

## **Recruitment Difficulties Remain at Record Highs - Quarterly Recruitment Outlook**

- **4 out of 5 (78%) firms that attempted to recruit facing difficulties in finding staff**
- **Hospitality, construction, logistics and manufacturing firms most likely to report difficulties (80% or higher) but all sectors have significant issues**
- **Smaller firms reporting increasing wage pressures are making it harder to compete for staff**

**Latest figures released today by the British Chambers of Commerce show the pressure on firms struggling to recruit staff remains at record high levels. The data for the leading business group's Quarterly Recruitment Outlook survey for Q1 2022 was drawn from a survey of 5,500 businesses.**

Attempted recruitment in Q1 was down slightly with 60% looking to recruit staff (64% in Q4). However, the proportion of firms reporting difficulties filling roles remains at a historical high at 78%, dropping just one percentage point from the previous quarter (79%).

**The hospitality sector was facing the most challenging recruitment issues, with 85%, reporting difficulties, up from 83% in Q4 2021. This was closely followed by construction on 83%, logistics on 81% and manufacturers at 80%.**

Retail and wholesale firms were the least likely to report difficulties at 69% but the proportions of firms that cannot find the staff they need remains worryingly high.

### **Views from Business**

Firms reported a broad range of issues which contributed to the overall recruitment squeeze – this included disruption due to Covid and a drop in the availability of foreign staff. More firms are also reporting that wage competition is proving disruptive.

“We are finding it difficult to recruit all levels of staff. Applicants are able to choose between several employers as we are all chasing the same people. They feel we are on the edge of the Midlands but still expect Wolverhampton / Birmingham salaries.” **Medium sized professional services firm in Shropshire**

“We are prepared to pay more for the right people, but there just seems to be no one to employ. If we cannot get staff our service slips drastically because we don't have enough people to serve our customers.” **Micro hospitality firm in Scotland**

**Responding to the findings, Head of People Policy at the British Chambers of Commerce, Jane Gratton said:**

“It’s now harder than ever for businesses to fill job vacancies and there are no signs of improvement. In an increasingly tight labour market, competition for skills is ramping up wage costs, leaving many firms unable to recruit the people they need.

“When combined with the escalating price of energy, shipping, raw materials and other costs, it is a precarious situation for businesses. Inevitably, it is the smaller firms, with little in the way of cash reserves after two years of pandemic, who are most exposed to the risk all this presents.

“The UK government needs to take concrete action to address labour shortages as they are a key factor in the economy’s stuttering recovery. If firms cannot get the people they need then productivity and revenue are two of the first casualties.

“Government must also ensure that people can access rapid retraining opportunities for in-demand jobs at all skill levels in the workforce. At the same time, where there is clear evidence of national shortages damaging the economy, we need temporary visas for hard working people willing to come to the UK to work in the essential every-day roles that we all rely on.

“Businesses are investing more in developing home grown talent - and creating a more inclusive and diverse workforce – but this won’t solve pervasive skills shortages overnight. Right now, the priority has to be to improve access to skills and ease the wider cost pressures facing business.”