

Country:	United Kingdom
Member/Company	Confederation of British Industry (CBI)
Initiative	Multiple Initiatives

## Overview

### [Helping Businesses To Navigate Labor Shortages and Grow](#)

Since the economy reopened following the COVID lockdowns, business has faced acute labour and skills shortages. Churn and the competition for people and skills is affecting firms in all sectors across the UK. It's hampering growth – and requires business and government collaboration.

Month on month, UK vacancies are reaching record highs. More than three-quarters of UK businesses say access to labour and skills is threatening UK competitiveness. In manufacturing, the share of firms citing skilled labour as a factor likely to limit their output has risen to its highest levels since October 1973.

On top of long-standing skills gaps, businesses are navigating a perfect storm of rapid demand growth and higher proportion of people leaving the labour market because of COVID, and changes to immigration rules post-Brexit. With this backdrop unlikely to change, businesses need to prioritise and invest in attracting, retaining, and enhancing the productivity of the people it needs to grow. Businesses action will only have effect if backed up by a skills and immigration system responsive to economic need.

Labour and skills shortages remain the number one challenge for firms as we enter the new year and so this January the CBI is running a mini-series on this theme to help organisations understand and tackle these issues:

- [Solving Shortages – Maximising hybrid working](#)
  - This session will discuss how firms are utilising hybrid working to attract and retain talent to help mitigate the impact of current labour market shortages.
- [Solving Shortages – How can D&I help?](#)
  - In the second part of this series, we'll look at how diversity and inclusion strategies can help business manage the impacts of the current shortages, providing new ideas and guidance for the short, medium, and longer term.
- [Solving Shortages – Can technology help?](#)
  - In the third part of this series, we'll look at how businesses are using technology and innovation to manage the impacts of shortages, providing new ideas and guidance for the short, medium, and longer term.
- [Solving Shortages – How can investment in workforce skills help?](#)
  - In the final part of this series, we'll look at how businesses are investing in the skills of their workforce to manage the impact of shortages, providing new ideas and guidance for the short, medium, and long term.

### [Navigating labour shortages: CEO action plan](#)

The impact of labour shortages is constraining the recovery and growth of businesses in all sectors across the UK - read our action plan to support your business.

The CBI wants to be the go-to source of advice, insight and good practice for its members on improving job attractiveness and productivity.

Here is a framework for CEOs to ensure your company is leaving no stone unturned to attract, retain and enhance the productivity of the people it needs to grow. It guides leaders through key questions and actions to inform your organisation's response and shares specific, practical ideas to consider adopting.

### [Labour shortages: how a focus on older workers can help](#)

Labour market statistics show that there are around three quarters of a million people over 50 who could be in work, but aren't.

According to research from 55Redefined, 39% of employers admit to being less likely to recruit people over the age of 50.

And bringing it back to skills, only 35% said they are prepared to retrain staff over that age.

**Collecting and analysing age-related data** can be an eye-opening starting point to show if you're falling down on training, says Simpson. You can also use it to challenge your assumptions, such as older workers taking more days off sick (spoiler alert, they take a lot less than your employees in their 20s).

The importance of retraining is just one element that requires focus, continues Bright. **Recruitment and retention are also key.**

To attract older workers, firms need to **address age bias** on their websites and in job ads, whether in the use of images or in the way they use words like "enthusiastic", "energetic" and "dynamic", which research has shown can be perceived by some older generations as a "code" for targeting younger generations, and discourage them from applying.

"People talk about B&Q as being a role model for recruiting older workers and the reason they've been successful is because they said they wanted them," says Bright. "You don't have to target them specifically, but **make people feel wanted.**"

The principle of "**flexibility for all**" will also aid both recruitment and retention of older workers. Since the pandemic, firms are more open to considering applicants who might only want to work six months of the year, for example. "If you think about retail hiring for Christmas, hardly any companies use their alumni and returners, when there is an army of retired people who might be interested in coming back," Simpson explains.

And when a significant number of over 50s leave the workplace because of the menopause or caring responsibilities, offering flexibility is an obvious solution. So too is **listening to, and asking, staff about the support they need.**

As D&I has risen up the corporate agenda, many businesses have accepted the idea that their workforce should be reflective of the communities they serve. It makes for a powerful business case. Now consider that the over 50s currently make up 30% of the labour market and 50% of consumer spending, and ask yourself this question: how does your company measure up against that?

## Key Messages

### Address immediate labour and skills shortages to keep the economy moving

- I. Support productivity growth through high-quality skills and training

Build on the success of Skills Bootcamps by expanding their remit and ensuring they continue to support entry into roles facing critical skills and labour shortages.

Focusing Bootcamps where employer demand is greatest and can't currently be addressed through immigration, will increase successful job outcomes and maximise value for money to the taxpayer. This can be done by:

- Ramping up existing Bootcamps in welding, retrofitting and mechanical and electrical engineering, where businesses are reporting serious shortages
- Continuing support for HGV Bootcamps
- Rolling out a new 'Warehouse Operative' Bootcamp to confront delays in supply chains and at ports. This should include a forklift drivers accreditation.

Looking ahead, Skills Bootcamps will complement the Skills Challenge Fund, ensuring individuals can access quick and agile training.

- II. Attracting global talent and boosting investment

Make the immigration system more agile to respond to economic need by updating the Shortage Occupation List and points-based system.

Urgently update the Shortage Occupation List (SOL) in line with the Migration Advisory Committee's outstanding recommendations, immediately launch the 2022 review and commit to doing so annually.

Where there's evidence of persistent domestic labour shortages, make the points-based system more flexible – enabling people in roles below RQF level 3 to enter the UK – if the salary threshold is met.

In the longer-term, an independent Council for Future Skills can recommend which occupations need additional visas, while focusing on ensuring that skills are developed in the UK whenever possible.

**How can the Government help firms attract and retain talent and enhance productivity?**

- Reform the apprenticeship levy and focus existing government-backed training and upskilling programmes to the most needed jobs;
- Create an independent Council for Future Skills to optimise training towards future economic demand and identify shortages in home-grown talent;
- Make the immigration system more responsive to economic need through an urgently updated and annually agreed shortage occupation list.