

Unit 4: Organisations, Competition and Environment

Labour Markets

adapted from Institute for Employment Studies Website

Labour markets are changing at an ever faster rate under the pressures of business change, new skill needs, and changing personal circumstances.

Adapting to change: The current economic environment generates important questions as to how organisations and individuals can understand and adapt to changing labour market needs. We need to understand the forces bringing about change in labour markets; analyse these trends as they play out in different industries, occupations, population groups and local areas; identify the roles of key actors, be these individuals, companies or public agencies; and learn how best to overcome the barriers faced in adapting to change. Our growing work with individual large companies is an example of this, looking at the capacity of local areas to supply the new skills required by changing technology and business organisation.

Tackling mismatch: Sustained growth in employment has seen the return of labour and skills shortages. At the same time, possible changes in social and welfare policy suggest exciting prospects for the more productive employment of people who are currently excluded from, or under-utilised within the labour market. Labour market analysis is critical to informing and stimulating creative methods of reducing labour market mismatch, thereby maximising the opportunities for individuals and companies to prosper and build stronger local economies. We are able to bring together expertise on changing employer needs, the obstacles faced by the unemployed, local and regional economic analysis and expert evaluation of past and current interventions in order to research mismatch issues.

Responding to policy: National and European policy has different effects on each area, industry, occupation and groups of individuals. A minimum wage and legal restrictions on working hours will require careful analysis of labour market effects at local and regional, as well as national, levels, depending upon the sectoral and occupational mix in each area, and historic levels of pay.

Making de-centralisation work: Labour market interventions are increasingly tailored to regional and local circumstances, and partnership approaches to regional and local economic development look set to grow in number and intensity. Much existing regional analysis is either a disaggregated version of national analysis, or an aggregation of local area data. There is a growing need for a truly regional dimension to such analysis, to inform optimal strategies for development.

Building responsive infrastructure: Vocational training and educational organisations, including TECs, educational institutions, training providers, Business Links and careers services, seek to adapt and change their services to respond more closely to local labour market factors. Customised consultancy is sought by some, combining expertise in labour market analysis with advice on good practice in using this to inform the development, planning and delivery of services. Being responsive requires building expertise and internal organisation; labour market reports are of limited use without such capacity building.