

Mass talent exodus on the horizon: new data reveals 41% of workers plan to quit

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The UK is facing a mass exodus of talent with almost half of the workforce (41%) planning to move jobs at a time when businesses are struggling to find the resources they need to survive the economic uncertainty. That's according to new research by specialist recruitment firm Robert Half.

The firm's 2023 Salary Guide (<https://www.roberthalf.co.uk/salary-guide>) - which analyses and reports on market salaries, hiring trends, and skills requirements across the UK - revealed the sheer scale of the skills shortages being noted across the country, with 51% of hiring managers reporting an increase in staff quitting over the last year. A further 78% are concerned that more employees will leave in the coming months. This follows a period of record vacancies reported by the Office for National Statistics (ONS), with employers struggling to hire on the scale they need.

The Salary Guide looks at hiring trends and strategies used to retain more talent. Recognising the lack of skills available, many firms are currently viewing counter offers as a 'necessary evil' to retain valuable employees. With hiring new staff seen as costly and time-consuming, 33% of those surveyed felt it is better to make a counter offer than to recruit someone new. However, 27% did admit that employees who have accepted counter offers never stay long-term.

Contractors in high demand

According to the statistics, employers are turning to contract resources in order to fill skills gaps, with more than half (55%) of companies planning to bring in more contractors in the next year. This is up 20 percentage points on 2021 figures.

The data also revealed a talent drain in the contract market as more businesses lure contractors into permanent employment to combat both skills shortages and IR35 compliance challenges. Almost two-thirds of managers (64%) revealed that they have converted more contract professionals to full-time hires in 2022 than in 2021.

Matt Weston, Senior Managing Director UK & Ireland, at Robert Half, commented:

"We're certainly seeing the impact of the Great Resignation or Great reshuffle as we see it continue to play out across the UK and our data suggests this trend will continue into 2023. What we have seen from our 2023 Salary Guide is an increased reliance on financial incentives to attract and retain talent as the cost-of-living crisis continues to be a concern for everyone.

"However, throwing money at any problem is never a long-term solution, particularly as costs continue to grow for employers themselves. The reliance on the contract market is a natural move that we'd expect to see, but with the upheaval we've seen following the roll out of IR35, a repeal on Off Payroll that has since been reversed and Brexit immigration woes, this flexible labour market is already limited.

“What is required to solve the UK’s recruitment issues in 2023 is more training and better retention of existing staff. In the short term, the most effective way of bridging the skills gap is for employers to offer reskilling and upskilling programmes. In addition, the UK needs a sustainable talent pipeline driven by collaboration between industry and education – one that is highly skilled, flexible and trainable. For that, we need long-term thinking, not short-term fire-fighting ploys.”

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Notes to editor

About the Research

Robert Half experts analysed internal data for 12 months to 1 March 2022, comprising more than 4,000 data points, relating to 200 roles across the finance and accounting, financial services, technology, HR and marketing sectors. Six-month comparisons were made against data that was validated on 1 September 2021.

Robert Half also commissioned Rigour Research to conduct a survey amongst 300 C-suite level senior leaders between 17-28 February 2022. This is the source of the data point on business confidence. The C-suite level senior leaders operate with hiring responsibilities across small (50-249 employees), medium (250-499) and large (500+ employees) from the public sector, private, and publicly listed businesses across the UK.

About Robert Half

Founded in 1948, Robert Half is the world's first and largest specialised talent solutions consultancy, working to fill professional services roles at all levels within the finance and accounting, banking, technology, HR, marketing and legal sectors. The company has more than 300 staffing locations worldwide and offers hiring and job search services at www.roberthalf.co.uk

Robert Half understands that it takes time and effort to evaluate the best talent strategy for different businesses. For further independent advice to assist with your recruitment and workforce planning efforts, visit www.roberthalf.co.uk/advice.