

United Kingdom

Skill shortages put brake on recruitment growth

- **Permanent placements rise at slowest rate for 18 months during November**
- **Tight candidate availability continues to be reported**
- **Growth of job vacancies eases further but remains strong**

Survey data from the recruitment industry showed another slowdown in staff placements growth during November. The KPMG/REC Report on Jobs, compiled by Markit, signalled the weakest rise in permanent appointments for 18 months. This reflected shortages of skilled candidates and, to some extent, a moderation in vacancy growth from recent elevated rates.

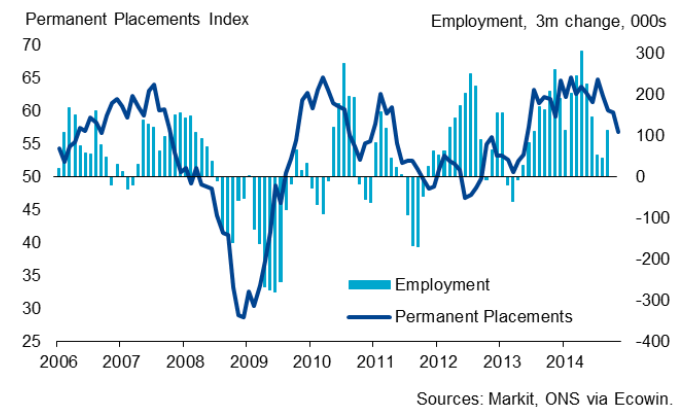
Staff availability continued to fall at a pace rarely seen in the survey's 16-year history, with a number of skill-sets in areas such as construction, engineering and IT reported in short-supply following the recent growth spurt in employment. Correspondingly, upward pressure on starting salaries for new hires remained substantial, with around 28% of recruiters signalling a rise in salaries during the latest month versus only 3% noting a decline.

While skill shortages were reported to have been a significant factor holding back placements growth, there was also indication that some employers may be becoming a little more cautious in their hiring. The overall number of job vacancies available to those seeking a new role rose at the slowest pace in just over a year during November. Moreover, anecdotal evidence from recruiters pointed to slower decision-making among some client companies.

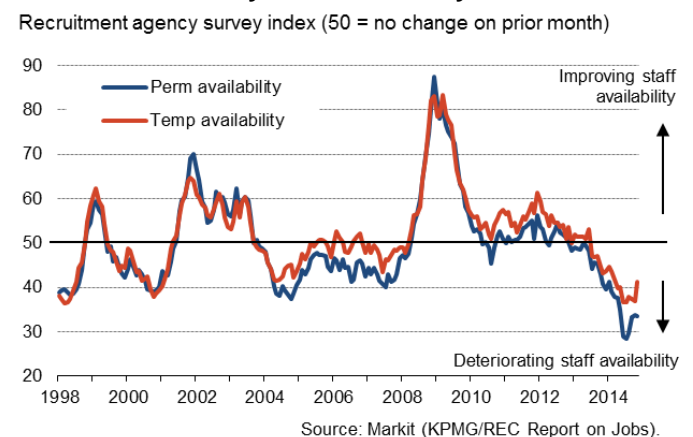
Nevertheless, stronger-than-expected PMI data from the UK's dominant service sector ([here](#)) should ease worries that the economy is running out of steam and support further hiring growth heading into early-2015.

On the temporary jobs front meanwhile, agency billings grew at a strong and accelerated pace in November, underpinned by rising client activity levels, while hourly pay rates continued to increase.

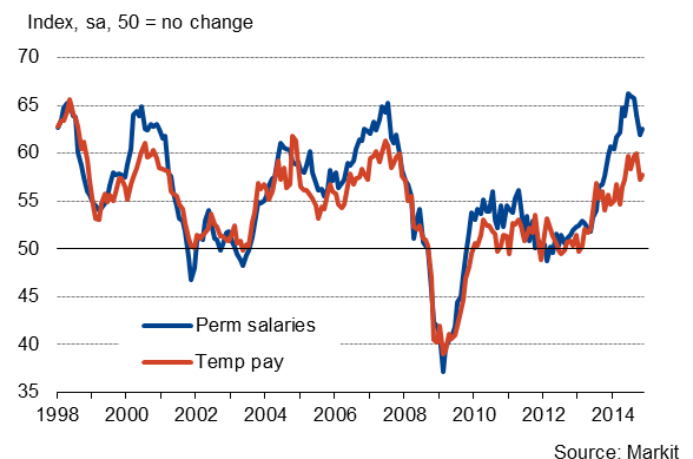
Employment



Recruitment survey staff availability



Wage pressures



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