



## MIKE BROOKSBANK | DIRECTOR

Mike Brooksbank has worked in the technical recruitment market for the past 20 years. He has a proven track record in procuring and delivering multi-site high volume contingency recruitment, predominantly in the defence, aerospace and automotive sectors.

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The market should remain in a growth position throughout the rest of the year.

The Defence and Aerospace sectors are experiencing key skill shortages in the marketplace.

80% of respondents believe talent attraction is the key factor when allocating recruitment budgets.

33% of respondents plan to increase their use of training and development as a retention tool.

### EXPECTATIONS ON PERFORMANCE

Demand for agency workers with engineering skills remains at an all-time high and demand for their permanent counterparts also remains on the ascendency. Over 90% of our survey respondents intend to increase or maintain their current headcount over the coming 12 months. This figure is almost double what our surveyed clients responded with this time last year.

Coinciding with the belief that the Technical industry can expect a significant increase in employee numbers, our survey suggests that the industry's professionals are confident their business will maintain or enhance its performance over the coming year. Having said this, our own Technical Director believes it will be a tough year ahead to keep those currently employed by agencies; as automotive OEMS (Original Equipment Manufacturers) and suppliers throughout the industry are also experiencing a good year to date.

The market should remain in a growth position throughout the rest of the year. However, our results show that finding sufficient qualified talent to accommodate this growth will be of paramount concern for our respondents. The secret to combating this problem for many of our respondents will be engaging with agencies. Over 50% of SMEs plan to utilise recruitment agencies in an effort to meet their hiring requirements over the next 12 months. As long as agencies who supply Technical recruitment resources can remain innovative in finding capable skills and good quality candidates, they will remain ahead of the curve and continue to provide a quality service.

### RECRUITMENT

Within the defence and aerospace sector the need for rare skills sets is becoming a necessity and due to the nature of the work, there is a significant lack of talent available that are both qualified and experienced enough to complete the niche tasks required. This problem has become increasingly evident over the last 6 months with over 50% of survey respondents stating that a lack of qualified talent in the market place provides the biggest difficulty when attracting new talent to their organisation.

This problem is further illustrated by a shift in focus when budget planning for future recruitment costs in the Technical industry. Over 80% of our survey respondents stated that increasing expenditure to facilitate the attraction of new talent is their number one priority when planning future recruitment costs. Coupled with this problem, keeping sensible pay rates at both contract and permanent hires is becoming an issue. In order to combat this, a greater recruitment drive is required on graduate and apprentice schemes to ensure young talented individuals are brought into the industry. This is backed up by the Technical industry's concerns over rising average age of employees.

The majority of hires in this sector over the past 12 months have been contractors. In contrast to our previous report however, this trend has started to dissipate, with the industry beginning to see an increase in permanent hires for the time being. The feeling among Technical professionals is; if recruitment numbers are not met over the next three to 6 months, this permanent hire trend may well revert back to temporary.

### RETENTION

Retention continues to remain a key focus for the Technical industry; especially given its reliance on a contractor workforce with in-demand Technical skill sets. It is crucial that these contractors are retained for the duration of a project to avoid unnecessary delays and also to increase retention of information to ensure business growth.

The sector has chosen a multi-strand approach to increase their retention rates. 33% are increasing their use of training and development, with 27% utilising enhanced benefit packages, and over 30% offering further compensation packages as a tool for retention over the next 12 months. This is a big leap from our last survey where only 10% of respondents commented that they would use compensation as a retention tool. This increase mirrors the results we are seeing throughout most job sectors as the economy continues to grow and performance continues to rise, with less concern given to spenditure on retaining talent.

Employers continue to utilise tools such as the Talent Retention System and run high-profile events for younger people to protect the longevity of their workforce and vital skill sets. Technical disciplines also continue to focus on the engagement of women to ensure skills shortages do not persist in the future. At present only 8% of the workforce are made up of women.

### CONCLUSION

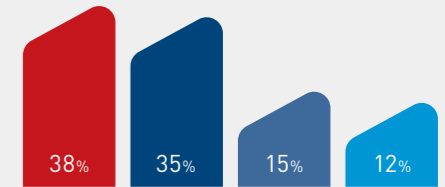
Technical disciplines on the whole look set to continue its strong trend throughout the rest of 2014, with expected headcount increases, and economic concern dropping significantly since our last survey. This drop has had positive reverberations throughout the industry in relation to permanent recruitment, which has picked up after a slow start to the year.

Talent shortages are the main concern sweeping across the Technical industry, with over 50% of survey respondents stating that a lack of qualified talent in the market place provides the biggest difficulty when attracting new talent to their organisations.

Those surveyed showed concern about their ability to find the key skill sets to fill niche positions, particularly in the defence and aerospace sectors. Technical sectors still face the long-term challenge of adjusting the age demographic of their workforce, ensuring that skills shortages do not become more acute in the future. To retain current skillsets, a multi-strand approach appears to be in place. Compensation and benefit packages are the most popular tool, but there is little to separate the other retention options such as training and development and employee engagement.

### UK SURVEY RESULTS

When planning future recruitment costs, which of the below factors do you consider will have the biggest impact on your budget?



- 38% Attracting or recruiting talent
- 35% Company/sector performance
- 15% Outsourcing or structural changes
- 12% Legislative changes

In the discipline that you recruit for, what are the talent shortages you are encountering?

#### TOP THREE

- Security Clearance
- HMI/Ergonomic Engineers
- NVH & Calibration Engineers

# 80%

stated they will increase expenditure to attract talent

# 30%

of clients are willing to enhance compensation packages to retain staff