



**May 2014: Adrian Kruger, Director at Intersoftware gives his views on some of the big issues that recruitment companies are facing in today's environment.**

### **The economy, talent and competition**

The UK economy is growing – as it does, inevitably the demand for talent grows and the talent pool begins to shrink. That means there's more competition for good candidates and your relationship with these becomes more important to your business. If they can find a better deal with somebody else it's easier for them to jump ship.

There's a change happening across most industries – not least in areas of skilled temporary staff in areas like construction and education. And recruitment companies need to adapt to changing trends in terms of their business processes.

### **False economies**

As an example, many temp agencies have been using umbrella companies for the payroll and Travel & Subsistence process – ostensibly making savings on NI and taking the seemingly 'complex' process out of their hands. In reality in today's environment it's a false economy. Not only do umbrellas make an awful lot of money that could be going into your business, from what is essentially a fairly simple payroll process, they can be costing your temp workers anything up to £30 a week for the privilege as well! That will not encourage workers to remain in those arrangements for long if they can get a better deal from an agency that runs its own payroll and Travel & Subsistence schemes.

If in the future – as I believe - candidate loyalty will become increasingly important to agency businesses, forcing workers to spend what could be perceived as unnecessary money does not help that cause. By smarter use of payroll and Travel & Subsistence technology – all the profits currently taken by umbrellas can go straight back into the agency that is doing all the hard work in the first place.

So a question I think you'll need to be asking as your business moves forwards is "Are we "candidate friendly"?"

### **Technology to fit the trends**

Technology has to be constantly on the move to keep up with new business pressures and external influences. Pressure to comply with new legislation and of course increasing pressure on margins are key areas influencing technology and recruitment business operations. Travel & Subsistence, Pensions auto-enrolment, AWR, Working Time Directive, Holiday Pay, Real Time Information and CIS can be complex and in practical terms impossible to implement and comply with without a good technology solution. Also that software needs to be bang up to date and flexible enough to change with the rules. There should also always be a product "roadmap" – if there isn't you could well be wasting your money. Likewise it is important that the provider really understands the nature of the recruitment business and is working with recognised sector specialists to keep up to date on changes in employment and tax law. That's how they – and you - can stay ahead of the game.

I've talked a lot about the candidate relationship – but of course the client relationship is equally important. Making sure that the technology you are using is bang up to date with all the latest market and legislative influences will not only make communication with clients smoother and more efficient – but also give them the confidence that they are dealing with a highly professional organisation – that is totally up to date with the latest trends.

### **Bad headlines, illegal workers and biometrics**

Another area coming under the spotlight lately relates to the recent influx of workers from overseas. Headlines seem to imply that there is likely to be increasing legislation and hefty fines or even prison sentences imposed in cases where illegal workers are found. Civil penalties for employing illegal workers will rise to £20,000 per worker from May 2014. This becomes a particularly difficult issue to manage time and attendance in the case of temp workers for example in retail, industrial, food production, catering and agricultural environments.

How can you, as an agency, guarantee that the worker that you send off to a temp assignment doesn't pass on the work to somebody who is not legally entitled to be here or work here? After all, the last thing a major large client wants is headlines saying they are employing illegal immigrants.

We have recently entered into a technology agreement with biometric company timeware® to link their workforce management system with our enterpriSe software. Basically timeware® uses wireless fingerprint reader technology to manage and monitor who, where and when people are at any point in time during their working hours on a site/location.

So when workers start or finish a shift, they enter a unique number and place their finger on a wall-mounted biometric reader installed at a site. Within seconds, this 'booking' information is transmitted back to the enterpriSe database using 3G technology. If the wrong worker attempts to clock in, the unit will bring up an alert on screen to ask the worker to see the manager.

It provides a real-time update of precise attendance information, will integrate and update the payroll with the timesheet hours saving double entry, generate extremely accurate and reliable time sheets and management reports – and importantly - prevent clocking in for a different person. It can also update the booking screen in the front office software to show who has checked in.

It's this kind of innovative technology that will give your clients peace of mind .

*Adrian Kruger*

### **The Intersoftware enterpriSe**

#### **front and back office software includes a variety of additional modules including:**

- [Cont@ct](#) email and SMS for payslips, invoices, statements & SMS texting Net & Gross Pay
- Travel and Subsistence for calculating and processing travel and subsistence salary sacrifice for making savings on both Tax and NI
- Pension auto enrolment that manages the assessment process, postponement and links to NOW or NEST pension providers.
- Timesheet Portal to allow the creation and update of timesheets online. Workers and/or clients can logon, enter hours and authorise or amend. The payroll is updated in real time saving double entry with paper based timesheets.
- Payslip Portal to allow candidates to download their payslips in PDF whenever they choose. Saving answering weekly calls about payslips not being received by email!
- Time and Attendance biometric clocking systems through our partners at timeware®.