

Job confidence remains optimistic despite sluggish economy – with higher pay demands a prime driver

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With the Cost-of-Living crisis and rising inflation still having an impact on the UK population, specialist recruitment firm, Robert Half, has warned business leaders that staff are commanding better pay – and that their sense of job security and search confidence is making attraction and retention increasingly challenging.

In the firm's Jobs Confidence Index (JCI) – an economic confidence tracker produced

in association with the Centre for Economics and Business Research (Cebr) every quarter – Robert Half found that, despite a small dip towards the end of last year, the JCI remains in positive territory at 19.9.

The Index also revealed that workers remain confident about their job security, with the search and progression pillar up 1.6 points quarter on quarter. These statistics are indicative of the skills shortages driving up both competition for talent and worker confidence.

In fact, 42.7% of surveyed employees as part of the JCI said that they feel confident about their career and progression prospects in the next five years. This is in line with the firm's Candidate Sentiment Survey published earlier in the year which revealed that job seeker confidence is at an all-time high with 47% of those surveyed saying they were looking for a new job, up eight percentage points on last years' figures. Almost half (43%) of those actively searching for a new role indicated a desire for a better salary.

According to Robert Half, employers need to strike the right balance between offering competitive remuneration, progression plans and providing other benefits such as learning & development opportunities if a sustainable talent attraction solution is to be developed.

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

“The high jobs confidence we’re seeing in the employment market at a time when the economy is sluggish is understandably putting pressure on corporate budgets as higher salaries are increasingly sought. The challenge for employers will be finding the right balance of financial and non-financial incentives to ensure unrealistic pay rises don’t have a detrimental impact on the bottom line. However, leaders need to be mindful of the fact that, while they can appease staff and new recruits with modest pay rises, with skills in short supply, competitors could easily poach their most valuable resource.

“While above-inflation pay rises aren’t sustainable for many firms, another talent exodus could soon be on the cards if retention plans aren’t implemented. Those leaders that find the balance between appropriate financial incentives and other attraction benefits such as training and progression opportunities, will be the ones to beat the competition on a longer-term basis

“With the right strategy and a clear roadmap, business leaders can emerge from the current macroeconomic uncertainty stronger and ahead of the competition. As a leader, make sure you are looking at all the levers at your disposal.

Employers should be thinking about how to attract and retain the best talent, how to appeal to more candidates with a diversity mindset, take on more apprentices across a range of age groups, and invest in upskilling and reskilling their valuable workforce resource.”

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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.