

Experts from the worlds of recruitment and contracting have been giving their responses to the chancellor's Autumn Statement, and the need to foster more flexible working arrangements has emerged as a key theme.

Peter Cheese, chief executive of the Chartered Institute of Personnel and Development, said that the Statement "underlines that the road to recovery hinges on the continued ability of the UK's flexible labour market to support employment growth in tough economic conditions."

Employers will need to continue to improve productivity, employee engagement and innovation during "prolonged fiscal consolidation", he continued, adding that the "new normal" was now characterised by a cluster of tough, volatile and uncertain conditions which were unlikely to go away any time soon. Building people management capabilities that facilitated rapid, agile responses to business fluctuations would be "the key to boosting national productivity", he concluded.

It is clear from these comments that the CIPD believes that, while economic conditions remain so unpredictable, more businesses will need to turn to contractor solutions such as hiring Umbrella Company Employees in response to changing business needs.

Mr Cheese's comments were borne out by remarks from a leading HR consultant, Tara Daynes, who is also a member of the CIPD. She believes that, for many firms, the costs of taking on more permanent staff are simply unsustainable at present.

Explaining that employers cannot gauge their long term needs with any degree of reliability under such skittish economic conditions, she pointed out that "a lot of the time they will actually have people on a short term basis with a view to potentially going permanent once they actually know what the future holds for them."