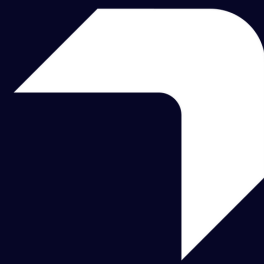


UK Jobs Market Review September 2023



Downturn in permanent staff hiring eases, temp billings rise

Permanent



There was a further decline in permanent staff appointments during September, thereby stretching the current period of contraction to one year. Companies are remaining hesitant to hire extra workers or have implemented recruitment hiring freezes due to rising costs and lingering economic uncertainty.



Temporary

After a slight reduction in August, billings received from the employment of temporary workers across the UK increased at the end of the third quarter. The upturn to firmer demand for short-term staff, with some companies preferring the flexibility of temporary workers over permanent staff.

Overall vacancies fall slightly in September



There was a fresh fall in vacancies during September. Through marginal, it marked the first reduction in just over two-and-a-half years. Concurrently, growth of demand for temporary staff moderated to a four-month low.

Data from the ONS pointed to a further reduction in overall vacancies in the three months to August 2023. At 989,000 the number of open roles dropped by 64,000 since the three months to May and slipped below the 1 million mark for the first time in over two years. Overall, the figures was -24% lower than post-pandemic record 1,302,000.

Overall candidate supply expands at slower rate

The availability of workers for permanent roles continued to increase at the end of the third quarter. Though sharp, the rate of growth slowed for the second month running and was the least pronounced since April. Where higher candidate numbers were reported, it was frequently linked to companies restructuring workforces and redundancies. There were also mentions of people seeking out hybrid work roles or jobs with better pay.



The supply of short-term staff across the UK continued to expand rapidly in September, with growth holding close to August's 32-month record. A slowdown in market conditions and company layoffs underpinned the latest upturn in temp candidate supply.

Softer increases in pay in September

Permanent



The rate of starting salary inflation across the UK continued to moderate at the end of the third quarter. Higher salaries were generally attributed to competition for skilled workers and the higher cost of living. Although sharp, the rate of growth was the softest recorded since March 2021.



Temporary

September saw a further rise in average hourly pay for temp staff. The rate of wage growth softened from August and, although solid, was the weakest recorded since March 2021. Firms are generally having to offer higher pay to attract and secure candidates with desirable skills.