



## Transcript for S15, E1 – Exploring 2026 labour market dynamics with Neil Carberry OBE

**Intro:** Welcome to the future of internal communication podcast. I'm Jen Sproul, CEO of the Institute of Internal Communication.

Since we launched this series in 2021, the world of work has been disrupted by event after event. A pandemic, geopolitics, AI, extreme weather events, remote and hybrid working, generational shifts, inclusion, diversity - the entire nature of how we work needs transformation.

This podcast explores opportunities for internal communication in the future of work. Internal comms is a critical function that helps organisations achieve lasting change, building trust and relationship between people, in pursuit of shared goals.

Please, join me, Dominic Walters and Cat Barnard as we dissect what this means for internal communication.

With relentless change the new norm, it's time to reimagine our profession.

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Cat Barnard (00:02.156)

Hello and welcome to a new year and a new series of the Future of Internal Communication podcast. I'm Cat Barnard, as ever joined by Jen Sproul, Chief Executive of the IoIC and Dominic Walters, the President of the IoIC. And as we were thinking about 2026, we were thinking, how should we kick the year off?

I think it's fair to say that it feels like we've had 12 months in the space of about two weeks already when we look at the international arena and geopolitics and what have you. And I think in terms of conversations that I've had with friends so far this year, there are a lot of people out there who are now in a state of permanent weariness about what the future holds for us all. And so with that in mind, I thought it would be really cool to kick off with a conversation about employment and the labour market and what we think the year has in store for us both through the lens of labour market dynamics, but also more specifically and what that means for you, our listeners working in the field of internal communication, people and performance. And so with that in mind, I am really pleased to welcome back a two-time guest to the podcast, Neil Carberry from the Recruitment and Employment Confederation. And I should just note, Neil's been telling us that yesterday he received an OBE for his services to recruitment and employment and was at Windsor Castle to receive that so anyone outside of the UK that is the alternative home of the Royal Family and a beautiful, beautiful venue and setting but Neil didn't just receive the OBE because he's



hanging out with cool people. He's spent his career in recruitment and employment. He did a degree in human resources at London School of Economics and then has specialised in employment relations. So he joined the CBI in 2004 and led the CBI's work on labour market skills, energy and infrastructure. He joined the REC, the Recruitment and Employment Confederation, back in June 2018 and continues to be one of the strongest advocates in the country for access to good work and the role that work plays in a well-functioning and healthy society. I think, well, I'm a firm fan. I think he's as good a person as any to give us advice and snippets of wisdom on the state of the labour market in the UK in 2026 so welcome Neil.

Neil Carberry (04:01)

Thank you, Cat. I'm only scared of underperforming the build up now. Yesterday was fascinating. And when you come, as I do, from the bit of Edinburgh that people only recognise because it was in train spotting, it's a slightly weird experience. But what was interesting is talking to people there, how much concern there is, particularly for young people in the labour market. But actually more broadly about the scale of change we're facing and I think a lot of our challenge at the moment is about kind of getting back to where change can be good as well as bad.

Cat Barnard (04:34)

Yeah, yeah, and I think that is a very apposite way to start the conversation because I think change is all about mindset ultimately and we were talking before we came on air that, the UK economy has gone through periods of relative, relative stability. And of course, now we seem to just be getting slam dunked by one crisis after another.

But I have always felt that in the midst of risk and challenge, there's also nuggets of opportunity to be found. And that's certainly the way that I try and remain optimistic about things. So, and I know that you and I have had those kinds of conversations as well, actually, there's a huge opportunity for us, working in the field of helping talent perform well in employment. So I wondered if we might, and I appreciate this is a loaded question, but I wondered if we might kick off the conversation today by me asking you what key labour market trends you think employers need to know about in 2026.

Neil Carberry (05:49)

That's good question because I think we are obsessively short-termist and some of that comes from our media, but some of it also comes from the nature of the business cycle and certainly when we think about work we're in that space as well. If you jump back to a kind of understanding of the British labour markets, for about 40 years until 2015 we had a gently



expanding domestic labour force. That's now gone into reverse, the generations after the boomers and certainly after the Xers are smaller coming into the labour force. They're walking more difficult path into the labour force in terms of job search is more difficult for young people now because of the way it has been commoditised and there's a big theme that we might explore later there on the impact of AI being to create a lot of noise when finding the signal is what really matters and on that I think there's a big crossover the work of internal communications professionals as well. So we've got the smaller labour force walking more difficult path. We've also got likely net lower immigration over time, so the concept of leaning internationally for people is less clear. So I think it's very easy to focus on the kind of general downturn in the labour market post the price shock Russia-Ukraine, the mini budget. But actually in the long run, a little bit of growth tightens the British labour market quite quickly in this environment. So one of the big risks I see for companies is just not appreciating that doing the people stuff differently is going to matter more now. So getting investment and skills right, getting engagement right. And if you go right back to the core problem that the UK's had since 2008, which is productivity because we lost a decent chunk of the highest productivity sector of financial services in the great financial crisis. That is about how people and technology interact it's not about just the technology so everyone who's working in a company doing IC at the moment knows that the biggest stumbling bulk to getting real returns from AI as it's deployed is adoption by people. Human systems don't work well for human beings as my friend Tim Bradshaw said on the stage at the REC conference last year. So I think that kind of big long-term strategic view of what people do I need doing what job with what skills and acknowledging that those skills are likely to be very different is important.

I think the whole thing sums up into the question about whether you think AI destroys jobs or changes jobs. I'm very clear that I think it changes jobs and I think that that transition is difficult and traumatic but ultimately positive and my big worry at the moment is that we are stuck in a slightly different margin-squeezing cost-cutting approach to employment when really the growth and the productivity comes from a redesign and re-engage model.

Cat Barnard (08:50)

Mm, mm, mm, mm, God, there's so much to unpack there. I think, AI has the potential to create huge amount of efficiency, but not until we entirely shift our mindset around what we're here for and how best to use it. And the concern that I have, and I think you touched on this lightly earlier, is for the longest time, it seems to me, recruitment success has been measured in two pretty rudimental ways, cost per hire and time per hire. And actually, until we shift that mindset, I think we're not going to leverage the full efficiency that AI can offer because it seems to me that in the job application process, in the front end of how applicants apply, submit a job application, AI at this point is being regarded as another tool to make the process more cost efficient. And I don't know whether you agree or disagree with me, but here's how my pea brain thinks about AI in recruitment.



As an algorithm, the job of the algorithm is like a sorting hat. It's quite simply a piece of tech that can pass a CV and pass a job description and then go through a pile of applications to determine which applications are most fitting to the scope of work in hand. But fundamentally, that is how we think about AI at its most rudimentary, that would require a candidate to write a CV proficiently and an organisation to write a scope of work proficiently. In my experience, and by the way for those that don't know this about me, I worked in technology staffing for 20 odd years before refocusing on the future of work.

But my experience is most people could do with help writing their CV because that's not necessarily something that we are trained for. And most organisations could do a much, much, much better job of writing scopes of work. And therefore the input to an AI matching is pretty substandard. And I'm quite interested also, and I'd love to get your take on this. I heard last year that using AI in recruitment for that filtering and matching process had been stymied by the fact that particularly young job seekers, they're using AI to write their CVs and send their CVs and the AI can't work with the AI kind of thing. So I think there's a lot going on there that renders the process inefficient to begin with. What are your thoughts on any of that?

Neil Carberry (12:20)

So, look, let's take it up one level. What's work for? It's to produce some kind of valued goods and services that are tradable. Yeah? I think we need to understand what the signals the market is sending and then orientate our business towards how do we most efficiently serve the market with those things. Now I am going to tell you right now that a machine just doing it all is not going to do that. That there will be some form of design in the organisation of what the machines do and the AI is absolutely necessary to the process and what the human beings do. You and I both know, Cat, that people buy people. Nobody's taking an exec job dealing only with a robo recruiter. So there's a piece here about how do companies think about how do, and to Jen's point earlier, how I quickly redesign my business and how do I do that effectively? So for me as a representative of recruiters, that's actually the conversation I want our members to be having with clients, which is how are we going to do this? What sort of opportunities do we have? What does the supply base of candidates say that I could have? What does the technology say I could have? And just having a more productive strategic conversation. That then enables you to write that better job description that you describe, which then matches up against what comes in from candidates. There are two controls on that that I think are really important. The first control is about how you encourage in that process optionality. It's the difference between the definite article and the indefinite article. There might be the good candidate CV or there might be a range of good candidate CVs and a big worry about algorithmic choice is that you ask for vanilla and all you get is vanilla and you signal into the market that candidates should make themselves progressively more vanilla.



And then you get a reversion to a mean and you drive out, yes, very concernately over time you drive out diversity and inclusion and the thing I say most often about AI black boxes in hiring processes is just because the AI made a decision inside your black box doesn't make your Equalities Act responsibilities go away. So you have to design in the fact that there might be multiple good versions of a candidate. There might be the candidate that you want to take a risk on, there might be the person who is returning from doing something else, the career switcher, and that's really important. And then the other bit is, it's not, it is being really clear that it is a process where candidate journey really matters. Now I would argue because, we've talked a lot about this Cat. am kind of, I'm well aware that I carry the weight of being kind of the son of some pretty deep Scottish congregationalism in terms of morality and how people should be treated. But there is something here in terms of morally particularly with young workers, helping them is part of the job. It's a bit like that discussion we had about home working with senior people in the business where you have to say to them, yeah, I know I can trust you to work at home fully. I know I can. But part of your job is to be here helping the kids. So there's that sense of all businesses committing to the idea that building the future workforce matters for them and for everyone else, which brings you down the route of, what does feedback look like and what does support look like? Because what it doesn't look like is frankly the black hole that we see starting to develop now. So they're kind of the dystopian version of this. I think we are starting to see in bits of the labour market, **which is kids quite rightly using the AI to maximise the number of applications that they can do** but probably doing too many applications at too little level of specialisation and those being fed into a black hole where the algorithm is making a decision whether they proceed or not and if they don't proceed they're actually not getting very much. And so how do we progress and certainly if you look at some of the more intelligent businesses in our membership's thinking about this, HRGO is a great example, they're actively starting to build the algorithm to give feedback as well. But to your point, ultimately that only works if you've done the job description well. So there's a whole piece here about, we talk about recruitment supply chain a lot in the industry, there's a whole piece here about encouraging business and government alike to think about the workforce as supply chain in the same ways we think about the supply chain for manufacturing. And that takes time and focus and really good comms and leadership in businesses that is willing to say, actually it isn't about the two things you started with. It isn't just about minimising cost. It is about building the team. Because the truth of the matter is you look at where kind of labour input matters most and I was always going to get a football reference in, not only because Scotland have qualified for the World Cup, the Heart of Middleton are top of the Scots Premier League, so I am very happy with life right now. But you look at there, no one's telling me that that's the measurement that professional football teams put on their, the attraction of talent. Yeah? Because it absolutely isn't. It's about the crossover between price and value, price and contribution. And I don't think, frankly, I speak as a fellow of the CIPD, **I don't think we as people professionals have made enough of a case for how strategically and commercially important getting people's stuff right is.** We've allowed ourselves to be



past each other's the guys who are about treating people well, and we are. The guys who are about complying with expectations on inclusion and L & D and all of that and we are but **fundamentally the businesses that succeed are the ones who are going to get the people element of the people plus technology equals growth bit right** and I think that I think the biggest single risk to British business right now is being short-sighted on that.

Cat Barnard (18:38)

Yeah, I agree, I agree. And going back to the point that you kicked off with, if our labour market is shrinking over time and there are more people exiting the labour market because they're looking at their retirement or that and exiting the country.

Neil Carberry (18:59)

exiting the country. So what are we already seeing in the labour market from holding wages down and doing it at value? Right? I can go to Australia, I can go to Canada, I'm in my mid-20s, I'm footloose. Yeah? Let's not present that we're not moving to a where emigration of good people is not risk.

Cat Barnard (19:13)

No, I agree. And to hear you highlight that so starkly really does bring it home. But what I was going to say before I hand over to Jen and Dom was, the fact is we have this shrinking labour market and we have the onset of these increasingly sophisticated technologies. And I agree wholeheartedly that **it will be those organisations that can blend most proficiently people and tech for success outcomes that will thrive**. And I imagine that there are some people listening to this podcast this morning thinking, great, what's this got to do with me? I work in internal comms. However, what I've noted down as you were describing, previously, a well functioning hiring process complements the filtering of CVs using AI with a conversational process that creates a layer of relationship and starts the process of trust between the job seeker and the organisation. So there's a conversational piece which must overlay the filtering to eke out what distinguishes one candidate from another so that they don't all just look like a vanilla much in the middle. I was drawn to your point about candidate experience and **candidate experience is the starting point of colleague experience** and therefore a level of discernment is required from within the organisation to really think hard about the end-to-end experience of anybody that comes into contact with the organisation as an employer. And then the final piece, to raise the bar on these job descriptions does require people who are accomplished in the art of communication to have some oversight and to really look at those job descriptions to make sure that they are succinctly saying what needs to be said but with enough flexibility and fluidity that they would also encourage people applying for those positions to recognise that there will be





opportunities to move around within the organisation in response to market context. I guess what I'm thinking about is as internal communicators look for ways in which to make an impact and drive strategic value. I personally believe that there's lots of opportunity to connect with colleagues who are working in the talent acquisition function internally or externally and have conversations about how to raise the bar when it comes to the relational aspect of hiring because it does blend into the end-to-end colleague experience.

Dominic Walters (22:36)

Let me pick up on that, Cat, because I would like to think, look a bit more broadly now at the whole range of where employment is going, where we're heading because we have lots of conversations with communicators about the future of employment, where it's going, what it looks like and today we have the fantastic opportunity of speaking with someone who probably has the best picture of that in the whole country. So I'm going to take advantage of it. When we talk to professional communicators they often say I think broadly three things about the employment market. They'll be good to get your take on this. First of all they start from close to home. They'll talk about the future of people in professions like communication. And the general view is there are fewer jobs, the jobs that are there, they're asking more of them and they're paying them less. I was reading something recently that a head of internal comms job is going for exactly the same sort of money now as it was 20 years ago. So when you're allowed for inflation and that sort of stuff, obviously rate for the job has gone down. So there's that parochial aspect of what's happening to professional jobs, I think. The second thing is pick up on what Cat was just saying. When we as internal communicators have to communicate with people in organisations, they're changing. So the mix is changing are fewer people perhaps on permanent contracts. There more contractors who have less natural affinity for the organisation. There people coming and going. And those that are there probably have a cloud over them, which influences how they see things because they're less secure. And then the third thing which I've picked up is people saying, the road map's changed. I've got three daughters in their 20s, all of whom are trying to build careers and they'll listen to my sage advice and laugh as if I was talking about the 16th century because sometimes I am but the things are changing so much the roadmaps the measures of success the things you have to do to get on so everything seems to be in flux and I thought what better opportunity to get some solid advice on where employment is going than talking to you so massive question Neil but how is employment changing?

Neil Carberry (24:38)

I'll start with my basic view is that parental careers advice has always been 30 years out of date. And therefore it's not, it's kind of, it's no surprise that we are with it. We are, that's a slightly flippant thing to say though, because I do actually think young people face a very different world than the one many of us did coming in. I think that the critical thing is



looking at where we're going to, not where we've been. So if you think about head of IC roles. There will be other roles that are effectively ahead of ICU starting to emerge that will be paid differently and they will look different because they'll be reacting to different stimulus. And I think that we're starting to see amongst businesses a split between those who are superannuating the life of their existing productive model by holding down wages and focusing on value and those who are trying to move to somewhere else, redesigning jobs, redesigning terms. One of the things that's become quite fashionable in some of the more cutting-edge words is dropping kind of words like head of on the basis that they imply a single employed structure when we know, as you said, there will be people in the team of different forms of engagement. One of the things we need to acknowledge is that part of the answer for those who are mid-career is to change jobs more.

Ha ha, chief executive of the REC thinks everyone should change jobs regularly and I do because that helps my members but there's a benefit to that which is that statistically the 2008 generation who the press love to write up as flighty and not committing to things, their problem with income was not that they changed job too much or they lacked work ethic, it was that they stuck at jobs for too long. They were so framed by the coming into the labour market in and after the great financial crisis that they hung on to the jobs that they had far too long and they didn't do that thing that we know is the right thing to do and still is the right thing to do and will always be the right thing to do in your 20s and 30s, which is be transactional. Move for the money, get the wages up, get the experience up, because that's what makes you tradable in your 40s and your 50s. So that bit I don't think has changed, but that being transactional probably means something different now.

But beyond just kind of moving to progress, I think it's also about sending signals to companies around what is working for candidates, because ultimately companies will go to where the candidates are. Which then speaks to your point about the core and periphery model. My view is very strongly that people who predict the death of the full-time open-ended employment contract will always be disappointed because actually from a corporate perspective employees are cheap and the implied expectation of they'll turn up every morning is really, really good. So, but what we will see is just a little chunk in on that because there are more people in that periphery, not only where companies want more flexibility, fixed term agency contract, whatever it is, in terms of trying stuff and bringing skills in that maybe they don't need all of the time. So I think IC is a classic example with small and medium sized firms where we'd expect companies needs to say, well, I've got a big change programme coming. I want to get this right. I'm going to reach out and get some skills at a level that I do not need on my staff all the time, but I need them now.

So to that kind of work to just to grow. But the other thing is that's increasing what people want. And this is where technology, I think, has gone unnoticed by employers. But if you look at the work the bulk of our members do, which 80 % of the revenue of the sector is





temporary work because it's renewable. We put a million people into permanent jobs in normal times every year, but a million temps on to site every day.

People have the capacity now to sit on their sofa on a Saturday night and go through the apps on their phone and choose different shifts from different agencies to build a pattern of work that suits the fact that they want to take mum to the hospital appointment on Wednesday afternoon. They want to go to the school open morning on Monday morning. And actually they do want to work on Sunday because they want a bit of time and a half. So there is a greater level of control there as well and that speaks to the candidate version of what I was talking about earlier from the employer side which is if you grasp it control is greater than ever but it requires activity. The real risk to people's career is passivity now, and the real risk to companies is passivity. And I think this is where my leadership point comes in and getting the comms right internally comes in. Because for me, I think we went through a 15 year period, and I talked about the effect on young people of it, between 2008 and 2022, that's a 14 year period, my math still works, sorry, got that wrong, where essentially money was free, the economy was growing okay-ish. We were very obsessed with some slightly odd and aesthetic trading relationships, my greatest belief is that, yeah, Brexit is a chronic thing that affects the UK economy. It's not a critical illness and we need to stop thinking about it as if it is the biggest thing in British economy and the same is true frankly of Trump's tariffs as well.

The critical thing is we got a bit staid for 14 years and what we're seeing now, the levels of risk we're seeing now, the levels of inflation, interest rates we're seeing now, this is actually normal. So one of the jobs for business leaders right now is to accept that that is normal and on the one side that is not just complaining about everything all the time, there's plenty of strong stuff that we can do as companies. And the other side is dealing with the fact that for companies and their work is supporting the workforce into that world really matters.

**There's a whole range of stuff there about how we manage change effectively, how we send signals to people about the risks and opportunities they have, because the biggest risk for workers right now is not shifting.**

If you hold on to what's always been, what's always been will ultimately disappear. And it might be this year, five years time, ten years time. That doesn't mean the skill set is moribund or obsolescent. It just means the skill set's popping up somewhere else.

Dominic Walters (31:20)

I'm just to pick up on that, and I'll pass over to Jen in a second, but you mentioned passivity. And it strikes me that something we can do as communicators, and it echoes what you were saying, is help people take that control you talked about.



**So I think helping them understand the circumstances in which they're working, helping them understand the opportunities they have available to them, how to take advantage of opportunities, having leaders who can initiate the right sort of conversation.** So as you were talking, I think, yes, there's definitely a role for us as communicators to unlock organisations that are a little bit seized to mix our metaphors there and help people take that control. Yeah, thank you.

Jennifer Sproul (31:52)

Thank you, I've just been listening intently Neil and making copious notes and nodding and bouncing my head as I go along. And I just want to pick up on this conversation and perhaps I'll pick more into your background as well on you talked a lot about this kind of relation, the employee relations piece as well. Is that, so if I tune into members, internal communicators and the research that we've done, to me there's two things as you were talking that I think that stand out, which kind of relate to what you're saying, is that from an employee perspective, the fundamental things that we're hearing in terms of communication is that **they're things like care, they're clarity, and they're connection.**

And then if I listen to the conversations I have with senior internal communicators or teams tasked in a range of industries and sectors where we've gone from, as you said, this sort of past where we sort of started getting into this sort of well-being more space. We seem to be in a space at the moment where our leadership teams are saying to us, we need better strategic alignment. We need to go faster. We need to go harder. Change isn't a thing. Get on the bus. We need to move. So how can we enable a workforce to shift and move and develop at pace whilst the workforce feels you don't really actually even understand what's needed or what's care and I'm not even entirely sure what it is that you want from me. So I see this sometimes as kind of juxtaposition that we're not dealing with and we're looking sometimes, not always, at AI is this system thing that maybe will fix that thing, whereas it's entirely a wraparound, it's not actually the root of the issue.

And the other thing that we see a lot of as well, and picking up on what you're saying, is this piece around the of the journey of employment and that journey of development and that journey of career.

And there seems to be, know that most employees, what they want to hear most about is, how do I go, how do I learn? How do I move forward? How do I acquire more skills? How do I get promotion? Or how can I get those skills to put on my CV to take to the next role? But that feels a real muddle to them because I think the organisation is somewhat muddled. And I always wonder if there's an opportunity there is how can employers, I guess, promote that relationship between kind of the continuous skills and the learning and the **development and that change and agility and adoption and learning is good for you. And I'm going to give you clarity on how to get there. I'm going to give you connection of relationship to help you get there because that will benefit us, but it also benefit that**



**labour market at the same time.** How can we as employees help them see that, promote that relationship, I guess, the L & D relationship at work?

Neil Carberry (34,33)

Without kind of apology, I'm gonna respond to that as an employment relations guy. And the first thing to understand is that there are two forms of discussion going on here. **It's an individual discussion and a collective discussion.** And to Dominic's point about where the opportunities for IC are, well, I'll tell you right now, I am one of a vanishing breed of employer-side trade union specialists in the country. The Employment Rights Act, which passed through just before Christmas, revivifies the ability of unions to organise in workplaces. **I'll tell you something, internal comms really, really matters to getting collective discussions right, because it strengthens the hand of the employer and of course what the employer should be thinking about is well what do I need to achieve, but also what do my workforce need to achieve and do I understand the dynamics of different groups of the workforce, different stages of career, different specialisms, how do I kind of create a framework for their career development that is also aligned with what I can afford.** These are classic collective discussions to have. And even if you're not having them with a trade union because you don't recognise one or there's no trade union activity, the idea that you should be having them in this world is, I think, increasingly undeniable because where we fall down is where people expect career development to be something that the company does to them and the company expects it to be entirely something done by the worker. **The worker needs to own the path and the company needs to enable that path to exist.** That's a discursive and a communication-based conversation fundamentally about trust building and about clarity of the goals of the organisation and knowing what's inside the tent and what's outside the tent in terms of possibilities on commercial as well as HR relevancy grounds. So in all of that, you end up in a position where reaching out to workers to understand their starting point and help them understand your starting point is really critical to the performance of the business. It's really critical to the compliance of the business in terms of some of the regulatory stuff that's starting to emerge. And it rests entirely on having the right sorts of conversation. So come back to something we've touched on a couple of times in this chat, which is what's our well-formed outcome here? Do we understand it? As an employer, do we understand what we're trying to achieve?

Because if we do, then we can set a strategy for it. And that strategy will be informed by regulatory, labour market, technological concerns. But you can see by looking at some social media sites at the moment, the damage that is already being done in terms of narratives to buy what Cat and my friend Hung Lee would call AI slop whether it's kind of kind of slightly false and odd history narratives being produced, whether it's replies that are gumming social media sites and increasingly search engines, or whether it's the kind of more concerning end that we've seen in the last week or two with some of the stuff that's pushed the government into action.



There is a real question here about just because you can doesn't mean you should and it doesn't mean it's effective. So what's it for? And having the guts and gumption as business leaders to say, what's it for? What are we trying to achieve? What's our well-formed outcome? Feels really important. And I'll tell you this, Dominic was painting a challenging picture for the profession at the moment.

**Isn't that the first question most communication professionals would ask? What are you trying to achieve here?** I think we are distorting, we've got to a world where we distort action and think action is purposeful. No, **purposeful action is purposeful**. Everything else is just busy fool stuff.

Jennifer Sproul (38:27)

Yeah, I agree. And I think it also taps into your overarching risk as well, which is this, it feels like we're not only stuck in this sort of short-termism, but also in this reactionary, let's do more, but not know if we're doing the right things or the wrong things, the performative things, rather than getting beneath something. And I worry sometimes that we're in this kind of sticky position where we're just completely misaligned in our view of how we move from A to B as a business, as society, as humans between what we need to deal with is, well, everyone's doing AI right now. Let's put that on. Let's just turn it on because that's really great and we'll look like we're on it, whether that's as a comms professional or a leader. And then you sort of go, then we come back to the question of, but why are we doing it? For what outcome after we've done it?

And then you're in this kind of constant go a step, go back a step. So we've got sort of the short termism as well as that sort of alignment and that power struggle, I guess, or whether it's power or confusion issues around who's deciding what and what direction are we going in because I'm completely misunderstanding or misunderstood that direction and I wonder sometimes if as communicators maybe working with leaders, the people professionally, how can we unlock this kind of pattern we've got ourselves in and this pattern of confusion to come back to something I guess that's quite simplistic but also longer term and that's going to add more value and create that better relationship in organisations.

Neil Carberry (39:55)

Ultimately, what is the problem you're trying to solve is a really kind of critical question here. And when we talk, we see it with our members in recruitment when kind of, you know, everyone knows that AI adoption is critical, but that's kind of Janus Wide. Specifically, which business problems are we trying to solve? And what we've discovered as AI seeps into



the sector is actually the big quick wins are in the back office, not the front office. It's what you can do in finance. You start to replace your Excel spreadsheets with all sorts of things, and speed up reporting, and loads of stuff is really important there.

The front office is more difficult because there is a kind of human machine interaction to manage there and the best companies are trading a bit more carefully there. And all of that comes from, we absolutely have to do it, but what's the business problem we're trying to solve because having some AI is a really bad proxy for solving my business problems. Because that AI might be non-functional. The point is it works. And then the other bit there is, well, what can I do at cost? Because I do think that there's also, you were very focused on cost of hire as Cat was saying earlier, lot of focus on people costs, but actually technology has hugely sparring costs if you buy the wrong set of sets.

I come back to work we did at CBI years ago, you can get 80 % of the benefit from buying generic technology at 40 % of the cost most of the time. But most businesses aren't having that discussion about design of the production process. So one of the big things we've been doing with government and the industrial strategy is saying it's fine that the industrial strategy includes things like skills, it should future skills provision really, really matters. But actually workforce policy is about that interaction of Tech and people and getting that right and that is a difficult plane to land you know getting that that the wheels on the runway requires a level of skill and it requires those of us who are professionals either in ER or comms to be willing to be quite challenging to business leaders about what exactly are we trying to do here and how are we going to solve the problem. But then when we've done that to be super to your three points about what people want, Jen, **super clear about the why, the why now and what it means.**

Jennifer Sproul (42:18)

Yeah, totally. I'll pass over to Don in a second. There's a comment I just passed on as well that I wanted to put in. It's one of the things that we did some work, I think it was last year, Time Blends In, on AI ethics. And we put together a really great task force with senior people across a range of industries and sectors, from tech to government to so on and so forth. And we did a great piece of work. And we check in with them every now and again on how things are going and how we think this is giving advice on how to do AI adoption ethically, if you like. And the biggest thing that's come through that's really missing is nobody actually has an AI narrative or an AI direction as an organisation of why we're doing it. So therefore the launch of it people are unsure of it if you're going back to that adoption because the clarity hasn't been there and an organisation hasn't been able to inform them this is actually why we're doing it and the narrative and what it will mean and that long-term vision. It's just been more come to some co-pilot training. And there's that whole piece around how you go back to that piece so that was just interesting anecdote to add at the end but I shall stop talking now and hand back to Dom.



Dominic Walters (43:25)

Well, no, I think I need to go back to Neil's metaphor about wheels on the ground because it's time for us to come into land. Did I force that in too strongly? that analogy. Neil. Almost as if it's been rehearsed. Neil, look, thank you very much. There is so much in what we've said that communicators can use because.

Neil Carberry

Perfect, worked perfectly dominant.

Dominic Walters (43:51.052)

We've been saying, it's always been the case, internal communication is there to equip the organisation to perform better. Often the way in which it can do that changes, or it does change. And I think what you've done is shed some really useful light into what we can do to continue to do that. And one of the things that's come through is, as internal communicators, great hook for us is that **we can equip people who make decisions to navigate the changing labour market**. And I've pulled out a number of ways. One is about, I love this idea about this **collective discussion**.

Of course I hadn't really even thought about it this way but with the new employer rights it's going to give a new life as you say to unions and even although it will probably never be like it was back in the 70s and 80s because industry is different the mentality I think will be there the expectation will be there that people will be involved and have more say earlier and more comprehensively so I think that's something we can help employers do. I imagine obviously you far more about this but employers might be a bit scared about that and we can take out some of that fear.

Neil Carberry (49:31.229)

No, no, absolutely not.

Neil Carberry (44:41)

We're already seeing intelligent forward-thinking employers who know that they face unionisation campaigns start to think about, should we start a conversation with a union that we think we can work with? There's a live question. And if so, how do we start that conversation? That's a classic example where common skills really matter.





Dominic Walters (45:00)

Yeah, absolutely. And **we as internal communicators, I think, are best equipped to help frame that conversation, to make sure the questioning is correct, to make sure that it includes people in the right way.** So that's a really, really helpful point. I also loved your point about **equipping people to take control of their own careers in the changing market and allow them to have access to the information, think of the right things.** And then latterly, **that great question about asking people what they're trying to achieve. What's the problem? How will it look when we solve it,** need to do to solve it. there's a lot in there for internal communication practitioners to take away.

But to finish, it would be great to get your take Neil from your breadth of view on the labour market of one or two key things that if you're an internal communication professional you'd be focusing on to make sure you can add most value in that changing world you described.

Neil Carberry (45:49)

So the most important thing is remembering that employees question when they read anything that comes from the employer is what does this mean for me? And in the way that gains are always quieter than losses, people tend to be more pessimistic than optimistic in that. The single biggest thing **for employers is always be frank, be open, be simple.** The biggest risk, I think, that employers face is euphemism. So I think you have to be really clear. If something's a big challenge, a big transition challenge, you have to say it is and then say, but this is how we're planning on dealing with it and what it means and **minimise periods of uncertainty.** Because it might well be, you know, there plenty of companies that are running redundancy processes at the moment, they've spiked, right? The secret to a redundancy process is get into it and get out of it as quickly as possible, leave people drifting for as little time as possible. So that kind of openness, kind of do things in the open is really important.

Dominic Walters (47:03)

I think frankness, openness and simplicity, three great things and think a great way to finish a fascinating conversation. Neil, thank you very much indeed for taking the time and joining us today.

Neil Carberry (47:12)

Thank you.



Jennifer Sproul (47:17)

Thank you, Neil.