

ONS labour statistics a ‘concern’ with employers facing an impossible predicament

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The latest labour market statistics are cause for concern for the UK’s labour market, according to the Association of Professional Staffing Companies (APSCo).

Tania Bowers, Global Public Policy Director at APSCo, commented:

“The latest data from the ONS shows just how complex the labour market in the UK is becoming and how much pressure is on businesses who are already battling with high inflation, an uncertain economy and shrinking talent pools. The growth in both employment numbers and the proportion of the workforce that have been out of work for a year or more – which is indicative of an increase in non-participation due to long-term illness – suggests that the dearth of talent that has been noted for most of this year is only going to increase. Across the public sector in particular, the continued loss of working days due to strikes and on-going unrest is a real concern for the stability of resources.

“The fact that pay also fell when adjusted for inflation, despite the growth in average pay that was noted between February and April, suggests that the economic climate continues to drive salaries up, with seemingly little return for households. UK employers are facing what is now a sustained period where they are inflating remuneration in response to demand from candidates who are aware of the labour shortages facing businesses – and are leveraging this to command higher pay. With salaries falling when adjusted for inflation, it is likely that employers will find staffing budgets increasingly squeezed.

“The UK’s economy may be resilient enough to avoid a recession for now, but we are in a negative spiral of skills shortages and pay inflation that is putting the small stability we’re experiencing at risk. The Sunak administration may have pledged to improve the strength of the country’s skills, but movement is slow. We urgently need more immediate solutions to the labour market struggles we are facing.”

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About APSCo

The Association of Professional Staffing Companies (APSCo) is the trade association for the professional recruitment market. APSCo Global comprises APSCo Asia, APSCo Australia, APSCo Deutschland and APSCo United Kingdom as well as APSCo OutSource, the trade body for the RPO and MSP sectors.

Find out more: www.apscouk.org www.apscouk.org