

Aim Hire

Creating business
advantage through
strong recruitment
partnerships

Key labour market facts

In a challenging labour market, the strength of a good partnership with a knowledgeable recruitment partner is fundamental to help businesses of all sizes find the people they need to deliver business growth and stand out from their competitors.

Although UK economic growth has stalled in recent years, our labour market has held up like never before.

Take a look at our summary below of the key factors shaping our recruitment and employment landscape.

The UK labour force is changing

- ▶ There are **600k fewer young people** in the labour market than a decade ago.
- ▶ Lower migration means growth in the **non-UK-born workforce is 90k lower** per year since 2016.
- ▶ ONS statistics show us there are **more people with long-term health conditions** preventing them from being economically active.
- ▶ We have an aging population, with **one million more workers in their 50s than their 20s**.
- ▶ For the first time in more than 3 years **our labour supply post-pandemic is decreasing**.

Add an aging
population with

1 million

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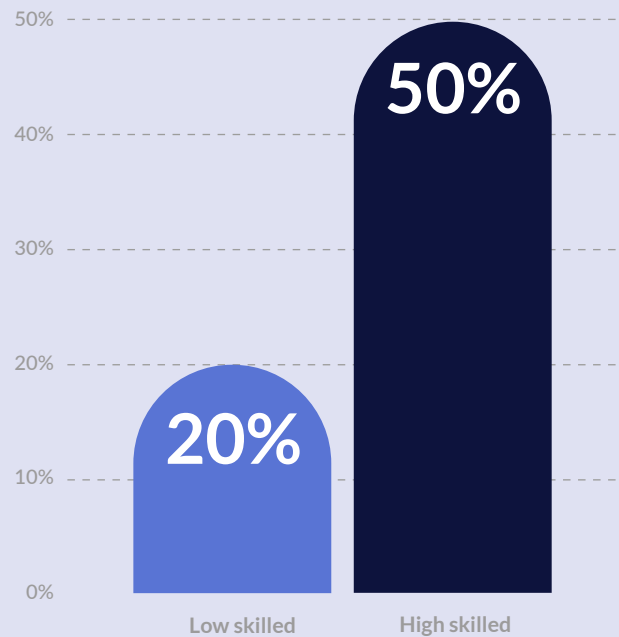
Growth in
the non-UK-born
workforce is

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Changes in the labour market

- ▶ We don't have enough people in the labour market with the skills in demand – **half of all jobs are now deemed 'high skilled' vs one in five 'low skilled'**.
- ▶ The REC's Labour Market Tracker, shows many firms have vacancies that are hard to fill and **a quarter of employees anticipate significant problems finding the people they need** over the coming year.
- ▶ The average employee tenure has decreased with **2 – 5 years now being the most common length of service**.



The recruitment process – cost of hiring

- ▶ Replacing a single employee can take **up to 28 weeks and cost over £25k in lost productivity**¹ – making it a big risk for any business.
- ▶ According to 2022 LinkedIn research: **understanding how to optimise the recruitment process can shorten the hiring cycle by 60%** while improving the quality of your talent.
- ▶ REC research from 2017 has shown that a poor hire at mid-manager level with a salary of £42,000 **can cost a business more than £132,000**. A figure that would be significantly higher today.

¹ REC 'Perfect match', 2017

The value of the recruitment sector



The recruitment industry contributed

£41.3 billion

to the UK economy in 2022²

In 2022:

702,950

Permanent placements were made by the recruitment sector.²

In 2022:

976,400

Temp workers were on assignment on any given day.²

² REC Recruitment Industry Status Report (RISR), 2022/3

The more you engage in the partnership the more benefits you will reap



REC

Recruitment
& Employment
Confederation

To find out more about creating business advantage through strong recruitment partnerships, read the full guide:

www.rec.uk.com/aim-hire