



REC

Recruitment
& Employment
Confederation

Jobs Outlook

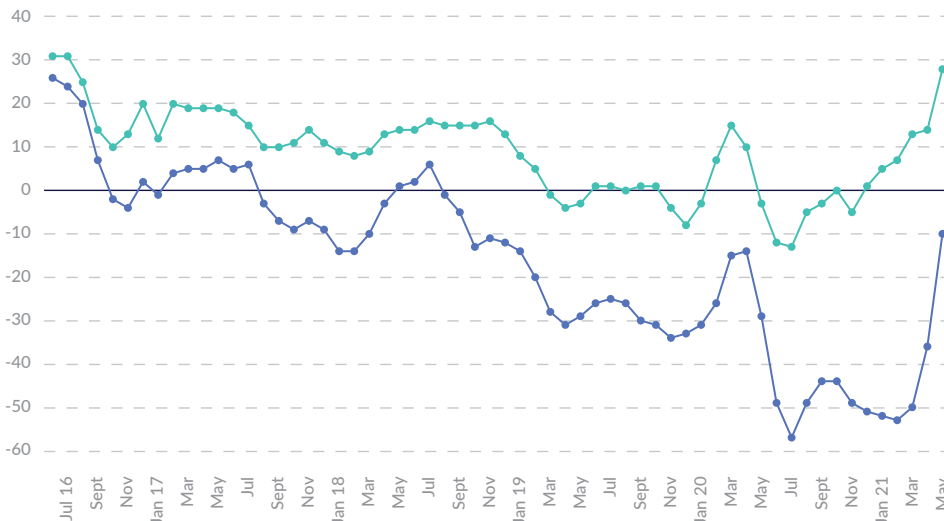
May 2021

Surge in confidence in the economy drives investment in hiring

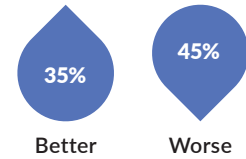
Confidence

Business confidence in the UK economy was at the highest level (net: -10) since August 2018. Moreover, the balance of the sentiment surged across the individual months of this quarter, from net: -43 in February to net: +20 in April.

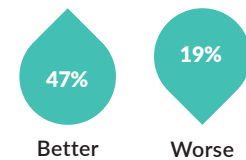
Employer confidence in making hiring and investment decisions rose by 15 percentage points to net: +28. This was the highest recorded level since June 2016.



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=600).

- Economic conditions (net)
- Hiring and investment decisions (net)

The net percentage is calculated by subtracting the % of respondents answering 'worse' from the % of respondents answering 'better'.

Topical Question

How, if at all, has your attitude towards temporary agency workers, freelancers and contractors changed as a result of the Coronavirus pandemic?



Almost six in ten (58%) UK employers hire temporary agency workers, freelancers and contractors to support their workforce requirements. For these organisations, the pandemic has resulted in them being more likely to use these contingent workers.

Whilst 6% of respondents stated that the pandemic would make them less likely to hire temporary workers, 15% said that it would lead to higher usage. As such, the pandemic has resulted in a shift towards more contingent worker hiring of net: +9 amongst all employers and net: +16 amongst those who have ever used temporary workers.

All involved in hiring, surveyed in April 2021 (n=200)

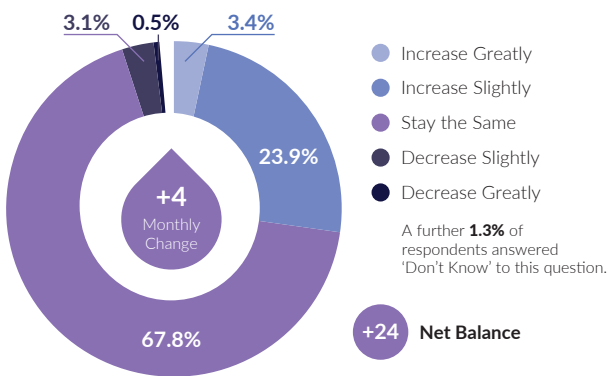
Throughout, figures based on fewer than 50 respondents are marked with an asterisk (*). Due to the small base size, these results should be considered indicative, rather than conclusive. Totals may not sum to 100% due to rounding. Data were weighted to be representative of UK adults in employment by region, broad industry sector and public/private split. Savanta ComRes is a member of the British Polling Council and abides by its rules.

Permanent Recruitment

Short-term outlook

Do you think the number of permanent workers in your organisation will increase or decrease in the next three months?

Employers' intentions to hire permanent staff in the short term rose by four percentage points from the previous rolling quarter to net: +24. Regionally, hiring intentions were highest in the North (net: +31) and London (net: +27) whilst markedly lower in the devolved nations (net: +15). Hiring intentions were lowest in the UK's largest (250+ employee) enterprises at net: +20, compared to net: +26 for businesses with fewer than 250 employees.

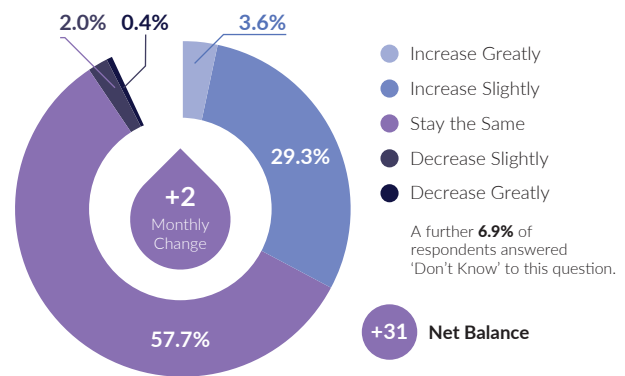


All who recruit permanent staff in any job functions (n=440)

Medium-term outlook

Do you think the number of permanent workers in your organisation will increase or decrease in the next four to twelve months?

Intentions to hire permanent staff in the medium term increased by two percentage points from the previous rolling quarter to net: +31. This was the highest level for the sentiment since December 2018. Regionally, hiring intentions were highest in the Midlands (net: +35) and lowest in the devolved nations (net: +24). They were higher in micro and small (0-49 employee) enterprises (net: +38), and lowest among medium-sized (50-249 employee) businesses (net: +23).



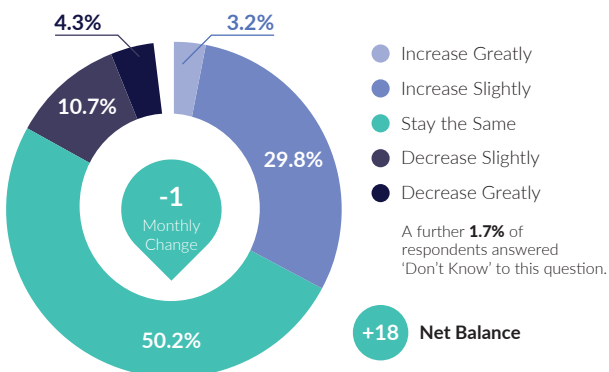
All who recruit permanent staff in any job functions (n=440)

Temporary Recruitment

Short-term outlook

Do you think the number of agency workers in your organisation will increase or decrease in the next three months?

Short-term hiring intentions for temporary agency workers remained stable in this rolling quarter, at net: +18. This was 15 percentage points higher than in February-April 2020. At net: +28, hiring intentions amongst micro/small (0-49 employee) enterprises were notably higher than either mid-sized (50-249 employee) or large (250+) (net: +7 and net: +18, respectively).

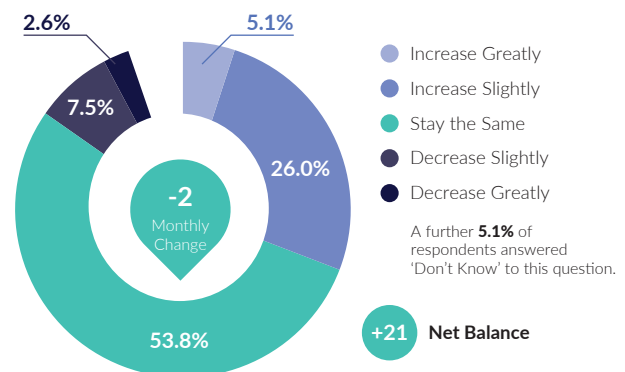


All who recruit temporary agency workers in any job function (n=103)

Medium-term outlook

Do you think the number of agency workers in your organisation will increase or decrease in the next four to twelve months?

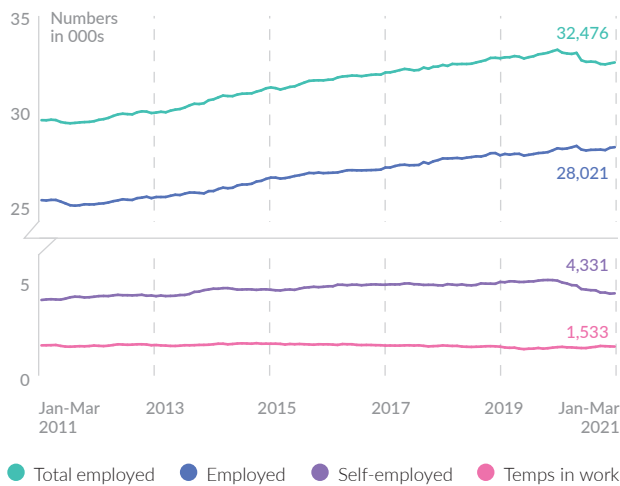
Medium-term hiring intentions for temporary agency workers decreased by two percentage points this rolling quarter, to net: +21. This was 14 percentage points higher than the same period in 2020. There was a notable rise in employers who hire in the medium term that plan to decrease the number of temporary staff they hire – from 5% in February to 22% in April. This will be a barometer to watch as economy opens.



All who recruit temporary agency workers in any job function (n=103)

Total Employment Permanent, temporary and self-employment

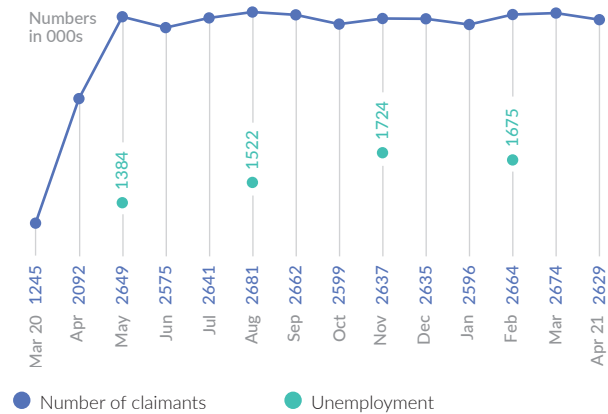
At 32.48 million, in the first quarter of 2021, the UK workforce was 84,000 (0.3%) larger than in the last quarter of 2020 but 529,000 (1.6%) smaller than in January-March 2020. Year-on-year, 328,000 (1.3%) more people are working full-time whilst 857,000 (9.9%) fewer workers are engaged in part-time work. The number of self-employed workers continued to decline – down 44,000 (1.0%) quarter-on-quarter and 617,000 (12.5%) year-on-year. Temporary employee numbers were also down this quarter, by 31,000 (2.0%) but up 25,000 (1.7%) year-on-year.



Source: Labour Force Survey (LFS), ONS

Unemployment and claimant numbers

At 4.8% in January-March 2021, the unemployment rate compared to 5.1% in the last quarter and 4.0% in the same period last year. At 1.62 million, this represented a 121,000 (6.9%) decrease on the previous quarter but was 258,000 (18.9%) higher than the same period a year earlier. Those aged 25+ were the main driver for the year-on-year increase in unemployment: there were 138,000 (25.7%) more people aged 25-49 and 107,000 (35.1%) more individuals aged 50+ officially out of work. At 2.63 million in April 2021, the Claimant Count was down by 15,000 (0.6%) on the previous quarter but remained 537,000 (25.7%) higher than in the same month last year.



Source: Labour Market Statistics, May 2021: unemployment (quarterly) and seasonally adjusted claimant count (monthly)

Real Wage Growth

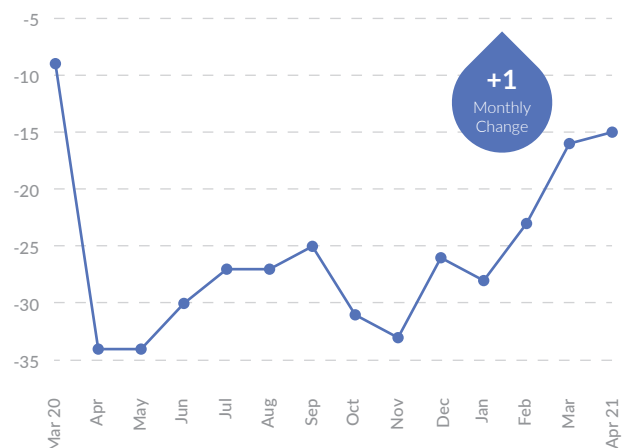
In real terms (adjusted for inflation), regular pay growth for GB employees remained buoyant across the year to January-March 2021, at +3.6% (up from an adjusted 3.5% last rolling quarter). In contrast, real-terms total pay growth declined, rolling quarter-on-quarter, from 3.6% to 3.1%. For the single month of March, real-terms regular pay increased to 3.9% (from 3.7% in February), whilst real-terms total pay fell to 3.0% (from 3.1%). ONS continues to stress, however, that the wage growth being experienced is driven in part by the compositional effects of a fall in the number and proportion of lower-paid employee jobs – notably part-time jobs, which reduced by 9.9% (857,000) year-on-year.



Source: Monthly Wages and Salaries Survey (MWSS), ONS.

Consumer Confidence Index

GfK's UK Consumer Confidence Index increased by one point to -15 in April. Two underpinning measures were up in comparison to March, one was flat and two measures were marginally down. With some lockdown restrictions eased, expectations for the general economic situation over the forthcoming year improved by six points to -11 – a notable 45 points higher than April 2020. In terms of how this translated into respondents' forecasts for their own personal finances over the next 12 months, it remained at +10. This was, however, 24 points higher than in April 2020. Also wavering, the Major Purchase Index decreased by one point to -12 – albeit 40 points higher than a year earlier.



Source: GfK Consumer Confidence Index: -15 in April 2021