

ECONOMIC PERSPECTIVE

GETTING TO KNOW THE WORKFORCE

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Despite much rhetoric on the need to match, or rather catch up, with other countries' capabilities, little has been added to the body of knowledge on the Scottish workforce. Thanks to ASCETT, The Advisory Scottish Council for Education and Training Targets, we have a fair idea of what our aspirations should be. But if we don't know where we start from, how can we know how to get there?

At a local level, also, there is a black hole of non-information. It is not just a national, i.e. Scottish, problem. It is a problem for communities, and for LECs in particular. Much of their budgets were dedicated to training activity, yet there is no proper monitoring of workforce experience and qualifications.

The Labour Force Survey (LFS) is the primary point of reference at a national, Great Britain, level. It tells us:

- (i) about working arrangements (e.g. more than half of all employees are on flexible working hours and a growing number of people work on Sundays);
 - (ii) the numbers of people of working age who are studying full-time or part-time for a qualification;
 - (iii) the extent of temporary employment (about 1.5 million at Spring '95);
 - (iv) absences from work due to sickness;
- and
- (v) the economic status of working age people, i.e. whether in work and if not, why not. [The LFS therefore includes in its unemployment count people who are actively seeking work but not claiming benefit. Benefit claimant counting is the usual way of measuring unemployment].

Most importantly,

- (vi) the LFS analyses the occupations of both employees and the self employed and the former occupations of unemployed people.

All this is done by asking questions in a sample survey of households. Only 60,000 are surveyed each quarter at a Great Britain level. This does not imply that there are 6000 respondents in Scotland and there is no local analysis within Scotland.

A recent result, derived from the LFS Spring '95 Survey (conducted between March and May) should give cause for concern. Scotland and East Anglia shared the dishonour of having the lowest proportion of employees receiving job-related training. Counting both off-the-job and on-the-job training, only 12.9% of survey respondents had received any training in the four-week period prior to the survey interview. This compares to a level of 14.3% for Great Britain as a whole and the best-case area, Yorkshire and Humberside, managed 15.2%.

With such a small sample, any interpretation of these figures should be cautious. Nonetheless, the apparent differences in regional performance should in themselves stimulate inquiry. The first object of such inquiry should be to confirm whether the low training level is the case, despite best efforts of the Enterprise Network. If it is confirmed, then there should be a vigorous attempt to identify the occupations and/or places within Scotland that are contributing to this under-performance, and measures introduced to redress the situation.

The means of examining the problem must lie with the LFS itself. In principle, its existing format is correct. In practice, some additional detail of occupations/qualifications may be desirable and, without doubt, its scale should be increased. Since the LEC area is the effective administrative unit, the focus of inquiry should be local. It should

address ignorance of the supply-side of labour markets viz what are the qualifications and experience of the people, both those in and those out of employment. The demand-side of the knowledge problem is being addressed by Scottish Enterprise's establishment of a skills unit. Although it is again a proper matter of local interest. LECs are the obvious conduit for intelligence on employers' changing labour requirements.

At the national, Scottish level, the Scottish Office Education and Industry Department has been carrying out some input-output based work on the occupational implications of the output structure. Their starting point is an industry-by-occupation analysis of employment based on a 10% sample of the 1991 population census. This gives the share of each industry's employment attributable to a number of occupational classifications. There are nine general classifications¹ and 77 more detailed ones². [This compares to 486 occupational classifications in the Labour Force Survey].

Despite the practical limitations of using this as a guide to educational and training possibilities, it is a starting point. In their analysis, Jill Alexander and Professor Iain McNicoll [EAS Research Paper No 39, Scottish Office] have linked this occupational data to the previously estimated input-output relationships [The Scottish Input-Output Tables for 1989, HMSO]. Amongst other things, this enables an appreciation of the generative effects of changes in final demand at an occupational level. For example, if, as has been widely mooted, more effort should be made in attracting tourist visitors to Scotland, their expenditure of each extra £1 million is liable to generate 43.4 jobs. The popular concept of such jobs is that they would be concentrated in the hotel and catering industry where 42% of the jobs are personal and protective services, mainly catering occupations, and 27% are in the management or professional categories. However, the power of the analysis in taking account of the whole range of tourist spending and of the multiplier effects through inter-industry linkages, shows that reality is different. While there are fewer management and professional jobs, (23%), there are much fewer personal and protective services jobs, only 10%. Therefore, for any anticipated increase in visitor expenditure, it would be quite wrong for LECs to concentrate the training spend on catering and related occupations. At the generalised classification level, the biggest effect is on management occupations, with sales occupations not far behind.

Similar, although less extreme observations can now be made about other aspects of changing demand. In the case of the Scottish Council, attention tends to focus on overseas exports. There, the employment consequences of increased demand are more modest. But because they are quite different in occupational content, exports are more significant in some areas, viz craft and related occupations, and plant and machine operatives.

This valuable reserve of information on the demand side deserves detailed exploitation. Individual companies may be shy in making their forward demand for manpower more widely known. They may even be unable to take a clear view ahead. Despite that drawback, this research has shown that in principle, and in some detail, it is possible to forecast changing occupational demands.

With the caveat that technology and thereby productivity, is always changing, some certainty can be introduced to the occupational implications of actual or potential changes in demand for goods and services. What seems to be sadly lacking is any proper appreciation of the supply-side store of qualifications and experience relevant to those occupations. As things stand, only limited data is available, from the 10% census sample, and that is for 1991.

The limited detail from the LFS in Scotland that was referred to above, should provide cause for concern. More detail, and at a local level, seems to be an elementary and constructive need. To better balance labour markets by advising individuals and institutions, an extensive Labour Force Survey for Scotland is warranted.

ENDNOTES

1. The nine general classifications are (1) managers & administrators (2) professional occupations (3) associated professional and technical occupations (4) clerical and secretarial occupations (5) craft and related occupations (6) personal and protective services occupations (7) sales occupations (8) plant and machine operative and (9) other occupations.
2. Plus one "undefined" category which accounts for 0.5% of all jobs.