

BRITISH CHAMBERS OF COMMERCE

# QUARTERLY RECRUITMENT OUTLOOK | Q2 2019



British  
Chambers of  
Commerce

**Totaljobs**

# WELCOME TO THE Q2 2019 QUARTERLY RECRUITMENT OUTLOOK

The British Chambers of Commerce (BCC) Quarterly Recruitment Outlook (QRO), in partnership with Totaljobs, is the UK's largest independent survey of labour market conditions, based on more than 6,500 responses from firms across the UK.



**Claire Walker**  
Co-Executive Director,  
British Chambers of  
Commerce

In the face of sluggish growth and political uncertainty, the jobs market has been a positive for the UK economy. The quarter saw a pick-up in attempts to recruit and an easing of recruitment difficulties, although levels are high by historic standards and remain a cause for concern.

Demand for seasonal workers, many of whom have traditionally come from the European Union, highlights the importance of the new government quickly setting out a sensible post-Brexit immigration policy, that reflects the needs of different sectors and regions in the UK.

The solution to plugging the UK's skills gap in the long-term includes reforming the skills education and training system, and giving it time to bed-in. We look forward to working with the new administration to get the system working better for everyone and ensuring firms can access the skills they need to improve growth and productivity.

To sustain the strength of the labour market, businesses also need clarity on how they will be able to manage their future workforce requirements in the years to come and broader certainty on economic conditions after October 31<sup>st</sup>.



**Patrick Wehrmann**  
CEO,  
Totaljobs

The labour market continues to weather economic uncertainty, with the vast majority of businesses showing a continued commitment to maintaining or increasing staff headcount. In fact, just 7% of employers expect their workforce to decrease as we head into Q3.

Notably, while the figure remains high, the proportion of firms reporting a skills shortage has decreased - falling from 73% to 64% in just three months. However, with almost two-thirds of employers still struggling to find the talent their business needs to thrive, this thawing should not be considered as mission accomplished, but rather an opportunity to build upon.

As a consequence of not only an increasing national living and minimum wage, but also a continued challenge to recruit, it is telling that Q2 2019 saw the fastest rise in real-wage growth in over three years, outpacing inflation and expert predictions. As employers look to attract their next hire, there is an opportunity for people possessing in-demand skills to make significant progress in their career and begin to realise their earning potential.

In light of this, employers should be mindful of their employer value proposition, and ensure that while salaries remain competitive, they consider more than just pay as a solution to overcoming skills shortages.

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The Quarterly Recruitment Outlook (QRO) found that recruitment intentions strengthened in the second quarter of 2019, while difficulties finding suitable staff eased. The results indicate that demand for labour remains strong, despite a subdued economy.

In **Q2** 2019...

# 60%

of businesses said they attempted to recruit staff, compared with 53% in Q1 2019

Of these businesses...

# 64%

said they experienced recruitment difficulties, compared with 73% in Q1 2019

## Of the businesses facing recruitment difficulties...

# 50%

faced difficulties for skilled manual or technical roles

# 49%

faced difficulties for professional or managerial roles

# 19%

faced difficulties for clerical roles

# 26%

faced difficulties for semi or unskilled roles

## Employment growth expectations over the next three months



**30%** of businesses expect their workforce to increase

**63%** of businesses expect their workforce to remain constant

**7%** of businesses expect their workforce to decrease

The British Chambers of Commerce surveyed more than 6,500 business people from across the UK online between 20 May and 10 June 2019. 94% of business surveyed were SMEs (firms with fewer than 250 employees).

## SECTOR BREAKDOWN

While the scale of hiring difficulties fell from 73% to 64% in the quarter, recruitment difficulties remain at critical levels in a number of sectors such as hotels and catering and transport & distribution.

In the **HOTELS AND CATERING\*** sector...

**79%** of firms attempted to recruit

**74%** reported recruitment difficulties

\*213 respondents

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

**72%** of firms attempted to recruit

**67%** reported recruitment difficulties

\*129 respondents

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

**50%** of firms attempted to recruit

**58%** reported recruitment difficulties

\*243 respondents

### Case Study:

**Tomas Coulter, Co-Founder @ 360 Resourcing and member of St Helens Chamber says:**



“We have seen a sharp increase in applications across the 1,400 employers we supported with advertising in Q2 2019.

Before May we had witnessed a drop off in applications – something influenced by Brexit uncertainty. We believe potential passive jobseekers, who otherwise may have considered a change in career, were waiting to see the outcome of negotiations in Brussels.

When the delay was announced, many jobseekers became active again in the market, beginning their job hunt as they were unable to wait any longer for clarification on Brexit.”

# COMPANY SIZE BREAKDOWN

The Q2 outlook reveals large disparities in the recruitment patterns between smaller businesses and larger businesses, with micro businesses far less likely to attempt to recruit and face recruitment difficulties than larger businesses with more than 250 employees.

**MICRO**  
businesses\*...

**35%**

of firms with fewer than 10 employees attempted to recruit

**48%**

reported recruitment difficulties

\*2,975 respondents

**SMALL and MIDSIZED**  
businesses\*...

**81%**

of firms with 10 to 249 employees attempted to recruit

**71%**

reported recruitment difficulties

\*3,059 respondents

**LARGE**  
businesses\*...

**92%**

of firms with more than 250 employees attempted to recruit

**75%**

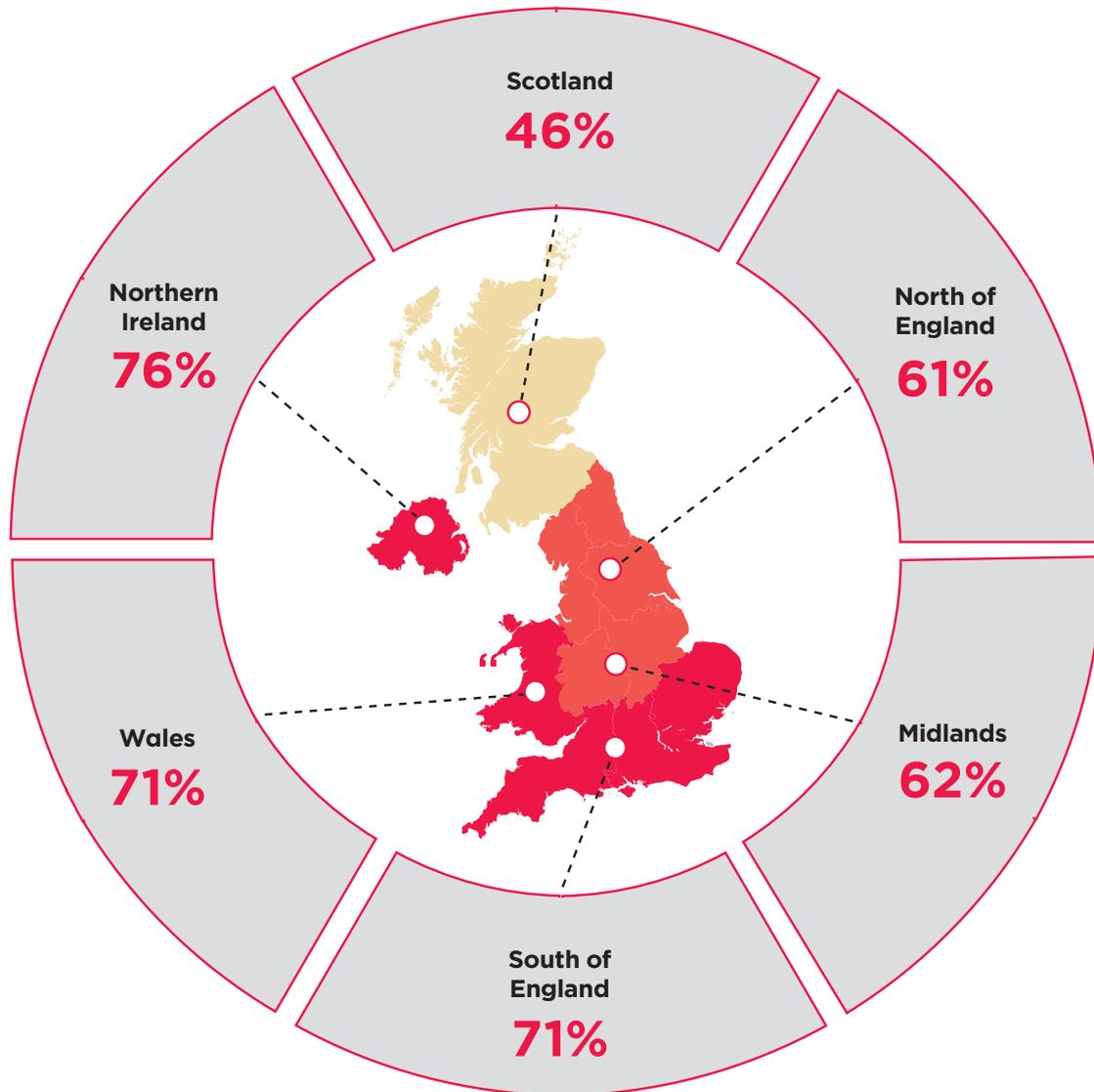
reported recruitment difficulties

\*409 respondents

# REGIONAL BREAKDOWN

The below chart is a geographical breakdown - by broad UK region - of the businesses that faced difficulties in recruiting in Q2.

**The percentage of businesses reporting recruitment difficulties in Q2 2019 by UK region:**



“Businesses across all regions and sectors continue to experience persistent and pervasive skills gaps, damaging their productivity and competitiveness. Employment levels are nearing record highs and, weighed down under the cumulative cost of employment policies, businesses are calling for a more flexible apprenticeship levy to enable them to train and upskill their workforce. Nevertheless, the new immigration system will need to give employers access to migrant skills at all levels for the foreseeable future.”

**Jane Gratton**, Head of People Policy, British Chambers of Commerce

## British Chambers of Commerce

The British Chambers of Commerce (BCC) is a dynamic and independent business network with accredited Chambers in every nation and region of the UK, and in key markets around the world.

Accredited Chambers are at the heart of local business communities, helping thousands of companies - of every size and sector - to grow and thrive. Together with our fast-growing global network, Chambers provide practical advice and support to British companies trading around the world.

Chambers help businesses connect, belong, and succeed. For over 150 years, our business has been helping UK business grow.

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## Totaljobs

Formed in 1999, Totaljobs is one of UK's leading job boards, attracting 20 million visits and 5 million job applications from qualified jobseekers every month. Over 300,000 jobseekers visit our platform every day, with over 270,000 jobs to choose from at any given time.

In May 2018, Totaljobs partnered with Jobsite to become the UK's largest hiring platform offering employers the opportunity to advertise vacancies across both platforms from one system, and access to almost half of the UK working population.

Totaljobs and Jobsite are part of the StepStone Group, one of the world's leading e-recruitment businesses. With a head office in London and offices in Birmingham, Havant, Cardiff, Leeds, Manchester, Nottingham and Glasgow, StepStone in the UK comprises Totaljobs and Jobsite plus nine additional job boards. These include: Caterer.com, CatererGlobal, CWJobs, Milkround, CityJobs, RetailChoice, CareerStructure, JustEngineers and emedcareers. Together these brands provide access to 19 million searchable candidate profiles.

Visit the Totaljobs website: [recruiting.totaljobs.com](http://recruiting.totaljobs.com) or visit [www.linkedin.com/company/totaljobs](http://www.linkedin.com/company/totaljobs)