

Responding to demographic change

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Despite the fall in the number of young people in recent years, there is cause to believe that student numbers will be 'holding up' and that employers will develop new approaches to recruitment.

BY now there are few people in the United Kingdom who have not heard of the demographic downturn whereby the number of young people falls by a third in the decade mid-1980s to the mid-1990s. Yet 18 months ago less than one in six employers was aware of the scale of the downturn and there were many in higher education who feared that the downturn would result in a similar drop in the number of students. We know now, however, that because of the social class effect, student numbers will be holding up during the 1990s (*Nature* 342, 102; 1989).

But this is not the end of the story. While the trends may be well known, the majority of recruiters are still expecting to continue to recruit the same number of school leavers as before, simply by trying harder in building up school links, marketing and improving pay and prospects; yet they cannot all increase market share. While most areas of higher education are responding by seeking to widen access, only a minority of industrial recruiters are thinking about alternative strategies for dealing with the downturn. Some of the retailers are gearing their recruitment to the over 50s while the age limit for apprentices in British Telecom has been raised to 41 and the entry age for the tax inspectorate has been raised to 55. Other companies are relocating out of the South East of the United Kingdom including some local government departments who are moving specific areas of work such as invoicing and computing away from their home district to easier labour markets.

Local perspective

Many employers do, however, recognize that an essential pre-requisite of any such alternative strategy is a knowledge of the problem and its impact on their organization. In the case of young recruits most school leavers look for and find work in their local labour market and thus the need is for more localized demographic data. New research emphasizes this need for a local perspective by highlighting the extreme variability in the school leaver downturn both between and within regions¹.

In general the largest declines are in the North and West of England; the two major areas with the biggest fall in numbers being Liverpool and Sheffield where the decline exceeds 40 per cent. The lowest are in Suffolk, Berkshire, West Sussex and

Sussex where the decline is under 20 per cent. There are also major differences in the extent to which the numbers recover in the late 1990s; in Liverpool and Sheffield there is little recovery expected in numbers by the end of the century while in the southern counties noted above, the numbers are back to 90 per cent of the 1985 figures and rising further. But even within regions there are dramatic differences, for example, while the decline in Manchester is almost 40 per cent and shows only a small recovery by the year 2000 the average decline across the rest of Lancashire is just under 30 per cent and is almost fully reversed by the year 2000.

Other important differences relate to the academic profiles of the school leavers with, for example, 28 per cent of those in the South East attaining five or more 'O' levels compared with only just over 21 per cent in Yorkshire and Humberside. At a more local level the extremes are even greater from highs of almost 40 per cent in some suburban London boroughs to lows of 15 per cent or less in some parts of the North as well as in some inner London boroughs (where the lowest attainment rate fell below 10 per cent).

These differences reflect many and varied factors of which the social class composition of the parents is one of the most important. As the demographic downturn is concentrated in the lower social classes (III-V), where attainment levels are lowest, the downturn in the number of well qualified leavers is rather less than the average. Most of the downturn is concentrated among those likely to leave school without qualifications; where the fall exceeds 40 per cent. The need for would-be recruiters is therefore to look in detail at particular localities in terms of the changes in both the overall numbers and of differing qualification profiles before embarking on recruitment campaigns.

So much for the school leaver population, what about some of the much discussed alternatives? As we move into the 1990s we find a similar level of ignorance about the changing size of the labour force over the next decade. Half the recruiters last year thought that the fall in the number of young people meant that the size of the whole workforce would fall while one in four recruiters thought it would remain the same. Only one in five were aware that the workforce would grow

by as much as five per cent (equal to or over a million people over the next decade), and that 90 per cent of these additional workers will be women.

Different approaches

Slowly employers are becoming aware of another part of the information jigsaw and the need for more localized data, what then, should they be doing about the changes that affect them? The message for employers in the 90s must be to stop reacting tactically to events and to start to develop a more strategic response. Many recruiters are hanging on in the hope that the problem will go away and are using short-term measures such as more overtime and reducing hiring standards. Others are competing harder for the available pool of talent, but this will become an increasingly difficult and expensive means of maintaining recruitment.

A better approach is to recruit and, if necessary, retrain those from non-traditional backgrounds, be they women or older workers, both of whom will be increasingly available. Others are seeking to reduce wastage which will not only lessen costs by using existing talent, but also reduce the need for replacement recruits. Relocation is an option for many and as indicated above it does not have to mean movement of the whole organization, rather it can focus on critical services and activities. Such moves are increasingly being aided by the reducing cost and effectiveness of information technology and communications networks (*Nature* 338, 98; 1989). The most far-sighted responses will, however, be strategic and be those which seek to reduce the existing demand for recruits by improving the utilization of existing staff by training and redeployment, ensuring that the most appropriate people do the job, and that scarce skills are not wasted, investing in technology and working more effectively with existing staff. As the problems are long-term, the current solutions have to move from the short-term tactical responses to the more strategic if employers are to prosper in the 1990s. □

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1. Waite, R. & Pike, G. *School Leaver Decline and Effective Local Solutions* (IMS, 1989).