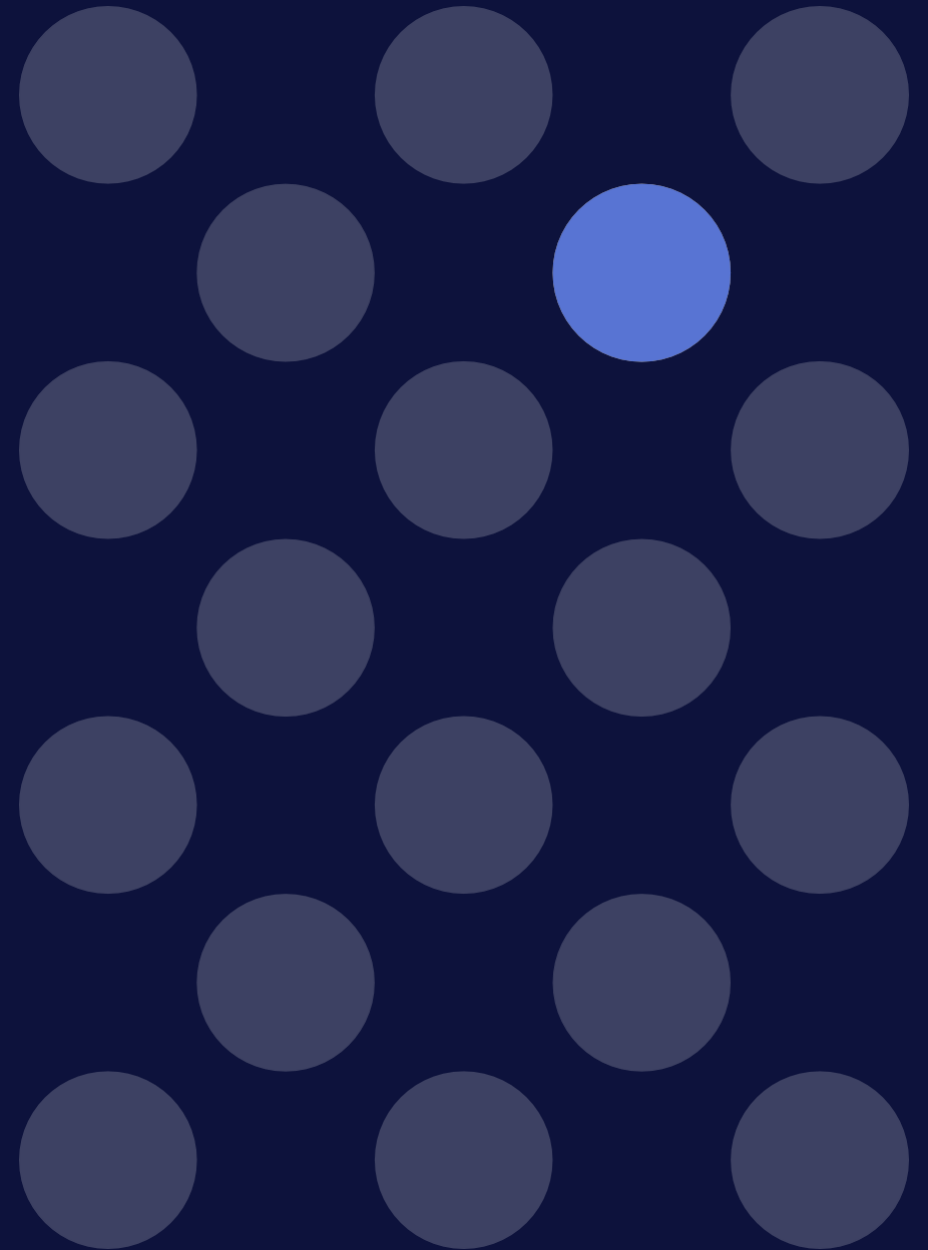


# UK Recruitment Industry Status Report 2022/23

**RISR23**

December 2023



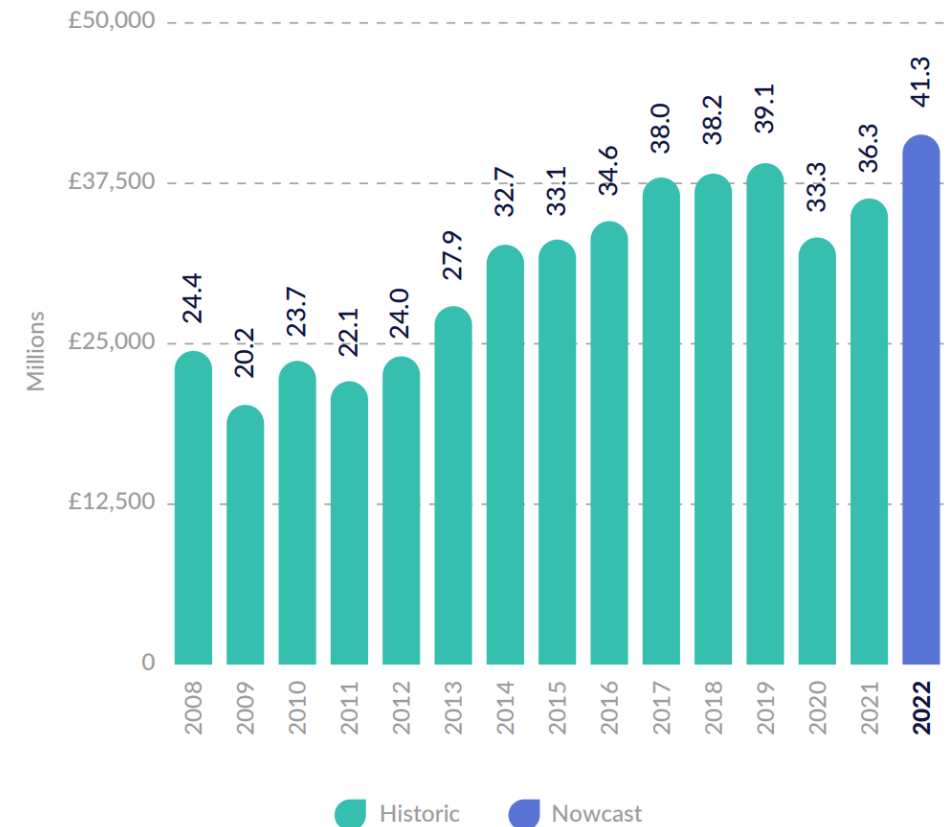
# The UK recruitment industry in 2022

## Economic contribution

- The wider recruitment industry contributed **£41.3 billion** to the UK economy in 2022, accounting for **2% of the UK's Gross Value Added (GVA)**.
- £33.9 billion (82%) was achieved through temporary/contract placement activity
- £7.4 billion (18%) was achieved through permanent placement activity
- 72% of income came solely from UK-based placements 3% higher than in 2021
- The nation's GDP is recovering as we move further away from the era of pandemic-related lockdowns; however, inflationary pressures continue to have an impact on the rate of total economic growth.
- UK GDP is estimated to have grown by 4.3% in 2022, a 1.8% increase from pre-pandemic levels. In both nominal and real terms, the recruitment industry outperformed UK GDP in 2022, growing by 13.7% in nominal terms and 5.9% in real terms, i.e. when adjusted for inflation.

## Estimated direct GVA of the recruitment sector, nominal, basic prices

Annual Business Survey (ONS), Cebr analysis



# The UK recruitment industry in 2022

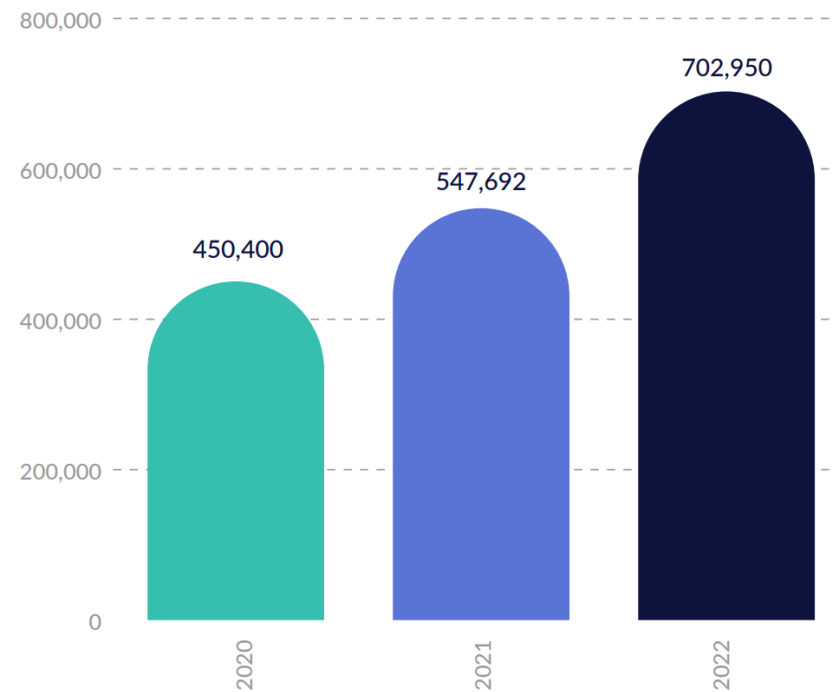
## Recruitment volumes and margins

- The industry made an estimated 702,950 permanent placements in 2022. This was 28.3% higher than 2021 (547,692), showing the significant role the industry played as the economy emerged from the pandemic.
- The industry also made an estimated 25.7 million temporary/contract placements in 2022, 14.7% higher than the estimate of 22.4 million in 2021.
- On any given day in 2022, an estimated 976,400 temporary or contract workers were on assignment.
- Survey respondents indicated from April to September 2023, the average margin on permanent placements has increased by 1.8%. However, the average margin on temporary/contract placements slightly decreased by 0.2%.

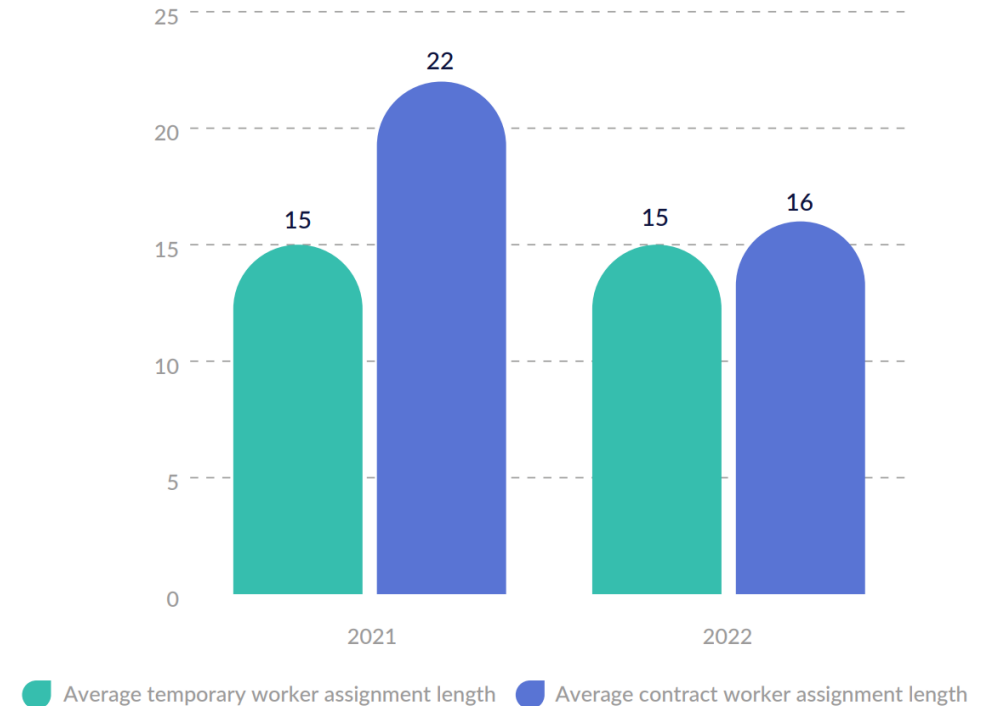
# The UK recruitment industry in 2022

## Recruitment volumes and margins

Estimated number of permanent placements secured, 2020-2022



Estimated length of assignment for both temporary and contract workers, 2021-2022



# The UK recruitment industry in 2022

## Enterprises and workforce

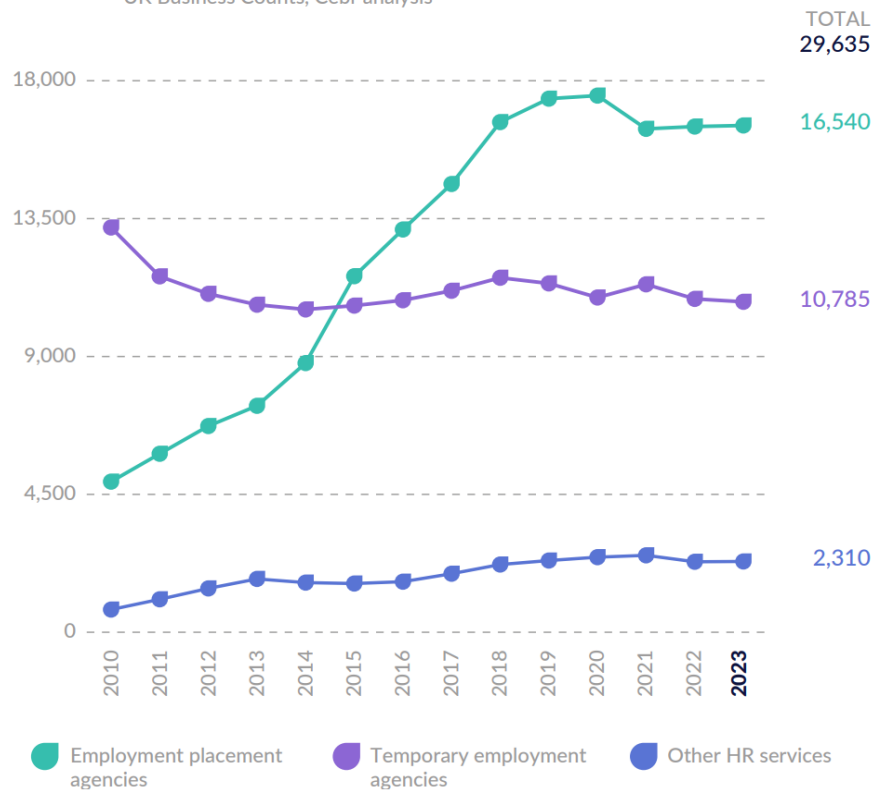
- The combined number of enterprises operating across the UK recruitment industry was recorded at 29,635 at the start of 2023. This was slightly lower (-0.2%) than the previous figure of 30,035 at the start of 2022.
- The number of permanent-centric employment enterprises increased on the year, while the number of temporary-centric employment enterprises declined as the industry continued to consolidate.
- 238,608 staff were employed in recruitment activities in 2022. The survey points to a significant increase of 18.6%, giving weight to the sugar rush experiences widely reported across the sector.

# The UK recruitment industry in 2022

## Enterprises and workforce

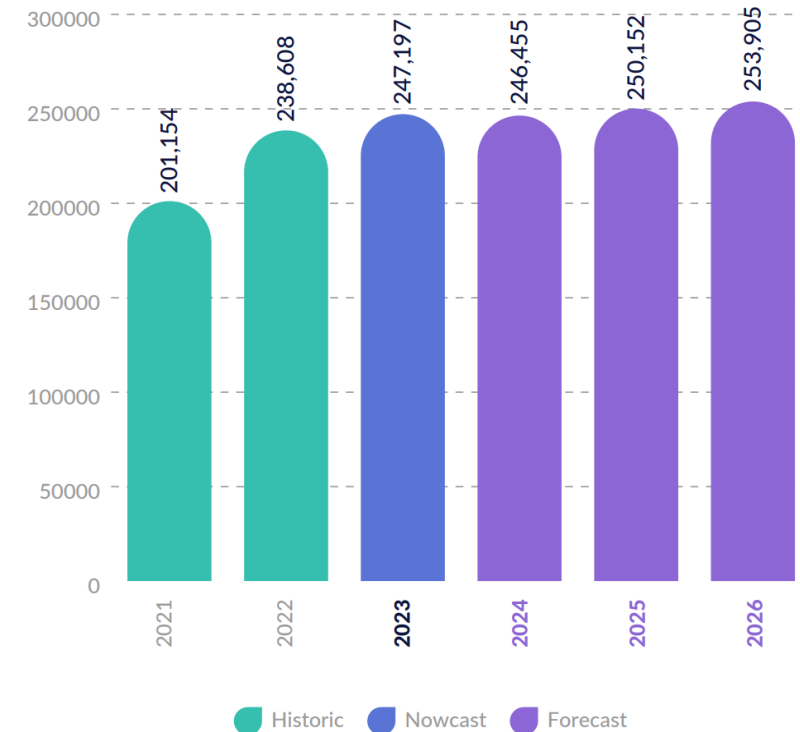
### Enterprises in the recruitment sector, 2010-2023

UK Business Counts, Cebr analysis



### Recruitment sector employment

Business Register and Employment Survey (ONS), Cebr analysis



## Business confidence and hiring outlook

- Despite high interest rates, with the Bank of England having raised interest to its highest rate in 15 years, businesses are showing a slow but steady optimism when it comes to hiring and investment decisions
- In view of current economic conditions, 31% of businesses involved in hiring expect confidence to get better, compared to 28% who believe it will get worse, creating a net 3% confidence expectation
- As interest rates were held at their current rate in October 2023, thereby bringing a pause to 14 consecutive interest raises, we can expect to see confidence increase in the coming year
- Employers' sentiment towards permanent and temporary hiring for short and medium term was positive and relatively steady across the period August-October 2023

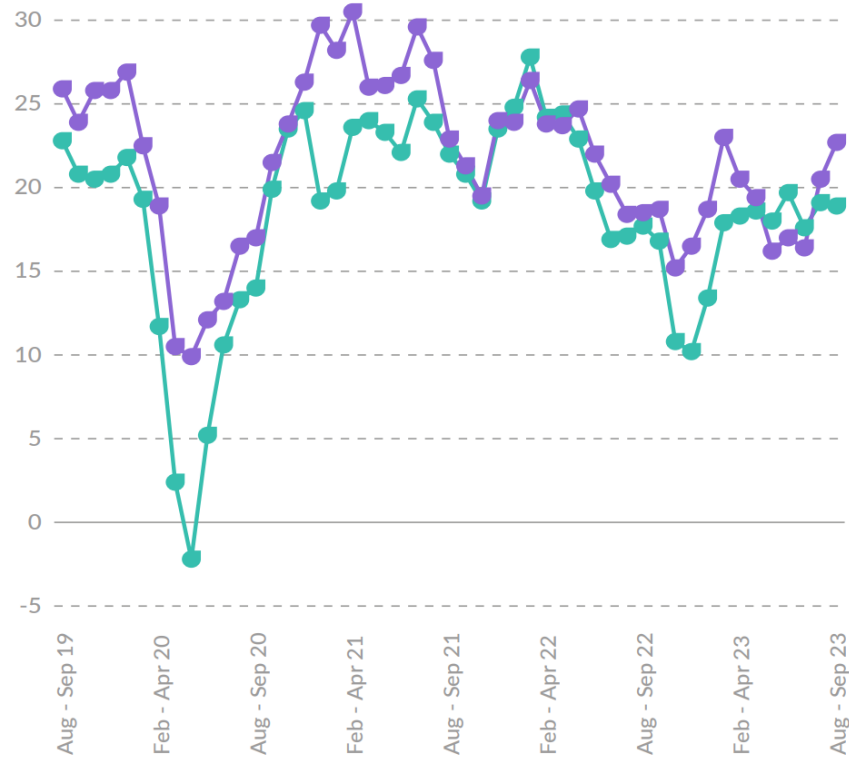
# Finances and confidence

## Business confidence and hiring outlook

### Hiring intentions for permanent roles

JobsOutlook

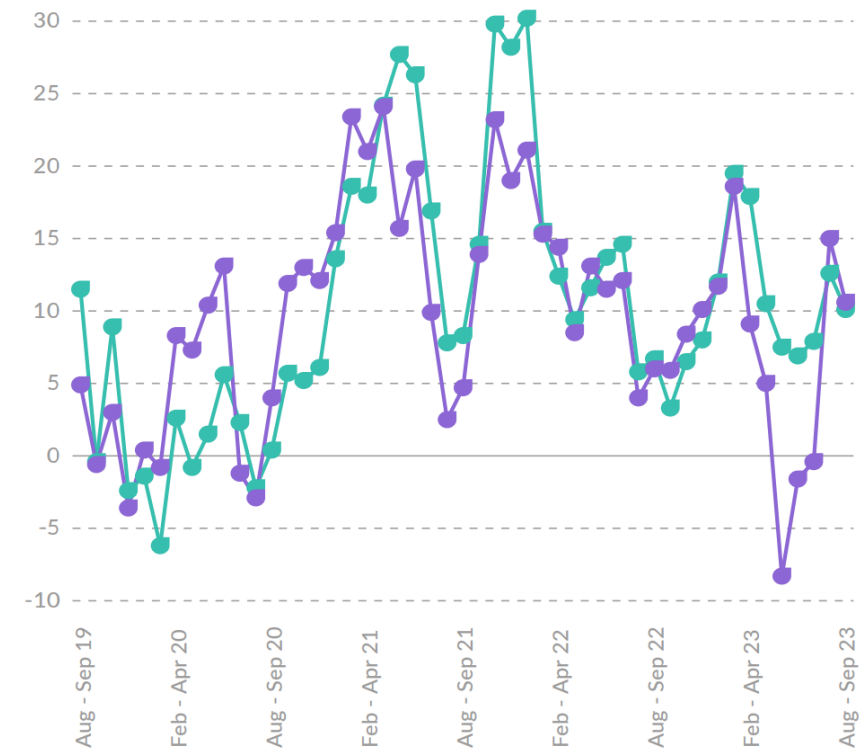
Permanent short term Permanent medium term



### Hiring intentions for temporary roles

JobsOutlook

Temporary short term Temporary medium term



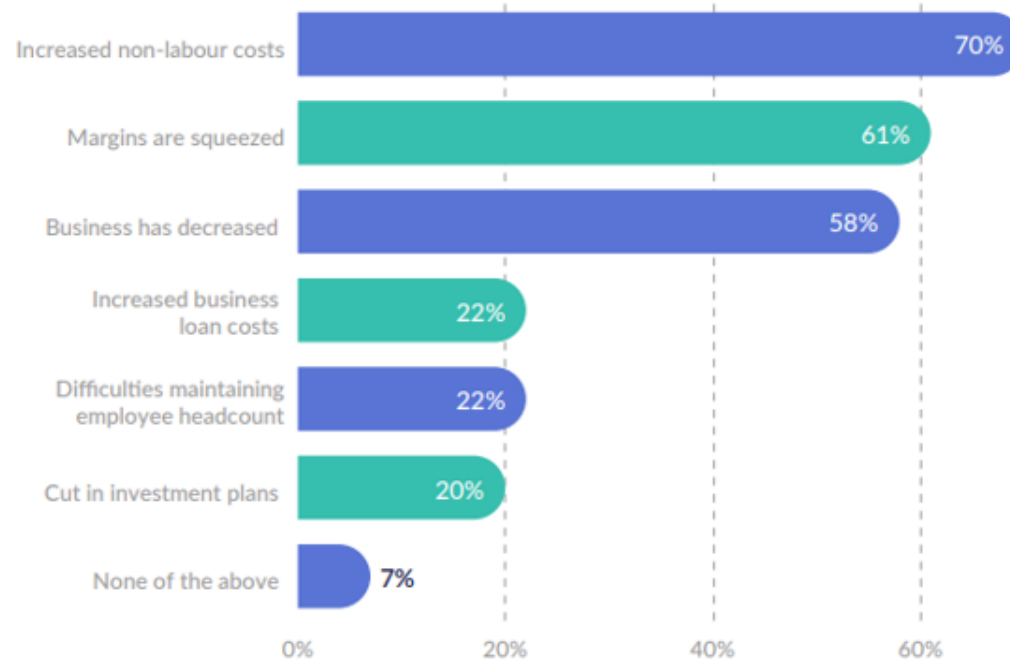


## Inflation and recruitment

- Businesses reported that their margins have been squeezed in the last 12 months. This is mostly due to inflation increasing overheads and business costs, with seven in ten (70%) saying that their business was facing increased non-labour costs and more than half (58%) reporting reduced demand for recruitment from their clients
- Businesses are actively taking or have decided to take, a vast range of options such as reduction in operation costs (64%), and steps to better understand candidates' requirements (52%).

## Inflation and recruitment

How inflation has affected recruitment businesses in the last 12 months



Steps taken by recruitment businesses to mitigate against the impact of inflation

