

Careerbuilder.co.uk survey shows contractors in demand in 2007

- o 25% of UK companies will recruit contractors in Q3-4 2007
- o 33% of UK companies cannot find workers needed for jobs
- o 15% of employees plan to leave current posts
- o Only 16% of jobleavers are seeking new jobs

About one quarter of UK employers will be recruiting contractors in the third and fourth quarters of 2007 according to a [report](#) by the London-based agency [Careerbuilder](#) released in July.

Shrinking Skilled Labour Force

"UK employers will continue to struggle with a shrinking skilled labour force as Baby Boomers move closer to retirement and the smaller generations of replacement workers falls under quota. The UK workforce can also expect to see employers become more creative in their recruitment and retention efforts," says the Careerbuilder Q3 Job Forecast. Careerbuilder interviewed 215 UK companies and more than 500 UK workers to compile the report.

This trend will provide concrete results for contractors in the form of higher fees, increased training and a more flexible work culture, the report said.

Temporary Staff Recruitment Rising

According to the report, more than a third of companies said they hired temporary workers in the first half of 2007. These companies plan to continue to add temporary workers through the end of the year: 25% plan to do it in Q3, and 22 % in Q4. Looking to the future, 45% of companies surveyed said they were very likely or somewhat likely to move temporary employees into permanent positions.

The types of temporary positions that companies will be recruiting for the most in the UK include sales, information technology, accounting/finance, customer service and healthcare.

Shortage Leads To Better Pay

One-third of the companies surveyed say they currently have vacancies that they cannot fill, the survey shows. This labour shortage is already leading to increased compensation, according to the survey. Almost half of the companies surveyed say that they plan to increase fees and salaries in the third quarter and fourth quarter of this year.

“ One third of the companies surveyed say they currently have vacancies that they cannot fill ”

Careerbuilder Survey

But companies will also suffer from employees leaving their current posts (will they become contractors? The report doesn't say, but an increasing number are doing so). A full 15% of employees say they plan to leave their current job in the next 6 months. Nearly a quarter (23%) will be leaving within one year and four-in-ten (39%) will be gone by the middle of 2009. In fact, only 16% of these soon-to-be job leavers will seek a new job, the survey points out.

Stable Economy Drives Demand

All of this activity is being fueled by a steady economy with its unceasing need for more skilled workers. According to the report, job growth in the UK will continue at a 'cautiously stable' pace. The report cites economists at the Zurich-based investment bank UBS who expect UK employment growth to remain solid in 2007. The report notes that recent employment growth in the UK (<1% y/y) has been less than the Euro area (>1% y/y), according to the UBS Monthly Global Labour Pulse of 4 June 2007. The report states that this ratio will invert in the coming 6 months as the European economy slows slightly under inflationary pressure, while the UK continues to see steady but small improvement.

Improved Diversity

One final area, the report states, in which companies are seeking change is in employment diversity: understanding the positive influence workforce diversity has on overall business performance, companies remain committed to expanding the demographics of their staffs through the end of this year and into the next.

“ The labour shortage is leading to increased compensation ”

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