



# WeldingWorld

## Lack of recruitment focus could force construction firms out of business

A lack of focus on bolstering the workforce could push construction firms out of business, according to One Way.

An analysis by the specialist rail and construction recruitment consultancy found that firms are recruiting on a short term basis and are therefore forced to pay day rates that are well above the standard rate. Insolvency specialists, Begbies Traynor, recently published its latest 'Red Flag' report which found that over 40,000 construction companies were operating in a state of 'significant' financial distress at the end of June. A year ago the number stood at 33,222.

Paul Payne, managing director of One Way, commented:

"Far too many construction firms don't have a plan in place for finding skills when they need them on a short term basis and are forced into a situation where they have to pay excessively high day rates just to get the staff they need. You can see why they do it, but by planning ahead, firms can source the best skills in the market, at a fairer price and avoid any unnecessary headaches. This doesn't just make their lives easier when it comes to staffing projects, but also removes some of the excessive costs. When construction firms look to become more efficient they often analyse their raw materials suppliers, however those savings are relatively small in comparison to those that could potentially be saved by developing robust talent pipelines into the industry. These statistics highlight that firms are being pushed to the brink and planning effectively and concentrating on recruitment could help to significantly lower costs."

"The main issue preventing them from building these routes into the field is that there simply aren't enough people in the industry and very few firms are doing anything about it. That means there's a limited supply of skills in the market and the individuals in demand can essentially name their price as they're so highly sought after. By building talent pipelines and communities you can avoid these additional costs as you'll have a pool of available talent to fall back on if required. The skills shortages are only going to get worse once we leave the European Union, so it's crucial that firms start planning before it's too late. We've launched two campaigns to boost the number of women and youngsters entering the construction industry respectively. However initiatives like this are few and far between and we need to see more proactive work taking place, otherwise staffing costs will continue to rise and firms could ultimately be forced out of business."