

It used to be that people would do anything for a job. Today, it's more like - to paraphrase the title of the late Meatloaf's iconic song - 'I would do anything for a job, but I won't do that'.

Companies, particularly in certain sectors, are struggling badly to access the skills they need. This is perhaps most acute in sectors such as healthcare and food processing because job hunters are taking advantage of the jobs market being a seller's market. They can afford to be more choosy about the work they undertake in a way they couldn't in the past. Many are therefore opting for other industries where the salaries are perhaps higher, and conditions perceived to be less challenging.



All of this sets 2022 up as something of a landmark year for the labour market as we begin to move out of the pandemic. So it's perhaps worth taking stock of where we've come from and what lies ahead.

## **V-shaped recovery in 2021**

The pandemic triggered a slump in activity within the recruitment market in 2020. But last year saw a 'V-shaped' recovery take hold with employers' job listings surging by 144% y/y and 63% above 2019's pre-pandemic levels. Fears of a surge in unemployment after the removal of the Job Retention Scheme have not come to pass. Instead payroll numbers and unemployment have diverged in the right directions.

Meanwhile the number of employees on Northern Ireland's payrolls hit another record high in December with almost 20,000 above March 2020's pre-pandemic high. Indeed, no other UK region has witnessed a stronger rebound in payrolls growth to date. It is a similar story with median earnings growth over the last two years.

## **Redundancies at a fraction of 2020 rates**

As far as signs of stress in the labour market are concerned, the most visible of those are of the positive variety, namely skills shortages, rather than job losses. Redundancies in 2021 were a fraction of what they were in 2020 and the recruitment market is characterised by record numbers of job vacancies.

The latest NIJobs.com Jobs Report revealed another strong quarter in Q4 to top a record year for advertised vacancies. Perhaps not surprisingly the Q4 recruitment drive eased back by 10% from the surge in the previous quarter that followed the lifting of lockdown restrictions. 21 of the 31 employment categories reported fewer listings in Q4 relative to the previous quarter.

## **Recruitment drive eased in Q4 2021**

The slowdown was most evident within the hospitality sector (-40% q/q) as many of the recent job openings become filled. The hospitality industry was also the most disrupted from the resurgence of COVID-19 infections and the arrival of the Omicron variant which triggered a Mexican-wave of booking cancellations over the festive period. In turn, this affected demand for staff.

Nevertheless, four categories ended 2021 on a high. Motoring, Engineering and Secretarial and Admin postings all saw record highs in Q4. Hiring within the motoring trades is gearing up after dealers experienced the worst two years for new car sales on record. 2022 can only get better. The Secretarial and Admin sector recorded a significant number of job losses and churn during 2020 following the shift towards a working from home business model. So the hiring surge is coming off a low base. Meanwhile the Banking, Financial Services and Insurance sector posted a joint-record high in Q4.

### **But most employment categories posted an increase in job listings.**

Looking at 2021 as a whole, 28 of the 31 employment categories posted an increase in job listings, with 23 categories recording a record year for recruitment activity. Encouragingly, 24 categories had listings in 2021 above pre-pandemic levels in 2019.

Nursing, Healthcare & Medical; Hospitality, IT; Accountancy & Finance; and Sales roles occupied the top five recruitment categories and accounted for almost half of all recruitment activity. Nursing, Healthcare & Medical and Hospitality were ranked the top two employment categories for recruitment activity. They are arguably the two sectors experiencing the greatest churn rather than growth. That is employers are advertising to fill existing positions as opposed to new roles.

There were seven times as many job listings within the Nursing, Healthcare and Medical

sectors in 2021 relative to 2019. This highlights the scale of attrition within the health service and the difficulty filling vacancies. Nursing, health and medical's share of the market has more than quadrupled since 2019 from almost 5% to 21% in 2021. This industry has also suffered from the exodus of EU nationals following Brexit as has the Hospitality sector. Almost 1 in 10 of all listings were within the Hospitality sector. Nursing, Healthcare & Medical and Hospitality are expected to top the recruitment rankings in 2022.

### **Pharma job growth due to expansion**

While the surge in growth in some sectors such as Nursing is linked to high levels of staff turnover, other sectors are hiring due to expansion. This is particularly apparent within the Science, Agriculture, Pharma and Food industry which saw its listings increase six-fold over the last year and doubled relative to 2019. A number of flagship firms in the pharma industry have announced significant plans for expansion. Pharma recruitment is expected to remain strong in 2022. Brexit has been a double-edged sword for the agri-food industry. Many firms have benefited from a surge in demand from the Republic of Ireland but have suffered from the loss of EU national workers.

The evolving cost-of-living crisis will be the dominant economic story this year. People cannot control the cost of living but they will become more sensitive to rates of pay. With incomes squeezed the demand for more significant pay rises from employers will intensify.

### **Cost of living squeeze will impact on hospitality sector**

For some sectors, such as the Hospitality sector which already faced a recovery roller-coaster, rising wage and energy costs presents a significant challenge. For workers, moving jobs may be their only way to secure a meaningful pay rise in the face of the rising cost of living. From that perspective, 2022 is likely to be another strong year for recruitment due to

the anticipated high levels of staff turnover as people chase higher salaries.

It should be remembered that households and businesses also face a major hike in National Insurance Contributions in April. Hopes of a 'U-turn' or deferral on this front in the forthcoming 23rd March budget is perhaps wishful thinking. The combined inflationary and tax squeeze will impact consumer spending and those sectors and jobs, such as retail and hospitality, that are reliant on it.

### **Not all good news, but two out of three ain't bad**

Overall, the latest labour market figures for NI show that unemployment here is falling and employment is rising, which is good news. But they also show that economic inactivity is rising, a persistent problem that NI hasn't yet got to grips with and badly need to address if we are to plug skills gaps. So, it's not all good news. But as Meatloaf also sang, two out of three ain't bad.

**Share this:**

- [Twitter](#)
- [Facebook](#)
- [LinkedIn](#)
- [Email](#)