

Robert Half warns cash-strapped workers likely to move roles for better pay as skills shortages continue to drive jobs confidence

Submitted by: BlueSky Public Relations Ltd

Monday, 19 June 2023

- Almost two-thirds of workers (62%) feel confident about their job prospects for the next six months
- Pay confidence takes a hit as the cost-of-living crisis prevails
- 'Unique' economic climate creating a tight labour market where 'cash-strapped' employees are in the driving seat, creating concerns of another mass exodus of staff

Job confidence across the UK workforce has grown, with 62% of employees stating that they are confident about their job security for the next six months. That's according to the latest Robert Half Jobs Confidence Index (JCI) – an economic confidence tracker produced by the Centre for Economics and Business Research (Cebr) and specialist recruitment firm, Robert Half.

This latest figure – reported in the June edition of the report – represents a quarterly uptick on the 53% of the workforce who were confident about their job security in the previous JCI. This is largely influenced by improvements in macroeconomic confidence, which rose 23.1 points quarter-on-quarter at the beginning of 2023, though it still remains in negative territory. With the JCI predicting that the economy will grow by around 0.2% year-on-year in 2023 at a time when skills shortages remain prevalent, this jobs confidence is likely to continue on an upward trajectory.

However, the data also revealed a level of dissatisfaction with remuneration, with the pay confidence pillar of the JCI not only remaining in negative territory, but also falling a further 29.1 points quarter-on-quarter. The Index shows that significant contractions in real employee earnings continued to weigh on the pay confidence indicator so far this year. Average total pay, while up by 5.8% annually in nominal terms, was down by 3.0% after adjusting for inflation in Q1 2023.

Poor figures for labour productivity growth and pay variance across comparable occupations also held back an improvement in the pay confidence pillar. These indicators continue to stand in a weaker position than their long-term average.

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

“The latest Jobs Confidence Index reveals a complex labour market – one where dissatisfaction with real earnings is leading employees to feel increasingly confident in the value they bring against a skills shortage backdrop, all in the midst of a cost-of-living crisis. With wage rises on the scale that some are demanding, potentially unrealistic for a number of firms, the concern is that another en masse talent exodus is on the horizon.

“The risk of employees seeking better opportunities and remuneration elsewhere would not only pose challenges for businesses that need to deal with such talent losses, but could also fuel a wage spiral should pay continue to be leveraged to attract the best talent to replace those lost. In this environment, retention strategies that look at the entire remit of employment benefits will be key.”

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