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THE GLOBAL RECRUITER

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Compliance

THE IR35 EFFECT

UK AWARDS FINALISTS ANNOUNCED
MAKING AGENCIES BETTER

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WELCOME



SIMON KENT
EDITOR

In this issue we cover a recent Recruitment Live discussion held among recruitment leaders and sponsored by Bullhorn. The broad topic under discussion was simply how to be better. Only it's not so simple. Recruitment businesses are currently dealing with a myriad of complexities, from a fluctuating market and sometimes unpredictable market to an equally confusing technology market, stacked full of options, promises and challenges. So where can recruiters seek better practice – the changes and considerations that will actually make a discernible difference to their business?

The answer is simple and complex. On the one hand the business of recruitment remains the same. It is dependent on understanding the market, understanding talent needs and the ability to communicate effectively with both sides. On the other hand, ensuring the information and knowledge created by this worked is both recorded by and shared around the business is not so straight forward. There are technology and communication systems to help, but these can be overly complicated and sometimes even get in the way of recruitment company business. Even with the wealth of systems available important information can still fall through the cracks and opportunities can be missed.

Awareness of these issues is the first step towards creating a better business. Understanding what's happening within the businesses means leaders stand a better chance of making positive change. However, understanding that isn't just about technology or the what the business does. It's about the people you have working for you. It's about their preferences, their outlook, their ideas.

As we bring our series on compliance to a close this month, next month we address technology. But this will not be an obsessive look at the latest advances and the impact of AI, this will be a holistic view – what works for companies, and why. We'll be assessing the future of technology in recruitment, both functionality and in terms of the impact on the economy, jobs and, yes, compliance. Through this next series of articles look forward to helping you achieve more and be better. ■

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DIVERSITY IN THE BOARDROOM

Robert Half calls for 'real change' to support top level diversity

A report from specialist recruitment firm, Robert Half has suggested that businesses need to first take a 'look in the mirror' and implement real change before attempting to improve diversity on the board through external hires.

According to the firm's Boardroom Navigator 2023, half of private equity investors are raising awareness of the need for better diversity, equity and inclusion (DEI) at board level amongst their portfolio companies in a bid to improve diverse teams. Almost a third (32 per cent) are also establishing a company-wide DEI program as more investors recognise the need for change.

"Diversity, equity and inclusion is a familiar issue to executive teams, however there hasn't yet been an ideal reached for the majority – and quotas haven't been the all-encompassing solution that they were seemingly believed to be," noted Charlie Grubb, managing director Executive Search at Robert Half. "Addressing this issue requires a look inward first to understand themselves, their employees and hiring methods. Requests for diverse candidate shortlists won't deliver results if the internal culture doesn't reflect the end-goal.

"DEI is thankfully moving into the mainstream language of boardrooms and investors," he added. "But looking ahead there is still plenty of work for executive teams to do. By starting with themselves, being honest about what they find, and developing a long-term plan, they will be able to embrace the steps and experience needed to improve opportunities for everyone." ■

SUMMER SLUMP

UK job vacancies and salaries fall for the first time in 2023

The UK Job Market Report by Adzuna has recorded a fall in job vacancies and advertised salaries for the first time this year. After six months of month-on-month growth, the total number of UK vacancies in July decreased to 1,047,366, a drop of -1.11 per cent compared to June. At the same time, the average advertised salaries fell -0.15 per cent to £37,750 from £37,780.

The fall in vacancies is consistent with trends seen in previous years. Businesses typically slow hiring during quieter summer months before ramping up recruitment for Q4. Last summer, for instance, hiring fell by -2.08 per cent between June and July. This means that the recent decline is almost half what it was this time last year.

What's more, despite the month-on-month decline, the year-on-year gap continues to shrink. In May, the year-on-year vacancy gap was -16.8 per cent. In June this shrunk to -12 per cent and by July 2023, the gap was just -10.96 per cent compared to July 2022, all of which points to long-term recovery for the UK job market.

In addition, despite the drop in advertised pay cheques, jobseekers continue to see some of the highest salary figures since early 2021. However, for the first time ever, there are now more job postings without advertised salaries (50.1 per cent of job ads) compared to jobs with (49.9 per cent), in what is set to be a blow to salary transparency campaigns, as employers are becoming more secretive about pay rates for new employees.



WE ARE
HIRING

Average advertised salaries have fallen for the first time this year to £37,750 in July, down (-0.15 per cent) from June. Despite the return to May 2023 levels, advertised pay rates remain at some of the highest figures seen since early 2021.

This is also demonstrated in the annual increase in advertised salaries across the board. Only three sectors registered a fall in average advertised salaries compared to last July, scientific and QA jobs (-1.58 per cent), IT jobs (-4.24 per cent), and HR & recruitment (-5.91 per cent). Social work jobs have experienced the biggest increase in advertised salaries, up +20.47 per cent to £33,577 on average compared to July whilst PR, advertising and marketing roles saw the smallest annual increase (+0.04 per cent).

“The UK jobs market has entered its summer slowdown period with vacancies down, advertised salaries down and the time to fill roles increasing,” Andrew Hunter, co-founder at Adzuna, said: “Whilst it’s natural to see vacancies fall during the summer months, as companies traditionally slow hiring, the early figures for July’s jobs data will demonstrate to UK policymakers that inflation truly should be on a downward trajectory. Despite the wider slowdown, sectors continue to see advertised annual salaries rise compared to last year, with only a handful of sectors experiencing falling salaries. That being said, employers are becoming more secretive about pay rates, with over half of job adverts going live without salary details for the first time ever in a blow to salary transparency campaigners.” ■



SR GROUP EXPANDS IN US FOOTPRINT

Office opens in Orlando for group of brands.

The SR Group, and its collection of specialist search and recruitment brands – Brewer Morris, Frazer Jones and Taylor Root – have continued to expand their US presence with the recent launch of their newest office in Orlando, Florida.

The launch of the office in Orlando is a significant step in the growth of The SR Group across the US, particularly in the Southeast. “We are delighted to be expanding The SR Group and our three specialist brands with the opening of our Orlando office – a reflection of the great success of our first US office based out of New York,” said Barrie Sanderson, partner and head of The SR Group, North America.

“We have experienced significant growth across the teams in the last 18 months, tripling our US-based headcount. I’m looking forward to seeing how The SR Group can continue to support clients and candidates across the region with the added advantage of now having a physical presence in the Southeast. This is a major milestone for us and will be the catalyst to further expansion across the country in the next few years,” Sanderson added.



The opening of the new office in Orlando also provides the company with increased opportunity to further develop the careers of current employees at The SR Group as well as potential new talent we hope to welcome to the team in the future. The new office in Orlando will be led by Brewer Morris executive director Jack Hart but can support clients and candidates from across all The SR Group’s three brands present in the US – Brewer Morris, Frazer Jones and Taylor Root. The SR Group now operates across 16 offices globally – with two locations in the US, New York and Orlando. ■

OLIVER JAMES EXPANDS IN SINGAPORE

Talent solutions company secures larger office space.

Leading international talent solutions partner Oliver James (OJ) have secured a 34-desk office space thanks to the success and continuous growth of their teams in Singapore. Centrally located at OCBC East within Singapore's Central Business District, the new office offers more co-working space and opportunity for expansion.

Since their first office opened in Singapore in 2017, the team have continued to increase the expertise and support they've provided to people and businesses locally within the insurance, change and technology markets, particularly within cyber security, transformation, data, and ERP.

Within walking distance of Boat Quay, China Square, and Clarke Quay, the new location for the team offers the opportunity to provide further support and hiring services to people and businesses across Singapore and Malaysia. The larger office space enables OJ Singapore to continue their expansion into new services and disciplines, while also increasing the opportunities available to current and future team members as they aim to increase their headcount by a further 25 per cent over the next two years.

"The expansion of our team into a larger office space highlights how much we've grown in recent years and will enable us to achieve our ambitious future plans of increasing the team by a further 25 per cent, and as a result, strengthen our partnerships with people and businesses across Singapore and Malaysia," said Bryan Marshall, managing director of OJ Singapore. "With this growth comes further career opportunities for our team here at OJ Singapore. I can't wait to see what we can achieve over the coming years and how we can continue to support and accelerate careers in the wider Insurance, Change and Technology industries. It's never been a more exciting time to join our team!" ■

AI DRIVES MASSIVE SHIFTS IN JOBS AND SKILLS

IBM Study also shows how employees prioritise meaningful work

Executives in the UK estimate that 41 per cent of their workforce will need to reskill as a result of implementing AI and automation over the next three years, according to a new global study by the IBM Institute for Business Value. The study “Augmented work for an automated, AI-driven world” surveyed 3,000 global C-Suite executives across 20 industries and 28 countries.

Building new skills for existing employees was identified as the top talent issue, according to surveyed executives. The second most pressing issue was identified as technological illiteracy. Critically, the survey showed that 46 per cent of UK executives are currently investing in reskilling their employees internally.

The study also found a disconnect between employers and employees about what’s most important at work. With AI primed to take on more manual and repetitive tasks, UK employees surveyed report engaging in impactful work as the top factor they care about.

However, employers haven’t recognised this fact. Executives surveyed ranked impactful work as one of the least important factors to their workforce. Both employees and executives did however identify flexible work arrangements as the most important factor beyond compensation and job security.

“As we embark on a future where AI becomes an integral part of the workforce, our task is to adequately equip our employees for this key technology shift,” said Andi Britt, Senior Partner, UKI Talent Transformation Leader, IBM Consulting. “Our research reveals that improving technology literacy for employees is a top talent issue, according to business leaders. With 41 per cent of the UK workforce expected to be reskilled as a result of implementing AI and automation over the next three years, it is crucial that executives are able to lead their workforce through this shift and enable them to succeed in the new era of generative AI.



“It is clear from the survey that impactful or meaningful work is now a higher priority for UK employees – a trend which is not yet fully recognised by their business leaders. Bridging this gap will be crucial in ensuring that AI and automation are harnessed in a way that enables employees to re-direct their time and energy to the meaningful and impactful work within the organisation.”

The study also provides recommendations for how leaders can take action to address their talent challenges in the era of AI and help their organisations transform for the future, including a focus on skills and operating models.

The IBM Institute for Business Value, in cooperation with Oxford Economics report is based on in-depth analysis of over 3,000 global C-Suite executives across 20 industries and 28 countries from all major regions in December 2022 and January 2023 about job roles, skills and how work gets done.

The IBM Institute for Business Value, IBM’s thought leadership think tank, combines global research and performance data with expertise from industry thinkers and leading academics to deliver insights that make business leaders smarter. For more world-class thought leadership, visit: www.ibm.com/ibv

To view the full study, visit <https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/augmented-workforce> ■



INDUSTRY AWARDS 2023

FINALISTS ANNOUNCED!

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The time has come, the selections have finally been made. The entries have been judged and the shortlist announced. With a fantastic celebratory event on the horizon to truly do justice for those included in this year's shortlist, The Global Recruiter is proud to be able to give the recruitment industry the celebration it deserves and to honour those leading lights who have shown the best the recruitment industry has to offer.

The Global Recruiter UK Awards 2023 will be held on Tuesday 14 November 2023 and is returning 'home' to Lío London, formerly Café de Paris. We are excited to exceed all expectations and deliver a fantastic celebratory event to highlight the strengths and achievements in the recruitment industry, and to recognise how these companies have demonstrated the amazing performance of the recruitment sector over the past 12 months.

The afternoon will commence with a welcome drinks reception, followed by canapes, 3 hours of unlimited selected drinks, and the much-awaited Awards Ceremony, finishing with lively entertainment to let your hair down! Standard tickets and VIP Tables are available now.

Awards Ceremony

Lío London, 3-4 Coventry Street, Piccadilly, W1D 6BL London
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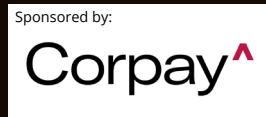
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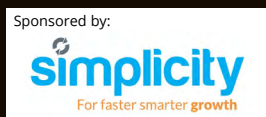
Best Marketing Campaign

Harrington Starr
Morson Group
Randstad
Visuna
Zitko Group



Best Permanent Consultant

Amy Hambleton – RedLaw
Callum Stevenson – Reuben Sinclair
Jack James – Carrington West
Matthew Grout – Daksta
Steve Gray – Zitko Group



Best Candidate Attraction through Social Media

Buchanan Graduates
Inploi
Levin
Placing Faces
STR Limited

Best Temporary Consultant

Ethan Hall – InterEx Group
Lee Darg – Acorn by Synergie
Matthew Richardson – EarthStream
Oliver Gooch – Carrington West
Richard Shorroch – Spencer Clarke Group



Best UK Overseas Operation

Amoria Group
Archer Recruitment
Mantell Associates
VHR
Visuna



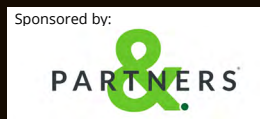
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Globe 24-7
Morson Group
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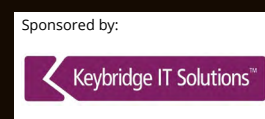
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USING TECH FOR BEST

Denis Pennel, Managing Director, World Employment Confederation on how recruiters are going digital to support talent acquisition.

Today's tight labour markets require evermore creative approaches to identifying and acquiring talent. The staffing industry is increasingly embracing technology and realising that it can be a real gamechanger for the sector.

Digital solutions afford a number of opportunities for agencies. They often unearth a particularly rich seam of candidates and identify potential matches that had previously been overlooked – such as those with poor or incomplete LinkedIn profiles. By delving deeper and removing bias, technology often identifies a broader diversity of candidates for roles – including women, those

from disadvantaged backgrounds and those with qualifications from less recognised educational establishments. In short, the digital approach to talent acquisition results in a pool that is more inclusive and diverse.

And because technology frees up recruiters from the more routine admin tasks, it allows them to focus on value-add work and spend more time with clients and talent. Sourcing of candidates can be automated on specific criteria such as skills, experience, location or education, making the process more efficient. This in turn increases quality within the industry by reducing mistakes. >



Real-time feedback

Artificial Intelligence can be used to provide real-time feedback on job applications – such as queries on status or the interview process – ensuring faster communication that helps to enhance the candidate experience.

Leveraging technology can deliver competitive advantage too. By increasing staff efficiency and offering greater speed to market in finding people to present to companies, it allows agencies to get ahead of the competition. In this respect, the race for technological supremacy that we are witnessing across a wide range of industries is also being reflected in the labour market.

Increased productivity is a key benefit of using technology. With demographics in much of the developed world causing the available workforce to contract, and the number of working hours broadly stagnant for some years now, recruiters are fishing in a finite talent pool. The only option left is to increase productivity through working smarter and leveraging automation.

As working patterns have changed, the way in which we work has changed too. Suspicions that automation would replace workers have given way to the recognition that digital solutions can offer a number of advantages. By removing repetitive tasks, automation has freed-up time for people to do more interesting and more productive work. And this is equally true for the staffing sector.

The recent global pandemic served as the catalyst to usher technology into recruitment firms. Up until then the industry had been relatively slow to adopt IT applications in supporting talent acquisition. Necessity changed all that and now recruiters are eager to explore what is out there and how it might be purposed for their sector. >

Tech must be used to facilitate the sector, not change its ethos

In leveraging technology to drive efficiency, the staffing sector must not lose sight of who it is. The human side must still be there. Recruiters should use technology to enhance their business, not change their ethos. Think of it not as a solution but as a software that allows more time for softer skills such as chatting with clients and candidates and understanding what they want.

As with all innovations, introducing new technologies can cause problems if it is not sufficiently integrated within the business. Agencies need to guard against 'tech fatigue' where people are resistant to evolutions that are not sufficiently explained. By clearly demonstrating the advantages that digital advances will afford to staff in their work, agencies can ensure that everyone is trained and on board from the outset. A useful tip is to identify internal champions that can help to support and drive the introduction of technology throughout the agency.

That's why staffing firms are keen to hire flexible people with the ability to think on their feet and learn. By hiring on attitude and training on skills, agencies can be sure that their staff are able to move with the times and embrace digital solutions as they come along.

Of course, it is rarely about the tech itself but rather its application within the sector. If the right programmes don't exist, then staffing agencies just have to go out and create them. There are some interesting examples in the pipeline, such as staffing agencies using tech to scan CVs and profiles to build a picture of the most advantageous educational and work background in any given career.

When adopting new technologies, agencies also need to be mindful of the platforms they are choosing and be sure to do their homework up front. Are these digital suppliers sufficiently stable and reliable? Are you sure that they won't let you down? There is significant risk attached to placing all your eggs in one technology basket if that company then fails. >



Placing people at the centre

Recruitment firms would be well advised to place themselves in the job seekers shoes before introducing digital processes as they have a tendency to overcomplicate the process. We should always remember that people looking for a job expect a digital interaction that is swift, efficient and results in a position that interests them. So be sure to keep up with the latest preferred routes – such as optimising Google Search.

By stepping up the human contact and acting as career counsellors our sector has the opportunity to stay with people throughout their careers – from graduation to retirement – and in many ways this is the future of our industry.

Used properly, technology will increase efficiency for all of us by reducing the time spent in meetings and leaving space for true engagement and discussion. By focusing on flexibility, new skills and the human touch, recruiters have the chance to reap the rewards of technology within their operations and ensure that digital solutions drive efficiency and success in matching supply with demand in the labour markets of the future. ■



FROM SHOREDITCH TO THE WORLD

The story of TDA's growth to become an influential player in technology, design, product and beyond.



TDA's remarkable journey began in 2009 within the vibrant and creative district of Shoreditch, London. The founders Dave Draper and Andrew Smith launched TDA as an IT and digital recruitment agency. However, their aspirations extended far beyond conventional talent placement. They set out to create a business that fostered meaningful connections, valued empathy, and nurtured a community where innovation and ideas could flourish. >



From its inception, TDA embraced a people-centric approach, recognising that the true essence of recruitment lies in understanding the unique needs, aspirations, and talents of both candidates and clients. This ethos guided every aspect of TDA's operations, from its meticulous candidate selection process to its emphasis on building long-term relationships based on trust and mutual understanding.

Talent for disruptors

TDA quickly gained recognition for its success in matching top-tier talent with leading organisations and scaling industry disruptors. As the company's reputation grew, it embarked on an ambitious expansion into the dynamic market of the United States. By placing strategic roles in planning, user experience (UX), and other critical areas, TDA positioned itself as a key player in transatlantic recruitment, connecting top talent with prestigious companies on both sides of the Atlantic.

The establishment of a new London HQ on Bermondsey Street, SE1 and an office in downtown Manhattan marked a significant milestone in TDA's evolution. These strategic locations not only allowed the company

to better serve its clients in these vibrant markets but also positioned TDA at the heart of two innovation hubs, fostering valuable connections and insights that would shape its future growth.

In 2017, TDA reached a pivotal moment in its journey. Responding to the evolving demands of the clients they serve, the company made a deliberate shift from being an IT and digital generalist to becoming a niche consultancy specialising in design, product, and technology. This strategic transition enabled TDA to deepen its expertise in these specific areas, offering clients and candidates a tailored approach that leveraged its extensive industry knowledge and networks.

As TDA continued to flourish, its growth ambitions transcended more borders. In 2023, the company expanded its operations to mainland Europe with the launch of an office in Amsterdam. This strategic move allowed TDA to tap into the thriving European market and strengthen its global presence. With its eyes also set on the Middle East, a region ripe with digital potential, TDA is positioning itself to establish a foothold and capitalise on emerging opportunities globally. >

Commitment to people

At the heart of TDA's success lies its unwavering commitment to its people. The company recognises that investing in talent development is essential to delivering exceptional service and staying at the forefront of the industry. TDA heavily invests in training and development programmes, empowering its staff with the skills and knowledge necessary to provide clients and candidates with the highest level of expertise and support. This investment in talent has resulted in a team that embodies professionalism, industry knowledge, and a genuine passion for driving success.

In addition to talent development, TDA places great importance on utilising marketing, technology, and automation to assist but not to replace human relationships. Understanding the power of effective branding and streamlined processes, TDA leverages cutting-edge marketing strategies to expand its reach and connect with a wider audience. By crafting compelling narratives and employing data-driven insights, TDA ensures that its brand resonates with both clients and candidates, establishing itself as a trusted partner in the recruitment journey. Automation plays a pivotal role in optimising internal workflows, enhancing efficiency, and enabling the team to deliver personalised customer journeys while maintaining a focus on building meaningful relationships.

TDA's dedication to community engagement further sets it apart. TDA consistently curates engaging community webinar sessions featuring renowned experts, industry pioneers, and influential leaders. These sessions cover a wide range of topics, from emerging trends in design and product development to the latest advancements in technology. By bringing together diverse perspectives and experiences, TDA creates a dynamic and enriching environment that encourages participants to learn, grow, and collaborate.

The popularity of the community comes from a commitment to delivering valuable and actionable content. The company carefully selects speakers who are not only subject matter experts but also skilled communicators, capable of sharing their knowledge in an engaging and relatable manner. Participants can expect in-depth discussions, practical tips, and real-world case studies that provide tangible insights and solutions to the challenges faced by industry professionals. >





Part of the way forward

As TDA continues to expand its reach and influence, the company remains committed to organising community sessions that empower industry leaders, foster innovation, and drive positive change. Through these knowledge-sharing platforms, TDA not only showcases its expertise but also reinforces its position as a trusted advisor and partner in the sectors they serve. By facilitating connections, sharing insights, and inspiring professionals worldwide, TDA's webinars contribute to the collective growth and success of the design, product, cybersecurity, data and technology sectors.

TDA places a strong emphasis on diversity, equality, and inclusion (DE&I) in all aspects of its operations. With a robust equality and diversity policy, the company ensures that candidates are assessed based on their skills, capabilities, and cultural fit measured solely

by personality. TDA's commitment to DE&I is evident through its monitoring and recording practices, which adhere to data protection laws and can be readily shared with stakeholders upon request.

Reflecting on TDA's extraordinary journey, it becomes evident that the company's relentless commitment to challenging industry norms, providing exceptional service, and staying ahead of the curve has propelled it to the forefront of the recruitment industry. From its humble beginnings in Shoreditch to its global expansion, TDA has consistently demonstrated its ability to adapt, innovate, and redefine the standards of recruitment. With a deep understanding of clients' needs, a nurturing approach to candidates, and an unwavering focus on growth, TDA continues to set new benchmarks for excellence, shaping the future of recruitment one success story at a time. ■

FINDING THE NEXT LEVEL

Simon Kent reports from a Recruitment Live round table discussion, sponsored by Bullhorn, which sought to find ways to make recruitment companies better.



Supported by



The Global Recruiter's Recruitment Live round table discussions have always had a reputation for delivering actionable ideas for those attending. This time round, however, rather than these actions coming from a discussion of subjects around recruitment, the session was directed squarely at making recruitment companies better. >



Held in association with Bullhorn, and featuring recruitment company leaders from a diverse range of businesses, we wanted to directly address the challenges companies were experiencing and see if we could come up with positive ways ahead. The companies on the call were:

David Madden- Owner and Director, mustard
Brian Van Aken- CEO, Hamlyn Williams
Victoria Doig- Operations Director, Hamlyn Williams

Amy Morris- Managing Director, UK, Oakley Partnership

David Cox- Managing Director, Archer Recruitment

Joseph Miller- Managing Director, Miller Maxwell Ltd

Kathryn Riley- Founder, Douglas Scott Recruitment

Gary Cordery- Regional Sales Director, UK&I, Bullhorn

Gary King- Commercial Director, The Global Recruiter

Simon Kent- Editor, The Global Recruiter

It's hard to say whether the first challenge raised by those on the virtual roundtable was to be expected or was a surprise. In short it was the 'same old same old'. Despite the extremities of recent years, the pandemic, the Great Resignations, Rethinks, the skills shortages, the market trends and cost-of-living crisis, recruiters are still faced with the difficulty of hiring, training, retaining and motivating their own staff.

Part of this may still be to do with the image of the recruitment industry itself, but it seems more to be a factor of the people available in the talent pool and the nature of the business right now. Working in the recruitment industry over the past few years has been challenging to say the least, and definitely not business as usual. Pre-Covid there was high demand but this dropped off the cliff face with the pandemic, only to return to even higher levels of demand once Covid passed and companies tried to play catch-up. New and existing consultants have experienced severe market changes while managers have had to deal with a literally unprecedented set of circumstances.

These trends are still at work within the sector with different markets experiencing a wide variety of demand. Consequently recruitment talent is highly mobile and good consultants are landing offers to move employers almost as soon as they arrive at their current workplace. >



Alongside this, and again, perhaps because of the type of market these consultants have been exposed to, there is general disappointment at the level of business understanding on display from recruitment consultant talent. On the one hand client demand may have made it relatively easy for consultants to bag new contracts. On the other hand, the ongoing preference for using social media, emails and the like to do the work, rather than pick up a phone or go and meeting someone in person, could be costing businesses in terms of exploiting the opportunities available.

David Madden said that the growth of technology in recruitment has been rapid over the past few years but that he was raised at a time when personal relationships and knowledge were held the top of the opportunity tree. “This means that along with the other leaders in mustard we are trying to really understand what helps in that endeavour whilst training and leading the newer consultants in what is important,” he says. “Automation seems to be absolutely key in this journey as the potential time saving, legislation helping and general compliance smoothness can only free up time for working on those relationships.”

Madden is clear that contact with clients and candidates has changed ‘massively’ over the years and the ability to record those contacts to use in the future is extremely important. “Good technology can really help,” he says, “but I honestly believe we are in a period where there are lots of shiny things available that all kinda do the same thing.”

For those recruiters working on an international scale it was interesting to find how local culture impacted on the way in which communications were being carried out. In Asia, for example, while the local social media networks are certainly part of the picture, there is much more value placed in a real life meeting.

“Working in Asia requires different approach to clients and candidates and it’s important to show flexibility in our approach as a business and not take an approach that one size fits all,” said David Cox. Cox cited a recent hire of an experienced recruiter who had come back to the industry after leaving the industry pre-Covid. He had effectively missed out on the transition to the ‘Teams and Zoom culture’. “His ‘go to’ approach is to meet people on a face to face basis,” explained Cox. “We have had such good feedback as it’s now no longer the norm.” >

It is clear, therefore that recruitment companies need to be able to respond through whatever channel their clients and candidates require. This places an extra challenge on recruitment businesses to be able to keep track of everything.

Across this there is the ongoing feeling that technology systems are still not up to the job. Indeed there's also the sense that communications in particular simply add more technology to an already complicated tech stack. And yet there are still holes through which critical pieces of data can slip away.

The actions of the consultants operating the systems doesn't always help. Through "laziness or forgetfulness" and despite extensive training and reminding, not every interaction is logged, not every contact makes it to the database, not every potential sale is flagged. Consequently, opportunities can be going to waste as individual consultants lose track of where they are in the process of looking after clients.

Tying these themes together, then – lost opportunities, the challenge of getting consultants to record everything in the right place, dealing with an increasingly diverse tech stack – one possible way to push forward and be a better recruitment company could be to find a way to ensure interactions are recorded and shared properly. Capturing the information and interactions which go astray means recruiters could make more of the work and contacts they achieve.

Automation, argued Gary Cordery, could be the remedy here. It doesn't need to be over-complicated or sophisticated in terms of the technology used, just something which ensures "if this event happens then this kind of a note is created". "In other words, there is a simple recording process that takes care of the important information as once it's all captured in a centralised place," he said. "That's when the opportunities will really start to surface."

The key to improvement, then, may be to find the simple way forward. It was interesting to hear the number of recruiters who extolled the virtues of 'getting the basics right' and building on that, rather than over-complicating things. It was also interesting to note that those companies who were seeking expansion and gaining traction in new markets were also clear that the basics had to be done properly – and to a certain scale – if a new enterprise was to be successful. It is an unforgiving market at the moment, and landing one or two deals will not be enough to sustain a new initiative or enterprise.

Recruitment leaders are therefore constantly on the look out, not for new ways to do new things, but for effective ways to deliver the same, valuable service. Recruitment is, at the end of the day, after all the technology and seismic changes the economy has gone through, the same business, and that is the base line on which improvements can be made. ■



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THE GLOBAL RECRUITER

COMPLIANCE FIRST

THE IR35 EFFECT

Crawford Temple, CEO and founder of Professional Passport, on how IR35 has fuelled non-compliance in the supply chain.



On 9th March 1999, the Inland Revenue issued a press release (IR35) outlining the Government's plans to clamp down on the increasing use of one-man-band limited companies to provide professional services to clients, where the individual was still working in a manner akin to a traditional 'employee' while enjoying the tax benefits afforded them by a corporate structure. The Intermediaries Legislation became law in 2000 and remains in place today. >

IR35

Fast forward 17 years to 2017 and IR35's newer version, the off-payroll legislation, was rolled out into the public sector and subsequently four years later in 2021 to the private sector. The new legislation would now see hirers responsible for assessing the status of its freelance workers.

But let's not forget that both the original and newer legislation around IR35 were devised to counter tax avoidance as the Treasury believed and still believes it is missing out on some millions of pounds into the coffers. It is somewhat ironic then that the very legislation that was introduced to clamp down on tax avoidance has given rise to a proliferation of tax avoidance schemes that have seen the government miss out on billions of pounds that they will not get back.

The introduction of the off-payroll legislation saw many firms blanket banning the use of limited company contractors. This, in turn, saw many contractors turning to umbrella working. And, along with the prominence of the contingent workforce has come a proliferation of regulation and legislation as policymakers seek to catch up with an ever-evolving 21st-century working landscape.

Sticking plaster

Over the years, a raft of legislation has been applied 'sticking plaster' fashion which has failed to address the inherent issues and challenges that the flexible working market faces. Non-compliance and enforcement have not been addressed rigorously enough so that in a commercially competitive environment non-compliance has won out.

Off-payroll working has resulted in many workers operating through a new structure to them, the umbrella company. There are many examples where workers clearly do not understand the arrangements and they have been hoodwinked

into signing up for schemes that are not compliant and are disguised remuneration schemes purporting to be umbrellas.

And HMRC is not taking swift enough action to shut down these schemes which are allowed to thrive. Current enforcement strategies are not working and simply serve to incentivise non-compliant offerings. HMRC holds all the data it needs to find the perpetrators of such schemes and take action.

But thankfully, today, the industry seems to be accepting that the importance of a compliant supply chain is critical to ensuring that the highest standards are being met. However, pressure continues to mount as recruiters grapple with their short-term business needs which means that some are being lured into business opportunities that are simply illegal.

Do you smell a rat?


If recruitment companies see a sudden increase in workers operating through a specific provider, that could signal that something might be awry and should prompt recruiters to take steps to conduct detailed checks to establish that the provider is compliant, accredited and operating to the highest standards. Professional Passport is happy to assist recruiters with these checks.

Avoid third-party sellers and sales lead generation companies

Many of these firms appear to look like compliant businesses by fronting their offering with an accreditation seal of approval. They tend to offer significant financial incentives to recruitment consultants for introductions, regularly offering around £400 each. With umbrella charges typically equating to around £20 per week, it is difficult to understand how these large financial incentives can be offered through standard compliant offerings. >

THE UMBRELLA FACTOR

Tania Bowers, Global Public Policy Director, APSCo discusses how non-compliance in the umbrella market is being addressed.



Non-compliance across the umbrella market is a growing concern for the recruitment sector. Whilst umbrella companies perform a valuable role in the supply chain, unfortunately, not all operate compliantly. For that reason, APSCo has long called for regulation of the umbrella sector. We therefore welcome the HM Treasury (HMT), HM Revenue & Customs (HMRC) and the Department for Business & Trade (DBT) consultation on how to better regulate, and ultimately prevent, umbrella non-compliance.

But what does this mean for recruitment businesses?

The consultation

While it is a complex issue, as a summary, the consultation proposes regulation as a two-stage process:

- Defining what an umbrella company is
- Determining the minimum legislative requirements of umbrella companies

The initial stage will be fundamental to driving any changes. There is no current statutory definition of these businesses; HMRC describe them as a company that employs temporary workers to work for different end clients. >

There are advantages and disadvantages to both definitions and, at time of writing, insight from those across the supply chain is being sought to ensure an informed decision is made. However, it is clear that the definition must be sufficiently broad to capture the nuanced roles the umbrella companies play in the supply chain.

We welcome the government's proposal to regulate umbrella companies through expanding the remit of the EAS, which already regulates recruitment companies, provided that the EAS have sufficient resources for this additional remit. We believe that the EAS should adopt a reactive and proactive approach to enforcement in the umbrella sector.

While the definition of umbrella companies will dictate how regulation is introduced, the consultation has outlined how the government plans to tackle non-compliance – and unfortunately, there are some recommendations that will be of concern for recruiters.

Regulation and recruitment firms

Looking at the detail that is currently available, the focus on defining an umbrella company into law is something that needs further clarity. There are a range of nuances that impact the role these firms play in the supply chain. Although the consultation does highlight plans to define in legislation how recruitment businesses can engage with a worker, the information shared suggests that this is largely the existing models of supply being written into legislation. We are however pleased to see that the Government is looking to set statutory compliance standards which are in line with our initial recommendations last year. >



There are also three strategic options proposed for preventing tax non-compliance within the umbrella company market aimed at changing the incentives and behaviours in the temporary labour market.

Option one mandating due diligence; due diligence is already a part of most staffing firms' processes, often requiring an umbrella to be audited by an accrediting body. In order to be effective, the mandated process would need to be prescriptive as to exactly what a thorough due diligence process would look like.

We are concerned with option two, the potential for the transfer of debt to the recruitment business (where the umbrella company is unable to discharge the tax liability) and the possibility of the staffing firm being deemed the employer for tax purposes akin to the IR35 regulation which would certainly be a concern for recruitment businesses.

Just as we highlighted previously with off-payroll working rules where unpaid duties are passed on to recruitment businesses, this option would be unjust for the staffing sector and would put an unfair amount of financial burden on firms. In many instances, recruiters would be facing financial penalties for actions or decisions that they have had little to no control over.

Aside from this, we believe that this approach would in fact embolden non-compliant umbrella companies, rather than discourage them. If the risk and burden are passed on to others in the supply chain, there is no reason for these firms to change tact. While we are working with our members to inform policymakers of this oversight in the plans, should this option be pursued, we may see recruitment businesses choosing not to engage umbrella companies in their supply chains in view of the risk of a tax debt transfer.

Option three may be a practical solution to address the risk to the recruitment business of a non-compliant umbrella company and the transfer of the tax liability to the recruitment business. However, it somewhat defeats the object of why most recruitment businesses engage with an umbrella company, which is to perform the payroll function. It may also cause confusion where the worker has a deemed employer for tax purposes and a different employer for employment rights. Further, where the recruitment business is responsible for tax purposes there may be limited benefits for engaging an umbrella company in the supply chain. >





Recruitment company risk

Note that in all of the above, the onus, risk and responsibility lies with the recruitment firm, not the umbrella company, an issue which we believe needs to be addressed. If the non-compliance lies with umbrellas, then action should be taken against these businesses, not recruiters.

The consultation also addresses the employment allowance and flat rate scheme which are simple to use and rely on self-assessment making them more easily subject to abuse by mini umbrella companies: making it mandatory for a UK director to be in place to be eligible for the employment allowance. These proposed measures, in particular the requirement for a UK director to be in place, are a step in the right direction towards transparency and accountability.


The actions of a few unscrupulous umbrella firms have already impacted the reputation of the sector. We don't want to see this extend into the financial, reputational and operational risks for recruitment businesses where they have no control over the actions of the umbrella company.

A compliant future?

Whatever the final outcome of the consultation, it is a promising sign that HMRC is taking a carefully considered approach to an issue which – given the significant number of initial responses to the consultation last year – is a prime concern for the recruitment supply chain. It's clear that the Government is being ambitious in its plans to tackle the unscrupulous behaviour of a few rogue umbrella companies, but any such changes should not be to the detriment of recruitment businesses. ■

THE COST OF SUPPLY

David Thornhill, Managing Director, Simplicity, says HMRC's Supply Chain Fraud mission could be expensive for recruitment agencies.



In recent years, supply chain fraud has emerged as a significant concern for both businesses and HMRC. As supply chains become increasingly complex and global, the risk of fraudulent activities, such as VAT fraud and missing trader intra-community (MTIC) fraud, has grown substantially. In the United Kingdom, the tax authority responsible for combating such fraud is Her Majesty's Revenue and Customs (HMRC). Below delves into the assertiveness and proactive measures undertaken by HMRC in addressing supply chain fraud and the impact it has on clients.

The Expanding Menace of Supply Chain Fraud

Supply chain fraud refers to a complex set of illicit practices aimed at exploiting the complexities of supply chains to evade taxes or gain financial advantages unlawfully. Common forms of supply chain fraud include carousel fraud, where goods are repeatedly imported and exported, creating artificial transactions to reclaim VAT, and missing trader fraud, where a trader vanishes without paying the due VAT after selling goods. >

What actions are HMRC taking to tackle supply chain fraud?

- **Risk Assessment and Intelligence Gathering:** HMRC employs a sophisticated risk assessment system to identify high-risk supply chains and potential fraudsters. By leveraging data analytics and intelligence gathering, they can pinpoint suspicious activities and patterns within supply chains.
- **Collaboration with Industry Partners:** HMRC actively collaborates with industry experts, professional bodies, and technology companies to stay abreast of emerging fraud trends and develop effective countermeasures. These collaborations facilitate the exchange of information, enhances their fraud detection capabilities, and fosters a united front against supply chain fraud.
- **Robust Investigations and Prosecutions:** HMRC's approach to tackling supply chain fraud is characterized by its vigorous investigations and prosecutions. They employ specialised teams equipped with advanced data analytics tools to uncover complex fraud schemes. Once identified, HMRC takes legal action against fraudsters, aiming not only to recover lost taxes but also to deter potential offenders.
- **Legislative Measures:** In response to the evolving nature of supply chain fraud, HMRC has actively sought legislative changes to strengthen its powers. The introduction of Joint and Several Liability (JSL) provisions in 2012 made directors and other parties connected with fraudulent businesses personally liable for the unpaid VAT. Such measures act as powerful deterrents, dissuading individuals from engaging in fraudulent activities. >



Supply Chain Fraud and Umbrella Companies

Recruitment agencies are the party in the supply chain that invariably either introduces a scheme to workers or signs contract agreements with them. This includes schemes dressed up as legitimate umbrella companies when they're anything but legitimate.

HMRC's avoidance blacklist raises a number of questions that are not easy to answer, particularly if you're a first-timer contractor or a newcomer to the contractor industry. You might be wondering why would a recruiter introduce a tax avoidance scheme to a worker in the first place.

In the vast majority of cases the answer is a desire to boost their income. Some companies claiming to be a bonafide umbrella and/or payroll company will offer payments for introductions made. These sums can start at £5 per week, per worker, and this sum can, to avoid tax, be pre-loaded onto a payment card. Although £5 might not seem much but over a year, some recruiters might be £250 better off as a result. Multiply that figure by 200 workers, which is not unrealistic if you're an agency with good clients, and you're looking at a staggering £50,000 effectively in cash!

There are of course many great, respectable, legitimate and customer service-focused umbrella companies, operating in accordance with HMRC and the Department for Business & Trade guidance. Indeed we are proud to work with many of these legitimate umbrellas. >



So what are the implications for Recruitment Agencies of HMRC's stance?

HMRC's unwavering commitment to combatting supply chain fraud has significant implications for recruitment agencies, particularly those inadvertently caught up in fraudulent schemes:

- **Increased Scrutiny:** As HMRC intensifies its efforts, innocent businesses and individuals may face heightened scrutiny. Supply chain transactions and VAT returns may be subject to more frequent audits or investigations, even if there is no direct evidence of fraudulent activity. While this might be seen as an inconvenience, it is a regrettable necessary step to ensure the integrity of the tax system.
- **Collaborative Compliance:** Recruitment agencies are encouraged to adopt a collaborative approach to compliance, actively engaging with HMRC and industry experts to understand fraud risks within their supply chains. By embracing transparency and voluntarily sharing information, agencies can demonstrate their commitment to compliance and reduce their vulnerability to fraudulent activities.
- **Legal Implications:** Clients unknowingly involved in fraudulent supply chains may face legal consequences, even if their involvement was unintentional – harsh as that might seem. Ignorance or negligence is not a valid defence in such cases. It is critical that recruitment agents exercise due diligence when selecting suppliers and diligently monitor transactions to mitigate the risk of inadvertently participating in fraudulent schemes.

HMRC's dogged pursuit of supply chain fraud highlights its determination to protect the integrity of the tax system and whatever you feel about it personally is founded on their desire to ensure a level playing field for all businesses. Through its proactive approach, robust investigations, and collaborative efforts, HMRC aims to detect and deter fraudulent activities. By actively engaging with HMRC and implementing strong due diligence processes on selection and ongoing compliance measures on all its supply chain, recruitment agencies can mitigate their exposure to supply chain fraud. ■



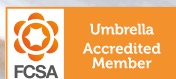
Know every link in your supply chain

The risks around using non-compliant providers puts even more emphasis on the need for a compliant supply chain to ensure that tax liability doesn't pass up the chain to you or your clients. How confident are you that you're working with a provider you can trust?

As a leading provider of umbrella and accountancy services, we've always encouraged compliant practices by advising agencies to work with a list of trusted providers.

When it comes to assessing your providers' compliance, we recommend that you do all of the following:

1. Send out compliance questionnaires, and review processes and policies
2. Check actual payslip calculations and PSC management accounts to ensure they give a complete breakdown of earnings
3. Check provider processes to ensure transparency runs throughout the contractors' journey
4. Check if they are based in the UK with a nominated UK bank account
5. Ensure the provider has third party accreditations and external audits
6. Review the financial strength from the latest statutory accounts
7. Carry out your own site visit



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PRE-EMPLOYMENT SCREENING TECHNOLOGY: A MUST-HAVE FOR RECRUITERS

In the rapidly evolving landscape of recruitment, identity document validation technology (IDVT) has taken centre stage. In 2022, the UK Government introduced new standards to support pre-employment screening checks being conducted digitally. As a recruiter, embracing these changes will not only ensure compliance with the latest regulations but also save you valuable time and effort. Additionally, it will position you as a forward-thinking and innovative recruiter, setting you apart from the competition and enhancing your reputation in the industry. >

Navigating Right to Work and DBS Checks

In response to recent changes to the Right to Work legislation, recruiters are now required to utilise a UK government-certified Identity Service Provider (IDSP) to perform digital Right to Work checks on their candidates. Similarly, for conducting DBS criminal record checks digitally, recruiters must now also rely on a certified identity provider.

In-person verification of documents is still an option, but it comes with significant challenges in validating document authenticity. The process can be complex, time-consuming, and carries inherent security risks. Inaccurately conducted Right to Work checks can lead to a civil penalty of up to £20,000 per illegal worker hired. Statistics from the Home Office reveal that between 11th December 2022 and 23rd January 2023, 92 civil penalties were imposed for illegal working, costing businesses a staggering £1.5 million. Opting for digital checks with a certified provider ensures a more efficient and secure process, safeguarding your business from potential penalties and maintaining the highest standards of compliance.

Choosing the Right Digital Provider

In today's market, the abundance of Identity Service providers can make choosing the right one for your business a daunting task. Making the wrong choice could lead to a disjointed onboarding experience. Picture the frustration of realising essential tasks still demand manual intervention, or that you are tied to multiple providers for different checks.

Given that each provider offers an array of features, recruiters must carefully pinpoint the best fit for their distinct candidate vetting process, onboarding needs, and internal workflows. Here are some key considerations to guide you when choosing a provider: >



Certification and Compliance: Ensure that your chosen Identity Service Provider has undergone the Home Office-approved accreditation process and has achieved full certification under the UK Trust framework for Right to Work and DBS checks.

Comprehensive Suite of Checks: Opt for a provider that consolidates all essential pre-employment checks including Right to Work and DBS checks in one place, eliminating the need to use multiple providers.

Ease of Use: Your chosen provider should offer a fully digitised and secure process that is easy to navigate for both you and your candidates. Avoid providers that offer hybrid solutions, as they can introduce human error and slow down the process.

End-to-end Onboarding: Seek a provider that surpasses basic pre-employment checks and offers unique solutions to streamline the entire candidate onboarding process. Look for functionalities that enable secure and quick information sharing and document exchange, ensuring seamless end-to-end onboarding.

Training and Support: Prioritise a provider that is easy to set up, offers user-friendly training to quickly familiarise your team with the platform and provides ongoing support for both you and your candidates.

Accessibility: Choose a provider that caters to the diverse needs of your candidates, such as offering app and web-based platforms for access through various devices along with fallback routes designed to accommodate specific candidate onboarding requirements.

As a UK government-certified digital provider for both Right to Work and DBS checks, Amicus offers comprehensive pre-employment screening and end-to-end candidate onboarding, all in one platform.

For more information, please visit the [Amicus website](#). ■





GETTING THE RIGHT RIGHTS

Ikram Malik from the business immigration team at law firm Brabners discusses getting to grips the Right to Work.

In March, the Government implemented a set of changes to the Employer's Guide to Right to Work checks, which sets out the steps which firms must take to ensure that all employees are legally eligible to work in the UK.

All employers are obliged to verify that individuals working for them have a valid right to work. However, as all UK citizens are valid for employment, the rules are especially important for firms reliant on business immigration with failure to comply bringing serious consequences. These can include fines, closure of your business, disqualification of directors and, in very serious cases, the risk of a criminal conviction.

The Prime Minister has stated his intention to free-up Home Office resources during 2023 to allow for greater enforcement action. That's reflected in the recent announcement to increase the civil penalty to £45,000 from £15,000 for first time offenders, and to £60,000 from £20,000 for repeat offenders for employing an illegal worker. With this in mind, it's more important than ever that recruiters are following rules to the letter. So, what exactly are the new changes, and why are they important? >

Digital verification

One key change to the rules relates to the use of Identity Service Providers (IDSPs) to undertake remote identity checks, in a move that provides further clarity on measures introduced in April last year.

The Government previously introduced legislation to help accommodate for the surge in remote working, allowing employers to use Identity Document Validation Technology (IDVT) to confirm that employees are who they say they are. In order to ease the administrative burden, employers have been able to use IDSPs to undertake digital identity checks for them. This is usually completed by video call or in person, and the employer remains liable for any civil penalty if the check has not been done properly by the IDSP.

However, it's clear that several IDSPs have been offering to complete manual and online right to work checks for clients – both of which are out of their legal remit. To combat this, the guidance has been updated to confirm that this is not permitted and that these checks must be completed by the employer.

With this in mind, employers need to ensure that they are not relying on IDSPs in this way, at risk of receiving illegal working penalties.

3C leave

Employers should also note new changes to 3C leave, which refers to the period granted while a visa extension is being processed. The Government has implemented new functionality to allow individuals to digitally verify their right to work using a share code.

Historically, the only way for an employer to establish that individuals in this situation have a valid right to work has been via the Employer Checking Service (ECS), often leading to a protracted process and causing uncertainty for the applicant. >



The latest update means that eVisa holders will now be able to prove they have a right to work where an application is pending via a share code. But it's worth noting that this will only provide employers with confirmation that individuals have the right to work for a 6-month period. This means employers will still need to undertake follow up checks when this period expires.

This will have only limited application to start with, and for those without an eVisa, employers must still conduct checks through the ECS. However, as time goes by, more and more individuals will be able to demonstrate their right to work in this way as the Government continues aiming to free up the administrative burden on business immigrants.

How should employers prepare?

Employers should leave no stone unturned in ensuring that they are following the updated rule given the serious implications of non-compliance. As a first step, we would advise all employers and recruiters to review their policies and procedures to ensure that they meet the up-to-date requirements.

This should involve examining how they are engaging with IDSPs to ensure that they are undertaking compliant checks. Employers should also provide training for staff undertaking right to work checks, to make sure that the checks are being properly implemented in practice.

Business owners and employers should as a precautionary step proactively audit their existing right to work checks to flush out and address any issues before they arise.

Business immigration guidance can often be tricky to navigate, so it's important to always take extra care in ensuring that your operations are in order. Insight from a specialist adviser can often be the best way to guarantee compliance.

For more information, visit:

<https://www.brabners.com/services/employment/business-immigration> ■





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