

UK Jobs Market Review

August 2022



Permanent staff appointments continue to rise



Permanent

Though solid, the rate of growth was only slightly quicker than that seen in July. Greater overall demand for staff and the filling of vacancies has supported the latest upturn in placements. However, a deteriorating economic outlook, rising costs and candidate shortages has limited growth.



Temporary

Temporary placements increased for the twenty-fifth month running in August. Demand for temp staff was robust as clients were often keen to fill roles quickly in order to expand capacity and due to difficulties securing permanent workers.

Vacancy growth slips to 18-month low



Generally, there was a slower increase in temporary and permanent vacancies during August. Although rising markedly overall, both saw the weakest growth since February 2021. The steepest increase in demand was seen for private sector staff, whilst short-term positions in the public sector eased to a 17-month low.

At 1,274,000, the overall number of vacant roles was down from 1,294,000 in the three months to April. Nevertheless, the figure remained very close to the all-time record of 1,299,000 and 55% higher than just before the pandemic.

Candidate availability falls at slightly weaker rate

The softer decline in overall candidate numbers was largely driven by a weaker drop in permanent worker availability during August. The latest decrease is linked to a generally low unemployment rate and skills shortages, though it's also thought that greater uncertainty around the outlook and concerns over job security has deterred some people from seeking out new jobs.



August saw a renewed acceleration in the rate of decline in temporary staff availability. This was attributed to strong demand for staff and a preference for permanent jobs.

Stronger rise in temp pay rates in August

Permanent

There was a sustained and sharp increase in salaries awarded to new permanent joiners in August. Although less sharp than previous months. Staff shortages and competition for candidates had reportedly pushed up salaries, as well as the higher cost of living.



Temporary

August saw a further marked increase in average pay for short term staff. The rate of inflation picked up slightly from July, but was the second-softest seen in 14 months. Increased living costs and low candidate supply is said to be driving up hourly pay.

