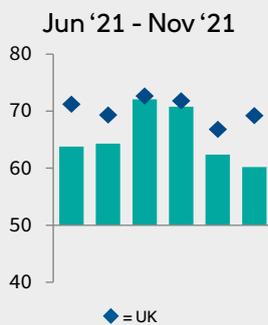


Royal Bank of Scotland Report on Jobs

Hiring activity slows again in November

Scotland Permanent Placements Index



Key findings

Permanent placements rise at weakest rate since February

Rate of increase in temp billings eases to seven-month low

Record drop in permanent candidate availability

Hiring activity across Scotland rose at a slower pace in November, according to the latest Royal Bank of Scotland Report on Jobs. Permanent staff appointments rose at the softest rate since February, while the rate of increase in temp billings moderated to a seven-month low, although the upturns remained sharp overall. At the same time, candidate availability decreased further, with the supply of permanent staff plummeting at a record pace while short-term staff availability fell rapidly. Demand for workers remained historically strong despite easing on the month, which placed further upwards pressure on rates of pay. Notably, permanent starters' salaries rose at the quickest rate on record in November.

Sebastian Burnside, Chief Economist at Royal Bank of Scotland, commented:

"The Scottish labour market continues to run hot midway through the fourth quarter. Hiring activity rose markedly, amid reports of strong demand for candidates, although there were signs that candidate shortages were starting to bite in November, with the rates of increase in permanent placements and temp billings the slowest since February and April, respectively.

"Skills shortages were also reflected in a further drop in candidate availability, in particular for permanent staff where the fall was the steepest on record. This led to further upwards pressure on pay in November, with rapid rises in salaries and wages for permanent and short-term staff, with the former increasing at the strongest pace in the series history.

"Although strong, the loss of growth momentum points to early signs that tightness in the labour market is beginning to weigh on its performance."

Scotland Permanent Placements Index

sa, >50 = growth since previous month



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About the Scotland Report on Jobs

The Royal Bank of Scotland Report on Jobs is compiled by IHS Markit from responses to questionnaires sent to a panel of around 100 Scottish recruitment and employment consultancies.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then

seasonally adjusted.

The headline figure is the Permanent Placements Index, calculated from responses to the question "Is the number of people placed in permanent jobs higher, the same or lower than one month ago?".

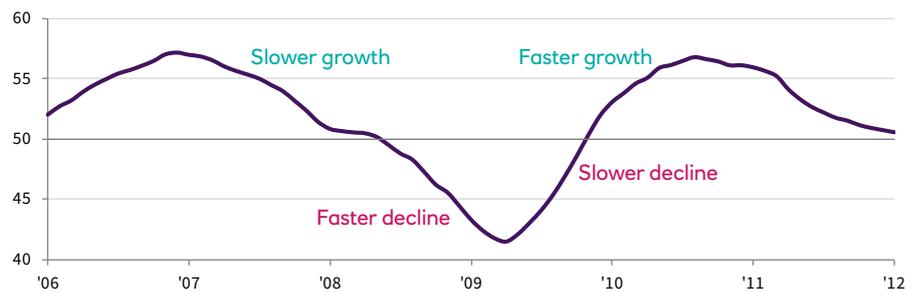
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

November data were collected 12-24 November 2021.

For further information on the survey methodology, please contact economics@ihsmarkit.com.

Index interpretation

50.0 = no change since previous month



Staff placements

Upturn in permanent placements eases further in November

Recruiters across Scotland reported another rise in permanent staff appointments during November, extending the current sequence of increase to 11 months. Strong demand for staff and improved market confidence were both cited in anecdotal evidence as reasons for the latest uplift. Though sharp, the rate of expansion slowed further from August's recent peak and was the weakest for nine months. The upturn also remained softer than that seen across the UK as a whole.

Permanent Placements Index
sa, >50 = growth since previous month
60.2
Nov '21

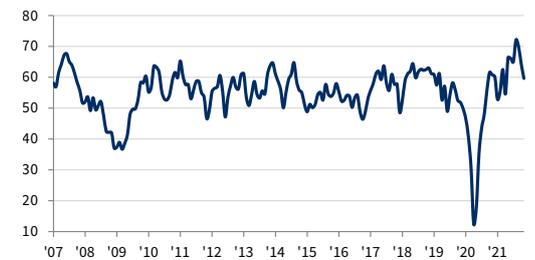


Slowest rise in temp billings since April

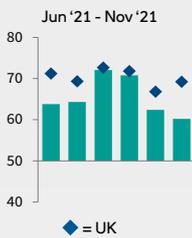
A fifteenth straight monthly rise in temp billings across Scotland was recorded in November, amid reports of strong demand for workers, partially due to the COP26 event. The rate of increase eased to the slowest since April, but was still comfortably above the long-run average and sharp.

Temp billings also rose at the UK level in November, with the rate of increase accelerating on the month and outpacing that seen in Scotland.

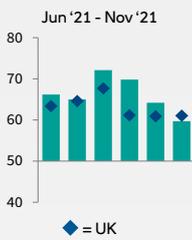
Temporary Billings Index
sa, >50 = growth since previous month
59.7
Nov '21



Permanent Placements Index



Temporary Billings Index



Labour supply

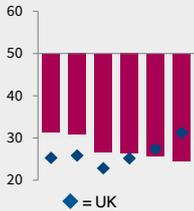
Supply of permanent staff drops at record pace in November

For the tenth time in as many months, permanent candidate availability across Scotland declined during November. Panellists attributed the latest reduction to lingering caution among candidates about switching roles amid the pandemic and strong demand for staff. Furthermore, the rate of decrease accelerated to the fastest on record.

Permanent Candidate Availability Index **24.6**
sa, >50 = growth since previous month Nov '21



Permanent Candidate Availability Index
 Jun '21 - Nov '21



Slower, but still sharp, decline in temp candidate availability

November data highlighted a further reduction in the supply of temporary staff across Scotland, as has been the case in each of the last nine months. Brexit, COVID-19 and IR35 were all cited by respondents as reasons for the latest fall. The rate of decline eased to the slowest since May and was weaker than that reported at the UK level, but nonetheless sharp overall.

Temporary Candidate Availability Index **39.8**
sa, >50 = growth since previous month Nov '21



Temporary Candidate Availability Index
 Jun '21 - Nov '21



Pay pressures

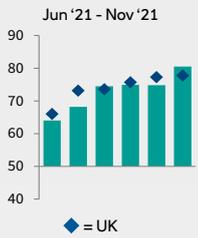
Permanent starters' salaries rise at fastest rate on record in November

Recruiters in Scotland recorded another increase in permanent starters' salaries during November, stretching the current sequence of higher pay that began last December. Anecdotal evidence attributed the latest uplift in pay to candidate shortages, and companies subsequently lifting salaries to attract top talent. Notably, the rate of salary inflation was the quickest on record and rapid.

Rate of increase in temp wages eases slightly, but remains steep

For the twelfth time in as many months, recruiters across Scotland reported an increase in average hourly pay rates for short-term staff during November. Skill shortages, combined with strong demand for staff, had placed upwards pressure on pay according to respondents. The rate of inflation slowed further from August's peak, but was nonetheless among the fastest recorded since the survey began in 2003.

Permanent Salaries Index



Permanent Salaries Index



Temporary Wages Index



Temporary Wages Index



Demand for temporary staff

Temp staff demand rises steeply again in November

The Temporary Vacancies Index is derived from eight sectoral indices of the demand for temporary staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

November data pointed to a further rise in demand for temporary staff across Scotland, with vacancies rising for the fourteenth month running. The rate of increase remained slower than August's record, but was nonetheless among the quickest in the series history and steep overall. The expansion also outpaced the UK-wide trend.

Across the monitored job categories, Hotel & Catering saw the fastest uplift in temp vacancies, followed by Blue Collar.

Temporary Vacancies Index
sa, >50 = growth since previous month
73.5
Nov '21



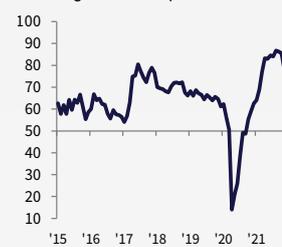
Temporary Vacancies Index by sector

Rank	Sector	Oct-21	Nov-21
1	Hotel & Catering	92.7	87.5
2	Blue Collar	84.7	81.3
3	IT & Computing	85.5	78.3
4	Accounts & Financial	75.1	74.7
5	Secretarial & Clerical	74.7	70.6
6	Engineering & Construction	78.0	68.8
7	Executive & Professional	68.5	67.6
8	Nursing/Medical/Care	63.6	60.0

Temporary vacancies by sector

IT & Computing

sa, >50 = growth since previous month



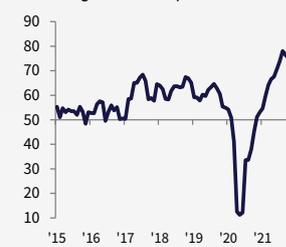
Executive & Professional

sa, >50 = growth since previous month



Accounting & Financial

sa, >50 = growth since previous month



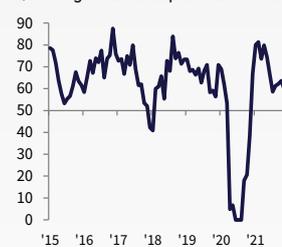
Secretarial & Clerical

sa, >50 = growth since previous month



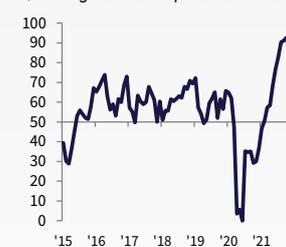
Nursing, Medical & Care

sa, >50 = growth since previous month



Hotel & Catering

sa, >50 = growth since previous month



Engineering & Construction

sa, >50 = growth since previous month



Blue Collar

sa, >50 = growth since previous month



Index summary

Scotland

sa, 50 = no change over previous month

	Permanent Placements	Temporary Placements	Permanent Availability	Temporary Availability	Permanent Salaries	Temporary Wages	Permanent Vacancies	Temporary Vacancies
Jun '21	63.8	66.2	31.4	26.1	64.0	59.6	75.0	76.5
Jul '21	64.3	65.0	30.8	28.3	68.2	60.0	74.9	76.5
Aug '21	72.1	72.1	26.7	24.7	74.5	78.3	76.8	80.0
Sep '21	70.8	69.8	26.3	31.5	74.9	71.0	75.2	77.0
Oct '21	62.4	64.2	25.7	31.1	74.8	70.7	75.5	78.5
Nov '21	60.2	59.7	24.6	39.8	80.5	67.7	73.5	73.5

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About Royal Bank of Scotland

Royal Bank of Scotland has paved the way in banking ever since it was established in 1727. From the world's first overdraft, and the first house purchase loan by a UK bank, to the first fully-fledged internet banking service and mobile banking app the bank has a history of making life easier for its customers.

The bank has commitment to retain its close connections with the Scottish communities it serves.

About REC

The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.

About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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