Professional hiring stable at Brexit

Submitted by: BlueSky Public Relations Ltd
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- Permanent vacancies show 1% growth year-on-year
- Contract vacancies fall by 0.3%
- Contract vacancies within financial services jump 26% in month of Referendum
- Average salaries dip by 0.7%

Professional recruitment firms reported that vacancy numbers remained stable in the month of the EU Referendum with 1% year-on-year growth in June 2016 according to new survey data from the Association of Professional Staffing Companies (APSCo). This is in line with the latest data (https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/ from the Office for National Statistics (ONS), which reported in July that the overall employment rate was 74.4% in the three months to May 2016 – the highest since comparable records began in 1971.

The latest data from APSCo reveals notable variations between the trade association's core sector groups in terms of hiring activity. While permanent vacancies across both financial services and marketing, for example, have increased (8% and 16% respectively), IT and engineering have both recorded dips (7% and 10% respectively).

John Nurthen, Executive Director Global Research for Staffing Industry Analysts, which compiles the report for APSCo, comments:

"Movement in demand in and around the Referendum has been based solely on sentiment given that no changes to the UK's relationship with the European Union have actually happened yet. Given confirmation from the ONS this week that Q2 GDP grew faster than expected with the strongest quarterly rise in production for nearly twenty years, perhaps we should be disappointed that professional vacancies didn't get more of a lift."

"The strong growth in temporary and contract vacancies in the finance and accounting sector seems more of a surprise but, then again, the sector has been performing well for the past twelve months. At the same time, we have seen IT vacancies decline over the same period."

Average salaries dip

APSCo's figures also reveal that median salaries across all professional sectors dipped by 0.7% year-on-year. This figure is characterised by notable fluctuations in terms of sector, with banking, for example, recording an uplift of 2.8%. Average salaries within the professional sectors fall short of the national increase in salaries as reported by the ONS which found that average earnings grew at an annual rate of 2.2% in the three months to May 2016.

Contract vacancies within financial services jump 26%

Following months of increasing demand, temporary and contract vacancies stabilised across the professional staffing market with opportunities softening by 0.3% year-on-year. The clear exception is

the finance and accounting sector where vacancies increased by 26% in June. Most likely, in part, due to a rise in demand for compliance experts and back office support teams to pre-empt how the new-status quo will impact current benefits such as passporting privileges and draw up strategies to manage future agreements on equivalence.

This is in line with reports (http://www.theglobalrecruiter.com/news/morgan-mckinley-measure-18-per-cent-increase-post-referendum/7587) from specialist financial services recruiter, Morgan McKinley, which found that available jobs in London increased by 18% in June despite the impact of Brexit.

Ann Swain, Chief Executive of APSCo comments:

“While we expected data collected before and just after the EU Referendum to show that the professional jobs market was subdued due to uncertainties around Brexit, the relative strength in demand for permanent hires is somewhat surprising.”

“Where contract vacancies have, for some months, outpaced demand for permanent appointments, the fact that permanent vacancies are up year-on-year is a positive indicator of long-term market confidence. While it is still too early to comment on the impact on Brexit from a staffing perspective, it seems that despite cynicism (http://www.independent.co.uk/news/business/news/brexit-impact-recession-eu-referendum-credit-suisse-employment-job-hiri from various commentators who have hypothesised on the immediate and sustained effect that the UK’s decision to leave the EU will have on hiring sentiment, we are yet to witness any significant impact.”

“Indeed, recent news (http://www.telegraph.co.uk/business/2016/07/27/glaxo-to-invest-275m-in-britain-in--boost-to-post-brexit-economy/) that GlaxoSmithKline is to pump £275 million into expanding its UK manufacturing sites is proof that the UK remains an attractive place for multi-nationals to invest post-Brexit.”

“It is particularly noteworthy that demand for both permanent staff and interims increased within financial services in June (by 8% and 26% respectively). This is a sector which arguably benefits disproportionately from the UK’s position within the single market – so it seems that professionals are being drafted in to manage the finer points of future regulation in Europe’s financial hub.”

Ends

Notes to editors:

Professional Recruitment Trends is the only monthly publication providing original data and analysis on the professional staffing market. It is produced jointly by APSCo and Staffing Industry Analysts.
APSCo is the membership body that is dedicated to representing professional recruitment in the UK. It was formed to give all firms involved in the recruitment of professional talent who have a commitment to excellence, the specialist support and distinctive voice they need to be successful. It gives candidates and employers a trusted badge of quality whilst providing member firms with an innovative range of services designed for them by recruitment experts. These services, combined with its growing

international profile, commitment to Corporate Social Responsibility and opportunities for professional networking give APSCo members a unique opportunity to develop their businesses and gain competitive advantage (http://www.apsco.org (http://www.apsco.org)).

Staffing Industry Analysts is the global advisor on staffing and workforce solutions. The company's proprietary research covers all categories of employed and non-employed work including temporary staffing, independent contracting and other types of contingent labour. SIA's independent and objective analysis provides insights into the services and suppliers operating in the workforce solutions ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services.

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