

An Overview Of Recent Trends Of Recruiting In The UK

Very strong demand for professional talent, the movement of candidates across the European continent, and the rise of alternative and flexible work arrangements are altering the way UK companies recruit talent.

While the global economy continues its slow recovery, the demand for skilled professionals such as accountants, lawyers, doctors and engineers is increasing at a very rapid pace. However, this demand has not translated into a fluid job market, due to a shortage of available talent. This is particularly prevalent in London, where companies are recruiting qualified candidates, extending offers, but ultimately losing the hire because the incumbent employers step in and make the employee an offer they can't refuse. There is simply a shortage of people willing to take the risk of moving jobs in our current economic cycle.

Not only are qualified professionals relatively hesitant to switch companies because of the economic climate, but we also lack a sufficient supply of graduates to meet the demand in "hot" markets such as healthcare, software development, technology and engineering. Since 2008, many major professional services firms have reduced their intake of graduates. One of the consequences of this pullback is a lack of young graduates with two, three or four years of post-university work experience, which means employers will likely have to pay premium prices to recruit qualified candidates in the next three to five years.

Age demographics have greater implications in certain industries and European markets than others. For example, the UK's oil and gas sector is experiencing a major shortage of new talent not just due to a shortage of candidates but also as a function of an ageing workforce. The industry was formed in the late '70s, and there was a great deal of skill that went into its early days as new offshore oil fields were developed around the UK. Now, 40 years later, individuals that joined the sector as it was getting off the ground are approaching retirement age. This has driven a remarkable boom in oil and gas recruitment over the past few years.

In terms of a geographic market comparison, Germany is struggling with a difficult combination of a shortage of young, skilled workers and a very low birth rate, while the UK is projected to be the continent's largest economy by 2030. Why is that? The UK isn't feeling the same talent crunch due to an influx of qualified professionals from Eastern Europe and former British Empire nations. Professionals are moving West because they see – and can obtain – high-paying, attractive opportunities to utilise their university education and professional experience. This migration into the UK is actually refreshing the country's workforce with motivated and highly educated talent.

Companies in the UK and across Europe are taking a number of different approaches to address recruiting demands. Some are turning to familiar channels such as outsourcing labour and operations to make up for a lack of available resources and talent in their home market.

Another tactic companies are using to re-energise and re-imagine their recruiting strategies is "proactive sourcing." Organisations are turning to technology solutions such as social media to build relationships with people they may consider recruiting in due course. They are tapping into social platforms such as LinkedIn to proactively identify and converse with passive candidates – professionals that often have a job and are not necessarily looking for a new opportunity, but possess a skill set that makes them very desirable for companies with critical vacancies.

The UK labour market is also seeing a major increase in the use of "flexible resources." More and more companies are employing people at "zero hours contracted"; a controversial hiring technique. Rather than committing to a traditional full-time hire, zero-hour contracts enable companies to hire new employees without committing to a set number of hours.

This global approach to sourcing recruitment solutions is encouraging UK students to reconsider their education and ultimate career paths. Over the past five years, the focus within the university

education system has shifted away from traditional humanities disciplines such as art, literature, history and geography. Today, there is increasing interest in subjects that translate into careers in certain fields where there is not an adequate supply of talent, particularly technology. In the long-term, this supply-demand tension will be addressed as students start to select different paths in the education system to attain careers in rapidly growing markets.

We see a major opportunity in businesses that embrace a flexible workforce, and we believe this will evolve over the next three to five years. It is a matter of finding human capital solutions that optimise your business strategy: How should we respond to a lack of qualified candidates? How should we handle our ageing workforce? Can we accommodate the demand for more flexible work arrangements?

Businesses that are able to grasp that opportunity by leveraging key opportunities – such as approaching the "grey workforce" as a competitive advantage and allowing flexible work schedules for parents – will have a key advantage in the next three to five years.



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