



**PRESS NOTICE**

# Report on Jobs

**Embargoed until 00:01hrs UK Time, 4 June 2008**

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## Further fall in permanent placements, while staff availability improved at a stronger pace.

May's *Report on Jobs*, from the Recruitment and Employment Confederation and KPMG, suggested that employers retained a preference for flexible workforces in the face of uncertainty over business conditions. While permanent staff placements declined again, temp billings continued to rise at a solid pace. Pay growth was again constrained by slowing demand for staff, while the availability of candidates continued to improve.

The *Report on Jobs*, published today by the Recruitment & Employment Confederation and KPMG, provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies and employers.

**Alan Nolan, Director at KPMG** comments:

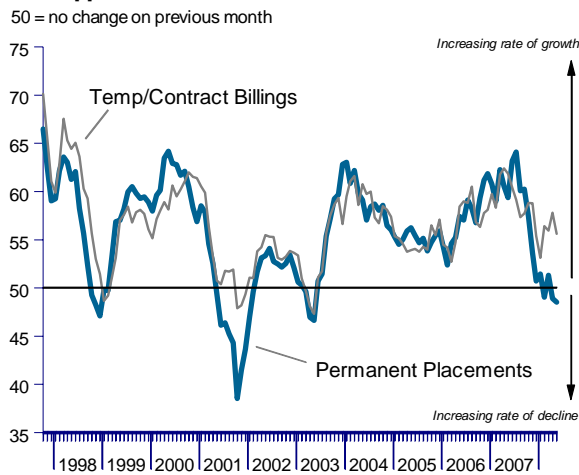
*"These latest figures confirm a trend we have seen emerging over the last couple of months. In the current economic slowdown employers continue to look towards the flexible labour market as a way to cut costs rather than taking on staff permanently. With city redundancies contributing to a growing pool of labour and increases in the cost of living forcing some families to find a second income, employers currently hold the upper hand in the job market."*

**Kevin Green, Chief Executive, Recruitment and Employment Confederation (REC)**, says:

*"The credit crunch is continuing to slow permanent job growth, however employers still need to recruit. An increasing number of companies are using temps as a way to ride the storm and tackle the uncertainty. Every week, 1.3 million temporary workers are keeping business in the UK moving. Temp and contract work also provides vital opportunities and flexibility for workers which is why it is crucial to ensure that the detail of the proposed EU Agency Workers Directive which is being discussed in Luxembourg next week does not impact on the viability of the UK temp model."*

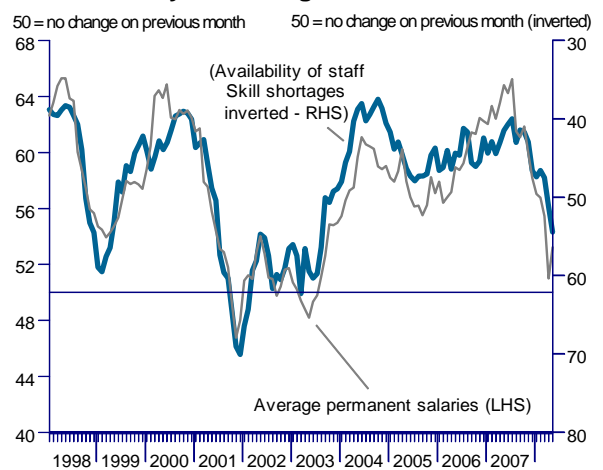
- **Permanent placements declined again but temp billings continued to rise**  
Amid an uncertain economic climate, companies continued to opt for flexibility in their staffing needs during May, according to the latest survey of recruitment consultancies. While permanent staff placements fell for the third time in four months, temporary/contract staff billings posted a further solid increase.
- **Growth of job vacancies slowed further**  
Latest data showed that demand for staff continued to soften in May, with overall job vacancies rising at the weakest rate in the current fifty-nine month expansionary cycle. Slower growth of demand was recorded for both permanent and temporary employees.
- **Stronger improvement in candidate availability**  
Concurrent to the weaker trend in permanent employment was a second consecutive monthly rise in candidate availability, with the rate of improvement accelerating since April. Temp availability also increased at a faster pace, which survey respondents in part linked to people seeking additional household income in the wake of the credit squeeze.
- **Pay pressures remained muted**  
Growth of permanent staff salaries was subdued in May, albeit stronger than April's recent low. Meanwhile, inflation of temporary/contract staff pay moderated to the weakest in fifty-eight months.

**Staff Appointments via recruitment consultancies**



Permanent staff placements fell modestly for the third time in the past four months during May. In contrast, temporary/contract staff billings continued to increase at a solid pace.

**Staff Availability and Earnings Growth**



Pay pressures are closely related to labour market tightness, as the above data from the survey of recruitment consultants shows. Permanent salary inflation remained subdued in May, despite accelerating from April's low. Meanwhile, the availability of permanent staff improved for the second month running.

Note to editors:

Full historical data from the Report on Jobs can be obtained from Jack Kennedy at NTC (tel: 01491 418687 or email jack.kennedy@ntceconomics.com)

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## Notes to editors:

The Report on Jobs is a monthly publication produced by NTC on behalf of the Recruitment & Employment Confederation. The report features original survey data which provide the most up-to-date and comprehensive monthly picture of recruitment, employment and employee earnings trends available.

The Report features original research data from NTC, collected via questionnaire from a panel of 400 UK recruitment and employment consultancies. In 2000, some 1,326,000 people were employed in either temporary or contract work through consultancies and over 450,000 people were placed in permanent positions through consultancies. Data for the monthly survey were first collected in October 1997 and are collected at the end of each month, with respondents asked to specify the direction of change in a number of survey variables.

With the exception of the Press Recruitment Advertising Index, all Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with reading of exactly 50.0 signalling no change on the previous month. Readings above 50 signal an increase or improvement; readings below 50 signal a decline or deterioration. Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.

Recruitment Advertising in National Newspapers data is derived from original survey data collected from media owners by NTC on behalf of the UK Advertising Association together with information from Nielsen Media Research. The data from both NTC and Nielsen Media Research refer only to advertisements in UK national newspapers and therefore tend to reflect trends in the managerial, professional white collar and executive job markets.

## KPMG

KPMG LLP, a UK limited liability partnership 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 2007. KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. We operate in 148 countries and have more than 113,000 professionals working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative. KPMG International provides no client services.

## Recruitment and Employment Confederation

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The REC is the association for the £24.5 billion private recruitment and staffing industry in the UK, with over 8,000 recruitment agencies and 5,500 recruitment consultants in membership. There are 1.2 million temporary workers registered with UK agencies, and up to 1 million temps are deployed in industry, commerce and the public services every day.

## NTC Economics

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NTC Economics is one of the world's largest specialist providers of business research information, operating business surveys on behalf of blue chip clients. Current research includes continuous surveys providing original data on economic conditions in the UK, Germany, France, Italy, Spain, Netherlands, Austria, Ireland, Greece, Russia, Poland, the Czech Republic, Hong Kong, Turkey, Brazil, India, Japan and China. NTC surveys are widely used by governments, businesses and financial markets.

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