

The AI Shift

Rethinking Work, Skills & Hiring.

In collaboration with:



Foreword



Lord Ranger
Member of the
House of Lords

In the mid 2020s the world of hiring and work remains a predominantly human business.

This will change. AI has the power to disrupt, even to take over some work, but we have the power to adopt AI responsibly in a way that can enhance and releases human potential because AI does outputs, people do outcomes.

AI is already transforming the hiring process, aiming to improve it for employer and applicant alike, but overall a truly fair, inclusive, and transparent hiring process requires independence and judgement. These are human qualities that must continue to have a role in the particularly human process of getting a job, but a process at the same time that can be vastly improved through the careful use of AI.

In this way the role of the human in the process may change, just as the way we prepare people for future careers should change. The culture of lifelong learning must consider human qualities such as creativity, ethics, critical thinking, and empathy.

We must reimagine work and skills to fit our modern world where AI augments the role of humans in a way that helps all of us to achieve more than we could have previously hoped to achieve.

The Better Hiring Institute produced the first employer's guide on AI in Hiring back in early 2024 with Lord Holmes, and a year later produced a report on the use of AI at Work which I was all too happy to support in early 2025. This latest guide for employers brings this work together with the latest insights on the use of AI to deliver the "AI Shift" an indispensable guide for employers on how to use AI in hiring and at work ethically and responsibly.

I am delighted to support the Better Hiring Institute in their mission to make UK hiring faster, fairer, and safer: to make UK hiring the fastest globally, the fairest in the world, and the safest it can be. AI can impact all of these points, both positively and negatively, so it is on us to adopt AI responsibly so we deliver on these aims and release the best of human potential.

Introductions



Keith Rosser

Chair of the Better Hiring Institute
& Director of Reed Screening

The Better Hiring Institute are on a mission to make UK hiring the fastest globally, the fairest in the world, and the safest it can be, this ambition of faster, fairer, and safer is deeply impacted by artificial intelligence. AI has the potential to make UK hiring much faster, potentially fairer, and certainly safer, yet at the same time it has equal potential to make UK hiring slower, far less fair, and less safe. Therefore how we, as humans, shape the future use of AI to transform the predominantly human practice of hiring.

The public remain concerned, and rightly so, that AI could lead to job losses and that wrongly executed could create greater harm to activities such as hiring. Yet, it is also clear, that where AI has been used effectively it has transformed processes, productivity, and driven growth.

This is why the responsibility to steer how AI is used in hiring and at work is so great. We simply must get this right.

In 2024 the Better Hiring Institute produced the first best practice on the use of AI in Hiring with Lord Holmes. Within 12 months the guide on AI at Work was produced. These two important works formed the basis of this guide on the AI Shift. Within this time, the Better Hiring Institute were successful in getting hiring into the 8 use cases for AI developed in the House of Lords for the AI Regulations Private Member's Bill.

Hiring is need of major transformation, with so much of the common practice not dissimilar to practices first seen during the Industrial Revolution. AI has to be a key part of this major transformation,

whether people want it or not, AI is already playing a key role in modern hiring whether it's by work seekers to put together applications or even using AI to apply on their behalf, fraudsters using AI to fabricate documents and identities, or employers using AI to sift applicants or to speed up the process. AI is here, both in hiring and in the workplace, so the question for us to answer is whether or not we take hold of this innovation and responsibly steer the use of AI, or do we let AI continue unchecked, changing hiring and the nature of work forever.

Purpose

This report has been developed following the APPG on The AI Shift: Rethinking Work, Skills & Hiring meeting that took place on 27th October 2025.

The meeting was chaired by Lee Barron MP and had over 170 delegates in attendance.

The panel of speakers at the event consisted of:

Lord Kulveer Ranger

Keith Rosser

Chair of the Better Hiring Institute
& Director of Reed Screening

Dr Cara Molyneux

Lancaster University Management School

Puja Kumar
Sky

Cheney Hamilton
Bloor Research

Paul Arnold MBE
ICO

Introduction: The AI Shift

AI is transforming hiring practices and reshaping labour markets at an unprecedented pace.

This evolution is widening the skills gap for both today's workforce and future generations, as traditional recruitment models based on general qualifications give way to skill specific hiring.

While policy frameworks strive to keep pace with technological change, organisations face the dual challenge of leveraging the benefits of AI while also ensuring transparency, fairness, and human oversight.

AI adoption is accelerating across all business functions, creating significant opportunities alongside complex challenges. As AI reshapes decision making, organisations must address gaps in visibility and accountability while fostering grassroots innovation, recognising that some of the best ideas come from those closest to the work.

These developments underscore two emerging themes: the growing skills shortage driven by rapid technological change and the need to redefine the modern workforce to support continued economic growth.



AI should be a mechanism to make things better for us, not to replace us.

Lee Barron



From boards to classrooms and shop floors we are seeing massive changes.

Lord Kulveer Ranger



Introduction

Stats supporting these key themes:

Reference:

How Are People Using AI In The UK? 2024 Stats – Acuity Training

- 31% of people in the UK are worried about AI taking their jobs.
- 56% of those aged 16 – 24 with jobs have used AI in their work.
- 4.8% greater labour productivity growth in sectors more exposed to AI

Reference:

AI in Recruitment statistics UK 2024 | Latest reports & data

- 3 in 10 UK employers are implementing AI in their recruitment process
- 43% of large companies are using AI to interview candidates
- 46% of UK job seekers are using AI in their job search

Skills Shortage and Educational Challenges

The emerging skills gap impacts both the current workforce and future generations, driven by rapid technological change and the accelerated adoption of AI which is advancing at a pace that governance, policy, legislation, and industry practices are struggling to match.

More than half of the workforce expresses concern about the potential impact of AI on job security, highlighting the need for clear, coordinated action, to help individuals navigate this period of transformation.

Early Education

The current education curriculum is increasingly outdated and no longer aligned with the demands of a rapidly evolving technological landscape. To prepare learners for the future, AI literacy should become a core discipline integrated into curriculum reforms.

It has also become apparent that many **educators lack confidence** in delivering AI-related content. As AI technology continues to advance at an unprecedented pace, we must provide teachers with the knowledge, skills, and tools necessary to prepare future generations.

These gaps and the rise in AI adoption throughout the workplace has led to a fear within younger generations and those just entering the labour market about employability prospects in an AI driven job market.

Career Learning

Skills gained early in a career can quickly become outdated. To keep pace with technological change, these skills must be reinforced through regular development. This means a **shift from a school age** focused education model, toward approaches that emphasise **continuous improvement and lifelong learning**.

The scope of this learning shift extends beyond technology and coding skills. There is a growing recognition that soft skills such as critical thinking, empathy, and ethical judgment are equally essential in the age of AI.

64% of teachers feel unequipped to teach AI skills effectively.



Skills Shortage and Educational Challenges

Essential Skills for AI Integration

- **Ethics** – Ethical principles in AI ensure transparency, fairness, and trust while prioritising human welfare, dignity, and rights. Ethical awareness helps professionals identify and mitigate bias and related risks, fostering responsible and equitable AI decision-making.
- **Critical Thinking** – While AI can process data, humans must critically analyse outcomes, question assumptions, and remain accountable. Critical thinking ensures active evaluation, helping identify biases or flaws in AI models rather than passively accepting outputs.
- **Digital literacy** – Digital literacy empowers individuals to use AI tools securely and ethically while bridging communication gaps between technical and non-technical teams for smoother implementation.
- **Empathy** – Empathy in AI design ensures systems prioritise user well-being and consider the emotional and social impact of decisions.
- **Leadership** – Strong leadership helps organisations manage cultural and operational changes from AI, driving reskilling and lifelong learning while ensuring automation complements human capabilities. Effective leaders foster engagement, empathy, and inclusion, reducing resistance and preparing teams for evolving roles.
- **Imagination** – Imaginative thinking enables teams to go beyond existing solutions, creating AI applications that solve complex problems while enhancing human experiences rather than merely automating tasks.

Generational Challenges

The **digital divide** poses a significant risk of exacerbating educational inequality, particularly if access to AI-powered tools and resources remains uneven across institutions, regions, or socioeconomic groups. Differences in digital literacy can hinder equitable adoption of AI in education, potentially widening achievement gaps rather than closing them.

This risk is especially clear in the **marginalising of older individuals** and those with limited access to digital resources. AI changes may exacerbate existing inequalities and amplify the challenges that this section of the UK population already face.

Age UK research estimates that around 2.4 million older people are digitally excluded.



The Modern Workforce

Workforce, Hiring and Employment Challenges

- In technology, success is measured by outputs and outcomes. In contrast, human work is often measured by inputs (time and effort). This fundamental mismatch creates challenges for AI integration.
- 90% of employees report that their job descriptions do not accurately reflect the work they perform. When AI systems rely on inaccurate inputs, their ability to effectively support or replicate the human roles could be compromised.
- Instances have emerged where candidates recruited using AI were later found to lack essential competencies, underscoring how emerging technologies can be misused and exploited. This results in significant costs to both businesses and the wider economy.
- Research highlights that most organisations still lack visibility into how AI decisions are made and who is accountable for them.
- Entry level opportunities are at risk of diminishing as AI increasingly carries out work roles and tasks traditionally assigned to early career professionals and graduate trainees.
- Research indicates that organisations using AI in their hiring processes are recruiting fewer individuals under the age of 30, signalling a significant shift in workforce dynamics and career pathways.

Entry level opportunities are at risk of diminishing as AI increasingly carries out work roles and tasks traditionally assigned to graduate trainees.



The Modern Workforce

Stats in relation to the economic impact of AI:

Reference:

AI in Recruitment statistics UK 2024 | Latest reports & data

- AI is predicted to boost UK GDP by £550bn by 2035
- 8 million UK workers are currently at risk of being replaced by AI

Reference:

Find Your Flex Research 2025

- The UK has experienced 39 months of declining job creation
- It only takes 14% of mid-income earners to fall out of PAYE for our tax system to collapse.

The Modern Workforce

As AI reshapes industries and work models, **transitional frameworks** are required that provide robust support for displaced workers while fostering an environment that encourages innovation rather than constrains it.

For the approximately 40% of mid-income roles are at risk by AI automation, this could present an opportunity to modernise **taxation frameworks**.

This shift encourages innovative approaches to ensure sustainable revenue models in an evolving economy.

The Economic Impact of AI In Recruitment Practices: A HR Perspective

The UK workforce includes close to 500,000 individuals working in HR roles. More than half of HR activities are inherently process-driven, making them highly susceptible to automation.

This growing capability presents organisations with a critical strategic dilemma, whether to prioritise the preservation and enhancement of human-centric roles or to accelerate the adoption of AI-driven solutions that promise efficiency and cost savings.

Striking the right balance between technological innovation and human value will be essential to ensure sustainable progress without compromising the principles of inclusivity and employee well-being.

The Modern Workforce

Governance and Policy

HR leaders have voiced growing concerns regarding the absence of clear and consistent government guidance on workforce transitions and regulatory compliance. Without definitive direction organisations risk inconsistent practices.

This uncertainty creates challenges including:

- Planning for emerging technologies
- Managing employee expectations
- Alignment with legal and ethical standards.

Clear and comprehensive guidelines would help govern AI integration, particularly in areas such as intellectual property ownership and data protection. Establishing standards will help organisations mitigate legal and ethical risks while ensuring transparency, accountability, and trust.

As, while automation can enhance efficiency and scalability, it is critical that human judgment remains visible and integral within AI-driven processes.

Policy frameworks must continuously evolve to keep pace with digital transformation and the growing influence of AI technologies.

Strategic investments in workforce adaptation today have the potential to deliver long-term benefits that strengthen both economic resilience and the social fabric.

By proactively addressing the challenges of digital transformation, organisations and policymakers can foster inclusive growth, safeguard employment opportunities, and ensure that innovation serves the broader interests of society.

It is critical that human judgment remains visible within AI-driven processes.

Areas for investment include:

- **National Reskilling Programmes** – Invest in large-scale initiatives to upskill workers in AI, data science, and digital literacy.
- **Continuous Learning Platforms** – Develop government-backed online learning hubs offering modular courses and micro-credentials.
- **Inclusive Access to Training** – Provide subsidies or grants for underserved communities and older workers to prevent digital exclusion.
- **Industry-Academia Partnerships** – Fund collaborative programmes between universities and businesses to deliver real-world AI projects and internships.
- **Leadership Development for AI Integration** – Create executive training programmes focused on ethical AI adoption and human-centric leadership.

The Modern Workforce

Guidance Sources

- **National Crime Agency/Better Hiring Institute** – [Tackling Hiring Fraud 2.0](#) A broader initiative focused on a formal response to the growing threat of what is now being termed ‘hiring fraud.’ This initiative not only addresses traditional fraudulent practices but also considers the emerging role of AI in facilitating or combating such activities.
- **Better Hiring Accreditation** – due to be launched on November 20th, 2025.
- **Better Hiring Institute** – [AI in Hiring](#)
- **Better Hiring Institute** – [AI at Work](#)
- **The Information Commissioner’s Office** – [Guidance on AI and data protection](#) | [ICO Explaining decisions made with AI](#) | [ICO](#)
The ICO is available for support, and has published guidance to help organisations navigate the complexities of AI, data protection, and bias mitigation.



Best Practice Case Study

At the core of Skys decision making process are three guiding questions:
Should we? Could we? Can we?

Alongside their 4 core pillars
**Expertise, Educate, Engage
and Enable.**

This framework ensures that every initiative is not only technically feasible but also ethically and morally sound, reinforcing commitment to accountability and most importantly doing what is right.

Sky operates on a strong foundation of governance, underpinned by robust data protection policies and a clear duty of care.

They adopt a deliberately risk-averse approach, prioritising compliance, integrity, and long-term trust over speed to the market.

“

AI is not just changing what we do, it's reshaping how we think, interact, and trust.

Puja Kumar

(Quote taken from Puja LinkedIn post, following the APPG)

”

Best Practice Case Study

Sky's Approach to AI: Balancing Innovation with Responsibility

- Regularly **incorporate external insights** and industry examples to inform and strengthen AI strategies. Leveraging best practices and case studies from leading organisations ensures that decision making is grounded in practical experience, promotes innovation, and aligns with evolving market standards.
- Actively encourages employees to leverage **AI for everyday tasks**, such as drafting emails, developing PowerPoint presentations, and analysing large datasets in Excel. This enhances efficiency, streamlines workflow, and boost overall productivity.
- Host dedicated **Innovation and AI Weeks** designed to foster a culture of continuous learning and responsible adoption. These events feature structured peer-to-peer knowledge sharing alongside expert-led discussions, equipping employees with practical skills and a strong understanding of safety protocols. Clear governance guardrails underpin these initiatives, ensuring that innovation is pursued responsibly.
- The **AI Champions Programme** comprises of self-nominated volunteers who are deeply passionate about AI and its transformative potential. These individuals act as advocates and knowledge sharers across the organisation, showcasing practical applications of AI and inspiring colleagues to explore innovative solutions. By fostering a network of engaged champions, the programme accelerates adoption, builds confidence, and ensures that AI is integrated responsibly and effectively throughout the business.
- **Mentoring programmes** that empower employees at all levels to pitch innovative ideas, fostering a culture of creativity and collaboration. The top 10 ideas are formally recognised, while the top three receive dedicated support to develop and test their feasibility. This structured approach not only drives experimentation but also reinforces a sense of ownership and empowerment.

Recommendations

As artificial intelligence reshapes economies and workplaces, education systems, labour markets, and regulatory frameworks must evolve to ensure inclusive growth and ethical adoption.

AI is opening new doors for the future of work, but the true power of progress lies in human creativity, wisdom, and connection.

When organisations use technology to create space for innovation and wellbeing, they unlock the potential for people to make a lasting impact. Together, we can ensure AI amplifies human brilliance rather than replaces it.

The following recommendations outline strategic actions to equip individuals with future-ready skills, safeguard employment opportunities, and establish robust policies that balance innovation with accountability.

By addressing these areas collectively, organisations and governments can mitigate risks, foster trust, and create a resilient workforce prepared for an AI driven world.

When organisations use technology to create space for innovation and wellbeing, they unlock the potential for people to make a lasting impact.

Recommendations

Education and Skills

Primary, Secondary and Tertiary Education

- Integrate AI literacy as a core discipline within curriculum reforms to ensure future generations are prepared for technological advances.
- Provide teachers with the knowledge, tools, and confidence to deliver AI related content effectively.
- Promote integration of AI concepts across non-technical subjects such as healthcare, law and arts to prepare students for the diverse application of AI across fields.
- Adapt vocational and technical education to include AI applications relevant to trades and hands-on professions
- Implement proactive communication and career guidance for younger generations entering the workforce to alleviate fears about job security.

Lifelong Training

- Transition from traditional, school-age-focused education to continuous learning frameworks that support ongoing skill development throughout careers.
- Incorporate soft skills, such as critical thinking, empathy, and ethical judgment, into training programs to complement technical expertise.
- Embed ethical considerations and responsible AI practices into all levels of education to ensure future professionals understand the societal impact of technology.
- Reinforce early career skills with regular upskilling and reskilling initiatives to keep pace with rapid technological advancements.
- Develop short, stackable courses and certifications focused on emerging technologies to enable flexible, lifelong learning.
- Develop targeted programs for older individuals and those with limited access to digital resources to prevent marginalisation and ensure inclusivity.
- Introduce targeted outreach and training for underrepresented socioeconomic groups to ensure equitable access to AI-related opportunities.

Integrate AI literacy as a core discipline within curriculum reforms to ensure future generations are prepared for technological advances.



Recommendations

Labour Market and Hiring

- Develop strategies to preserve early career roles by redesigning tasks and creating pathways for graduates to gain experience despite automation.
- Design positions that combine human judgment with AI-enabled tools, ensuring entry-level employees gain experience while leveraging technology.
- Address the decline in recruitment of individuals under 30 by implementing inclusive hiring practices and targeted development programs.
- Encourage grassroots innovation by creating structured channels for employees at all levels to share ideas, recognising that those closest to day-to-day operations often identify the most impactful improvements.
- Establish collaborations between educational institutions and businesses to provide real world AI projects, internships, and mentorship opportunities.
- Require organisations to conduct regular assessments of automation impact on job categories, ensuring proactive measures to preserve critical human roles.
- Establish clear strategies to determine where AI should complement human work rather than replace it, maintaining inclusivity and employee well-being.
- Redefine roles and job descriptions to emphasise creativity, problem-solving, and interpersonal skills, areas where humans add unique value alongside AI.
- Provide robust assistance for displaced workers while fostering innovation, ensuring that adaptation does not penalise progress.



Recommendations

Policy and legislation

- Develop consistent Government policies to support organisations in planning for:
 - Integration of emerging technologies,
 - Managing employee expectations
 - Compliance with legal requirements
 - Upholding ethical standards.
- Develop and implement public education campaigns to promote informed understanding of AI's benefits and limitations, helping to reduce fear and counter misinformation.
- Create clear AI standards to mitigate legal and ethical risks and build trust:
 - Intellectual property ownership
 - Data protection
- Ensure regulations adapt to technological change while maintaining visible human judgement in AI-driven processes to safeguard accountability and ethical decision-making.
- Implement independent auditing and certification schemes for AI systems to verify compliance with ethical and legal standards.
- Prioritise funding for emerging technologies and reskilling initiatives to strengthen economic resilience, protect employment opportunities, and promote inclusive growth.
- Establish a multi-stakeholder body (government, industry and academia) to monitor emerging technologies and update regulations dynamically.
- Establish a dedicated UK AI sandbox. A controlled environment where organisations can test compliance measures, bias mitigation strategies, and ethical safeguards before legislation is fully implemented.



Contributors

Dr Cara Molyneux, Senior Research Associate at Lancaster University Management School.

Her current research focuses on the adoption of AI technology within professional service firms, drawing on Organisational Studies theory. In addition, her research examines the structural and relational barriers that perpetuate the disability employment gap.

Puja Kumar, UK & Ireland Senior Talent Assessment Manager at Sky.

In their capacity as Senior Assessment Manager, they have observed a fundamental shift in organisational approaches to hiring and assessment, driven by the integration of artificial intelligence.

They advocate for innovation to be firmly grounded in responsibility and guided by human influence, ensuring that ethical decision-making remains central to practice.

Cheney Hamilton, Bloor Research.

A leading expert at Bloor Research, specialises in Digital Human Resource Architecture (DHRA), with a deep expertise in workforce transformation, their focuses on integrating digital and human workers through data-driven modelling and strategic design.

Their work enables organisations to transition from traditional HR structures to dynamic workforce planning, optimising agility through AI-powered solutions, outcome-based employment models, and inclusive reskilling strategies.

Paul Arnold MBE, ICO.

As the CEO of the future Information Commission Paul has over 25 years of experience in regulating data protection and freedom of information. They champion an approach that empowers individuals to use essential services safely and confidently while enabling organisations to leverage information responsibly for innovation and growth.

His commitment to continuous learning and improvement is matched by a focus on delivering impact with empathy for the ICO's customers and stakeholders.

About Us



[The Better Hiring Institute \(BHI\)](#) is a not-for-profit social enterprise driving the development of a modern, agile UK labour market, accelerating economic recovery.

Working closely with all the major UK industries, The BHI is driving standardisation, best practice, and digital innovation to reduce hiring times, enable portability, and improve safeguarding. Cross industry themes include digital standardised referencing, open banking, digital right to work checks, education credentialing, and digital identity.

The BHI is already working with many of the UK's largest, household names making UK hiring the fastest globally.



[Reed Screening](#) are the leading specialists in pre-employment vetting and are at the forefront of influencing regulation and industry change.

Reed Screening are the only UK, onshore screening company who are open 24/7, they are family owned and give 20% to charity. Their business never sleeps so if you ever need them, they're available.

Their vision is to 'pioneer the future of hiring' by collaborating with government bodies and industry leaders to bring about change.



Lancaster University
Management School

The Department of Organisation, Work and Technology (originally named 'Behaviour in Organisations') is one of the first departments of organisation studies to be established in the UK. Since its inception, the Department has been defined by its interdisciplinarity.

The Department members are drawn from diverse backgrounds, allowing us to bring broad social science perspectives and the humanities and life sciences into our teaching and research.

About Us



Bloor Research is an independent research and advisory house, recognised for its work on technology, people, and organisational transformation. Its latest programme, FusionWork™, explores how businesses can integrate AI and human workforces through ethical, outcome-based design.

The Find Your Flex Group complements this research with practical delivery, operating flexible job boards and providing plug-in TA and HR solutions through its TUPE + Buy Back model. Together, Bloor and FYF help organisations move from fixed headcount to agile, outcome-driven structures that protect people and prepare businesses for the future of work.



Sky is one of Europe's leading media and telecommunications companies, providing entertainment and connectivity services to millions of customers across six countries. It is a subsidiary of the global media and technology company Comcast Corporation.

Sky's purpose is to “bring you the joy of a better experience” in TV, broadband, and mobile by offering a wide choice of content and services.