UK Productivity

The Role of Hiring and Autonomy

Reed Screening

BHI

ENGAGE FOR SUCCESS

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WORKSTYLE REVOLUTION

Foreword

Baroness Dido Harding
House of Lords

Politicians spend a lot of time on policy, but less time on implementation and execution.

The quest to improve the UK's productivity has perhaps been too much about policy, and not enough about delivery. People management and people leadership should be at the heart of our efforts to improve productivity, yet there has not been enough time and investment in training it and professionalising it.

People management basics are not only central to raising productivity; they become even more important in a crisis. Leadership excels when there is a shared culture, an open culture where people can be who they want to be and be who they are. Diversity isn't a choice in British society, only inclusion is. If we are to improve economic productivity, we must take this seriously.

I fully support efforts to improve productivity, especially efforts like these which take into account people, culture, as well as policy and process. Business has a key role in driving improved productivity, and businesses that understand the importance of people leadership and culture will be at the forefront of driving economic wellbeing.

I am pleased to support the work of the Better Hiring Institute as they transform UK hiring to make it faster, fairer, and safer. When the right people are in the right jobs, this focus on leadership and culture is essential to empower and retain those people in order that businesses can thrive.

Introductions

Keith Rosser

Chair of the Better Hiring Institute
& Director of Reed Screening

People are at the heart of productivity improvement. Broadly speaking it is people endeavours that drive productivity, endeavours such as innovation, culture, engagement, customer service, and leadership. This means that people are critical to productivity, moreover that having the right people and the right culture is central to solving the productivity problem in the UK.

Productivity has been slowing. There is rising unemployment and declining job vacancies.
There needs to be a shift to get Britain working again. Hiring is directly connected with productivity. Getting the right people, into the right jobs and culture is key. Studies show that 41% of people leave their new job in under 12 weeks. This costs the UK in the region of £14.5bn per year. Hiring itself isn't productive, slow hiring costing the UK 150m a year.

The Better Hiring Institute are on a mission to change the way the UK hires, to make UK hiring faster, fairer, and safer. This is essential to solving the productivity puzzle, we must ensure the right people are matched with the right jobs as quickly and efficiently as possible. By doing this we can unlock the potential in the UK for people to drive economic productivity.

Introduction to UK Productivity

The UK faces a critical productivity challenge, with growth stalled at just 0.4% and forecasts causing widespread concern.

Amid rising unemployment and uncertainty over work-from-home versus office models, businesses and the UK Government play a pivotal role in figuring out how work looks for a productive UK. The number of people across the UK economically inactive continues to increase, with over 9 million or 21% thought to be inactive.

With 150 million job applications processed each year and high withdrawal and no-show rates, it's clear that effective hiring and strong people management are essential to unlocking productivity gains and creating psychologically safe workplaces where employees thrive.

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Hiring and its Impact on Productivity

Poor hiring practices are more than just a recruitment issue, they can negatively impact productivity across UK businesses.

When organisations fail to attract and select the right talent, the consequences ripple through every level of operations.

From costly turnover and disengagement to missed growth opportunities, ineffective recruitment strategies not only weaken individual companies but also contribute to the UK's broader productivity challenge.

Understanding these impacts is essential for leaders seeking to build resilient, high-performing teams in an increasingly competitive market.

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Hiring and its Impact on Productivity

Direct financial costs

- The annual cost of hiring reaches £61.6 billion, while mis-hires add another £14.4 billion.

- A bad hire in the UK can cost 1.5 to 4 times the employee's annual salary when factoring in recruitment, onboarding, training, and lost productivity.

Productivity loss

- Poor hires often underperform, causing delays and reducing team efficiency. Deloitte data shows that a bad hire can reduce overall team productivity by up to 27%.

- Poor recruitment and onboarding can lead to disengaged employees, costing businesses up to 34% of their salary in lost productivity.

> Poor hiring decisions can damage team morale, increase stress, and create toxic work environments.

Increased turnover and disruption

- In the UK, replacing just one employee can cost up to £30,000, factoring in recruitment, onboarding, and lost productivity. Hiring delays, often exceeding 15 days, further compound inefficiencies.

- Misaligned hires frequently leave quickly, with 41% of employees leaving within 12 weeks, creating a cycle of repeated recruitment and further productivity loss.

Impact on morale

- Poor hiring decisions can damage team morale, increase stress, and create toxic work environments. This ripple effect reduces collaboration and innovation, further lowering productivity.

Broader economic implications

- The UK already faces a productivity challenge. Skills shortages and poor recruitment practices exacerbate this problem by leaving critical roles unfilled or filled by underqualified candidates.

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The Link Between Employee Engagement and Productivity

Research shows a strong, consistent relationship between employee engagement and innovation, customer satisfaction, and discretionary effort.

A relationship that translates directly into higher productivity and profitability. Organisations with more engaged teams deliver better services, spot problems sooner, and sustain improvements.

> For every 1% increase in employee engagement, customer satisfaction rises by 0.4% – UK Customer Satisfaction Index.

The Link Between Employee Engagement and Productivity

What drives engagement?

Engagement starts with a clear, shared purpose and the autonomy and support to translate it into action. It is built through the four enablers which is a compelling **strategic narrative,** reinforced by **engaging managers,** and enabled by employee **voice** and organisational **integrity.**

Engaged employees take ownership of problems, delivering improvements that boost service quality and organisational performance. Yet too often, engagement is treated as a 'nice to have' and not given the same level of strategic weight as other business priorities.

Where organisations prioritise and embed engagement, they empower employees to innovate, adapt, and stay competitive. Where they do not, they fuel unmanageable job stress, presenteeism, and negative attitudes to work.

> **40% of UK employees believe their organisation does not prioritise people issues.** ⓘ

How to achieve successful engagement

Findings from Engage for Success (in collaboration with Nottingham Trent University) show that organisations embedding the four enablers outperform on:

- Innovation and continuous improvement
- Retention and stability
- Customer service and quality
- Wellbeing and lower presenteeism/stress
- Inclusion and participation
- Manager effectiveness
- Trust and integrity

They are also more resilient during periods of change and external turbulence.

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The Link Between Employee Engagement and Productivity

The role of leadership and government

Employee engagement drives productivity across every sector and size, but too many employers still overlook its significance or struggle with how to embed it in practice.

Great practices already exist across sectors, from hospitals delivering better health outcomes to police forces improving public safety, and organisations enhancing customer services. Scaling these practices does not require legislation or major funding. It requires the government to use its power to convene to elevate the importance of engagement, share case studies, and spread proven practice – benefiting the UK economy and enabling employees to thrive.

With the UK ranked 30th out of 38 European countries for engagement, the issue deserves attention from policymakers, business leaders, and the media.

> **Employees in low-engagement environments are four times more likely to consider leaving, and stress among managers is five times higher where engagement is neglected.**

Industry Spotlight: Challenges in service roles

Services account for 80% of the UK's GDP, and most roles in this sector are customer-facing.

Despite this, frontline employees often face significant challenges. Campaigns like Service with Respect highlight that 60% of workers in utilities and contact centres have experienced abuse, and 36% say they no longer want to work in these roles.

Protecting employees and creating respectful environments is essential, not only for retention but for sustaining service quality and customer trust.

Engagement though Autonomous Working

What is autonomous working?

Autonomous working refers to a way of working where individuals have greater control over how, when, and where they complete their tasks, instead of being tightly managed and bound by rigid schedules. It is built on the principle of trust and accountability, focusing on outcomes rather than hours or physical presence.

In practice, autonomous working means employees can make decisions about their 'workstyle' (a term coined by Lizzie Penny and Alex Hirst), such as:

- choosing their work location,

- flexibility in time of work,

- pace of work, and

- organising tasks in a way that suits their strengths and circumstances.

This approach is a great fit for the digital age and contrasts with traditional industrial-era models that prioritise uniformity and control. Instead, autonomy empowers workers, often leading to higher engagement, better productivity, and improved well-being.

Engagement though Autonomous Working

Where do we currently see autonomy being utilised?

A new report by The Workstyle Revolution in collaboration with the University of Liverpool and ProBono Economics highlights that UK data shows that most workers have some task autonomy, but very few have autonomy over time and location, even when jobs could allow it.

Autonomy is instead currently strongly correlated with hierarchy, education, and age: senior roles and those with higher education enjoy more autonomy, while women, disabled workers, and minority groups often have less.

In semi-routine roles, fewer than one-third experience autonomy, and even when jobs could be autonomous, hierarchy bias persists. Autonomy is currently a privilege, when it should be a right and it's incumbent on anyone who wants to create a better future of work to support its adoption.

Why autonomy is good for productivity

Research shows that autonomy directly positively correlates with the following benefits:

- Earnings
- Productivity
- Job satisfaction
- Health and well-being

> **Autonomy is currently a privilege, when it should be a right.**

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Engagement though Autonomous Working

How can businesses implement autonomy effectively?

To make autonomy effective, businesses must ensure they are developing their employees' skills in a way that enables them to work successfully in autonomous environments.

Key skills that are required to work this way in their proprietary Digital Age Performance Model, and these fall into two broad groups – responsibility to self and dependability to others, which are underpinned by more functional skills.

The skills included within these include, for example:

- Self-motivation and self-management skills
- Growth mindset and initiative
- Communication and collaboration
- Decision making and problem solving approaches
- Technical and digital literacy

Overall, this is best delivered through each organisation creating 'freedom within a framework' for their employees.

For a business to be successful in implementing a more autonomous way of working, The Workstyle Revolution (a not-for-profit organisation) recommends four steps:

01. **Assess how autonomy is currently experienced in your company –** take part in the Workstyle Monitor groundbreaking global longitudinal study to better understand this

02. **Pilot autonomy initiatives –** such as the Workstyle Pioneers programme.

03. **Design work structures that meet individual needs –** putting autonomy at the heart of job design.

04. **Upskill employees and managers to thrive in outcome-focused environments –** through training modules such as those delivered through the Workstyle Academy.

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Workstyle: A New Approach to Employment

The Workstyle Revolution is a not-for-profit organisation with a mission to create a happier, more fulfilled society through a world of work without bias.

The organisation works to close employment gaps for those structurally excluded from work by redefining employment structures to fit the digital age.

Unlike traditional models that generalise work arrangements, Workstyle advocates for personalisation, designing work to meet the individual rather than forcing individuals to fit outdated frameworks. This approach moves beyond industrial era thinking, which still underpins concepts like flexible or hybrid work, and instead focuses on autonomy as the foundation of modern work.

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UK Government and Policy Recommendations

Hiring recommendations:

- Promote national standards for recruitment quality.

- Address skills shortages by expanding national reskilling initiatives aligned with high-demand sectors and partnering with industry to create talent pipelines for critical roles.

- Link recruitment to national productivity strategy and encourage collaboration between business, education, and government to align skills and hiring needs.

- Incorporate grounded practitioner insight into policy: Create mechanisms for real-time qualitative insight from frontline staff to shape employment and hiring policy in complex, people-facing sectors.

Employee engagement recommendations:

- Establish a national engagement knowledge hub showcasing case studies and toolkits and host cross-sector forums to share proven approaches.

- Promote engagement as a productivity driver.

- Support leadership development by funding national leadership programs focused on engagement and people management.

- Develop hiring and review frameworks that account for emotional and trust-based work, particularly in care and public service roles.

Autonomous working recommendations:

- Include autonomy as a key dimension in Good Work Standards and Future of Work strategies.

- Develop guidance for employers on implementing autonomy fairly across roles. These should include case studies and blueprints for practical implementation.

- Partner with education providers to embed these skills in vocational and higher education curricula.

- Form steering groups to bring government and employers together. Or, where steering groups already exist, autonomous working forms part of the discussion.

- Invest in upskilling to build confidence in managing outcomes rather than processes.

Organisation Recommendations

Hiring recommendations:

- Strengthen recruitment strategy by implementing structured hiring processes with clear role profiles and competency-based assess ments.

- Invest in onboarding and engagement by developing robust onboarding programs that integrate cultural fit, role clarity, and early engagement.

- Balance speed with quality by maintaining talent pipelines and using pre-screened candidate pools.

- Build employer brand from the outset of hiring by showcasing company culture and values transparently and providing timely feedback and clear communication during recruitment.

- Train managers in structured interviewing, bias reduction, and predictive assessment techniques, or utilise panel interviews to improve decision quality.

- Measure and report on hiring impact by tracking metrics like quality of hire, retention rates, and productivity impact.

Strengthen recruitment strategy by implementing structured hiring processes.

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Organisation Recommendations

Employee engagement recommendations:

- Develop and communicate a strategic narrative that explains the organisation's mission and impact and ensure leaders consistently reinforce this purpose in decision-making and communication.

- Empower employee voices by creating formal and informal channels for feedback (surveys, forums, suggestion platforms). Act visibly on feedback to build trust and integrity.

- Train leaders to drive engagement by provide training on inclusive leadership, coaching, and recognition practices.

- Use regular engagement surveys linked to productivity and retention KPIs to measure and report on engagement. Share results transparently and set improvement targets.

> **Empower employee voices by creating formal and informal channels for feedback.** ⓘ

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Organisation Recommendations

Autonomous working recommendations:

- Conduct an autonomy audit through taking part in the Workstyle Monitor research project to understand the current state of autonomy in your organisation. Who has it, who doesn't, and why.

- Address hierarchy bias by creating policies that decouple autonomy from hierarchy and offer autonomous options for semi-routine roles where possible (e.g., shift swapping, remote days).

- Build skills for autonomous work as autonomy only works if employees have the right capabilities. Invest in training for self-management, decision-making, digital literacy, and collaboration with a provider such as the Workstyle Academy.

- Pilot autonomy initiatives. Select a department or team to test autonomous work arrangements and take part in a programmes such as the Workstyle Pioneers programme. Measure outcomes like productivity, engagement, and well-being.

- Design inclusive work structures. Autonomy should benefit everyone, not just senior staff. Ensure accessibility for disabled workers and consider cultural differences in autonomy preferences.

- Shift to outcome-based performance. Try redefining KPIs around deliverables and impact rather than time spent.

Ensure accessibility for disabled workers and consider cultural differences in autonomy preferences.

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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.

The Workstyle Revolution is a not-for-profit organisation founded to close employment gaps for those structurally excluded from work and empower everyone to work in ways that best suit their individual needs and circumstances, known as their 'workstyle'.

Built on over a decade of research and practice, the organisation champions personalised work fit for the digital age, driving wellbeing, productivity, and inclusion.

Through awareness campaigns, storytelling, training and advocacy, the movement inspires organisations to embrace autonomous, personalised work – challenging outdated work systems and reimagining how, when, and where work happens to create a fairer, more fulfilling world of work for all.

About Us

The University of Liverpool is a globally recognised research intensive institution and a founding member of the Russell Group. Known for pioneering discoveries and innovative teaching, it attracts students from more than 100 countries.

The university offers a wide range of undergraduate and postgraduate programmes and is committed to tackling major global challenges through world leading research. Its vibrant campus, strong industry links, and historic city location create an inspiring environment for learning and personal growth.

Engage for Success is a UK wide, volunteer driven movement championing the power of employee engagement.

Founded in 2011, it brings together practitioners, academics, consultants, and leaders to promote better ways of working that help people and organisations thrive. Through research, practical guidance, and thought leadership, Engage for

Success inspires workplaces to unlock potential, boost productivity, and create environments where individuals can give their best every day.

Nottingham Business School, part of Nottingham Trent University, is a triple accredited institution recognised for combining academic excellence with real world impact.

Known as "the business school for business," NBS leads in experiential learning, personalisation, and research that shapes industry and society.

Its strong partnerships with businesses, public organisations, and the voluntary sector create a dynamic environment where students develop the skills, insight, and confidence to thrive in a global economy.