

Hiring crisis hits firms with more vacancies than jobseekers for the first time

Employers are struggling to cope with unprecedented labour shortages as job vacancies outstrip the number of people looking for work for the first time on record, new official figures have revealed.


The number of unfilled positions in the UK rose 2.7 per cent, or 33,700, to a new all-time high of 1.295 million in the February and April quarter, according to data from the Office for National Statistics (ONS). Meanwhile the [unemployment](#) total dropped to 1.257 million in the three months from January to March. That is a jobless rate of 3.7 per cent, the lowest since the autumn of 1974.

This comes as London employers warn that it has never been harder to recruit staff, in part because of the impact of Brexit and people not returning to the workplace after the Covid pandemic.

Many hospitality businesses across the capital remain closed on Mondays and Tuesdays because they still cannot find enough workers to run their businesses through the week.

Suren Thiru, head of economics at the British Chamber of Commerce, said: "Record [jobs](#) vacancies highlight the perilous hiring crunch facing businesses. With rising economic inactivity confirming that the UK workforce is shrinking, labour shortages are likely to persistently drag on UK growth by stifling firms' ability to operate at full capacity."

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Today's ONS figures reveal that a record 994,000 people moved jobs during the January to March 2022 period, suggesting that employers are finding it harder than ever to hold on to staff.

Danni Hewson from brokers AJ Bell said: "There's been a record number of people moving job over the last quarter as the cost of living squeeze really begins to grab hold of the country, suggesting workers are chasing higher pay in an increasingly tight labour market.

"For the first time since records began there are more vacancies than people out of work, a situation that's forcing employers to adopt whatever methods they can to tempt workers to jump ship.

"People power the motor, without them businesses can't function properly, but businesses are also struggling with rising costs. Looking at where vacancies are still sprouting up it's the larger companies, those that have deeper pockets, which are still hiring whilst smallest employers cut back." The hiring crisis has forced up wages as employers bid against each other, including offering bonuses, to attract staff. Average total pay including bonuses rose by seven per cent in the first three months of the year and hit 9.9 per cent in March. Bonuses were particularly generous during the month particularly in the City and construction sector. However, underlying base pay not including bonuses rose only 4.2 per

cent, meaning it fell in real terms after taking inflation into account.

Hannah Slaughter of the Resolution Foundation think-tank warned: "With inflation having shot up in recent months, the scale of Britain's wage squeeze is going to get far worse."

Chancellor Rishi Sunak said Government support has kept the jobs market robust "despite global challenges" and added: "These are anxious times for people... but we are helping them to keep more of their hard-earned money through tax cuts, changes to universal credit and support with household bills."