

# MARKET UPDATE

Lucy Walker Recruitment Quarterly Newsletter



## THE FACTS: WHY BRITAIN HAS BECOME “THE SICK MAN OF EUROPE”!

### DID YOU KNOW?

by 2030, it is anticipated that 4 Million people will be claiming long term sickness benefits.

1 in 8, 16 to 24 year olds are not in education training or employment.  
2/3rds of 16 to 24 year olds are not looking for employment.

### DID YOU KNOW?

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Since the 2008 financial crisis, the UK has experienced weak productivity growth, which has directly impacted wage increases. Real wages have remained largely stagnant, with average UK real household income showing minimal growth compared to other OECD countries.

Britain is the only G7 economy with persistently higher economic inactivity than before the pandemic.

### DID YOU KNOW?

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Since 2019 the proportion of British adults aged 16-64 reporting a disability has increased by 5% points compared with an average of 2% points across Europe.

UK Productivity has been described as dire and fallen to the lowest pace since 1850. Falls way behind US and EU (Institute of Fiscal Studies).

### DID YOU KNOW?

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With Fertility rate falling to 1.49 children per woman (ONS) and needing to be at 2.1 to maintain the population ( ignoring immigration levels) combined with increased sickness, the economically activity levels in the UK is around 22%.

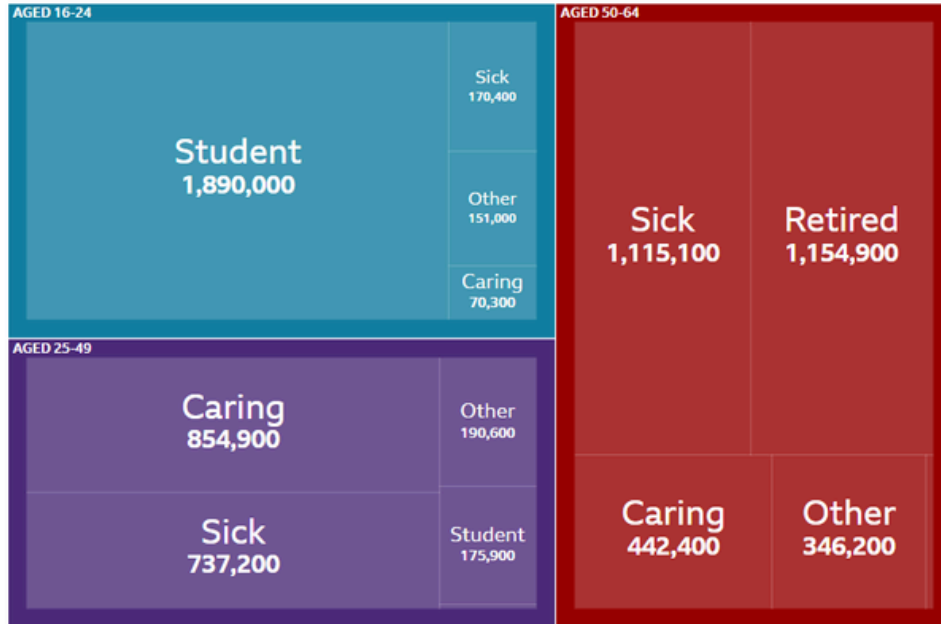
Millions of UK workers appear stuck in low paid and insecure jobs.

### DID YOU KNOW?

# QUARTER 4 REVIEW - 2024

## Breakdown of the UK 'Economically Inactive' - Those Who Don't Want a Job

■ Aged 16-24 ■ Aged 25-49 ■ Aged 50-64

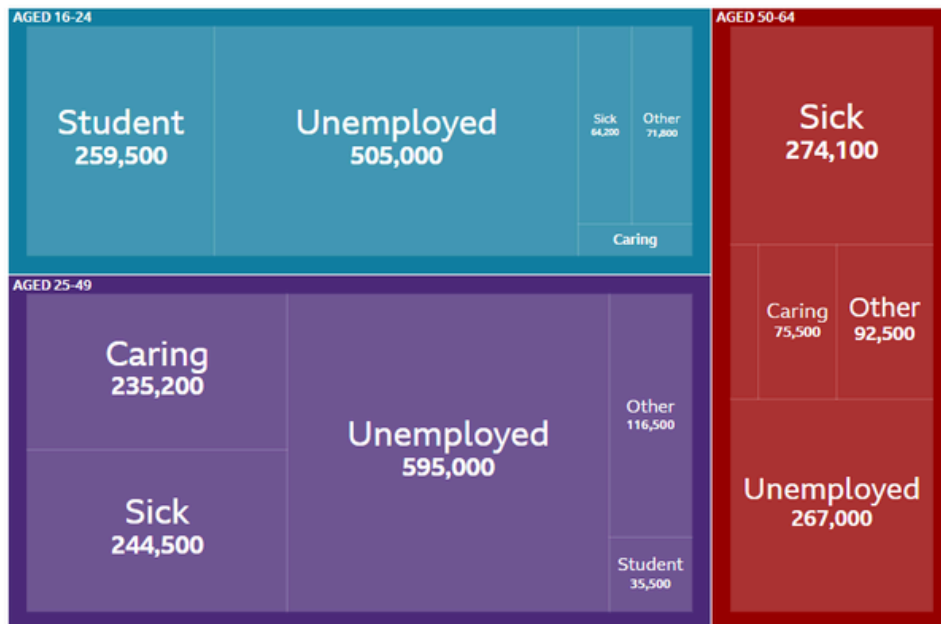


Source: Office for National Statistics (January to December 2023)

BBC

## Breakdown of the UK 'Economically Inactive' Those Who Do Want a Job

■ Aged 16-24 ■ Aged 25-49 ■ Aged 50-64



Source: Office for National Statistics (January to December 2023)

BBC

## RECRUITMENT FACT: !!

69% OF JOB SEEKERS ARE LIKELY TO APPLY FOR A ROLE IF THE EMPLOYER MANAGES THEIR BRAND WELL



# QUARTER 4 REVIEW-2024

## HOW THE GOVT PLAN TO TACKLE THE ISSUES



The proposals launched in a **"Get Britain Working"** Whitepaper in Late November 2024 by Work & Pensions Secretary, Liz Kendall include:

- overhauling the health and disability benefits system to better support people to get jobs and stay in workrebranding job centres as the National Jobs and Careers Service.
- offering every 18 to 21-year-old in England an apprenticeship, training or education opportunities or help to find a job as part of a new "Youth Guarantee."
- an independent review of what UK employers are doing to promote health and inclusive workplaces.
- providing more money for the North East, South Yorkshire and West Yorkshire to stop people leaving work because of ill health expanding mental-health support and efforts to tackle obesity.

It was stated that the reforms would "put an end to the culture of blaming and shaming people who for too long haven't been getting the support they need to get back to work".

Watch this space!

## INTERVIEW QUESTIONS FROM THE EXPERTS

Looking for that Killer Question?

Here is what some of the experts are asking at Interview



**TELL ME SOMETHING YOU'VE LEARNED IN THE LAST COUPLE OF DAYS?**

CHRIS WILLIAMS -FORMER VP OF HR

**WHAT DIDN'T YOU GET A CHANCE TO INCLUDE ON YOUR CV?**

RICHARD BRANSON -ENTREPRENEUR



**WHAT MOTIVATES YOU TO GET OUT OF BED IN THE MORNING?**

BRAD JEFFERSON -CEO

**IF I ASKED YOUR FRIENDS FOR 3 ADJECTIVES THAT BEST DESCRIBED YOU, WHAT WOULD THEY SAY?**

MICHELLE PELUTO -CEO



**WHAT IS YOUR FAVOURITE QUOTE?**

KAREN DAVIS SENIOR VP

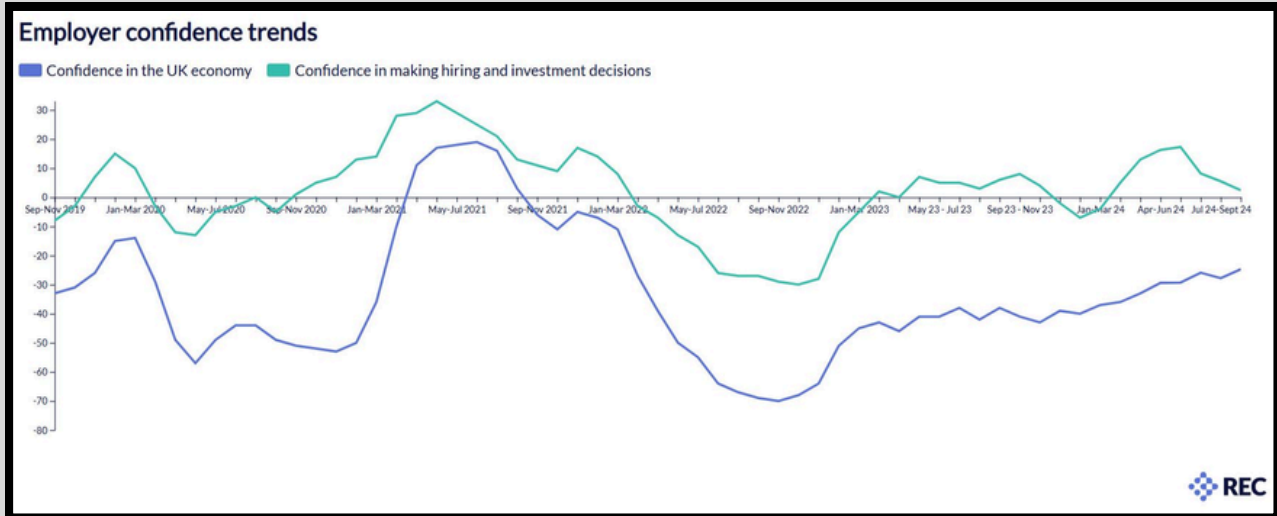


### RECRUITMENT FACT: !!

THE AVERAGE EMPLOYER SPENDS ONLY BETWEEN 5-7 SECONDS LOOKING AT A CV!

# QUARTER 4 REVIEW-2024

## EMPLOYER CONFIDENCE TRENDS:



## IN DEPTH REPORTS-SKILLS VS ATTITUDE VS POTENTIAL -THE GREAT HIRING DEBATE



Hiring the best talent isn't easy, I'm sure you will agree, particularly when skill shortages are increasing.

The cost of making the wrong decision can be huge. Not only do you waste time and resources onboarding and training the wrong employee, but your team's productivity can suffer, too.

So, how do you ensure you're making the right hiring choices? Focusing on skills is common, particularly for companies trying to avoid unconscious bias. Prioritising skills over attributes ensures you can hire team members with the right abilities to thrive in a specific role. However, while more than 80% of employers say they take a skills-based approach to hiring, focusing on skills alone may not be a good idea. After all, the skills team members need are constantly changing, and while you can teach employees how to leverage new skills, it's much harder to shape a team member's attitude or potential.

Here's what you need to know about hiring for skills, vs attitude, vs potential.

# QUARTER 4 REVIEW-2024

## IN DEPTH REPORTS-SKILLS VS POTENTIAL VS ATTITUDE-THE GREAT HIRING DEBATE (CONTINUED)



### The Current Job Market Landscape: Hiring Challenges:

The job market has changed significantly in recent years. The competition for top talent is increasing in an environment where every company faces significant skill shortages. Worldwide, more than 75% of companies struggle to find skilled workers.

Additionally, employee priorities are changing. Following the "Great Resignation", candidates focus more on finding roles that offer the perfect blend of work/life balance, development opportunities, and a strong focus on diversity, equity and inclusion.

To attract and retain top talent, companies can't afford to rely exclusively on scanning resumes for evidence of the right education or experience. CVs offer a stunted insight into a candidate's potential, focusing solely on their achievements.

A more comprehensive approach to analysing a candidate's "potential matrix", based on their hard and soft skills, personality traits, and ability to adapt to changing situations, ensures you can hire more resilient, successful employees.

### The Case for Skills-Based Hiring

Skills-based hiring, which involves prioritising candidates based on their abilities, does have value. Deloitte research found that companies that take a skills-based approach to hiring are 63% more likely to achieve the results they need from their teams.

Evaluating the skills of your potential employees ensures you can look beyond how many years of experience a candidate has in the [sector] sector or which certifications they've earned to focus on how well they'll be able to carry out specific responsibilities at work.

This can reduce the risk of unconscious bias in hiring and lead to benefits like:

- **Quicker hiring decisions:** Skills are often relatively easy to verify through portfolios, certifications, and practical tests, accelerating your hiring decisions.
- **Immediate productivity:** Employees with the right skills can instantly contribute to your workforce without additional training.
- **Reduced costs:** Because your candidates will already have the skills they need to thrive in their role, you can spend less money on training, mentoring, and development.
- **Improved retention:** Some studies show that skills-based hires have a 9% longer tenure at their companies than traditional hires.
- **Competitive advantage:** Focusing on emerging skills, such as digital literacy, can help you give your organisation a competitive advantage in industry.

Focusing on at least partially on skills is often crucial for virtually all roles and positions. Ensuring your team members have the right competencies to complete the tasks essential to their roles means you can hire more efficient, productive team members.

However, there's a risk to focusing on skills alone, particularly in a world where experts predict employers will need to reskill more than 1 billion people by 2030, thanks to changes in the workplace. That's where a focus on attitude and potential becomes a priority.

### The Benefits of Prioritising Attitude and Potential

Skills are undoubtedly important in any role, but they can't accurately predict a person's chances of success in your organisation/organization alone.

They're either missing motivation, don't have the resiliency to adapt to changes, or can't thrive in the culture your company offers. Technical skills can be easily taught in the [sector] industry with coaching, training, and mentorship. Adjusting someone's attitude is much harder.

Focusing on attitude and potential by examining a candidate's personality, soft skills like communication and adaptability, and work ethic drives incredible results, such as:

- **Greater resilience:** In the fast-moving workforce, companies need adaptable employees who can adjust quickly to changing challenges. Hiring employees focusing on continuous learning, improvement, and a growth mindset improves resilience.
- **Improved retention:** Studies show that 90% of new hires lose their job due to their attitude or personality. Hiring for attitude improves your chances of retaining critical team members who mesh well with your team.
- **Enhanced performance:** Candidates with the right attitude and soft skills are more effective at collaborating with team members, serving customers, and solving problems. This can significantly improve the performance of your teams.
- **Diversity:** By hiring for attitude and potential over technical skills, you can improve your chances of building a more diverse workforce, boosting your employer brand.

Of course, hiring for attitude alone also has its setbacks. If you focus on personality over skills entirely, you'll need to invest more in training and development programs and spend more time evaluating candidates for personality traits.

### Balancing Skills and Attitude: The Hybrid Hiring Approach

Ultimately, the best option for improved hiring strategies isn't focusing on skills, attitude and potential independently – it's taking a holistic approach.

When hiring a new team member, focusing on certain essential skills, such as proficiency with certain software or exceptional communication and customer service skills, will help streamline the recruitment process and reduce the cost of future training.

Skills-based hiring will also ensure you can hire team members who are immediately productive in their role, improving the ROI of your hiring strategy. Plus, it can reduce the risk of unconscious bias in your hiring decisions, ensuring you can assess each candidate objectively.

However, focusing on attitude and potential by evaluating a candidate's soft skills, personality traits, and work ethic ensures you can choose diverse candidates who can contribute to your company culture and remain resilient in a shifting landscape. Here are our top tips for hiring for skills, attitude and potential.

#### 1. Identify Essential Skills Carefully

Assess the roles you need to fill carefully and determine which skills are crucial to your candidates' responsibilities. Focus on prioritising skills that would be difficult or time-consuming for staff to learn on the job.

For instance, while it's easy to show a candidate how to use a new piece of [sector] software, delivering comprehensive skills training for things like accounting, analytics, or customer service would be much harder.

Once you've identified the most crucial skills your employees need, search for those capabilities consistently across all applicants. Take additional steps to minimise unconscious bias in your hiring decisions, such as using structured and standardised interview questions and blind resume screening.

#### 2. Determine Valuable Attitude Traits

After assessing the most essential "technical" skills your candidates will need, consider the attitude and personality traits that will make them a good fit for your business. Focus on things like:

- **Soft skills:** Great time management or communication skills.
- **Mindset:** A growth mindset and commitment to continuous learning.
- **Personality traits:** Such as proactivity, intrinsic motivation, and flexibility.

Identify how you'll examine these indicators of "potential" in your candidates. For instance, competency-based interviews with situational questions, behavioural interview questions, and personality tests can offer valuable insights.

Peer interviews can also be extremely useful, as they allow different team members to understand how well a new employee will fit into or contribute to your workplace dynamic. You could even consider hiring employees on a "trial" period for insights into how well they integrate with your team and their effectiveness in their roles.

#### 3. Commit to Continuous Development

Finally, ensure you have a strategy for continuously developing your new team members.

While you might not be able to change their attitudes, you can improve their potential and enhance their integration into your workforce with group training and coaching sessions. You can also look into options for improving your staff member's soft skills, such as offering communication and collaboration training resources.

Regardless of the technical skills your team members already have, make sure you're constantly offering access to new development opportunities. Think carefully about the future needs of your business, and offer access to a range of solutions to boost skills in digital literacy, technology, and niche-specific capabilities.

### Take a Balanced Approach to Hiring

Ultimately, neither skills-based hiring nor focusing entirely on attitude and potential will ensure you can hire the right employees for your team. The right results require a holistic approach, focusing on skills, attitude, and potential in equal measure.

With a holistic strategy, you can ensure you're hiring employees who contribute to your company culture, respond well to changing circumstances, and perform well in their roles.

**Contact our Team today to learn how we can help you make the right hiring decisions based on skills, attitude, and potential.**

*Lucy Walker*  
RECRUITMENT

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## QUARTER 4 REVIEW - 2024

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### SEASONS GREETINGS:



**To You and Your Team,**

**Thank you for your support  
in 2024,**

**from all the Team at LWR**

**Our Offices close for Christmas  
at 4:30pm on Friday 20th  
December 2024.**

**We reopen at 8:30am on  
Monday 6th January 2025.**

