United Kingdom: Mismatch priority occupations

Finance professionals belong to high shortage occupations for the United Kingdom. Looking at past, current and future trends (3-4 years), a number of occupations have been identified as mismatch priority occupations for the United Kingdom, i.e. they are either in shortage of surplus.

**Shortage occupation**: an occupation that is in short supply of workers, and for which the employers typically face difficulties finding a suitable candidate.

**Surplus occupation**: an occupation for which there are plenty of suitable workers available but low demand. The employers have no problems

### Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td></td>
</tr>
<tr>
<td>Shortage Occupations</td>
<td></td>
</tr>
<tr>
<td>Other health professionals</td>
<td>[5]</td>
</tr>
<tr>
<td>Medicine associate professionals</td>
<td>[8]</td>
</tr>
<tr>
<td>ICT professionals</td>
<td>[10]</td>
</tr>
<tr>
<td>Nursing and midwifery professionals</td>
<td>[19]</td>
</tr>
<tr>
<td>Other shortage occupations</td>
<td></td>
</tr>
<tr>
<td>Surplus Occupations</td>
<td></td>
</tr>
<tr>
<td>Note on the methodology</td>
<td></td>
</tr>
<tr>
<td>References</td>
<td></td>
</tr>
</tbody>
</table>

### Summary

*Finance professionals belong to high shortage occupations for the United Kingdom.*

Looking at past, current and future trends (3-4 years), a number of occupations have been identified as mismatch priority occupations for the United Kingdom, i.e. they are either in shortage of surplus. **Shortage occupation**: an occupation that is in short supply of workers, and for which the employers typically face difficulties finding a suitable candidate. **Surplus occupation**: an occupation for which there are plenty of suitable workers available but low demand. The employers have no problems
which there are plenty of suitable workers available but low demand. The employers have no problems filling such posts.

The list below is based on an assessment of the labour market of the United Kingdom. The occupations presented are not given any rank. All of them present high mismatch.

**Mismatch priority occupations**

United Kingdom

**Shortage occupations**

- Finance professionals
- Other health professionals
- Medicine associate professionals
- ICT professionals
- Nursing and midwifery professionals

**Surplus occupations**

- Domestic, hotel and office cleaners and helpers
- Manufacturing labourers
- Food and related products machine operators
- Building and housekeeping supervisors
- Cashiers and ticket clerks
- Car, van and motorcycle drivers

**Shortage Occupations**

**Finance professionals** [1]

The finance sector has had long standing issues recruiting people with the quantitative skills it requires (i.e. to be able to conduct quantitative analysis of either financial accounting systems or funds for individuals, establishments and public and private institutions), typically people being qualified at a tertiary level in quantitative subjects. [2] There is high competition between firms for finance professionals with sector specific skills (e.g. to be able to plan, develop, organise, administer, invest, manage and conduct quantitative analyses). It is likely that the economic crisis has had an impact too:
Traditionally, there has been little collective interest in solving the recruitment needs of the sector – especially in the City of London – with companies tending to sort out their own skill needs. Typically this has been addressed through wage competition (i.e. offering higher salaries to attract suitably skilled workers) and the recruitment of STEM (science, technology, engineering, and mathematics) holders with quantitative skills (which has been the cause of shortages in other sectors, such as engineering, which cannot compete on wages). The sector skills council for financial services is engaged in the development and promotion of training programmes, such as higher level apprenticeships (i.e. ones that equate with tertiary level education), to meet the financial sector’s skill needs. In fact, financial services have, to some extent, led the way in developing higher level apprenticeships. Shortages can be addressed by raising wage rates to attract the skills required from the global labour market.

**Other health professionals**

The occupational group contains a number of distinct specialist occupational sub-groups (e.g. related to dentistry, pharmacy, etc.). The nature of skill shortage needs to be seen in the context of the growing demand for a range of health services (largely resulting from demographic change), and the capacity of the National Health Service (NHS) to recruit and retain sufficient staff. The latter is a reason for skills shortages in the case of "other health associate professionals" as well. However, some of these jobs are also located in the private sector, so the solution to the shortages also rests with companies that provide health services, such as opticians.

The solution to meeting the demand for other health professionals rests largely with the National Health Service (NHS), which is the publicly funded health service that provides free, universal health care in the UK. The NHS and the various trusts that comprise the NHS (and are responsible for recruitment) have designed their own specific means of finding relatively hard-to-find skills. More generally, the design of the system has been oriented towards interventions on the supply-side especially in relation to STEM skills which has seen:

a. continued public subsidy of some STEM training; and
b. the (re)introduction of a vocational pathway from upper-secondary to tertiary levels via reorganisation of the apprenticeship system.

**Medicine associate professionals**

This occupational group contains a number of specific occupations such as: naturopath; chiropractor; osteopath; acupressure therapist; hydro-therapist; and faith healer. Although there is no existing evidence that pinpoints causes for skills shortages, changes in wages and the Eurostat data analyses shows that demand is greater than supply, but the causes are not necessarily clear.

As in the case of “other health professionals”, the solution to meeting the demand for other health associate professionals rests largely with the NHS. Regarding medicine associate professionals, increasingly people (i.e. patients or users of health services) are seeking solutions both within and...
increasingly people (i.e. patients or users of health services) are seeking solutions both within and without the NHS for a range of services such as chiropractors. Some of these services are provided within the NHS, but others are wholly private sector activities that should respond to market signals for their services.

**ICT professionals** [10]

Digital employment growth has been driven by computer programming and consultancy, which generated around 131 thousand jobs between 2002 and 2012, many of them since 2010. [11] Shortages would appear to result from a combination of *increasing demand* for ICT services (and thereby ICT skills), and the pace of technical change (which results in some ICT *skills becoming obsolete*). There is also evidence that employers are sometimes not just looking for technical skills, but a range of generic skills too that will increase the business acumen of ICT professionals. [12] In addition, employers express concern that courses may not equip graduates with the right skills (particularly because they do not keep pace with technological change or give students sufficient practical experience). [13] Key jobs referred to within ICT professionals include systems analysts; software developers; and web and multimedia developers. A failure to attract more women to digital jobs means the sub-sector misses out on an important source of potential labour. [14]

Part of the solution lies in the industry itself (the UK has, over many years, adopted a market oriented approach to meeting labour demand) and its capacity to prevent skills obsolescence. There are also substantial investments in the education system that has seen ICT become an increasingly important part of the curriculum in schools and colleges. The industry tends to respond by *investing in training* (initial and continuing) and *wage increases*. [15] Some ICT professions, such as software developer within visual effects and 2D/3D computer animation for film, television or video games, are included in the Skill Shortage Sensible list that recommends where it is possible to recruit from outside the EEA. [16] *Graduate level apprenticeships are being developed* – for example, an Apprenticeship Degree in Digital & Technology Solutions has been started at Aston University. [17] Another possible solution could be the establishment of procedures for validation of non-formal and informal learning e.g. there is evidence that experience and learning by doing are often more valuable to employers than formal education. [18]

**Nursing and midwifery professionals** [19]

The causes for skills shortages are difficult to pin down but would appear to reflect a combination of training supply not keeping pace with demand, staff retention issues, and the increased difficulty employers in the NHS might be facing in recruiting nurses from abroad due to controls on recruiting from outside the EEA. [20] Increased demand for the services supplied by nursing and midwife professionals are caused by increasing birth rates (partly linked to continuing immigration which tends to be amongst individuals of ‘family-forming’ age). For nursing, demand growth is also due to the aging population as well as issues arising from the separation of social service and NHS activities.

The solution lies within the NHS and its capacity to manage future demand through a combination of training and organisational change. [21] The NHS “Qualified Nurse Supply and Demand Survey – Findings” indicates that the main responses within the NHS to skills shortages relate to:
1. skill mix reviews/service reconfigurations;
2. local recruitment campaigns;
3. use of agency/temporary staff.

Other responses include: increased emphasis on workforce planning; active recruitment outside of the UK; planned overtime; return to practice schemes; expanding practice placement capacity; recruitment and retention premia; the Overseas Nursing Programme; social media; and up-skilling the support workforce. In October 2015, it was announced that restrictions on the NHS recruiting nurses from outside the EEA are to be temporarily lifted given worries about nursing supply being able to meet demand in that coming winter. It is also apparent that migration has provided a supply of nurses – often people from outside of the EU, such as the Philippines.

Other shortage occupations

The other principal areas in which there is evidence of skill shortages relate to: building and related trades workers excluding electricians; metal, machinery and related trades workers and electrical and electronic trades workers. The principal reason underlying these shortages is that of relatively high replacement demands (due to many people in these jobs nearing retirement age) and a failure of the vocational education and training system to persuade a sufficient number of employers to invest in training (apprenticeships). There is also a gender imbalance that can constrain supply as very few women enter apprenticeships or other areas of education and training that lead to the necessary skills and qualifications in these areas (construction and engineering).

The main solution to date has been that of persuading employers to invest in apprenticeships by demonstrating the business benefits of doing so. There has now been a marked shift in policy with the planned introduction of an “Apprenticeship Training Levy” that will apply to large employers. Information is not yet available on the precise details of the levy, but the hope is that it will persuade large employers to over-train thereby increasing the volume of skilled workers. Apprenticeships will be increasingly available at higher levels (i.e. at tertiary level) in anticipation that by opening up the vocational pathway into professional and associate professional occupations, supply will be increased and mismatches will be offset.

Surplus occupations include: domestic, hotel and office cleaners and helpers; manufacturing labourers; food and related products machine operators; building and housekeeping supervisors; cashiers and ticket clerks; car, van and motorcycle drivers. The characteristic of all these jobs is that there is a relatively strong likelihood that their incumbents will be over-qualified (relative to the average level of qualification held by people in the broader occupational group) and will have experienced relatively low wage growth. By and large these are all occupations where the skill level required for entry is at a relatively modest level. Essentially they are all occupations to which there is easy entry.
Note on the methodology

The list has been compiled by Cedefop in the first half of 2016 combining quantitative and qualitative methods. In particular, a list of mismatch occupations was formulated following quantitative analysis of labour market indicators. Country experts were then asked to build on and scrutinise this list. Their expert assessment and knowledge of the country’s labour market has provided rich insights about the reasons behind the skills shortages or surpluses at occupational level. These are also accompanied by measures and policies that aim to tackle such mismatches. Country’s stakeholders have also been included in validating the final list of occupations.

Find here more data and information about United Kingdom.

References

[1] ISCO 241 Key jobs include: accountants, financial advisers, and financial analysts.


[5] ISCO 226: ‘Other health professionals’ includes all human health professionals except doctors, traditional and complementary medicine practitioners, nurses, midwives and paramedical professionals. Other health professionals provide health services related to dentistry, pharmacy environmental health and hygiene, occupational health and safety, physiotherapy, nutrition, hearing, speech, vision and rehabilitation therapies.

[6] ISCO 325 ‘Other health associate professionals’ perform technical tasks and provide support services in dentistry, medical records administration, community health, the correction of reduced visual acuity, physiotherapy, environmental health, emergency medical treatment and other activities to support and promote human health. Typical jobs include: Medical Records and Health Information Technicians; Community Health Workers; Dispensing Opticians; Physiotherapy Technicians and Assistants, etc.


[8] ISCO 323: ‘Traditional and complementary medicine associate professionals’ prevent, care for and treat human physical and mental illnesses, disorders and injuries using herbal and other therapies based
on theories, beliefs and experiences originating in specific cultures. They administer treatments using traditional techniques and medicaments, either acting independently or according to therapeutic care plans established by a traditional medicine or other health professional. Jobs include: Naturopath; Chiropractor; Osteopath; Acupressure therapist; Hydro-therapist; and Faith healer.


[10] ISCO 251: Software and applications developers and analysts


[12] As above.


[14] As above.


[17] Degree Apprenticeship in Digital & Technology Solutions (BSc) http://www.aston.ac.uk/study/undergraduate/courses/eas/degree-apprenticeships-in-technology-solutions


[19] ISCO 222


[21] Centre for Workforce Intelligence (2013) *Future midwifery workforce projections: Starting the discussion.* London: Centre for Workforce Intelligence


[23] Restrictions on nurse recruitment from overseas changed


[25] ISCO 71

[26] ISCO 72

[27] ISCO 74


[31] ISCO 911

[32] ISCO 932

[33] ISCO 816

[34] ISCO 515 Jobs include: Cleaning and Housekeeping Supervisors; Domestic Housekeepers; and Building Caretakers

[35] ISCO 523

[36] ISCO 823