

BRITISH CHAMBERS OF COMMERCE

QUARTERLY RECRUITMENT OUTLOOK | Q3 2020



British
Chambers of
Commerce

Totaljobs

WELCOME TO THE Q3 2020 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 6,200 responses from businesses across the UK.

The report's findings reveal that the number of firms attempting to recruit in the third quarter had increased on the previous one, albeit from historic lows. The survey, which was carried out before the Chancellor's Winter Economy Plan, found that:

- 37% of firms attempted to recruit in Q3, higher than the historic low in Q2 (25%) but still below pre-Covid levels (55% in Q1).
- Businesses within the construction (48%) and transport/distribution (44%) sectors were among the most likely to recruit. Hotels and catering firms (30%) were the least likely to recruit.
- Looking ahead, 62% of firms expect no change to the size of their workforce in the coming three months, while fewer firms (19%) said they anticipate decreasing the size of their workforce, compared to 29% in Q2.



Dr Adam Marshall
Director General,
British Chambers of
Commerce

Our results continue to highlight big shifts in the UK labour market as a result of the pandemic. Despite some gains compared to the historic plunge in recruitment in the Spring, we are still a long way from the healthy jobs market we saw prior to the Covid crisis.

Given the scale of the challenge, it is vital that business and government work together on re-training and re-skilling the UK workforce. Governments across the UK will have to make sustained investments in retraining schemes for people of all ages to help them stay in and progress in the job market. The Kickstart Scheme, where Chambers are already working hard to connect local employers with young people, and the Lifetime Skills Guarantee are two pieces of a very big jigsaw.

The temporary extension of the Job Retention Scheme in line with a new national lockdown will bring short-term relief to many firms, although much more clarity is needed from the government to ensure businesses can plan and are not left to guess from one month to the next. Chambers of Commerce will continue to work with the Treasury to ensure that support is commensurate with restrictions and helps firms endure further periods of extended closure.



Jon Wilson
CEO,
Totaljobs

While we've seen increased activity on Totaljobs from businesses actively recruiting, the Q3 QRO data highlights how the impact of the Covid-19 pandemic has been vastly different across industries and business sizes. It's positive to see numbers moving in the right direction for the many SMEs that contributed to this research. However, it's no surprise that the UK market is yet to close the gap created by the pandemic – and with renewed restrictions this winter, clearly we're not out of the woods yet.

Long term success will come from a tailored approach that suits the unique needs of different business sizes, industries and demographics across the country. While government support is welcomed, a one-size-fits-all approach isn't the solution businesses, workers and jobseekers need when looking to the future.

Skills development and training are in sharp focus with the launch of the Lifetime Skills Guarantee set for April 2021. Time is of the essence, and government collaboration and communication with employers will be essential to boost business growth, better secure livelihoods and create jobs.

QUARTERLY RECRUITMENT OUTLOOK | Q3 2020

The QRO for Q3 2020 found the percentage of businesses attempting to recruit in the quarter rose to 37% from 25% in Q2 2020. Before the Covid-19 lockdown, the 2018 and 2019 average percentage of firms attempting to recruit each quarter was 57%. Of the firms that attempted to recruit in Q3, 61% faced recruitment difficulties. The 2018 and 2019 average stood at 69%.

In **Q3** 2020...

37%

of businesses said they attempted to recruit staff, compared with 25% in Q2 2020

Of these businesses...

61%

said they experienced recruitment difficulties, compared with 65% in Q2 2020

Of the businesses facing recruitment difficulties...

45%

faced difficulties for skilled manual or technical roles

40%

faced difficulties for professional or managerial roles

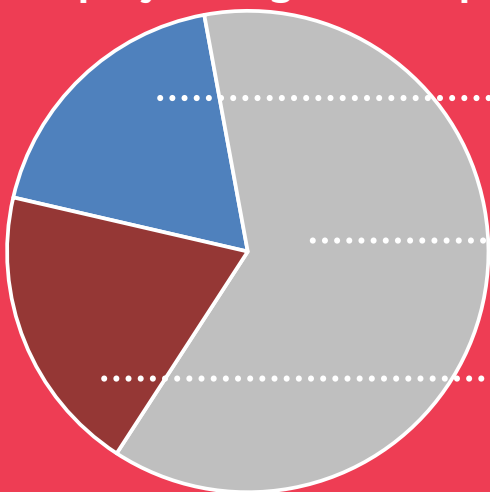
20%

faced difficulties for clerical roles

27%

faced difficulties for semi or unskilled roles

Employment growth expectations over the next three months



18% of businesses expect their workforce to increase

62% of businesses expect their workforce to remain constant

19% 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 24 August and 14 September 2020. 96% of business surveyed were SMEs (firms with fewer than 250 employees).

SECTOR BREAKDOWN

The QRO has illustrated the sectoral impact the Covid-19 economic crisis is having on UK businesses, with consumer-facing businesses consistently more likely to report lower levels of attempted recruitment as well as weaker business conditions across other indicators such as sales and cash flow in other BCC surveys.

In the **CONSTRUCTION*** sector...

48% of firms attempted to recruit

64% reported recruitment difficulties

*340 respondents

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

44% of firms attempted to recruit

63% reported recruitment difficulties

*192 respondents

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

30% of firms attempted to recruit

60% reported recruitment difficulties

*296 respondents



“The events industry has been so badly hit by Covid. Worryingly, we are not receiving any new enquiries for next year which is unheard of at this time of year.”

Events firm with 4 employees, member of Herefordshire & Worcestershire Chamber of Commerce

COMPANY SIZE BREAKDOWN

The QRO also reveals wide variations in recruitment trends by business size, with micro businesses far less likely than larger firms to attempt to recruit. However, for those that did attempt to recruit, the proportion of firms facing recruitment difficulties remained relatively consistent, regardless of size or sector.



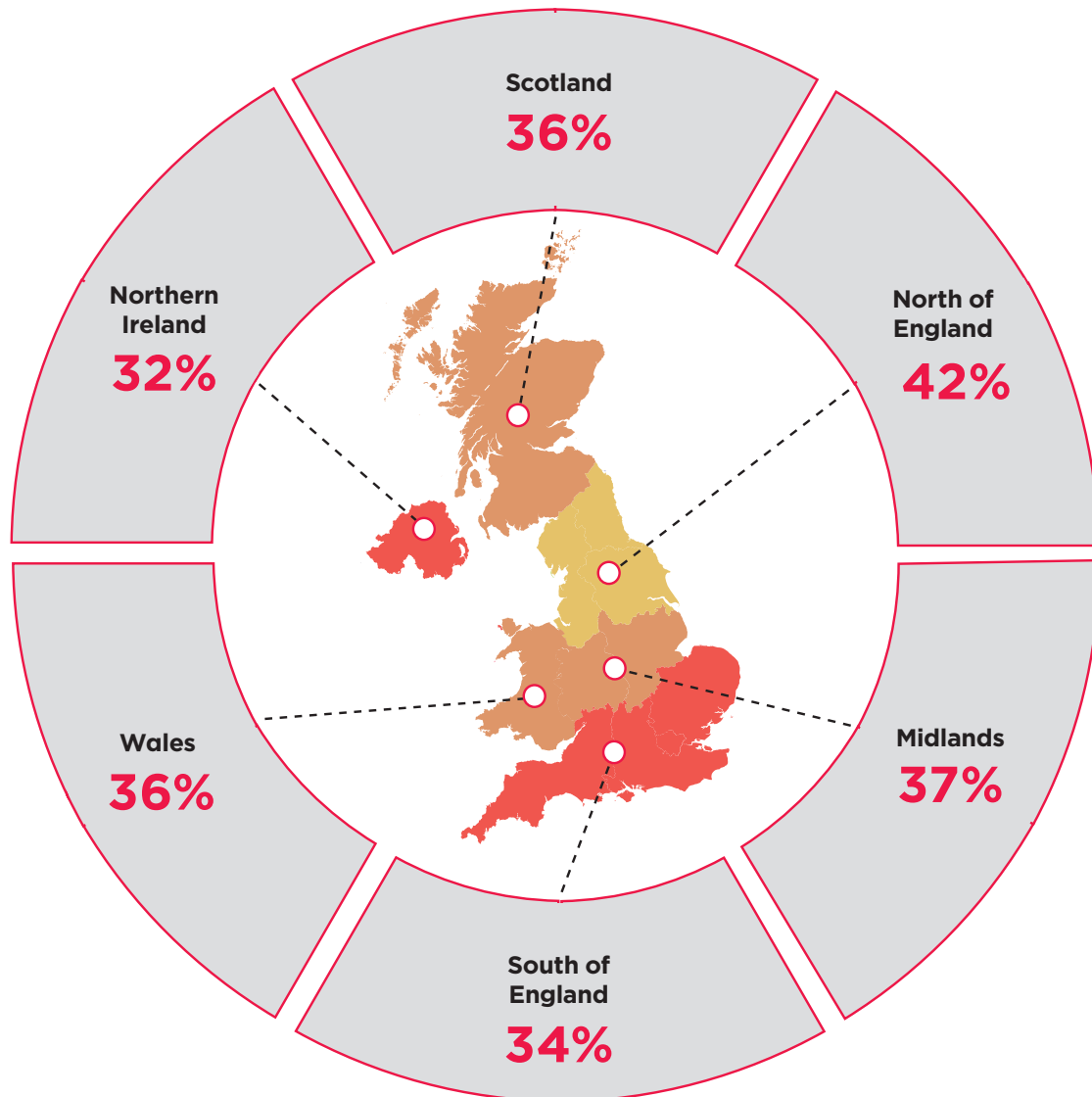
“We have seen a huge increase in demand since restrictions were lifted for our business and we hope that this will continue. However, this may just be an initial reaction to coming out of lockdown and it is therefore extremely difficult to forward plan on investment and recruitment at this stage.”

Service sector firm with 5 employees, member of Kent Invicta Chamber of Commerce

REGIONAL BREAKDOWN

In Q3 2020, attempted recruitment began to recover from the historic lows seen in Q2 2020. While every region saw a slight improvement, firms in Northern Ireland and the South of England were less likely than other parts of the UK to have attempted to recruit in the quarter.

The percentage of businesses attempting to recruit in Q3 2020 by UK nation and region:



Looking ahead, the percentage of firms expecting growth in their workforce over the next three months remained below the historic pre-Covid-19 average. Firms in Northern Ireland were most likely to expect a decrease in the size of their workforce (30%), while firms in Wales and the Midlands were least likely to expect a decrease (14% and 16% respectively).

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:

David Bharier, Head of Research d.bharier@britishchambers.org.uk

Visit the BCC website: www.britishchambers.org.uk or on Twitter [@britishchambers](https://twitter.com/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.

With a head office in London and offices in Birmingham, Havant, Cardiff, Leeds, Manchester, Nottingham and Glasgow, Totaljobs Group also consists of Caterer.com, CatererGlobal, CWJobs and Milkround. Together these brands are the UK division of StepStone Group, one of the world's largest e-recruitment businesses.

Visit the Totaljobs website: recruiting.totaljobs.com or visit www.linkedin.com/company/totaljobs