

## Business confidence in hiring still negative, but improving

### Confidence

In the first half of May, employer confidence in the UK economy's prospects remained at a joint record low of net: -62, the same level as in April. This data, collected between 4-14 May, includes responses from both before and after the announcement that lockdown rules would be eased in England.

Employers' confidence in making hiring and investment decisions improved by 11 percentage points compared to April, but remained in negative territory at net: -10. Confidence levels were highest among employers in the Midlands, at net: +5.



Do you think economic conditions in the country as a whole are getting...



In view of the economic conditions, do you/does your organisation expect confidence in hiring and investment decisions to get...



All involved in hiring (n=200).

### Key points from May survey

**1**

Hiring and investment confidence improves

Employer confidence in making hiring and investment decisions improved by 11 percentage points compared to April, although it remained in negative territory at net: -10.

**2**

Short-term demand for permanent staff remains negative

Employers' intentions to hire permanent staff in the short term (over the next three months) improved by four percentage points from April, but are still negative at net: -5.

**3**

Short-term demand for agency workers decreases

In contrast, short-term hiring intentions for temporary agency workers dropped by three percentage points from April to a net level of -7.

**4**

Medium-term demand for permanent staff remains positive

Businesses are much more positive about hiring both permanent staff and temporary agency workers in the medium term (over the next 4-12 months), and the net balance for both now sit at net: +6.

**5**

Businesses report greater capacity in their workforce

Over a third (37%) of employers had either a fair amount or considerable amount of spare capacity in their workforce in May. This is slightly higher than in April (34%).

**6**

Employers reduce workforce hours and pay in response to COVID-19

Three in ten (31%) employers had reduced the hours of their workforce in the year to May 2020, while one in six (17%) had reduced their pay/earnings.