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# Labour Market Outlook: South viewpoint

Based on research from the Labour Market Outlook,  
Spring 2017, produced in partnership with the CIPD



# South viewpoint

Organisations across the South have seen things get worse over the last 12 months, but expect things to marginally pick up over the coming year. This is slightly different to the UK overall, which actually felt that things have got slightly better over the last 12 months as well.

This said, the most common response across the South was that things haven't actually changed in the last 12 months (39%) and won't for the coming year either (35%).

## Recruitment intentions

Recruitment intentions in the South are very much in line with the UK as a whole; two-thirds of organisations (67%) are planning to recruit in the coming quarter. Overall, 41% expect to increase their staffing levels, whilst 20% expect to reduce them. This gives a balance of +21% which is very similar to the UK average of +20%.

When searching for talent, organisations in the South are slightly more likely to utilise professional networking sites and engage a recruitment agent. It's important in this environment to cut through the saturated market, so it's a bit surprising that the level of uptake for referral programs is actually slightly lower (41%) than the rest of the UK (42%).

## Recruitment challenges and skills acquisition

The South of England is currently displaying fewer outstanding vacancies than the UK

as a whole - 7.4 at the time of asking as opposed to 10 for the UK. Unfortunately, fewer of these roles were for newly created positions (only 10%) which is lower than the UK and half the level shown in London. Of these vacancies, around half are considered 'hard-to-fill', this is a similar rate to that seen in the rest of the UK.

While the rest of the UK reports that a small majority (60%) of these vacancies are down to a lack of skills, this is exacerbated in the South where more than five out of six 'hard-to-fill' vacancies are due to a lack of skills.

With such a high lack of skills it would seem sensible that organisations look to build the skillsets in house.

Nearly three-quarters of organisations have a defined training budget, which is similar to the country average, but this still means that one in four does not. There is also slightly less that are feeling that this will increase over the coming year than the rest of the UK.

### What is the overall effect of your recruitment practices in the next three months? (South)

Increase staff level



Reduce staff level



Net Employment Score



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Nearly one in four (logically, maybe the same one in four) have said they are not actually doing anything to improve their future talent pipeline - this is actually higher than the rest of the UK. Also, interestingly, organisations in the South seemed less likely to use almost every talent-pipeline option presented to them by the survey. So it might seem that they have a greater problem with a lack of skills than the rest of the UK, but are not prepared to actively try to fix it and have just accepted the status quo...

### Outlook for pay growth

The outlook for pay awards in the South of England is very similar to the country as a whole. More than one in three (34%) of organisations expect an increase within the next 12 months and those that can predict it, expect a rise of 1%. More than one in four (29%) are unsure what will happen as it will depend on organisational performance. The top two reasons given by the rest of the country for sluggish wage growth (less than 2%) was public sector pay restraint and a stretch on organisational finances - this is even more pronounced in the South.

### The 'Brexit' effect

The South has a very similar density of EU nationals in its workforce compared to the rest of the UK. More than six in ten (61%) of organisations employ EU nationals and they account for 20% of the workforce in the South.

As with the rest of the UK, the most common reasons for hiring EU candidates are a perception of a better work ethic, and an inability to attract UK nationals to unskilled or semi-skilled roles.

Read the full Labour Market Outlook, Spring 2017 report and find out how the research was conducted [here](#)

### Which of the following activities, if any, is your organisation currently undertaking to improve its future talent pipeline

