

Regional Skills Assessment 2008

Summary for employers



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Context

The Regional Skills Assessment has been produced on an annual basis since 2005, providing an analysis of the changing needs of the region's labour market. This briefing paper highlights the key issues for individuals and communities that emerge from the analysis.

Summary of Regional Skills Assessment 2008

It is encouraging that the region's overall skills performance has improved over the last few years, driven principally by a significant numbers of employers investing in the training and up-skilling of their staff. The current economic downturn has led slowdown in investment, however and action is needed to help employers to keep up the momentum and ensure that the step change in skills performance required by the Skills Action Plan will be achieved.

- Many employers are faced with falling orders, workloads and turnover and investment in skills may not be a priority at the moment. A significant proportion still face skill gap and shortage problems, however investment in training and up-skilling remains important in the longer term to help address these
- In particular further investment in skills by employers is required in sectors such as agriculture, engineering, other manufacturing and construction, wholesale and retail, hotels and catering and health and social care where skill gaps and shortages remain a significant problem.
- If they are to meet their future labour and skill needs employers also need to widen their recruitment to include groups accounting for a growing share of the region's working age population such as older people and people from minority ethnic groups.
- More action is needed to unlock the potential demand for higher level skills to boost business growth and competitiveness

Key trends

Over the last 5 years there have been significant changes in the region's labour market with a notable shift in the balance of demand for labour and skills from manufacturing to services. There has been significant new job creation in private sector services such as business & professional services, retail and hotels & catering and in public sector services such as health & social care, education and public administration.

But this has been offset by the shedding of significant numbers of jobs in sectors that have historically dominated the regional economy such as engineering (and in motor vehicles and mechanical and electrical engineering in particular) and in other manufacturing industries such as ceramics, clothing and textiles.

Nevertheless across all sectors of the economy there is an increasing demand for new and up-graded skills. Significant numbers of employers have responded by investing in the training and up-skilling of their staff, with a resulting reduction in the incidence of skill gaps and shortages. However some sectors (notably agriculture, engineering, other manufacturing, construction, wholesale and retail and hotels and catering) still face significant skill gaps (i.e. a mismatch between the skills businesses require to develop and grow and those available from the workforce) and skill shortages (i.e. a shortage of suitable skilled people within the labour market) and additional investment in training is needed.

At the same time the region's working age population is ageing in rural areas while in the region's urban areas the population is becoming younger and more ethnically diverse. If they are to meet their labour and skill needs in the future employers need to widen their recruitment to include these groups.

The development of a highly skilled, knowledge-based economy is vital for future business growth and competitiveness. However the region performs poorly in terms of the recruitment and deployment of highly skilled 'knowledge workers qualified to degree level or above. As a result many of the region's graduates leave the region to secure their first job, notably those with a desire to work in better paid, higher skilled and higher value added sectors of the economy.

Nevertheless many of the region's businesses are of the view that graduate and other higher level skills could be critical to future business success. If this potential is to be unlocked and converted into real and tangible demand, however, action is needed to address issues such as real or perceived gaps in graduates' work related skills and limited investment in graduate training and development by employers.

Work placements are already proving successful in addressing these issues. Effective careers information, advice and guidance is also critical to ensure that graduates are well informed about the career opportunities available in the region and that employers can access the higher level skills they need. If efforts to unlock the potential demand for higher level skills are successful it will be important to ensure that sufficient graduates are retained and attracted to the region to meet it. However while graduates who have elected to remain here after completing their studies tend to hold very positive views those that have left to work elsewhere tend to be much more negative about the region as a place to live and work.