Reach



Nowhere to Hide

The 4 A's that SMEs need from the people they hire

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Foreword

Small and medium-sized enterprises (SMEs) account for more than half of the private-sector employment in the UK, and they hire without the safety nets larger firms take for granted. There is rarely an HR department, a graduate scheme or a talent team. There is a founder or a director, a vacancy that is a necessity, and an inbox that fills up within hours of an advert going live.

We set up Reach to understand how these businesses hire and what would help them do it better. Over three months, we spoke in depth with 30 employers, from a two-person diagnostics start-up to a 200-person software company, and from a barbering chain to an engineering firm. What they told us surprised us less about skills than about behaviour.

Employers described candidates who do not turn up to interviews, applications polished by AI that collapse under the first real question in a screening interview, offers accepted and then withdrawn, and a nine-to-five mindset that they say simply does not work in a team of twelve doing its best to serve customers and clients, and survive in an unfriendly economy.

The businesses we met also told us something hopeful. Most employers we spoke to said that, for many roles, they would rather hire the right attitude and appetite to learn than the right certificate, but where a role requires a qualification or a specific technical skill, that still comes first. Technical skills, they told us again and again, can be taught, but the willingness to adapt, to learn, to take ownership and to stay constructive when things go wrong are, in their view, harder to teach. We call these the 4 A's: adaptability, appetite to learn, accountability and attitude.

They are themes that emerged from the interviews, described in employers' own words, rather than a validated measure, and whether hiring for them improves outcomes is something we will test. Every one of the 30 employers we spoke to described at least one of them unprompted. That is good news for anyone who did not take the conventional route into work, provided employers can recognise those qualities when they see them. Most admitted they cannot, and that they often fall back on gut feel and who they know.

That gap, between the 4 A's that SMEs say they need and what they are able to assess, is where the rest of the Reach programme will focus. The employers we met were not short of willingness to hire differently. They were short of time, and of a way to see these behaviours in people who do not arrive through a referral. I am grateful to the 30 employers who gave us their time and their candour, and to our partners at Be the Business for making the research happen.

Dr Grace Lordan
Founding Director, The Inclusion Initiative, London School of Economics



Executive summary

SMEs told us the hardest thing to find is not a technical skill but four ways of working, which this report calls the 4 A's: adaptability, appetite to learn, accountability and attitude.

These are themes drawn from the interviews rather than validated constructs, and the report presents employers' perceptions as perceptions: of candidates, of what can be trained, and of what makes a hire succeed. Employers said they are willing to hire for these behaviours from any background. What they lack is time, and a reliable way to see them in a candidate who does not come recommended.

Between August and October 2026, a research team at the London School of Economics, in partnership with Be the Business, interviewed 30 SMEs in England about how they hire. We spoke to founders, directors, HR leads and the senior managers who do the hiring, across technology, consultancy and professional services, manufacturing, training, retail and hospitality, and the creative industries.

Six findings stand out:

1. There is nowhere to hide.

In a team of ten, one appointment changes everything. A poor hire costs money and senior time and, employers said repeatedly, the goodwill of the good people already there. There is usually no HR function to catch the problem. "It's not something you can afford to really get wrong."

2. The application flood has drowned the signal.

Employers described 100 to 500 applications within days of an advert going live, many from people who had not read it. Auto-apply tools and AI-written CVs mean they can no longer tell who they are reading. One estimated that 60 to 70 per cent of applications are now run through ChatGPT or Claude. Another said, "AI is playing with AI". Some admitted to spending five to ten seconds per CV as they tried their best to find the ideal candidate.



3. Employers and candidates have different expectations of the process.

7 of 30

described candidates withdrawing from the process without warning

Seven of the 30 employers described candidates withdrawing from the process without warning. This included not turning up to interviews, dropping out when asked to complete a task, or accepting an offer and then withdrawing.

Others described salary and hybrid-working requests introduced at the final stage, interviews used to secure a pay rise from a current employer, and new hires leaving within months. We note that these are employers' accounts, and candidates may see the same events differently, however for an SME the cost they relayed was significant: time spent, and a vacancy still open.

4. "Nine to five" and "not my job" are dealbreakers.

One in five employers used these phrases, unprompted, to describe the person they will not hire. In a small team, everyone covers for everyone, and a fixed-role mindset, as one interviewee put it, "just wouldn't work".

5. Attitude over qualifications, for most roles.

13 of 30

used the word "attitude"

Thirteen of the 30 businesses we met used the word "attitude", and the phrase that best sums up what we heard was "recruit for attitude, train for skill". Few of the businesses required a degree outside regulated roles, and several said their best hires came by unconventional routes.

6. Employers find attitude challenging to assess, so they tend to hire who they know.

Most businesses relied on gut feel, "vibe checks" and referrals. "Nepotism and network," one interviewee said.

The 4 A's

Every one of the 30 employers described at least one of four behaviours, unprompted, and 17 described three or all four. This report calls them the 4 A's, a descriptive framework drawn from the interviews rather than a validated measure:

Adaptability

Flexing across roles and priorities as an SME changes.

Appetite to learn

Picking things up quickly and admitting what you do not know.

Accountability

Taking ownership, following through and showing up.

Attitude

Communicating constructively, staying resilient and bringing solutions rather than complaints.

These are the qualities SMEs say separate a hire that works from one that does not, and they are the qualities their current hiring processes are least able to see. Section 4 defines each one in employers' own words.

What happens next?

Phase Two of Reach will work with a cohort of SMEs to test practical, low-burden ways of recognising the 4 A's in real vacancies. We will measure who applies, who is hired and who stays. Results will be published as the trials conclude. This addresses one of the identified hiring problems.

Highlights: what we heard

Selected insights from employers, in their own words. Quotations are attributed by role and sector only; interview numbers refer to the anonymised transcripts.

Hiring has disproportionate consequences in small teams.

"We've seen in every single business where we've ever had issues and where things have gone badly, it's people issues every single time. It's not about products, it's not about distribution, it's not about anything like that, it's about people."

CEO, investment group (INT28)

More applications do not mean more suitable candidates.

> *"Now it feels like maybe 60 or 70% of applications are run through Claude or ChatGPT or any of those LLM models. So it's now really hard to make the differentiation between applicants."*

Chief people officer, marketing technology platform (INT21)

Employers and candidates do not always share the same expectations.

> *"Everyone asks for more money. Everyone thinks it's a negotiation, which is great. And actually, we've learned our lesson over the last few that we've stuck to our guns and it's paid dividends to us and actually people have agreed."*

CEO, sustainability software and consultancy firm (INT08)

Roles change quickly, and employers value people who can change with them.

> *"You end up having to pick up other things and cover them when someone's off because that's how it works."*

Finance director, live-music events company (INT29), on what distinguishes an SME from a large firm

Networks offer familiarity.

> *"It's not just one thing. The best way of doing it is lots of different ways. And most of the best recruits that we've ever had have come through recommendation."*

Founder, barbering chain (INT15)

Employers say they select for working behaviours alongside role-specific skills.

> *"It's actually a combination of aptitude in terms of experience, but more importantly, attitude."*

Managing director, installation and maintenance business (INT14)

Employers want practical help assessing what matters, and have little time to find it.

> *"I don't know where I would go or how I would find out what best practice is in the hiring landscape. I've got very little time to spend on this."*

Co-founder, software development company (INT04)



1.

Introduction: why SME hiring matters

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60%

of UK private sector employment is in SMEs

7%

of the workforce: what a single appointment represents in a firm of 15 people

42%

of vacancies in the smallest companies are skill-shortage vacancies, against 27% overall

9%

of UK tech employees are from lower socio-economic backgrounds, against 39% of the population

SMEs account for more than half of private-sector employment in the UK, and many do it with limited resources.

At the start of 2025, the UK had 5.7 million private-sector businesses. SMEs, those with fewer than 250 employees, made up 99.85 per cent of them and accounted for 60 per cent of private-sector employment and 51 per cent of turnover (Department for Business and Trade, 2025). Around 220,000 of these firms employ between 10 and 49 people and a further 38,000 employ between 50 and 249. These are the businesses our new programme Reach is concerned with. We are looking for businesses that are large enough to recruit regularly, but too small to have an established recruitment function.

In a firm of 15 people, one appointment is seven per cent of the workforce. There is rarely an HR department, a graduate scheme or an in-house recruiter. The founder or a director does the hiring in the gaps between client work. The limited evidence on SME recruitment points to informal methods, personal networks and word of mouth, and little formal process. Research on "fit" in hiring shows how easily informal judgements come to favour candidates who resemble the people already in the room, reproducing class advantage (Rivera, 2012).

The stakes are high because skills are scarce. In the Department for Education's Employer Skills Survey 2024, 27 per cent of all vacancies were skill-shortage vacancies, and in the smallest sites (with 2 to 4 employees) the figure was 42 per cent, unchanged since 2022 (Department for Education, 2025). Digital and data skills are in particularly short supply, and the cost of hiring for them is rising faster than wages generally.

At the same time, talent is being left on the table. Only nine per cent of UK tech employees are from lower socio-economic backgrounds, against 39 per cent of the UK workforce (Tech Talent Charter, 2024; Social Mobility Commission, 2021). Decades of evidence show that structured, consistent and skills-based selection predicts job performance better than unstructured conversation and gut feel (Schmidt and Hunter, 1998; Levashina et al., 2014). Little of that evidence has been tested in SMEs, which need approaches that keep the personal conversation they value without adding process they cannot afford.

About Reach

Reach (Research, Evidence and Approaches for Competitive Hiring) is led by Dr Grace Lordan at the London School of Economics, alongside Dr Cansın Arslan and Dr Tim Holmes. It is a partnership with Be the Business, the independent charity that helps SMEs raise their productivity. It aims to understand how SMEs hire, to develop practical, evidence-based support that helps them hire more effectively and more inclusively, and to widen access to good jobs for people from lower socio-economic backgrounds.

The programme runs in three phases. Phase One, reported here, diagnosed the problem through in-depth interviews with 30 SMEs and a review of the literature. Phase Two will test practical approaches with a cohort of SMEs in real recruitment. Phase Three will scale what works through the SME support ecosystem and share findings with policymakers.

This report sets out who we spoke to and how (Section 2), what employers told us about hiring today, including their accounts of candidate behaviour (Section 3), and the four working behaviours they say they need (Section 4). Section 5 sets out what comes next.

2.

Who we spoke to and how

2. Who we spoke to and how

We interviewed 30 SMEs online between August and October 2026, usually with two researchers present; one interview had two respondents.

Interviews lasted 30 to 60 minutes and followed a semi-structured guide (see online Appendix A) covering recruitment challenges, current hiring practice, how candidates are assessed, the weight given to qualifications, skills and working behaviours, the use of technology and AI, and the support employers would value. Participants were recruited through Be the Business's network and The Inclusion Initiative's contacts, and were based across England, including London, the South, the Midlands and the North.

Of the 30 businesses, 27 of them employ between 10 and 249 people: 14 are small (10 to 49) and 13 are medium-sized (50 to 249). Eighteen interviewees were founders, owners or company directors; six were HR, people or talent leads; the rest were senior managers who hire for their own teams. The remaining three are micro-businesses with fewer than ten employees.

A list of the businesses by sector, size band and interviewee role is published as online supplementary material (see online Appendix B); names, locations and other identifying details have been removed.

Analysis

Interviews were recorded, transcribed and anonymised. All three members of the research team read every transcript in full and coded them thematically, looking for recurring experiences, differences between firms, and findings that could inform practical support. We also counted the words and expressions employers used to describe desirable and undesirable candidates.

Quotations are verbatim except that filler words and false starts ("you know", "right?", "sort of", "like") are removed without marking, omissions of substantive words are marked by [...], and obvious transcription errors are corrected. Throughout, we report employers' accounts and judgements as theirs; where we interpret them, we say so. Where we give a number of interviews, it is a count of employers who raised the point in their own words.

Limitations

The sample leans towards firms engaged enough with hiring to give up an hour to talk about it. We heard the employer's side only; candidates' accounts of the same processes may differ, and several employers were candid that their own practice falls short of what they would like. Interview accounts describe perceptions and recollections rather than observed behaviour. Shorthand terms such as "ghosting" are ours, used for behaviour employers described, not words they used themselves.



3.

What employers told us

3. What employers told us

This section reports what employers told us. It presents their experiences and judgements, including their judgements of candidates, as they expressed them. We did not observe the hiring processes described or hear from the candidates involved, so what follows is the lived experiences of employers.

3.1 Nowhere to hide: why one hire matters so much

Most employers described hiring as high-stakes and under-resourced. Recruitment competes with client delivery, business development and the day job, and it usually falls to a founder or director who has no HR function behind them.

"The magic wand is time, because we are very, very reactive."

HR and recruitment lead, management consultancy (INT23)

> *"I just had an inbox that was just flooded with applications that you need to review. And there's just me and I'm doing this part time."*

Co-founder, software development company (INT04)

Because teams are small, a poor appointment has an outsized effect. Employers counted the cost in money, in senior time and in the goodwill of the people already there. Several said a single hire with the wrong attitude had cost them good staff.

> *"It's expensive taking on staff. It's not something you can afford to really get wrong."*

Business development manager, insurance broker (INT02)

> *"Being a small company, you cannot lose the time in the learning curve. […] We can't waste that honeymoon period because we are a small company, right? So we have to be [in] action, maybe [by] day two or day three."*

Founder, AI start-up (INT11)

> *"You bring one negative person in or someone who's too bossy or whatever, you're going to lose your good people."*

Founder, barbering chain (INT15)

> *"I think with SMEs, you've got nowhere to hide. This is 100 people or 200 people. If you don't deliver, then you're going to be out the door very, very quickly. Whereas I feel if you're in a big corporate, if it's not doing well, you can hide behind someone else."*

Talent lead, retail software company (INT22)

The absence of HR capacity came up again and again, not as a complaint but as a fact of life that shapes every decision. A CEO, asked what would help most, said:

> *"Oh God, I'd have a HR person that did it all for me."*

(INT08)

3.2 The application flood: more CVs, less signal

Advertising a job now produces volume without quality, and AI is accelerating both sides of the problem. Employers described 100 to 500 applications within days of an advert going live, most of them from people who had not read it.

"We have it up for less than seven days, usually five, and we usually get three to five hundred applicants within five days."

CEO, sustainability software and consultancy firm (INT08)

> *"I had 140 CVs in the first 24 hours or something like that."*

Team head, property software company (INT10)

> *"I think there's probably people on a Friday night just click and apply to everything [...] without reading job descriptions. So, you have an individual who is then reading an awful lot of applications and it might only be 10% are valid."*

Senior leader, apprenticeship and training provider (INT24)

> *"So the fact there's so many applications now, because AI just allows you to chuck applications in everywhere and LinkedIn will auto apply for you and all this kind of stuff."*

Finance director, live-music events company (INT29)

One business had to take an Indeed advert down after a few days because it was "overwhelmed with the volume" (INT05). A consultancy abandoned LinkedIn's apply button and built its own recruitment portal "where people can not click apply" (INT30). A surveying practice said it would never use LinkedIn again: "people just not reading the spec and just ... blanket applying" (INT17).

Employers said CVs are more polished, more standardised and harder to read as evidence of anything. Several described candidates whose applications matched the job description word for word and who could not then answer a basic question about it.

> *"Now that agentic workflows exist, I can quite easily tell when a CV has been put through an LLM based on our job description and just to match all of the keywords. [...] It's only further down in the process that we realise that, yes, the keywords match, but certain fundamental competencies are missing."*

Chief people officer, marketing technology platform (INT21)

> *"CVs are a lot more polished now with AI. So you have to put in effort in finding out who is what, because it could be nicely written by AI."*

Founder, AI software start-up (INT27)

> *"The AI can write, present you in the best light, but actually, do you understand what it's saying about you and can you actually deliver on that? And that's the gap."*

Director, family-owned food wholesaler (INT05)

> *"Everyone's putting these AI stock answers in and we now haven't got time to [...] put in a proper process to [...] stress test their answers."*

Founder, digital marketing agency (INT07)

The same pattern reaches the interview itself.

> *"I asked them, you were working in this company and said you had Excel, so are you comfortable with Vlookups? I could see her hitting the Vlookup search, and then literally reading what Google is saying."*

Team head, property software company (INT10)

> *"I could hear them tapping in the background and then their eyes would divert. So you knew that they were just reading off a screen."*

Talent acquisition manager, digital consultancy (INT01)

Employers are responding in two ways. Some are automating the first sift themselves, with mixed feelings. One uses an AI tool to screen out speculative applications (INT05), another asked AI to rank candidates and found the results "really spooky" because he agreed with them (INT14), while a third found an "astonishing amount of bias" in AI screening and now reviews every CV by hand (INT08). One talent lead summed up the reservation: "the computer doesn't have any judgement." (INT12).

Others are pushing assessment back towards something that cannot be faked. This might be a phone call, a paid trial shift, or a task done on site on a laptop that relates to the job with the internet switched off.

> *"We disable the internet on the device that we give them. So the tasks have to show [us] their mind. I don't care about the AI part. We'll give them the tools, we'll teach them how to use it. […] But I need to see how they logically work and how they do things."*

CEO, training and compliance consultancy (INT16)

> *"I'm reluctant to automate the selection process because I think you missed the little gems. […] If you automate the process, that becomes a quick no and you miss that opportunity."*

Director, built-environment consultancy (INT30)

We note that the interviews match the national picture.

In a Robert Half survey of 500 UK hiring managers conducted in June 2026, 67 per cent said the rise in AI-generated applications had lengthened their hiring time, and only 10 per cent of professionals said they used no AI at all in applying for jobs (Robert Half, 2026). For an SME with no recruiter, the extra screening time comes straight out of the owner's week, where they could have spent that time serving their clients or customers better.



3.3 Mismatched expectations: what employers said about candidates

Seven of the 30 employers described candidates withdrawing from the process without warning, and many more described candidate behaviour that, in their view, cost them time they do not have.

No-shows and late withdrawals. The change employers reported most often is that candidates no longer feel obliged to turn up, or to say that they will not. "Ghosting" is our shorthand to capture the accounts behind it that range from silence to a last-minute request to reschedule, to withdrawal after an offer. One CEO, who personally interviews every hire and pays candidates £20 to attend, dated the change to the pandemic.

"That first interview was on Teams, the second one was face to face and they didn't show up. [...] When they were contacted and asked, "Where are you? They're waiting for you." " I thought it was on Teams". "No, it specifically says the address and the room that you're in". They hadn't checked."

Senior leader, apprenticeship and training provider (INT24)

> *"Do they turn up on time? Do they actually turn up? Do they have their tools? Because some of them come and say, oh, can I borrow some tools?"*

Founder, barbering chain (INT15), on trade tests

Disappearance also happens later in the process. A start-up founder said that when he sends a short questionnaire to a shortlist of 12 or 15, "maybe five or six have already left because they don't want to answer or they don't want to spend that time" (INT11). A recruiter at a software firm said candidates routinely drop out at stage two or three because "they've suddenly changed their mind about I only want to work from home" or because they are "in the process with another two organisations who are paying 15-20,000 pounds a year more" (INT22). Two employers lost candidates at the offer stage: "I offered the role twice, and twice had someone accept it, and then withdraw" (INT17); "just before I sent the offer, they were on an offer that was 20 grand more than we were going to offer. So I lost them" (INT26).

Renegotiating at the offer. Several employers described candidates who accepted the terms of a role and then sought to renegotiate them at the final stage, after days of senior time had been spent. Candidates are entitled to negotiate.

The frustration employers expressed was with the timing.

> *"We have gone through the process quite a few times where they suddenly go, it's absolutely fine, but I'm only going to come in once a month and I'd like an extra 15,000 pounds a year. [...] When you're interviewing four people and you get, over a series [of interviews], that's a day, two days of a couple of people's time [going] into it. And then we get to the end stage, decide on a person, and then we can't recruit them because they are changing the goalposts at the end."*

CEO, sustainability software and consultancy firm (INT08)

> *"We had somebody that applied for an office based role and it needed to be office based because it was business coordination. [...] And they were like, I only want to come into the office for one day a week."*

CEO, training and compliance consultancy (INT16)

Salary expectations were a recurring frustration, particularly for graduates: "Younger people [...] they're like, yeah, I want 80 grand, and I'm like, oh, that would be nice" (INT19); "Youngsters coming just one year into college, they expect 50, 60K, which becomes impractical for start-ups" (INT27).

One business now prints salaries on every advert "because people were asking for a stupid amount and I was like, no, come back down to reality" (INT19). A training provider named a newer tactic: "people using your interview process to get them a pay rise and their current employer" (INT25).

> *"I've had people come to me who have scored a first class and they say, my starting salary is 30,000 because I have a first class. And it beggars belief, because I will have to spend six months teaching them how to do the job."*

Group CEO, education and training provider (INT18)

Claims that do not survive the first week. Employers have always known that candidates put their best foot forward. What they described, however, is a widening gap, as they see it, between what a CV and an interview claim and what a person can do on day one.

> *"In five years we had two people where in the interviews they really presented very, very well, but when it comes to the job it's like the basics are not even there. […] There must be something wrong in our hiring process, in our interviewing or something. […] Anyone can say anything."*

Head of operations, property consultancy (INT03)

> *"People go, yeah, I can use Microsoft Office and Excel and then they start and you're like, you cannot use Excel. Your idea of using Excel is not my idea of using Excel."*

Finance director, live-music events company (INT29)

> *"You said you would do this in your interview and we tested you and you did, but you come to the job and you're not able to do it."*

Team head, property software company (INT10)

Short tenures. Employers said new hires, especially younger ones, now leave sooner than an SME can recover its investment in them. Shorter tenures may be a labour-market trend rather than a failing of individual candidates, but for a small firm the cost of each early departure is significant.

> *"The generation now in their 20s, six months in, if they're not happy, they're off. And it's not affecting them finding another job."*

Senior leader, apprenticeship and training provider (INT24)

> *"They leave, they leave. Because when they leave, you have invested the time, your money, your effort. You have trained them for some days, at least seven days, you have done a demo, you have explained the product end to end. […] They look at 500 pounds more salary now, now, now. Then they leave."*

Founder, AI start-up (INT11)

> *"They came in, we just got them trained, up to speed, and they got poached by somebody else. And that for us is actually devastating because it's been a lot of effort to get somebody up to speed."*

Co-founder, software development company (INT04), on a graduate hire

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A director of a consultancy was candid that the fault is not all on one side: "Too many people have left too quickly. And sometimes you end up with what you're presented. […] The pool of applicants is just sometimes not good enough, but you need something. So you compromise in a way you probably wouldn't if you had a wider selection to choose from" (INT30).

"Not my job" and nine-to-five. One in five employers used the phrases "nine-to-five" or "not my job", unprompted, to describe the person they will not hire. Two different things are bundled in those phrases, and employers did not always separate them. One is availability: a few roles involve early starts or out-of-hours demands, and the employers concerned said so at interview.

The other, and the more common, is a willingness to contribute across roles in a team where everyone covers for everyone. It was the absence of this that employers described as unworkable. Not every employer took this view of hours. One team head described a clear nine-to-five policy as part of what his firm offers, with "schedule emails after 5:00 if you do have to send something out" (INT10).

> *"For the engineers as well, it's very, very early morning starts. So if you're a nine-to-five person, it rules you out straight away. […] Are you willing to get up at 4am in the winter and get to work?"*

Managing director, installation and maintenance business (INT14)

> *"In a corporate, you stick to your time. This is not my job. This is your job. […] But in a start-up, I can't say that this is my job, your job. We have only so many people. So everybody has to."*

Founder, AI start-up (INT11)

> *"Attitude has really got to be people that don't say, this is not my job, it's not what I do. So we're looking for people that can multitask, multi-skill, and that are flexible in terms of what they do."*

CEO, investment group (INT28)

> *"If you get someone with a bad attitude, then they're just going to sap every energy, complain about everything. […] You're going to hear them complain about their last workplace, what they worked, why they left. It's pretty obvious."*

Founder, barbering chain (INT15)

A family wholesaler that has doubled in size put it most plainly: "We can't afford to have passengers anymore. We want everyone to really contribute" (INT05).

Employers' own practice

Employers were also candid about their own behaviour. One talent manager described a consultancy that went to market "all gung-ho", interviewed and even offered, then pulled the roles when projects fell through: "that creates animosity with people on the market. They're like, you're wasting our time" (INT01). A finance director admitted that unsuccessful candidates are not told until the winner accepts, "I don't want to go through the whole thing again" (INT29); a director said he sometimes simply forgets to tell them (INT26). Several described screening at a speed they are not proud of: "5 to 10 seconds per CV" (INT08); "I sometimes feel like I'm not putting people through who could actually be amazing and I hate that feeling" (INT07). Some SMEs already invest in the candidate experience, including paying for trial shifts, paying interview expenses, and giving every interviewee feedback within 24 hours (INT20, INT18, INT24).

3.4 Work-readiness: the generation gap

Employers' views of young candidates were the most divided part of the interviews. The complaints were specific: a reluctance to pick up the phone, a tendency to wait to be told, and basic workplace skills that have to be taught from scratch. These are employers' impressions of a generation rather than measures of it, and several qualified them.

> *"They'll often say they're really good when I explain what they want to do, but I always have to go and say, here is this, have you gone and done it? They don't use their own initiative, even when maybe they've been there a while. [...] Some people wait to be fed."*

Senior leader, apprenticeship and training provider (INT24), relaying what employers tell her about apprentices

> *"We have had people come into the office that we've had to teach office etiquette, office skills, how to pick up a phone, how to talk to people. [...] Having hospitality on your CV [...] actually shows that you can get up and you do things and you can speak to people, etc. So I value it highly."*

CEO, sustainability software and consultancy firm (INT08)

> *"The default seems to be, I'm going to send you a text message, I'm going to send you an email, and then I'm going to wait, and that just doesn't work. [...] Just pick up the phone, talk to somebody, go and see them, actually meet them, actually walk the site."*

Director, built-environment consultancy (INT30)

The same director worried about junior staff who take an AI answer at face value: "There's no experience to fall back on to say, you know what this is telling me is rubbish" (INT30). An insurance broker was blunter about work ethic: "the appetite for hard work is much less than it was a decade or two ago" (INT02).

But the picture was not one-sided, and several employers pushed back on their own generalisations. A founder who runs an AI start-up called young people "very well informed, sharp machines, if we can put them to use", and said the problem is confidence, not capability: "They think that they need to know a lot more before they apply for industry jobs" (INT27). An events company said "the younger members of the team we've got now are amazing. They just don't feel as easy to find as the ones previously" (INT29). A training provider noted that it is her own generation that wants to work from home: "the younger ones actually want to be in an office" (INT24). And a consultancy CEO saw something sadder than entitlement: "People being so worn down by the economic environment in the UK and the cost of living [...] that actually people's aspirations and passion and desire is dying and they're scared" (INT16).

Two things follow. First, almost everything employers called work-readiness, initiative, communication, reliability and the willingness to get on with it, is the same cluster of behaviours they said they hire for. We return to this in Section 4. Second, the gap is partly one of expectations never made explicit. As one interviewer of hundreds of apprentices put it: "If they've been interviewed by someone in their 40s or 50s, they have a very clearly defined view of what workplace behaviours look like. And oftentimes what they meet when they're interviewing somebody in their 20s is quite different" (INT24). Neither side is saying out loud what the job actually requires.

3.5 Networks first, agencies last: how SMEs actually hire

Referrals and personal networks are the default route into an SME. Several employers also use Indeed or LinkedIn routinely, and one agency said its most successful long-term hires had all come through Indeed (INT07). Recruitment agencies are usually used for senior or scarce roles and are widely described as expensive. Employers prefer referrals because a recommended candidate arrives with some reassurance on their behaviour.

"Inside a referral network is where we get our people from. It works exceptionally well. It really does. Because we kind of know they're coming in from somebody that we know and that's somebody we trust and we believe."

CEO, investment group (INT28)

> *"They come in knowing what it is because they've got someone in there and they get the warts and all description of what the job is. [...] The person doing the recommendation also is not [going to] recommend someone crap because they're going to make them look silly as well."*

Founder, surveying practice (INT17)

> *"People who actually can do the job, tick all the boxes, those people never apply for jobs. So you have to actively go out and headhunt these individuals. Over the last year, I don't think I've placed anyone who's actively applied for a job."*

Talent lead, retail software company (INT22)

Agencies were described as expensive, commission-driven, a source of noise and "eye-wateringly expensive" (INT17). For example, "they do not know my industry or my company better than I do. Why would I pay them an astronomical amount of money?" (INT16). A start-up founder objected to the business model itself of recruiters. They argued that headhunters "are incentivised to, within three years, start recruiting that person again for their next job" (INT06). Firms that do use them do so for senior or scarce roles, and some have found cheaper fixed-fee alternatives.

Selecting the right candidate was done through a variety of processes. It ranged from a single conversation to a multi-stage process with screening calls, tasks, presentations and references. The common thread is that the founder or a director usually stays close to the decision, and that the interview is meant to feel like a conversation rather than an examination. Within that, practice varies widely. Some firms have added structure after being burned. For example, one agency now runs a screening call, an online assessment and a full interview, and has one rule it will never break again: "we were hiring people without ever meeting them in person and we will never do that again" (INT07). Others deliberately avoid structure. An events company abandoned its scoring matrix because it "doesn't work for us that much, if I'm completely honest" and runs "vibe checks" instead (INT29). A training provider asks for no CV or application form at all and screens entirely by phone (INT25).

Asked how they judge a candidate, most employers said some version of gut feel, and several were uneasy about it.

> *"He'll interview them on a call, and he will then say, actually, they might fit, but there's no science behind it. [...] You just have to go on your gut feel."*

Senior executive, engineering manufacturer (INT09)

> *"I do look at all CVs. How do I do it? I've got no idea. [...] It's just a skill that I've developed over a very long time."*

HR and recruitment lead, management consultancy (INT23)

> *"I reckon that's post-rationalising something that happened."*

Founder, surveying practice (INT17), on why he chose one of two strong candidates

> *"Going with gut feel of who's going to be the right person for the job and the right person for the group has also played in probably to our detriment. Sometimes we've got some brilliant people, but it's definitely probably made us less diverse."*

CEO, sustainability software and consultancy firm (INT08)

That last point matters for our programme Reach. Networks and gut feel are cheap, fast and often effective, which is why SMEs use them. They are also the mechanism by which teams come to look like the people already in them. One HR director put the trade-off in three words: "Nepotism and network. [...] It's who you know, not what you know. There are reasons for it" (INT19).

An events company in a "very networked industry" said it is trying to work out how someone can "actually get into the industry without having known someone" (INT29). And a talent manager described arguing with her directors, who wanted every hire to "come from our network": "What is the harm in going out to market? That perfect person may already be sitting there" (INT01). Apprenticeships offered some employers a route to developing talent rather than recruiting people with established experience. However, their effectiveness depended on training capacity, cost and the ability to navigate the system. Overall, opinion on apprenticeships was divided. Some employers rely on them heavily. A software firm has built a long-running degree-apprenticeship pipeline that attracts "young people who are really very talented, but for whatever reason, they don't want to go to university" (INT04), and a manufacturer called apprentices "definitely so far is my favourite way" to find people (INT13). Others could not make the sums or the system work. They viewed it as an apprentice costing "about 27,000 pounds" when "you can get somebody with experience for that kind of money that you do not need to train", and "then they walk" (INT14). They also viewed it as a levy paid but unspent because the standards "are not strong enough" (INT19). One SME relayed that it has "never been able to take on apprentices, despite the fact we've really wanted to" because "it's so hard to figure out how the whole system works and who these gatekeepers are" (INT29).

3.6 Attitude over qualifications: what employers say they are really selecting for

Few of the employers require a degree outside regulated or technical roles, and most said that, once a role's essential skills are covered, attitude and working behaviour matter more than the remaining skills, which they believe they can teach. This was the most consistent message in the interviews, though not a unanimous one: some gave skills and attitude equal weight (INT30), and some roles still start with qualifications.

"I always say, recruit for attitude, train for skill. [...] If somebody's willing to learn, they'll learn it. No amount of having a qualification if somebody's not got the right attitude is going to help."

Senior leader, apprenticeship and training provider (INT24)

> *"I don't want to bring in people who like attitude is a problem. That's the first thing I look into a person, because skills can be taught. I'm happy to pay money and get the skills."*

Founder, AI start-up (INT11)

> *"Attitude for us is 90% of it. [...] You can train technical skills, but you can't train attitude. Attitude is what you come with, that you can't fix."*

CEO, investment group (INT28)

> *"The content is important, but it's the lowest scoring element, because you can train anyone on specific topical knowledge. We can't often train people on behaviours."*

HR director, communications consultancy (INT19), on her interview scoring matrix

> *"I'd say it's probably 40-40 for skills and attitude and 20 for formal qualifications. [...] Attitude and skill will always trump formal qualifications. And we've got a track record of that with people with entirely irrelevant, and I don't mean that disrespectfully, degree qualifications to what we do."*

Director, built-environment consultancy (INT30)

Others were more emphatic still. "I don't even look at qualifications for the majority of roles that we recruit for" (INT20). When asked to rank what is most important when looking at hires, one said: "Qualifications, bottom, bottom" (INT23). A CEO described himself as "the least qualified member of staff that we have by a country mile" (INT08).

A family wholesaler that once hired on "have you done the job before?" said its owners now see "attitude as everything" (INT05). Two firms, independently, use the same three-word test: "Are they hungry? Are they humble? And are they smart?" (INT09); "the hungry, humble, smart people that we want in the business" (INT05).

There were honest exceptions. Qualifications remain non-negotiable where a role is regulated (INT25) or where a client is paying for certified expertise (INT23). A diagnostics founder said a candidate with no degree would be "too big a risk" to hire directly, though he would offer an internship (INT06). An investment group takes "the graduate every time" when there is a choice (INT28), and a tech platform's data showed degree-holders being put through at a higher rate even in creative roles (INT21). But these were the minority, and most employers described their best hires as people a CV screen would have rejected.

The difficulty is that "attitude" is doing a great deal of work in these accounts, and it means something slightly different in each firm. We return to this in Section 4.

3.7 Inclusion is supported but rarely measured

Employers were generally open to candidates from any background, though not all were: the CEO of an investment group said of diversity programmes, "No, it won't work. We've tried it" (INT28). Almost none record socio-economic background, and several acknowledged that their teams skew middle class. Openness in principle, combined with networks and gut feel in practice, produces narrow intakes without anyone intending it.

"I don't ask people about their family backgrounds. I would say that most of the people that we hire do come from a middle class background. That's really interesting."

Founder, medical diagnostics start-up (INT06)

> *"So we are just primarily middle class or sort of within a spectrum of middle class. And we have tried to sort of go at that, but we find it really, really difficult with the recruitment each and every time."*

CEO, sustainability software and consultancy firm (INT08)

> *"Hand on my heart, I couldn't answer that question because it's not important. [...] Because it's not a metric, I don't know."*

HR director, communications consultancy (INT19), asked about the socio-economic mix of her hires

> *"We don't do socioeconomic background checks at all. We just look at the capability of the individual."*

Technology director, retail software company (INT22)

> *"We've had periods where it's been exceedingly white and middle-aged and male, and that's no good for anybody."*

Director, built-environment consultancy (INT30)

A people officer at a fast-growing tech platform described the mechanism directly. Under pressure to hire quickly from a crowded market, "we are now anchoring on a certain type of profile and I think the risk is that certain social groups are getting excluded from these opportunities", because firms with hundreds of applicants no longer "take the gamble on an experimental hire" (INT21).

The encouraging finding is that the firms most proud of their hires were often describing people a conventional screen would have missed. "If anyone looked at her, they would have said no, right from the offset. But we gave her an opportunity, and she was one of the best employees we ever had" (INT18).

A training provider challenged clients who insist on graduates: "Why? If they can do the job, why is that really important to you?" (INT24). The lever for inclusion in SMEs is therefore not necessarily persuasion. Most employers already think that wider candidate pools and inclusive hiring are worthwhile. Rather, it is giving them a way to see the qualities they value in people who do not arrive through a referral or with a familiar CV.

3.8 Policy, cost and the fear of getting it wrong

Employer National Insurance, minimum wage rises and the Employment Rights Act 2025 (ordinary unfair-dismissal qualifying period is due to reduce to six months from 1 January 2027) came up unprompted in most interviews. Employers described them as raising both the cost of a hire and the perceived cost of a wrong one, which makes them less willing to take a chance on an unproven candidate.

"The government killed that when they put the national insurance up, because straight away the value of the national insurance was equal to the person we were looking to hire. It was like 35, 40 grand just with the stroke of a pen."

Business development manager, insurance broker (INT02), on a planned hire that did not happen

> *"It's great government wants to do this. However, you need to work with us on it. We don't have these endless open pockets to just fund stuff."*

Finance director, live-music events company (INT29)

> *"The policy forces you to make decisions sooner than you would otherwise. So that probably has the opposite effect than the desired protection of employment. […] Previously, you had a bit longer to try and fix it before you had to come to a conclusion. Now you don't. So you're less tolerant as a result."*

Director, built-environment consultancy (INT30)

> *"You're not going to take a risk or take a chance as much because you know you've got to get that right hire to start with. […] Now we've got to make that decision within that sort of three months. So it's going to be quite a quick turnaround, which doesn't feel fair because you're not really giving someone an opportunity."*

HR manager, food retail and hospitality business (INT20)

Not everyone agreed. The CEO of an investment group said: "It's not difficult to fire people. […] There's a process. […] But that's where people fail because everybody wants a shortcut." He added: "I just think it's an excuse. People are using lots of excuses instead of coming up with solutions" (INT28).

But the dominant view was that the environment rewards the safe hire, and that the safe hire is the familiar one.



3.9 What SMEs say they want

Asked what would help them recruit effectively, SMEs asked for things that save time, cost little and leave the decision with them.

- **A first sift that does not throw away the ideal candidate.** "Screen people without unwittingly screening out candidates who actually might be really interesting, but aren't the standard" (INT04); "somebody or something that can sensibly interpret what we really need and do that initial filter role, but at the same time respecting [...] the little grey areas" (INT30).
- **A way to assess the things that matter.** "I need somebody to help me with understanding how to pick a candidate with the right ownership mindset" (INT22); "a mechanism of knowing that if a role requires these competencies, is there a way that we can objectively see how well someone's delivering to those competencies beyond what is self-reported on the CV" (INT21).
- **Access to HR expertise without the cost.** "Trust, alignment, and free of charge" (INT06); "some sort of support for small businesses who need that sort of access to HR expertise that we just don't have" (INT07).
- **Insight into the market.** "What are candidates looking for, what would make us stand out above others" (INT20); shared pools of candidates (INT26) and ongoing relationships rather than "one fine day with a deadline" (INT27).

What they did not want was equally clear. Several would never let an AI interview or decide: "these are human beings we're dealing with" (INT18); "we would never do that" (INT05); "it's never going to replicate having the actual conversation" (INT22). A couple wanted nothing at all, confident in their own process (INT16, INT28). For most, the consistent ask was for support that fits around the conversation SME owners already have with candidates, rather than replacing it.



4.

The skills SMEs need: the 4 A's

4. The skills SMEs need: the 4 A's

Across 30 interviews in a dozen sectors, the qualities employers described converge on four working behaviours. This report calls them the 4 A's: Adaptability, Appetite to learn, Accountability and Attitude.

Every one of the 30 employers described at least one of them, unprompted, when asked what they look for, and 17 described three or all four. The 4 A's are a descriptive framework: themes that emerged from coding what employers told us, in their own words.

They are not validated psychological constructs, and we make no claim about how reliably they can be measured or how strongly they predict performance; whether hiring for them improves outcomes, and for whom, is what Phase Two will test. We note that they are not personality traits, they are not "culture fit" and they do not fit into traditional definitions of hard or soft skills. Each is an observable behavioural way of working that employers illustrated with examples, and each could, in principle, be evidenced by a candidate from any background.

What the 30 employers said they'd hire for

Adaptability

18 of 30 employers



Flexes across roles and priorities as the firm changes; contributes across the whole team

Key words:
flexible · adaptable · collaborative · team player
multi-skill · innovative · bring something different

Appetite to learn

14 of 30 employers



Learns on the job, picks things up quickly and says when they do not know

Key words:
willing · eager · keen · hungry to learn · learn on the job
quick learner · humble · willing to adopt

Accountability

25 of 30 employers



Takes ownership, follows through, acts without being told, and shows up on time and prepared

Key words:
ownership · accountable · proactive · initiative · hungry
self-starter · reliable · committed · hardworking

Attitude

24 of 30 employers



Communicates clearly, stays constructive and resilient; brings solutions, not complaints

Key words:
attitude · right attitude · good attitude · enthusiasm
resilient · communicating · personable · positive

Each count is the number of interviews in which the employer described the behaviour, in their own words or a close synonym, when asked what they look for in a candidate (online Appendix C gives illustrative evidence for every interview).

Adaptability

Responding constructively when priorities, clients, methods or responsibilities change. Contributing across different areas and working with others rather than staying inside a narrowly defined role. Eighteen of the 30 employers described this behaviour, using words such as flexible, adaptable, multi-skilled, collaborative, team player, innovative or "bring something different".

Adaptability matters in an SME because the job described in the advert is not the job that exists six months later, and because when someone is off, someone else covers. The demand runs both ways: a people officer at a fast-growing platform described maternity-cover recruits whose roles had changed substantially within months, to the point of "this has shifted already. This isn't what I signed up for" (INT21).

> *"This is a fast running river here. You've got to be able to swim. [...] People with that appetite to take on, to do more, to not be thrown when something else lands in. [...] Being adaptable and being agile would be a key one, not so much in their box."*

Senior leader, apprenticeship and training provider (INT24)

> *"In my mind, I know that the criteria for success isn't going to be the same in like 2 years. It's probably going to change within like 18 months. [...] An evergreen hire, like when things change, who's going to be able to adapt to the change and rise to the challenge and feel okay with that."*

Chief people officer, marketing technology platform (INT21)

> *"There isn't exactly a job description. This is a bit of paper which says I expect this, but it will be varied. There's going to be other stuff to do."*

Managing director, installation and maintenance business (INT14)

> *"If you want to come in to be fixed on, to be doing this, I'm going to be doing that, X, Y, and Z, we're not the place for you."*

Director, training and HR services provider (INT25)

> *"If you want to be a solo brilliant software engineer, you're not right for us."*

Co-founder, software development company (INT04)

Employers do already try to assess adaptability. One team head throws in "something that is completely unrelated" mid-interview and watches: "Nine out of 10 people would [...] pause. This guy pivoted quite beautifully" (INT10). Another looks for candidates who, by the end of an interview, have visibly adjusted to what they have heard: "I'd actually adapted now to reflect some of the things that you've brought into the chat" (INT24).

Appetite to learn

Willingness to learn on the job, to pick things up quickly, to approach unfamiliar work with humility and to say when you do not know. Fourteen of the 30 employers described this behaviour, using words such as willing, eager, keen or hungry to learn, quick learner, learn on the job, humble or willing to adopt.

This is the behaviour that makes "recruit for attitude, train for skill" possible. Employers believe they can close most technical gaps in someone who wants to learn, and few in someone who does not. The bet does not always pay off: one manufacturer described a hire who was "modest" and "hardworking" but "just not a quick learner", whose technical foundations never caught up and who was eventually let go (INT13).

> *"If someone's willing to learn, then that's a big tick from us. So even if you don't have the skills available to you right now, but you have the right attitude and you're willing to learn and work hard and have the right sort of approach, then it's not a no, it's not an automatic no. We wouldn't reject someone just because they've got that skills gap if they're happy to work on it with us."*

Director, family-owned food wholesaler (INT05)

> *"If they've got the right attitude, they're going to learn anything, they're going to be working around people, they're going to pick it up, they're going to develop."*

Founder, barbering chain (INT15)

> *"Putting your hand up, saying when you don't know. It took me a number of years to be comfortable to say I don't know a lot of stuff."*

Director, training and HR services provider (INT25)

> *"What a degree in biology teaches you is the jargon and the critical thinking. But critical thinking can come from other areas of academic training as well, and the jargon can be learnt on the job."*

Founder, medical diagnostics start-up (INT06), on hiring a law graduate into a science role

Several employers now treat willingness to adopt AI tools as a marker of this behaviour: "there's a bit of a divide in terms of willingness to adopt. And we need that" (INT07) or between two equal candidates, "the one who was more adapted to AI would win the job" (INT24). The signals they use are modest and telling: whether a candidate has read the website, asks questions, and can describe something they taught themselves.

Accountability

Taking ownership of work and outcomes, acting without being told, following through on what was agreed, and showing up on time and prepared. Twenty-five of the 30 employers described this behaviour, using words such as ownership, accountable, proactive, initiative, self-starter, self-drive, reliable, committed, hardworking, motivated, "show up" or "hungry". It was the most widely described of the four, and the one employers found hardest to judge.

> *"I can tell my boss, you asked me to do X, Y and Z, I cannot do this because this is a problem. What should I do? That question of what should I do is pushing my ownership onto somebody else. But it's a question of, I have these options, I'm going to execute these ones. If you have any challenges, let me know. That's the ownership part I'm looking at."*

Technology director, retail software company (INT22)

> *"Things can go wrong. You might need to let a roar [out] for a minute, but how long are you going to do that before you sit down and say, right, how do we fix it? What's the solution? Who do we need to get involved? [...] So accountability would be a big one for me."*

Senior leader, apprenticeship and training provider (INT24)

> *"Own it. I understand there are departments, but you have to own the functions, and maybe do something extra of the other function as well, when it is required for you to do it."*

Founder, AI start-up (INT11)

> *"The keen ones turn up early. They're there early, they have the model, they're interactive, they're really communicating. And other ones don't get back to you and [...] turn up late. And so you could just tell a lot about a person really."*

Founder, barbering chain (INT15)

> *"After the interview, he emailed us and said, I've been thinking about the interview and I noticed you said that you wanted to improve this process. Here's my idea. [...] That kind of commitment is worth its weight in gold over someone that's really experienced sometimes."*

HR manager, food retail and hospitality business (INT20), on why a less experienced candidate got the job

> *"The undergrad who got two Ds and an A, but still managed to get to university, but is now on track for a first. Against other candidates who have got firsts, that candidate stands out because they have overcome a problem to become successful."*

Founder, medical diagnostics start-up (INT06)

Accountability is also the behaviour employers find hardest to see in an interview. "We can only ask questions and most candidates are smart enough to answer the question in a way that what we want to hear," said the technology director quoted above, after 20 years of interviewing, "this is the hardest nut to crack" (INT22). The employers with the most confidence in their judgement were those who watch behaviour rather than listen to claims. For example, they monitored how quickly a candidate replies to the scheduling email, whether they arrive early, how they treat the receptionist (INT24), and whether they can "show us something that you've done that is yours" (INT18).

Attitude

Communicating clearly and early, raising problems rather than hiding them, staying constructive and solution-focused when work is demanding, and not bringing persistent negativity into a small team. Twenty-four of the 30 employers described this behaviour, using words such as attitude, resilient, communicating, personable, enthusiasm, positive or solution-focused; "attitude" alone appeared in 13 interviews.

> *"It's about resilience. It's about being brave. It's about being positive. It's showing up when sometimes you might not want to show up. It's about asking for help. It's about communicating. […] If there's a problem, we'd rather fix it together and unblock a blocker rather than blame."*

HR and recruitment lead, management consultancy (INT23)

> *"Open, honest, not being scared of, well, I might get in trouble or this person will say this. We come with solutions rather than problems. Something might have happened; I've already thought of what we could do to fix it, even if that might not be the answer."*

Finance director, live-music events company (INT29)

> *"People have to be personable and capable and resilient and capable of picking up a phone and having difficult conversations with clients. […] Every single person we've ever employed has changed the dynamic of the company."*

CEO, sustainability software and consultancy firm (INT08)

> *"The first one is the soft skills of communication. This is really important. […] And if you're not able to communicate, sorry."*

Founder, electronics manufacturer (INT13)

> *"Turn up for calls with a positive attitude, even if you're not feeling great that day. That isn't actually that easy to train."*

Founder, digital marketing agency (INT07)

The negative is as clear as the positive. The words employers used for the person they will not hire were "complain", "not my job" and "nine to five" (seven of the 30 used at least one). The examples were also vivid, such as the candidate who, when asked why they left their last job, blames the manager (INT15) or the person for whom "everything's somebody else's problem" (INT29).

Why the 4 A's?

The 4 A's are not a wish list. Each one answers a specific pressure that employers described in Section 3.

- **They are what SMEs describe as hard to train and costly to get wrong.** Many technical skills, in employers' view, are teachable and, increasingly, assisted by AI. The 4 A's, which in their account decide whether a hire works, are not (3.1, 3.6).
- **They are what the application flood hides.** A polished, keyword-matched CV says nothing about whether its author will take ownership or pick up the phone (3.2).
- **They are the mirror image of the behaviours employers complained about.** A missed interview with no message is, to an employer, a question of accountability; "not my job" one of adaptability; persistent complaint one of attitude; and a new starter who will not pick up the basics one of appetite to learn (3.3, 3.4).
- **They do not necessarily depend on background.** Unlike a degree, a brand-name employer or a referral, the 4 A's can come from varied educational, work and life experiences. A job behind a bar "shows that you can get up and you do things and you can speak to people" (INT08). A former carer was hired into events on the grounds that "you can deal with that pressure and that stress […] then you'll be great" (INT29). A diagnostics founder prefers "the undergrad who got two Ds and an A […] but still managed to get to university" over candidates with firsts, "because they have overcome a problem to become successful" (INT06). Whether hiring for the 4 A's widens access is an open question that Phase Two is designed to test. The hypothesis is that a candidate from a lower socio-economic background can show them without a polished CV, the right university or someone to vouch for them (3.7).

5.

Conclusion and what comes next

5. Conclusion and what comes next

The 30 employers we interviewed described a hiring environment that has become harder in three ways at once.

1. Advertising a role brings hundreds of applications, many of them generated or polished by AI, and the signal that a CV once carried has largely gone.

2. Candidates, in employers' experience, show less commitment to a process than employers expect: some do not turn up, some renegotiate at the offer, and some leave within months.

3. And the cost of a wrong hire, in money, in senior time and in the perceived risk of employment law, has gone up.

The common response for a time-poor owner is to hire the known quantity, through the network, on gut feel. That is what most of them do, and most of them know what it costs in the breadth of the people they see.

Against that, the interviews contain a clear and shared account of what employers actually want. Often these are not qualifications, which most do not require for most roles, and not technical skills, which they believe they can teach once a role's essentials are covered, but four working behaviours: adaptability, appetite to learn, accountability and attitude. We have called these the 4 A's. They are themes from the interviews rather than validated constructs, and their importance is as employers perceive it.

Employers described these in their own words, with examples, and they described them as the difference between the hire that works and the one that does not. They are also the behaviours that a referral vouches for and that an AI-written CV cannot show. In an SME, there is nowhere to hide. That is why these businesses care so much about who they hire, and why helping them get it right is also a promising way to open good jobs to people who would otherwise struggle to access them.

What happens next?

Phase Two of Reach will work with a cohort of SMEs during live recruitment to test practical, low-burden ways of hiring for the 4 A's. The starting point is the finding in Section 3.5: the first-stage conversation, where employers currently form their view of a candidate's attitude and working behaviours, often relies on personal judgement rather than explicit or consistent criteria. The support we test will bring structure to that conversation rather than replace it: criteria for the behaviours a vacancy needs, agreed before the advert goes live; comparable questions for every candidate; and simple, consistent guidance for recording what was heard. The rationale rests on the structured-interview evidence (Schmidt and Hunter, 1998; Levashina et al., 2014), which shows that structure improves the reliability and validity of interview judgements and reduces the influence of similarity between interviewer and candidate.

It is not a psychometric measure of the 4 A's, and we do not claim that the 4 A's are the right or only behaviours to assess. Whether the approach is effective, whether it is fair, and whether it widens access for candidates from lower socio-economic backgrounds are empirical questions. The trial will measure who applies, who is interviewed, who is hired, who stays and how hired candidates perform on the job, compared with SMEs recruiting as usual. While this approach addresses one part of recruitment i.e. candidate assessment, constraints relating to recruitment capacity, salary competition, application volume and the wider policy environment will remain important.

For policymakers

Employers told us that the policy environment is making the safe hire the familiar one. Anything that reduces the perceived risk of hiring, including clear, affordable, and credible ways to assess the behaviours that matter, is a promising way to widen who SMEs are willing to take a chance on.

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Dr Grace Lordan is the Founding Director of The Inclusion Initiative (TII) and an Associate Professor at the London School of Economics and Political Science. Grace's research focuses on inclusive leadership, women's progress in the workplace, the future of work, productivity through diversity and individual success. Her academic writings have been published in top international journals, and she has written for the Financial Times, Fortune, MIT Sloan Management Review and Harvard Business Review. Grace is a regular speaker and advisor to blue chip finance and technology firms. Think Big, Take Small Steps and Build the Future You Want, is her first book.



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