



WEM POSITION ON  
SKILL SHORTAGES IN THE EUROPEAN METAL TRADES\*  
September 2000

**A. THE CURRENT SITUATION: "A QUALITATIVE AS WELL AS A QUANTITATIVE PROBLEM"**

**1. Introduction**

For companies to maintain and increase their competitiveness, it is essential to have a highly skilled, committed and adaptable workforce. In most European countries, companies in the metal trades, have to face a considerable shortage of high calibre apprentices and qualified workers including higher level technicians. This also applies (and in some countries to a great extent) to IT skills, however this is not only in the IT sector, but across all engineering disciplines.

**2. Why does the metal industry face skill shortages?**

**(i) A PROBLEM OF DEMOGRAPHY**

One dimension related to the problem of skill shortages is that of demography: every country in Europe has to deal with an ageing population combined with a decreasing number of young people entering the labour market. Therefore, in the future more employees will take retirement, while fewer young people will enter into an active working life. As a logical consequence fewer young people will start apprenticeship training or take up studying engineering etc. which will make it more difficult for companies of the metal industry to find the workforce corresponding to their needs. Furthermore, companies also have to face a workforce which is, due to the ageing population, often unused to new technologies and techniques.

**(ii) A PROBLEM OF IMAGE AND MOTIVATION**

Another reason for skill shortages is that in several countries technical and scientific studies do not attract young people. To this, one can add the negative image of the metal sector, often seen by young people as a "dirty", low-paid and old-fashioned industry. However, this prevailing prejudice is not in accord with the realities. In some countries the wages and salaries paid in our industries, even to young graduates, are comparable to other sectors and are often at or near the top of the scale. Furthermore, far from being an 'out-of-date' industry, our sector has had to face important changes in order to be able to remain competitive, leading to an increased use of new technologies.

Representatives from some countries identify not only a shortage in skills but also a shortage in motivation of young people. One reason for the latter aspect might lie with provisions in the overall national social security benefits systems, which may represent a disincentive for school leavers to take up a job. Moreover, as previously stated, companies in our sector often have a problem attracting the high calibre young people. The lack of appropriately qualified young people seems to be in contrast with the fact that in several countries high unemployment rates amongst young people do exist. The problem mainly comes from the fact that several countries have to face a lack of interest by young people to take up studies in engineering. Furthermore, in some countries young people are directed towards "technical" studies which do not correspond to their individual aspirations. This results in a lack of motivation when these youngsters do enter companies of the metal industry.

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\* Metal Trades means the metal, engineering, electrical, electronical, computer and new technologies industries. In some countries it even includes the steel industry.

**(iii) A PROBLEM OF THE GAP BETWEEN THE EDUCATIONAL SYSTEMS AND THE COMPANIES' NEEDS**

In several countries, skill shortages are also linked with the problem of too long and too general study pathways, which are not appropriate to the metal industry's needs. In fact, young people today are pushed to pursue their studies as far as possible, convinced that the higher the diploma/qualification is, the better the job will be on completion.

Furthermore, in order to be able to cope with the ever-changing conditions in production and customer interests, vocational training systems have to become (more) flexible and adaptable. Often the current professional skills profiles and training systems do not properly reflect the actual and changing needs, often because they are too structured and detailed. The experience in some countries shows that existing national structures, including the institutional ones, do not provide the required flexibility. Also to a certain extent, the problem lies with an insufficient number of teachers in vocational schools and professors at universities, being sufficiently highly qualified and having an ability to teach pupils and students in a way which stimulates excitement and innovation.

**3. The consequences of skill shortages**

The effect of skill shortages is different in each company. It can create, for example, a lack of competitiveness, a fall in orders, a lack of growth, or difficulties in retaining employees. In several countries shortages of skilled workers occur only in certain geographical regions or in certain sub-sectors.

From the exchange of views and experience among WEM Members, there does not appear to be a generally acceptable solution to this specific problem. In several countries, skill shortages may lead to cross-border relocations of companies or to an increase of the immigration flow in order to find the workforce needed by companies.

**B. POSSIBLE WAYS AHEAD – “LET’S MAKE THINGS BETTER”****1. General comments**

For employer organisations of the metal trades, dealing with the subject of skill shortages is not a new one. Past experience has shown that there is no generally acceptable universal solution to this problem. A solution has to be developed on the basis of the education and training systems which have slowly evolved in a given national context and then on the basis of individual companies' needs and workers' interests. Such tailor-made solutions differ considerably from country to country and from one sub-sector to another. The development of vocational training and of professional skill profiles is a dynamic and fluid process, particularly if one takes into consideration the tremendous changes triggered by the increasing influence of IT, new technologies and globalisation.

**2. Proposals**

The industries of the metal trades support the necessary changes that are occurring to the education system at all levels, e.g. increase in technologies. Employer organisations can act as a catalyst in this process.

The approach which might be taken from the viewpoint of an employer organisation in principle is fourfold:

- a) First, support a "marketing approach" (e.g. information material, folders, videos, campaigns and "open days at companies") oriented towards the parents, the young people, the teachers and the media, and aiming at improving the image of the metal industry.

Such actions could be taken in connection with the idea of opening up and linking companies to schools and teachers. Industrial companies, and more particularly those of the metal producing industries, should create a greater transparency towards the target group of potential apprentices and students in engineering, IT etc. They should consider opening up their factories for example to school classes in order to counter the false image of a "dirty work" industry. In the mid-term, the image of the working environment and employment conditions in the metal trades has to be put in the right context. Actions to improve the image of the metal industry should also concentrate on special target groups such as women.

- b) Second, is the "pedagogical approach" aiming at helping young people in their orientation. Therefore, careers education and guidance by teachers must reflect the changing nature of the industries in the metal trades, and its importance to the economic stability of a country.

Employer organisations at national level and, where appropriate, in co-operation with other bodies such as Governments, public authorities, schools or universities, should consider providing professional expertise and guidance to help to develop the guidance of apprentices, technicians and higher, chartered engineers. It is indeed a three-fold responsibility shared by public authorities, companies and individuals. Some countries can already show good examples of partnerships or joint projects in this field.

Furthermore, it is important to introduce new teaching methods attuned to the new attitudes of young people and taking into account new technologies. WEM members have to consider supporting and assisting the improvement of standards at schools or universities. This notion includes supporting the attraction of good teachers into our industries. In this connection, links between universities and industry should be thoroughly evaluated in order to consider how they can assist in the education process. Some countries, sometimes in co-operation with national public authorities, have already set up special programmes to train teachers, which, for head teachers, include the teaching in management skills.

- c) Thirdly, it is important to upgrade "technical" studies. To this aim, vocational training systems, of whatever kind and at whatever level, have to become more flexible and adapted to companies' needs, because companies' needs are changing at ever increasing rates so that too structured and detailed vocational training / skills profiles are inappropriate to cope with this challenge. Furthermore, accent should be put on the development of apprenticeships at all levels, even at the highest (graduate) ones. Some countries have experimented, with success, the opening-up of apprenticeship to the highest level, i.e. graduate / qualified engineers. In fact, it allows companies to train young people according to their needs, while improving the image of the metal industry amongst young people who can see the sector from the inside.
- d) Finally, quantitative as well as qualitative companies' needs should, wherever possible, be anticipated by appropriate bodies and integrated into lifelong learning. To reach this goal, governments should provide more up to date comprehensive and comparable data. The collection and analysis of such data allows better forecasting to be integrated into the vocational training systems.

## **C. CONCLUSION**

Skill shortages can be overcome by joint efforts, by working together in appropriate partnership at national level. Social partners, public authorities (Ministry of Education, Ministry of Labour, Ministry of Industry, National Agencies for Employment etc.) and companies should try to find together the best solutions to overcome this situation and to help the European metal industry to remain competitive.