

BCC: Firms invest in local labour but still need foreign skills to plug shortages

Today BCC and Middlesex University London release the results of our survey looking at how businesses try to plug skills and labour shortages.

13 September 2017

Half of UK businesses have faced skills or labour shortages in the last year, but only a minority are actively looking overseas to fill vacancies, according to a survey released today (Wednesday) by the British Chambers of Commerce (BCC), in partnership with Middlesex University London.

The annual workforce survey, based on the responses of over 1,400 business people, found that 48% of firms had faced skills or labour shortages over the last twelve months. Of these, most sought to address the shortages by increasing investment in recruitment (35%), training (31%) and, pay and benefits (29%). The survey found that only 8% of businesses target recruitment of non-UK nationals overseas.

According to the findings of the survey, two-in-five (40%) UK businesses have employees from other EU countries on their workforce, while 23% have employees from outside the EU. 38% of businesses say future restrictions on the rights of EU nationals to work in the UK would have a negative impact on their business.

The results challenge the myth that UK firms are ignoring local workers in favour of overseas labour. With a softening economy and slowing immigration, the BCC is calling for action to ensure business growth isn't hampered by labour shortages. Business communities need the government to provide clarity on the process for hiring EU nationals during and after the Brexit process, and to ensure the UK's future immigration system is economically responsive, so companies have access to the skills they need.

Other key findings of the survey are:

- When trying to fill vacancies, UK companies are most likely to rely on word of mouth (51%) and posting adverts on job search websites (43%)
- 50% of businesses receive job applications from EU nationals and 30% from non-EU nationals
- Firms report that their non-UK workers have diverse skills sets: 42% skilled manual/technical, 37% professional/managerial, 35% un-/semi-skilled and 23% clerical/administrative
- 20% of businesses say they would respond to potential future restrictions on EU nationals to work in the UK by focusing recruitment on UK workers, while 15% don't know how they would respond

Jane Gratton, Head of Business Environment and Skills at the British Chambers of Commerce (BCC), said:

“Skills and labour shortages are prevalent across the economy, with half of UK businesses struggling to fill vacancies in the last year. Most companies look to fill posts locally, and through their own networks and contacts, but as that becomes increasingly difficult, businesses are now having to devote more resources to recruit and train the staff they need.

“While companies rarely target workers from outside the UK, the internet allows people from all over the world to see and apply for opportunities here. Many of our businesses benefit from having a diverse workforce with staff members from across the EU and beyond, bringing with them a range of skillsets.

“As the Brexit negotiations unfold, businesses will be paying particular attention to future agreements regarding the movement of EU nationals. A significant minority of UK firms say they will be negatively affected by restrictions to this pool of talent. As the Migration Advisory Committee looks at the UK’s immigration system going forward, it must bear in mind the needs of businesses. Firms are already struggling to fill vacancies, so drawing a line in the sand purely for the sake of it, will only exacerbate the issue and slow economic growth further.”

David Williams, Director of Corporate Engagement at Middlesex University London, added:

“It is essential that we get clarity around the rights of EU nationals and wider immigration policy going forward, but also support for businesses to develop, upskill and retain their workforces through schemes such as apprenticeships, to make sure the UK is able to plan now and compete internationally post-Brexit.

“EU and other international students help to give Middlesex University graduates an international outlook that is vital as they enter a global business environment. International academics and staff add huge value to our local workforce through their diversity of knowledge and skills, and our international students spend over £13m per year in the local economy.”

Ends

Notes to editors:

Spokespeople are available for print and broadcast interviews.

The British Chambers of Commerce (BCC) surveyed 1,461 businesses from all regions of the UK online from 17 July to 1 August 2017. Of the businesses surveyed, 94% were SMEs, 29% operate in the manufacturing sector, and 71% operate in the services sector.

The British Chambers of Commerce (BCC) sits at the heart of a powerful

network of 52 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

Media contacts:

Allan Williams – Head of Press and Communications

020 7654 5812 / 07920583381

Orla Hennessy – Press and Communications Officer

020 7654 5813 / 07825746812