

BRITISH CHAMBERS OF COMMERCE

QUARTERLY RECRUITMENT OUTLOOK | Q4 2020



British
Chambers of
Commerce

Totaljobs

WELCOME TO THE Q4 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 5,900 responses from businesses across the UK.

The findings show that while there was a modest improvement in the overall number of businesses attempting to recruit in Q4, sectoral disparities remain.

- Overall, a quarter of firms saw a decrease in the size of their workforce over the last three months.
- 41% of firms attempted to recruit in Q4, up slightly from 37% in Q3, but this remains below pre-pandemic levels (55% in Q1 2020).
- Firms in the public and voluntary and construction sectors were most likely to recruit, while hotels and catering firms were the least likely to recruit.
- Looking ahead to the next quarter, 19% of firms expect an increase in the size of their workforce, 68% expect it to remain the same (up from 62% in Q3), and 14% expect a decrease.



Claire Walker
Executive Director,
British Chambers of
Commerce

Our data show the extremely difficult circumstances facing many businesses across the UK. With many sectors facing major difficulties in retaining and recruiting staff, the Chancellor must immediately provide assurances that support will last for the whole of 2021 to enable firms to plan ahead. That starts with extending the Job Retention Scheme until a full reopening of the economy is possible.

Proposed reforms to Further Education, putting the skills needs of businesses at its heart, are welcome and will enable more people to train and retrain for jobs of the future.

The vaccine rollout provides genuine light at the end of the tunnel – but it is essential that government provides the support that ensures that businesses survive the current crisis and are ready and able to power economic recovery, creating new jobs, when the time comes.



Jon Wilson
CEO,
Totaljobs

The vaccine rollout has given businesses and people hope, but there is still a way to go. Many sectors remain in a challenging position and have put hiring on pause, while others are able to accelerate their hiring to meet demand.

Throughout the difficulties of the pandemic, a real positive has been the increasing determination from jobseekers to take their careers into their own hands, focusing on their personal development by proactively upskilling. Totaljobs research found that 30% of workers acquired a new skill or qualification last year.

While the government's Lifetime Skills Guarantee, set to launch this April, looks promising in its aim to drive adult education and training, changes must be made to the scheme to improve eligibility. Through this, more businesses, no matter their sector, can see the benefits of this scheme, alongside jobseekers and workers across the UK.

QUARTERLY RECRUITMENT OUTLOOK | Q4 2020

The QRO for Q4 2020 found the percentage of businesses attempting to recruit in the quarter rose slightly to 41% from 37% in Q3 2020. However, the QRO identifies significant sectoral differences in attempted recruitment, with hospitality and catering firms the least likely to recruit. Before the Covid-19 pandemic, the 2018 and 2019 average percentage of firms attempting to recruit each quarter was 57%.

In **Q4 2020...**

41%

of businesses said they attempted to recruit staff, compared with 37% in Q3 2020

Of these businesses...

53%

said they experienced recruitment difficulties, compared with 61% in Q3 2020

Of the businesses facing recruitment difficulties...

45%

faced difficulties for skilled manual or technical roles

47%

faced difficulties for professional or managerial roles

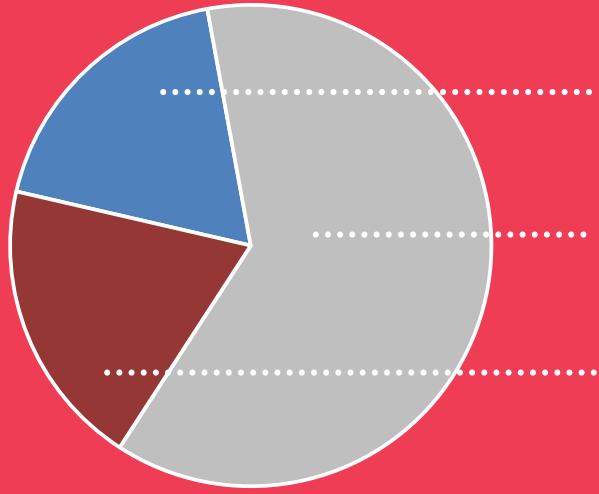
16%

faced difficulties for clerical roles

25%

faced difficulties for semi or unskilled roles

Employment growth expectations over the next three months



19% of businesses expect their workforce to increase

68% of businesses expect their workforce to remain constant

14% of businesses expect their workforce to decrease

The British Chambers of Commerce surveyed more than 5,900 business people from across the UK online between 2 and 26 November 2020. 95% of business surveyed were SMEs (firms with fewer than 250 employees).

SECTOR BREAKDOWN

Significant sectoral differences in the types of firms attempting to recruit have emerged since the start of the Covid-19 pandemic, and remained in Q4 2020. Hotels and catering firms were once again among the least likely to recruit, reflecting the impact of forced closures under the national lockdown and tiered restrictions on their revenue and cash flow.

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

56%

of firms attempted
to recruit

58%

reported recruitment
difficulties

*306 respondents

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

53%

of firms attempted
to recruit

54%

reported recruitment
difficulties

*164 respondents

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

22%

of firms attempted
to recruit

48%

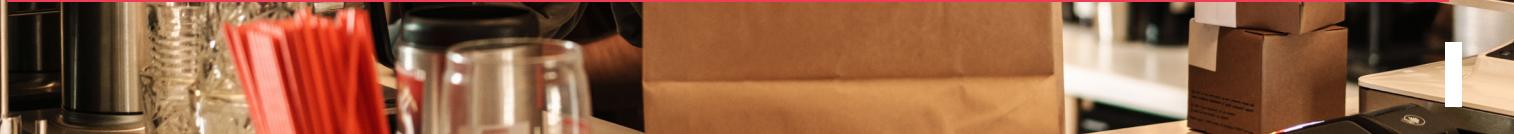
reported recruitment
difficulties

*289 respondents



“As a supplier to the hospitality industry, this year’s COVID-19 restrictions have severely damaged our business due to the closure and decline of so much of our trade. ”

Retailer/wholesaler with 20 employees, member of Sheffield Chamber of Commerce



COMPANY SIZE BREAKDOWN

Alongside sectoral disparities, the QRO shows that micro businesses are significantly less likely than larger firms to attempt to recruit. BCC research has consistently found that micro firms are more likely to report decreased cash flow and investment since the start of the economic crisis.

MICRO
businesses*...

24%

of firms with fewer
than 10 employees
attempted to recruit

54%

reported
recruitment
difficulties

*3,208 respondents

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

59%

of firms with 10
to 249 employees
attempted to recruit

53%

reported
recruitment
difficulties

*2,403 respondents

LARGE
businesses*...

71%

of firms with more
than 250 employees
attempted to recruit

57%

reported
recruitment
difficulties

*300 respondents

“Clients have taken back budgets to cover Covid-19 related signage and PPE. Other new clients had to close doors and reduce marketing spend. Presently, only a few see the need to market their business to consumers, and attract new sales.”

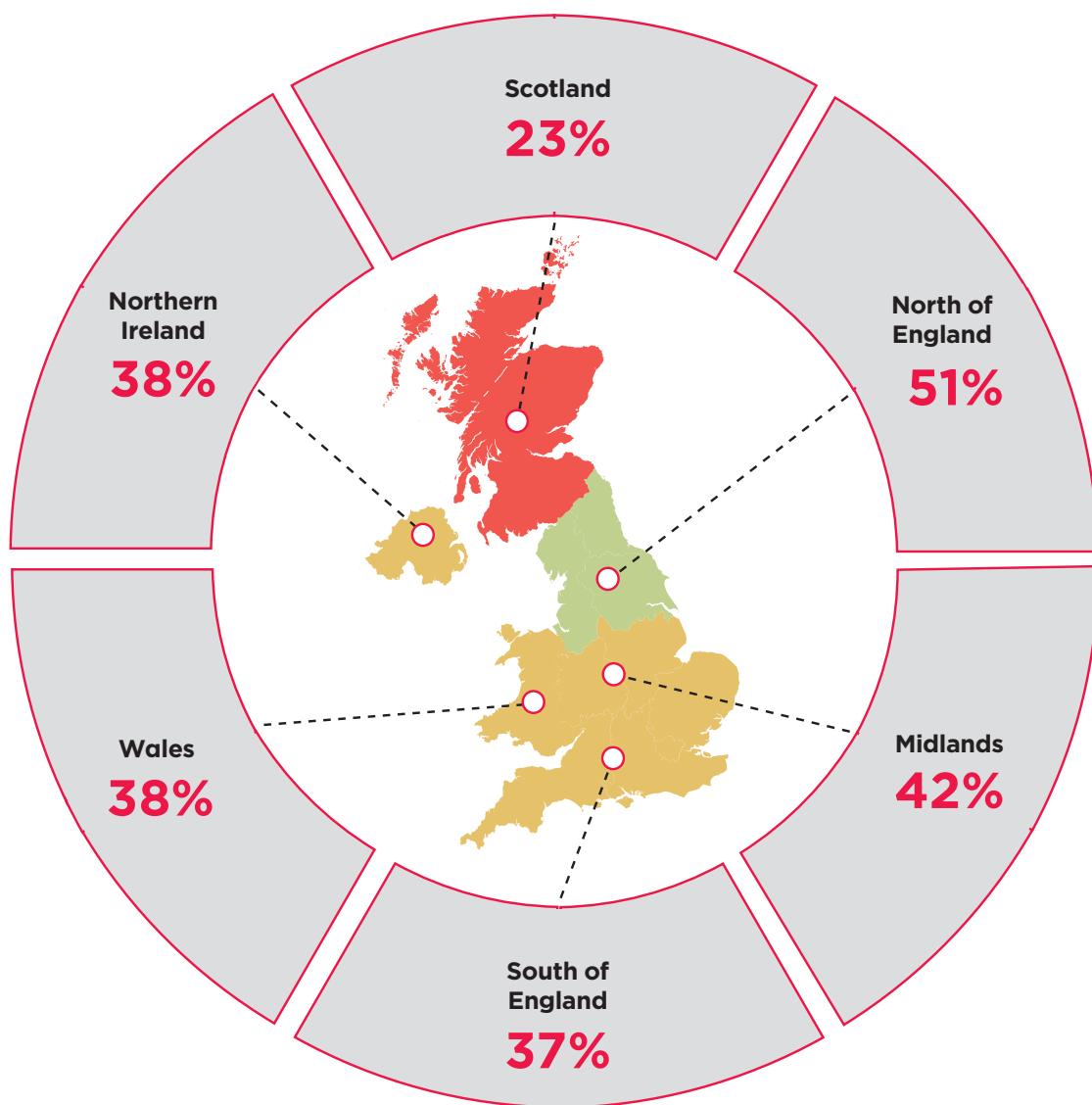
Marketing firm with 2 employees, member of Herefordshire & Worcestershire Chamber of Commerce

COVID-19
Maintain
social
distance

REGIONAL BREAKDOWN

In Q4 2020, businesses in the North of England were most likely to attempt to recruit, while firms in Scotland were the least likely. The low level of attempted recruitment in Scotland can, in part, be explained by the proportionately higher share of hotels and catering firms responding to the survey.

The percentage of businesses attempting to recruit in Q4 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 Scotland were most likely to expect a decrease in the size of their workforce (24%), while firms in Wales and the Midlands were least likely to expect a decrease (9% and 11% 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