

# Hiring at a high but skills shortages could hamper post pandemic recovery

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For the fourth consecutive month, the professional recruitment sector is seeing big increases in both month on month and year-on-year vacancy and placement figures as the UK approaches the 'next normal' and businesses put hiring firmly back on the agenda. That's according to the latest Recruitment Trends Snapshot report from The Association of Professional Staffing Companies (APSCo).

The data, provided by growth analytics experts cube19 revealed a 10% month on month uptick in permanent vacancies with contract roles up 14%. Year on year the data continued to show huge spikes with rises of 72% and 90% respectively. This growth in hiring is in keeping with other reports from organisations such as the CIPD which, in its latest Labour Market Outlook, pointed to both employer optimism in terms of hiring intentions, but also major skills shortages suggesting that niche professional recruitment firms will be more important than ever during the recovery.

The data also reveals that sales revenue for the recruitment sector showed substantial month-on-month growth, up 12% across both permanent and contract placements and huge spikes year-on-year – up 77% and 102% respectively, demonstrating the huge part professional recruitment firms have in helping businesses contend with skills shortages.

Commenting on the data Ann Swain, Chief Executive of APSCo said:

“The recovery trend is clearly continuing – and it is apparent that the recruitment sector has a major part to play in that recovery as proved by some of the financial results we are seeing from our larger members. Page Group has recently reported increased gross profit per fee earner in Q2 this year compared with the same periods in both 2019 (up 2%) and 2020 (up 94%), while Robert Walters' latest trading update saw a 31% increase in gross profit compared to the same period in 2020. There is also the question of ongoing skills shortages – in fact just last month some of the UK's biggest tech companies urged the Government to take action to address a shortage in digital skills which could hold back the post pandemic recovery. This all points to a very busy time ahead for the professional recruitment sector!”

Joe McGuire, Chief Revenue Office at cube19 says:

“June represented impressive double-digit growth in almost every area which is exciting for the industry. However, agencies, like their clients, are finding it challenging to hire and onboard talent quick enough to keep up with demand. This is leading to a rapid upward trend of leaders looking to harness the true value of their own data to improve the efficiency of their recruiters.”

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