

Less unemployment, or skills shortage

Richard Pearson

Population changes in the United Kingdom during the next decade may help solve one problem but will create others which are difficult to predict.

WE are now entering an era of sharp demographic change. Across most of the non-catholic Western world (though not in Japan), the number of 16–18-year-olds in the population will decline rapidly over the next decade as a result of the slump in births in the 1960s. In the United States there is a 23% decline between 1908 and 1994, while in Germany the decline is a massive 44%. In the United Kingdom the downturn will be 26% over this period, with most of the decline during the early 1990s (*Nature* 326, 528; 1987).

Is this decline going to be the answer to the United Kingdom's long-term problem of high youth unemployment? In areas of high unemployment perhaps, but the consequences for some employers, course organizers and training organizations will be profound. Already the health service cannot recruit enough school leavers into nursing, while many of the government's Youth Training Schemes, set up to improve the vocational skills of young people, have empty places because better paid full-time jobs attract leavers in many areas of the South East. These problems are being experienced when the number of school leavers is near its peak and the decline has barely begun.

Major differences in the birth rates between social classes — with differing occupational aspirations and qualifications — are an added complication. Because the decline in the birth rate among the higher social classes has been less severe (Table 1), the decline in better qualified leavers will also be less severe. So the reduction in demand for places in higher education will be less than crude numbers suggest. Unfortunately, while forecasts of school leavers with differing qualification profiles are available up to the early 1990s (Table 2), changes in the exam structure make longer term forecasts extremely speculative.

What then are the most important implications of these trends, and which sectors need to adopt new policies to cope? Clearly, at the top end of the qualification profile competition for recruits is going to become ever more fierce.

The banks, for example, who take many thousands of well qualified school leavers each year, will be in direct competition with technology courses in higher education for the school leaver with two A

Table 1 Projections of number of 18-year-olds in the United Kingdom by social class (thousands)

Year	Social class					Total
	I	II	IIIN	IIIM	IV	
1980	56	186	93	329	165	881
1985	66	202	93	343	145	893
1990	70	213	85	311	96	801
1995	63	183	62	215	72	613
2000	61	213	67	242	73	681

Key: I, professional; II, intermediate; IIIN, skilled non-manual; IIIM, skilled manual; IV, semi-skilled; V, unskilled. Source: AUT

levels. A factor which may make things worse for organizers of technology courses is a possible replication in the United Kingdom of the trend in the United States where students are turning away from engineering and technology (*Nature* 329, 90; 1987).

Further down the qualification profile the health service is going to face a major challenge. Even now the health service cannot recruit enough nurses, and with the potential pool of qualified candidates shrinking the prospects are poor.

What can be done to mitigate the unwanted side effects of the post-baby-boom era? A first step is for an organization to be aware of its dependence on school leavers, and numbers are not the sole guide. An employer in the South East

example, are five O levels really necessary for a given job? It may be that entry standards have been raised in response to the easier recruitment environment of the past few years. Qualifications are also often seen as the only screen for intelligence and competence; the Youth Training Scheme has now demonstrated that alternative forms of experience can be just as relevant. Likewise is a physics or mathematics A level really necessary, what about the combined science qualifications or an aptitude or numeracy test?

Recruitment can also be redirected to other groups; one new source of skills that has been opened up by the recession and the increasing rate of change in the labour market is that of the mature (re)entrant or individual seeking retraining. The potential here is enormous and these people can often bring new insights and additional skills to a job. The obvious source here is women returning after child rearing. Finally recruitment levels may not need to remain at traditionally high levels. A reassessment of job content, induction training, selection, job previewing and type of entrant can all contribute to lowering wastage during training and early careers, thus

reducing the need for replacements as well as improving job satisfaction for the individual.

The demographic downturn is going to provide both opportunities and problems. While reductions in youth unemployment will of course be welcome, many recruiters for both jobs and training courses will have to think long and hard about innovation and overturning tradition if they are to continue to meet their employment needs during the next decade and beyond. □

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Table 2 School leavers available for employment (1979/80–1992/93)

Examination achievement	Percentage decline 1979/80–1992/93
A levels	– 21 %
5 or more 'good' O levels*	– 34 %
1–4 'good' O levels	– 40 %
Other O level/CSE	– 35 %
No graded results	– 58 %
Total	– 40 %

* 'Good' O levels are O level passes graded A to C and CSE grade 1. Forecasts for 1987/8 and beyond are complicated by the existence of GCSE. Source: DES/IMS.

seeking five trainee technicians with science O levels may face far greater difficulty than a high quality Youth Training Scheme in the North West seeking 50 trainees. It is line managers and department heads who also have to be aware of these changes and not try to maintain rigid, historic recruitment criteria in the face of this changed external environment. Innovation in recruitment, training and employment will be needed and has to be a joint responsibility between them and the recruiters.

Next is the need to review the reasons that lay behind the decision to recruit a specific category of school leaver. For