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## The UK's productivity problem – and how recruiters can help solve it

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ideal market evidence of a real UK productivity problem. Recent ONS productivity data revealed that despite working longer hours than many of our European counterparts, the UK is actually less productive in terms of output: we are averaging around 30% behind countries such as France and Germany and 30% behind the USA

And according to recruiting software company Jobvite, 2013 ONS figures - which revealed that UK productivity is 21% lower than other major G7 advanced economies - show the widest productivity gap since 1992.

Industry research provides clues as to why this might be the case: A report by employee engagement taskforce, Engage for Success found that just one third of workers are engaged at work while workforce management specialists TimeWare revealed in their July survey that 57% of Brits had disingenuously phoned in sick.

But Kevin Savage, MD at workforce business intelligence specialists, WANTED technologies, questions the metrics used to define productivity. "It's important to establish what is being measured and how, otherwise everything else is opinion, gut feel or prejudice," he says. "Which outputs are being used? And is the same approach used in other countries to track their productivity? Without an 'apples to apples' comparison the data is less than useful."

Even so, Stuart Hearn, CEO of HR software company OneTouchTeam believes that anecdotal evidence of low productivity is an all-too-common occurrence: hunched employees with dark circles around their eyes, stacks of paperwork, employees skipping their lunch breaks and working overtime.

Such workplace failures - where staff are disengaged and demotivated due to inadequate talent and engagement strategies - is the major reason behind low productivity levels in the UK, according to Eugenio Pirri, VP people and organisational



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development at hotel group, the Dorchester Collection.

The Engage For Success report 'proved with watertight research' that good employee engagement could lead to higher productivity and happier staff. "It's especially relevant in the hospitality sector because productivity is inextricably linked to customer service," says Pirri. "We have to delight customers to keep them coming back to our hotels and restaurants."

Hearn meanwhile, highlights the importance of time off and flexible working, which he says directly affects productivity levels. "Research has shown time and time again that proper time off with no contact with work improves productivity. So too does flexible working arrangements which have been estimated to increase workplace productivity by 71%."

Bev White, MD at Penna agrees – it's as much about looking after staff wellbeing as it is about valuing the workforce. "We humans like to know we're valued. It helps us engage more," she says. "So the more engaged we are, the happier we are and the happier we are, the more productive we will be."

But for those working in the engineering and transport sectors, there's a sense that the productivity issue is down to a lack of commitment. According to Simon Conington, MD at BPS World, there are too many examples of projects starting and then stalling due to either lack of commitment or withdrawn funding. "Are we committed to renewables? Are we committed to improving transport infrastructure? Are we committed to investing in women in engineering? I just don't believe the industry is fully committed to any of these issues right now."

Conington believes that lack of investment is another piece in the productivity puzzle – not just business investment but staff investment too. It's something that Neil Clough, former Apprentice star and MD of Prime is passionate about.

"With the economic downtum, businesses weren't investing in training and development but actually, training is massively important," he explains. "It's about creating a culture where staff feel valued and an environment where they want to work. They are then more likely to put more effort and hours in, which will increase productivity." And as Clough is at pains to point out, lack of training doesn't just affect one or two individuals, but everyone in the team: panic-driven recruitment drives to make up the skills gaps resulting in poor hiring decisions and ultimately, low productivity levels.

So while it may be difficult for recruiters to influence macro-level trends when it comes to tackling productivity, as Savage is quick to point out, recruiters can make a huge difference working at the micro-economic level, where issues like training and wellbeing come into play. But is this their responsibility?

"Absolutely it is their responsibility," says Dorchester Collection's Pirri. "But I have concerns about how HR and recruiters are tackling the productivity issue."

His concerns are shared by many in the industry, not least by BPS World's Conington who laments that many recruiters are still responding to client demands with CVs. "Recruiters have connotations of double glazing salesman and a lot of the industry does lives up to that. But you need to look at the clients themselves to see how they are buying our services. It's about output rather than outcome. They throw quick job specs out and request CVs so we're having to react to that sales-driven approach."

The answer, says Conington, is to have a long-term vision. Recruiters and clients should work together as a partnership to ascertain the culture of the business, its branding issues and the type of person who would be the right fit.

But Bev White thinks it should be taken a step further, with recruiters adopting a much more proactive, consultancy approach as knowledge-givers and sharers, even educators of industry best practice. "Jobs are becoming much more complex and people are having to work faster, harder, smarter," she explains. "Recruiters need to step up to this new way of working."

Crucially though, it's the candidate follow-ups which are too often forgotten about which can make a big difference in retention levels and ultimately, productivity. As White puts it: "We don't look enough at the success of candidates beyond the cursory 'how's Joe fitting in?' emails.

And cultural fit is exactly what Bryan Adams, MD of web design company, Ph.Creative, sees as the crux of the issue: UK productivity is low because too many companies are overly-focused on recruiting for specific skillsets – most of which can be learned on the job – rather than attracting and retaining the right type of talent. For Adams, the personality and cultural fit of a candidate is more important, which is why he believes recruiters

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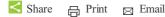
should start thinking like marketers and employ techniques associated with marketing such as candidate interaction and engagement.

It's partly why organisations like Jobvite are so evangelical about employee-driven recruitment, where current and high performing employees recommend like-minded contacts. Jobvite claims that it creates better quality hires because of a higher chance of a cultural fit.

But for recruitment training specialists like Clough, creating a training culture – where there's a formal training programme in place for every employee – is the solution to the productivity problem. Yet rather than training new recruits, employers should be focusing more on their top performers. "Think how well those top billers are performing and then think of their skill gaps and how much better they'd perform with additional training," he explains. "We often miss that link."

Like Matt Singer, vice president of marketing at Jobvite who believes that recruiters are the 'vital cog' in the UK economy, Clough agrees that recruiters have a key role to play in tackling productivity issues, not least by sharing skills and training as White advocates.

"Training and development is the solution, the key to success at the time of growth," he says. "We need to develop everybody – whether new and existing – because of what they'll go on to do and what they'll go on to to create."



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