

'War for talent' means businesses now have to offer flexible working, says Hays boss

Hays saw the sharpest [jobs](#) market recovery in its 53-year [history](#) in the first half of 2021, the white-collar recruitment giant's [boss](#) said today.

Hays specialises in sectors spanning [finance](#), legal and [tech](#). Alistair Cox, who has headed up the FTSE 250 firm since 2007, told the Standard that the UK's "huge [skills shortage](#)" in a number of areas is leading to wage inflation – particularly in tech roles.

Banking recruitment in the City has picked up quickly, with very significant increase in specialist jobs and rapid hiring in roles linked to London's booming IPO market, Cox said. Led by US law firms, the capital's legal sector is also "recruiting very aggressively" with salaries on offer rising as a result, he said.


"We're seeing wage inflation start to creep in, and we haven't seen this in the last decade in the U.K," he said. "It's basic economics; if the supply is not there to meet the demand then the price goes up, so I think it is sustainable."

[Businesses](#) are having to offer flexible [working](#) to attract the best [talent](#), Cox added.

READ MORE

- [Camden's huge Hawley Wharf development opens for Bank](#)

Holiday weekend

- PureGym returns to profitability as membership numbers rise
- The UK coped with Covid, it will cope with the latest economic wobbles
-  BRANDPOST | PAID CONTENT

The CEO, who is confident we will “permanently live” in a hybrid working world going forward, said: “It’s almost a must-have now if you want to recruit. And remember, organisations are in a war for talent. It’s a very, very intense war for talent at the moment. It’s a red-hot market in so many areas.

“There are so many people who are looking at changing jobs... they’re very confident to move, and organisations have got to be mindful of that when they’re looking at the whole package. It’s not just about money; it’s about money, lifestyle, type of work – it’s a much richer mix now.”

When the pandemic hit in March 2020 companies around the world slashed headcount or implemented recruiting freezes as the world went into lockdown. But the jobs market has boomed in recent months as economies reopened and businesses look to grow.

Hays saw net fee income down 8% and operating profit down 31% in the year to June 30. But it made £70 million of its £95 million profit in the second half, and saw net fee income rise by 39% between April and end June.

Cox said: “It was the sharpest recovery that we’ve ever witnessed in our 53 years in the business.

“The pace of recovery just quickened – in the fourth quarter we saw 39% growth. Profits are way above what we originally anticipated.

“There has also been a great start to the new [financial]

year. It's a red-hot recruitment market, including here in the UK, so we fully expect to see significant profit growth this year, and we also expect to add further significant investment into the business this year."

The firm, which completed an £196 million share sale in April last year, announced on Thursday it is reinstating its core dividend, and said it will pay back £150 million in surplus cash to investors via special dividend in November – up from previous plans for a £100 million cash return at that date.

Cox said the return shows Hays' confidence in its profits rebuilding "back to, and then exceeding" pre-pandemic levels going forward.

Hays has restructured since Covid hit, cutting group headcount by 14%. But the CEO said the firm has been on its own recruitment drive in recent months, adding 650 employees in the second half.

Analysts at UBS noted Hays' first-half profit was in-line with consensus and cashflow slightly ahead, and raised dividend forecasts.

Shares rose by as much as 1.9% on the update on Thursday morning.