

Can't find the staff?

After simmering away for the last few years, an otherwise benign economic upturn could see the nation's skills shortage problem heat up. **Tim Edwards** asks what can be done

Skills shortages are nothing new. The famous crooked spire on Chesterfield's church of Our Lady and All Saints lurches three metres to one side because of a 14th-century shortage of woodworkers caused by the Black Death. Apparently, amateur labourers neglected to dry the timber before using it. More recently, the technology revolution has led to a shortage of skilled IT professionals.

Research by the Office for National Statistics shows that skills shortages increase the workload of the existing workforce and inflate their salaries. Small businesses in particular find it hard to expand and move into new areas because they can't find or simply can't afford the right people.

There's good reason to believe that the issue of skills shortages, and its partner in crime, skills gaps (deficiencies in the skills of an employer's current workforce), will be moving up the news agenda in the near future. Skills shortages are inextricably linked to the economy, which means there may be trouble

ahead. Katy Nicholson, spokesperson for recruitment experts Reed, points to statistics from 2000 and 2001 – around the time of the dotcom crash. In 2000, over 70 per cent of employers said they were faced with skills shortages when recruiting; in 2001 this dropped to less than half of all employers. 'With the economy picking up again,' says Katy, 'our latest research suggests the skills shortage problem is accelerating. What makes all this more worrying is that we're already in a period of low unemployment and, on top of that, demographic changes mean that fewer young people are now entering the world of work.'

But what can small business owners do to ensure their pool of employees is up to scratch? Katy suggests they take a cue from big businesses: 'Larger companies plan ahead; they train people on the job and develop skilled individuals to meet future demand.'

The Learning and Skills Council (LSC) is the government body charged with funding training for

over 16-year-olds in England. Among its programmes are Employer Training Pilots, currently operating in 18 LSC areas, which help businesses identify skills gaps that affect productivity. Employers then make the decisions about training and the LSC ensures that it happens. Apprenticeships, which allow your employees to learn through a combination of on-the-job training and education at a local college, have recently been opened up to people of all ages. Then there are the Sector Skills Councils (SSC) – employer-led organisations that tackle the skills and productivity needs of their own industry sector throughout the UK.

Katy highlights a particularly pertinent finding from Reed's research: employees are motivated most by a challenge. In which case, what on earth are you waiting for?

Go to www.ssda.org.uk to see if an SSC has been set up for your industry yet. Find out about apprenticeships at www.apprenticeships.org.uk, or go to etp.lsc.gov.uk for information on Employers' Training Pilots.



Most wanted

The five industries most affected by skills shortages

- 1 Wood and paper
- 2 Construction
- 3 Transport equipment
- 4 Agriculture
- 5 Sale, repair/maintenance of motor vehicles
- 6 Metals and metal goods

Source: National Employers Skills Survey 2003, Learning and Skills Council



Using their loaves

First woodworkers, now bakers: Chesterfield's latest skills shortage is in a similarly age-old business. Jane Jackson, director of Jacksons the Bakers, a 60-year-old craft bakery in the town, won a National Training Award for investing in her staff. 'My husband took over the family business 10 years ago and we soon noticed a shortage of skilled bakers in the area. At supermarkets they just use a mix from a bag to make their bread: our products are much more complicated to make. But older people had picked up bad habits and there just wasn't a bakery option at school for youngsters.' They solved the problem by teaming up with Clarendon College, Notts, and training 16-year-olds as apprentices. Staff pay has gone up and although retention is still a problem, there's a pool of qualified individuals to fill the gaps. Jacksons has been able to expand and has recently bought the Bakewell Tart Shop in the Peak District.