

How uk government can solve the skills shortage



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No matter what area of the world it is there is always a decline in a particular area of a job, because skills for that particular job are becoming redundant. At the same time as that there are new skills and capabilities that are emerging, and the demand for these skills will be rising faster than supply. Due to this factor, skills shortages occur and this can cause a considerable frustration for local employers. Wages of people in that area of skills shortages will increase, and can cause a competition to recruit and keep hold of these scarce workers. When a local skills shortage occurs, employees tend to seek and recruit in other geographical areas. Many organisations need to be conscious of any local skills shortages, and take actions, like development of training programmes to make required skilled workers come through. This is also beneficial to local schools, colleges and university courses that train people in the specific industries, as it support local employers.

What is Skills shortage

Skills shortage occurs when

Against

In the IT sector there have been vast shortage of skilled labour, the E-Skills UK have said that there require 140, 000 new participants each year, however there were only 16, 440 computer science graduates in 2007. The IT vacancies have hit five year high. (Thomson R. 2008).

Even though a person gains a university degree, they might not find work. For an example if a person does a IT related degree, and still not able to find a job, then there would be job mismatched skills. In statistics even though there is huge demand for IT sector employment there is still an

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unemployment rate of 10% in IT graduates. Furthermore it is also the rapid change in technology, which could lead towards mismatched skills. For an example, a person previously studied MS-DOS would not have much use of it in the current work environment. At this moment, due to the extremely fast pace of the IT industry, technical skills such as Microsoft . Net is in short supply, and in the near future it would be something else, and would keep on changing.

There on the UK IT jobs are threatened by ' onshore off-shoring' process. This have began to be a common practice as many firms now outsource else where for some of its necessities. Moving the IT industry offshore has been simpler, cheaper, and productive, as the world has become a global village. Many computer software programming firms have opened up outside UK, mainly in the Asia Sub-Continent, where there is more than required skills in this sector and is cheaper due to low cost of labour.

Despite the recent recession, there still has been a demand for more IT personnel, however a recent IT salary survey has shown that the finance firms have cut back its IT staff due to the recession. The survey also has stated that there was plenty of jobs but the pay growth have slow down, and that IT sector skill shortages endure regardless of the recession (Thomson R. 2008).

Engineering construction industry training board (ECITB) and many others have address issue about the skills shortages in Scotland to the Scottish Parliament and to present the skills and training charter and to encourage SMP's to put the skills shortage an priority resolution. They also stated that

there is a crisis looming as the demand for skilled labour in Scotland in on the rise, and it is said that skilled professional are weakening (Unite the Union, 2008). This have been further supported by more recent claim that there is major skills shortage in the Scottish building industry, this shortage could result in large project undertaken by the Scottish government which include projects such upgrading of Glasgow Airport and the construction of the new Southern General Hospital. These multimillion-pound colossal projects are set to be delayed as the firms are striving to hire skilled staff. This shortage of skilled staff has also caused the cost of production to increase as the supply become less than demand. Michael Levack, British builders association have stated that they are short in number of sectors such as joiners, plumbers and electricians (Moss L, 2009). Furthermore the Chartered Institute of Building (CIOB) in there most recent skills survey show that there is still shortage of skills even though there is a recession. I survey also shows that 77% of the respondent believed that there was a skills shortage in construction (Great Barr Observer, 2009).

The research done by Sir Trevor Phillips found that there has been a shortage of skilled labour, and that employers in Scotland are finding more than half the vacancies hard to fill, with many sectors such as construction, financial service and tourism. Under the points based system, which have been further tightened recently, skilled overseas migrant workers wanting to move to UK have a to go through number of criteria. He further added that his research has shown that most overseas migrant workers are vacuumed into larger cities in England and only handful of them comes to Scotland (Howie M. 2008).

For

The simplest way to solve the skill shortages, especially in the IT sector, is in house training. However many firms still do not invest in training there staff themselves. Even though staff retraining is the most efficient way to solve the skill shortages. Its more common for smaller firms to look with the company to solve the skill shortage issue, however larger firms look outside for recruitment.

In recent times universities have been combining with the employers to ensure that graduates have the necessary skills that the employers require. Firms such as E-Skills UK are bridging the links between education and employers in or solve the issues of skill shortages.

In a survey carried out by North Scotland Skills Forum (NSIG) have found that there is a shortage of skills and access to training in the Highlands and islands. The survey, which was done from 130 energy, related and engineering business in the north has revealed that more than 40% of the businesses in those areas were likely to experience skill shortages in the near future. Due to this, it has prompted the funding from the government of a forum solve the problem. This forum is known as the North of Scotland Skills Forum, its aims includes improving the links with schools and to increase the skills of the migrant workers living and working in that area (Muir J. 2009)

Due to shortage skilled labour in the tourism industry, which is estimated open up 20, 000 new vacancies within the next decade, and to increase the standards of national tourism sector, the Scottish government have unveiled

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the £10 million first Swiss-Style hotel in Scotland which is to be located in Edinburgh (Horton J, 2008).

Regional training programs solves the skill shortages better than national wide, this is mainly due to the reason that different regions have skill shortages in different sectors.

Deputy minister for Skills, John Griffith have announced an employability and training project to solve the skills shortages and unemployment in Rhyl in Denbighshire. This project is aimed for residents to return to education and to increase their skills therefore they would become employable (Educate Wales, 2008).

Over skilled

Even though this argument has been about the skills shortage in the UK workforce, there are is another side to this story, which shows that a considerable number of people are over skilled. In Brittain there were 925, 000 young people unemployed, this is the second highest in Europe after Spain (Hervey, O; Hendry S. 2010). In a recent survey estimate shows that 45% of male graduates in their late 20s are in non-managerial nor non-professional jobs (Dillow C, 2009). Furthermore it has also been stated that there are 3. 247 million British born people living overseas. From this 1. 1 million people are highly skilled university graduates, only Mexico has more migrants than UK. The most staggering figure is that mover 75% of these professional have been living outside of UK for more than 10 years (Urmee Khan, PA). These numbers would only increase with time, special since the recent recession, many British citizens have starting to look at jobs else

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where as British expatriates are in high demand, mainly in Middle East and other Asian countries.

Examples on what other countries have been doing

Various opinions on what could be done to effectively deal with the issue.

Conclusion