

The Future World of Work Report 2023





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Introduction:

Flexibility is vital as businesses and workers alike navigate inflation and recession

RICHARD PRIME Founder and Co-CEO, Sonovate



It's been a year since the first Sonovate Future World of Work report was published – and what an extraordinary 12 months we've all had.

The world around us is transforming rapidly as a result of the unprecedented events that are unfolding. In an economic and social environment that's still recovering from the Covid-19 pandemic, we're living, working and building businesses against a backdrop of extreme geopolitical turmoil, the first inflationary recession in 50 years and a cost of living crisis that's putting financial strain on millions of people.

These remarkable conditions are not faced by individuals alone but are being sharply felt by businesses as well, with the cost of labour and supplies rocketing. In particular, faced with inflated salaries and recruitment costs,

it's becoming prohibitively expensive for many companies to address the much-publicised skills gap. For many, 2022 was the year of the candidate's market; whether that continues into 2023 remains to be seen.

The structure of the UK workforce is changing profoundly as the way in which businesses and people interact evolves. There are now over 4.2 million self-employed workers in the UK. Businesses expect to see an increasing proportion of their personnel made up of freelance and contract workers as people seek flexibility and employment on their own terms.

The pandemic accelerated such changes but the extraordinary market conditions we're living, working and building our careers in have now taken the baton and will prompt further developments. For example, some commentators, citing data from the Office for ▶

Flexibility, and its adoption, is a key driver for change – all the more so as the cost of living crisis deepens and creates new dynamics and expectations. And flexibility goes far beyond where and when people work; it encompasses policies that let workers move between permanent and temporary contracts, wider benefit packages for longer-term contractors to match their permanent colleagues, and the right technology to enable flexible working and prompt pay.

National Statistics (ONS), believe the shift to freelance and contract working will be further fuelled by a reversal of the “great resignation”, with older people looking for ways to return to the workforce in response to the rising cost of living.

Flexibility, and its adoption, is a key driver for change – all the more so as the cost of living crisis deepens and creates new dynamics and expectations. And flexibility goes far beyond where and when people work; it encompasses policies that let workers move between permanent and temporary contracts, wider benefit packages for longer-term contractors to match their permanent colleagues, and the right technology to enable flexible working and prompt pay.

At Sonovate, we see the future of work as being flexible, hybrid and tech-driven - something we explored in depth with industry colleagues, partners and customers in our first Future World of Work report in Autumn 2021. In October 2022, we once again commissioned independent research agency Opinium to survey 4,500 people, including 500 small and medium-sized business owners, to find out more about what flexibility means to both individuals and businesses, and how attitudes and behaviours have evolved over the past year.

It's a theme we at Sonovate are alive to and constantly challenging ourselves with. Like thousands of businesses around the UK, this year we've been exploring what flexibility means for our own organisation and people, assessing and experimenting with what it means to have teams that are hybrid or fully remote, or crafted from a combination of permanent and temporary staff.

In this, our second Future World of Work project, we've broken down what flexibility means. What elements do workers and businesses now think are most important when it comes to working flexibly? Which are non-negotiable in this new post-pandemic working world? And are the UK's businesses properly equipped and prepared - financially, operationally, technologically and culturally - to meet these needs and reap the benefits of a flexible workforce?

This subsequent report explores our survey's findings and brings in fresh perspectives from those seeking to innovate and implement change across the recruitment, financial services, fintech and technology sectors. We've highlighted the opportunities on offer, and the challenges to overcome, in an effort to help shape a brighter future world of work. [S](#)



There are now over 4.2 million **self-employed workers** in the UK.



Flexibility, and its adoption, is a key driver for change

Chapter One:



Can flexibility ease the burden on people and businesses battling the cost of living crisis?

When it comes to talent, it's a candidate's market and candidates' expectations are high.

According to our research, half (**49%**) of small and medium-sized businesses believe we are operating in market conditions that favour candidates, whilst **70%** think the most skilled people know their worth and will only work under conditions that suit them.

As Peter Bone, Director at Talent Heroes - an 'Embedded Hiring' specialist, notes, "There is pressure on organisations to impress job seekers - employer branding, Employee Value Proposition and the candidate experience throughout the hiring process couldn't be more important if an organisation wants to attract and retain talent.

"We have definitely seen a shift in how businesses approach talent acquisition and retention. Many companies are now offering flexible work options, as well as reevaluating their employer brand and value proposition in order to attract top talent.

"Retention rates have also become a major concern for organisations post-pandemic. Talent Heroes partners with clients across a plethora of industries and markets but we have seen attrition levels at **32%** in advertising and **22%** in

fintech. In such an uncertain job market, keeping employee morale and engagement high is crucial to avoiding attrition."

Not all companies can play the game and match these increased expectations.

The research reveals half (**48%**) of companies think the cost of paying people the salaries they expect is prohibitive to achieving the sort of growth they hope to achieve. That said, just over half (**52%**) of business respondents have increased salaries for their talent but acknowledge that wages can't continue to rise at the rate they have been going. **43%** of businesses have raised wages for talent and don't expect to be able to afford these inflated salaries for long.

People's expectations are driving salaries up but with businesses unable to afford this in the long term, they need to be able to offer alternative benefits to attract the right talent.

They must embrace flexibility in its many guises, whether that's better supporting remote working or offering various perks, such as the four day week that UK fintech Atom Bank has lately championed, or even an unlimited holidays policy, which is being implemented by the likes of Goldman Sachs, LinkedIn and Netflix. ▶

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The Covid-19 pandemic has illustrated the potential for very different models of work, for both workers and employers, and reinforced the need to rethink old, established patterns. More and more organisations are recognising the countless business-related benefits of a four-day week, such as improving productivity, attracting and retaining top class talent, and cutting down on costs associated with stress leave and employee burnout.



CHARLOTTE LOCKHART Founder and CEO of the 4-Day Week Global Foundation





We are seeing more of the workforce demanding holistic benefits packages beyond salary. I feel very strongly that if businesses do use contract or freelance workers, then those freelance/contract workers should be able to access flexible and affordable wellbeing benefits, just as permanent employees of large companies do. We're pleased to see employers taking action to support their staff in new and inventive ways and for it to be a topic of conversation irrespective of company size, sector, and location.



STELLA SMITH founder and CEO of pirx



Expert View: SEB MALEY, CEO of Qdos

The world of work has changed dramatically in recent years. There has been a global mindset shift when it comes to what people expect from their workplace, and a hybrid, flexible way of working is now considered the norm by most. As we look ahead, there are a variety of forces at play that will shape the future of work.

The pandemic was a catalyst for an increase in freelance and contract working, and we've seen this trend continue beyond the pandemic. But as the cost-of-living crisis continues to put pressure on people's finances, it may be that these workers choose to prioritise financial security and stability – in the form of full-

time employment – over flexibility. On the other hand, it could have the opposite effect of actually increasing the number of sole traders, as people look to set up side hustles to generate additional income streams.

Amidst so much global uncertainty, one thing is clear. Throughout every recession in history, freelance and contract workers have been heavily leant on by businesses as a way to access high quality labour without the financial commitment of adding to full-time headcount. The flexible labour market is already in high-demand and, with the economic situation showing no signs of improving soon, will only become more so in the years ahead.

Unlocking value from the migration towards freelance working

Flexibility helped businesses and their people through Covid and our research suggests that it can now help them to survive the cost of living crisis.

Bone adds, "In such uncertain times, we have found that businesses are turning to contract or freelance workers for the flexibility and cost-effectiveness they offer. Our freelance division, for example, saw significant and ongoing growth on the back of the pandemic as companies looked for more flexible solutions in their workforce."

Freelance and contract working continues to become a larger part of working practice in the UK, with two-thirds (**67%**) of businesses experiencing a shift towards a greater

proportion of their workforce comprising contingent workers. This marks a significant increase from 2021, when **55%** of businesses said the same.

Research from Staffing Industry Analysts backs this up – it found that contract job vacancy growth (**26%**) surpassed permanent job growth (**22%**) between February 2021 and February 2022.

"Today there's much more focus from employers to offer a hybrid and flexible working environment than there was 18 months ago," says JP Caffery, Founder and CEO, RAMP Global, a global recruitment technology platform for employers to hire talent. "Due to a movement towards flexibility, there's an increased appetite from workers to consider ▶

a variety of roles that cater for their need or desire to work remotely.”

Such behaviour isn't reserved for those seeking new roles, with more than a third **(35%)** of businesses reporting that increasing numbers of their existing permanent staff are asking to move to temporary or contract positions.

Over half **(58%)** of companies think Covid-19 proved hybrid and remote working is viable, with **54%** saying the pandemic challenged their views about whether roles need to be filled by permanent employees working full time from an office.

“The pandemic also made HR tech more important and relevant than ever because all of a sudden flexibility really mattered,” says James Whittingham, CEO, Talent Clouds, a SaaS platform that helps organisations onboard new workers. “Take workforce vetting. Historically, an employer had to physically see their workers to check they really were who they said they were. In Covid, it was impossible to do that. HR tech like Talent Clouds made it happen digitally.”



Three in ten **(29%)** businesses think the **desire to increase individual income** in the face of the cost of living crisis is a key driver in the shift to contract working.

However, it's interesting to note a high proportion of businesses **(69%)** now say the cost of living crisis is prompting people to consider making changes to the way they work.

We found **64%** of business respondents believe the cost of living crisis makes it more important to help their people work flexibly, and this is backed up by the workers themselves, with 68% saying that companies need to implement flexible working policies to help their employees navigate financial difficulty.

Three in ten **(29%)** businesses think the desire to increase individual income in the face of the cost of living crisis is a key driver in the shift to contract working. And **28%** believe this shift will subsequently help them to reduce the cost of permanent staff.

At the same time, **31%** of employees across the UK say the ongoing crisis is making freelance working more appealing to them, and 30% think it makes it more attainable too.

Looking forward, nearly half **(46%)** say contract working will be important at some ▶

Looking forward, nearly half (46%) say contract working will be important at some point in their career – an increase on the 31% who thought so last year. And 57% say working for businesses that embrace flexibility is important to them, with 40% now wanting a portfolio career – again up on 2021 (36%).

point in their career – an increase on the **31%** who thought so last year. And **57%** say working for businesses that embrace flexibility is important to them, with **40%** now wanting a portfolio career – again up on 2021 (**36%**).


Whilst appetite is growing among workers, the same concerns about freelance working persist. For example, **37%** of individuals worry there won't be consistent work, **36%** (the same figure as last year) worry about the uncertainty of prompt payment, and **29%** fear they'll miss out on being part of an office environment (similar to **28%** last year).

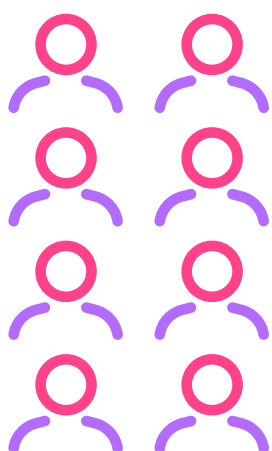
Businesses should pay attention to the fact these concerns have remained consistent year-on-year, despite demand for freelance roles increasing, along with business adoption of such working practices. There are numerous measures that organisations can implement to help soothe these fears, such as a hub-and-spoke office model that offers a middle ground between packed offices and the isolation of working at home.

There is certainly much more for businesses

to do to put in place the right foundations to support the shift to freelance working. Only **19%** of companies are actively creating more remote working opportunities to help staff reduce outgoings, and just **16%** have increased the number of roles that can work flexibly.

Jobandtalent, the world-leading marketplace for essential work, comments: "Whatever the industry, all organisations have been increasingly looking for flexibility and agility in their workforce management - which meant that the demand for temporary workers has soared. Temporary work has become indispensable: it's the drivers, warehouse workers and delivery people that are providing the essential services that we can't live without.

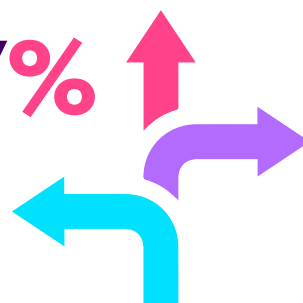
"As costs of living increase across the globe, we see the demand for temporary work rise further as organisations look for more flexibility in their operations. While this differs from market to market, the general workers' shortage has pushed hiring companies to provide more attractive compensation packages and benefits to essential workers." 



29%

fear they'll miss out on being part of an **office environment**

57%



say working for businesses that **embrace flexibility** is important to them

31%

of people across the UK say the ongoing crisis is making **freelance working** more appealing

30%

say think it makes **freelancing** more attainable

Chapter Two:

Flexibility will prove key to plugging the skills gap



In challenging market conditions, flexibility is undoubtedly a critical ingredient in creating a strategy for businesses to attract the best talent without spending more than they can afford on payroll.

Our survey reveals that two-thirds **(67%)** of businesses believe flexibility is crucial when it comes to competing for the most sought after skills. A similar proportion **(65%)** know they need to play the ‘flexibility game’ to attract the right people.

“Businesses will need to create flexible working environments to attract the skills they seek,” says Melanie Forbes, Managing Director, APSCO OutSource, the trade association for recruitment process outsourcing, managed service providers, statement of work and managed projects. “Flexibility allows them to reach massive pools of talent that before were perhaps out of reach.”

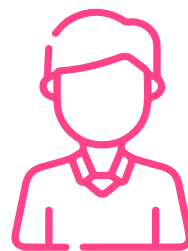
This sentiment is being further driven by well-publicised examples of high-profile companies

embracing flexible working. PwC, for example, has introduced the ‘Deal’ following extensive consultation with its 22,000 employees. The Deal reflects the firm’s commitment to greater flexibility for post-pandemic working, and included elements such as the ‘Empowered Day’, which gives workers the freedom to decide the most effective working pattern on any given day.

The majority of businesses also believe that offering freelance or flexible part-time contracts can help them to hire the best talent **(53%)**, reach more experienced and specialist talent **(60%)**, or reach those new entrants to the jobs market who have the best qualifications and prospects **(56%)**.

As Bone of Talent Heroes notes, “Flexible working has opened up opportunities for returning parents, for example, who may not be able to commit to traditional hours but can still bring valuable skills and experience to a role on a flexible basis.” ▶

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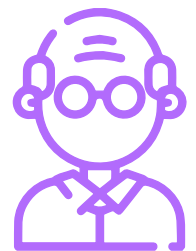
65%

say workers aged 30 and under expect more flexibility



72%

of people in their 50s would consider going back to work



58%

think that workers aged 50 and over expect it too

Flexible working spans generations

The businesses we spoke to are also well aware that this isn't just a phenomenon affecting young people. The desire for flexibility is an age-agnostic issue.

Whilst **65%** say workers aged 30 and under expect more flexibility, almost as many (**58%**) think that workers aged 50 and over expect it too. These findings are supported by recent data released by the ONS, which shows almost three-quarters (**72%**) of people in their 50s would consider going back to work as they struggle to cope with the cost of living crisis. Many will be looking for flexible roles that fit around other life commitments.

“The so-called great resignation which should be referred to as the great reshuffle,” adds

Forbes. “There are a million people who chose to leave the workforce mainly through retirement who now use flexible working arrangements to reengage with work. Through flexibility, they can return to the workforce in ways that work better for them.”

Our research finds that individuals are thinking along the same lines as businesses. Three in five (**61%**) believe that freelancing is a good way for older people to keep working when they can't afford to retire.

Over half (**52%**) say talented young people simply won't join companies that are inflexible about the way their people choose to work, with 49% saying the same when it comes to older people.


Fluid working can be beneficial for all parties

It's clear that flexibility is prized by people reconsidering their own future of work, and companies are responding. Half (**50%**) of businesses are now actively investing in flexibility to retain talented workers, with **65%** believing that flexibility is as important as salary to talented workers when choosing a company to work for.

But whilst flexibility suits individual workers, it can also unlock a host of benefits for companies as well. Flexible working arrangements can help to boost the bottom line.

Our findings show **67%** of businesses think that contract working lets them turn the tap on and off as needed when it comes to specialist support, with **64%** saying it specifically helps them to address the skills gap. Nearly three-quarters (**71%**) believe that good contract workers are hard to replace.

“In the gig economy, questions from freelancers about the work they need to complete and who they are working for are becoming more important,” says Caffery. “Companies must promote themselves well because talented people have so much choice. And there are a lot of new or recently developed skills that are in high demand but can only be sourced from relatively small talent pools still.”

We found that businesses' attitudes to contract working are therefore largely positive. A high proportion of companies say that contract working creates a more diverse workforce (**60%**), a more productive workforce (63%), and ultimately a more positive company culture (**66%**). Given the 'win-win' nature of flexible working, it's set to underpin the future composition of companies' workforces, helping them to access the talent they need to thrive. 

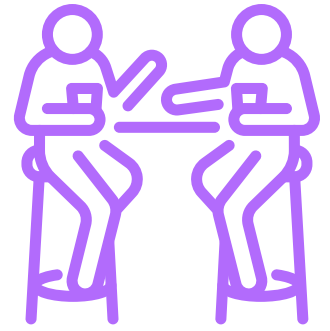


Many of the larger organisations we interact with are seeing the opportunities and advantages of a hybrid workforce of both employees and contract workers. Most that we speak to expect the percentage of contract workers of their overall workforce to increase meaningfully over the short, medium, and long-term time. They are quick to explain that these contract workers are an important part of their business plans and goals in the future.



STELLA SMITH
Founder and CEO of pirKX

Chapter Three:



What works in flexible companies - and what doesn't

When it comes to employment, flexibility exists in many different forms.

One growing trend, for example, is a condensed four-day working week, with staff remaining on full pay. This has been adopted by fintechs like Atom Bank, but the trend encompasses organisations of all shapes and sizes, including professional bodies, like the Royal Society of Biology, and even small businesses such as Platten's Fish and Chips in Norfolk.

Indeed, an October 2022 survey of almost 2,400 workers by the Institute of Employment Rights (IER) showed that more than nine in ten now support a cut in the working week with no loss of pay.

4-Day Week's Lockhart thinks a four-day working week can work, regardless of business size or industry. "We believe a version of this can work in every sector, right across the economy," she says. "There are going to be early adopters and some industries are more likely to move to a four-day work week sooner than others. It then becomes a case of competition between industries, as opposed to competition between individual businesses. If sectors want to be competitive and attract and retain talent, they will eventually find a way to make the four-day week work for them until it becomes the widespread standard." ▶

Expert View: JAMES WHITTINGHAM CEO, Talent Clouds

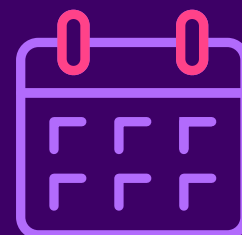
Across the board, there's an expectation amongst workers that a company should offer some sort of hybrid or remote working.

Nowadays, a job ad for a role that requires five days in the office will prompt very few applications.

Companies are generally well set up to offer some form of remote working now. Covid forced it, and accelerated the trend by ten years. The bit that companies and people do worry about now is how to build a culture and a team when you are so dispersed. There are still benefits to having everyone together, mucking in - it creates different dynamics.



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Another emerging element of flexibility is an unlimited holiday policy, where employees can take however many paid holidays they want – though of course they must ensure they still get all their work done. There are mixed feelings on this one, with some commentators saying it opens the door to unfairness with some left to pick up unexpected slack.

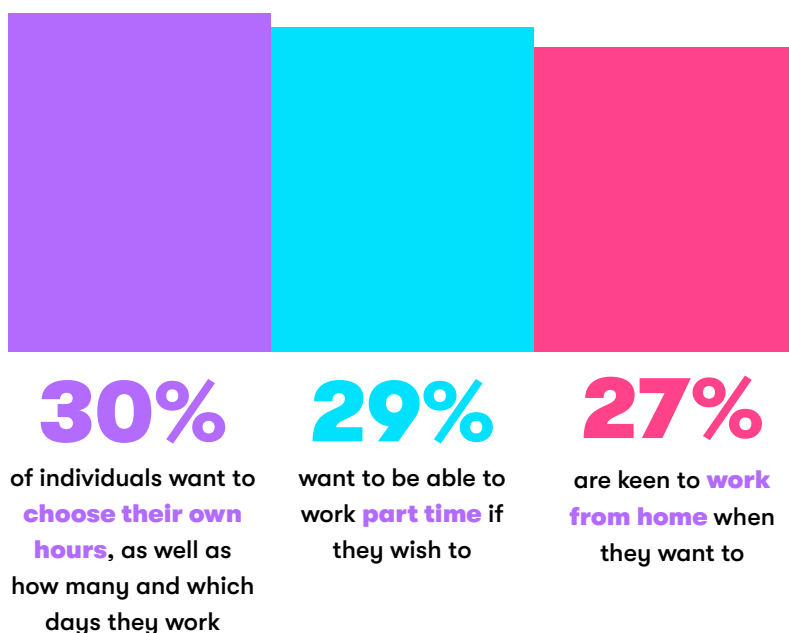
According to our survey, the forms of flexible working most favoured by the UK’s businesses include allowing workers to choose their own hours (58%), accepting requests to move from permanent to temporary contracts (58%), and providing employees with utilities and internet subsidies to work from home (also 58%).

“For many workers, contract or freelance working appeals because they don’t want to be ‘owned’ by the employer, nor be in one place for a long period of time that may restrict future opportunities,” explains Caffery. “For employers this type of worker should be embraced as they know that a lot of projects can be undertaken by teams that can be dialled up and down quickly based on demand.”

Other popular options amongst businesses include enabling workers to choose which, or how many, days they work (56%), and enforcing a partial work from home policy (54%). Entitling workers to unlimited paid holiday is the least favoured form of flexibility; whether it’s because high performing staff don’t take enough time off, or one person’s decision to take a lot of leave puts unfair stress on their team colleagues to cover for them, many companies are put off by the increasingly vocal negative experience of others. Though it’s worth pointing out that it’s still supported by over a third (35%) of businesses.

The modes of flexible working that are the most popular with Britain’s businesses broadly tally with the desires and expectations of workers.

We found that 30% of freelance workers want to choose their own hours, as well as how many and which days they work. Three in ten (27%) want to be able to work part time if they wish to, and 25% are keen to work from home when they want to. §



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Expert View: MELANIE FORBES, Managing Director, APSCo Outsource

What flexibility means to one person might be totally different to another. One size has never fitted all. But what's uniformly accepted amongst businesses is that flexibility is really hard to manage and accommodate at a micro business level.

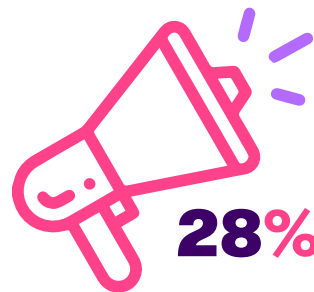
Businesses are learning they need to ask individuals what they want. Most organisations aren't keen to do this.

They are used to doing everything at scale - they recruit at scale, manage workforces by their hundreds and thousands; they don't want to go to each employee and

ask them what sort of flexibility they would like.

We are seeing other forms of flexibility become popular. For instance, some companies say employees only have to come to the office five days a month, but they expect teams to come in together on the same days. It's flexible but puts a burden on line managers to administrate. Some companies with multiple bases ask employees to come to the office, but allow them to choose which offices they visit, giving them the chance to enjoy a change of scenery, reduce their commute and work with different people around them. 

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of individuals are demanding well-adopted systems for all workers to **communicate effectively** and coordinate projects and work flows.



of companies have improved flexibility in setting up home **office IT** for workers



of businesses are introducing wider **benefits packages** for longer term contractors

Chapter Four:

Harnessing the power of technology to create and fund greater flexibility



It takes considerable technological, administrative and operational change to make flexible working more viable for businesses.

However our findings suggest that this breadth of change is still lacking. Three in five (**58%**) of workers believe that most companies aren't set up operationally to offer the sort of flexibility that workers are seeking.

Referring back to the first chapter, we highlighted that whilst demand and adoption are rising fast when it comes to freelance and contract roles, workers' concerns about an inconsistent amount of work, isolation and late payment remain.

Our research also reveals that over a quarter (**28%**) of workers are demanding well-adopted systems for all workers – whether full-time, part-time or hybrid – to communicate effectively and coordinate projects and work flows.

These are issues that businesses need to address.

The good news is that companies recognise this need for change. When asked, the most common changes that businesses have made, or expect to make, to better accommodate flexible working practices include setting up home office IT for workers (**20%**) and implementing the use of project management, communication and other software that allows for co-working across multiple locations (**20%**).

It's also encouraging that **15%** of businesses are introducing wider benefits packages for longer term contractors, akin to what their permanent colleagues receive.

This is a crucial step towards helping contractors truly feel they are a valued part of a company.

The same proportion of businesses (**15%**) say they are initiating new organisational structures that will allow more fluid collaboration between permanent and temporary staff. ▶

Expert View: STELLA SMITH Founder and CEO of pirxx

Every day we sign into a Teams call called 'the Office'.

We have also set up a network of other virtual offices like 'the Bank' (our finance team) and 'the Engine Room' (our tech team) so all those teams can go off and work separately as needed. Operating in this way is not about cost saving; it is about flexibility, efficiency and building a happy, fulfilled workforce which feels part of something special.



The problematic payment pain points persist

The contingent workers we surveyed have a particular preoccupation with payment.

When asked what they consider to be the key changes companies need to make to be able to accommodate contract workers, they want technological and administrative change that provides prompt payment of invoices (27%), prompt timesheet processing (26%) and more frequent payment (22%). One in five (21%) also called for earlier, or flexible, access to payment.

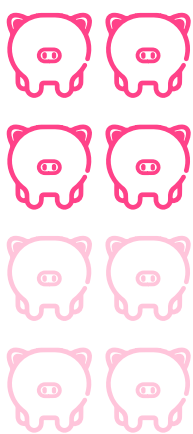
This sentiment is perfectly understandable when one considers the current payments situation. In July 2022, we worked with Opinium in a separate study to survey 500 senior decision makers at small and medium-sized enterprises. We found over a quarter (27%) take more than 90 days to pay their contract staff – three times longer than the average time for permanent employees. This increases to 37% amongst medium-sized businesses (50-249 employees) which are often expected to have a more predictable cashflow and therefore be able to make more regular, timely payments.

Three in five (62%) said they suffered cash flow issues caused by the knock-on effect of late payments from their own suppliers and customers, whilst 28% said problems with payroll systems prevented them from paying contract workers on time.

“It doesn’t surprise me to hear this,” says Philip Kelvin, Founder and CEO, Tranch, a buy-now-pay-later platform for businesses to pay for software and services. “We focus in our sectors (legal and software) on enabling businesses to be paid upfront while giving their customers payment flexibility.

“This increases collections velocity and reduces operational costs in chasing customers to pay. I do believe we’ll see an increase in the impact of late payments on businesses as we enter into 2023.”

Even though the businesses surveyed saw a clear need for competent contractors, four in ten (39%) recognise that failure to pay on time could see them missing out on quality talent. ▶



4 in 10

say that **failure to pay** on time could see them missing out on quality talent



62% suffer cash flow issues due to late payments from suppliers and customers. **28%** said payroll stopped them paying contractors on time.

62%

28%

said **problems with payroll systems** prevented them from paying contract workers on time.

27%

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Finding the right solutions

Flexible payment is becoming a high priority for flexible workers. In the same way they can click a button and start working, they will expect to be able to click a button and get paid.


Businesses must listen to these demands and offer more flexible payment options. But this is hard to do if the business itself is also suffering from late or non-payment of invoices. It's a vicious circle.

There are advanced technology solutions now available in the market to help them, many powered by embedded finance. By enabling non-financial service companies to seamlessly integrate financial services into their business model through APIs, embedded finance can help businesses to access the finance needed to flexibly pay their people.

“Until recently, technology was not being considered strategically in improving HR operations,” says Forbes. “But the reality is that while the way we pay for things as consumers has

been transformed in the last ten years, the way we are paid has never changed. We're starting to hear more now about the need to improve workers' payments through technology, often linking in with financial health and wellbeing.”

Embedded finance is well established in the B2C world, and there are signs adoption is finally starting to catch up in the B2B space. Business lending is set to be a key growth area for embedded finance, with Bain & Company predicting it will grow five-fold over the next five years.

“The common factors currently holding businesses back from embracing embedded finance depends on the size and scale of each business,” explains Kelvin. “There's definitely a lack of awareness of alternative options – ‘alternative finance’ continues to be a new space. The key point is finance or lending is not these businesses' main line of work, so they either don't want to be distracted or need a very simple solution.” 

Sonovate's solutions

At Sonovate, we're working on the front line of this revolution, providing the liquidity and financial tools needed by large recruitment businesses, as well as medium sized ones and start-ups. Thousands of businesses, including recruitment agencies, consultancies and labour marketplaces, are now using our platform and APIs to fund their contingent workforce and scale faster.

Sonovate's best-in-class platform draws

on the latest developments in the financial services world, such as Open Banking and embedded finance, to empower businesses to embed funding solutions that ensure contingent workers get paid on time. At the same time, the business benefits from longer payment terms. This means that companies of any size can access skilled workers, regardless of their cashflow situation or payroll constraints.



We are moving into a world where flexible, hybrid models are the norm. This goes beyond just where and when people choose to work – it applies to how they are paid too. It is abhorrent that there are organisations out there taking 90 days to pay people for work they've done. This must change. Business leaders – and leadership teams more broadly - need to be open to learning about and implementing the technology that can help them adopt more flexible, reliable, and fair payment practices.

Often, this technology is delivered by FinTechs. Unlike traditional banks - which can be sometimes held back by incumbent, legacy infrastructure - FinTechs are able to be more agile, nimble, and responsive to market demand. In this instance, there is a clear need for payment solutions that can deliver scalable flexibility for organisations of all sizes, and ultimately giving businesses the tools needed to ensure people are paid on time. As Sonovate has shown, FinTechs are perfectly positioned to provide this and to set the foundations for the future of work.



SARAH WILLIAMS-GARDENER, CEO, Fintech Wales



Conclusion:



Fitting in and financing flexibility

The world of work continues to evolve rapidly, buffered by multiple market forces and now further impacted by the ongoing cost of living crisis. Any expectation this time last year that things may have ‘calmed’ by now has been proven wrong.

The tumultuous events we’re living through have created an incredibly dynamic and exciting environment in which to build careers and businesses, to find talent or to be found.

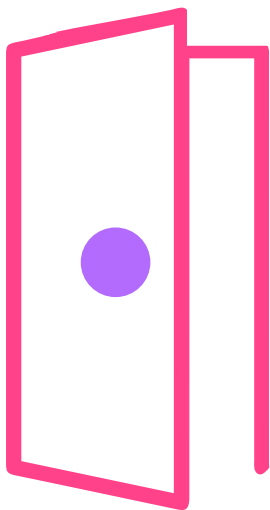
Flexibility hasn’t, until now, been a natural bedfellow for businesses, but this is changing in line with individuals’ expectations.

Faced with inflated salaries for permanent staff, and with **70%** acknowledging the most skilled people will only work under conditions

that favour them, companies must embrace flexibility in its many forms. Two-thirds (**65%**) are well aware they need to play the ‘flexibility game’ to attract the right talent.

This includes allowing people to choose their own working hours, as well as how many and which days they work. Our research found that nearly half (**46%**) of people think contract or freelance working will be important at some point in their career, so businesses must find ways to welcome this upcoming spike in contingent workers, helping them to enjoy parity with their permanent peers.

To do this, businesses need to become much more creative about the way they structure themselves – culturally, operationally, ▶

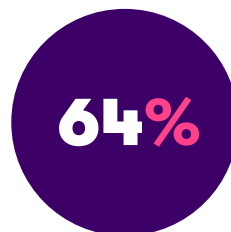


46%

of people think businesses must find ways to **welcome** this upcoming spike in contingent workers, helping them to enjoy parity with their permanent peers.



acknowledge the most skilled people will only work under conditions **that favour them**, companies must embrace flexibility in its many forms.



15%

of businesses are **actively implementing** new organisational structures to enable more effective collaboration between permanent and temporary employees



technologically and financially. Whilst a small proportion **(15%)** of businesses are actively implementing new organisational structures to enable more effective collaboration between permanent and temporary employees, this is merely a starting point. The number of businesses taking such steps must rise rapidly to meet the incoming demand for flexible working from the best and brightest candidates.

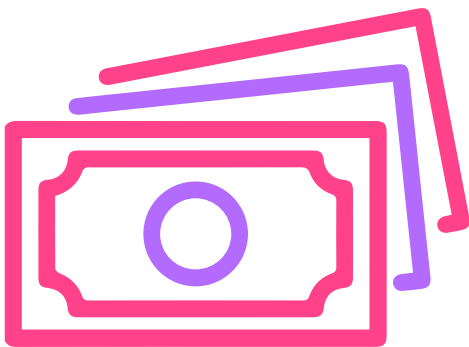
Crucially, businesses need to get to grips with paying freelance and contract workers more flexibly. Contingent workers are the future of the UK's workforce but 90 days is far too long to expect them to wait for payment, especially as the cost of living spirals.

There is a clear need to improve access to finance, and consequently cash flow, to help

businesses pay and retain skilled workers. It's paramount that companies have access to tech-led solutions that allow them to offer fairer and swifter payment across the workforce supply chain.

Without this change from business, the future of work - where people have the right to choose to work how they want and businesses can tap into skilled talent as and when they need - will not be possible and we risk falling back into old patterns that existed pre-pandemic.

It's clear from our research that this would not be in the interest of business or workers, so it's crucial innovations continue to come through that support this new way of working and allow everyone in the workplace to get what they need. [S](#)



62%

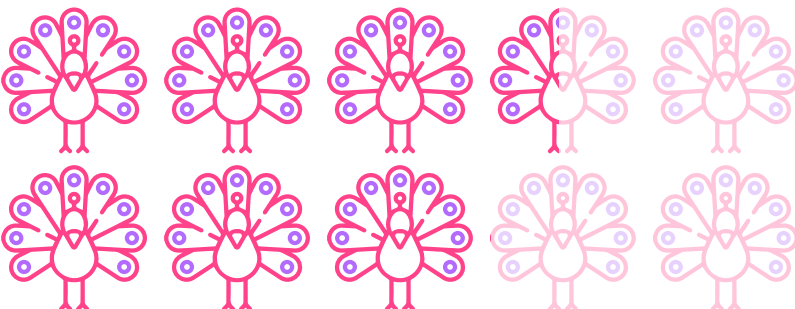
of companies think cost of **expected salaries** is a restriction to ambition

64%

of business respondents have **increased salaries** for their talent

54%

don't expect to be able to **afford** these **inflated salaries** for long



65%

Two-thirds (65%) are well aware they need to play the 'flexibility game' to **attract the right talent.**



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