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*UK Corporate Services Price Index  
Voorburg 2004*

*Mini presentation on Producer Price Indices*

*The Development of a price index for*

***LABOUR RECRUITMENT SERVICES***

*in the United Kingdom*

*Tim Clode*

*UK Office for National Statistics*

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## *SUMMARY*

- **labour recruitment CSPI first published in 1997**
- UK labour recruitment activity t/o = £22b per year
- latest in series of papers on labour recruitment
- competitive and growing service area
- sector frequently operates discounted pricing
- large labour recruitment by corporate services
- includes pricing methods/family tree/results

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## *INDUSTRY MAKE-UP*

- **labour recruitment agencies typically operate in 3 ways:**
  - æ specialising in placing staff with specific skills in a specific sector
  - ⊥ supplying workers of all kinds within their locality
  - ⊥ specialising in headhunting, out-placement or consultancy

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## *INDUSTRY MESSAGES*

- **recent UK Government study by DTI has reported that:**
  - æ since 1990 people employed by labour recruitment agencies has consistently risen
  - ⊥ temporary staff placed by agencies has grown - increasing market share
  - ⊥ demonstrates greater activity and more flexible work patterns

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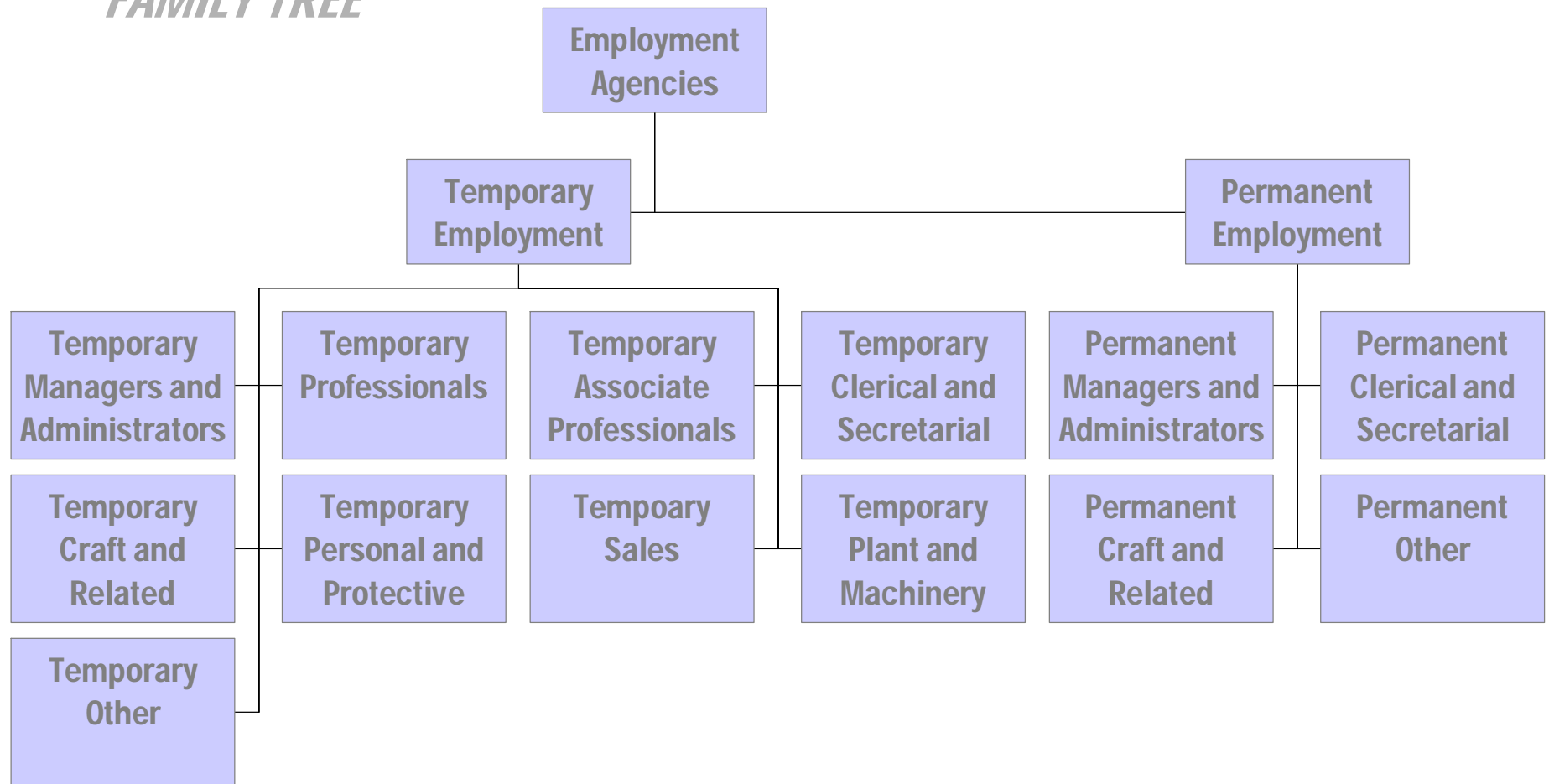
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## *FAMILY TREE*



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## *TYPES OF FEE*

- **executive headhunting fee**
- placement retainer fee\*
- placement short list fee\*
- placement final fee\*
- \* = often bundled & discounted/exclusive rights
- permanent percentage of salary
- temporary hourly/weekly rate

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## *FACTORS AFFECTING FEE*

- **geographical location**
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- type of work offered
- employer relationship with agency
- length of contract offered
- level of skill required

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## *SAMPLING AND WEIGHTING*

- **initial sample frame based on Recruitment & Employment Confederation and IDBR stratified by employment**
- initial recruitment questionnaires collect price and sales (weights) for occupational groups
- subsequent questionnaires collect price
- sample = 115, prices = 488 items, 45% coverage

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## *SAMPLING AND WEIGHTING*

Recruitment and Personnel Services: Recruitment form.

Price Quotation for Greater London

Please provide prices for services or contracts that you expect to continue to provide into the future

INDUSTRY SECTOR Please refer to family tree diagram	Sales 1995 - 1996 (£000)	Current Price £ : P	DESCRIPTION OF SERVICE YOU PROVIDE Please refer to the examples provided and the notes page. The price quotes should be the actual/achieved rate paid to the agency
<b>TEMPORARY STAFF</b>			
1. Managers & Administrators			
2. Professionals			
3. Associate Professionals			
4. Clerical & Secretarial			
5. Craft & Related			
6. Personal & Protective			
7. Sales			
8. Plant & Machinery Operators			
9. Other (than the above)			
<b>PERMANENT STAFF</b>			
	Sales 1995 - 1996 (£000)	Current Price £ : P	The price quotes should be the percentage of salary actually achieved (after discounts), or other fee charged.
10. Managers & Administrators			
11. Clerical & Secretarial			
12. Craft & Related			
13. Other (than the above)			

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## *LABOUR RECRUITMENT CSPI TIME SERIES*

