

Unemployment figures put employers on the wrong track

Rising unemployment figures have caused major concern, but behind the economic statistics the underlying trend is for a decline in the supply of skilled workers. Even at a time of crisis, businesses need to continue to anticipate what the future will bring.

Reading the communication from the Central Bureau for Statistics at the end of February brought visions of disaster into many minds: an increase of 130,000 in the unemployment figures in a year's time, a three-fold rise in the numbers claiming unemployment benefit, and, critically for this sector, the observation that the number of jobseekers has risen most sharply among technical professionals at the lower and middle levels. At the same time the CBS published specific figures dealing with events in our sector. "January 2010 saw a rise of nearly 11% in production in the basic metal and metal manufacturing industries compared to the previous year. The growth is entirely attributable to the basic metal sector. Production there rose by a third in comparison with the previous year. The metal manufacturing sector had to cope with a minor fall in production of barely 1%. Turnover also rose, thanks to lower prices and less days worked compared to a year earlier. This is all very confusing for anyone tasked with policy-setting in the metals sector. Of course the recession has hit the entire metal sector hard, and few businesses have avoided letting people go. The recovery now seems to be in sight, but it is fragile and likely to remain so. Investors are quite rightly highly cautious, and this includes investment in people. But having said all that, the problem of the shortage of manpower remains, particularly in specialist areas of technical work, and not just in the Netherlands. Kenteq, the Knowledge Centre for Technical Expertise brought out a report at the start of last year, at the high point (or low point if you will) of the recession, with the title "The Shortage of Skilled Manpower, from the European Perspective". This compared the manpower shortage and the lack of demand as barriers to production. The "score" for January 2009 was just as high as 10 years previous. Kenteq sketched out a number of possible causes for the manpower shortage, which will probably be familiar to everyone: too few students opting for technical training, declining opportunities for technical training, businesses having difficulties finding apprentices and students on work placement, falling pupil role numbers, and increasing difficulty in finding and retaining skilled workers. The broader developments in the market are equally relevant. Research carried out for Adecco found that a quarter of businesses in the Netherlands are unable to find suitable candidates for their vacancies. According to the Ministry of Social Affairs, 2.6 million people will be needed to fill the current job vacancies.

Cultural change

The aging population profile and a fundamental shift in the younger generation's career interests will ensure that the openings currently available in the labour market will be short-lived, if they exist at all. Employers who neglect their recruitment and training efforts will be making a big mistake. Anyone who fails to take this problem seriously will build up a deficit from which it will be difficult to recover. The shortfall in quantity and quality will return, and more damagingly than ever. Fewer people are entering the labour market, and those who do are less interested in a technical occupation. We are already obliged to seek foreign candidates for training/work projects in the Netherlands, as there are too few at home. Unlike central European countries like Germany and Poland, we in the Netherlands lack a culture where technical skills are highly valued. This is not about to change, with information campaigns and an education system that glorify academic and scientific training. Individual employers will not succeed in bringing about a cultural shift here, even if they work together. Driving up salaries won't help either, even if the margins were to allow it. I am firmly convinced that thoroughgoing change is required in labour market policy in the metals sector. A few proposals:

- Age policy; ensure that older workers remain active through modified assignments. Maybe they are better acting as a model and guide for the younger workers, rather than working at the sharp end? Following on from that:
- Don't rely exclusively on the training plans of your sector and the government. Develop your own initiatives, and recruit for them locally;
- Internationalise your staffing; temporary specialists from abroad are not a passing phenomenon, they are systematically filling the gaps in the labour market.

One of the few positive aspects of the recession is that there may be time to take initiatives like these. The pressure is off for now, providing a breathing space. The required cultural change applies equally to businesses and to society as a whole, and this particular aspect does not call for financial investment as much as a change in thinking in the boardroom. So make use of the opportunity that the recession offers!

Paul Muller is a Director of Tecline International, a placement agency for skilled technical workers from central and eastern Europe.