



**Market trends
& challenges**
Beyond lockdown:
How will recruitment
change?

Executive Summary

Ken Brotherston, Managing Director of TALiNT Partners, shares the key findings from our latest RPO Leaders webinar

The coronavirus epidemic has raised some fundamental questions about the future of society – how we socialise, how we act as consumers and, of course how we work.

Consequently the implications for the recruitment industry will most likely be profound. To give an insight into the impact on the market – and future patterns and trends – leading recruitment events and business intelligence company TALiNT Partners and international talent technology innovator Cornerstone hosted the TALiNT RPO Leaders Programme – Market Trends and Challenges webinar on Wednesday 13th May.

More than 50 leading executives in the RPO, MSP and Talent Solutions sector attended via Zoom to hear from a panel of six renowned HR and Talent Leaders.

CURRENT MARKET

Panelists agree the market is in a critical, volatile stage characterised by uncertainty and anxiety. LinkedIn figures showed overall UK hiring plummeted 39% year-on-year since the lockdown was announced on 23rd March, with hardest hit sectors including, unsurprisingly, recreation and travel, construction and manufacturing.

Predictably, permanent hiring was hit most severely with the temporary and contract market a mix of a general slow down offset by significant spikes in certain sectors such as food retailing, healthcare and distribution/logistics.

From an organisational behaviour perspective, the lockdown has accelerated decision-making and innovation as companies have had no choice but to adapt. There is an unprecedented drive towards collaboration and even large traditional corporations are being forced to be more agile and reactive in talent deployment.

FUTURE MARKET: POST LOCKDOWN

Hiring priorities are changing. A survey of 145 employers by TALiNT Partners conducted in May, asking them to rank 11 components of their talent acquisition function on a matrix of urgency and importance, found employment flexibility and onboarding are now seen as more important, and employer brand and Diversity & Inclusion less.

The key, immediate takeaways from the discussions were:

1. FLEXIBILITY

Employers and recruitment providers will be called on to be more flexible than ever before. For employers, a key element of this will mean embracing dynamic working (work whenever, wherever, as long as the work gets done).

For RPO providers, there is a prime opportunity to capitalise if they can provide a holistic total talent solution based on a partnership model.

2. RE-ALLOCATION AND UPSKILLING

There will be a seismic shift in employees between sectors and a drive towards upskilling. There will also be an increase in re-allocation of roles within companies. This will require increased investment and capability in an outsourcer's ability to deliver better internal mobility solutions.

3. TECH ADOPTION

The rapid, widespread adoption of video technology will have long-lasting implications across the recruitment cycle and day-to-day work, especially for interviewing and onboarding. The boom in remote working is already causing employers to re-evaluate the amount of office space they need and, even with increased social distancing, this will undoubtedly reduce the amount of office space required across the UK.

4. VALUING MENTAL HEALTH

Companies will be increasingly required to demonstrate how they support the mental health of their employees to attract and retain talent. A significant increase in remote working will make this challenge more complex.

CONCLUSION

Most of us would agree that we are at the beginning of an unparalleled period of change. The next eighteen months or so will see large numbers of job losses and businesses in distress, with delayed decision making and uncertainty.

For talent solution providers, whilst market conditions will be impacted by the above in terms of uncertainty and delayed decision making, there are likely to be positive long term changes, including greater opportunities for collaboration, partnership and innovation.

RPO providers willing to be flexible and innovative, offering comprehensive talent solutions, will reap the rewards.



Taking Stock

Dawn Gibson of Dawn Creative Media reflects on the key discussions and findings from TALiNT Partners' RPO Leaders webinar, considering the future of hiring post-COVID-19 and recruitment partners' role in this.

Covid-19 has changed the way we work forever.

In the UK, the impact of having much of the population either working from home or furloughed since the government announced a nationwide lockdown on 23rd March has resulted in huge question marks over not just how and when we return to work, but how work and recruitment practices will change.

How can organisations plan for potential rapid upscaling when the crisis ends? What if they need to just as rapidly downscale again? How will the recruitment ecosystem change? Does this represent a massive opportunity for RPO providers?

To give an insight into the market impact – and the patterns and trends looking forward – leading recruitment events and business intelligence company TALiNT Partners and international talent technology innovator Cornerstone hosted the TALiNT RPO Leaders Programme – Market Trends and Challenges

webinar on Wednesday 13th May.

TALiNT Partners' Managing Director, Ken Brotherston, moderated the lunchtime discussion, attended by more than 50 of the leading executives in the RPO, MSP and Talent Solutions sector via Zoom. The audience listened to insights and asked questions of a high-powered panel of HR and Talent Leaders with a vast wealth of experience across British industry and business, from banking to retail, hospitality to software solutions, social media to medical science, including:

- Jane Upton, Talent Acquisition Lead, NatWest Holdings Customer Businesses
- Neil Kelly, Global Talent Acquisition Leader, Thermo Fisher Scientific
- Jim Richardson, Director, Megella
- Umang Panchal, Head of RPO EMEA, LinkedIn
- Andrew Brown, Head of RPO, Partners and Alliances – Talent Acquisition, Cornerstone
- David Brammer, Head of Recruitment, Stonegate Pubs

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Neil Kelly, Global Talent Acquisition Leader at Thermo Fisher Scientific

The Current Market

The discussion began by exploring the impact of the first two months of the lockdown. While it is obvious that hiring activity has slumped dramatically, Umang Panchal, Head of RPO - EMEA for LinkedIn, was able to provide a more nuanced analysis.

Industries hit the hardest included, unsurprisingly, recreation and travel (down a massive 70%), construction (down 55%) and manufacturing (down 46%). Despite the scramble to get home offices up and running, even IT has been affected, with a 19% decline, while healthcare experienced a 14% increase in demand.

Mr Panchal said RPO providers with heavy exposure to the UK and permanent recruitment had been hardest hit. “We have definitely seen delays in contracts for our RPO clients and that is happening across the board,” he said.

A CRITICAL STAGE

Panelists agreed the market was in a critical, volatile stage characterised by uncertainty and anxiety.

“It’s such a volatile industry right now in the sense that many of our clients are looking at scaling back what they are delivering to end clients and furloughing staff, and on the flip-side we have companies winning new business, signing new contracts, rolling out tech, rolling out services,” said Andrew Brown, the Head of RPO, Partners and Alliances – Talent Acquisition for international talent technology firm Cornerstone, which recently acquired Saba Software.

Uncertainty over when and if the virus would return made it impossible to forecast short term hiring needs.

Jim Richardson, Director of HR & Talent Acquisition firm Megella and one of the UK’s most experienced RPO experts, said it would be very interesting to see how fast larger organisations could get furloughed agency and in-house staff back to work. “We just don’t know

LinkedIn figures showed overall hiring activity in the UK had plummeted 39% year-on-year since the lockdown was announced on March 23

Hiring has now begun to pick up in China, which could suggest a potential uptick for UK hiring in the coming months

when Covid will come back,” he said. “We seem to think there will be different phases and spikes, so therefore there will be pressure on permanent hiring and approval to hire might be a lot slower than we have seen before. As a result, there could be a spike in temporary or interim enquiry.”

DRIVING INNOVATION

On a positive note, the lockdown has expedited decision-making and innovation as companies have had no choice but to change long-standing practices.

Neil Kelly, Global Talent Acquisition Leader at Thermo Fisher Scientific, a healthcare product and software supplier which has been deploying resources for ventilator production, said his company had transformed from a large but relatively unknown entity to be at the forefront of the crisis.

“I’ve never seen so much collaboration in my 20 year career as I have done in the last six weeks,” he said. “We’ve seen things happen over a two or three week period which took two or three years previously. Collaboration has been the key word in terms of getting things done, not just in hiring, but in the broader business.”

Even large traditional corporations have been forced to be more agile and reactive – the Royal Bank of Scotland is a classic example. To process around 200,000 customer mortgage holidays in less than eight weeks, the bank had to swiftly re-allocate staff to high demand areas while simultaneously managing a shift to home-working for much of its workforce.

Talent Acquisition Lead, NatWest Holdings Customer Businesses, Jane Upton, said she had been on a “personal crusade” to get more contact centre staff working from home for years, but it hadn’t happened – until now. “In the space of six weeks, the virus has got 2,000 people working at home,” she said. “The way we work will be different going forward, and that has an impact on some of the services that we offer as talent acquisition professionals.”

“You should be able to leverage and descale, and rapidly upscale where you need to. That comes from effective partnering. An RPO provider should be working as an extension to the HR team and to the recruiting and hiring team.”

David Brammer, Head of Recruitment, Stonegate Pubs

What will a post-lockdown market look like?

The epidemic has changed the way organisations operate – so it’s unsurprising that hiring priorities have altered. A TALiNT survey of 145 employers conducted in May, asking them to rank 11 components of their talent acquisition function on a matrix of urgency and importance, produced intriguing results.

TALiNT Partners’ Managing Director, Ken Brotherston, said flexibility and onboarding had become much more important, while employer brand and diversity & inclusion had slipped.

TREND 1: FLEXIBILITY

There was general agreement that flexibility was key to the post-lockdown workplace – both for employers and RPO services.

Mr Brotherston said the cultural question of whether we want to work from home more had been answered with a resounding “yes”.

“Flexible working is still generally understood to have certain conditions attached – you can work at home on a Monday but not a Tuesday – whereas dynamic working is when you just do what you need to do, whenever you need to do it, from wherever you need to do it from,” he said. “That’s a very different mindset, and we’re probably a lot closer to that now than we were two months ago.”

RPO providers are in prime position to capitalise on this new era – but only if they are willing to be more flexible than ever before.

David Brammer, who left behind a decade in retail to become Head of Recruitment for national pub chain Stonegate “on the day that Boris told everybody not to go to the pub”, said he would like to see a service “like a tracker mortgage.”


“The one thing that I have hoped for and never really seen is true flexibility from a provider,” Mr Brammer said. “I see the RPO-MSP space becoming much less rigid. I find it particularly rigid in the sense that, ‘you’re going to make 500 hires per year, that means you’re going to have a team of x number of people.’ It’s not always so black and white. You should be able to leverage and descale, and rapidly upscale where you need to. That comes from effective partnering. An RPO provider should be working as an extension to the HR team and to the recruiting and hiring team.”

Neil Kelly from Thermo Fisher Scientific backed a holistic approach, where providers worked with companies to create a more integrated workforce.

TREND 2: RE-ALLOCATION AND UPSKILLING

As employers and recruitment services will be called on to be more flexible, so will employees, which could mean upskilling or taking on a new role.

Neil Kelly saw this as a key trend. “Think about airline staff who have been furloughed who are moving into retail, for example – I think we are



“Many of our clients are looking at scaling back what they deliver to end clients and furloughing staff, and on the flip-side we have companies winning new business, signing new contracts, rolling out tech, rolling out services.”

Andrew Brown, Head of RPO, Partners and Alliances – Talent Acquisition, Cornerstone

going to see more of that,” he said. “As we see the opportunity to recalibrate, there’s going to be a movement of skills and upskilling of the workforce faster than we have ever seen before.”

TREND 3: TECH ADOPTION

The explosion in the uptake of video technology will have long-lasting implications across recruitment.

“The most interesting thing we’ve seen over the last couple of months is the adoption of technology, not just across the outsourcing space but also across our direct client base,” said Andrew Brown from Cornerstone. “Nobody saw this coming. Video has been around for years but how many companies leveraged that day-to-day? Suddenly video interviewing and onboarding has had to be adopted to remote hire.”

The work from home boom will significantly reduce office space requirements across the UK. Jane Upton from NatWest Holdings said the pandemic had achieved almost overnight what the bank had been trying to do for years – get customers to bank online – which could lead to a reduction in call centre space.

TREND 4: VALUING MENTAL HEALTH

Another big trend will be companies taking employee mental health more seriously, as they play up their wellbeing credentials to attract and retain talent.

LinkedIn’s Umang Panchal said there had been a ten-fold increase in people watching mindfulness and stress management videos on the LinkedIn Learning Platform.

Andrew Brown from Cornerstone said employers had to consider what content could be provided

for people sitting alone at home working for eight or nine hours at a stretch.

CONCLUSION

We are at the start of an unparalleled period of change in workplace culture and hiring.

The short to medium term fall-out will be significant in terms of job losses, business collapse, delayed decisions and market uncertainty.

However, there is likely to be positive permanent long-term changes to recruitment, including greater collaboration and partnership as well as greater willingness to innovate.

RPO providers that become more flexible and innovative, offering comprehensive talent solutions rather than narrowly defined services, will reap the rewards.

“The attitude towards collaboration bodes well for how we can work better together,” said Mr Brotherston. “If there’s one positive thing from the crisis, it’s that [organisations] have opened their minds to the art of the possible in perhaps ways they have never done before, and that’s a huge opportunity.”

KEY UPCOMING EVENTS

- **TIARA Talent Solutions Awards: 17th September**

This not-to-be-missed industry event will recognise the world’s best MSP and RPO providers.

- **TALiNT Tipping Point: 10th November**

This industry-leading interactive summit is a prime showcase for businesses to engage with a senior audience to understand how they need to respond to the market in 2021.

- **TALiNT Benchmark Programme Summit: 19th November**

The culmination of the UK’s most rigorous and relevant talent acquisition benchmarking programme. Around 200 public and private organisations are participating, including household names like Adidas, Iceland, GE and Specsavers.

For sponsorship opportunities, to book tickets, or for further information, contact Ken Brotherston ken@talint.co.uk