



**REC**

Recruitment  
& Employment  
Confederation

# JobsOutlook

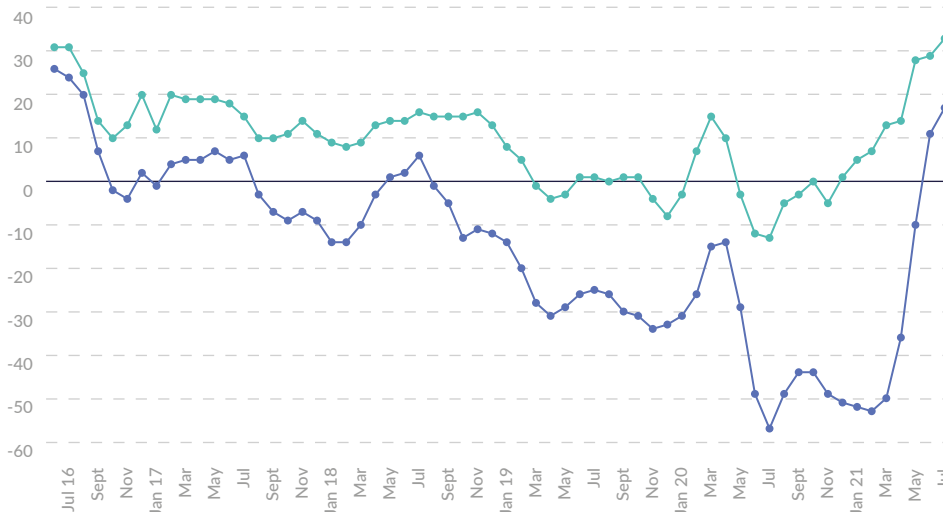
July 2021

## Confidence in making hiring and investment decisions at all-time high

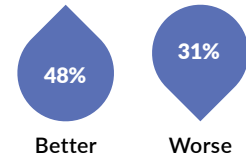
### Confidence

Business confidence in the UK economy rose by six percentage points in April-June 2021. At net: +17, this was the second rolling quarter in a row the barometer had been in positive territory.

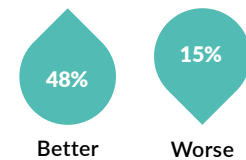
Employer confidence in making hiring and investment decisions rose by four percentage points to net: +33. This was the highest level ever recorded by the JobsOutlook survey.



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

Thinking about your recent hiring activity, have any of the following factors affected your ability to find suitable candidates for roles?



Other 20% I don't know 1% We have no issues finding suitable candidates for roles 35%

A third of all respondents (33%) believe that worker reluctance to change jobs is among the main reasons why hirers are struggling to find suitable candidates, including 44% of the UK's largest (250+ employee) organisations.

Two in five (41%) large employers said they struggled to hire because they couldn't offer competitive salaries, higher than the 26% average across all size cohorts.

Employers in London (25%) and the Midlands (20%) have been most impacted by the new UK immigration rules, highlighting that the regulations have prevented them from accessing skilled EU national workers.

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

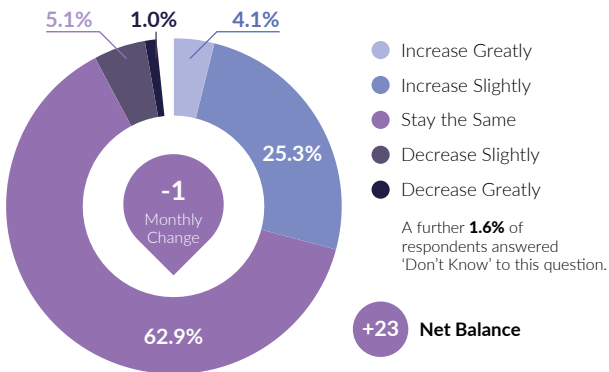
Throughout, figures based on fewer than 50 respondents are marked with an asterisk (\*). Due to the small base size, these results should be considered indicative, rather than conclusive. Totals may not sum to 100% due to rounding. Data were weighted to be representative of UK adults in employment by 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 were almost level with the previous rolling quarter (net: +24) at net: +23. There was a more apprehensive viewpoint in May (net: +15) than in April (net: +27) or June (net: +26). Regionally, hiring intentions were highest in the North (net: +31), with 6% highlighting their intention to increase numbers greatly.

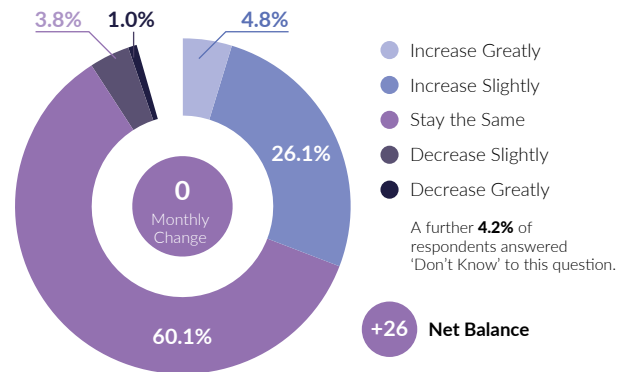


All who recruit permanent staff in any job functions (n=469)

### 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?**

Employers' intentions to hire permanent staff in the medium term remained stable this rolling quarter (net: +26), with hiring intentions higher in April and June than in May. Across this rolling quarter, demand was highest in the North (net: +31) and the Midlands (net: +29) because of a lower percentage of employers looking to cut headcount in these regions (3% and 2%, respectively) than in the South (including London) (8%).



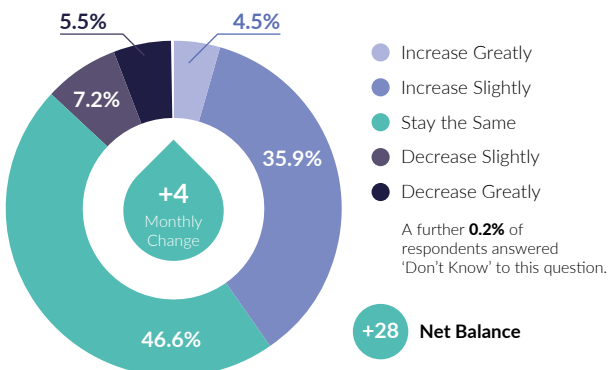
All who recruit permanent staff in any job functions (n=469)

## 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 increased by four percentage points this quarter, to net: +28. Regionally, hiring intentions continued to be highest amongst employers in London (net: +46). Demand for agency workers decreased amongst large (250+ employee) enterprises to net: +15.

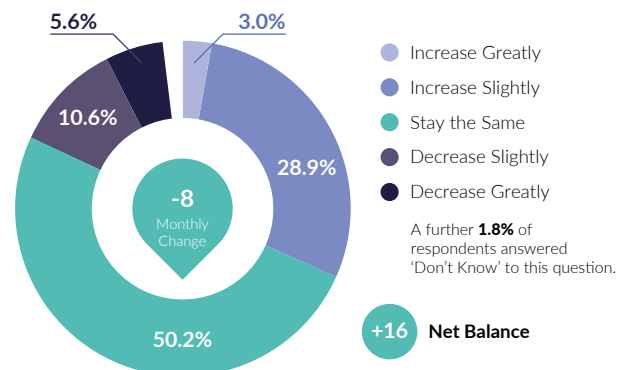


All who recruit temporary agency workers in any job function (n=124)

### 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 fell by eight percentage points this quarter to net: +16. This was driven by the 16% of all respondents across the quarter who planned to reduce headcount. Regionally, demand for workers was highest in London (net: +29) and amongst micro and small (0-49 employee) enterprises (net: +34).

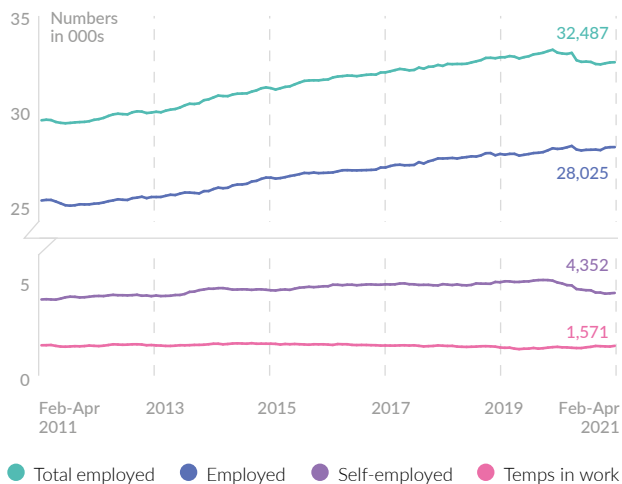


All who recruit temporary agency workers in any job function (n=124)

## Total Employment Permanent, temporary and self-employment

At 32.2 million in March-May 2021, there were 526,000 (2%) fewer people in the UK workforce than a year earlier. This resulted from 705,000 fewer people being in part-time jobs and 179,000 more in full-time work.

Temporary employment increased by 73,000 (5%) year-on-year, which was largely due to the rise in Fixed Term Contract working. In contrast, the number of self-employed workers was 11% (514,000) lower than a year earlier. In April-June 2021, the number of official vacancies reached 826,000. This is 9.9% higher than in January-March 2020, before the pandemic.

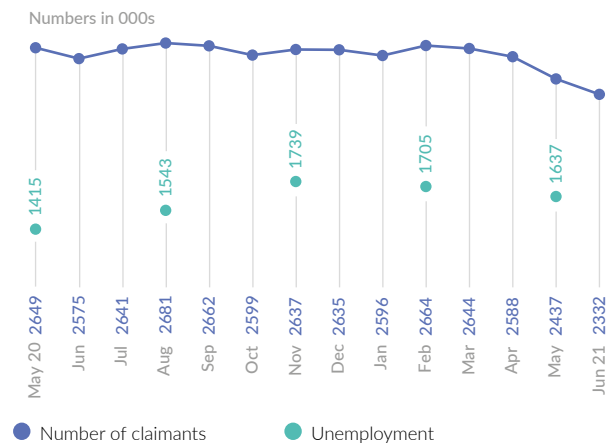


Source: Labour Force Survey (LFS), ONS

## Unemployment and claimant numbers

In March-May 2021, the unemployment rate was 4.8% (1.6 million), compared to 5.0% (1.7 million) in the previous quarter and 4.1% (1.4 million) in the same period last year. The number of out of work 16-17 year olds flatlined, year-on-year, at 111,000.

This represented an unemployment rate of 35.5%. In contrast, rates amongst those aged 18-24 (11.6%), 25-49 (3.7%) and 50+ (3.6%) were notably lower than a year earlier. At 2.3 million, the provisional Claimant Count in June 2021 was 115,000 (5%) lower than the previous month and was 253,000 (10%) lower than a year earlier.

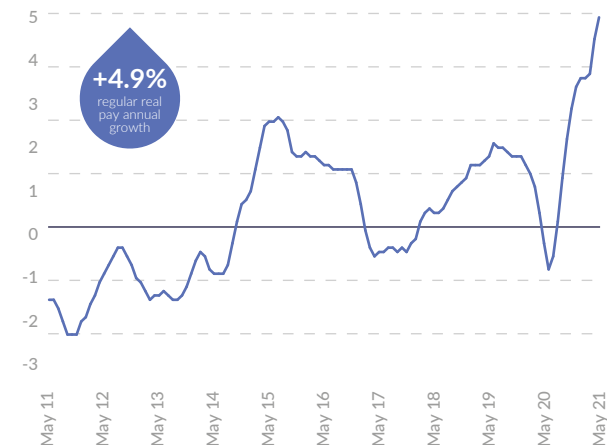


Source: Labour Market Statistics, July 2021: unemployment (quarterly) and seasonally adjusted claimant count (monthly)

## Real Wage Growth

Annual growth in average employee pay increased further in the year to March-May 2021. However, the Office for National Statistics (ONS) continued to stress that the "annual growth (in pay) is being affected by temporary factors that have inflated the increase in the headline growth rate. These are compositional effects where there has been a fall in the number and proportion of lower-paid employee jobs so increasing average earnings and base effects where the latest months are now compared with the start of the coronavirus pandemic, when earnings were first affected and pushed down".

Notional regular pay growth for the quarter was 6.6%, but in real terms (adjusted for inflation) it was 4.9%.



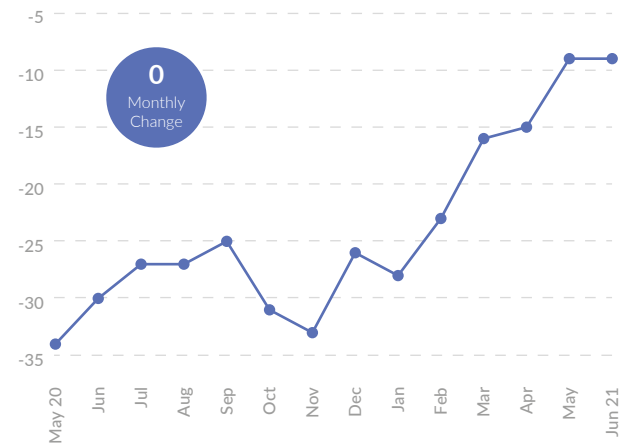
ONS, Average Weekly earnings in GB: July 2021. Source: Monthly Wages and Salaries Survey (MWSS), ONS.

## Consumer Confidence Index

GfK's UK Consumer Confidence Index remained stable at -9 in June.

Whilst lockdown restrictions continued to ease, expectations for the general economic situation over the forthcoming year fell by six percentage points to -2, as a potential response to concerns over rising retail price inflation.

Forecasts for respondents' own personal finances over the next twelve months remained buoyant, however, with this indicator improving by one point to +11. This was also 15 points higher than in June 2020. Whilst still in negative territory, the Major Purchase Index also improved by two points to -5, which was 27 points higher than a year earlier.



GfK Consumer Confidence Index: -9 in June 2021