

# HR BULLETIN

## Q1 2025





## **MAKE**uk **INSIGHT:**

This quarter's HR report shows a complex picture for manufacturers.

Vacancies in the sector have fallen further to 55,000 but 4 in 5 employers are recruiting for new positions. Though only 5% of manufacturers could not fill any vacancies, this is up significantly from the same quarter last year (1% - however, fewer companies were recruiting). Meanwhile, the vast majority (17%) of manufacturers have seen pay settlements sit at around 3%.

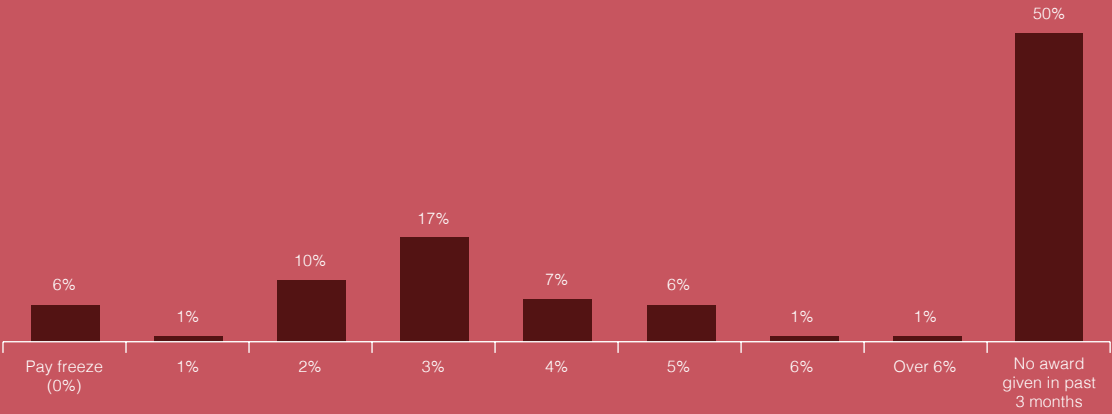
Alongside this, Make UK's latest annual Absence Benchmark and Labour Turnover show that both turnover and sickness absence have decreased significantly, suggesting that manufacturers have seen greater staff retention over the last year.

While a lack of technical skills remains the most significant barrier to recruitment (63%), this has fallen from the highs of last year, where nearly ¾ of manufacturers were struggling to recruit for this reason. This echoes a similar pattern observed in previous data, where a higher percentage of manufacturers faced technical skills as a barrier to recruitment in Q4 than Q1 of the following year.

As manufacturers brace for the double impact of increasing employer National Insurance Contributions and significant increases to the National Minimum and Living Wage, our topic in focus looks to the latter to assess the pressures on manufacturers in recruitment and employment cost terms.

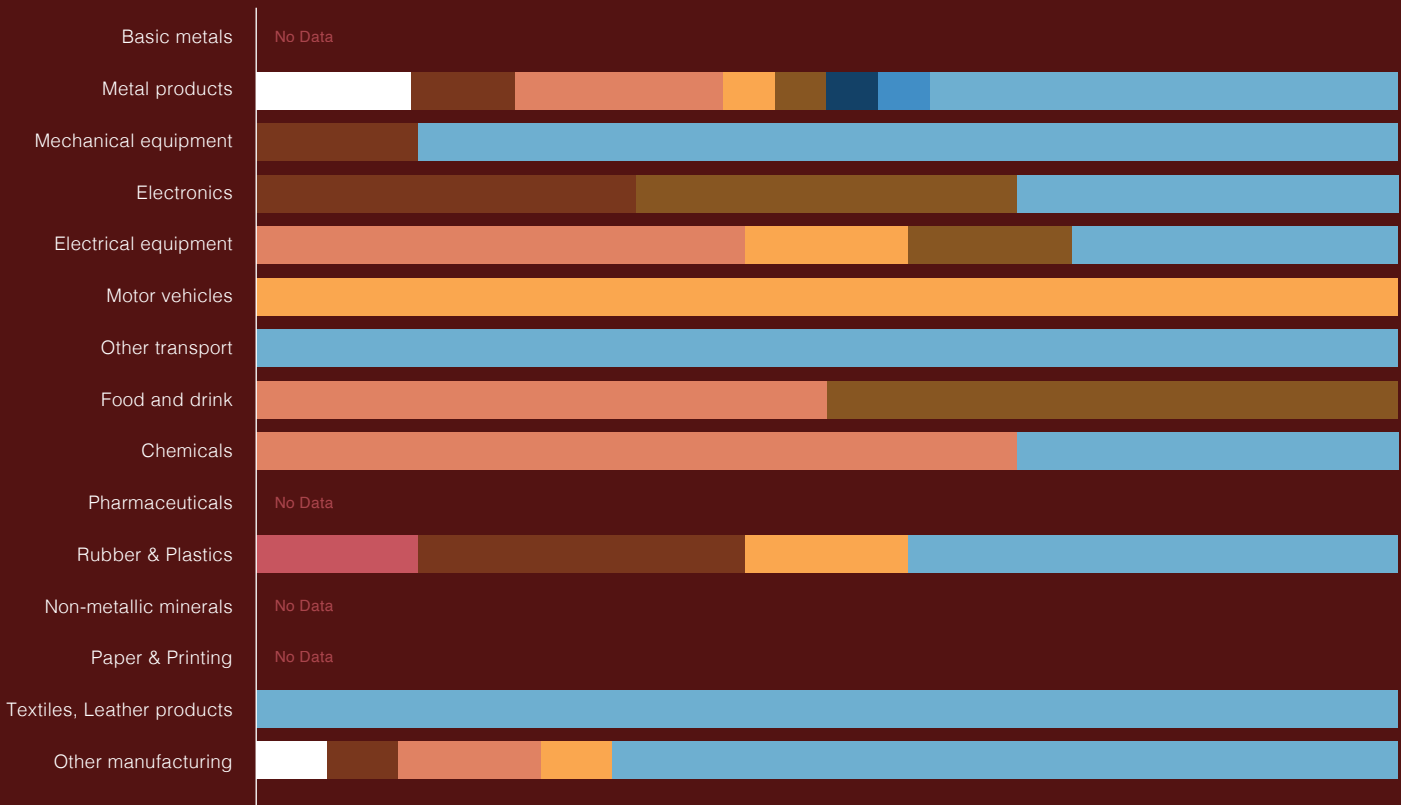
# LATEST PAY SETTLEMENT DATA

If you have agreed a pay settlement in the last 3 months, at what level have you settled?



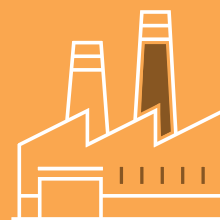
## Latest pay settlement data BY SECTOR

Pay freeze (0%) 1% 2% 3% 4% 5% 6% Over 6% No award given in past 3 months

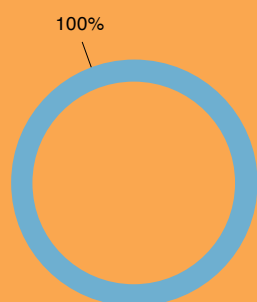


# Latest pay settlement data BY SIZE OF COMPANY:

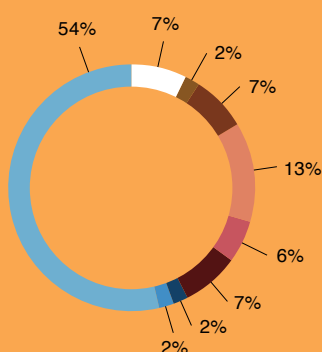
(by employee number)



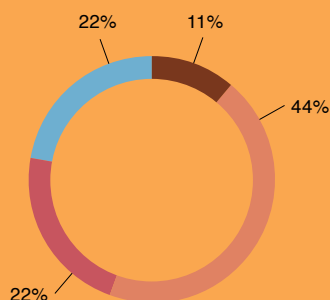
1-9



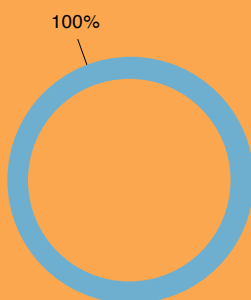
10-249



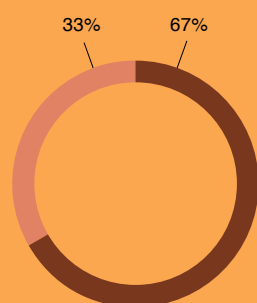
250-499



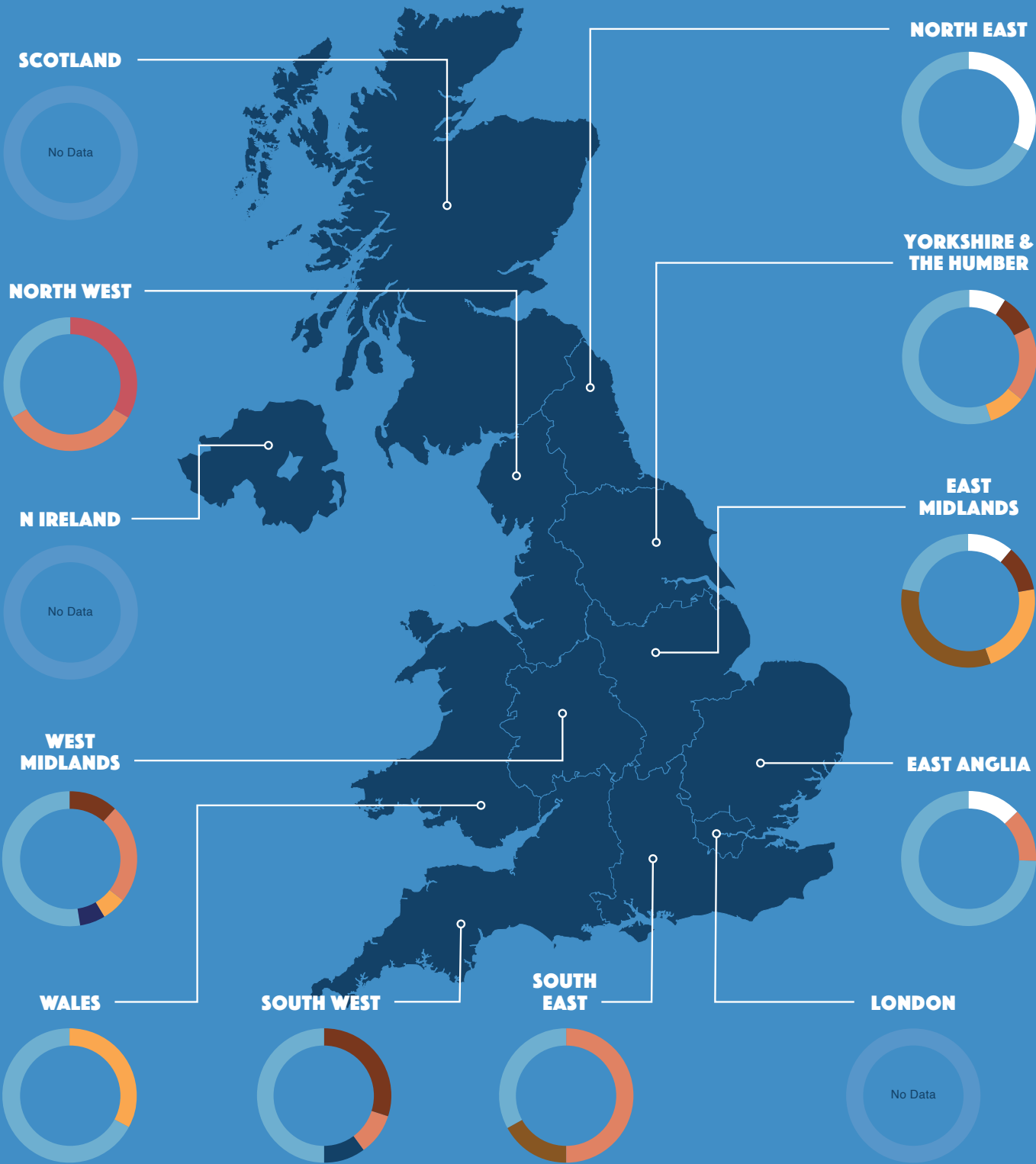
500-999



1000+



Latest pay settlement data  
**BY REGION:**



# RECRUITMENT OUTLOOK



**4 OUT OF 5**

MANUFACTURERS ATTEMPTED TO RECRUIT STAFF IN THE **LAST 3 MONTHS**



**OVER 1/4**

OF MANUFACTURERS FILLED EVERY VACANCY – **SIMILAR TO Q1 2024**



**ONLY 5%**

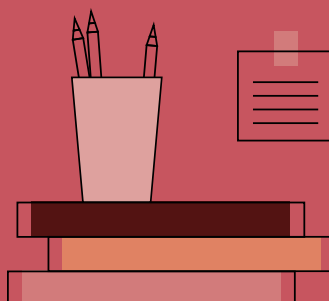
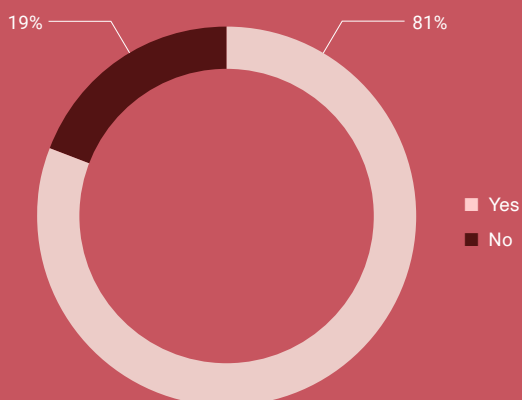
OF MANUFACTURERS COULDN'T FILL A SINGLE VACANCY, **DOWN BY 4% FROM LAST QUARTER**



**LACK OF TECHNICAL SKILLS**

REMAINS THE MOST SIGNIFICANT BARRIER TO RECRUITMENT BUT HAS **DECLINED BY OVER 10% COMPARED TO Q4 2024**

Have you tried to recruit staff in the last 3 months?



## Recruitment attempts

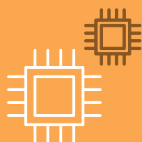
### BY SECTOR:



#### BASIC METALS

Yes 0%

No 0%



#### ELECTRONICS

Yes 67%

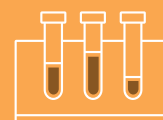
No 33%



#### TEXTILES

Yes 100%

No 0%



#### CHEMICALS

Yes 100%

No 0%



#### RUBBER & PLASTICS

Yes 86%

No 14%



#### ELECTRICAL EQUIPMENT

Yes 100%

No 0%



#### OTHER MANUFACTURING

Yes 81%

No 19%



#### PHARMA-CEUTICALS

Yes 0%

No 0%



#### PAPER & PRINTING

Yes 0%

No 0%



#### OTHER TRANSPORT

Yes 100%

No 0%



#### MECHANICAL EQUIPMENT

Yes 71%

No 29%



#### NON-METALLIC MINERALS

Yes 0%

No 0%



#### METAL PRODUCTS

Yes 73%

No 27%



#### FOOD AND DRINK

Yes 100%

No 0%



#### MOTOR VEHICLES

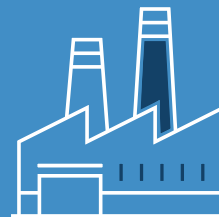
Yes 100%

No 0%

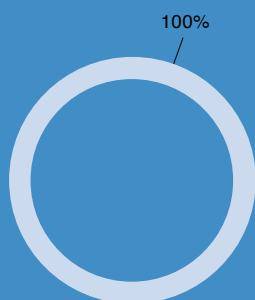


# Recruitment attempts BY SIZE OF COMPANY:

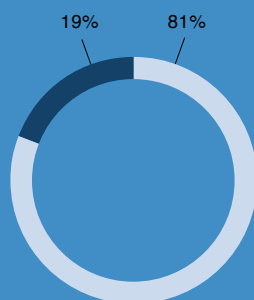
(by employee number)



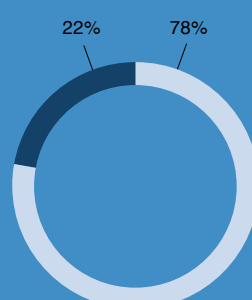
1-9 



10-249 

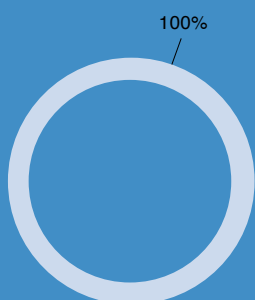


250-499 

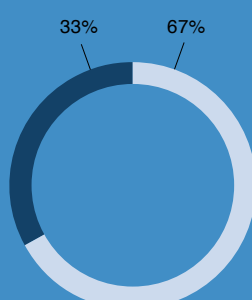


 Yes  No

500-999 



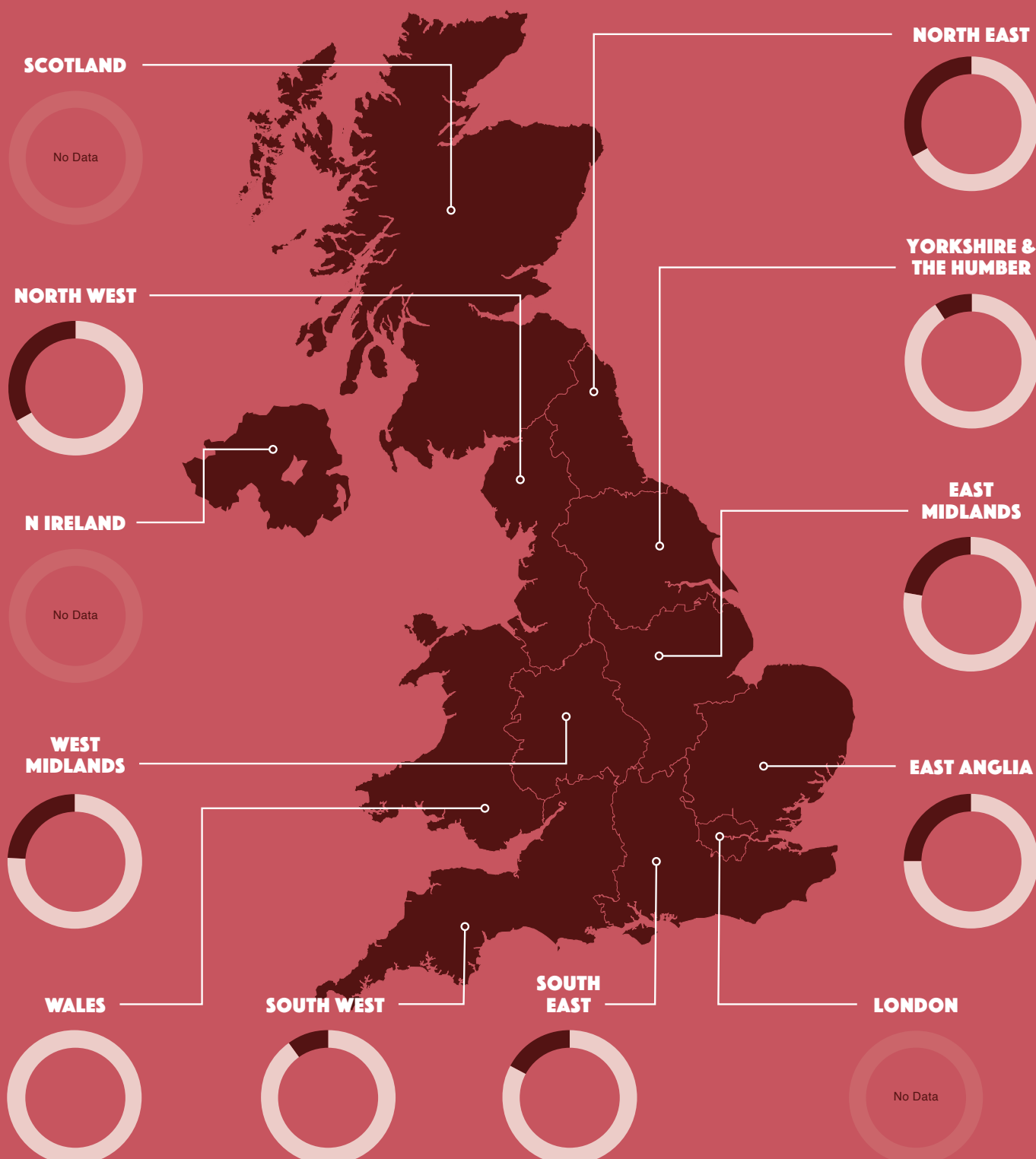
1000+ 



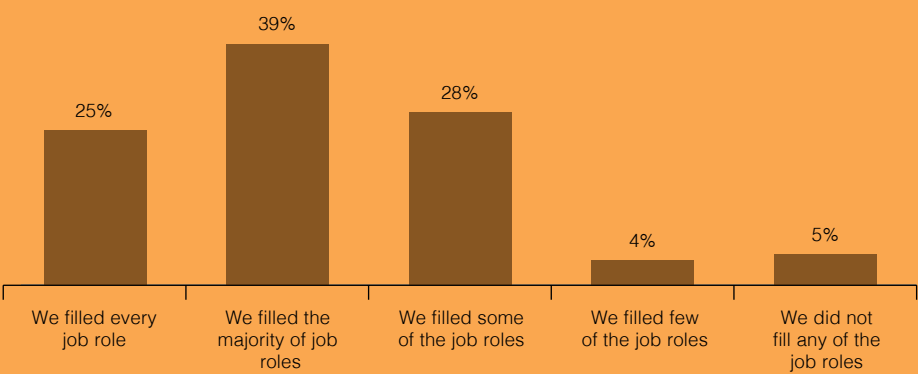


## Recruitment attempts **BY REGION:**

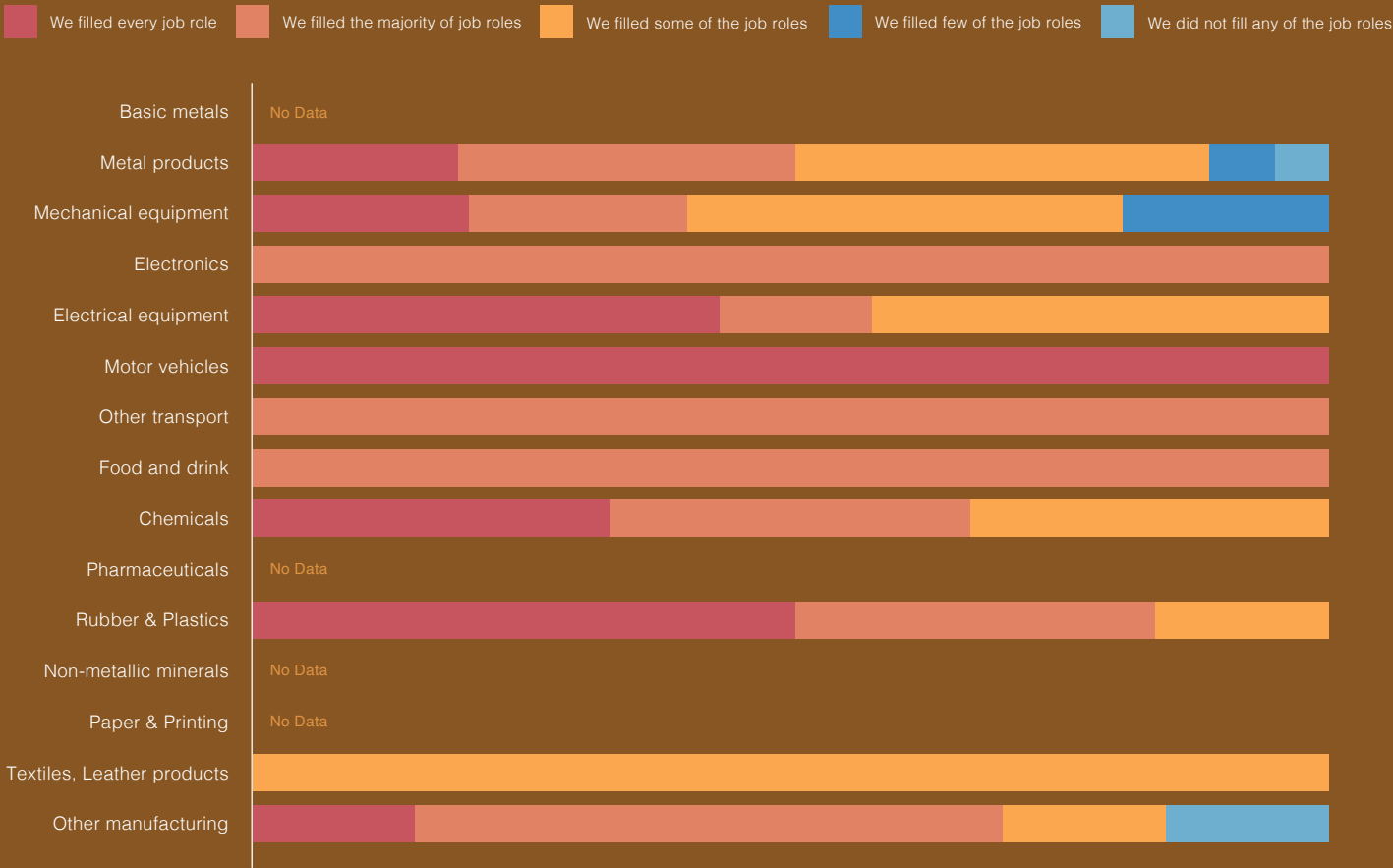
Yes No



To what extent were you successful in recruiting for these roles?

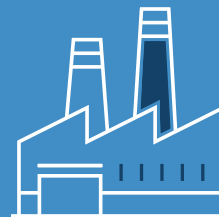


# Recruitment success BY SECTOR



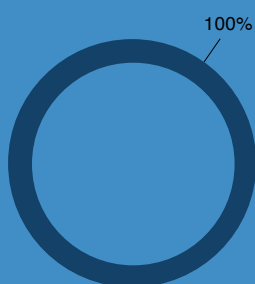
# Recruitment success BY SIZE OF COMPANY:

(by employee number)

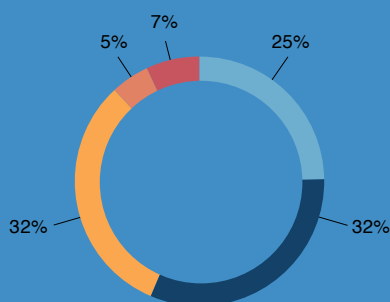


We filled every job role
  We filled the majority of job roles
  We filled some of the job roles
  We filled few of the job roles
  We did not fill any of the job roles

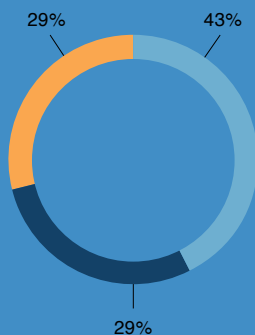
**1-9** 



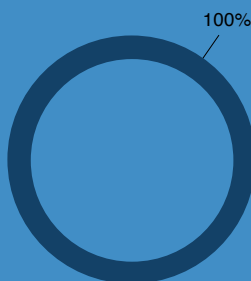
**10-249** 



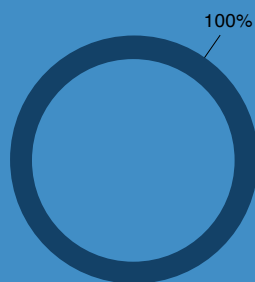
**250-499** 



**500-999** 

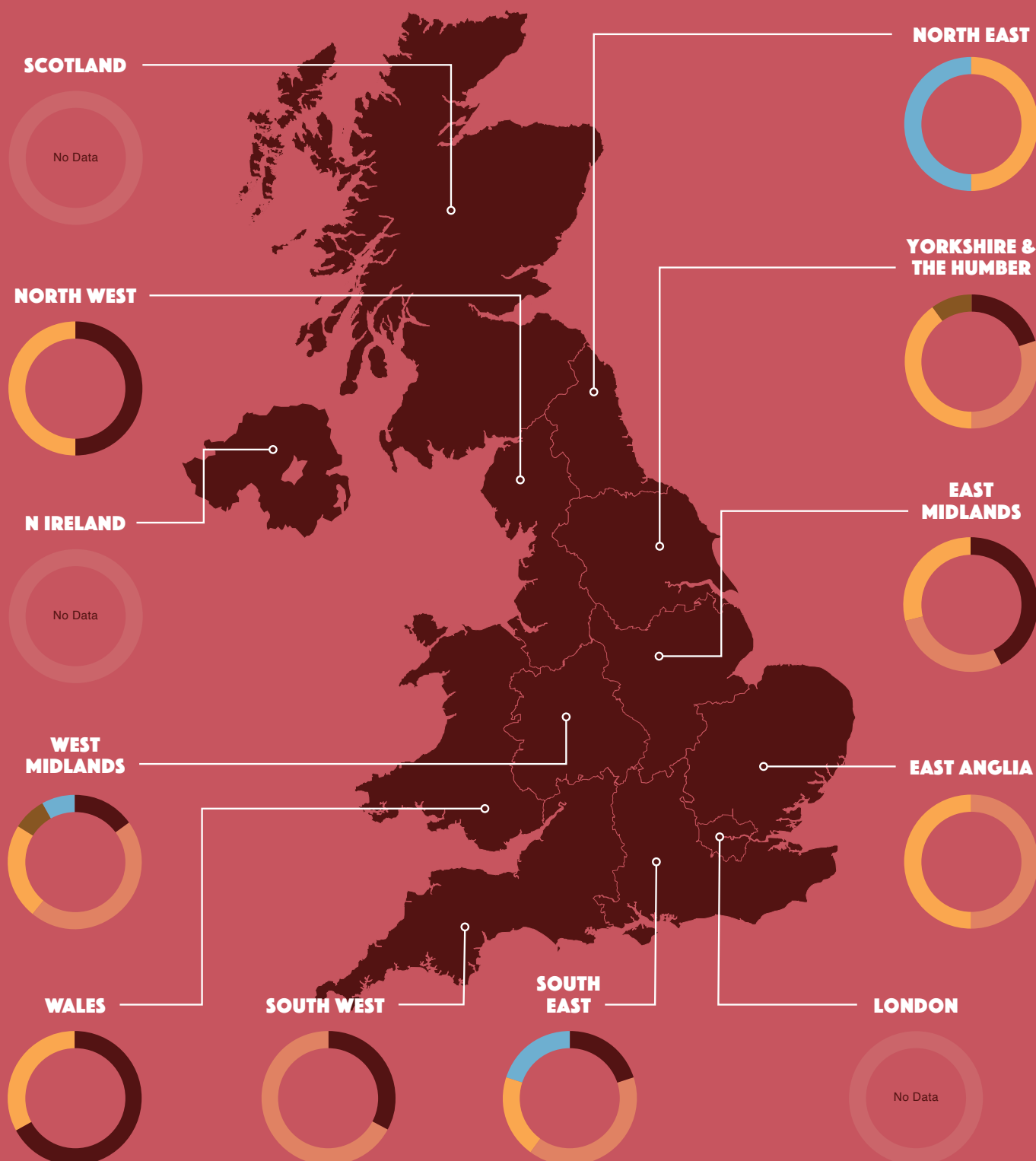


**1000+** 

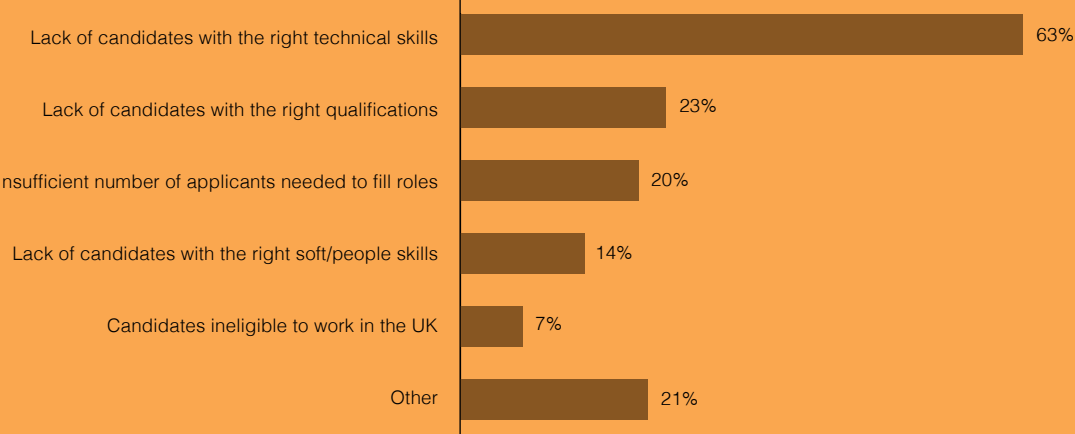


# Recruitment success BY REGION:

We filled every job role
  We filled the majority of job roles
  We filled some of the job roles
  We filled few of the job roles
  We did not fill any of the job roles



What have been the biggest barriers to recruitment over the last 3 months?



## Recruitment barriers

# BY SECTOR:

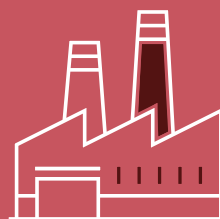
	Insufficient number of applicants needed to fill roles	Lack of candidates with the right qualifications	Lack of candidates with the right technical skills	Lack of candidates with the right soft/people skills	Candidates ineligible to work in the UK	Other
Basic metals	0%	0%	0%	0%	0%	0%
Metal products	36%	25%	30%	20%	40%	33%
Mechanical equipment	0%	0%	9%	30%	0%	7%
Electronics	14%	6%	7%	0%	0%	0%
Electrical equipment	0%	13%	9%	10%	20%	13%
Motor vehicles	0%	0%	2%	0%	0%	0%
Other transport	0%	0%	2%	0%	0%	0%
Food and drink	7%	6%	5%	0%	0%	0%
Chemicals	14%	6%	2%	0%	0%	0%
Pharmaceuticals	0%	0%	0%	0%	0%	0%
Rubber & Plastics	14%	6%	7%	20%	0%	13%
Non-metallic minerals	0%	0%	0%	0%	0%	0%
Paper & Printing	0%	0%	0%	0%	0%	0%
Textiles, Leather products	7%	0%	0%	0%	0%	7%
Other manufacturing	7%	38%	27%	20%	40%	27%



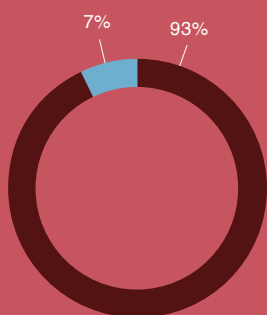
# Recruitment barriers

## BY SIZE OF COMPANY:

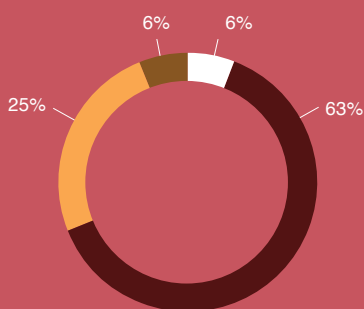
(by employee number)



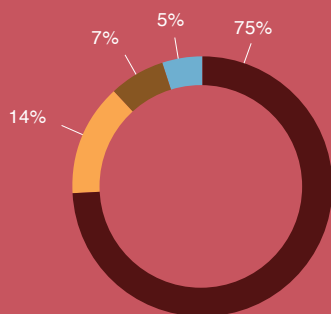
Insufficient number of applicants needed to fill roles



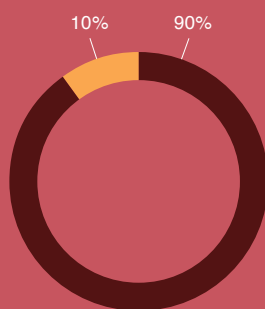
Lack of candidates with the right qualifications



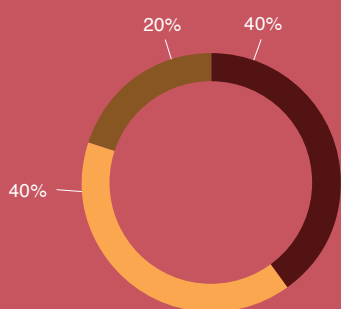
Lack of candidates with the right technical skills



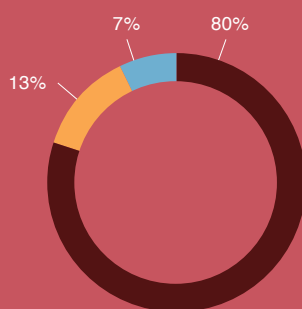
Lack of candidates with the right soft/people skills



Candidates ineligible to work in the UK



Other



## Recruitment barriers

# BY REGION:

	Insufficient number of applicants needed to fill roles	Lack of candidates with the right qualifications	Lack of candidates with the right technical skills	Lack of candidates with the right soft/people skills	Candidates ineligible to work in the UK	Other
North East	7%	0%	2%	0%	0%	7%
North West	7%	0%	2%	10%	0%	7%
Yorkshire & the Humber	7%	19%	20%	20%	20%	7%
East Midlands	7%	6%	9%	10%	20%	33%
West Midlands	29%	31%	25%	20%	20%	27%
East Anglia	14%	13%	9%	10%	0%	7%
London	0%	0%	0%	0%	0%	0%
South East	14%	19%	11%	10%	0%	0%
South West	7%	6%	16%	0%	40%	13%
Wales	7%	6%	5%	20%	0%	0%
Scotland	0%	0%	0%	0%	0%	0%
Northern Ireland	0%	0%	0%	0%	0%	0%

## Q1 TOPIC IN FOCUS:

### National Living Wage and National Minimum Wage

From April 2025, all rates of the National Living Wage and National Minimum Wage will increase. For 16 and 17 year olds, and some apprentices, the National Minimum wage will rise by approximately 18% to £7.55 an hour. For 18, 19 and 20 year olds, the National Minimum Wage will rise by 16% to £10 an hour. This forms part of the government's target to move towards a single adult rate. For those over 21, the National Living Wage will rise by 7% to £12.21 an hour.

This year marks another large increases in the lower age bands, continuing a general move over time towards equalisation of these rates. The changes in minimum wage for 18-20 year olds forms part of the government's target to move towards a single adult rate.

In addition, as part of its reforms to employment law, the Government has committed to introducing a 'genuine living wage'. This is likely to involve the Low Pay Commission – the independent body which recommends the new NLW and NMW rates to the Government – being given a new, long-term remit. As part of our ongoing engagement with Government, Make UK will use the results from this survey to inform any further consultation.

#### NATIONAL LIVING WAGE AND NATIONAL MINIMUM WAGE RATES FROM APRIL 2025

##### National Minimum Wage

Age 16-17

**£6.40**



**£7.55**

Age 18-20

**£8.60**



**£10.00**

Apprentices\*

**£6.40**



**£7.55**

\*The apprentice rate, which applies to apprentices under 19 or those over 19 in the first year of an apprenticeship.

##### National Living Wage

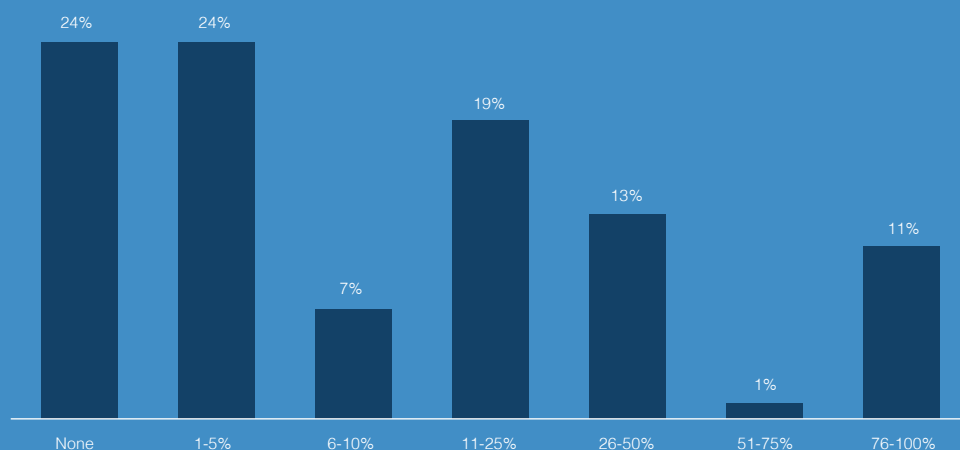
(age 21 and over)

**£11.44**

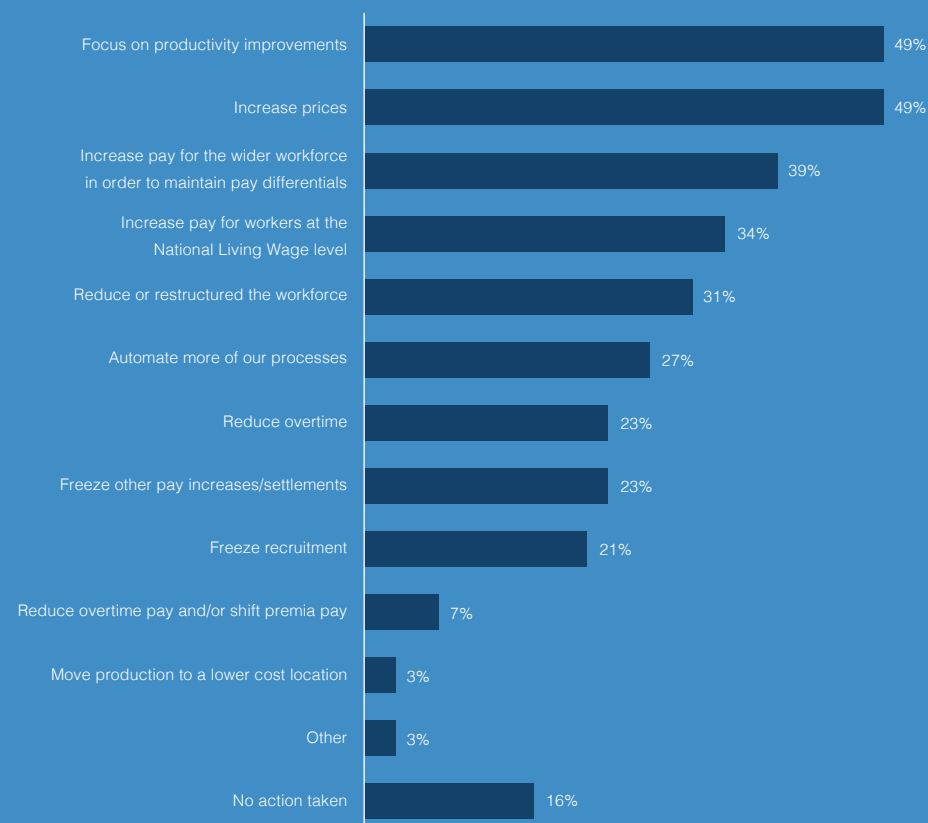


**£12.21**

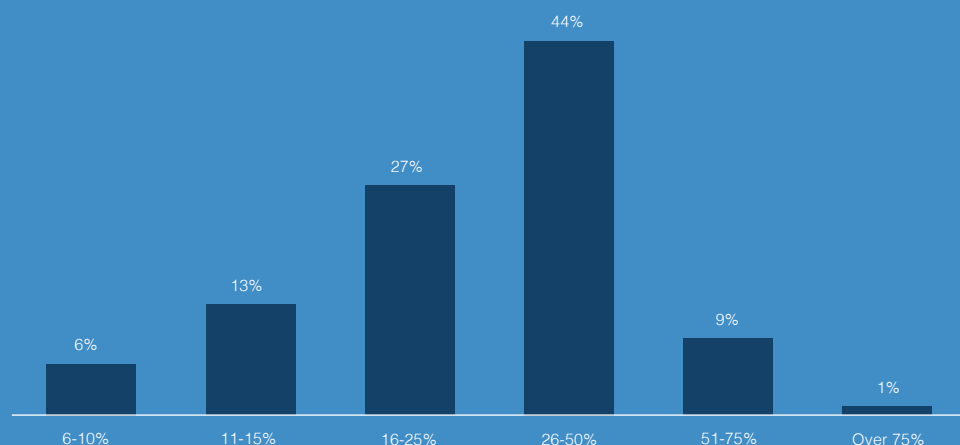
What proportion of your workforce will receive an increase in basic pay as a result of this change?



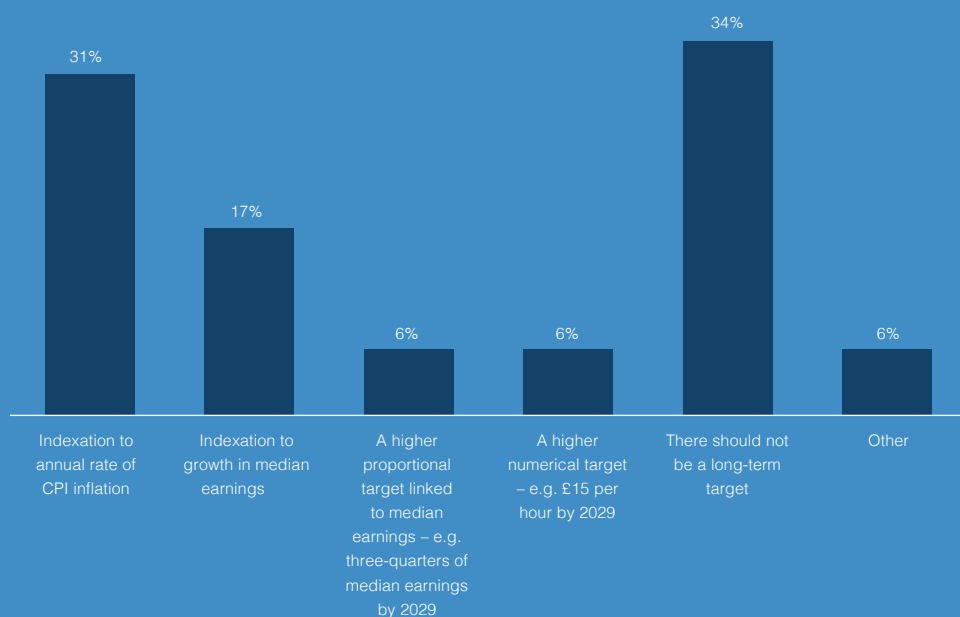
What action, if any, will your business need to take due to the increases in National Minimum Wage and National Living Wage?



Approximately what proportion of your total business costs are employment-related costs (i.e. wages, NI, pensions etc)?



As part of its reforms to employment law, the Government has committed to introducing a ‘genuine living wage’. This is likely to involve the Low Pay Commission – the independent body which recommends the new NLW and NMW rates to the Government – being given a new, long-term remit. What should this be?



Make UK is a powerful voice at local, national and international level for all companies from small to large in the manufacturing and engineering sector.

We create the most supportive environment for UK manufacturing growth and success, and we represent the issues that are most important to our members, working hard to ensure UK manufacturing remains in the government and media spotlight.

Our services help manufacturers increase efficiency, productivity, and capability across areas such as HR & legal support; health, safety & sustainability; compliance; and training & skills.

Our HR experts are on hand to support you through the entire employment cycle, from challenges around recruitment, retention and employee engagement to broader strategic issues involving your workforce.

**MakeUK.org**

To find out how we can support you, speak to one of our HR consultants by calling **0808 168 5874** or email **HRenquiries@MakeUK.org**



Twitter @MakeUKCampaigns



linkedin.com/company/makeuk

#BackingManufacturing

#FutureMakers