

Monthly Newswire

Welcome to our monthly newswire. We hope you enjoy reading this newsletter and find it useful.

August 2022



Recruitment challenges

Why is it so difficult to hire people at the moment?

Workers quit or changed jobs in their thousands during the so called "great resignation" of 2021. Resignations reached record highs last year, but this isn't because people left the labour force. Instead, they resigned in order to start new jobs at other firms or to set up their own business. In fact, the only age group where there has been an increase in people leaving the labour force has been among the over 50s who retired in higher numbers than normal during the pandemic.

Some reports have suggested that the rise in resignations was driven by individuals looking to make career changes, as they re-evaluated their lives after the pandemic. However, data from the UK Office for National Statistics suggest that the majority of people moved jobs in order to secure higher wages but the reasons for the current recruitment difficulties differ by sector. For example, the hospitality sector is suffering from a lower inflow of younger workers, whereas other sectors have been hit by the aforementioned early retirements.

Businesses are also struggling to fill vacancies as candidates have become more selective in regards to their next role and are now more likely to scrutinise the way businesses treated employees during the pandemic. The key areas that potential candidates are likely to evaluate potential employers on are flexible working, diversity, their attitude toward the office and their track record of redundancies during the tough times in the pandemic.

Remote working has also made it easier for people to participate in an interview. If someone is already working from home, they can easily block out an hour in their diary in order to attend a remote video interview via Zoom, Teams or Skype. This makes it much easier for rival firms to contact staff, which further exacerbates the recruitment challenges being felt by businesses. According to the Office for National Statistics, the number of job vacancies from March 2022 to May 2022 rose to a new record of 1,300,000 which is an increase of 20,000 from the previous quarter. As such, the recruitment market would seem likely to remain tight for some time yet and businesses will need to be creative and structure a compelling offer in order to attract good people.

Inflation is creating more entrepreneurs

A need for additional income is motivating people to start their own businesses.

As UK inflation hits a 40-year high of over 9%, more and more people are starting their own businesses.

New technology such as online payment systems, digital marketing tools and free online resources are helping to remove the traditional barriers in setting up your own business.

The number of people setting up their own businesses in the UK skyrocketed in the past 12-18 months and this was largely driven by redundancies and furloughing during the pandemic. As a result, firms such as QuickBooks, Xero and Sum Up are thriving as they are geared towards serving tech savvy, small and medium sized owner-managed businesses.

Now, as the cost of living has risen so dramatically, a further wave of entrepreneurs are starting businesses in order to generate some extra income. Helpfully, according to a recent survey, the UK is considered one of the best places for entrepreneurs to start a business thanks to its skilled workforce, tax and legal systems.

The current wave of new entrepreneurs creates opportunities for other businesses that can help startups to get up and running, then grow and develop their new ventures. New entrepreneurs need an array of services such as IT, accounting, tax, banking, premises, logistics, staffing and more.

Sustainability is a key trend among the small and medium-sized business community in the UK. According to a recent report from the Federation of Small Businesses, 56% of small businesses believe the world is facing a climate crisis and 36% have a plan in place. Sustainability is clearly being taken seriously by entrepreneurs and if you intend to sell your products or services to them, sustainability should be top of your agenda too.

Please contact a member of our team if you would like to discuss any of the issues raised.

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Digital Autonomous Organisations

What are they and what do you need to know?

Crypto currencies are becoming more mainstream. Ethereum tokens and block chain technology can be used to execute smart contracts which are automated and which complete when a pre-defined set of criteria are satisfied. More recently, this has driven the development of the decentralised autonomous organisation (DAO).

A DAO can be summarised as a group of people who come together through an agreed set of governance principles but doesn't have a legal personality in its own right. A purpose trust is then put alongside the DAO which allows the trustees to execute projects. The first DAO was created in 2016 to provide a fund in which investors around the world could stake crypto currency tokens and then vote on potential investment projects, making collective decisions through an automated system.

So DAOs can be used as a digital investment club where smart contracts can be used to govern the way decisions are made. People can invest with crypto currencies and decisions, or even transactions, can be recorded on the blockchain.

DAOs can be used for a lot more than just financial investments. They are decentralised in nature and are founded on democratic principles. The ownership structure is devolved with no board of directors controlling it.

DAOs are still in their infancy but as crypto currencies continue to develop and become more mainstream, the use cases for DAOs and smart contracts could evolve and they may become more widely used.

DAOs, smart contracts and purpose trusts could be a good way to bridge the gap between the virtual, online world and the physical, real world. For example, if a group of online investors want to use crypto currency and smart contracts to purchase real estate which could then be held in a trust. As businesses continue to develop their online/digital offerings, there should be plenty of opportunities to utilise DAOs in the not too distant future.

Regulators will undoubtedly need to introduce new regulatory regimes for DAOs and this is likely to happen relatively quickly as individuals and businesses continue to turn their attention to digital assets.

Effective Hybrid Meetings

The way we work has evolved but so too has the way we meet with colleagues or clients.

A huge percentage of businesses have moved to agile working. People working from home at some point during the week has become the "new normal". On any given day, some people will be in the office whilst others will be working from home. This has given rise to the hybrid meeting meaning some people are physically in the room and others are dialled in from a remote location.

During the height of the pandemic, we all became adept at the virtual meeting. We got used to appearing on camera, remembering to mute/unmute at the appropriate time, share content on our screens and share a joke when pets or children appeared in the background by accident. We are now adapting to the hybrid meeting and this is a new challenge for businesses.

The key to running an effective hybrid meeting is to ensure that those who are dialled in are not forgotten about and are encouraged to get actively involved in the meeting.

It's not uncommon for hybrid meetings to involve the people in the room chatting happily while waiting for the meeting to begin, while those on screen sit there politely, on mute. A simple solution is for the meeting chairperson to address those on screen, say hello and welcome them while waiting for the meeting to start. This creates a better dynamic from the outset and gives those on screen an opportunity to engage with the attendees who are in the room.

Sound quality is another common issue with hybrid meetings. If the meeting involves a boardroom with physical attendees sitting around a table, make sure that there are clear microphones and speakers in the room so everyone can hear/be heard.

Often, the built-in mic and speakers in a laptop are not good enough and dialling the remote attendees in via a phone on loudspeaker often provides better audio quality, otherwise, remote attendees may struggle to hear what people are saying around the table.

If there are lots of remote attendees, it's best to have a big enough screen in the room so that all remote attendees can be seen at the same time. Finally, make sure the camera in the meeting room has a wide-angle lens so that remote attendees can see the face of everyone around the room. Making small changes like those described above can make hybrid meetings much more effective and helps to ensure that everyone in the meeting, whether remote or in the room, is engaged.

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