

IMPACT OF LABOUR SHORTAGES ON CONSTRUCTION INDUSTRY UK



AIM AND OBJECTIVES



- To investigate how labour shortages influence employee retention and business performance within the UK construction industry by conducting a systematic literature review.
- Examine the causes of labour shortages.
- Explore their impact on business performance.
- Investigate their effect on employee retention.
- Evaluate strategies to address workforce shortages.



BACKGROUND

The construction industry is an important part of the UK economy, contributing to employment, infrastructure and national development. However, the sector has experienced increasing labour shortages in recent years because of factors such as an ageing workforce, ongoing skills shortages, Brexit and the lasting effects of the COVID-19 pandemic. These issues have made it more difficult for organisations to recruit and retain skilled employees, resulting in lower productivity, project delays and increased pressure on the existing workforce. Addressing these challenges is essential to ensure the long-term sustainability and competitiveness of the industry (CITB, 2024).

METHODOLOGY

This study used a qualitative Systematic Literature Review (SLR) to examine the impact of labour shortages within the UK construction industry. A structured review process based on the PRISMA 2020 guidelines was followed to ensure that the search and selection of literature were transparent and systematic (Page et al., 2021). Relevant sources were identified through databases including Google Scholar, Scopus, ScienceDirect, Emerald Insight, SpringerLink and Taylor & Francis Online. Industry publications and government reports from organisations such as CITB, CIOB, ONS and CIPD were also reviewed. Following the application of predefined inclusion and exclusion criteria, the selected studies were analysed using thematic analysis to identify the main patterns and recurring themes across the literature.

KEY FINDINGS



- Theme 1 – Labour Shortages
Labour shortages were mainly linked to an ageing workforce, skills shortages, Brexit and COVID-19 (CITB, 2024).
- Theme 2 – Business Performance
Labour shortages reduced productivity, delayed projects and increased operating costs (Love et al., 2022).
- Theme 3 – Employee Retention
Labour shortages increased workloads, contributing to burnout, lower job satisfaction and higher staff turnover (Hom et al., 2017).
- Theme 4 – Strategies
The review identified apprenticeships, workforce planning, employee development and digital innovation as the most effective long-term solutions (Johansen and Wilson, 2022).



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CONCLUSION

The findings demonstrate that labour shortages remain one of the most significant workforce challenges facing the UK construction industry. While recruitment is important, the evidence indicates that sustainable workforce planning, investment in employee development and effective retention strategies are essential for improving business performance and ensuring long-term workforce stability.