AI IN EMPLOYABILITY

OPPORTUNITIES, CHALLENGES AND THE ROAD AHEAD

Published by ERSA and Hudson & Hayes

July 2025

ersa
Employment Related Services Association

Hudson&Hayes

ersa
Employment Related
Services Association

ERSA would like to thank Hudson and Hayes for initiating this work and supporting ERSA and our members.

Hudson&Hayes

CONTENTS

1. EXECUTIVE SUMMARY

This white paper explores how Artificial Intelligence (AI) can support employability services to become more responsive, personalised, and efficient.

Drawing on workshop insights, participant journey mapping, and survey data, it identifies potential areas in current employment support delivery that represent challenges for providers and clients alike. It presents potential AI-enabled solutions that will enable the enhancement of employment support to better assist clients on their journey into the workplace of the 2030s and beyond.

The white paper outlines the opportunities, risks, and policy considerations of using AI in the employment support sector. It aims to inform policymakers at both national and devolved levels, employment support providers, and contribute to the broader public discourse on employability. By supporting evidence-based decision-making, the paper helps guide the responsible integration of AI to enhance current services and shape new approaches.

KEY THEMES

- AI has a key role to play in increasing capacity in employment support services and enabling those who work with those outside the labour market to devote more time with clients. This potential emerges from AI taking up the heavy lifting around compliance and admin to free-up work coaches to create more face-to-face, personalised employment support.
- Emerging AI technologies offer transformative potential across the customer journey— streamlining engagement with voluntary participants, enhancing scheduling efficiency to improve attendance, strengthening relationships with employers, and providing continuous, personalised support between appointments.
- While larger employment support providers have begun embedding AI technologies into their operations, smaller providers often remain in the early exploratory stages or have yet to adopt these tools. This divergence is driven less by attitudes and more by disparities in financial resources and the scale of contracts, which afford larger providers greater capacity to invest in innovation and absorb associated risks.

- There is a growing trend that the real value and impact of AI technologies emerge when they are purposefully integrated into existing systems and designed to address specific challenges. Broadly, there is little evidence that off-the-shelf solutions—introduced without meaningful change management—are delivering transformational outcomes for the workforce.
- To ensure smaller providers are not left behind, this white paper recommends developing a freely accessible and affordable directory of AI platforms and tools tailored to the needs of smaller organisations — including those delivering contracts for the DWP.
- The sector's strong enthusiasm for AI represents a major opportunity for policymakers. While providers are mindful of the risks and limitations, this positive mood is a significant strength that can be harnessed to accelerate responsible adoption. Given that the sector is not typically at the forefront of technical innovation—due to funding constraints and the nature of the market—this enthusiasm offers a rare window to align policy support with grassroots momentum and drive meaningful change.
- Feedback shows "wise optimism" toward AI — recognising its potential while rejecting overhype. There is strong agreement that AI should not replace human interaction but instead enhance it. The aim is to elevate the role of coaches, freeing up time for deeper engagement, increasing "eye contact," and strengthening trust and impact.
- With policy momentum shifting those on health related benefits into work, employability, employability programmes must significantly improve in supporting those with complex barriers. AI offers potential to enhance personalisation, triage readiness for work, and expand one-to-one engagement — but it must move beyond compliance-led models to foster genuine participation and motivation.
- The white paper examines the potential impact on the sector and the potential return on investment for providers adopting AI technology in their practices and internal processes. Particularly for smaller providers, the move from experimentation to effective solutions is key with many providers keen to maintain the approaches to employment support that have made them successful at what they do and avoid AI as a tool for transformation at the expense of supporting their clients.
- While early uses of AI in the sector have shown promise, their impact has been limited. The real potential lies in Agentic AI — systems that can take proactive, personalised actions to support participants. This could be game-changing, offering scalable, continuous support between appointments. Unlocking this potential should be a key focus moving forward.
- This whitepaper explores how Artificial Intelligence (AI) can support employability services to become more effective, personalised, and efficient. Drawing on workshop insights, participant journey mapping, and early survey data, it identifies key pain points in current employability delivery and presents potential AI-enabled solutions. It also outlines opportunities, risks, and policy considerations. The paper is intended to inform the Minister for Employment and members of the Employment Related Services Association (ERSA), supporting evidence-based decision-making as the sector explores responsible AI integration.

2. INTRODUCTION

In a world of global competition, increasing workplace automation, and rapid technological innovation, businesses and governments are having to rethink their approaches to employment and helping those in unemployment into work.

Multiple strands of different challenges – from an aging population, chronic low productivity, mounting national levels of debt, and the 'fourth industrial revolution[1]' – have intertwined over the last decade or more to compel policy makers, employers, and employment sector experts alike to develop new approaches to getting people into work in the face of solutions that, merely a decade ago, prove to be inadequate to an age of disruption.

The employment sector has experienced profound disruption over the past two decades. The aftermath of the 2008 financial crash ushered in a period of prolonged public sector austerity, coupled with major welfare reforms such as the rollout of Universal Credit and stricter sanction regimes. These shifts occurred alongside persistent economic stagnation in many deindustrialised regions, weak private sector productivity, and a post-pandemic surge in health-related economic inactivity. Together, these factors have intensified the pressure on employability initiatives to address rising worklessness and drive economic participation.

As the recent UK Government's *Get Britain Working* white paper states, 'building a thriving and inclusive labour market and increasing the number of people in work is central to achieving the Government's number one mission to grow the economy'[2]. However, with the view that sees increased employment and economic activity as the key to addressing these aforementioned national challenges comes opportunities for the employment sector – public, private, and charitable – that will require the adoption of new innovative approaches and technologies.

The current welfare-to-work public sector model, centred on Jobcentre Plus, is characterised by increasing caseloads, growing funding pressures, poor customer satisfaction, and growing complexity in the barriers to work – including both physical and mental health – all of which demand a more scalable, efficient, and personalised system of support.

Amid this evolving landscape, artificial intelligence presents a significant opportunity to enhance and transform employment support services. If implemented carefully, AI has the potential to complement existing practices and improve service delivery. This white paper examines how AI can address key sector challenges and improve outcomes, drawing on insights from practitioners, providers, and service users.

Amid this evolving landscape, artificial intelligence presents a significant opportunity to enhance and transform employment support services. Beyond improving efficiency, AI has the potential to reshape the underlying model of employability — moving away from a transactional, compliance-driven approach toward a more relational model built on trust and personalised support. By automating routine administrative and bureaucratic tasks, AI can free employment support staff to focus more time on face-to-face engagement, enabling deeper relationships and tailored interventions that respond to complex individual barriers. This white paper explores how AI can address key sector challenges and improve outcomes, drawing on insights from practitioners, providers, and service users.

1 https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-are-industry-4-0-the-fourth-industrial-revolution-and-4ir

2 Get Britain Working, HM Government, Nov 2024 p.9

ABOUT ERSA

ERSA is a UK-wide membership organisation representing over 300 organisations from across the employment support sector, including charities, local authorities, housing associations, social enterprises, funding bodies and private sector organisations striving to change the lives of jobseekers and those looking to advance their careers. Each of our member organisations are a force for good for the families and communities in which our participants live.

Since 2005 we have been the representative voice of employment support. We have given the sector a united voice, recognised and shared best practice, and improved understanding of the value the employment support sector brings to the country.

3.

THE CURRENT EMPLOYABILITY LANDSCAPE

Insights from two national workshops and a sector-wide survey reveal several systemic challenges:

- Excessive administrative burdens reducing quality time with participants
- Fragmented data systems inhibiting continuity of care
- Difficulties with participant engagement and drop-off during onboarding
- Inconsistent employer engagement strategies
- Digital exclusion and disparities in provider capacity

Understanding the current employment support landscape—and the opportunities and challenges presented by AI—requires examining both the experiences of providers and the broader socio-economic shifts of the past two decades. This period has been characterised by prolonged stagnation across key domains, including economic growth, productivity, and public health. Framed by the 2008 global financial crisis and the 2020 COVID-19 pandemic, the UK has consistently struggled to match the economic and social progress achieved in the early 2000s.

While the UK economy has grown each year since the financial crisis of 2008 (with the economy contracting in 2009 by 4.6 per cent and 10.3 per cent in 2020 due to the global pandemic), it has nevertheless performed poorly when GDP per capita is taken into account, with negative growth during the last fifteen years the UK's population grew at a faster rate, resulting in the negative growth in GDP per capita.[1] This has contributed to stagnant growth in the economy and growing debt and deficits in the public sector as the economy generates less and less wealth on a per capita basis.

This indicates that the UK has struggled with productivity, and in particular labour productivity. As the 2023 *Skills and UK productivity research report* stated, GVA (gross value added) per hour worked grew by 2% per annum between 2001 and 2007, but only 0.6% per annum between 2008 and 2013, and further declined to 0.3% per annum between 2014 and 2019.[2] From 2010 to 2022, the annual average growth in UK GDP per hour worked was just 0.5%,[3] with the trend lines continuing in the same direction for subsequent years.

The UK productivity conundrum – which is also in large part a labour force problem – has many different causal factors and its exact cause is highly debated amongst economists in the employment field and more widely. However, contributing factors such as an aging population,

post-financial crash austerity (related to chronic private and public capital underinvestment), the fragmentation of skills and investment policies,[4] and the growth of chronic physical and mental health conditions across the UK working-age population contributing to economic inactivity.

In the context of employability and economic inactivity, health is the intersection between low growth and poor productivity over the last decade and in particular since the global pandemic. The Government's 2025 *Get Britain Working* white paper rightly identifies the correlation between good, stable work and improved health outcomes, and crucially recognises the barriers to employment that chronic health conditions cause.[5]

Following the global pandemic, levels of economic inactivity due to health-related illness – amongst both young and old alike – have significantly increased. With 2.6 million more people inactive due to poor health compared to a decade ago and the employment rate of disabled people significantly lower than non-disabled.[6] [7] The rising benefits bill associated with economic inactivity, combined with wider economic stagnation, has added new impetus on the part of government to supporting the economically inactive into work and increasing the quality of employment support provision.

Within this landscape exists the employment support sector which, considering the wider socio-economic context, is arguably now more integral to the achievement of public policy goals of higher employment, lower inactivity, and breaking down barriers to employment. From Jobcentre Plus in the public sector, to large private service providers, to a constellation of dedicated small and medium-sized organisations in the non-profit sector , there is a vibrant employment sector across the UK working to provide opportunities for young people, ethnic and racial minorities, women and young mothers, and countless other disadvantaged and out-of-work people.

However, although the sector delivers a wide range of employment support to countless individuals, facing numerous barriers to the workplace, there are still systemic challenges that are facing the employment support sector. Through insights gathered from two national workshops and an in-depth sector-wide survey, a number of key challenges facing the sector have been identified where AI could help improve, compliment, and transform the employment support the sector already delivers.

Feedback from our national workshops demonstrated that:

> *Many employment support organisations and businesses with the sector identified that they face challenges from excessive administrative burdens placed on their work coaches and personnel which has the negative impact of reducing the amount and quality of the time that can be devoted to one-to-one, personalised support for participants.*

This is particularly seen as true in the public sector with Jobcentre Plus or with private or third-sector organisations delivering contracted services for employment support; where, in the case of the former, jobseekers are given insufficient time and support during individual work coach meetings to address their significant barriers to work, while organisations contracted to deliver employment support felt reporting requirements to meet KPIs meant they were restricted from devoting proper time to participants.

For some workshop participants, they expressed some guarded optimism about the potential for Generative AI (GenAI) to help reduce administrative and bureaucratic tasks and free them up to spend their time and resources on personalised, one-to-one support for participants. The potential of GenAI like Google's Gemini to transcribe one-to-one meetings and provide action points based on the transcript has many potential benefits.

> *Another challenge identified during our workshop dialogues with sector members was the issue of the fragmented nature of data systems which is inhibiting continuity of care for many participants.*

The vast array of data systems throughout the employment support and social security systems means that organisations in this sector, particularly smaller providers, struggle to have all the necessary

participant data and history in front of them to enable them to provide the best possible personalised support to that individual.

For many support providers within the sector, GenAI offers the ability to bring together multiple strands and streams of data into one accessible place to assist curating support to individual needs and signposting participants to additional support and services. At present, collating information from across multiple data systems is resource and time intensive and gaps in participant data often lead to poorer outcomes for participants.

In this context, organisations taking part in the workshops identified GenAI as having the potential to reduce data collation burdens on staff and to improve outcomes for participants.

The possibilities for AI to assist with participant engagement during onboarding, and retention post-engagement, are cited by some participants who believe AI that interfaces with pre-existing messaging apps like WhatsApp help engaging participants who have low engagement rates or struggle with digital tech beyond smartphones.

Machine Learning and Agentive AI platforms – such as Askrobot, Wanni, or MessengerPeople – provide the potential to engage with participants who are less likely to respond to emails or event have an email address. This is of particular importance when it comes to 'payment by results' models commissioned by the public sector that require providers – and where smaller providers often struggle – to provide evidence of post-intervention engagement to successfully meet funding criteria.

As one provider, which works with young mothers to get into the workplace, related to us that many of their participants don't have laptops or much in the way of IT skills, 'but they do nearly all have smartphones.'

At present, a systemic challenge facing the employment sector is the inconsistent employer engagement strategies for AI usage, with divergence between smaller and larger service providers. This, in part, is a recognition that smaller support providers often lack the capacity, expertise, and knowhow to effectively implement AI in employment support services at scale compared to larger providers.

Our workshops identified the desire on the part of organisations in the sector to see a more standardised approach to AI engagement strategies and greater sector-wide coordination on how to implement and best utilise these technologies to better serve participants.

Finally, these workshops have shone a light on sector concerns about digital exclusion and disparities in provider capacity. These concerns focus largely on the ability of those from low-income, marginalised communities, and older participants to fully engage with technologies they either lack the skills to use or face other complex barriers to usage.

While training and support for participants can be provided to help them adapt to using AI in their employment journey, there remain concerns that not all employment support providers have the capacity to help onboard the digitally excluded onto AI.

[1] UK GDP growth 2024 | Statista

[2] Skills and UK productivity research report

[3] What explains the UK's productivity problem? - The Productivity Institute

[4] *ibid*

[5] Get Britain Working White Paper - GOV.UK

[6] INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics

[7] Get Britain Working White Paper - GOV.UK

DEFINITIONS OF AI AND THE EVOLUTION TO AGENTIC AI

Whilst there are several definitions of Artificial Intelligence (AI) it includes a broad set of technologies—such as deep learning and generative models like ChatGPT—that enable machines to perform tasks that typically require human intelligence. These are increasingly used to solve complex problems across sectors.

Agentic AI is an emerging model of AI that goes beyond chatbots and virtual assistants. It involves goal-driven, specialised agents that can act autonomously, collaborate, and adapt in real time. Rather than serving as passive tools, they actively drive outcomes.

KEY DIFFERENTIATORS OF AGENTIC AI:

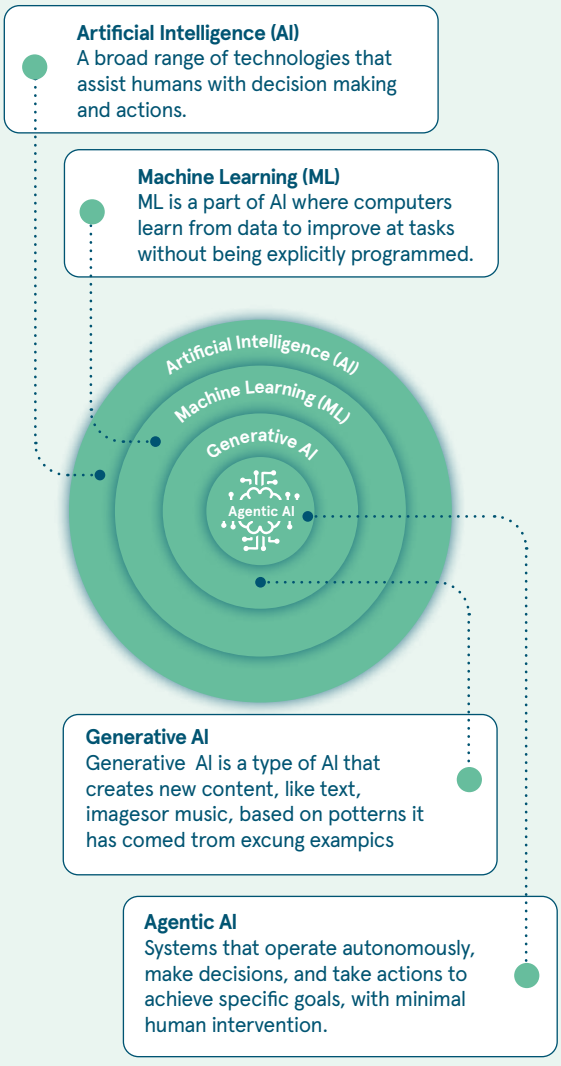
- ***Goal-oriented**: Agents pursue defined outcomes rather than just responding to prompts.*
- ***Multi-agent collaboration**: A team of specialised agents work together to deliver complex services.*
- ***System integration**: Agents interact directly with existing systems (e.g. CRMs, scheduling tools) rather than requiring new user interfaces.*
- ***Behaviourally informed**: Agents can be trained in evidence-based communication techniques like CBT or Motivational Interviewing.*
- ***Persistent memory**: They maintain context over time, enabling personalised and consistent support.*
- ***Proactive engagement**: Agents anticipate user needs and initiate actions without waiting for input.*
- ***Built-in quality assurance**: Dedicated agents monitor performance and flag issues to human supervisors.*

Some suggest this model could mark the decline of traditional Software as a Service (SaaS) and portal-based systems. Instead of users logging into multiple platforms, agentic systems deliver timely, tailored support directly—reshaping how onboarding, case management, and learning take place.

WHAT ARE THE DIFFERENT STRANDS OF AL?

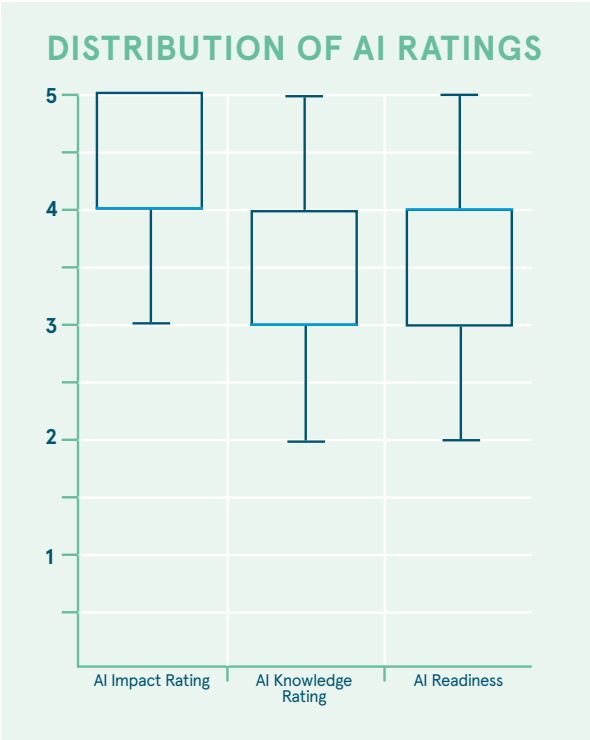
Chat GPT, considered Generative AI, is a subset of AI. Born out of enhancements to Deep Learning.

The diagram below shows how AI breaks down into sub capabilities. The next wave of development is Agentic AI



4.
AI IN EMPLOYABILITY: OPPORTUNITIES AND RISKS

Respondents were asked to rate, on a scale of 1 to 5 (with 1 being low and 5 being high), the anticipated impact of AI on their sector, their own level of knowledge about AI, and their organisation's readiness to adopt the technology. The results highlight a strong optimism about AI's potential, contrasted by comparatively lower levels of confidence in organisations' ability to effectively leverage these technologies and manage the associated risks.



1. Strong Belief in AI's Potential

- The average rating for AI's potential impact on the employability and skills sector is 4.27 out of 5.
- This reflects broad optimism about AI's transformative capacity in the sector.

2. Knowledge and Readiness Are Mixed

- The average self-reported AI knowledge is 3.5/5, suggesting a moderate level of understanding.
- Organisational readiness to adopt AI averages 3.53/5, with notable variation across respondents (ranging from 1 to 5).

3. Top Enablers of AI Readiness

The most common enablers identified to increase readiness were:

Enhancing internal team knowledge (47%)

1 Standardisation of processes

2 Improving data quality

3 Clearer communication

4 Change management frameworks

4. Concerns About AI

- Responses highlight key fears including:
- Job displacement, particularly in entry-level roles.
- Exclusion of digitally underserved groups.
- **Loss of human connection** in support relationships.
- **Bias and fairness,** especially when AI is trained on skewed historical data.
- **Ethical and regulatory uncertainty.**
- **Over-reliance on automation.**

5.

WORKSHOP FINDINGS:

MAPPING THE PARTICIPANT JOURNEY

One of the key approaches in the workshops was to identify pain points experienced by providers, participants, and commissioners across a high-level participant journey. While recognising that each programme has its nuances, there was significant commonality across contracts.

Once these issues were identified, we explored how AI and intelligent automation could be applied to help mitigate or resolve them. At this stage, we acknowledged that the focus was on addressing challenges within the current model and context, aiming for short-term improvements and ensuring our recommendations remained practical. The scope did not include reimagining the employability model from the ground up.

THE WORKSHOPS MAPPED PAIN POINTS ACROSS NINE KEY STAGES:

1. MARKETING & ENGAGEMENT:

Complex eligibility criteria makes it challenging to identify the right participants who can benefit and are eligible. Advertising is becoming increasingly expensive and hard to track effectiveness. There is a lot of duplication of resources and spending in the same areas by multiple providers competing for the same participants.

AI powered agents could be used to discuss with potential participants about programmes. A participant could scan a QR code at a GP surgery or similar outreach centre. The AI agent could have a conversation either text or voice in multiple languages discussing the best options and assessing eligibility. It could incorporate behavioural science assessing readiness for change and only referring when the participant is ready. If not the agent could keep in touch over the long term sending text reminders to check in with the participant at appropriate times.

A huge step is a way of collaborating or centralising information, with participant consent, so that those not eligible for one programme could be referred to another programme. Effectively this would reduce duplication of multiple providers spending resources on promoting to the same participants.

2. WARM HANDOVER & INITIAL CONVERSATION:

Attitudinal barriers, language needs (ESOL), difficulty building rapport. This step should increase the participant experience but in reality it can reduce it.

AI-powered communications could significantly accelerate this process, improving conversion rates and enhancing participant engagement. It could interact with participants to understand their expectations, manage concerns, and build confidence—such as by sharing introductory videos of work coaches to help participants feel prepared ahead of their initial meeting. Additionally, the

system could collect basic information in advance and pre-populate forms, streamlining administrative tasks. The information shared could be delivered through various media formats, including AI-generated video explainers.

3. REFERRAL & PREPARATION:

Fragmented systems, limited integration from PRaP result in a lot of administration and data transfer. This increases cost and bureaucracy and delays the on programme start for the participants. At this point the participant has passed through several processes over a period of weeks but has seen little value or contact.

Most large providers have implemented automation and robotic process automation (RPA) to reduce administrative costs, improve accuracy, and speed up onboarding and referral processes. As Agentic AI continues to evolve, more affordable solutions may become accessible to smaller providers and those delivering more specialised services. Alternatively, developments at the commissioner level—such as secure APIs from PRaP—could help extend these automation capabilities more broadly across the sector.

4. INITIAL MEETINGS & ASSESSMENTS:

There are trust issues to overcome and the administration required to onboard customers reduces "eye contact". The opportunity to build rapport and trust is reduced. Trust issues, poor tools, reluctance to write action plans.

Ambient listening technologies can capture conversations to support the creation of action plans and provide data to inform diagnostics and personalised recommendations. By reducing the need for manual notetaking, these tools enable greater eye contact and more meaningful interaction between participants and work coaches. They also collect high-quality, unstructured data in a standardised format, which can be used to generate insights in a more natural and conversational way—encouraging disclosure and supporting behaviour change.

5. TRAINING & SIGNPOSTING:

There is a wide range of support, supply chain expertise, and training available to participants. However, the systems supporting these resources are often fragmented, leading to an over-reliance on individual advisors. Additionally, the training offered is frequently perceived as uninspiring or overly reliant on generic online content.

AI could be used to better match participant needs with the wide range of available support and services. Maintaining an up-to-date directory of provision has traditionally been a challenge, but AI can address this more effectively by continuously scanning and updating information on both local and national services. Additionally, AI has the potential to generate high-quality, low-cost training content, broadening the range and improving the relevance of support offered to participants.

6. PLANNING & JOB COACHING:

Clunky systems, inconsistent communication and difficulty of motivating participants to complete actions.

Action planning is a core element of any support programme, but it could be enhanced to better meet the needs of participants by ensuring ongoing support between appointments. AI agents could engage with participants between sessions, offering reminders about agreed actions and providing light-touch "coaching" to help them follow through. If a participant encounters a barrier—for example, struggling to research alternative careers—the AI could initiate a supportive conversation and draw on online resources to offer relevant suggestions and inspiration.

7. IN-WORK SUPPORT:

Gaps in proactive support and employer collaboration. Often participants don't want support and it is difficult to track progression for those programmes that do not take advantage of HMRC pings.

Regular contact with participants could be maintained through AI agents, with alerts sent to advisors when intervention is needed. By analysing a range of data points, AI could help predict the risk of a participant not sustaining employment. This insight could feed into a dynamic dashboard, highlighting high-risk individuals and enabling providers to prioritise support where it is most needed.

8. JOB START:

Collecting job start evidence can be time-consuming and inconsistent. Participants may struggle with the first few days with even simple logistics such as transport.

If relationships are maintained through AI agents, it could become significantly easier to gather and validate job evidence. These agents could automatically verify employment details before uploading them to internal systems, streamlining the process. They could also support candidates during the early stages of employment, offering advice and guidance as needed such as travel plans. Similarly, employers and managers could benefit from FAQ-style agents to answer common queries and conduct regular check-ins to monitor progress.

9. EMPLOYER ENGAGEMENT:

Labour-intensive, inconsistent team involvement

A growing number of off-the-shelf AI sales solutions are entering the market and could be adapted to support employer engagement. Advanced research capabilities now available through tools like ChatGPT and Gemini can be used by both participants and advisors to access up-to-date labour market information. AI can also analyse job descriptions and employer needs, matching them with job-ready participants. Personalised AI job search agents could assist participants by scanning local opportunities and providing tailored advice on how to adapt their CVs for specific applications.

6.

WHERE AI CAN MAKE A DIFFERENCE

7.

POLICY AND PRACTICE RECOMMENDATIONS

Based on the evidence and key findings from your whitepaper, here are targeted recommendations for government—framed to be both **practical** and **policy-relevant**, and aimed at supporting the responsible adoption of AI in employability services:

1. CREATE AN AI TRANSFORMATION FUND FOR EMPLOYABILITY

Establish a dedicated fund to support piloting and scaling of AI solutions in employment support—prioritising access for small and medium-sized providers. This would unlock experimentation and accelerate capacity-building across the sector.

2. DEVELOP A NATIONAL FRAMEWORK FOR ETHICAL AND INCLUSIVE AI USE

Commission ERSA and partners to co-design a **sector-wide ethical framework**, outlining what is permissible (e.g., safeguarding participant data, ensuring human oversight) and how AI tools can be used responsibly—especially where sensitive personal data is involved.

3. SUPPORT A COLLABORATIVE AI PROCUREMENT PLATFORM

Fund the creation of an **ERSA-led collaborative platform** for procurement of AI tools. This would enable shared purchasing power, reduce duplication, and support fair access to high-quality, accredited platforms - particularly for VCSE providers.

4. ENSURE AI INVESTMENT IS ALIGNED WITH DEVOLUTION

Develop mechanisms (e.g., pooled innovation budgets or shared AI hubs) to ensure AI investment is coordinated across Strategic Combined Authorities (SCAs) and not fragmented—avoiding postcode lotteries or duplicated local development.

5. INCENTIVISE AI USE THAT ENHANCES HUMAN SUPPORT

Use contract levers and KPIs to **reward providers that adopt AI in ways that increase face-to-face time**, improve coaching quality, and strengthen trust—rather than just delivering cost savings or automation for its own sake.

6. SUPPORT CROSS-SECTOR COLLABORATION AND CASE-SHARING

Fund a national case study library of AI use in employability, focused on practical implementation, ROI, and participant outcomes. Encourage shared learning between NHS, local authorities, education, and employment services.

7. CENTRAL SYSTEMS REVIEW

Conduct a review of central systems like PRaP to support AI adoption through secure APIs and integration gateways. This would reduce manual data handling, streamline referrals, and enable automation. Upgrades should prioritise interoperability with devolved systems and enhance the overall efficiency of employment support delivery.

8.

CONCLUSION

AI presents a transformative opportunity for the employability sector—but only if implemented carefully and equitably. With the right tools, investment, and guidance, AI can complement human-centred approaches and help more people into meaningful work.

Counterintuitively, Artificial Intelligence, rather than de-humanising pathways to work for participants, actually has the potential to increase the human element of employment support by liberating work coaches from administrative and data inputting tasks to spend more time with their participants in one-to-one support and coaching.

To achieve this, the employment sector and government – at both the national and devolved level – needs to embrace the AI technological revolution across multiple fronts. From Large Language Models (LLMs) to Agentive AI, these new technologies offer the opportunity to break down complex barriers to employment and increase engagement with participants.

By supporting smaller employment support provider colleagues in the sector with AI literacy and training, as well as establishing a wider ethical framework for the adoption and usage of AI within the sector, the challenges of AI can be addressed collaboratively and in partnership with colleagues to ensure its adoption works for everyone and safeguards the interests of our participants.

With carefully calibrated and smart regulation of AI usage, smaller employment support providers as well as larger providers can be guided through the transition to AI, avoiding pitfalls on data protection, and improving participant experiences.

Further to this, the new devolved landscape of local government in England offers opportunities and challenges for AI adoption in employment support. To make this a success, we need to encourage collaboration and co-working between new Strategic Combined Authorities to ensure best practice in AI usage and commissioning is shared across local government to avoid the potential of a 'post code lottery' in service provision.

The introduction of AI piloting funds by central government, and creating the infrastructure to support small and medium-sized employment support providers make informed decisions about AI procurement, will enable the AI rollout across the sector to go in tandem with the devolution of benefits and employability programmes to local authorities as envisioned by the *Get Britain Working* white paper.

In addition to this, there is a role for leaders in the employment support sector to play their part in guiding partners and colleagues through the new AI landscape of generative and agentive AI models.

Particularly when it comes to purchasing of AI platforms and apps, organisations such as ERSA can assist colleagues in the sector with collaborative purchasing and tool development – particularly for SMEs and CICs in the sector, this approach has the potential to help drive innovation in the sector within an open and collaborative framework.

Across the employment support sector – whether public, private, or charitable sector – adoption of AI need not be a disruptive force, but a force for positive change. The challenge is to ensure that this process is done in a smart, collaborative, and, most importantly, participant-focused way.

ersa
Employment Related
Services Association

Hudson&Hayes