Although it is encouraging that businesses are looking to take on people, the prolonged skills shortages they’re facing are not sustainable as they try to shake off years of political uncertainty and pursue growth.

Training has got to be at the heart of the upcoming Budget if the government wishes to demonstrate that it is serious about ‘levelling up’ opportunity all across the UK. Funding boosts are needed for vocational and technical education, for apprenticeships, and for incentives to help more employers provide high-quality job-related training.

As the UK forms new economic relationships with the EU and partners across the world, businesses also need clarity on who they can recruit. As things stand, businesses don’t know who they can hire, and under what conditions, from New Year’s Day 2021. That’s unacceptable. The Government needs to act swiftly to deliver a fast, flexible new immigration system that allows firms to access staff at all skill levels, and limits upfront fees, delays and costly red tape.

The market is very much active and hiring intentions remain strong, with Totaljobs seeing 640,000 jobs advertised alongside over 12 million job applications in Q4 2019. Yet, skills shortages continue to impact many UK businesses, as one factor contributing to the UK’s low productivity rate.

UK businesses need to ensure they have robust training opportunities to keep the people they need. Totaljobs research shows that two thirds of UK workers have left a job due to a lack of learning and development. Clearly, learning new skills is very much tied up in job satisfaction. For SMEs particularly, training budgets can be an issue, which is why dedication and support from the government is essential in order to help the UK workforce upskill.
The Quarterly Recruitment Outlook (QRO) for Q4 2019 found over half of UK firms attempted to recruit in the last quarter of 2019, but almost three quarters struggled to find the right talent.

In Q4 2019...

- **55%** of businesses said they attempted to recruit staff, compared with 54% in Q3 2019

Of these businesses...

- **72%** said they experienced recruitment difficulties, compared with 73% in Q3 2019

Of the businesses facing recruitment difficulties...

- **49%** faced difficulties for skilled manual or technical roles
- **46%** faced difficulties for professional or managerial roles
- **19%** faced difficulties for clerical roles
- **25%** faced difficulties for semi or unskilled roles

Employment growth expectations over the next three months

- **26%** of businesses expect their workforce to increase
- **67%** of businesses expect their workforce to remain constant
- **7%** of businesses expect their workforce to decrease

The British Chambers of Commerce surveyed more than 6,200 business people from across the UK online between 5 and 24 November 2019. 93% of businesses surveyed were SMEs (firms with fewer than 250 employees).
**SECTOR BREAKDOWN**

The figures illustrate a critical skills deficit across the UK workforce, with shortages most apparent in the construction sector. In this sector – and others – uncertainty over the UK’s future immigration regime continues to be a concern.

<table>
<thead>
<tr>
<th>Sector</th>
<th>% of Firms Attempted to Recruit</th>
<th>% Reported Recruitment Difficulties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONSTRUCTION</strong></td>
<td><strong>67%</strong></td>
<td><strong>79%</strong></td>
</tr>
<tr>
<td><strong>TRANSPORT AND DISTRIBUTION</strong></td>
<td><strong>62%</strong></td>
<td><strong>73%</strong></td>
</tr>
<tr>
<td><strong>RETAIL/WHOLESALE</strong></td>
<td><strong>46%</strong></td>
<td><strong>61%</strong></td>
</tr>
</tbody>
</table>

*360 respondents

In the **CONSTRUCTION** sector...

- 67% of firms attempted to recruit
- 79% reported recruitment difficulties

*200 respondents

In the **TRANSPORT AND DISTRIBUTION** sector...

- 62% of firms attempted to recruit
- 73% reported recruitment difficulties

*520 respondents

In the **RETAIL/WHOLESALE** sector...

- 46% of firms attempted to recruit
- 61% reported recruitment difficulties

“The rural location of our business and the projects we construct is a challenge to finding candidates that are flexible with working hours, locations and travel.”

**Debbie Coles, Managing Director of Powell & Co Construction and member of Herefordshire & Worcestershire Chamber of Commerce**

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*British Chambers of Commerce*
COMPANY SIZE BREAKDOWN

The QRO data reveal large disparities across different business sizes for attempted recruitment. Just under one-third (30%) of micro businesses attempted to recruit in Q4 2019, while 92% of large businesses recruited in the same period. Despite this, the proportion of firms facing recruitment difficulties remains consistent across all sizes.

<table>
<thead>
<tr>
<th>COMPANY SIZE</th>
<th>ATTEMPTED TO RECRUIT</th>
<th>RECRUITMENT DIFFICULTIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICRO businesses*...</td>
<td>30%</td>
<td>71%</td>
</tr>
<tr>
<td>SMALL and MIDSIZED businesses*...</td>
<td>74%</td>
<td>73%</td>
</tr>
<tr>
<td>LARGE businesses*...</td>
<td>92%</td>
<td>70%</td>
</tr>
</tbody>
</table>

*2,901 respondents *2,988 respondents *371 respondents

“Making young people aware of opportunities which exist in the real world is an ongoing challenge; as small business owners we too, must play a part in working with schools and education providers to highlight the careers available. However, we also must ensure we have the transport infrastructure in place so that people can travel to work as conveniently as possible, the two subjects are inextricably linked.”

Suzanne Watson, Managing Director, Approach PR and President of Bradford Chamber of Commerce
The below chart is a geographical breakdown - by broad UK region - of the businesses that faced difficulties in recruiting. In Q4 2019, firms in Wales and South of England were most likely to report recruitment difficulties, while firms in Northern Ireland were the least.

Looking ahead, expectations of labour force growth over the next three months remained broadly consistent across all UK regions. Firms in Northern Ireland were most likely to expect growth in their workforce (28%) while firms in Wales and the South of England were least likely to expect growth (both 23%).
British Chambers of Commerce

The British Chambers of Commerce represents and campaigns for business. Our roots are local, but our reach is global. We’re owned by, and work for, a network of Chambers of Commerce that champion and support our members all across the UK and in countries and markets around the world.

Our unique perspective gives us unparalleled insight into British business communities – every sector, every size, everywhere. They trust us to be their advocates, and we’re passionate about helping them trade and grow. Working together with Chambers, we drive change from the ground up – and our bottom line is helping companies, places and people achieve their potential.

For more information about this report, contact:

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Visit the BCC website: www.britishchambers.org.uk or on Twitter @britishchambers.

Totaljobs

Totaljobs offers employers of all shapes and sizes access to the Totaljobs network. With a mix of generalist and specialist job boards, crossing the breadth and depth of the UK workforce, the Totaljobs network consists of Totaljobs, Jobsite, CareerStructure, City Jobs, eMedCareers, Just Engineers and RetailChoice. These brands provide access to 19 million searchable CVs, and record over 4 million applications from qualified jobseekers every month.

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