

FUTURE LABOUR RECRUITMENT STRATEGIES FOR THE BRITISH CONSTRUCTION INDUSTRY

A.Agapiou¹, A.D.F.Price² and R.McCaffer³

Department of Civil and Building Engineering, Loughborough University of Technology, Loughborough, Leics, LE11 3TU.

Summary

Construction is a labour-intensive industry, which places heavy reliance upon the skills of its workforce. The future supply of construction skills depends on the recruitment of young entrants together with some upgrading of semi-skilled operatives to skilled jobs. The declining number of young people available to enter employment, however, has considerable implications for the construction industry, particularly in the search for eligible recruits to train for future skill requirements. Against this background, this paper highlights how construction employers will need to adopt alternative training and recruitment strategies if they to avoid future skills shortages. These strategies will need to be tailored for a particular region, taking account of the demand for labour, brought about by growth in construction output and the availability of alternative sources of labour, including the long-term unemployed, women and ethnic minorities.

Key words: Labour resources, recruitment, training, skills

Introduction

The pool of young people leaving full-time education has traditionally been the main source of supply for employers in the construction industry. However, employers need to made aware of the impending changes in the structure of the work force, including the declining number of young people entering the employment market. This may encourage more active competition amongst employers for this category of employees. Thus, employers offering a competitive pay package and career structure should be able to satisfy their labour requirements. The construction industry is well known offering attractive pay, but the lack of a career structure, particular for craft operatives, and the poor image of the industry may deter some young people from considering the industry as a future employer. It may be that construction firms should consider alternative sources of labour.

A large proportion of the initial demand for labour can be satisfied from the pool of unemployed construction workers, notwithstanding the losses caused by retirements and movements to other industries, however, it is unlikely that the construction industry's labour needs will be satisfied from the ranks of the unemployed alone, many of whom no longer possess the necessary skills. The situation is compounded by the cyclical nature of the construction industry, resulting in many skills being lost during recessionary periods. High numbers of skilled operatives leave the industry and fail to return when work becomes available. These skill losses create serious problems and have a direct impact on the rate of the construction industry's expansion.

1. Ph.D. Research student

2. Senior Lecturer

3. Dean of Engineering and Professor of Construction Management

This paper initially discusses the implications of the fall in the number of young people for training in the construction industry. It then identifies future labour recruitment strategies for construction. The proposed strategies are based, mainly on an analysis of view and opinions of construction employers drawn from various labour market surveys conducted by Training and Enterprise Councils (TECs) throughout the UK.

Research Methodology

A Sample of TECs, known as Local Enterprise Corporations (LECs) in Scotland, were contacted through a postal survey to investigate the attitude of employers in their locality towards training and encouraging skilled labour to remain in the construction industry. TECs and LECs were set up by the government throughout Great Britain to make the delivery of training more responsive employers needs at the local level. The data and views presented in this paper are based on local information collected by TECs and LECs through market research.

Demographic and educational trends.

There were periods when the British labour market has had to absorb increasing numbers of people of working age due to demographic trends, but the situation in the future will be rather different. In particular, during the period 1976 to 1986, the population of working age (men aged between 16 and 64, and women between 16 and 59) grew by two million (NEDO, 1989). However, this figure has grown, between 1986 and 1996, by less than a quarter of this rate. The numbers of young people in the population has been declining for several years. In 1993, there one million fewer 16-19 year olds in the population than there were in 1983, a decline of 28 per cent. People of working age will be concentrated in the middle age bands (see Figure 1). By the year 2000 the number of people aged between 35 and 54 is forecast to be 46 per cent of the working population. The proportion of working women is forecast to rise in the 1990's. By the end of the decade, the labour force is projected to increase to 28.6 million people. A rise of one million from the 1989 level. Women returning to work, after some years of absence, will account for 90 per cent of net increase, and more than offset the declining numbers of young people.

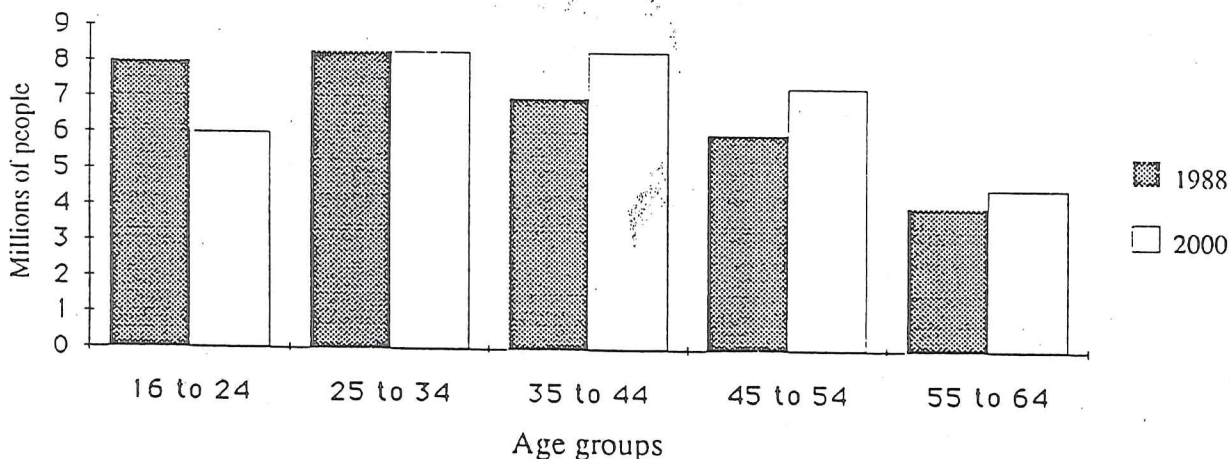


Figure 1. Estimates and projections of the population of working age

An increase in the number of young people staying-on in full-time education is also an important factor in determining the composition of the labour force. In 1985/86, 937,000 young people, aged 16 and over, were enrolled on full-time and part-time courses in higher educational establishments in the UK (Department of Employment, 1988b).

Recent figures, published by the Central Statistical Office (CSO) in its regional trends report show that 300,100 sixteen year olds stayed on at school in 1992/93, while 216,300 entered further education establishments (166,700 on full-time courses and 49,600 on part-time courses). The figures also indicate an existence of regional variations in the pattern of staying-on. While 80 per cent of 16 year olds stayed on at school or entered further education in the South East, only 70 per cent stayed on in the North. In Northern Ireland, the figure is 88 per cent (see Table 1).

	NUMBERS STAYING ON AT SCHOOL (000's)	NUMBERS ENTERING FURTHER EDUCATION (000's)		PARTICIPATION IN EDUCATION (%)
		Full-Time	Part-Time	
United Kingdom	300.10	166.7	49.6	76.7
North	13.9	8.8	3.2	69.1
Yorkshire & Humberside	22.6	13.9	4.8	71.1
East Midlands	19.6	12.5	3.1	73.8
East Anglia	10.9	6.1	1.4	74.7
South East	98.9	49.5	9.3	80.6
South West	23.3	17.1	3.4	81.3
West Midlands	25.9	15.9	5.0	74.5
North West	28.8	20.3	6.0	72.6
England	243.0	144.1	36.2	76.3
Wales	14.6	9.4	1.60	75.0
Scotland	31.4	5.9	8.00	76.8
Northern Ireland	11.20	7.1	3.30	88.10

Table 1. The number of 16 year olds staying-on at school or going on to further education in the UK, 1992/93

Implications for training

The number of young people entering the labour market will continue to fall until 1995 due to a decline in birth rates. Between 1995 and 2000 the 16-19 labour force will rise slowly, but remain below 1980's levels (see Figure 2) as increasing numbers of young people opt to stay in full-time education. The construction industry is still a very labour-intensive, and, competition between firms in the industry depends on the quality of the labour force that it trains. In a survey of Federation of Master Builders member firms reporting shortages during the last construction boom, 50 per cent of respondents identified lack of quality training as the cause of shortages (Guest and Steadman, 1987). However, construction employers will not be able to rely as heavily on recruiting young people, in the future, and will need to consider alternative sources of labour, such as the unemployed, women returners, ethnic minorities and their current workforce. These groups taken together with young entrants will need to be trained to meet the construction industry's future skill requirements.

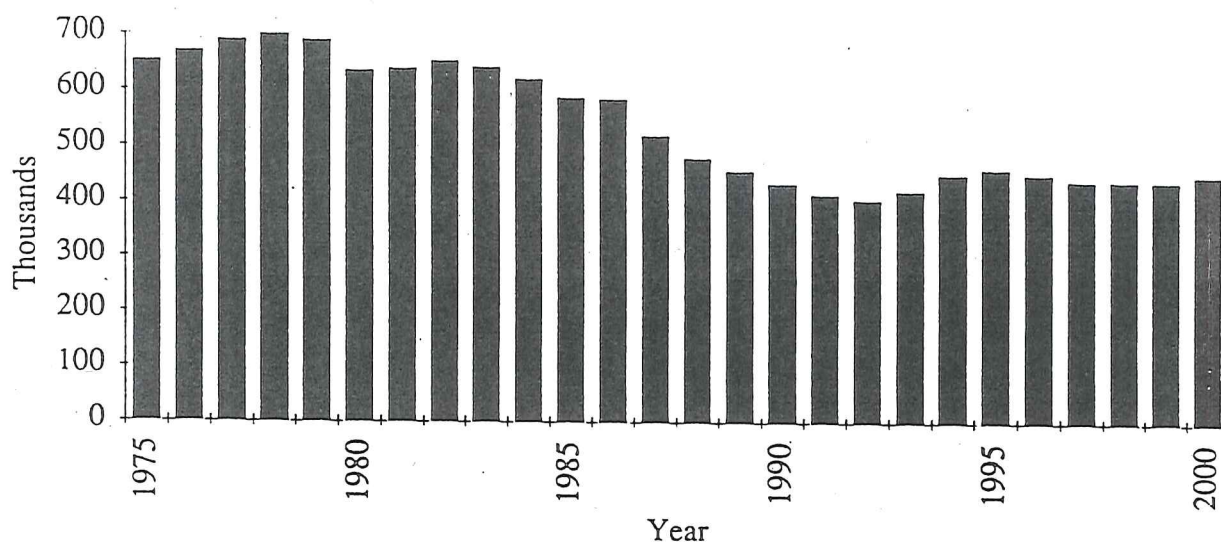


Figure 2. Total number of leavers available to enter the labour market

Employers' recruitment policies vary from region to region. Forecasts by Construction Forecasting & Research (CFR) and the Department of the Environment (DoE) shows that there will be some regional differences in the growth of construction output (see Table 2).

Region	Construction output (£m)		Output growth rate (%)	
	1995	1996	1995	1996
Northern	8,642	9,046	5	5
Central	6,625	6,812	5	3
Southern	10,750	11,085	5	3
Total	26,017	26,943	5	4

Table 3. Regional construction output and growth rates

Construction employers and their workforce from their locality need to be aware of regional differences in the availability of trainee labour when considering alternative recruitment strategies. The availability of certain labour groups in any region depends on different regional factors, including staying-on rates, unemployment rates and the concentration of ethnic minorities as a percentage of all employment (Table 3).

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
(%) Ethnic minorities as a percentage of persons in employment 93/94	-	over 15	2-4.9	under 2	2-4.9	5- 14.9	2-4.9	2-4.9	under 2	under 2	under 2	-	under 2	-

KEY

A = South East
B = Greater London
C = Rest of South East
D = East Anglia
E = East Midlands
F = West Midlands
G = Yorkshire and Humberside
H = North West
I = North
J = Wales
K = Scotland
L = Northern Ireland
M = South West
N = UK

Table 4. Regional employment of ethnic minorities, 1993/94

These factors, taken together, with forecast of output levels provide an indication of what would be an appropriate training strategy. Employers tend to recruit their workforce from the locality. Findings from a Sheffield Training Enterprise Council report, on the state of the local construction industry showed that the majority of Sheffield construction firms, responding to the survey, drew their workforce from the city (Sheffield Training and Enterprise Council, 1992). In particular, 70 per cent of respondents employed (direct employees only) only Sheffield labour and a further 18 per cent recruited over 80 per cent from the locality. Thus, appropriate recruitment strategies depend on local labour supply factors.

Training and recruitment strategies

Upgrading skills of existing workforce

Construction employers interest in upgrading the skills of their employees, in order to counter persistent skill shortages varies from region to region. In a survey of construction employers in Sheffield there was little evidence of any interest in the on-going development of workers (Sheffield TEC, 1992). However, in a similar survey in Moray Badenoch and Strathspey employers showed as strong interest in developing their workforce through training (MBS, 1992). However, where interest was shown, a number of difficulties were identified. These included the lack of suitable training courses for adult workers.

The Construction Industry Training Board (CITB) was identified as the only training organisation offering an adult apprentice scheme. The available training was found to be the same as that for younger apprentices, and took no account of skills already acquired. The lack of financial incentive was also identified as a barrier to upgrading semi-skilled workers.

Young people

As a direct result of the increased number of young people staying-on at school past the age of 16, some employers are finding it difficult to recruit apprentices (MBS, 1992). The availability of funds for training apprentices is geared to 16 year old school leavers. Employers therefore have to choose their apprentices from a smaller pool of often less able young people. Future recruitment difficulties are likely to occur where a high proportion of young people are staying-on in full-time education and growth prospects good, including: the South-West; East Anglia; and the East Midlands. CITB (1988) survey findings reveal that young people have negative images of construction work. The work is perceived as being dirty, dangerous, having a low social status and poor career prospects. Positive images of the construction industry centred on pay and the possibilities of learning a trade do exist. Employers need to attract young people to the industry, especially where local competition for apprentices is intense, by creating strong links with the local community, in particular local secondary schools; offering work experience to school pupils; and enhancing the image of construction industry by improving employment conditions, including pay, conditions of employment and career prospects. However, these improvements can only be achieved if there is steady growth in construction demand.

Women and ethnic minorities

The traditional sources of construction labour have been predominantly young, white and male. Women and ethnic minorities are under-represented in the industry. In 1989, 1.6 per cent of the CITB apprentice intake were female, and only 1.3 per cent were from ethnic minority backgrounds (IPRA, 1989). Possible reasons for these low intakes were highlighted in a CITB (1988) study of the factors affecting recruitment for the construction industry. A sample of women, Asian and Afro-Caribbean men, aged between 18 and 24, were asked about their opinion of the construction industry as a prospective employer. Most women respondents felt that they would not be treated as equals and would face harassment from their prospective employers and work colleagues. Whereas, the Asian and Afro-Caribbean respondents had a negative image of the industry. The work was described as being 'dirty', 'dangerous' and not seen as 'respected'.

As with most attitudes to the construction industry, those of young women and young people from ethnic minority backgrounds are generally the same, so the recruitment strategies for young people, as a whole, are equally valid. In order, to maximise the recruitment of women and ethnic minorities employers working together with training bodies need to convey more positive images of the construction industry to school pupils, below the age of 16, and their parents. Clarke (1980) cited research that showed that parents had a strong influence on their children's choice of occupation. This could be achieved by making effective use of the local and national media and links with local schools, particularly in regions where the proportion of people from ethnic minority backgrounds are significant, i.e. Greater London and the West Midlands, to a lesser extent. Some construction employers have already recognised that they must tailor the industry's message for different audiences. The East Lancashire Training and Enterprise Council's construction specialist group, for example, are aiming their message at Asian school-leavers.

Adult workers

An alternative to young recruits are adult recruits. In general, employers found them more enthusiastic and committed than most young people (MBS, 1992). Particularly, if they would already fully-trained or apprenticed. Craft workers who moved out of the construction industry to take more stable employment and better working conditions represent a potential pool of labour. However, attracting these workers back to the industry may be difficult. Workers will be influenced by relative job opportunities in their locality. In Scotland, for example, the availability of trades people depends on oil related activity. This depends on the degree to which their skills are 'transferable' to other industries. Briscoe and Wilson (1993) produced an analysis of construction occupations according to skill transferability (see Table 4).

Low Transferability	Medium Transferability	High Transferability
Bricklayers	Painters	Carpenters
Plasterers	Scaffolders	Plumbers and H/V Engineers
Roofers	Floorers	Electricians
Paviours	Crane Drivers	Labourers
Glaziers	Plant Operatives	
Other Build Skills	Plant Mechanics	
	Bar Benders	
	Steel Erectors	

Table 5. Analysis of construction occupations according to skill transferability

The analysis shows that, for example, electricians and plumbers could easily find employment outside the construction industry. Whereas, bricklayers and plasterers would not have the same opportunities.

Furthermore, even if some construction workers were enticed back, employers would have to judge whether the skills of these workers were still adequate, and if not whether they would be prepared to retrain them. The multi-million pound redevelopment of the Cardiff bay area, for example, has prompted the local development corporation to set up a skills training centre, in conjunction with Mowlem training, to give local people a chance to learn new skills (Construction News, 1995). The centre offers CITB-approved training courses in most construction skills for both new recruits to the industry and those already employed by firms in the area.

Long-term unemployed

Skill demands in the construction industry can usually be met from the pool of unemployed workers. However, the available skills amongst the unemployed change over a period of time. Estimating the potential supply of construction workers from the pool of unemployed workers is difficult. Available data no longer indicate the main occupations of those registered as unemployed. Detailed total figures and overall regional data do exist, but without an indication of the numbers of construction skills. Regional unemployment figures for different occupations can be estimated from local information provided by employers. Figure 3 shows the number of unemployed people in Ayrshire for 1992 who recorded their usual occupation as one of the construction trades.

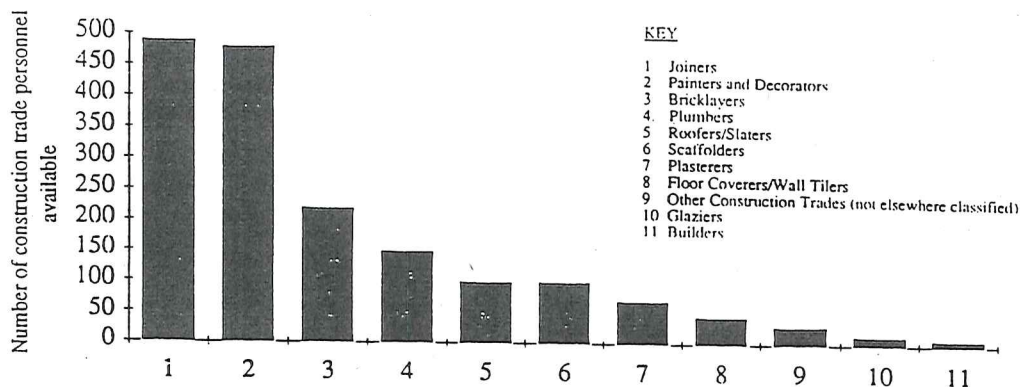


Figure 3. Number of unemployed people in Ayrshire who recorded their usual occupation as one of the construction trades, 1992

International migrants

In Belgium, Germany, France and the Netherlands significant numbers of migrant workers are employed in construction. In the French construction industry, for example, 25 per cent of the employees, in 1989, were foreigners (Gross, 1992). In the UK, however, foreign migrants represent an insignificant proportion of the construction labour force. Although large numbers of workers have traditionally been imported from Ireland. In 1993, an estimated 35,000 Irish Nationals worked in the UK construction industry (Woolford, 1994).

A recent European Court ruling might well facilitate higher levels of migration between the UK and Europe. The judgement, made under the provisions of the Treaty of Rome to encourage the free movement of services between European Union (EU) member countries, could allow more foreign workers holding domestic work permits for other EU countries to take up jobs on British construction sites (Construction News, 1994).

Conclusions

The declining number of young people available to enter employment has considerable implications for the construction industry, particularly in the search for eligible recruits to train. Construction employers will need to adopt alternative recruitment strategies now if they are to avoid skill shortages in the future.

These strategies will need to be tailored for a particular region depending on the availability of alternative labour sources, particularly groups currently under-represented in the construction industry. In the first instance, employers should consider upgrading the skills of their existing workforce. However, this would depend on the availability of local training courses. The availability of financial incentives to train workers is also a factor influencing an employer's decision to train. Alternative recruitment options, including attracting construction craft workers currently employed in other industries depend on relative opportunities available to these workers, and the ability of the construction industry to retrain them for the future skills required.

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