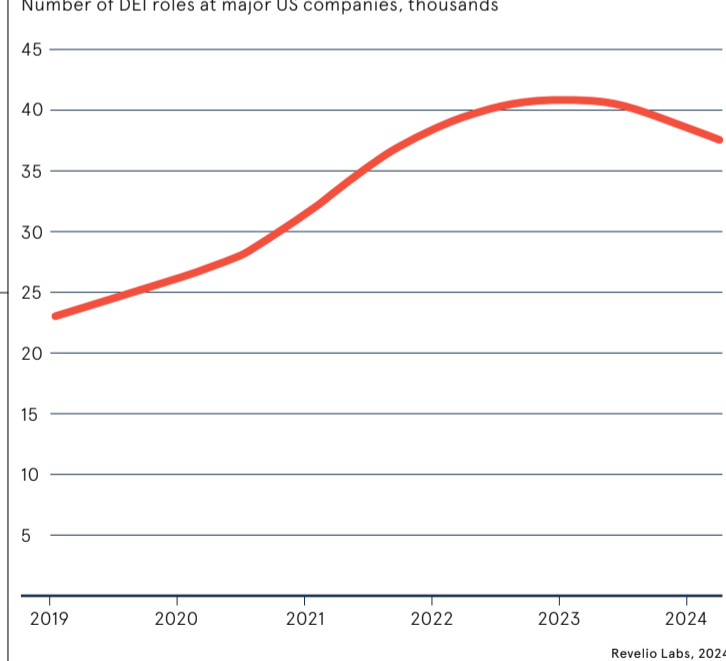
"Say you have a large gender pay gap – is it because you're hiring lots of people and they're leaving? Is it because you're not promoting enough women? And is that because they don't put themselves forward?" asks Pjaskovova.

"In response, employers could introduce salary bands, rather than asking about people's previous salaries, and default promotions, where everyone that is eligible is considered, rather than just those who have put themselves forward."

For example, a 150-person sustainability company that wanted to increase female representation used data from the Fair HQ platform to audit its hiring process for bias. The company found that candidate

DIVERSITY ROLES IN DECLINE

Number of DEI roles at major US companies, thousands



assessments weren't consistent, so it moved to a skills-based hiring process that measured for "culture add", rather than "culture fit", meaning what they bring to an organisation rather than how they fit a prescribed mould. Within six months, female representation in the business rose from 26% to 38%.

Insurance company Aviva has just four dedicated DEI roles for its 22,000-person workforce – and the size of the DEI team has remained consistent for the past five years.

Although its DEI team hasn't grown in terms of headcount, it has managed to hit relatively ambitious targets. Against a goal of 40% of senior management being women by 2024, it reached 40.6% in 2023, up nearly seven percentage points since 2022. It has used its own internal data – from the Workday software platform – to spotlight areas to address.

"The data has helped us to understand, for instance, that if you go part-time at Aviva, your career effec-

tively stalls," says Jonny Briggs, Aviva's group head of talent acquisition and diversity and inclusion. "It's a significantly slower progression compared with full-time workers. Ninety-three per cent of part-time staff at Aviva are women, which is a huge talent pool. It's about 2,500 people that we are not progressing."

The company introduced a job-share portal in Workday to address the issue, encouraging part-time staff to find a job-share partner with whom to apply for full-time roles. They would ideally progress at the same speed as their traditional full-time counterparts.

Company data from the platform also showed that taking longer parental leave slowed career progression. Predictably, Briggs notes, this disproportionately affects women, who tend to take a year of parental leave, while men in the business take around six months. To support those taking longer periods of leave, the company introduced returner coaching, bringing employees in a similar situation together in a cohort.

While it's too soon to tell if the initiatives are having the desired effect, the plan is to use Workday to measure the results. However, the ability to use the data to propose programmes to company leadership has made for a smooth buy-in, says Briggs.

"I wouldn't go to an executive committee without data," he says. "I would always go with data to say 'this is the current state, and this is what we're going to do to get us to the future state'."

Briggs continues: "You've got to use data to make decisions, because otherwise you're just going on an individual's experience, rather than actually what is happening in the business."

The use of company data also ensures that Briggs and his team aren't putting too much emphasis on just one underrepresented group, which can cause a DEI backlash and give leadership teams a reason to make cuts. His role also intentionally combines DEI and recruitment.

"Twinning DEI with recruiting makes sense, because if you look at your biggest lever to drive diversity in your organisation, it's recruiting," says Briggs. "If you go back two years ago, there was a call for DEI leads to report straight to the CEO, but in my view, that's not where they're going to be able to make an impact. I have a voice at the people leadership team, which covers all of our markets and functions."

Diversity and inclusion isn't a separate agenda, argues Pjaskovova, and shouldn't be treated as one. This is perhaps where many organisations have gone wrong.

She concludes: "It's all about managing people. How do you ensure that you're able to get the most out of the people in your organisation, from all different communities?" ●



SDI Productions via iStock

WORK EXPERIENCE

Can virtual work experience help diversify early talent pipelines?

Airbus, Barclays and John Lewis are among a growing number of employers offering virtual work experience opportunities. But do these remote placements offer the same benefits to students and businesses?

Sam Forsdick

Like many aspects of the modern workplace, work experience has gradually been going virtual. Some of the UK's biggest employers – including Vodafone, the NHS and John Lewis – have begun replacing the traditional two-week on-site work experience with online video courses that students can access on demand.

Virtual work experience programmes aim to provide young people with an insight into working life at the firms involved. They often include interactive elements such as quizzes, games and assessments.

There's been a "proliferation of new work experience formats" since the pandemic, says Chris Rea, head of commercial services at Jisc, a not-for-profit organisation. Although two-thirds of work experience placements and internships still take place in person, 15% are conducted online, 17% in a hybrid format and 2% through virtual reality technology, according to Prospects Luminate's Early Careers Survey.

Proponents claim that these digital work experience placements can help companies broaden their talent pools and diversify their work experience intake. As businesses face ongoing skills shortages and pressure to diversify their workforce, it's clear to see the appeal of virtual work experience to HR leaders.

Sam Hyams, CEO and founder of virtual work experience provider Springpod, believes that these online alternatives can help improve social mobility and allow a greater diversity of students to connect with top employers.

Hyams says many students secure in-person work placements through their parents or school. "It's really unfair that your future is dictated by who your parents are, what school you go to and what alumni networks you have access to," he says. "This is one way to level the playing field."

Virtual work experience can expose students to a broader range of potential careers. For example, Barclays offers students a chance to

gain an insight into working life at its digital transformation agency, while JLL offers a course on real estate in the metaverse.

Ceira Thom, head of learning, inclusion and belonging at the John Lewis Partnership, says its virtual work experience trial, which has been running since May, allows the company to "showcase a variety of different careers" and ensures students get a "consistent experience".

Airbus began offering students virtual work experience through Springpod's platform in 2021, when

“Knowing that there are some students who have gone on to work for companies in our supply chain is a win

the pandemic forced many companies to work remotely.

Rob Martin, employer brand and marketing manager, oversees the aerospace engineering firm's global graduate and virtual work experience programmes. "It's offered us a new way to reach young people and tell them about the opportunities available at Airbus," he says.

The online modules in the programme educate students on the aerodynamics of Airbus' aircraft, the different uses for the helicopters it produces and the challenge of sending satellites into orbit. They also provide an insight into working life at the company.

"Our goal is to spark an interest in engineering for pre-GCSE students," Martin says. "It shows off the range of possibilities that are available with a career in STEM, which can sometimes be quite an inaccessible marketplace for jobs."

Airbus has reached 20,000 students through the programme. Among its April cohort, 55% were from an ethnic minority, 35% were expecting to be the first in their families to go to university and 6% reported having a disability or special educational needs.

Although many of the students that have completed the company's virtual work experience programme are yet to enter the workforce, Airbus is already seeing apprentices reference it in their applications, while others have secured jobs in the wider aerospace engineering sector.

"As one of the biggest employers in the aerospace industry, it's our responsibility to improve the talent journey wherever we can," Martin says. "Knowing that there are some students who have gone on to work for companies in our supply chain is a win for us and for the industry."

Despite the success that companies like Airbus have found with online work experience courses, students still find at least some in-person experience to be beneficial.

In-person internships and placements are the most useful options for developing skills and confirming career choices, according to students questioned in Prospects Luminate's *Early Careers Survey*. Hybrid placements are considered best for improving career prospects but online placements are rated least useful in all three respects.

Rea believes that virtual work experience programmes do not fully prepare students for the world of work. This has been a growing concern for businesses, which have reported that younger recruits often lack some of the soft skills that help them adapt to the workplace.

"There are things that you can only learn from in-person experience, such as company culture, how to work with other people and picking up on the nuances and subtleties that you get from face-to-face communication," Rea says.

While the growing number of virtual placement opportunities are positive for students, employers shouldn't use them in isolation, according to Rea. "Without being able to talk to staff and meet key people within the business, it's not a full proposition," he adds.

Hyams stresses that virtual programmes should not be seen as a replacement for in-person experience. "It needs to be part of a mix," he says. "You can't replicate the interpersonal skills that you gain through in-person placements."

Although virtual placements can be an effective way for companies to diversify their work experience intake and reach a wider audience, a hybrid approach may be the best option to prepare students for the working world. ●

Tips for creating a virtual work experience programme

Keep it relevant to the audience

Keep the audience front of mind when designing any online work experience course. Delving into the minutiae of a business admin is unlikely to appeal to a 15-year-old. Make sure your content is engaging and relevant – and listen to feedback.

Keep it interactive

Interactivity is key, according to Martin. Replacing long passages of text with quizzes or turning some elements into a game can improve engagement and ensure students complete the programme.

Follow up

Remember to tell the student participants how to apply for an apprenticeship or a role with your company in case they want to continue their career journey with you. This will ensure the virtual programme supports your early career talent pipeline.

Hiring for the future: why AI and sustainability will shape the next generation of STEM talent

Businesses must fuse AI and sustainability to attract future talent, reduce the environmental impact of tech and drive long-term growth

Businesses are at a crossroads. Leaders are increasingly investing in sustainability strategies as they attempt to decarbonise at speed and navigate the path to net zero. At the same time, many are also spending vast sums on artificial intelligence (AI) with the aim of building more intelligent, efficient and cost-effective businesses.

But the transformative potential of AI comes with side effects for the environment that could undo or slow progress made towards achieving sustainability goals. Research by the Harvard Business Review shows that the training process for a single AI model requires thousands of megawatt hours of electricity and could emit hundreds of tons of carbon. This is the equivalent of the total yearly carbon emissions of hundreds of American homes.

In July, Google released a report that revealed an 86% increase in its own emissions since 2019, which the company attributed to its data centre strategy and supply chains. The report also included a worrying quote: "As we further integrate AI into our products, reducing emissions may be challenging." Microsoft is facing the same problem. Its own sustainability report stated that emissions had soared by 29% since 2020 due to the construction of more data centres designed to optimise and support the workload of AI.

Fusion of AI and sustainability

Both companies have realised there's a challenge that can't be overcome if they continue to pursue this two-pronged pursuit of sustainability and AI development in isolation. "Google and other tech giants have created a new data centre climate strategy to mitigate the environmental impacts of AI," says Gemma Branney, global director of purpose and inclusion at STthree, a specialist global recruitment partner for businesses in the sciences, technology, engineering and mathematics industries (STEM). "They've done some really bespoke hiring to find sustainable technology talent to build AI-focused decarbonisation teams."

AI must also become part of the sustainability solution. Google is exploring how AI and machine learning could help to reduce its emissions and accelerate the race to net zero. Research by the Boston Consulting Group estimates that businesses that implement AI

could achieve overall emissions reductions by up to 10%.

To achieve this convergence of AI and sustainability, businesses must become AI climate adapters. But recruiting the right talent isn't easy. "STEM talent is already limited," says STthree's chief commercial officer, Jelte Hacquebord. "So, finding people in these industries that possess both AI and sustainability skills is very difficult. Businesses need to show how sustainability is core to their company's mission to attract sustainability talent and then train them to use AI."

This talent shortage presents a number of recruitment challenges for tech leaders. The first is how to attract climate literate talent ahead of competitors. Recent research carried out by STthree revealed that 81% of Generation Z (gen z) talent entering the workforce are choosing personal purpose at work as the main influence driving their careers. This presents an opportunity for leaders, particularly those in the technology sector, to reimagine their recruitment process.

"Tech companies must start repositioning the roles they have to include sustainable thinking within the job description," says Branney. "Historically, the tech sector and sustainability have felt like very different worlds, but tech talent are now game changers in climate change, which we would never have associated with the industry before. We need to show young people how they can carve out an environmentally conscious career in tech."

A sustainable culture

Culture is critical. Once sustainability talent has been hired, businesses must foster an environment that creates ongoing collaboration between AI and sustainability experts. It's an approach Microsoft has already adopted. The company has created a sustainability board featuring representatives from every area of the business to represent their teams in sustainability.

This forum enables sustainability experts to educate AI specialists, but also makes spaces for AI talent to showcase how tech can positively combat climate change. For example, tech can enable decarbonisation by measuring climate footprints across product life cycles and supply chains, enhance predictive monitoring to limit energy usage and even optimise solar panel performance.



Employee retention is also critical to the successful convergence of AI and sustainability, ensuring the long-term success of businesses. But in the UK, research has revealed that gen z talent is more open to "job-hopping" than previous generations. A report by Resume Lab found that 83% of gen z respondents described themselves as "job hoppers", open to moving swiftly from one company to the another if unsatisfied. "Retention is incredibly important," says Hacquebord. "Tech businesses

need to make sustainability integral to their overall mission and a part of every worker's job description, so that sustainability talent isn't marginalised." This new generation of talent is more driven by personal values than those before them, so aligning business goals with desired characteristics will attract the right people for the team. "They need to feel connected to the business – if they don't, they may choose to find that sense of belonging elsewhere," says Hacquebord.

Businesses can also enhance their ability to attract and retain STEM talent by offering clear pathways for career progression. A study by Deloitte showed that growth opportunities are a top motivator for over half of gen z workers, compared to just 17% of baby boomers. "Employers need to showcase their investment in sustainability and AI so that employees can see the long term vision and understand how they can be part of that journey," adds Hacquebord.

Businesses must also think outside the box to create new hybrid roles that straddle both disciplines. "The emerging job titles within AI, like compliance and ethics, auditors, training and explainers, are the exact same roles being recruited for in sustainability but with slightly different knowledge pools," says Branney. "There's an opportunity to merge these skill sets into the same role or team." Visionary businesses that embrace this future will be sure to attract, develop and retain the most sought after STEM talent, while creating positive change.

For more information please visit stthree.com

stthree

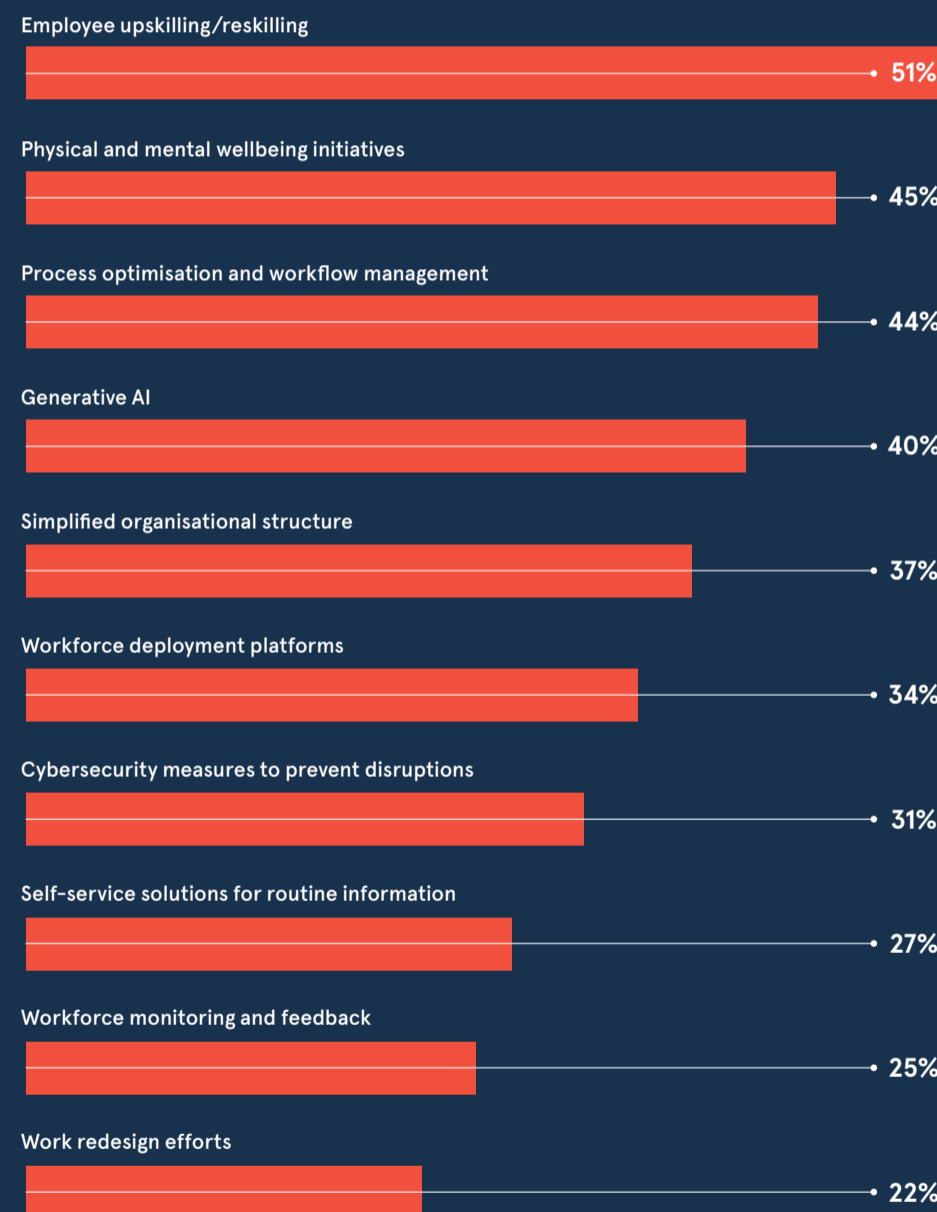
“Historically, the tech sector and sustainability have felt like very different worlds

THE PRODUCTIVITY PROBLEM

Growth and productivity in the UK has been relatively stagnant for several years. For many organisations, the emergence of generative AI tools is a blessing that will re-energise industry and accelerate output. But AI alone is unlikely to solve the productivity problem. HR teams must find ways to stimulate human-centric productivity if firms are to reach their full potential.

UPSKILLING IS THE BEST WAY TO DRIVE PRODUCTIVITY

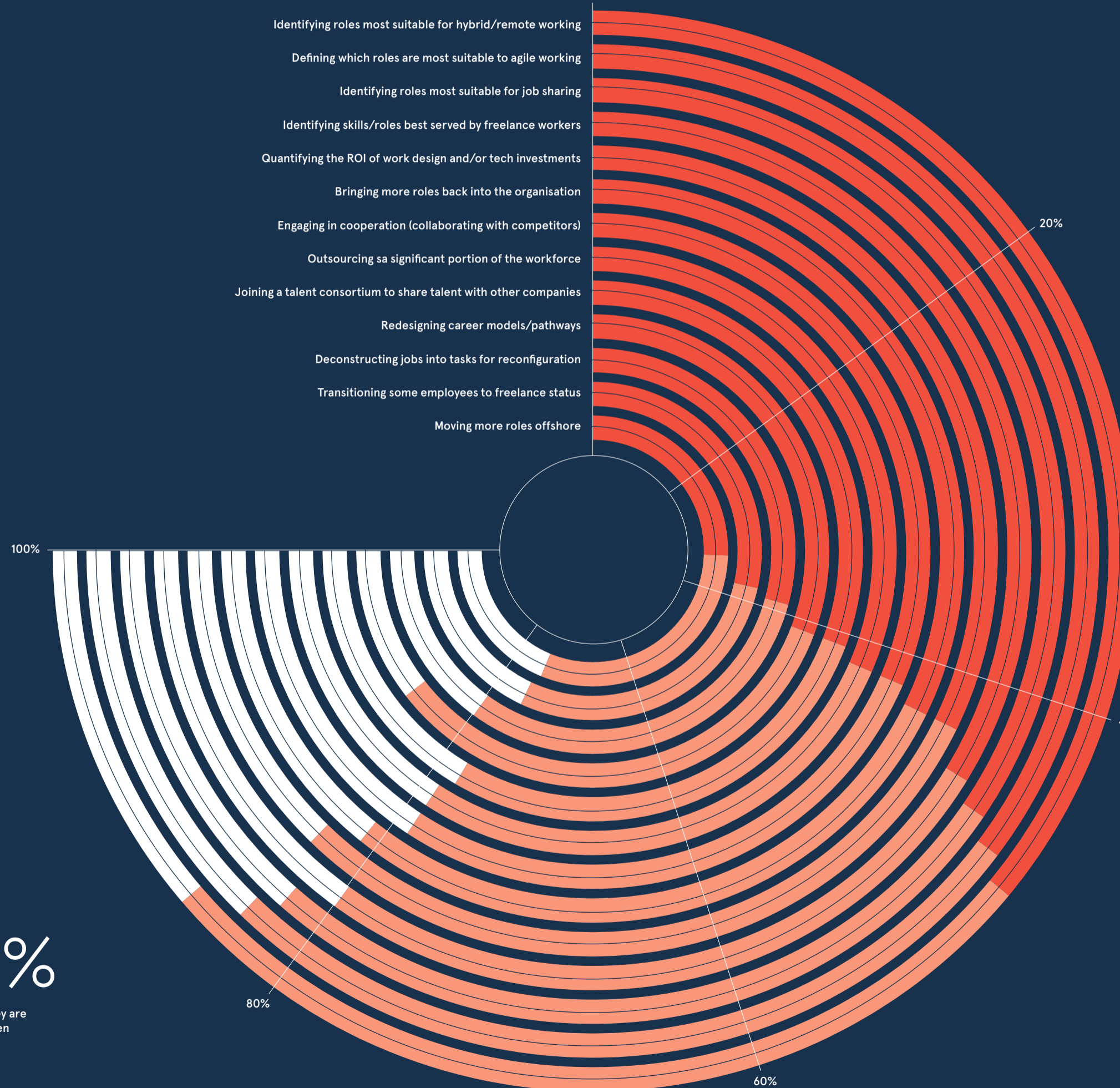
Share of C-suite leaders citing the following as key areas of investment to drive productivity in their organisation



PLANNING FOR AN ORGANISATIONAL RESHUFFLE?

Share of HR leaders that have made or plan to make the following work design changes

● Recently implemented ● Planned for this year ● No plans to do this



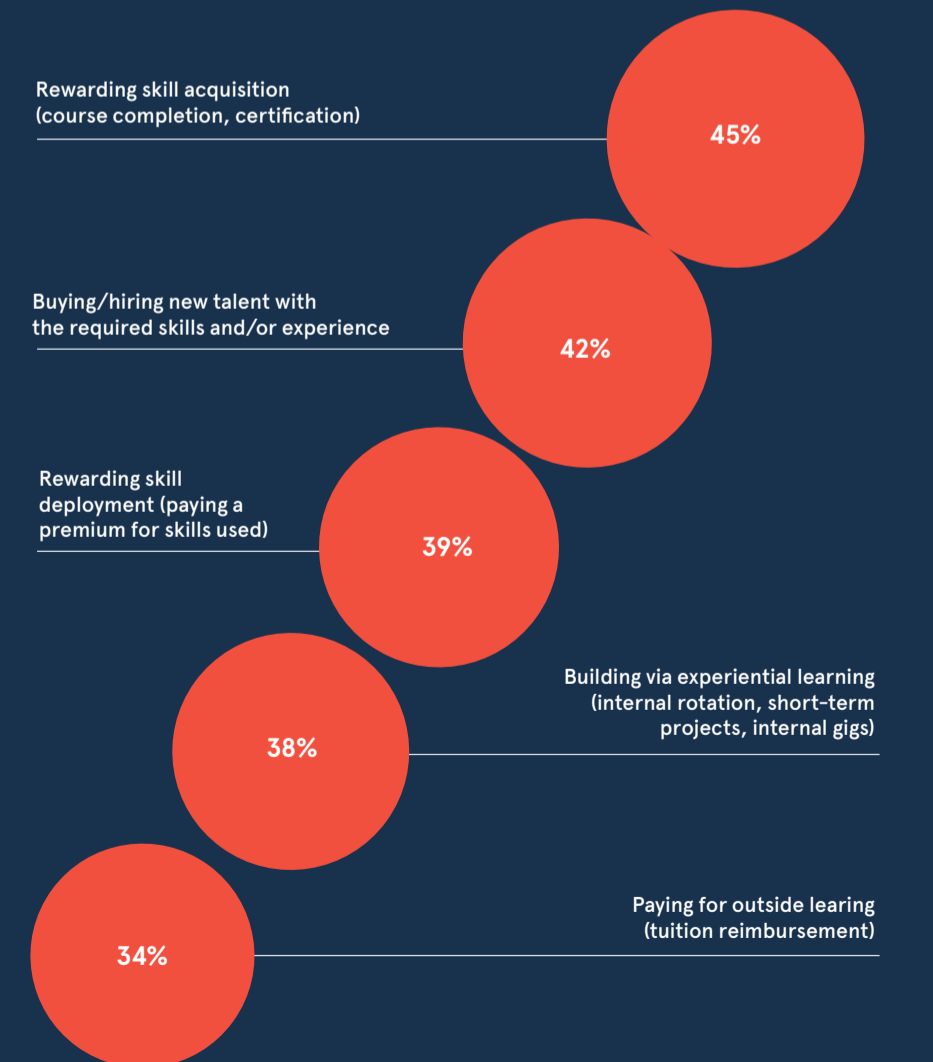
TOO MUCH BUSY WORK AND TOO MANY INTERRUPTIONS

Share of employees citing the following as greatest inhibitors of their productivity at work



HOW TO FILL THE SKILLS GAPS

Share of HR leaders citing the following approaches as most successful for ensuring organisational skills needs are met



53% of executives believe AI and automation will bring a 10% to 30% productivity boost to their organisation over the next three years

48% of HR leaders see skills shortages as a top threat to their business

64% of employees say they are most productive when working remotely

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HIRING

Highly recommended: how to build an employee referral scheme

Companies are looking to their workforce to help find the talent they need. HR must ensure the process is fit for purpose

Alison Coleman

Employee referral schemes are now a key part of the recruitment process for many firms. But success hinges on careful planning and implementation, with HR playing a pivotal role. An employee referral scheme sees existing staff recommend or refer potential new hires who would be a good match for the company, usually for a financial or non-monetary reward like extra vacation days. Because referred candidates have been endorsed by current employees who understand the company culture and what makes a good fit, it can boost the new employees' credibility and cut the risk of making bad hires. The hiring process is also quicker – referred candidates are typically hired in 29 days, compared to 55 days for most hiring methods, according to LinkedIn Talent Solutions. What's more, referred hires tend to stay at the company longer: a study by JobVite found that 47% of referred new hires stay at their position beyond three years, compared with around 14% of job-board hires. It comes as little surprise, then, that referral schemes are increasingly common: 84% of companies see them as the most cost-effective

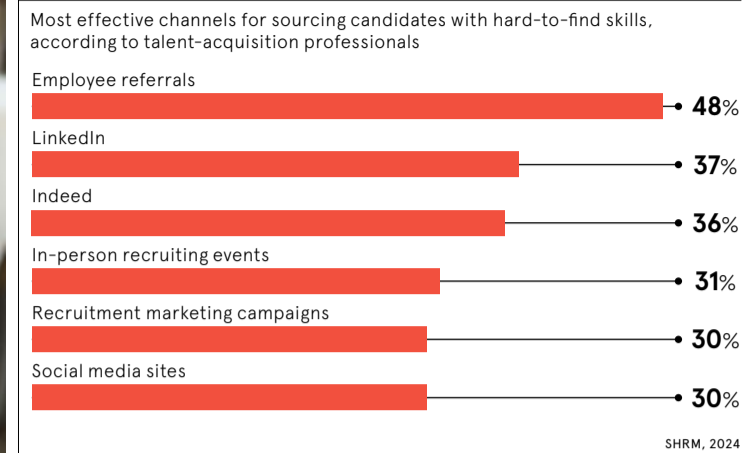
way to find talent, according to Aptitude Research. HR is central to delivering a successful referral scheme, from structuring the programme and drawing up the policy to creating awareness and promoting the scheme across the organisation. Janine Chidlow, MD at Wilson-HCG, a talent acquisition firm, suggests establishing a steering group of stakeholders who will be involved in rolling out, communicating and monitoring the programme. This could include legal, compliance and marketing representatives. "One element that shouldn't be overlooked is how employees belonging to different groups can benefit referral schemes when it comes to supporting inclusive hiring practices," Chidlow notes. "These groups will be aware of any barriers to inclusivity, which makes them a prime stakeholder to engage with for referrals." Referral schemes should offer attractive incentives to employees who refer successful candidates. These can be either monetary or non-monetary, but they must resonate with the team, says Dan Buckley, CEO of Cognexo, an employee experience platform.

"Monetary bonuses are common, but other perks such as additional vacation days, experience-based rewards or donations to a charity can also be effective," he says. Companies should also consider the practicalities of the referral process. According to Buckley, digital tools – such as an online referral portal or dedicated email address – make it easy for employees to submit referrals, which can then be tracked to determine hire and retention rates. Colt Technology Services operates an employee referral programme that provides a financial incentive to employees who introduce suitable candidates to the company. In 2023, 19% of all externally advertised vacancies were filled via a referral.



Everyone must be thoroughly vetted for a role, regardless of who recommended or referred them to the job

SEEKING SPECIALISED SKILLS?



Colt's chief people officer, Catherine Leaver, says a referral bonus is payable to employees when they refer a candidate who is subsequently employed by the company as a result of the introduction, provided the terms of the scheme are met. "It is Colt's way of saying 'thank you' for identifying outstanding people to join us." By accessing Colt's internal career portal, employees can select a "refer a friend" option, with the candidate then contacted directly by the recruitment team. A standard interview and selection process follows and if the candidate is successfully hired the employee will receive a referral payment. With skills shortages across sectors, efforts to broaden access to fresh talent should be welcomed. But for a referral programme to work it is important to set parameters and ensure that the referral scheme is an integral part of a recruitment strategy and that the hiring experience is consistent across all channels. As Leaver explains, this could become complicated in a global company such as Colt, with different hiring and employment regulations across countries. "The key lies in staying connected with your local talent acquisition managers and making sure they are as committed to and excited about the programme as those in the country where your head office is based." Although referred candidates have been recommended by existing staff, this shouldn't be viewed as a replacement for the usual assessment process, such as any vetting procedures. It is vital to maintain a fair and thorough approach for assessing new hires. "You want to avoid a situation where someone is deemed to have been given an easier ride because they've been recommended by a current employee," says Chidlow. On the other hand, you don't want a situation where someone who has applied for a role via a referral programme feels unduly left out of crucial stages of the recruitment journey: for example, in the way you communicate with candidates, sending an email to thank them for their time or providing study materials if they want more information about the organisation. The candidate experience helps individuals decide if they want to work for a particular brand, and if they don't go through the same

touch points it could have a detrimental impact on the impression the employer makes. "From a risk and compliance perspective, everyone must be thoroughly vetted for a role, regardless of who recommended or referred them to the job," notes Chidlow. The benefits of employee referral schemes are clear, but there are risks. For example, overreliance on referrals can result in a homogenous workforce, as employees tend to refer people who are similar to themselves. "HR can guard against this by setting diversity goals and encouraging referrals from all backgrounds," says Buckley. Referred candidates may also have higher expectations due to their connection with current employees, potentially leading to dissatisfaction if the process isn't managed well. "Ensure clear communication about the recruitment process and company expectations from the outset," he stresses. HR must be mindful of the potential for bias to creep into the hiring process. The risk of perceived or actual bias if referred candidates are consistently chosen over others can be damaging to the organisation. That's according to Jonathan Firth, vice-president and UK & Ireland recruitment solutions head at LHH. "Nepotism has a big impact on employee morale as incumbent employees can feel discouraged to invest in and develop their career when someone could swoop in at the same level thanks to their connections and not necessarily their skills or experience," he says. "While there is no explicit obligation on employers to prevent nepotism, they must take measures to protect against potential discrimination claims." Clear internal communication around employee referral schemes is pivotal to their success. Without clarity, employees can misunderstand eligibility criteria or how to participate, leading to disengagement or misuse. Buckley suggests launching the programme through company-wide meetings, emails or workplace communications platforms. "Share the benefits and successes of the scheme to build momentum and ensure that all relevant information about the scheme is easily accessible," he says. "Sharing stories of successful hires who came through referrals not only reinforces the value of the programme but also encourages participation." ●

INTERVIEW

‘Learn to fall in love with the problem, not the solution’

In a rapidly evolving workplace, TomTom’s chief HR officer **Arne-Christian Van Der Tang** is focused on the ‘now of work’, taking an agile and flexible management approach

Oliver Balch

It’s a common headache for HR: the team invests in the latest innovation in the world of work, but as soon as they’re ready to roll out their strategy, the market has moved on or the issue has evaporated.

During his decade as chief human resources officer (CHRO) at TomTom, the Dutch location-technology firm, Arne-Christian Van Der Tang has seen the pattern play out time and again. From workplace inclusion and upskilling to wellbeing and remote working, the demands on HR to ensure talent is ‘future-fit’ are never-ending.

Focusing too much on the challenges of tomorrow can cause HR teams to miss what drives value today, warns Van Der Tang. Even if HR had a crystal ball, conventional approaches make it almost impossible to prepare for the changes coming around the corner, he says.

For TomTom, the solution is to adopt a near-term focus to operations, prioritising management practices such as agility, flexibility and responsiveness.

Van Der Tang refers to the approach as the “now of work”. The emphasis, as the name suggests, is on delivering tangible HR products and services that improve the performance of TomTom’s staff in the here and now.

A major part of the strategy, which was launched in the wake of the Covid-19 pandemic, rests on getting employees excited about their job. Nothing does that more than the feeling of “personal impact”, Van Der Tang argues.

To motivate such sentiment, the Amsterdam-headquartered firm allows its 3,700 employees almost unrivalled workplace flexibility: from home, from the office, on the commute, or (for up to three months

each year) overseas, it doesn’t matter. What counts is finding the environment that enables them to deliver the greatest impact possible.

The design of its offices reflects a similar ethos, prioritising maximum flexibility and minimal fuss. Individual teams work not in gated cul-de-sacs but in open “neighbourhoods”, replete with separate spaces for everything from group brainstorming (with managed acoustics) to individual deep focus.

The same logic is seen in its approach to leadership. Layered decision-making systems and complex sign-off processes are the death knell for the autonomy on which personal impact depends. Instead, TomTom defines leadership “through the lens of action”, according to the company. In other words, everyone and anyone is encouraged to seize opportunities that come their way – and take responsibility for the result.

No wonder that ownership and accountability are two of TomTom’s four guiding behaviours. In a similar action-oriented vein, its company principles include the injunctions “start with yes” and “disagree and commit”.

For TomTom’s now-of-work theory to become truly entrenched across the whole organisation, one team above all had to live it out: HR.

This fact was not lost on Van Der Tang, who immediately set about working with his 90 or so HR colleagues to update their mission, vision and purpose. The latter captures the essence of the new “real-term work” mentality. “We help people find their impact,” he states.

Living up to that mission has required a huge shift in his team’s internal mindset. Van Der Tang explains that HR managers have had to learn to “fall in love with the problem, not the solution”.

The phrase jars with the idea popular in management circles that leaders are meant to provide solutions, but it makes sense in an environment that seeks to deliver immediate impact. Delivering solutions, traditionally understood, is what happens a long way down the track. Tackling problems, in contrast, is what gets done this minute.

It sounds like a small shift, but the implications are profound, Van Der

“Functional experts must ask themselves, ‘Am I solving a business problem?’”



Tang insists. He gives the example of dealing with an inexperienced leadership team. A seasoned HR professional would typically double down on leadership development, he says. “We would go away and build a leadership-development programme, but when we bring it to market six months later, the problem might have gone away or changed entirely.”

Van Der Tang is clear that the alternative is not to ditch all attempts at future-planning. Nor should the HR team spend its time trying to put out fires. Both are recipes for disaster, he says, as much for the talent that HR is there to serve as for HR professionals themselves.

The answer is to be much better at prioritising. By slimming down the function’s to-do list, HR can focus its invariably limited resources on immediate business problems that are in its purview to fix.

When Van Der Tang sat down to count his division’s entire portfolio of tasks, he ended up with a list of 240 different responsibilities. “Obviously that was crazy,” he reflects. “But mostly it was just unmanageable and impossible to prioritise.”

He quickly cut the list in half and continues to whittle it down through regular monthly prioritisation meetings with his team. Again, they focus on the most pressing issues, coupled with the best opportunities for immediate impact.

The team draws heavily on real-time data when deciding what to prioritise, but even data-driven decision-making can be vulnerable to traditional thinking. “We struggled in the beginning to have data be the driver for problems rather than the other way around,” he admits. “When we would fall in love with a solution, we would find the data to support the solution.”

To help break with such deeply entrenched habits, Van Der Tang dissolved the old functional divisions in his team and created multifunctional units dedicated to common business concerns, such as talent services and internal communications.

His reasoning was simple: from compensation and benefits to

“We would build a programme, but when we bring it to market the problem might have changed”

recruitment and training, HR teams can easily comprise 20 or more separate functional domains, each of which works to its own roadmaps at arm’s length from one another.

Such a system hardly invites a now-of-work agility, Van Der Tang says. “Functional experts think ‘my job is done when I’ve delivered a new long-term incentive programme’ or whatever it might be, without specifically thinking, ‘Am I solving a business problem?’”

Shifting TomTom’s approach to talent management to a more here-and-now footing is a work in progress, but Van Der Tang insists that the changes in his HR division are bearing fruit.

He points to a variety of tailored HR products, including a new five-month programme for upcoming leaders, devised in partnership with Cambridge University’s Judge Business School. At the crux of the programme is an invitation to participants to apply their new-found skills to solve a present-day problem at the company or deliver a real-time business opportunity.

Additional products recently delivered by his rejigged HR team include a new career framework based on skills and competencies (as opposed to vertical career ladders), a revised learning management system focused on turbocharging technical skills and innovative data tools designed to provide real-time insights into TomTom’s “organisational health”, among others.

The changes are gaining positive feedback internally. Since introducing its new approach a few years ago, TomTom has registered upticks in talent engagement and retention, as well as in referral hires and use rates of HR services.

But Van Der Tang is frank about the difficulty of learning to love the problem, rather than the solution. “It’s an ongoing change in mindset and something we just need to really keep each other honest about.” ●

Hidden cost of SaaS: fragmented systems are draining resources

Siloed SaaS employment systems create inefficiencies and compliance risks for UK businesses. Harnessing AI to streamline HR is now critical for success

How many SaaS subscriptions are businesses currently juggling? Data shows that the average SME uses over 200 software applications to run its business.

Research by all-in-one recruitment, HR software, payroll & benefits platform Employment Hero discovered that most companies use 4 to 7 different systems just to manage employment. When the price of all of these systems is added up, the true cost of SaaS is overwhelming.

Kevin Fitzgerald, UK MD of Employment Hero, explains: “The traditional SaaS model was celebrated for flexibility and scalability. Ten years ago, that’s exactly what the industry needed. But now it’s showing its limitations and UK SMEs are increasingly burdened by fragmented systems, multiple vendor management, rising costs and integration challenges.”

So, what’s the alternative? Across industries, there is a greater demand for consolidation. Ecommerce stores are becoming marketplaces. Fitness apps are becoming wellness hubs. Banks are becoming fintech super apps. Yet employment remains fragmented.

“In 2024, when we’re more connected than ever, it feels wrong that employment – the backbone of our economy – is so disjointed,” says Fitzgerald. With the next wave of compliance and legal changes on the horizon, ensuring seamless communication between your employment departments isn’t just a nice to have, it’s a must.

The end of silos

Historically, business functions existed in silos, with separate teams owning their process and purchasing software. This fragmentation creates an administrative headache from manually inputting data, constantly managing software updates and the pressure of remembering multiple passwords.

Currently, manual updates are required when there are changes in an employee’s HR file, such as a pay rise, which can lead to errors. By connecting HR and payroll, these errors are eliminated.

“The entire process becomes automated, enhancing both accuracy and efficiency,” he adds.

“Our AI-powered talent matching tool, SmartMatch, redefines recruitment. It instantly connects employers with job seekers, reducing time to hire from weeks to days or even hours. No more sifting through endless CVs; accurate matches are made in seconds, meaning candidates find jobs faster and employers hire the right talent easily.”

“Every stage of the employment journey must be connected”



hiring. They are worried about doing something wrong and potentially incurring legal costs. This is disastrous for the UK economy so we should be doing everything in our power to make managing employment easy,” says Fitzgerald.

The future of AI

AI is revolutionising the way people live and we’re beginning to see its impact across HR functions. But AI is only as powerful as the data it’s given. To truly harness its potential, every stage of the employment journey must be connected.

While automation has streamlined repetitive payroll tasks, the real impact of AI is just beginning to take shape. “The AI we’re developing at Employment Hero goes beyond automating complex pay runs; it creates a fully integrated HR and payroll ecosystem,” Fitzgerald explains.

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AI can free up time for employees to focus on value-adding projects. Employment Hero has built an AI-powered chatbot, Hero AI, which has the ability to answer any compliance and employment related questions employees may have.

“It’s like a personalised Chat GPT, designed specifically for your business. Ask any question and the technology will scan all of your employment documentation to provide a precise, accurate answer. This is a game changer for HR managers who must remain compliant,” says Fitzgerald.

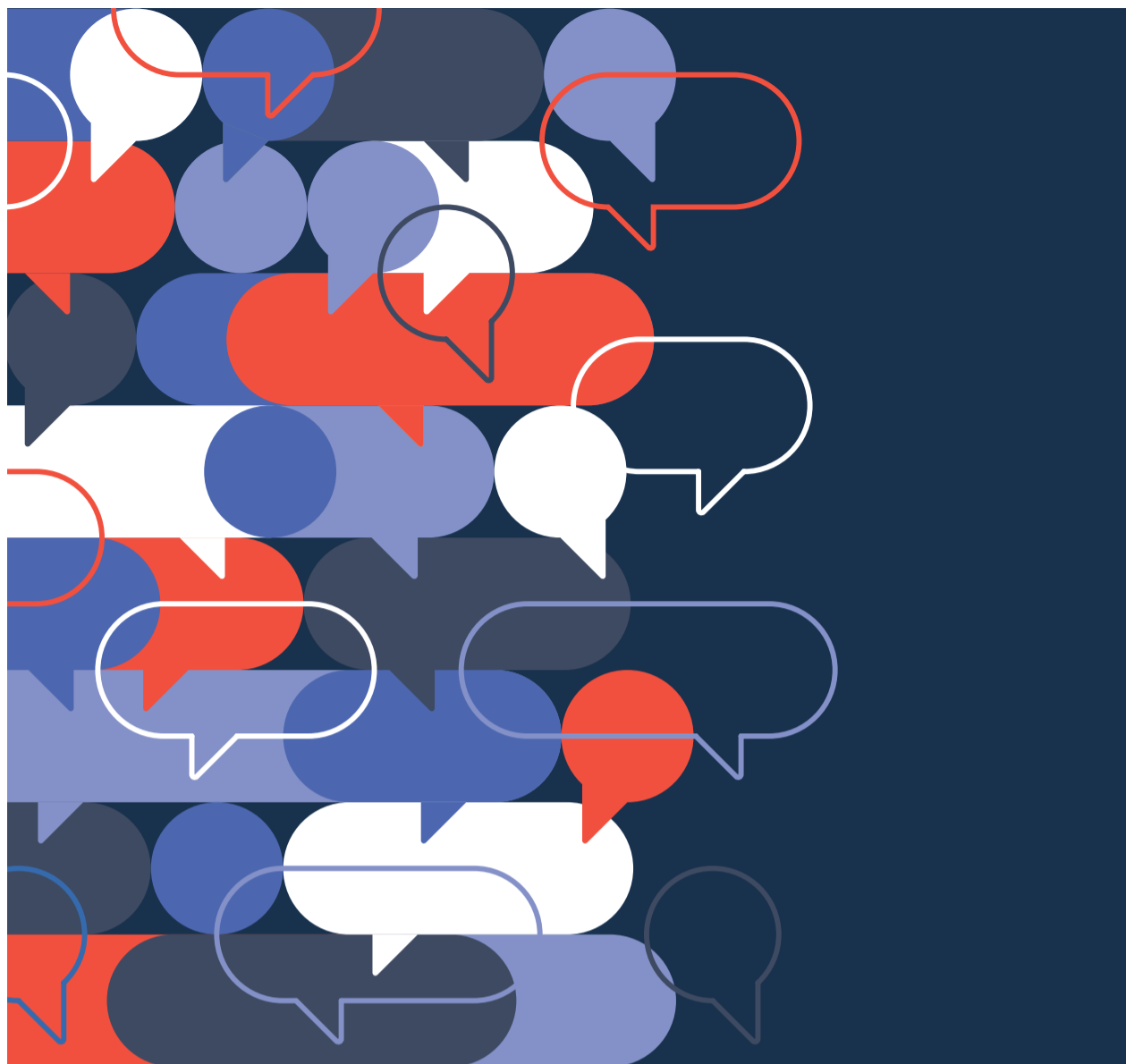
The world’s first Employment OS

Employment Hero provides a fully consolidated, AI-powered approach to employment. “Our technology goes beyond the traditional boundaries of SaaS to pioneer a new category: the world’s first Employment Operating System (OS). Within the next decade, every software provider in our industry will shift towards this approach – we’re just leading the way.”

This transition will revolutionise employment, making the lives of SMEs and HR professionals easier. Businesses who want to stay ahead of the curve should take note. “It’s time to take off the rose-tinted glasses; this is the end of SaaS. The future is Employment OS.”

For more information please visit employmenthero.co.uk





COMMUNICATION

Should firms bring an end to workplace DMs?

PhotoRoom's policy encourages staff to resist sliding into DMs. Its head of people explains how keeping comms public has helped to improve engagement and speed up onboarding

Sam Forsdick

Workplace communication platforms, such as Slack and Microsoft Teams, have funnelled discussions between colleagues away from email and into the direct message (DM) inbox. Although DMs may seem sensible for quick and easy intra-office communications in the digital age, they have had unintended consequences for some employers.

For Matthieu Rouif, co-founder and chief executive of PhotoRoom, an AI photo-editing app, the reliance on DMs presents a problem.

Rouif was working at Stupeflix when it was acquired by GoPro in 2016, leaving him the only team member based in Europe – everyone else worked in the US. Operating in different time zones was challenging and frequently left Rouif feeling detached from the rest of the team.

Mikael Nilsson, head of people at PhotoRoom, explains: "These experiences led him to consider why we send so many direct messages at work. He started to think about the potential benefits of keeping all communication open."

“

Anything relating to an individual's performance, health or salary isn't something that needs to be discussed publicly

When Rouif co-founded PhotoRoom in August 2019, he hoped that implementing a no-DM policy would encourage greater cross-team collaboration and bring some elements of the office experience to the distributed working environment, like the one he endured at GoPro. His idea to link up staff in different locations looked particularly prescient when Covid started to spread at the end of 2019.

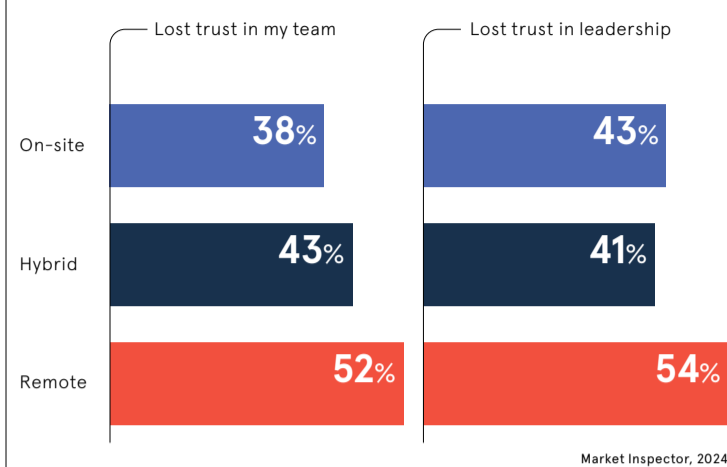
"If you're in an office, you can walk up to a bank of desks and listen to people's conversations, ask questions and share your opinion," Nilsson says. "That's what we wanted to replicate by opening up all the Slack channels and team conversations."

Although PhotoRoom's no-DM policy is not strictly enforced, Nilsson trains all new joiners on the company's unique Slack etiquette. Core rules include keeping replies in threads, tagging people in messages they need to read and sharing any important information in the company-wide channel.

This has meant that staff are not inundated with Slack notifications, even as the firm's headcount has

THE CONSEQUENCES OF POOR COMMUNICATION

Share of employees reporting a decline in trust owing to poor communication, by workplace arrangement



grown. "We have rules that we stick to and it really helps to remember these rules as we continue to grow," Nilsson says.

Naturally, there are some conversations that must be kept private. "Anything relating to an individual's performance, health concerns, private matters or salary, isn't something that needs to be discussed publicly," Nilsson explains.

But almost every other direct message is met with the response, "this could be public". This even includes discussions about business strategy and company finances, as well as conversations between board members. "Everything is shared completely openly," Nilsson says.

More recently, PhotoRoom's leadership has held in-person meetings to discuss strategy and ensures that these conversations remain transparent by sharing recordings of the meetings and transcripts.

"We're trying to find new ways to ensure every discussion remains public, so there's no sense of 'us and them' and people continue to see the reasoning behind each decision," Nilsson explains. "If we didn't, it would ruin what we've built. We're taking a lot of care to avoid that."

Although disagreements can arise in public channels, Nilsson says these are not uncommon even in an office setting.

"If you're not used to that it can feel a bit tense, but disagreement is a normal part of doing business," he adds. "I don't want the policy to make people hold back and do less work or feel anxious. It's obviously a work in progress but I think the upsides are infinitely greater than any downsides."

Despite the relatively hands-off enforcement, PhotoRoom's employees appear to be adhering to the no-DM policy. Three-quarters of messages sent on its Slack group are viewed in public channels, while 19% are direct messages and only 7% appear in private channels.

The change has been particularly effective at breaking down silos. Open communication makes it easier to see the work that other teams are doing and to provide input.

This enables a range of perspectives to be heard, Nilsson adds. "Many companies claim that they value diversity of thought, but how are they enabling that?" he asks. "How are you enabling an engineer

to have an opinion on a commercial matter or to ask questions to your commercial team, for instance?"

The policy has also improved trust throughout the organisation. "If people in a company can see that the senior leadership team is not hiding anything and their decisions are discussed in public, this will build a lot of trust," Nilsson says.

Transparency is particularly valuable for junior staff members, he adds, as it allows them to learn from more senior employees and see how decisions are made.

And, for new starters, the no-DM policy means that answers to most questions can be found by simply searching public channels. Reflecting back on his own experience of joining the business, Nilsson says: "I could go back and look at the discussions around the company's parental leave policy and see the reasoning behind the annual leave policy. It made me feel as if I were part of the discussion at the time."

PhotoRoom is not the only company to experiment with improving the transparency of internal communications. In 2013, Stripe, the fintech company, made all internal emails public and searchable to ensure everyone is kept informed of company updates and reduce the number of meetings. PhotoRoom has taken inspiration from Paris-based startups Dust and Alan in devising its own policy.

While it can take new staff some time to adjust to PhotoRoom's communication policy, Nilsson insists people feel a real sense of ownership once the benefits are explained to them. "It makes people feel more connected to all parts of the business and creates a sense of belonging," he says.

The policy has also had positive unintended consequences, according to Nilsson, such as fostering a wider culture of transparency and reducing employee attrition. He claims there has been "virtually zero" voluntary staff turnover since the no-DM policy was introduced.

It's for these reasons that Nilsson believes more businesses could benefit from increasing internal transparency. "There's not much of a downside with transparency from an employee point of view," he says. "All employees want to know more about what's going on in their company, so try to give that to them." ●

Retention reimaged: why leaders should foster career conversations

Prioritising internal mobility and encouraging development opportunities will help leaders future-proof their workforce

In a competitive job market, businesses face two main challenges: attracting top talent and retaining their best people.

Often, organisations disproportionately focus on the former, looking to external recruitment to fill skills gaps and drive innovation. However, with CIPD research finding that one in five employers are struggling to fill job vacancies, business leaders are increasingly looking to nurture the value of their internal workforce to meet demands.

"Showing employees how they can grow their careers internally and develop new skills is key to improving retention," says JC Townend, CEO, LHH and President of The Adecco Group, UK & Ireland.

"Our research shows that while many employees are reluctant to move jobs in the current market, more than half are already considering their next career move, but less than 10% are looking for roles in their current employer," she says.

"Companies should be concerned that some of their best people are looking to move on when the job market picks up – and the best way to counteract this is to start meeting their career ambitions now."

Career coaching

According to LinkedIn's 2023 Workplace Learning Report, 93% of organisations are worried about employee retention. As a result, the top retention strategy businesses are focusing on is providing learning opportunities to develop skills.

However, creating an effective retention strategy requires a more holistic approach than simply offering skills training. Leaders need to create an environment where internal mobility is encouraged and employees understand how to transition to new roles. A culture of continuous development is key.

"Leaders need to work structurally to ensure that support is in place for all employees to explore their career ambitions. Previously, companies could get by with formal structures where HR departments created career pathways and both managers and employees understood what was required to progress. Today, jobs change so quickly that one CHRO told



me career paths are becoming obsolete as soon as they are created at their company," says Townend.

"Secondly, we find that individuals are no longer looking for a single progression path through a company, or even a single career for life. They might want to completely change career paths or move into new areas. They may also want to make non-intuitive jumps into different sectors that HR professionals can never plan for," she adds.

Many companies are now using internal talent marketplaces and skills audits to empower employees to find new roles and assess how transferable skills are. However, most companies are finding this isn't enough, and they are not getting the engagement from employees they expected. Instead, building a truly successful internal mobility programme requires providing employees with internal job search and landing skills, such as through effective career coaching, to complement such marketplaces.

"Leaders need to realise that internal mobility is about more than just skills

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Leaders need to realise that internal mobility is about more than just skills gap analysis and providing training

Commercial feature

gap analysis and providing training. They have to help employees understand how to land these roles, whether that's how to find them, interview for them or be chosen. Managing that transition is more complex than just having the right job skills," says Townend. "Companies should equally be investing in portals that help employees learn internal job-landing techniques and they should be providing career coaching support."

The role of managers

Line managers can offer support here. As an employee's supervisor, they should regularly create space to discuss future ambitions. "Firstly, managers should have career conversations regularly, not just during reviews," advises Townend. "Secondly, they need to help employees network with key decision-makers in different functions and build their internal brand in these areas. Finally, they can connect employees with short-term opportunities in their chosen area of interest. This all helps them to build their reputation and experience before applying to new roles."

The impact of external factors such as AI and tech advances on the pace of change in organisations is quickening, with new opportunities opening up all the time. The World Economic Forum predicts 83 million jobs will be eliminated by 2027, but 69 million new ones will be created, putting pressure on organisations to equip internal talent for rapid changes. By building employees' confidence in their capabilities

and know-how around navigating different opportunities, line managers can play a vital role in helping firms innovate and move at pace when it comes to new teams and projects.

"We know that in a lot of companies there is a straightforward job market but also a hidden one. These are internal roles that aren't advertised for confidentiality reasons, or even those that are created for a specific person that the company sees can contribute in a new and unforeseen way. Supervisors can be gatekeepers to this," says Townend.

Culture of continuous development

While an effective line manager can provide the link between management and employees to support internal mobility, many are reluctant to do so. Leaders need to create a culture where internal mobility is seen as a positive for the organisation, not a negative for individual teams.

"Supervisors can play an important role in helping employees find that next opportunity, but some don't want their best people moving on. However, we've found that supervisors who nurture careers actually benefit. If you're known as someone who promotes people's careers, you're more likely to get good people wanting to join your team," says Townend.

"Secondly, if you're a manager helping people to grow, those people often become more patient about moving into their next role. They can see the progress they're making and although it

might take longer to get that role, they are more likely to wait for the right position," she adds.

Many organisations are increasingly incentivising managers to promote internal mobility. Just as employees seek new opportunities, so do managers. Offering promotion opportunities to those who create a collaborative environment or helping them move into new areas is a way for leaders to demonstrate the value of developing careers.

Creating an effective retention strategy is about more than simply offering employees the opportunity for internal mobility. Instead, it requires constant communication, career coaching and the opportunity for employees to take control of their own development.

"If employees understand what needs to happen to get into a new role and are empowered to get on with developing new skills, they don't feel like they are waiting for a top-down approach to get an opportunity. It's about putting power in the hands of the individual and for employers to proactively support them in achieving their career aspirations," says Townend.

LHH specialises in career transition and mobility, leadership development and recruitment solutions. Find out more at lhh.com/uk

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