

White collar jobs market booming but ‘Great Resignation’ and skills shortages threaten to stall employer growth

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The professional recruitment market has continued to perform exceptionally well with huge increases in year-on-year vacancy and placement figures, while monthly data points towards a robust and resilient recruitment sector despite August traditionally being a time when hiring stalls. 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 that monthly figures for contract vacancies showed a 10% increase and permanent vacancies slipped by just 1% - unusual in the midst of holiday season. Unsurprisingly, year-on-year metrics for permanent and contract roles showed marked increases – up 47% and 79.5% respectively -which is in keeping with government reports that the number of individuals on payrolls is now very close to its pre pandemic level, currently sitting at 28.9 million, compared with 29 million in March 2020. And while the furlough scheme ends this month, the shortage of candidates across all sectors should mitigate any risks of a stall in jobs growth over the coming months.

With the professional jobs market continuing to bounce back from Covid-19, and confidence returning to both candidates and employers alike, it is clear that there is an increasing reliance on professional recruitment firms to help resource much needed skills in the professional sectors as talent shortages worsen due to not only the UK’s Brexit immigration policy but also the ‘Great Resignation’ which is seeing candidates who decided to stay put during the pandemic now looking to move on, leaving a significant void. This is in keeping with APSCo’s data on sales revenue for the recruitment sector which reveals that revenue for permanent placements was up 11.5% in the second half of August compared to the beginning of the month.

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

“We are well and truly back to a highly candidate led market where demand for professional skills across all our sectors is constantly outstripping supply. If we look back at last year, a lot of projects and expansion plans were put on hold and with the economy now back on a growth trajectory, there is a real scramble for the skills needed to fulfil those projects and growth plans. We are also now seeing the effect of ‘the great resignation’, and there is obviously still the Brexit effect to contend with, particularly as there is no post Brexit immigration policy that allows skilled contractors to work here on a project-by-project basis – a situation we are lobbying government about as this policy has turned off a whole pool of EU talent that the UK has previously relied on.”

Joe McGuire, Chief Revenue Office at cube19 says:

“July’s data was leaning towards August bucking the holiday trend and I’m pleased to say that we haven’t seen the typical dips we’d expect at this time of year. New contract vacancies are at an all-time high and this is going to further highlight the candidate shortages and the challenges around immigration.”

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