

The most up-to-date source of monthly UK labour market data and analysis

Report on Jobs



The Report on Jobs is a monthly publication produced by Markit and sponsored by the Recruitment and Employment Confederation and KPMG LLP.

The report features original survey data which provide the most up-to-date monthly picture of recruitment, employment, staff availability and employee earnings trends available.

- 1 Executive summary
- 2 Appointments
- 3 Vacancies
- 4 Sectoral demand
- 5 Staff availability
- 6 Pay pressures
- 7 Special feature



Markit Economics

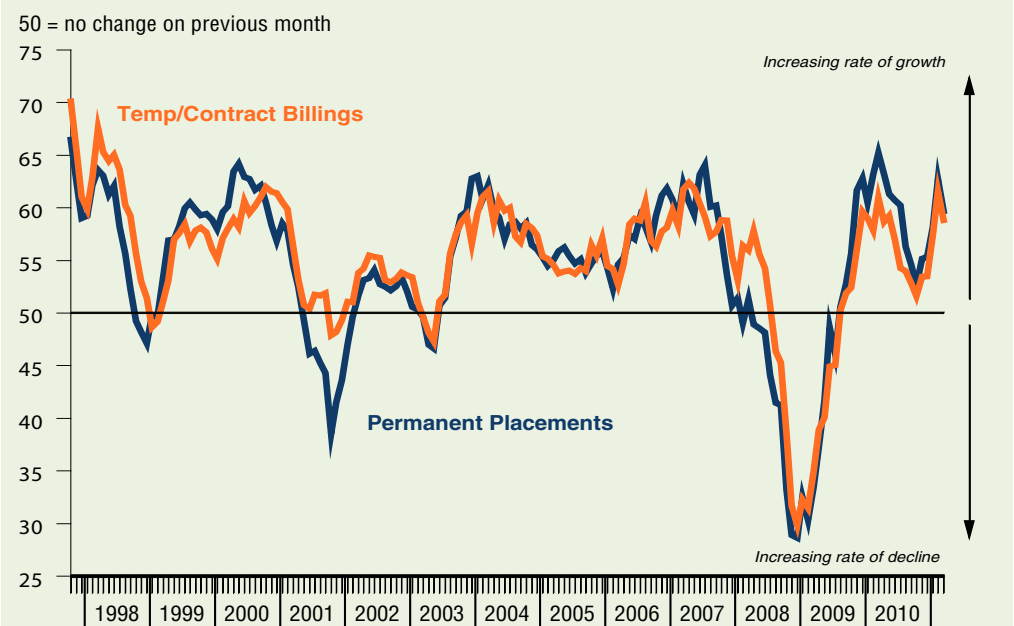
Henley on Thames
Oxon RG9 1EL, UK

Tel: +44 1491 461000
Fax: +44 1491 461001
email: economic@markit.com

Copies of the report are available on annual subscription from Markit. For subscription details please contact:
economic@markit.com

Permanent and temporary staff appointments both rose at slower rates in March.

Staff Appointments via Recruitment Consultancies



Key points from March survey:

- Growth of placements and billings eased from February peaks...
- ...despite stronger increase in demand for staff.
- Candidate availability improved at weaker pace.
- Fastest rise in permanent salaries for eight months.

Commenting on the latest survey results, Bernard Brown, Partner and Head of Business Services at KPMG said:

“The UK jobs market continued to expand in March albeit at a slower pace. The latest figures show that the job market recovery remains volatile. Some private sector employers are hiring again but at the moment not in numbers sufficient enough to absorb the job losses in the public sector.

“The challenge going forward will be to transform our public sector services – and create the private sector jobs of the future. For the Government, this will mean speeding up private sector investment into the provision of public services to mitigate the cuts and job losses we are experiencing across the public sector.”

1 Executive summary

The Report on Jobs is unique in providing the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies and employers to provide the first indication each month of labour market trends.

The main findings for March are:

Slower growth of staff appointments...

The rate of expansion of permanent staff placements eased in March following February's ten-month high. Agencies' temporary/contract staff billings also increased at a slower pace than the previous month's peak.

...despite stronger rise in vacancies

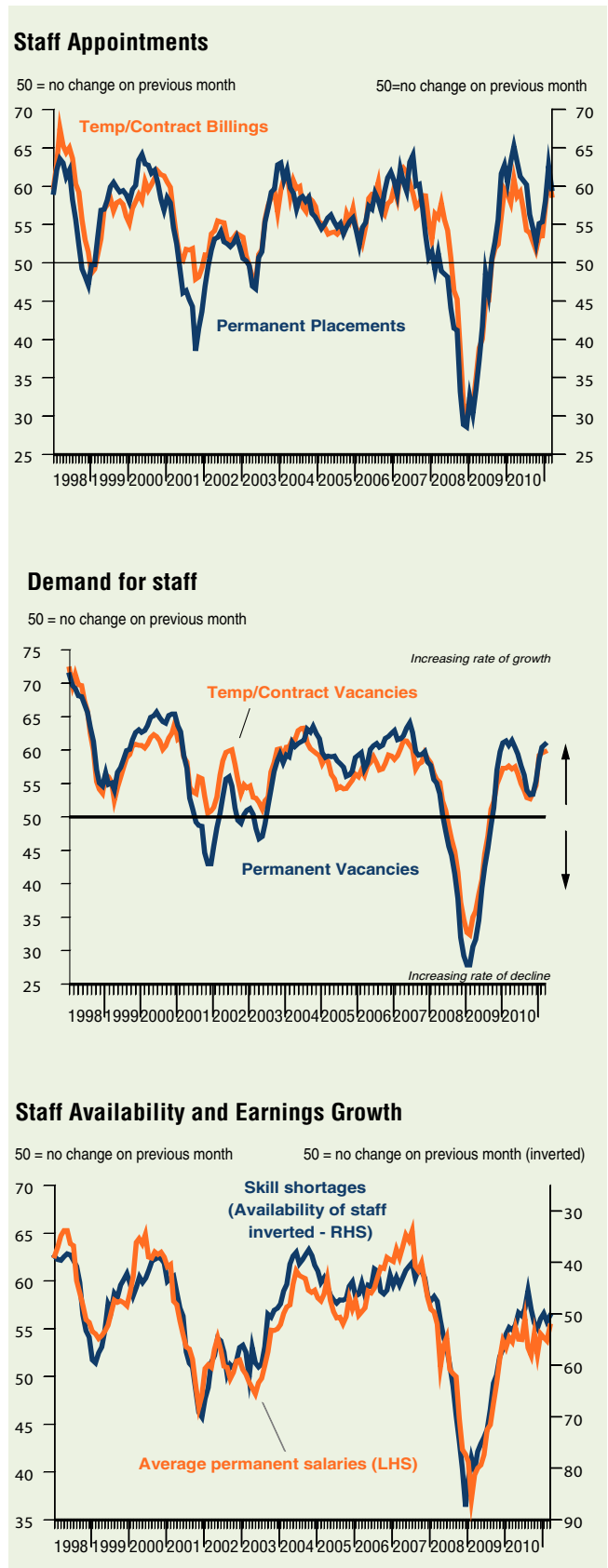
March data pointed to a further marked improvement in demand for staff. Permanent staff vacancies rose at the fastest pace since April 2010, while temporary/contract staff vacancies increased at the sharpest rate since July 2007.

Permanent salary growth at eight-month high

The rate of permanent salary inflation accelerated to the highest for eight months in March, although it remained slightly below the survey's thirteen-year average. Growth of temporary/contract staff pay remained muted.

Candidate availability rose at weaker pace

The availability of staff to fill permanent jobs increased for a second successive month in March, albeit only marginally. Temporary/contract staff availability rose at the slowest pace since August 2010.



2 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

March data signalled that permanent and temporary staff appointments both rose at slower rates than recorded in February.

Growth of permanent placements eased from February's peak...

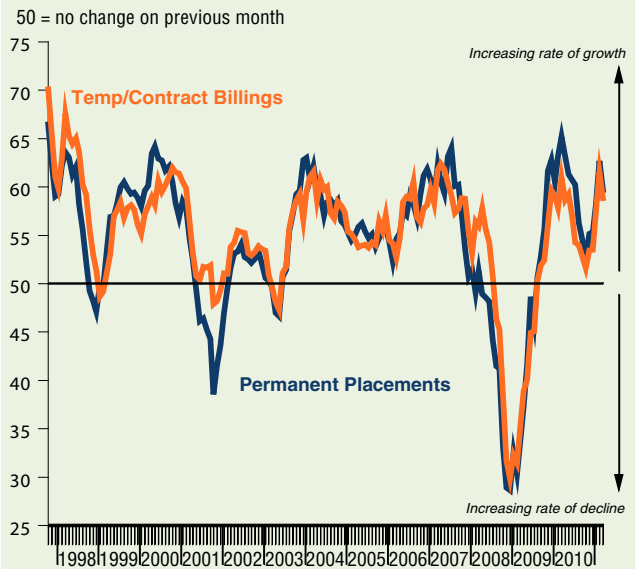
Recruitment consultants reported a further increase in the number of people placed in permanent jobs during March. The current period of expansion now extends to twenty months. Although remaining marked, the rate of growth was slower than the ten-month high recorded in February. Those panellists that signalled a rise in permanent staff appointments generally commented on higher levels of business activity at clients as the principal driver. However, there were reports that a number of employers were cautious about taking on extra permanent staff at present given an uncertain economic outlook.

...while temporary staff billings also rose at a slower pace

The rate of growth of short-term staff billings eased in March following February's forty-five month high. The latest increase was nevertheless strong in the context of historical data, and maintained the current period of unbroken growth which began in August 2009. Where a rise in temp billings was reported, this was generally attributed by panellists to clients covering higher workloads. Cuts in public sector spending were blamed by some respondents indicating a decline in short-term staff employment.

An index reading above 50 signals a higher number of placements/billings than the previous month. Readings below 50 signal a decline compared with the previous month.

Staff Appointments via Recruitment Consultancies



Permanent Staff Placements

Q. Please compare the number of staff placed in permanent positions with the number one month ago.

		Higher %	Same %	Lower %	Net +/-	Index 50 = no chg	S.Adj. Index
2010	Oct	34.7	36.9	28.4	6.3	53.2	52.6
	Nov	40.1	34.6	25.3	14.8	57.4	55.2
	Dec	27.9	33.6	38.6	-10.7	44.7	55.4
2011	Jan	43.4	33.5	23.1	20.3	60.1	58.2
	Feb	42.4	35.0	22.7	19.7	59.9	62.7
	Mar	46.5	32.6	20.9	25.6	62.8	59.7

Temporary/Contract Staff Billings

Q. Please compare your billings received from the employment of temporary and contract staff with the situation one month ago.

		Higher %	Same %	Lower %	Net +/-	Index 50 = no chg	S.Adj. Index
2010	Oct	32.6	40.9	26.4	6.2	53.1	51.6
	Nov	27.8	51.0	21.2	6.5	53.3	53.5
	Dec	29.8	42.8	27.4	2.4	51.2	53.5
2011	Jan	24.4	33.6	42.0	-17.6	41.2	57.4
	Feb	40.8	42.7	16.5	24.3	62.1	61.5
	Mar	42.5	42.9	14.6	27.9	63.9	58.8

3 Vacancies

Recruitment consultants are asked to specify whether the demand for staff from employers has changed on the previous month, thereby providing an indicator of the number of job vacancies. The summary indexes shown in this page are derived from the detailed sector data shown on page 5.

Demand for staff continued to strengthen in March

The overall level of vacancies available for staff seeking employment rose for an eighteenth consecutive month in March. Furthermore, the rate of growth quickened to its highest since April 2010. This was signalled by the Report on Jobs Vacancies Index rising to 60.8 from 60.4 in February.

Permanent staff vacancies

Demand for permanent staff rose at a stronger rate in March. The latest increase in vacancies was the sharpest since April 2010. This was indicated by the Permanent Staff Vacancies Index recording 60.9, up from 60.4.

Temp/contract vacancies

The Temporary Staff Vacancy Index climbed further in March, rising from 59.6 to 59.8, its highest level since July 2007. Growth of demand for short-term workers has been recorded throughout the past nineteen months.

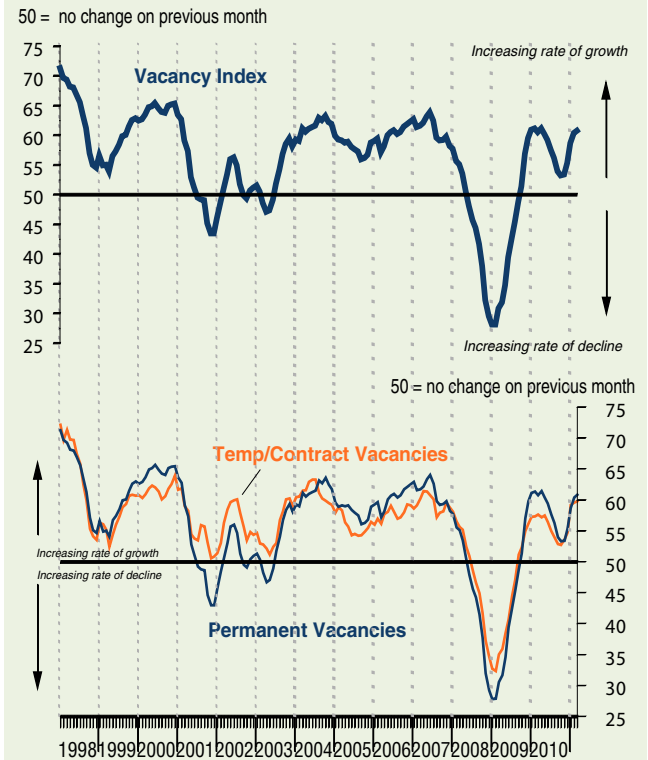
Other vacancy indicators

Data from the Office for National Statistics signalled a further year-on-year rise in vacancy numbers during February. However, the rate of growth eased from 4.4% in January to 3.1%, the slowest since March 2010.

Latest available data signalled that internet-based recruitment spending fell 2.8% on an annual basis during Q4 2010 after adjusting for inflation. That was the first decline since Q1 2010.

The Job Vacancies Index monitors the overall demand for staff at recruitment consultancies. An index reading above 50 signals a higher number of vacancies than the previous month. Readings below 50 signal a decline compared with the previous month.

Job Vacancies



Job Vacancy Indicators

	Nov'10	Dec	Jan'11	Feb	Mar
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	53.4	55.4	58.7	60.4	60.8
Permanent Staff	53.4	55.4	58.7	60.4	60.9
Temporary Staff	53.6	54.7	59.2	59.6	59.8

Other key vacancy data

	Annual % change				
Job centre vacancies	6.5	4.1	4.4	3.1	n/a
Internet recruitment	-2.8	--	--	--	--

Sources: Job centre vacancies provided by Office for National Statistics
Internet recruitment spending provided by WARC.com

4 Demand for staff by sector

Recruitment consultancies are requested to compare the demand for staff according to sector with the situation one month ago.

Permanent Staff

Higher levels of demand were reported for seven of the eight types of permanent staff monitored by the survey in March. The strongest growth was indicated for IT & Computing workers, as was the case one year previously. The only category where a decline in demand was signalled was Nursing/Medical/Care.

	This year		(Last year)	
	Rank	Mar'11	Rank	Mar'10
IT & Computing	1	68.5	(1)	(64.9)
Engineer'g/Construction	2	63.5	(3)	(61.3)
Accounting/Financial	3	62.0	(5)	(59.8)
Blue Collar	4	61.6	(7)	(56.0)
Secretarial/Clerical	5	60.1	(4)	(61.0)
Executive/Professional	6	60.1	(2)	(63.5)
Hotel & Catering	7	54.2	(8)	(53.5)
Nursing/Medical/Care	8	47.6	(6)	(59.0)

Temporary/contract staff

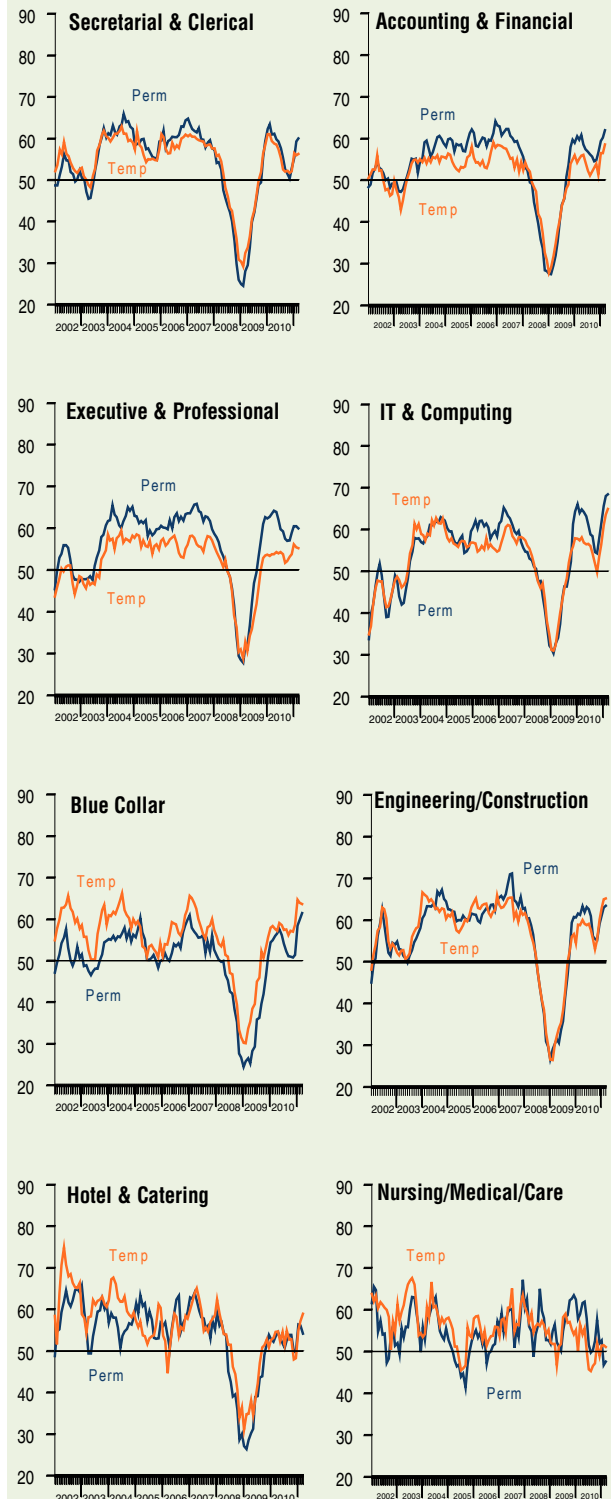
Growth of demand for temporary/contract staff was broad-based in March, with all eight job categories seeing improved vacancy levels. The most sought-after type was Engineering/Construction, closely followed by IT & Computing. Nursing/Medical/Care staff saw the weakest rise in demand for their services.

	This year		(Last year)	
	Rank	Mar'11	Rank	Mar'10
Engineer'g/Construction	1	65.2	(2)	(58.8)
IT & Computing	2	65.0	(3)	(58.2)
Blue Collar	3	63.7	(4)	(57.7)
Hotel & Catering	4	59.0	(7)	(54.7)
Accounting/Financial	5	58.6	(6)	(55.2)
Secretarial/Clerical	6	56.3	(1)	(59.4)
Executive/Professional	7	55.2	(8)	(53.8)
Nursing/Medical/Care	8	51.1	(5)	(56.5)

Data are presented in the form of diffusion indices whereby a reading of 50 indicates no change on the previous month. Readings above 50 signal stronger demand than a month ago. Readings below 50 signal weaker demand than a month ago.

Demand for staff

50 = no change on previous month



5 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month. An overall indicator of staff availability is also calculated.

Weaker rise in candidate availability during March

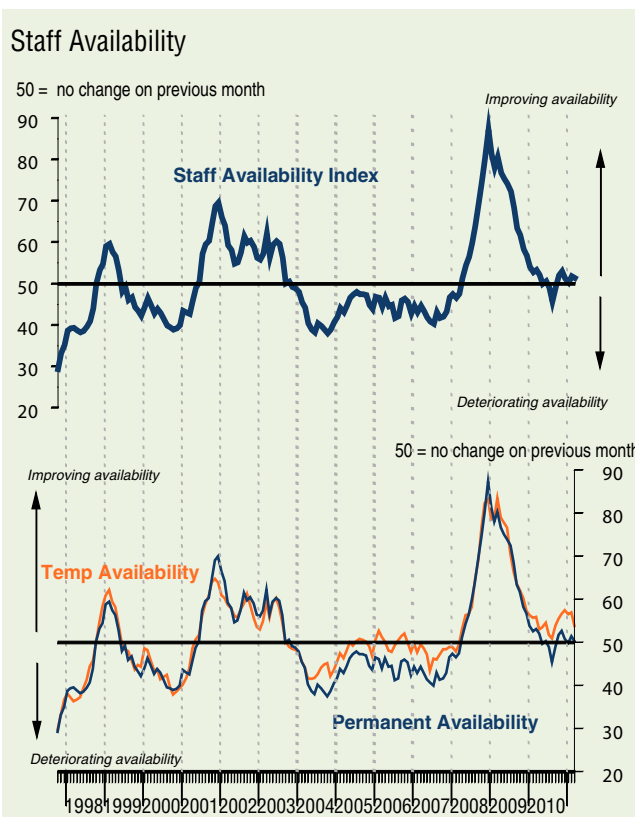
The availability of staff to fill both permanent and temporary jobs continued to increase in the latest survey period, but at slower rates than in the previous month.

Availability of permanent staff

Although the number of candidates available to fill permanent jobs rose for a second consecutive month in March, the rate of improvement eased to only a marginal pace. Panellists linked higher staff availability to greater numbers of people leaving public sector roles. However, worries over job security were cited by some respondents as a factor holding people back from searching for new positions. There were reports that certain specialist skill sets remained in short-supply.

Availability of temp/contract staff

Continuing the trend seen over the past three years, temporary/contract staff availability rose in March. Although stronger than indicated for permanent workers and also slightly above its long-run average, the rate of growth eased to a seven-month low.



Availability of permanent staff

Q. Is the availability of candidates for permanent vacancies better, the same or worse than one month ago?

		Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010	Oct	18.2	66.3	15.5	2.7	51.4	51.8
	Nov	21.7	58.6	19.7	2.0	51.0	52.7
	Dec	14.7	63.6	21.7	-7.0	46.5	50.8
2011	Jan	34.8	51.1	14.1	20.6	60.3	49.9
	Feb	28.6	54.2	17.1	11.5	55.8	51.5
	Mar	22.8	57.0	20.2	2.6	51.3	50.3

Availability of temporary/contract staff

Q. Is the availability of candidates for temporary vacancies better, the same or worse than one month ago?

		Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010	Oct	24.7	62.5	12.8	11.9	56.0	55.5
	Nov	26.3	60.5	13.2	13.0	56.5	56.7
	Dec	22.7	64.3	13.0	9.7	54.9	57.5
2011	Jan	34.3	55.3	10.4	23.8	61.9	56.6
	Feb	30.5	59.0	10.4	20.1	60.0	57.0
	Mar	21.2	61.9	16.9	4.3	52.2	53.9

Key permanent staff skills reported in short supply:*

Nursing/Medical/Care: Healthcare professionals, Medical sales.

Engineering/Construction: Estimators, Engineers.

Executive/Professional: Risk consulting.

Hotel/Catering: Chefs.

Secretarial/Clerical: PAs, Customer service, Telesales.

Key temp skills reported in short supply:*

Engineering/Construction: Engineers.

Hotel/Catering: Chefs.

*consultants are invited to specify any areas in which they have encountered skill shortages during the latest month

6 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

Permanent salaries

Average starting salaries awarded to successful candidates placed in permanent jobs increased again during March. The rate of inflation accelerated to an eight-month high, although it remained slightly below the average since the start of the survey in October 1997. Higher salaries were mainly attributed by panel members to competition for quality candidates.

Temp/contract pay rates

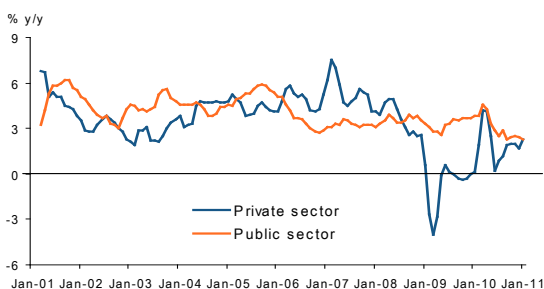
Hourly rates of pay for staff in temporary/contract employment rose for the second month running in March. However, the pace of inflation remained subdued. Where a rise in short-term staff pay was recorded, this was generally attributed by panellists to specialist skill shortages.

UK average weekly earnings

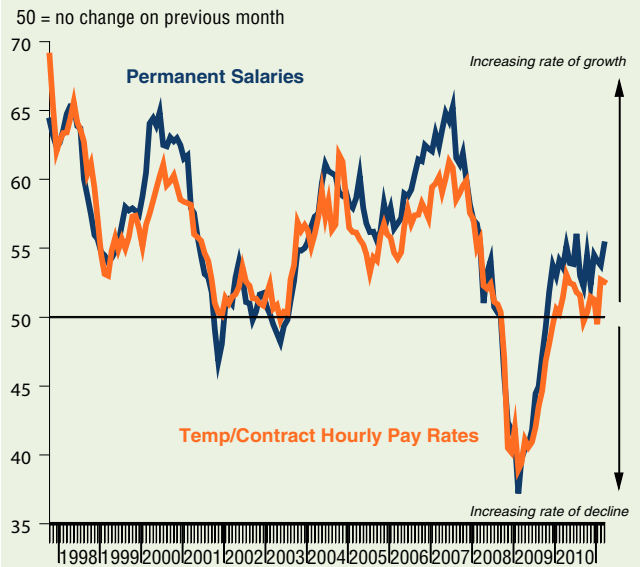
Data from the Office for National Statistics signalled that annual growth of employee earnings (including bonuses) rose to an eight-month high of 2.3% in January from 1.8% in December. This primarily reflected higher bonus payments compared with one year previously, as earnings growth excluding bonuses slowed to 2.2% from 2.3%. Earnings growth accelerated in the private sector but weakened in the public sector.

Yr/yr % chg in average weekly earnings (3mma)

	2008	2009	2010	Oct'10	Nov	Dec	Jan'11
Whole economy	3.8	0.0	2.3	2.1	2.1	1.8	2.3
Private sector	3.7	-0.8	2.1	2.0	2.0	1.7	2.3
Public sector	3.6	3.3	3.0	2.4	2.5	2.4	2.3
Services	3.8	0.0	2.4	2.2	2.4	2.2	2.7
Manufacturing	3.2	1.2	4.2	4.0	3.5	2.7	2.0
Construction	2.7	0.5	0.0	-1.3	-1.4	-3.0	-2.6



Pay Pressures



Permanent Salaries

Q. Are average salaries awarded to staff placed in permanent positions higher, the same or lower than one month ago?

	Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010 Sep	12.2	83.0	4.7	7.5	53.8	52.2
Oct	14.2	80.9	4.9	9.4	54.7	54.5
Nov	11.9	81.1	7.0	4.9	52.4	52.3
Dec	10.9	84.2	4.9	6.1	53.0	54.5
2011 Jan	11.6	81.8	6.6	5.0	52.5	54.1
Feb	13.8	79.8	6.4	7.4	53.7	53.7
Mar	15.7	78.5	5.8	9.9	55.0	55.3

Temporary/Contract Pay Rates

Q. Are average hourly pay rates for temporary/contract staff higher, the same or lower than one month ago?

	Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010 Sep	6.0	86.5	7.4	-1.4	49.3	49.7
Oct	14.0	80.1	5.9	8.1	54.1	50.3
Nov	10.0	85.5	4.5	5.4	52.7	51.5
Dec	7.3	85.6	7.1	0.1	50.1	51.3
2011 Jan	7.1	84.5	8.4	-1.4	49.3	49.5
Feb	11.6	81.1	7.3	4.4	52.2	52.7
Mar	10.2	86.1	3.7	6.6	53.3	52.6

7 Feature | employment by status

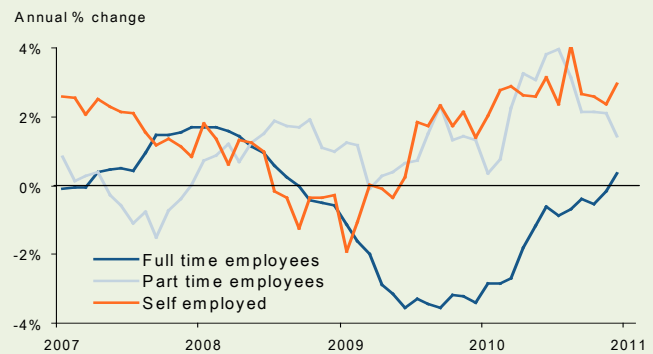
Full-time employment returns to growth

Official data showed a small year-on-year rise in full-time employment during the three months to January. It was the first increase since September 2008 and marked a turnaround from the situation at the height of the recession, when the annual rate of decline peaked at 3.6% in mid-2009.

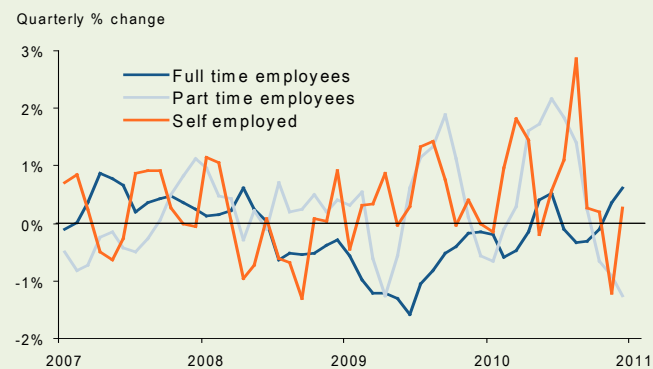
Correspondingly, annual growth of part-time employment eased to a ten-month low of 1.4% at the start of 2011. A sustained rise in part-time employment has partly offset the decline in full-time jobs since the onset of the financial crisis, but the number peaked in summer 2010 and has fallen steadily in recent months as more people have been able to switch to working longer hours.

There has been a sustained rise in the number of self-employed people over the past year-and-a-half, partly reflecting a rise in business start-ups among workers laid off during the recession. Growth of self-employment has shown little sign of slowing in recent months; indeed the annual rate of increase accelerated in January to 2.9%, the fastest since September 2010.

Employment by status – annual change



Employment by status – quarterly change



Source: Office for National Statistics.



KPMG is a global network of professional firms providing audit, tax and advisory services. KPMG LLP, a UK limited liability partnership, is the UK member firm of KPMG International, a Swiss cooperative. KPMG LLP operates from 22 offices across the UK with nearly 11,000 partners and staff. The UK firm recorded a turnover of £1.6 billion in the year ended September 2009.

The KPMG Trademarks are the sole property of KPMG International and their use on this report does not imply auditing by or endorsement of KPMG LLP, KPMG International or any of its member firms of the information in this report.



The REC is the association for the UK's £22.5 billion private recruitment and staffing industry with more than 8,000 recruitment agencies and 6,000 recruitment consultants in membership. There are more than 1 million temporary workers registered with UK agencies who are deployed in industry, commerce and the public services every day.

markit Markit is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index™(PMI™) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. For more information e-mail economic@markit.com or call +44 1491 461000.

Recruitment Industry Survey

The monthly survey features original research data collected via questionnaire by Markit from a panel of 400 UK recruitment and employment consultancies. In 2003/4, some 1,516,000 people were employed in either temporary or contract work through consultancies and over 565,500 people were placed in permanent positions through consultancies. Monthly survey data were first collected in October 1997 and are collected in the end of each month, with respondents asked to specify the direction of change in a number of survey variables. Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

The intellectual property rights to these data are owned by Markit Group Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. The publication or release of any of these data prior to the general release time is an infringement of Markit Economics Ltd's intellectual property rights. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Markit, PMI and Purchasing Managers' Index are all trademarks owned by The Markit Group.