

Human Resources

The rise and decline of employment sectors.

Over the past century the UK has seen huge changes in its employment structures. The demand for labour in manufacturing and agricultural sectors has declined, whereas demand for labour in the services sector has increased. In 1901 38 per cent of the economically active population were employed in the manufacturing sector and 9 per cent in the agricultural sector. By comparison, 21 per cent were employed in the services industries, 4 per cent in the commerce and finance sector, and 28 per cent in other industries.

By 1991 the proportion of the economically active population employed in the manufacturing and agricultural sectors had fallen to 20 percent and 2 per cent respectively, and in other industries to 14 per cent. The service sector's share of employment rose over this period to 32 per cent, as did the proportion in the commerce and finance sector (also 32 per cent). Over the last 15 years this trend has continued, with booming employment in services, including the public sector, and further falls in industrial employment.

The government has made a number of predictions for future trends in employment patterns in different sectors.

These include

- Employment in agriculture, manufacturing and utilities will continue to decline but 1.8 million extra jobs are forecast between 2007 -2014 in business and related services. □
- The professional services are projected

to increase by 45%.

- □Employment in the distribution and transport sector is expected to increase by over 600, 000 jobs - with most of the growth accounted for by jobs in distribution, hotels & catering.
- □Manufacturing employment decline is expected to continue, with a loss of 400, 000 jobs between 2007 and 2015. Engineering is the largest contributor to job losses, as employment declines by almost 240, 000 jobs over the same period.

It is worth noting that the decline in manufacturing employment is not as bad as it seems. Many of the jobs lost are those transferred to outside functions, so previously a large firm may have had its own in-house accountants, cleaners, cooks, distribution teams etc. All of these were counted as manufacturing jobs, but now these services are sub contracted or bought in on short term contracts - so a decline in manufacturing employment but an increase in business services - but the same jobs are being done.

In total there has been a strong growth in employment over the last 15 years, (even allowing for the reduction in employment during 2008-10) In 2006 there were 28.8 million people in work in the UK, and in 2012 nearly 30 million. This compares with 25.4 million in 1992.

Over the next ten years the government predicts three major occupational types where employment growth is expected to be strongest. These are;

Managers & senior officials : within this group employment growth is expected to be

particularly strong for corporate administrators: most notably, specialist managers working in private commercial organisations - although the UK already has a higher share of managers in employment than Europe or the US.

□ **Professional occupations** : the highest growth is expected for business & public service professionals, particularly financial specialists.

□ **Personal service occupations** : growth is expected in caring/personal services particularly health and childcare - this gives greater opportunities for female employment, but many of these jobs are likely to be low paid.

Changing working patterns.

The changes in employment patterns found are not simply from manufacturing industry to the service sector, there are other key areas of change, these include;

- growth in part-time employment
- rising prominence of women within the workforce
- gradual ageing of the labour force
- growing importance of temporary and self employment
- the adoption of a variety of flexible working practices

Growth in part-time employment.

There are around 6.3 million part time workers in the UK. This compares with 3.5 million in 1971. This growth has occurred for a number of reasons including, increasing number of women in the work force (40% of women work part time compared to 11% of men), employers requirements for flexible working practices and growth of hospitality, and leisure sectors of the economy. Many of the jobs created over 2010-12 have been part-time.

Rising prominence of women within the workforce.

In 1981, men filled 3.2 million more jobs than women. Now the numbers are almost equal, with men performing 12.8 million jobs and women 12.7 million, although 40% of those jobs filled by women are part time. There has been some closing in the pay gap between women and men, and there are more and more women operating at senior level in large numbers of professions.

Gradual ageing of the labour force.

In 1992 there were 2.8 million males over the age of 50 in the UK's workforce, by 2006 that figure had increased by 1 million to 3.8 million. At the same time the number of older self employed people also increased. This increase in older self employed could be due to difficulty in selling on small firms, or a need to maintain income levels past expected retirement age.

Growing importance of temporary and self employment.

Men are more likely than women to be self-employed - 73 per cent of the 3 million self-employed people in spring 2001 were male. Around a fifth of all self-employed people worked in construction, with similar proportions in sales and distribution, hotels and restaurants; and in banking, finance and insurance. Temporary work has grown rapidly over the last 20 years. Traditionally temporary work existed because of seasonal factors, but more and more temporary work is found in non seasonal, modern industries where workers are employed on short term contracts—flexible employment.

The adoption of a variety of flexible working practices.

More and more large firms contract out work,

letting outside firms or individuals bid to provide services. This results in short term contracts for employees. Flexible working also includes giving employees core hours, but allowing flexi-time outside these hours. Home working has also increased, with more and more employees spending part of their time working from home, part of their time in the office. There are of course both advantages and disadvantages to both employers and employees of adopting flexible working practices. These include.

Advantages of flexible working

- Less stress suffered by workers.
- Less days taken on sick leave—lower absenteeism.
- Lower staff turnover.
- Increased skill retention.
- Higher levels of productivity.
- Less traffic congestion and pollution
- Better worker health

Disadvantages of flexible working

- Employees feel more isolated and have difficulties interacting with co-workers.
- Possibility of lower wages.
- Difficulties of motivating and organising a workforce.
- Flexible working could be an obstacle to promotion

The Skills Gap.

The government sees that the number of those without basic skills is a cause for concern. 20% of adults have poor literacy and numeracy skills, costing employers £4.8bn. It is estimated that 3.5 million working adults are functionally illiterate. How this section of the working population will be able to find long term well paid jobs in the new UK economy is hard to see.

20% of firms report an internal skills gap - measured by the firms estimate of the proficiency of the current workforce. The majority of these firms are in retail, manufacturing, financial services and public administration. Of this 20%, deficiencies in communication (54%) and customer handling (51%) were the skills most sought by firms reporting an internal skill's gap. So the skills lacking in many sectors are not the old fashioned trades skills, but modern, customer facing skills.

Conclusion

Net growth in employment over the last 25 years has been in 'new jobs' such as design, finance and leisure services, which demand a different kind of intermediate or higher level skill than those associated with manufacturing, for example creativity and problem solving skills. Linked to the increase in this type of job, there has been a high level of growth in contract type employment. Short term contracts give employers labour force flexibility, and reduces administration and employment costs, such as pensions and holiday pay. For full time employees in high skilled jobs it is therefore likely that long term job stability will become less and less typical.

It is very likely that more jobs will require a higher level and range of skills, including ICT, and communication skills in the future. There will in the future be more part time jobs, particularly in the service sector. Part time employment as a share of total employment grew from 21% in 1984 to 29% in 2009 - a total of 9 million jobs - and is still rising. Part time jobs are concentrated in hotels, catering and care work, with a decline in construction and manufacturing—so again the bias is toward increased female employment.