

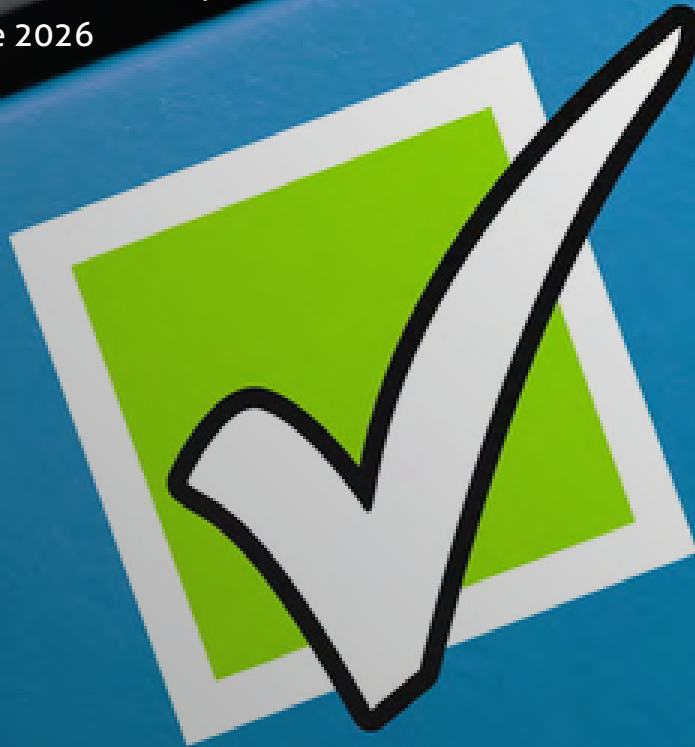
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Issue 282 | June 2026



ARTP ONE YEAR ONE

DIVERSIFY OR DECLINE

THE GOOD, THE BAD AND THE UGLY

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WELCOME

SIMON KENT
EDITOR

In this issue of The Global Recruiter we address one of the most pressing questions for recruiters – how to get ROI from technology and AI in particular. The hype has been real, the potential is undoubtable, but at the heart of the matter is the fact that AI deployment is unique for every recruitment business. How technology can be used varies from business to business. How good the data is that powers that technology varies from business to business – what exactly the data is varies from business to business. And, at the end of the day, how consultants want to use AI will vary from business to business.

So where does one start when considering ROI? The overwhelming opinion is to start by asking what is the problem you're seeking to resolve? AI and wider technology should not be brought in for its own sake – there's no real value to using the latest shiny product if it doesn't actually reflect what you're trying to achieve. There's no point in trying to make a process more efficient or valuable if that process doesn't really matter to the business in the first place.

If technology is built on what makes your business great, then it's going to deliver ROI. If it enables your consultants to deliver a great service to clients and candidates, if it enhances your communication with the market, if it lets you deliver faster, more accurately and efficiently, then you know it's right. Be certain of the impact you want to achieve and measure to make sure it happens. That is Return on Investment. ■

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NEW CHAIR OF REC AT 'PIVOTAL MOMENT' FOR SECTOR



The Recruitment and Employment Confederation (REC) has announced the selection of Bev White as Chair-Designate, taking over as Chair later in the year after confirmation at the organisation's AGM next month.

Bev White, Executive Chair of Harvey Nash and Crimson, will join the UK's leading trade association for talent, staffing and recruitment businesses at a critical time in its modern history. With so much changing in how firms operate today, talent planning is in flux. Technology, regulation and geopolitics are all reshaping the sector. The REC will be at the heart of ensuring the UK's world-leading talent sector navigates these challenges – and seizes the opportunities – successfully.

Current Chair Michelle Mellor, founder and director of businesses Cummins Mellor, CJUK and Personnel Checks will step down in October. She commented: "Serving this incredible trade association for the UK recruitment industry as Chair over the last three years, has been the honour of my career.

"The recruitment sector has faced unprecedented change during that time and the pace of transformation shows no sign of slowing. From the emergence of new technologies to the uncertainty created by political and economic developments both at home and abroad, our industry continues to navigate a uniquely challenging environment.

"The REC will require strong, thoughtful leadership in the years ahead and I am delighted to be handing over to Bev who brings the experience, judgement and leadership qualities needed to guide the REC and support our members through the opportunities and challenges that lie ahead."

Meanwhile Bev White said she was honoured to be appointed Chair of the REC particularly as the organisation approaches its centenary. "It has never been more important that we reflect the full breadth of our membership and the role we play in supporting organisations and individuals through constant change," she said. "The recruitment industry sits at the heart of how the UK grows and adapts, and I'm proud to take on a role that carries both responsibility and real opportunity to shape what comes next.

"What matters most to me is that every member feels heard and represented," she continued. "The REC is a powerful platform to influence how businesses, government and society think about talent, skills and the future of work, and I bring a real curiosity about how forces like AI, while often seen as a threat, can unlock entirely new opportunities. My focus will be on making sure our industry's voice is not only heard but acted on, and that we support our members to navigate and lead through what is a fast-moving and hugely important time."

"Michelle's entrepreneurialism and energy have been a huge asset to our organisation over her three years as Chair. She is leaving REC a more resilient and dynamic organisation," said Neil Carberry, REC Chief Executive. "Bev White is a stellar addition to the REC, with extensive experience and success in our sector. We have a shared understanding that people are not a component but actually really vital to the success of British business. Bev White and REC are aligned on how temporary and contract work is essential to economic growth, at all skill levels, and how permanent hiring needs to change alongside it to take a more long-term view." ■



'FOBO' GRIPS WORKERS

Over two-fifths (42 per cent) of UK workers worry their skills could become outdated due to AI and automation. Research from Totaljobs has revealed a growing workplace trend dubbed 'FOBO': the Fear of Becoming Obsolete.

Totaljobs' bi-annual Hiring Trends Update, which surveyed 2,000 UK workers and 900 employers, uncovers rising concern about long-term career relevance as rapid technological change reshapes job demands across the labour market. This unease comes as almost half (49 per cent) of workers say recent redundancies have made them feel less secure in their roles.

These findings have been released against a more competitive hiring backdrop, with UK vacancies falling to 705,000 (a five-year low) – increasing pressure on workers to remain adaptable and continue building new skills.

Despite wider market pressures, hiring confidence is rising, reaching 7 out of 10 employers, up from 6.6 previously. Confidence is strongest in IT, manufacturing and professional services, where over half (68 per cent, 64 per cent, 52 per cent respectively) of employers expect hiring to increase over the next six months.

The growing 'FOBO' trend is already shaping behaviour in the workplace, with many of those concerned taking action to stay competitive:

- 72 per cent are taking on additional responsibilities beyond their role
- 83 per cent feel they need to keep learning new skills to remain employable
- 37 per cent have learned AI tools in the past year
- 86 per cent would be willing to switch into a more employable growth industry if needed

However, the vast majority of workers feel that individual effort alone is not enough. 71 per cent of workers say they would feel more secure if their employer invested more in training and reskilling, highlighting strong demand for greater employer support.

The research also reveals growing challenges for employers as hiring becomes more targeted and complex. Roles now take an average of 12 weeks to fill – compared to 10 weeks last year – as higher application volumes slow down recruitment processes.

Employers' biggest hiring challenge remains finding candidates with the right skills (32 per cent). This points to continued pressure around candidate fit and skills availability while 20 per cent also cite increased skills requirements for open roles. At the same time, salary pressure is rising, with 23 per cent unable to meet candidate expectations, making this the second biggest barrier to hiring.

In response, hiring is becoming more focused. Investment is shifting towards critical capability areas, with the strongest demands in; AI and machine learning (34 per cent), Technology and engineering (32 per cent), Data, analytics and cybersecurity (29 per cent). This signals an accelerating shift towards skills-based hiring, where the ability to learn and adapt is becoming just as important as formal qualifications or experience.

Talent acquisition teams are also playing a more strategic role in helping organisations adapt to changing skills demands. More than four in five (83 per cent) say they are more involved in workplace and talent planning than before, while 68 per cent report taking on responsibilities beyond traditional talent acquisition.

Despite economic uncertainty, the research suggests hiring activity has not stalled altogether, with 43 per cent of organisations increasing recruitment (up from 36 per cent) and just 5 per cent expecting a decrease.

Crucially, candidates are more open than ever, with 84 per cent willing to consider new opportunities – the highest this study has ever recorded. Together, these trends show a labour market that is evolving, rather than totally retreating, with organisations rethinking roles and adapting hiring strategies.

“What we’re seeing is not a simple contraction in the labour market, but a shift in where demand is focused,” says Julius Probst, European labour economist at Totaljobs. “Hiring is becoming more concentrated in specialist and future-facing roles, even as businesses continue to restructure and adapt to changing economic conditions.

“At the same time, time-to-hire is increasing, salary expectations have risen, and skills fit has overtaken candidate supply as the defining hiring challenge. This is driving a move from job insecurity to ‘skills insecurity’, with individuals placing greater emphasis not just on job stability, but on their longer-term relevance in a rapidly evolving labour market.

“Encouragingly, both workers and employers are already responding,” Probst adds. “Individuals are investing in new skills, while workforce planning is becoming a greater priority for organisations.

“With the right focus on skills and development, this shift can become a catalyst for growth rather than a source of anxiety.” ■



GI GROUP PARTNERS TO PREPARE STUDENTS FOR THE NEW WORLD OF WORK



As the number of workers in payrolled employment continues to drop, one of the UK's leading HR and recruitment specialists, [Gi Group](#), is partnering with an East Midlands multi-academy trust to deliver careers advice and training created expressly for the working world of the future, where AI and tech are baked in to the workforce. Through 1-2-1 interviews, speed round networking and CV support, the Gi Group team are supporting children across the Trust's network to prepare them for the rapidly evolving world of work after school.

Early estimates from the Office for National Statistics (ONS) suggest the number of workers in payrolled employment slipped by 11,000 between February and March 2026, the first month of the Iran War. The figures highlighted the number of job vacancies in the UK fell to their lowest level in almost five years, dropping to 711,000 for the January to March 2026 period. Figures also showed that there were 89,000 more 16-24 year olds not in education, employment or training (NEETs) between January and March in 2026 than in 2025.

Amid an influx of technological advancements, an ageing workforce, a scarcity of entry-level jobs and a widening skills gap, it has never been more important for young people to prepare for the world of work. On a mission to do all it can to support workers, of today and in the future, Gi Group is working closely with schools in The Two Counties Trust to deliver practical, applicable and bitesize tips and tools at crucial points in the school curriculum.

[Hayley Pickering](#), Regional Manager at Gi Group, commented: "We're proud to support The Two Counties Trust with career fairs, CV support, mock interviews and speed networking events. Working alongside other regional businesses, we are able to offer careers advice that is really fit for the future in the context of current, and projected, job market insight for children embarking on the world of work. Through the sessions we attend, we work with children, aged between 14-16 years, to understand what drives their career decisions, which in turns supports the work we do.

"We have four members of our employability Corporate Social Responsibility (CSR) team at Gi Group, but the whole business helps with attendance at these events to give young people true exposure to a range of roles. Throughout 2025, we dedicated 130 hours to our employability initiatives and already in 2026, we have volunteered 45 hours."

The youngest generations in the workforce, Millennials and Gen Z, have reshaped the world of work. As reported in Deloitte's global '[2026 Gen Z and Millennial Survey](#)', just 25 per cent of Gen Zs and 21 per cent of Millennials prefer fast-paced career progression marked by rapid promotions. Uncertainty has accelerated how Gen Z and Millennials invest in their own employability – prioritising skills development, continuous learning and innovative tools, such as AI. Gi Group believes these trends will continue into future generations.

Clare Hodgson, Deputy Careers Manager at the Two Counties Trust, said: "Working in partnership with businesses, including Gi Group, plays a vital role in strengthening Two Counties Trust's strategic vision. By creating meaningful connections between education and industry, we are able to offer students a rich variety of real-world experiences. These opportunities not only broaden their horizons but also help them develop the practical skills, confidence, and adaptability needed to thrive in the world of work."

Hayley added: "The Trust operates schools in Nottinghamshire and Derbyshire and with our headquarters in Chesterfield, we felt it was the perfect fit for our team to invest in our local community. In the current climate, we recognise how challenging it is for young people to even get work experience, let alone a full-time job, which is why we're doing what we can to give them the very best start. There has been a number of uncertainties across the labour market in recent years, so we hope by providing young people with the advice and tools to succeed in the real world, we can support their progress." ■



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FINALISTS ANNOUNCED FOR THE GLOBAL RECRUITER UK INDUSTRY AWARDS 2026

The next stage in honouring the best of the best in the UK recruitment industry has been reached. Judges drawn from across the recruitment industry have been tasked with analysing, sifting and assessing the entries for this year's Global Recruiter UK Industry Awards and the result is a list of finalists each in with a chance of gaining the ultimate accolade.

This has been no mean feat. The entries this year were particularly impressive. Recruitment business are going the extra mile to deliver exceptional service to their candidates and clients. Across the board the judges have been impressed by the commitment, imagination and straight-forward hard work shown by recruitment professionals throughout the industry. It has made the task of judging an enjoyable one for the positive work on show, it has also been at times time-consuming as the judges have ultimately had to work hard to determine who deserves to make it onto the short list and who will finally be recognised as their category leader.

For those who have made the list – this is something to be proud of and shout about. Your achievement is already notable and your hard work is already paying off. These are the industry awards that really mean something – your performance has been recognised as stand-out from crowd, a business to watch, a business that gives a clear example of what can be created and achieved.

Good luck to all those short-listed as we move towards one of the best events in the recruitment calendar: Wednesday 9th September, The Steel Yard, London. On that afternoon The Global Recruiter UK Awards sponsored by Devyce will be in full party mode to recognise the Winners and Highly Commendeds in each category. These awards can change your career and your recruitment business' trajectory: make sure you're there to see what happens next. ■



INDUSTRY AWARDS 2026

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Best Candidate Attraction through Social Media

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AJ Chambers
Antal International
GCE HR

Best Client Service

Compass Associates Ltd
STR
Talent Locker
VHR
Xpertise Recruitment

Best Employer Brand

Oakley Recruitment
Talent Locker
GCE HR
Planet Pharma Group
Employ Borderless

Best In-House Training

Addition
Amoria Group
OpiPro

Best Marketing Campaign

GCE HR
AJ Chambers
Atlas Recruitment Technology Ltd
Fintelligent
STR

Best Innovation

Aspire
Atlas
People Group Services
SafeRec
VHR

Best Equity, Diversity & Inclusion Strategy

Amoria Group
GCE HR
Globe 24-7 Ltd
Inventum Group Ltd

Best RPO

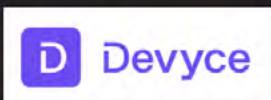
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**Best Large
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Select Offshore
Source Group International
VHR

**Best Small
Recruitment Business**

Fintelligent
Fox and Cubs
Hunter Bond
Leaders in Care
Prism Digital
Trinity House Group

**Best
Newcomer**

Greenbridge Energy
Invecta Group
Kenkotech Futures
Scout Global
Station

**Best Specialist
Recruitment Business**

BRG
Capstone Recruitment
Leaders in Care
Talent Locker
Xpertise Recruitment

**Best UK
Overseas Operation**

Amoria Group
Antal International
NRL
Penta Consulting
VHR

**Best Temporary
Consultant**

Oakley Recruitment:
Joanne Adams
Autotech Recruit: Ollie
O'Dell
Vantage Consulting:
Joshua
Hughes-Johnson

**Best Permanent
Consultant**

Acorn by Synergie: Kristy Potter
Addition: Hannah Clarke
Capstone Recruitment: Jemima
Ralph
Heads Resourcing Group: Rosie
Jenkins
RedLaw: Amy Hambleton

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the recruitment industry**

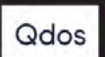
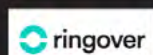
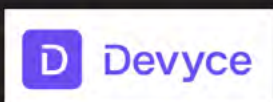
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DIVERSIFY OR DECLINE

Samantha Hurley, Managing Director of APSCo UK on why standing still is not an option.

The UK recruitment sector is under pressure from every direction – economic uncertainty, legislative change, shifting client demands, and technology that is transforming how businesses approach talent acquisition. >



Market volatility affects both sides simultaneously – on the client side, this could be economic or legislative changes (for example, the Employment Rights Act) and on the candidate side, when interest rates rise or unemployment increases, job seekers become hesitant to move.

The firms best placed to manage this are those with solid, long-term client relationships, stable contract revenue, and a diversified client base spanning both public and private sectors. In this article, drawing on insights from the [APSCo Disrupt report](#) and our recent [APSCo Business Diversification Forum](#), we'll take a deep dive into diversification and what recruitment businesses can do to grow in the current market conditions.

Diversification options for recruitment businesses

Diversification can help recruitment firms reduce risk, adapt to market changes, and build a more stable business – but it is not without risk of its own. Understanding your company's risk appetite and setting clear boundaries for any new initiative is essential before taking the first step.

[Tara Ricks](#), APSCo AdvisorLink, outlined four core pillars of diversification for recruitment businesses, at the APSCo Business Diversification Forum:

- Geographic expansion – this offers access to faster-growing economies – the US, emerging Asian markets and Australia among them – but it is not a quick fix.
- Service diversification – moving from contingent to retained, perm to contract, or adding bedded recruitment and RPO-lite offerings – is often the most accessible starting point, and for many firms this is where the quick wins sit.
- Sector diversification – Sector diversification can work well, and the most successful recruiters know and dominate their niche. Trying to be all things to all people can be damaging.
- Acquisition and partnerships – Acquisition can accelerate any of the above for those with access to the right funding. >



Most businesses in our sector actually, ironically, don't need more clients. It's about what we're selling to them." - Tara Ricks, APSCo AdvisorLink

Each pillar carries its own opportunities and challenges. For example, whilst international growth is not a quick fix, with extensive planning and research, including competitor analysis, it could be a worthwhile venture depending on your goals. Markets such as Asia and Australia could be a viable option for some recruitment firms, as they continue to grow in popularity due to rising demand and strong economic conditions.

'Smart Diversification'

One of the most important distinctions of diversification also lies between smart versus reactive, unfocused expansion.

"Smart diversification means going deeper rather than broader - focusing on sub-specialisations within an existing niche rather than chasing trends or bolting on unrelated services." Steve Carter, Co-founder of [The Satori Partnership – an APSCo Trusted Partner](#)

Deeper specialisation might include:

- Leveraging internal data to identify 'white space' within existing accounts.
- Asking clients directly where they need support and understanding the pain points in their sector.

- Formalising cross-selling strategies across service lines and regions.

Key risks of not diversifying:

- Overdependence on permanent recruitment: Highly exposed to downturns in market confidence.
- Narrow client bases: Vulnerable to legislative changes or sector-specific contractions.
- Neglect of cross-selling opportunities: Firms often miss out on revenue by failing to leverage existing relationships.

Leadership

APSCo's research points to leadership as a common theme for successful business growth.

The key first step for leaders is to clearly define their objectives before making any moves - is diversification about building resilience, creating shareholder value, or mitigating risk in the current model?

The success of any diversification strategy depends on the leadership's ability to execute it. As Steve Carter noted in APSCo's Disrupt report, 'Whatever your strategy is, if you've got leadership teams that have got the capability to execute, your organisation stands a greater chance of success.' >

Key leadership considerations:

- Capability of the leadership team: Do they understand the new market or service line?
- Financial modelling and governance: Is there sufficient capital, resources, and board support?
- Avoiding single points of failure: A common pitfall is betting diversification on one hire with no wider support structure.
- Deploying data to inform strategic decisions: Data is becoming an increasingly important part of making diversification successful. With more operational insight than ever before - from fill rates and time-to-hire trends to client buying behaviours and candidate activity signals – there really is no better time for recruitment firms to harness their data.

By 2030, what will set successful firms apart overall is the irreplaceable human element - deep relationships, trust, and the ability to understand the business's value. Diversification, done well, is how you protect and grow these assets.

To take a further look at the insights behind this article, APSCo Members can watch the [Business Diversification Forum on-demand here](#), packed with actionable strategies to help you confidently expand your offering and unlock new revenue opportunities. ■



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ARTP: ONE YEAR ON

Keith Rosser, Chair of the Better Hiring Institute reports from a remarkable first year for the UK's first trade association for RecTech.



APPLY NOW

The Association of RecTech Providers (ARTP) is a year old. The concept was born as one of the 29 recommendations in the UK's first National Hiring Strategy which was launched in Parliament in 2025. The Strategy, with a foreword by Lord Ranger and introduction by Shadow Minister Viscount Camrose, shines a light on the UK's broken hiring system which costs the country £75bn a year, and sets out how to fix it. >

RECRUITMENT

A key part of the fix is technology. The absence of technology was not the issue, rather the absence of leadership to harness the great power and innovation of the RecTech industry and work in tandem with government to create a way forward towards a new future hiring system. The ARTP was launched in the Churchill Room in the Commons in September 2025 by the Rt Hon Chloe Smith and former AI Minister, Viscount Camrose to address this challenge.

The hiring process of today would be recognisable to the mill owners of the Industrial Revolution. Largely, technology in hiring has enhanced existing processes turning newspaper job adverts into online job boards, automating referencing, digitising identity checks and moving interviews online, but the core elements of hiring would be recognisable to the mill owners filling their factories with labour. Technology has yet to fundamentally transform UK hiring, and this is the core aim of the ARTP.

As the Shadow Minister for AI, Viscount Camrose himself put it: “There is a huge prize in national productivity and happiness awaiting any economy that can create an efficient, trustworthy marketplace for jobs. Unfortunately, most of the recruiting technology we’re seeing addresses just a part of a CV-based process first developed by the medieval church and muddled along with ever since. The result is an arms race of technology between hirers and candidates that adds months to job

searches, discourages career mobility and is emotionally (and financially) destructive for candidates. Well-designed end-to-end approaches to hiring, supported by the right technologies, can fix this but we are going to have to break free of our current approach of misguided acceleration and scaling of long-established hiring processes that were never that great in the first place.”

The “RecTech Roadmap”

One of the key objectives of the ARTP is to set out the future hiring system, a “RecTech Roadmap” to showcase a new way to hire built on intuitive job matching, digital wallets and credentials, digital identity and much more. So much of today’s hiring processes were first developed hundreds of years ago and wholesale reform is long overdue.

The ARTP are working with the Disclosure & Barring Service (DBS), Disclosure Scotland, DSIT, Home Office, and Skills England to share the future vision for hiring and to influence policy direction. The ARTP recently met with the Lords Minister in DBT to outline how, through working together, industry can fix UK hiring to boost productivity, opportunity, and create economic growth. The ARTP is part of the Better Hiring Institute whose mission is to make UK hiring faster, fairer, and safer – and technology if harnessed correctly can achieve this. The Better Hiring Institute has 15,000 employer members who receive regular updates about the ARTP and its members through monthly newsletters and Parliamentary events. >



The Association of RecTech Providers (ARTP)

The Association has quickly grown to over 50 members in a little over 6 months. These members cover the full range of hiring technology including Indeed representing job boards, Greenhouse, Pinpoint, Tribepad, and TeamTailor representing ATS platforms, SHL and Thrivemap covering skills assessments and selection technology, Sapia AI and Warden AI representing AI hiring tools, and First Advantage, HireRight, Reed Screening, and Security Watchdog covering background screening companies, amongst many others. It's deliberately a broad church to represent the full hiring process and work closely with government to influence future policy direction.

The popularity of the ARTP during its early life is a signal of the enthusiasm for real transformation within the sector, and the desire to deliver better outcomes for everyone: employers and candidates. According to the CIPD 41% of new hires leave their job in the first 12 weeks, something that is a drag on productivity, growth, and wellbeing. The prize of significantly improving on this is vast.

A big part of the ARTP's day to day work is the specialist workstreams engaging with government on Criminal Record Checks, Digital Identity, Digital Wallets and Credentials, and Right to Work. This is supported by the Standards committee who are working on the UK's first RecTech standard to help employers know which providers have met a set of standards and to ensure the industry itself is constantly improving. The standard is due to launch in Parliament in September this year.

The work of the ARTP is governed by the ARTP Council which consists of members including Amicus, Chexperts, Equitas, Hire with Lumi, and Vizzy. The ARTP is part of the Better Hiring Institute which is itself a brand of the Modern Work Foundation, a Community Interest Company social enterprise which exists to transform the UK labour market. >

A date in Parliament

On September 24th the ARTP will be in Parliament to launch the “RecTech Roadmap” and the “RecTech Hirer” scheme as well as hearing from guest supporters and speakers including the Secretary of State for Business, Peter Kyle – further demonstrating the significant interest from government and within Parliament for this agenda. The event will also showcase another of the 29 recommendations from the National Hiring Strategy: the National Hiring Metrics launched in the House of Lords in March ([National Hiring Metrics | Resourcing Leaders](#)). Many ARTP members have already adopted the Metrics which are also being promoted to employers via the Better Hiring Institute and the RL100. As more organisations sign up to the Metrics, the next step will be the launch of the country’s National Hiring Index later this year. The Index will track how the UK is hiring, for the first time providing reliable, consistent data on hiring.

What’s Next?

The RecTech Roadmap, the RecTech Hirer and the National Hiring Metrics are just the start of the journey. The ARTP plan to release a RecTech Registry to help employers find providers who have met a standard, there are extensive plans to advise government on a range of hiring policy matters, as well as having a role in advising on the education and training work being developed by the Better Hiring Institute. The ARTP recently held a roundtable with the ICO on ADM in Recruitment and there are plans for this collaboration to build in future so RecTech firms play a key role in the future of AI regulation for hiring.

The aim is simple: to make UK hiring the fastest globally, the fairest in the world, and the safest it can be. In doing so, rebuilding trust in recruitment and driving economic growth, productivity, and social prosperity.

Not already a member?

Find out more about joining the trade association for RecTech, the ARTP here: [Join the Association of RecTech Providers](#) ■



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THE OUTPLACEMENT POSITION

Tim Gilbert, Right Management Managing Director, UK & Ireland on why doing nothing during redundancy is a decision employers can't afford.



Job



Redundancies remain a routine business reality, particularly in a time where change is constant. While many organisations will be well versed in the redundancy process, evidence increasingly shows many businesses still aren't getting it quite right, and that failing to manage these moments properly can inflict lasting damage on reputation, productivity and future talent pipelines. >



The significance of redundancy

For many people, work is a key source of identity, stability and purpose – one that isn't easily replaced. Still cited as [one of the top five most significant and stressful life events](#) that somebody can go through – alongside bereavement, marital breakdown and major illness – the psychological impact of job loss cannot be understated. For such a pivotal moment in an individual's life, you'd hope that organisations would take a consistent approach to managing it; but our experience tells us that this simply isn't the case.

Some organisations will have long-standing relationships with third party outplacement providers – ensuring their people receive the best possible support, while others have historically relied on managing the redundancy process in-house. Unfortunately, in far too many instances, individuals facing redundancy may even be left without any support at all – exacerbating the psychological toll.

Now this isn't to say that any employer mismanages redundancy through any sense of ill-intent. We've always found that most organisations want to act responsibly and fairly when navigating change. Instead, failure to provide sufficient support tends to stem from a lack of preparation, capability and consistency. But as the adage goes: "By failing to prepare, you are preparing to fail" – which is why we would always urge organisations to get ahead of the curve and take proactive steps to supporting their people.

The hidden costs of failing to provide support

While outplacement support isn't mandated in the UK as it is in other countries like Belgium and France, the lack of legislation shouldn't be viewed as an excuse to do nothing.

Even before any official announcement has been made, employees can often sense that something is on the horizon. Any uncertainty felt during this initial stage can easily undermine employee focus and output, resulting in a dip in productivity at the exact moment an organisation is wanting to stabilise performance. At this point, there's still plenty of time for an employer to make the right decision and begin opening lines of communication with their people. Failing to do this, however, and moving straight into providing redundancy notification is where issues can be compounded. >



The way in which people leave an organisation heavily influences their perception of an employer. When change is mismanaged, word-of-mouth, alumni networks and online platforms can amplify the negative experience felt by those impacted by the change – broadcasting it to a larger audience and leading to long-term reputational damage for the organisation. From ongoing talent attraction and retention issues to a sustained decline in revenue; a damaged reputation can leave scars that require a long time to heal.

Financial costs

The financial implications are equally significant. Research cited by [SHRM](#), drawing on Gallup data, suggests that replacing an employee can cost anywhere from half to twice their annual salary – meaning the long-term cost of unmanaged exits and subsequent attrition can quickly escalate.

Choosing to do nothing may seem like an easy way to reduce costs, but history tells us that it generally has the exact opposite effect. [Internal Right Management](#) data highlights the scale of this impact, showing that even a 1 per cent reduction in workforce can be associated with a 31 per cent increase in voluntary turnover among remaining employees.

And it's important to remember that the knock-on effects of poorly managed change will be felt long after the process concludes. After all, redundancy affects the individuals who remain with the organisation just as much as those who leave. Survivor syndrome, often stemming from inconsistent communication throughout the change journey, can trigger widespread disengagement, low morale and reduced productivity. Academic research reinforces this point, showing that downsizing can significantly reduce commitment and performance among remaining employees – while also predicting higher levels of subsequent voluntary turnover.

Failing to provide your people with support won't alleviate any of the risk associated with organisational change, it will simply kick the proverbial can further down the road – destabilising the foundations that any subsequent change will need to be built upon.

And with [organisations now implementing an average of ten major changes per year](#), recent activity tells us that businesses will be going through change again, and again, for years to come. >

Outplacement is the best form of risk management

Outplacement used to be a highly cyclical offering. We'd see demand fluctuate with the market; when hiring intentions were high, fewer organisations were looking to utilise the support. However, as a consequence of today's geopolitical uncertainty, the ongoing disruption of automation and shifting workforce expectations, this is no longer the case. Change is now constant, and businesses are beginning to recognise the true value of outplacement; no longer viewing it as a distress purchase, but instead as a way to manage ongoing risk.

Previously misunderstood as a discretionary or 'nice to have' benefit, we're increasingly seeing organisations proactively seek the structure and stability of outplacement when implementing transformation initiatives.

This widespread increase in uptake is a clear signal that businesses are more acutely aware of the potential negative impact following a redundancy process and are actively wanting external expertise in reducing the associated risks.

As mentioned earlier, outplacement is not a mandatory service within the UK. But when you consider the damage that a mismanaged transformation process can inflict on an organisation, it does beg the question: Could the UK benefit from legislating outplacement support for organisations of a certain size?

After all, difficult workforce decisions are sometimes unavoidable, and it's the way in which these difficult decisions are managed that will shape an organisation long after any redundancy process ends.

Supporting people through change is not about avoiding hard choices, but instead about managing them responsibly and approaching change the right way. ■

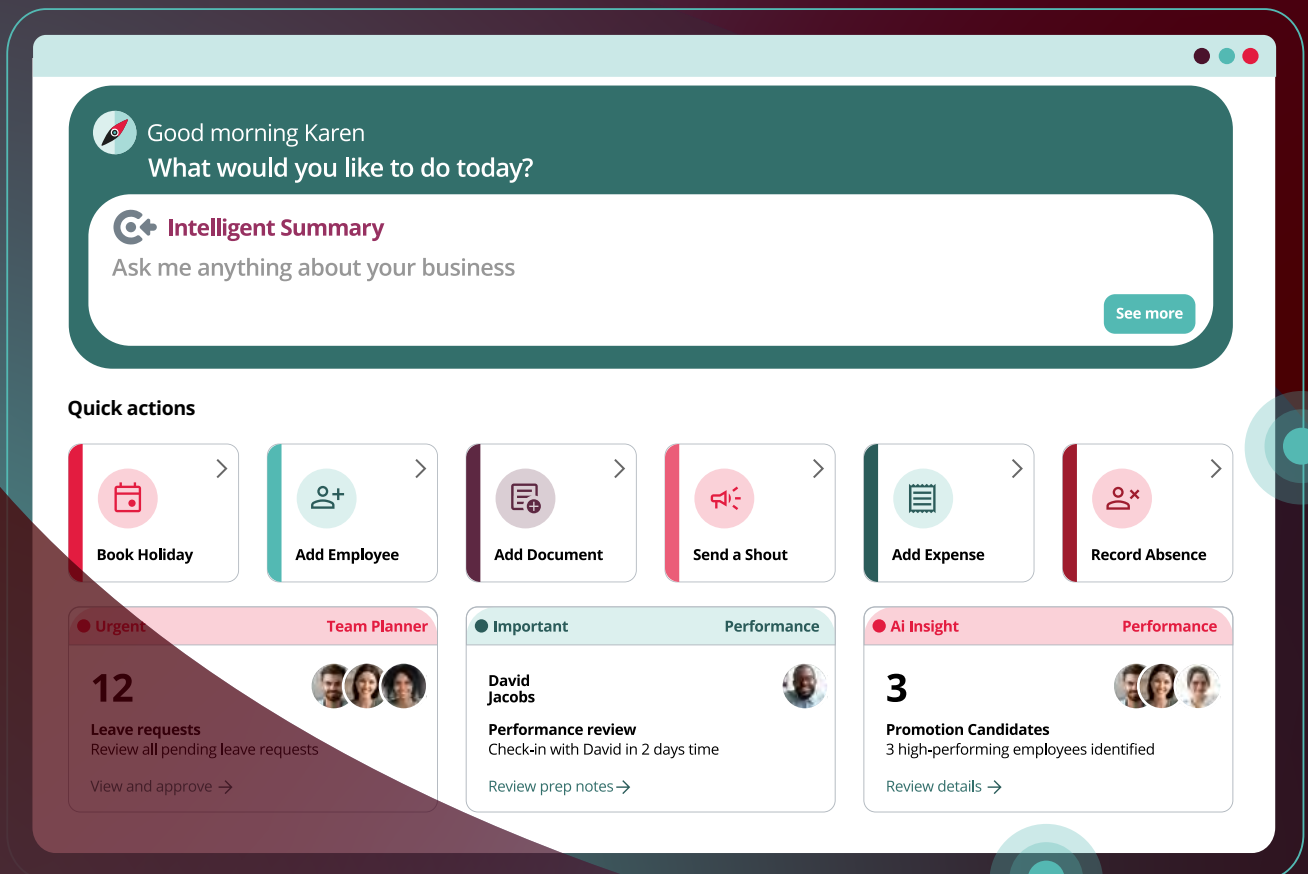


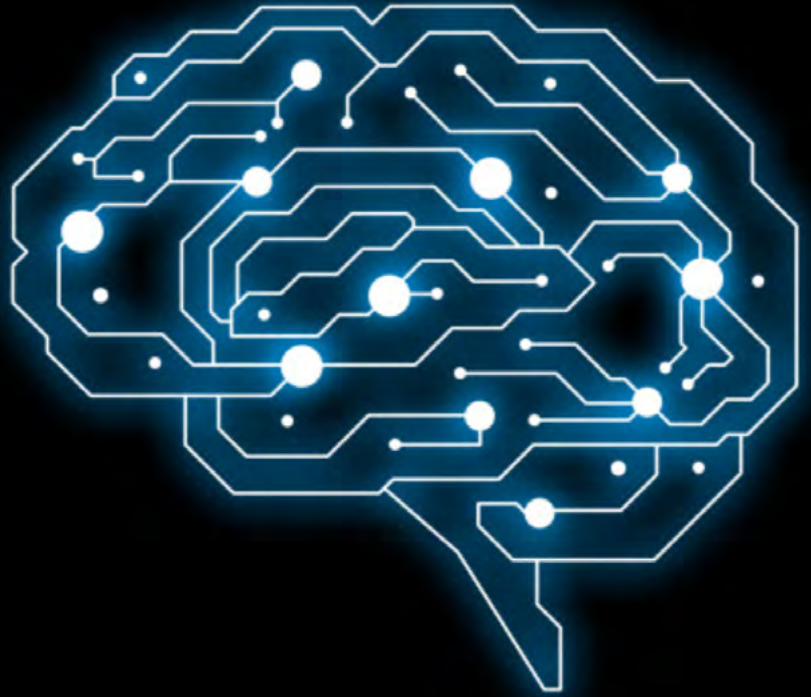
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It's time to stop chasing silver bullets and start building true intelligence

By: Matt Chambers — Founder & CEO, Loxo

It's no secret that the recruiting industry has a technology problem — but my opinion is that the real problem is not the one most people think. Most firms no longer lack access to AI tools — in fact, they've been conditioned to chase them relentlessly. But where does this chase lead?

Every quarter brings a new tool, a new claim that *this* is the silver bullet that will finally “fix” recruitment. And many recruiting leaders — who are under pressure to *move faster, do more, and prove their value* — feel like they have to keep buying in. As a result, teams end up stitching together five different platforms, individual recruiters are each running their own workflows, and leadership is left with no clear view of what's actually working.

That's the AI paradox in action: *Adoption is accelerating, but outcomes aren't improving at the same rate.* It's true that AI can reduce time spent on manual tasks, and (massive caveat: when used *intentionally and appropriately*) accelerate sourcing efforts, but if a patchwork of AI tools sits on top of inconsistent processes and disconnected data, efficiency gains are moot. To calculate ROI, recruiters are forced to manually validate AI outputs they don't fully understand — effectively cancelling out the time they were supposed to save. Is the technology itself the issue here? Perhaps, but there's usually more to the story.

Workflow over everything

Before asking “which AI should we use,” firms must first answer an (admittedly *harder*) question: “**Does our team have a shared, standardized way to run a search?**”

AI is an amplifier — which means that if your workflow is solid, adding AI strategically and intentionally can amplify your results dramatically. But if your workflow is fragmented, AI will only amplify that fragmentation — making it harder than ever to identify what's working, what isn't, and why. The firms who extract true value from their tech are the ones willing to do something unglamorous first: **Define how searches are run.** Not to eliminate individual recruiter judgment, style, or expertise — but to give the entire firm a shared framework, a source of truth, and a consistent method for identifying what works.

Measuring what actually matters

When it comes to tech ROI, we can tend to evaluate tools granularly, looking at time saved on one specific task, but neglecting to zoom out far enough to understand: *Is this doing more than saving me time? Am I sacrificing quality for efficiency? Is our firm getting better over time?*

Real ROI looks like a combination of things: time-to-shortlist is stable or improving. Placement quality and client satisfaction are trending up at the same rate. Bottlenecks are visible and addressable. New recruiters ramp quickly because the platform is the playbook. Leadership can identify which roles, markets, and clients perform best — and make decisions based on those signals, rather than gut feel.

When all of those things are true, you know you're not just using AI features; you're building what we, at Loxo, call *Talent Intelligence* — a system where every search teaches the firm something, and that learning compounds across every subsequent search.

And *speaking* of signals...You can use your own internal data points to determine whether a technology investment was worth it or not.

For example: If a tool has been in place for six months but your team isn't using it consistently, *that's a signal.* If AI outputs require so much manual validation that they've become a net negative on recruiter time, *that's a signal.* If leadership can't access answers to questions about where searches are stalling or which channels are converting, *that's a signal.*

The real competitive edge

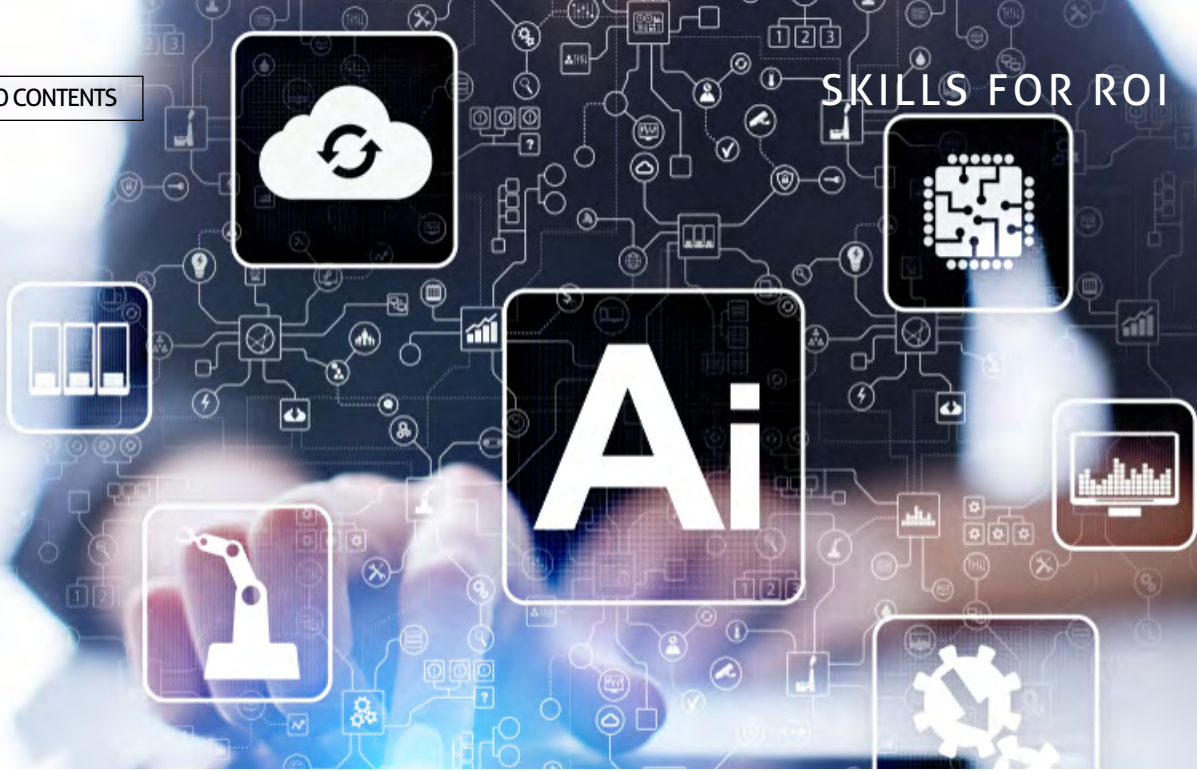
The firms that will win in this market will be those who have built a system where true intelligence compounds. They'll know this is true when they see their processes and their technology begin to reinforce each other — and every action feeds back into better decisions. And it's my genuine belief that, in a market defined by volatility and noise, the recruiters and firms who get that right will become truly untouchable.

AI VALUE: MORE THAN LITERACY

Dmitry Zaytsev, Founder of Dandelion Civilization on why recruiters will need to assess AI management, not just AI literacy.



For most of the last two years, the dominant question in recruitment has been whether candidates can use AI. The CIPD's most recent [Labour Market Outlook](#) shows that question is already settled. Employees in 76% of UK organisations are now using AI tools at work, with adoption higher still in the public sector. AI literacy is no longer a differentiator. It is the baseline. >



What this means for recruiters is bigger than it looks. The screening signal that mattered during 2024 and 2025 – can this person work with AI – no longer separates strong candidates from weak ones. Almost everyone applying now claims it. The question recruiters need to start asking instead is whether candidates can manage AI work, and that is a different and much harder thing to assess.

The shift sits at the centre of how organisations are restructuring. McKinsey's recent global research describes a movement toward what they call [partnerships between humans, AI agents, and automated systems](#), with humans moving into supervisory, validation, and decision roles as agents absorb more of the routine task layer. McKinsey's own consulting business now reports a [workforce of 40,000 humans supported by 20,000 AI agents](#), and the firm has begun using applied AI exercises in graduate hiring to test how candidates collaborate with the system rather than what they know about it. That signal matters. When the world's best-known consultancy redesigns its own selection process around AI collaboration, the rest of the labour market follows quickly.

How the game changes

The skill recruiters will need to assess is not technical fluency. It is closer to a form of judgement.

A candidate who can manage AI work is someone who can brief an agent clearly enough to get useful output the first time, who can read the result and recognise when it is wrong, who knows which decisions need to be escalated to a human and which can be left to the system, who can maintain quality standards across work they did not personally produce, and who knows when to stop using the AI altogether. None of this shows up in a CV. None of it shows up in a portfolio of completed AI courses. Most of it does not show up in a standard interview either, because the candidate is being asked to describe behaviour rather than demonstrate it.

This is where the recruitment process is starting to lag the work itself. Companies are restructuring around small teams of humans coordinating multiple AI agents, but the assessment methods used to staff those teams are still designed for an earlier era, when the relevant question was whether someone could complete a task themselves. The recruiter's challenge is to build screening that reveals supervisory capability, not just task capability, and to do that without falling back on AI literacy proxies that have already lost their predictive value. >



What really matters

Three categories of capability matter here, and recruiters should start designing assessment around them now.

The first is judgement under uncertainty. AI agents produce output that looks confident regardless of whether it is accurate. The candidate who can spot the difference, who can identify when the model is wrong about something important and act on that recognition, is more valuable than the candidate who can produce more output faster. This is closer to editorial skill than technical skill. The McKinsey research describes the same capability under the term human-in-the-loop validation, and notes that the people who can do it well will command a salary premium.

The second is workflow design. As organisations restructure around human-agent teams, somebody has to decide which parts of a process should be handled by AI, which should be handled by people, and where the handoffs sit. This is workflow architecture rather than execution, and the [CIPD's latest data](#) makes clear how unevenly UK organisations are doing it. One in six employers expect AI to shrink their workforce in the next twelve months, with the largest impact on clerical, junior managerial and administrative roles, but the same data suggests very few organisations have a clear view of how the remaining work will be redistributed. Recruiters who can identify candidates capable of doing this redistribution thoughtfully will be solving a real client problem.

The third is responsibility. AI agents perform tasks but they cannot be accountable for outcomes. Somebody has to own the work the agent produces, defend it to colleagues and clients, and accept the consequences when it goes wrong. That ownership is harder than it sounds. It requires the candidate to understand the work well enough to vouch for it, even when they did not produce most of it themselves. The candidates who instinctively shift accountability to the tool are the ones who will create the most exposure for their employers. The candidates who treat the agent's output as their own are the ones organisations will increasingly want. >

What this means for recruiters in practice is that the assessment toolkit needs to evolve. Pure AI literacy questions can be retired. Asking a candidate which tools they have used or whether they can write a prompt is now the equivalent of asking whether they can use email. The more useful approach is to set scenarios that reveal supervisory behaviour, such as giving the candidate AI-generated output and asking them to find the mistakes, or asking them to walk through a workflow and explain which parts they would automate and which they would keep human. These kinds of exercises take longer to design and run than a standard CV screen. They produce signals that no CV-based or AI literacy-based method can.

Recruiter value

There is also a wider point. Recruiters who can identify candidates with AI management capability will become more valuable to their clients, because their clients are quietly realising that the productivity gains from AI depend on having people who can supervise the technology rather than just operate it. The agencies and in-house TA teams that build this assessment capability first will be the ones clients trust to staff small high-leverage teams in the agentic era. Those that continue to screen for AI literacy will find themselves competing on the wrong axis.

The recruitment industry has lived through several waves of selection criteria becoming obsolete. The CV is one. The competency-based interview is another. AI literacy is shaping up to be the third, and the timescale on this one is shorter than the previous two. The recruiters who treat AI management as the new screening discipline will be ahead of the market. The ones who keep treating AI literacy as the differentiator will be solving last year's problem with last year's methods. ■





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AI IN BUSINESS? DO THIS FIRST!

Jo Perotta, Co-Founder Think AI Collective and MD of Marmalade Marketing details getting value from automation.



Recruitment businesses are under pressure to show that AI is worth the spend. With the range of tools now available, you could be forgiven for thinking that it's getting easier but, if anything, it's getting harder. >



Microsoft says **68 per cent of companies** are using AI today, but its own research says only 22 per cent qualify as “**Frontier Firms**”, the group seeing returns three times higher than slower adopters. Look around most businesses and that gap starts to make sense. Recruitment consultants are already using AI to write job ads, summarise notes and speed up routine tasks, but the difference sits in how those tools are being set up, managed and measured.

Start With the Baseline

If you want to measure return, you need to know what the process looked like before AI entered it.

That means getting clear on the numbers that matter:

- Current costs
- Conversion rates
- Client retention
- Placements
- Close rate

Too many teams still measure AI through whatever is easiest to pull: activity, output, time saved. Whilst some of those numbers are useful, they don't all carry the same weight.

A better starting point is to separate commercial KPIs, marketing KPIs and the supporting metrics around them. In recruitment, that might mean placements, client retention, lead quality or content contribution, depending on the workflow that has changed. The point is to avoid treating every number as equally important.

For recruitment businesses, AI measurement should connect marketing KPIs to business KPIs. If AI is helping content, nurture, CRM workflows or reporting run faster, the question is whether that is moving something the business actually cares about: more qualified leads, better conversion, stronger retention, more placements, better client growth.

The same tool can produce very different kinds of return, depending on the job it is being asked to do. So if you're using AI to speed up delivery, reduce spend or support growth, there are different things you should be looking for in each case:

Scenario 1: Streamlining Processes

This is the most obvious use case: recruitment admin, note-taking, meeting summaries, reporting and research. AI can be useful here because it cuts friction from repetitive work. Google Cloud's ROI research says 45 per cent of organisations reporting improved productivity from generative AI say employee productivity has doubled or more in the areas where they are seeing gains.

Still, speed alone is activity, but ROI starts showing up when the time saved moves a business KPI.

For example, if recruitment consultants spend less time on admin and more time on relationship building, candidate conversations and winning new business, the return becomes easier to see. >

RETURN ON INVESTMENT

A lot of businesses stop at “AI has made this process faster.” The better question is which business goal the time saving has helped the team focus on, and whether that improved.

Scenario 2: Reducing Costs and Headcount

Some businesses are using AI to reduce software spend, remove repetitive work and reshape teams. In some cases, that will be justified, but the harder question is where the cost goes next.

A lot of AI use is billed in tokens, the small units of text a model reads and generates when it processes a request. [OpenAI](#), [Anthropic](#) and [Google](#) all price usage across input, output and caching, which means the cost of AI depends on how the workflow is being used, not only how quickly the answer arrives.

That does not make AI expensive by default, as a single output may cost very little, but the bill grows when use becomes messy: repeated prompting, duplicated tools, weak controls resulting in too many reworks.

That’s one reason larger organisations are moving towards approved toolsets and tighter governance, standardising approaches across:

- Fewer duplicate platforms
- Implementing clearer permissions
- Limiting uncontrolled AI use sitting across email, meetings, CRM and content workflows.

[Microsoft’s guidance](#) for AI agents focuses on permissions, security, and organisational control, which tells you how

quickly this has become a spend issue as well as a technical one.

There’s also the question of quality sitting underneath the cost conversation. If AI is being used to reduce headcount or compress delivery, the risk may be that the work starts slipping somewhere else: weaker communication, thinner candidate and client experiences, less trust, more rework.

Even the AI companies themselves seem to understand that the model alone is not enough. Anthropic [announced](#) in May that it is forming a new enterprise AI services company with Blackstone, Hellman & Friedman, and Goldman Sachs to help businesses identify use cases, build solutions and support deployment, and Reuters has also reported that OpenAI and Anthropic ventures have been in talks to buy AI services firms.

That should make businesses pause before they assume AI can simply replace expertise without affecting quality. As a result, the saving may show up on one line of the budget while the damage appears somewhere harder to measure.

Scenario 3: Creating New Services and Revenue

The strongest return from AI may have less to do with making existing work cheaper and more to do with creating value that wasn’t there before.

That could mean new services, stronger candidate and client experiences, faster market expansion, or products built from insight the business already holds. >



It may be as simple as:

- Using AI to package insight more quickly
- Turning market data into a salary guide or client briefing
- Building more responsive candidate and client journeys with stronger personalisation.

With each scenario here, the return sits in whether the business turns that extra speed and information into something people will actually pay for, act on or come back for.

The recruitment sector has never been shy about investing in technology. [APSCo](#) said in late 2025 that two-thirds of firms were already actively implementing or trialling AI tools, and its [Recruitment Index](#) says 60 per cent are looking to increase their spend on technology.

Yet in such a tech-driven sector, adoption has always been the hardest part. That pattern is not new – most professions have already been reshaped by earlier waves of technology (remember the move to email?) and AI is unlikely to be the last. The tools improve quickly, but businesses still have to work out how to use them well.

Quality Versus Efficiency

This sits underneath all three scenarios. If quality drops, brand tone slips, or recruiters spend more time fixing AI outputs, the ROI weakens.

[EMARKETER](#) reported in April that when consumers notice AI-generated content in brand marketing, 31 per cent say it makes them trust the brand less - and when trust is key in recruitment, there's little room to leave it unchecked.

Now, the businesses seeing better returns are usually the ones keeping human judgement in the workflow. They know where AI helps and where it introduces drag, and they keep people in the places where judgement, context and trust matter most.

Budgeting is Catching Up Too

A lot of businesses still cannot answer a basic question: what is AI actually costing us now? And what is it 'saving' us too? That's key because usage is only going in one direction: more tools and wider adoption.

The budget question is not only about software or tokens - it's also about what starts slipping when AI use spreads without much control. How many emails now sound like they were written by the same machine? How much "feedback" or commentary is really someone pasting in a generated response and sending it on as their own voice? It stands out quickly, and it does something to the quality of communication.

If AI starts replacing context, judgement and professional expertise rather than supporting them, businesses may save time on paper while slowly draining the thing that made them credible in the first place.

That is why budgeting and governance need to sit together. Finance may hold the budget on paper (or on AI generated spreadsheets!) but marketing, operations and recruiters shape the actual usage. If nobody owns both the spend and the workflow, the numbers drift and quality usually goes with them. >

Instead, budgeting for AI now needs a view by team, workflow, model and purpose. It also needs a clearer view of where value is actually starting to show up. That may now include looking in GA4 to see whether traffic and conversions are coming from ChatGPT, Perplexity or Gemini, instead of only traditional channels.

Business leaders should now be asking:

- Which tasks are worth the spend?
- Which tools are approved?
- Where is AI-driven traffic actually coming from?
- Are ChatGPT, Perplexity or Gemini starting to influence conversions?
- Which workflows are helping the business grow, and which are only increasing activity?

To help, ChatGPT referral traffic can be [tracked](#) in analytics platforms through using the code: `utm_source=chatgpt.com`, and [AI traffic](#) can now be monitored in GA4 at page and conversion level, even if some visits still appear as direct traffic.

According to [Similarweb](#), ChatGPT referral traffic converts at 7.1 per cent, ahead of most traditional channels, making AEO and GEO harder to ignore. Human-led content still matters, and so does distribution, because visibility in AI environments is now starting to carry real commercial weight.

This is where ROI starts to become clearer.

The Return That Lasts

The recruitment businesses getting the best return from AI are not the ones using it in the most places, but the ones using it with more control by:

- Knowing the baseline before they automate anything
- Linking marketing KPIs to business KPIs - for example, asking whether AI is helping grow qualified employer demand and contract progression on the B2B side, or candidate volume, interview progression and reduced drop-off on the B2C side, rather than only producing more activity
- Separating process efficiency from commercial value
- Keeping quality at the forefront
- Treating governance as part of the job

AI absolutely does drive return in recruitment - it can clean up processes, reduce friction, improve delivery and open up new services.

Cost savings belong in that picture, but they don't define it. The return that lasts is built from productivity, quality, trust and the value that gets created.

If AI has already entered your business, but the structure around it still feels messy, download the Marmalade Marketing [AI Adoption Framework](#) to get a real strategy around your AI use. ■




R E T U R N

AI IN ASSESSMENT

Sharon Sands, Regional Managing Partner for Consulting across Europe and Africa at Heidrick and Struggles explains what happens when you stop asking leaders hypothetical questions and actually place them in a crisis.



A few years ago, a large organisation we worked with was close to appointing a new CEO. The candidate was strong on paper with deep sector expertise and a track record of driving results. This was exactly the kind of strategic and operational credentials the board was looking for. Everything the traditional process could measure looked right. >



What it couldn't measure was how that person showed up in a crisis. When we put them through our AI-powered immersive simulation, that presented a sudden existential threat to the business, the cracks appeared quickly. The empathy wasn't there. The instinct to bring people with them, to acknowledge the human dimension of a difficult situation before moving to solutions, was missing. The board made a different call. It was the right one and avoided a costly mis-hire at the most critical point in its leadership cycle.

That story isn't unusual. What's unusual is that we caught it before the appointment and the reason it was caught was through leveraging AI.

The honest gap with how we assess leaders

The recruitment industry has sophisticated tools. We have structured interviews, psychometric testing, 360-degree feedback, competency frameworks built over decades of research. None of that is going away, nor should it. But there is a gap in what all of it can tell us, and at the senior leadership level, that gap is expensive.

Every traditional assessment method, at its core, looks backwards or inwards. A CV is a record of what someone has done. An interview is a conversation about how someone narrates what they have done. A psychometric assessment captures personality traits, motivations and behavioural tendencies. These are useful inputs but not evidence of how someone will perform under pressure in a situation they have never faced before.

The question boards and CHROs are really trying to answer is not "what has this person done?" It is "how will this person perform in a situation they have never faced before, under real pressure, when the stakes are high and the answer isn't obvious?" That is a forward-looking question. Until recently, we had the gap: no reliable way to generate forward-looking evidence to answer it.

What AI makes possible

What our addition of AI-powered immersive simulation enables is straightforward in principle and significant in practice. Instead of asking leaders how they would respond to a crisis, you put them inside one.

At [Heidrick & Struggles](#), we developed [Heidrick Immersive](#) specifically to close this gap. The tool places leaders inside AI-generated scenarios that mirror the kind of situations that define whether a senior appointment succeeds or fails. A reputational emergency, a market shock, a natural disaster affecting an overseas operation, a stakeholder conflict with no clean resolution. These scenarios unfold in real time, shaped by the leader's own decisions as they go. There is no script, no right answer to reach for. The AI adapts to what the leader does, which means it cannot be rehearsed. >



What we observe in those moments tells us things that no interview can. We see whether someone stays curious when the situation is ambiguous or retreats to what they already know. We see whether they bring empathy to a difficult human situation or default straight to process. We see whether they make decisions and communicate them clearly, or hedge and stall while pressure builds. We see whether they bring others with them or operate as if leadership is a solo act.

These are not soft, unmeasurable qualities. They are observable behaviours, captured by the AI in real time, that are directly predictive of how a leader will perform in the role.

An AI agent in the scenario also prompts reflection, asking the participant to consider their own decisions as the situation develops. This reveals something else that traditional assessment misses almost entirely which is how a leader learns. Are they able to recalibrate mid-scenario when new information arrives? Do they recognise where they could have done something differently? The capacity to adapt and improve is, arguably, more important than getting every decision right in the first place.

Technology doesn't replace judgement but informs it

It is worth being clear about what AI-powered immersive simulation is not. It is not a replacement for human judgement, expert assessment or the other tools of assessment that make a good hiring or succession decision. It provides another critical input, sits alongside them, adding a layer of evidence that the existing toolkit cannot generate.

This matters because the stakes of getting senior appointments wrong have never been higher. Leaders today are operating in environments defined by fragmented attention, low institutional trust, distributed teams and a pace of change that makes yesterday's playbook unreliable. The capability that counts in that environment, the ability to adapt, to hold people together under pressure, to connect direction to meaning for a sceptical workforce, is exactly what a CV and a well-rehearsed interview cannot reliably reveal.

The cost of a wrong hire at the top is not just individual underperformance. It is stalled transformation, misaligned teams and lost momentum at the moments when organisations can least afford it. Getting this right matters. >

Finding leaders who don't fit the mould

There is a second argument for technology in assessment that gets less attention but is equally important.

Traditional processes don't just risk missing problems in strong-looking candidates. They also risk missing strong candidates who don't present in the expected way.

Leaders who are less polished in formal interview settings, who don't have the conventional background, who wouldn't be the instinctive choice but who, under real pressure, demonstrate exactly the adaptability and judgement the role demands.

AI-powered simulation surfaces those people. Because the assessment responds to what a leader actually does rather than how well they have learned to present themselves, performance is visible regardless of how good someone is at interviewing. That has real implications for the diversity of leadership pipelines, and for the quality of decisions at the top of organisations.

The window is now

We are at an early point in understanding what AI-enabled assessment can do. The tools are new, the evidence base is building, and the industry is still working out how to integrate these capabilities into existing frameworks. But the direction is clear.

The organisations that will make the best senior appointments in the next decade are the ones that treat assessment as an evolving discipline. That means being willing to ask harder questions about what traditional methods can and cannot tell us and being genuinely open to what technology can tell us.

The candidate who interviews brilliantly but freezes in a crisis is out there. So is the candidate who interviews poorly but leads exceptionally well when the pressure is real. AI assessment finds both. ■



EVALUATION

AI IN RECRUITMENT – THE GOOD, THE BAD AND THE UGLY

Alex Onoufriou, Group HR & Talent Director of G&P Talent, explains why successful talent acquisition remains human at its core.

According to insight from management consultancy McKinsey & Company, an astonishing 80% of the world's largest companies are now harnessing AI in their daily operations. While significant controversy surrounds the technology's ability to replace human labour, its impact on recruitment and talent acquisition deserves further attention. >



Like most disruptive technologies, AI brings both opportunities and challenges to recruiters. As the UK Government's Responsible AI in Recruitment guidance states, AI-enabled tools can help automate and simplify existing processes, leading to greater efficiency, scalability and consistency. Yet, if used irresponsibly, they can also exacerbate existing biases, digital exclusion and discriminatory job targeting. Addressing these risks becomes particularly vital for industries, such as manufacturing, that strive to become more diverse and inclusive in order to boost innovation. This is where human intelligence and experience remain critical factors.

AI in recruitment is here to stay

The use of generative AI (GAI) tools is on the rise across the recruitment industry. Research from LinkedIn reveals that 37% of organisations are now “actively integrating” or “experimenting” with GAI tools, a 10% increase from last year^[3]. In addition, more than seven in ten recruiters believe that AI will transform the way companies hire^[4], with 51% hopeful that the technology will improve their “quality of hire”^[5].

These findings suggest that AI-driven recruitment tools are here to stay, a trend likely to accelerate with further technological advancements. The UK manufacturing sector, from automotive OEMs to aerospace, is no exception. A report from Coventry University recently concluded that AI has the potential to “reshape the UK automotive workforce for the better” and “unlock innovation, boost competitiveness and build a more inclusive, future-ready sector”^[6]. Likewise,

AI can help to streamline and improve the TA acquisition process across the automotive sector and other manufacturing industries.

Can AI really find the right candidate?

AI can make the life of recruiters easier by automating time-consuming tasks such as screening and CV matching. According to LinkedIn's findings, TA professionals “experimenting or integrating GAI in hiring” are saving the equivalent of a full workday every week^[7]. This added efficiency enables recruiters to focus on more qualitative tasks and pursue strategies like skills-based hiring.

But efficiency isn't the only benefit AI can bring to recruiters. AI-enabled automated screening may also help identify the desired skills faster, with the potential to reduce bias in the hiring process. This is essential to boost diversity, and consequently drive innovation and resilience, in sectors like manufacturing that currently face a severe skills gap^[8].

Yet AI also comes with its own set of challenges and risks. For example, the technology may not always be effective in reducing bias. The Responsible AI in Recruitment guidance warns that, as screening tools are often trained using historical data, they are at risk of inheriting bias from past recruitment practices^[9], which may perpetuate the underrepresentation of certain groups. These findings are corroborated by the ISE Student Recruitment Survey^[10], which recently found that three-quarters of employers feeling worried about AI's potential for bias. >



There are other challenges and risks associated with AI too, with over a third of TA leaders feeling concerned about data privacy, accuracy and legal compliance^[11]. Arguably, however, the single biggest limitation of AI is a simple one. Our experience at G&P suggests that AI alone isn't able to find the best match for the job, especially in highly specialised niche sectors like quality management in manufacturing. This is where human knowledge and experience remain unmatched, especially at a time when AI-enabled deception becomes a real challenge.

Human recruiters cannot be replaced (or fooled)

A survey conducted by talent acquisition platform Greenhouse reveals that 91% of employers face deception from applicants and 36% spend at least half their week sifting out bogus applications. Two-thirds of hiring managers specifically pointed to candidates using AI deceptively – from scripted answers and hidden CV text to, in rare cases, deepfakes^[12].

With AI making it easier for candidates to embellish or automate their applications, robust human screening becomes critical. The bottom line is that fooling a human recruiter is much harder than fooling an AI system.

But tackling deception is only one reason why human intelligence is vital in recruitment. Finding the right talent with the right skills for the job is mission-critical for manufacturers, OEMs and suppliers, now more than ever. As the industry transitions to electrification and digitalisation, new and evolving specialisms are in high demand. Filling these roles with the right talent takes more than just automated screening tools.

There's another key industry trend that AI is not fully equipped to handle: growing demand for contract skilled roles – from technicians to engineers and quality managers. Employers across the manufacturing supply chain require temporary skilled hires on flexible employment terms. Only trusted recruiters with decades of experience in quality, engineering and manufacturing can find the right matches for these roles.

Now, more than ever, the kind of talent companies are looking for often goes beyond a list of set skills and certifications. The right match must also be a good culture fit, which AI is currently incapable of assessing. Again, there is no match to experienced, specialist recruiters. >

Handling AI responsibly

As early adopters of AI, specialist recruiters like G&P fully understand that this technology has a significant role to play in resourcing and TA. Automating tasks such as screening and sorting can free up precious time and resources. This way, TA professionals can focus on human-first interactions like networking and interviews, which are key to finding the right talent.

However, it's also important to acknowledge that AI is no silver bullet and comes with limitations at best, risks at worst. In this context, implementing AI tools safely and responsibly, adopting a suitable AI assurance policy, is paramount. More generally, recruitment providers must remain human at their core and ensure that most of the TA process is safely in human hands.

Indeed, as LinkedIn's findings suggest, human skills such as "relationship building, communication, and reasoning" cannot be replaced by AI and remain critical to a successful TA process^[13].

For more information about G&P, or the company's end-to-end quality service and talent solutions, visit www.gpqm.com. ■



HUMAN LED, MAXIMUM VALUE

Harry Elkington, Chief Operations Officer at H&P Executive Search on how AI should support and not replace human interaction.

Sales teams at AI and automation providers are out in force. They are targeting recruitment and executive search firms offering any number of ways in which their technology can improve how we manage our systems and find candidates more efficiently. >



With greater efficiency, there is promise of higher financial gains, and the industry appears to be elbowing each other to implement the latest tech solutions. In executive search, AI is beginning to show its value, but there are also limiting factors including candidate flight risk where impersonal AI is overused, and other alarm bells to consider when weighing up what tech to invest in.

Change is swift

Whilst an AI provider may sell an attractive package today, the technology is moving at such a pace that tomorrow a competitor may be offering something even smarter. A recruitment firm that has locked into a 24-month contract may either have to pay a high fee to get out early or wait and watch competitors jump on the latest automation.

That said, most providers are currently on a level playing field offering broadly similar tools and if every recruitment firm buys the same plug-ins, then nobody has an advantage. The difference comes from how good your underlying data is and how well it's structured. The tool isn't the edge – the dataset and IP are.

A prerequisite to automation and AI is having robust data hygiene. The best technology in the world will be irrelevant and a waste of money if the business implementing it does not have well-structured and high integrity data to start with. You can't bolt automation onto a rubbish heap and expect magic.

In other words, a recruitment firm must be hot on internal coding, system processes and how it captures its own IP. This goes beyond just recording candidate skills and qualifications. Crucially the data needs to capture what they have delivered, so that their suitability for a role can be accurately determined by AI. Attempting to automate a system full of data gaps, inconsistencies and duplications will hinder rather help operations. >



AI

Leveraging conversation data

A highly tangible use of AI is how it is able to categorise 'conversation data' and this is a key area in which H&P Executive Search is drawing the most value. Our consultants spend most of their day on the phone, talking to clients and potential candidates. AI helps us to not waste any of the information that comes out of these interactions.

All our calls are now recorded and categorised by our AI assistant, which means that all human-to-human interactions are converted into a human-to-machine format. This enables our teams to search way beyond skill codes alone. For example, if a client is searching for someone who has led a turnaround of a failing division, or delivered £12 million revenue growth post-acquisition, we can search across every structured conversation we have had with a candidate in the last 12 months. That is a highly efficient way to use our IP. It's a different level of retrieval than just filtering by keywords on a CV.

Over the last six months, we have made significant steps towards tightening coding, structuring notes properly, and making sure as much data as possible is captured. The next stage is to think longer term. What data will we wish we'd been capturing in five years' time? What patterns of success are we not yet tagging? How do we turn daily conversations into meaningful data over time? AI handles the mechanics, but recruiters retain real market insight, context and judgement and this is what we need to keep refining to make the best use of AI.

Existential crisis?

There is no doubt that recruitment businesses that have prepared for and embraced the capabilities of AI will evolve and grow more quickly over time. Leveraging the efficiencies it enables is a competitive advantage. This spurs the question of where recruitment firms sit existentially. Will AI make them redundant, if businesses can use AI to bring what they do inhouse and save on recruitment costs?

With AI tools, HR teams are able to perform candidate outreach and CV screening faster inhouse without the need for external support. Some lower skilled roles are already falling through the recruitment industry's hands. But there is only a risk if recruitment firms don't keep up their competitive edge by staying ahead of what AI can do, and the higher you go up the career ladder, executive search and human interaction become more important. At this level, head-hunters cut through the AI noise and find the best candidates, who, after all, are people, not machines. >

With more senior hires, greater value is placed on judgement, knowing who is credible, understanding competitors, and having a finger on the pulse of the market to advise on compensation and be aware of which teams have terrible culture or drive people relentlessly for 16 hours a day. Much of this nuanced data is not yet captured accurately by AI, partly because there may not yet be enough clean data over a long enough timeframe to draw from.

At senior level especially, the hiring experience can make or break a successful recruit. Top executives we have worked with have gone through AI screening and automated interviews and do not look favourably on the approach. The higher up you go, the more essential meaningful human relationships become. Leaders want to engage with real people who understand what their motivations and aspirations are. They do not want to feel like a machine is processing them.

The relationship between AI and trust has a long way to go, and trust will always be integral to senior recruitment. Trust from clients that you will find the strongest candidates for them. Trust from the candidates, that you have their interests and career success at heart. ■

