

UK Jobs Market Review November 2022



Permanent placements decline but moderate upturn in temps



Permanent

Last month signalled a second successive monthly reduction in permanent staff appointments, but remained strong overall. Low candidate supply and greater caution around the economic outlook had an impact, with candidates being more reluctant to take up new roles.



Temporary

The number of temporary staff in work increased again in November. A preference for temp staff and efforts to expand capacity at clients has driven an upturn in temp billings. The sharpest rise was seen in the South of England.

Vacancy growth edges down to 21-month low



The slowdown in growth of overall demand for workers was largely driven by a softer upturn in permanent vacancies. In November, permanent job roles expanded at the weekend rate since February 2021, whilst growth for temp workers remained sharp.

Data from ONS showed that overall vacancies fell slightly, but remained high by historical standards. At 1,225,000 the number of open roles was 50% higher than the number recorded before the pandemic (823,000 in the three months to Feb 21).

Downturn in labour eases slightly

November saw further deterioration in permanent candidate availability, thereby stretching the rate of decline to 22 months. Although high, it was the least severe since April 2021. Lower supply is linked to a tight labour market, and a hesitancy among workers to seek or switch to a new role due to an uncertain economic climate.

Temporary candidate availability also remained on a downward trend during November with candidates preferring permanent positions, while a generally low unemployment rate and fewer overseas workers had also squeezed candidate numbers.



Pay rises at softest rate for 18 months

Permanent

As has been the case since March 2021, permanent starting salaries increased again in November. Although sharp it was the softest rise seen since April 2021. Higher rates were often linked to efforts to attract and secure candidates as competition for staff remained intense.



Temporary

November saw an increase in average hourly pay for the 21st month running. Although this has eased a little over the last three months. Candidate shortages and greater living costs had pushed up wages. The North of England noted the quickest rise, with the softest being seen in the South.