



Labour Market Dynamics
Research Programme

Innovative research in employment

**EMPLOYMENT AND SKILLS:
North Shore City, Waitakere City and the Rodney District**

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INTRODUCTION

Since 2000, one of the growing issues for New Zealand has been the shortage of both skilled and unskilled labour. In addition, the New Zealand labour market is experiencing a period of rising employment, falling unemployment, an ageing population, low birth rates and an increasingly globalising labour market for skilled people. Of particular concern is that the lack of skilled workers is a more significant problem for New Zealand businesses than for businesses in 23 other countries (**The Jobs Letter**, April 2005:3). Fifty percent of New Zealand firms indicated that a lack of skilled workers was their most significant barrier to expansion which contrasts with 44 percent of Australian firms, 34 percent of Canadian and UK firms and 26 percent of enterprises in the United States.

Growing out of a concern with the matching of labour supply and demand in the tight labour market described above, three local Auckland council and economic development agencies from Waitakere City, the Rodney District and North Shore City commissioned research into the employment and skills needs in their local labour markets. Two broad goals were identified. First, to gain an informed understanding of potential employment development in these areas by identifying industry sectors and trades with development opportunities that will drive employment demand over the next few years. Secondly, it highlights the skill needs, shortages and the training provision of applicants and employees including the widely varying range of attitudes and perceptions that underlie and influence discussions relating to economic growth and employment-related issues. Attention is given to issues such as the relevance of courses offered by education providers, employer training programmes and their links with education providers, and employer awareness of the support schemes available.

This report represents a culmination of research that has been undertaken by Massey University's Labour Market Dynamics Research Programme which began when we conducted a pilot study of the employment and skill demands of employers in nine industries in Waitakere City at the end of 2003 with a view to repeating this on a six-monthly basis to gain a better understanding of labour market dynamics and trends in the City. Following the pilot study, 170 employers in nine industries were interviewed in late 2004 (McLaren and Spoonley, 2004) and early 2005 (McLaren and Spoonley, 2005).

Based on the Waitakere City employers' survey, core existing industries such as construction, and also emerging industries such as film and television production, tourism and wine making were included in a survey undertaken for the Rodney Economic Development Trust and Rodney District Council (McLaren, Westbrooke and Spoonley, 2004) in the first half of 2004.

Following the survey in Rodney District, Enterprise North Shore commissioned research which examined a number of issues that directly or indirectly impacted on economic development and hence the labour market requirements of the North Shore. The same employment and skills survey used for Waitakere City and Rodney District employers was used to interview a sample of 121 North Shore City employers in five key industry sectors: finance and business services, niche manufacturing, ICT, recreation and tourism and construction. These were identified by Enterprise North Shore as well as within North Shore City's (NSC) Economic Development Strategy (2004) as 'target sectors where North Shore City has current strengths and stakeholders believe have continued potential for concentration and growth' (McLaren, Maidment and Spoonley, 2004).

As the survey instruments in the three regions were so similar, results have been aggregated and broken down into industry-specific responses for this report which highlights some of the key issues relating to the labour market in the North and Western region of Auckland.

SURVEY METHODOLOGY

This report combines the findings of three surveys conducted with employers located either within or outside Waitakere City, Rodney District and North Shore City but with business interests in each of the three cities. The survey methodology for each area is described below.

The Waitakere Employment and Skills Project identified nine industry sectors that are the focus of this research and these are: hospitality, plastics, boat building, electro-technology, transport, building and construction, health, engineering and film and television. Enterprise Waitakere provided contact details for the 170 employers who were interviewed by telephone.

The second research survey was commissioned by the Rodney Economic Development Trust (REDT). Seven industries were the focus of the research: hospitality, retail, bio-business¹, construction, tourism, medical and community care² and manufacturing. Eighty-five employers were interviewed by telephone during April and May 2004. In addition, REDT provided the names for 12 people belonging to various businesses and community organisations who were interviewed around the themes of employment development in the district and issues concerning employee education and training.

The third report was commissioned by Enterprise North Shore. The five industry sectors that the research focussed on were: information communication technology (ICT), construction (roads and buildings), financial and business services, niche manufacturing businesses such as tool making, plastics, furniture making and printing, and sport and leisure (which includes hospitality, tourism and events). One hundred and twenty-one employers in North Shore City were interviewed by telephone in the five focus industries. Contact details for this sample were provided by Enterprise North Shore.

The questionnaires used in these surveys have been adapted from the Employers Skill Survey (2002), which was designed to investigate the extent, causes and implications of skills deficiencies in England. The following issues are addressed:

- The extent to which employers face difficulties in recruitment and whether the lack of skills contributes to these difficulties;
- The main causes of skill deficiencies identified by employers and the consequences of these;
- Employers' perceptions of the skills gaps among those currently employed; and
- The relevance and effectiveness of education and training provision for their companies.

The questionnaire, containing some closed and open-ended questions, includes background information on the businesses surveyed, current vacancies and those vacancies or positions that are generally difficult to fill, various attributes like the competencies which are related to the jobs that were difficult to fill, the effect that the lack of these has on the company, those qualities and skills lacking in present staff, barriers to developing and maintaining a fully proficient team, the contribution or otherwise of migrant employees and the ability of education and training providers to remain relevant in the labour market today.

¹Bio-business industries include: agriculture, dairy, vegetables under glass and wine making.

² Medical and community care industries include: health care centres, retirement villages and rest homes.

THE SAMPLE

This report summarises the findings of the three telephone surveys which were conducted between April 2004 and January 2005 and the samples are broken down as follows:

- **Waitakere (170):** hospitality (20), plastics (20), boat building (20), electro-technology (20), transport (20), building & construction (20), engineering (20), health (20) and film and TV (10);
- **Rodney (85):** hospitality (15), manufacturing (10), construction (12), retail (14), tourism (11), bio business (15), health and community services (8); and
- **North Shore (121):** ICT (28), manufacturing (28), sport and leisure including hospitality (29), financial services (22) and construction (14).

The size of the enterprises are combined and summarised below.

Size of Enterprises

- 4-5 employees (14%)
- 6-9 employees (17%)
- 10-20 employees (30%)
- 21-49 employees (24%)
- 50-99 employees (7%)
- 100 and over (8%)

For this report, responses are aggregated and analysed by industry sector in Table 1 below. The size of the businesses we surveyed did not fit the profile of the Rodney District, North Shore City or Waitakere City's business community because interviews were confined to employers with four or more full-time equivalent staff employed at some time during a calendar year. In the survey sample, businesses with less than five employees, the overwhelming numerical majority of all businesses in New Zealand, are under-represented. New Zealand is a nation of small firms with 86 percent of enterprises employing 5 or fewer FTEs, 96.8 percent employ 19 or fewer FTEs and 20 percent do not employ anyone (Ministry of Economic Development, 2004). Following the Ministry of Economic Development's definition of small, medium and large enterprises,³ we interviewed employers in 50 micro-enterprises, 173 in small, 88 in medium and 56 in large organisations. Nine employers did not respond to this question.

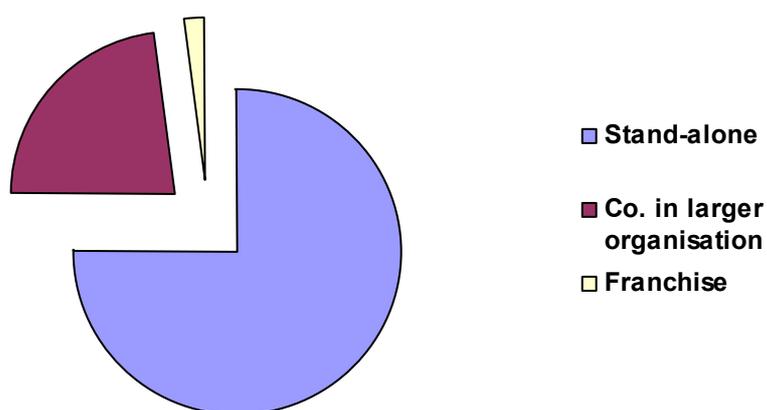
³ The definition of SMEs varies across countries and within countries. Differentiation is often on the basis of the numbers of full-time equivalent (FTE) employees. In New Zealand, small firms are those with fewer than 50 FTEs and large firms have more than 100 according to Cameron and Massey (1999), yet government agencies (e.g. Ministry of Economic Development) often define 'small' firms as those with 6-19.5 FTEs, 'medium' firms are those with 20-49.5 FTEs and 'large' firms 50 and more employees. Micro-enterprises are those with less than 6 employees. Large firms comprise only around one percent of total firms, according to the latter classification. For the purposes of this study, we use the latter SME definition.

Table 1: **Combined Sample**

	No.	Percent of total sample
Hosp/retail/tourism	88	23.4
Bio-business	15	4
Construction	43	11.4
Health and care	28	7.4
Manufacturing/plastics/boatbuilding	84	22.3
ICT	28	7.4
Business	20	5.3
Electro-technology	20	5.3
Transport	20	5.3
Engineering	20	5.3
Film & TV	10	2.7
Total	376	100

The figure below gives a profile of enterprises represented in this study. Three-quarters of the employers we interviewed were stand-alone companies, 23 percent part of a larger organisation and 2 percent (6 employers) were franchise holders.

Figure 1: **Business Grouping**



BACKGROUND

To help to establish the buoyancy of economic activity amongst the companies surveyed and to indicate the health of the area economy, employers were asked whether their volume of business had increased, stayed the same or decreased over the last twelve months. As the table indicates below, all three areas reported a substantial increase in business in the last twelve months.

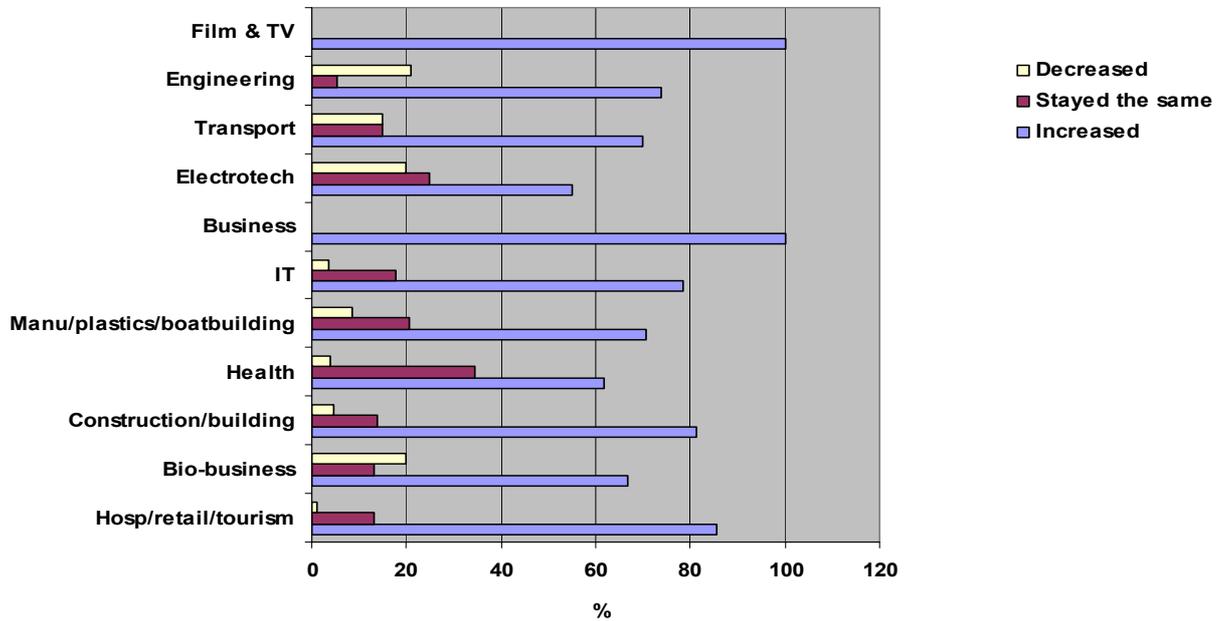
Table 2: **Volume of Business in the Last 12 Months**

	Rodney	North Shore	Waitakere	Total
Increased a great deal	13.2	20.8	17.1	17.5
Increased a little	66.2	61.6	54	59.3
Stayed the same	10.8	14.1	20.2	16.1
Decreased a little	8.4	2.5	4.3	4.64
Decreased a great deal	1.2	0.8	4.3	2.4

For Rodney District, almost 80 percent of the employers interviewed reported that business volume had increased over the past year, for 10.8 percent it had stayed the same and for 9.6 percent business had declined. For North Shore employers, 83 percent reported an increase, 14.1 percent reported that business volume had stayed the same and only 3.3 percent reported a decline. For Waitakere City, almost three-quarters of the employers reported an increase in business, for 20.2 percent it had stayed the same and only 8.6 percent had experienced a decline. Waitakere was not quite as buoyant as the other two, but all had 70 – 80 percent of the employers experiencing growth.

The following figure demonstrates a breakdown of the industry sectors in terms of growth.

Figure 2: Volume of Business by Industry



All sectors surveyed reported significant increases in the volume of business over the past twelve months – particularly in film, television and business sectors where 100 percent of the businesses reported an increase. Eighty-four percent of hospitality and tourism employers saw an increase in their volume of business, while for 16 percent business remained static and only one percent reported a decrease. More than 75 percent of engineering firms reported an increase with 20 percent reporting a decrease.

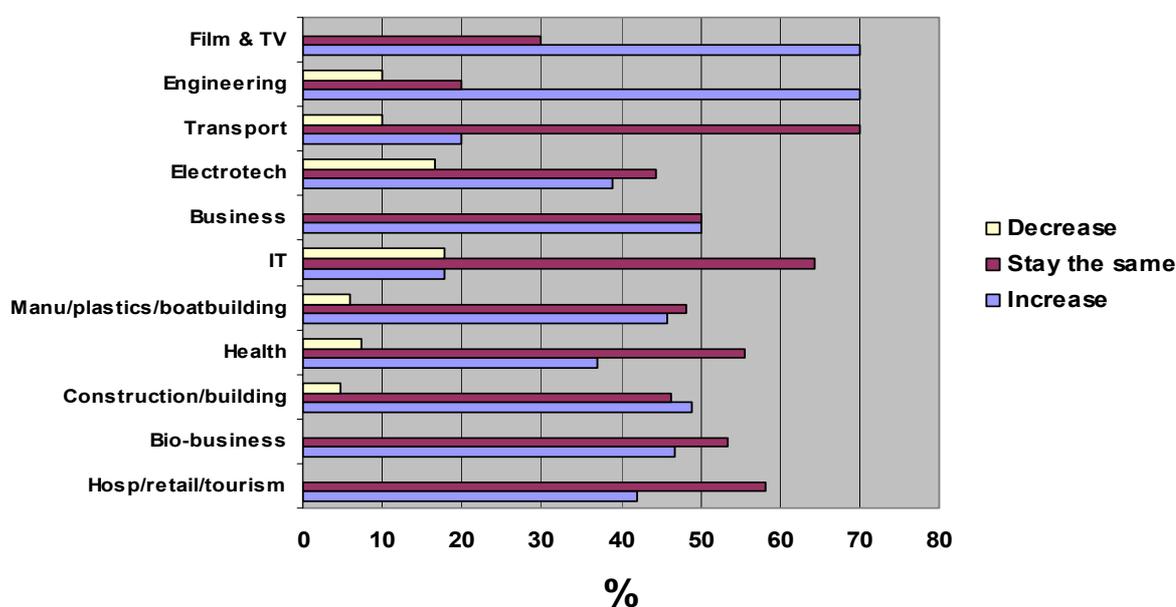
To gauge business confidence in the next 12 months, and the effect that the widely reported national skills shortages might have on employers, they were asked what their employment expectations in the next year might be. The table below gives a breakdown of this.

Table 3: Employment Expectations in the Next 12 Months

	Rodney	North Shore	Waitakere	Total
Increase a great deal	9.6	3.3	4.8	5.4
Increase a little	42.1	28.3	41.8	37.5
Stay the same	47	61.6	46	51.3
Decrease a little	1.2	4.1	3.6	3.2
Decrease a great deal	0	2.5	3.6	2.4

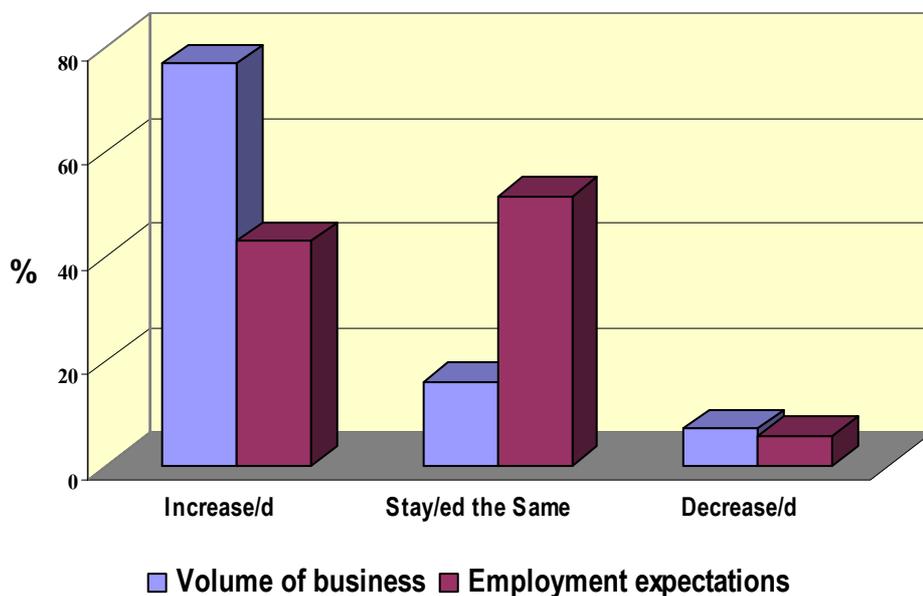
Interestingly, whereas North Shore employers surveyed had experienced the greatest growth in business volume in the last 12 months, they were least optimistic about the possibility of increasing levels of employment in their enterprises. To illuminate this further, anticipated levels of employment are broken down into industry sectors.

Figure 3: Employment expectations by industry



In conjunction with an indication of growth in the last twelve months in the film, television and engineering sectors, it is no surprise that optimism in these sectors would be reflected in their employment expectations for the next twelve months as shown above. However, the ICT sector has a more conservative approach to employment prospects where 65 percent of employers reported that they anticipated employment will remain static. For employers in the transport industry, the extreme shortage of drivers has meant that employment levels will stay the same for 70 percent of the businesses surveyed. Several employers reported a shortage of between 5,000 and 8,000 drivers in the Auckland region (McLaren and Spoonley, 2005). This is borne out by the latest national statistics which are discussed in more detail on pages 15 and 17.

Figure 4: **Volume of Business: Last 12 Months and Employment Expectations: Next 12 Months**



The aggregated results show that in contrast to the increase in business growth (almost 80 percent) over the past twelve months, employment expectations for the next twelve months are conservative with only 40 percent predicting an increase in employment expectations and half of the enterprises surveyed indicating that there will be very little change expected in their employment forecasts.

The following section on vacancies, with particular emphasis on those roles in organisations that are difficult-to-fill, will provide explanations for the conservative expectations many employers have around employment growth.

HARD-TO-FILL VACANCIES

In this section, we focus specifically on the hard-to-fill vacancies that have been identified by employers. Terms used to describe skills gaps/shortages or hard-to-fill vacancies are often used interchangeably but do have different meanings. Based on the National Skills Taskforce in the UK, the Department of Labour (2005:7) has outlined a number of circumstances in which shortages might arise and these are as follows:

- Skills shortages occur when employers have considerable difficulty filling their vacancies because there are insufficient job seekers with the required skills;
- Skills gaps occur when employers only find people who have some, but not all, of the skills required; and
- Recruitment difficulties occur when there are enough job seekers with the required skills but they are unwilling to take up the work that is on offer.

According to the Employers Skill Survey (Felstead, 2002:171), hard-to-fill vacancies are not only equated with skills shortages, but rather can be distinguished between those that are skill-related and those that can be attributed to company-specific factors such as the industry, unattractive rates of pay or conditions of employment. In this research, all three descriptions are relevant.

The Department of Labour's (March 2005) Job Vacancy Monitor indicates that the job vacancy index reached its highest levels since the series started in January 2003. The report shows that for the fifteenth successive month, the index has shown double digit growth which suggests that skill shortages are continuing to deepen and the growth in demand for skills is outstripping growth in supply (Whiteford, 2005). In addition, an increasing number of employers are having to resort to advertising for prospective employees and are having to re-advertise in their efforts to find more suitable applicants (Whiteford, 2005).

The table below summarises the number of hard-to-fill vacancies in the nine occupational groups identified by Statistics New Zealand.

Table 4: Hard-To-Fill Vacancies by Occupational Group

Skill Level	Occupational Group	HARD-TO-FILL POSITIONS	
		Number	%
Highly Skilled ⁴	Legislators/Administrators/Managers	25	8.8
	Professional (especially nurses and engineers)	46	16.2
Skilled	Technicians and Associated Professionals (particularly technicians and draughts people)	43	15.1
	Trades (particularly mechanics and boat builders)	63	22.2
Semi-skilled and elementary	Clerical and Administrative	5	1.8
	Service and Sales	48	16.9
	Machine Operators (particularly truck drivers)	26	9.2
	Agriculture/Horticulture (Rodney only)	6	2.1
	Elementary Occupations	22	7.7
	TOTAL	284	100

Employers were asked whether they had any positions in their organisations that are generally difficult to recruit for. Two hundred and eighty four employers indicated that they experienced ongoing 'hard-to-fill' roles within their organisations. These have been aggregated and 22.2 percent of the vacancies are in the trades, 16.9 percent in service and sales and 16.2 percent in the professional occupations like nursing and engineering. This is followed by 26 positions (9.2 percent) for machine operators, the majority being bus and truck drivers and heavy equipment operators in the construction industry. These figures are not dissimilar to the national statistics. The Job Vacancy Monitor (Department of Labour, 2005) divides advertisements into the three job categories: highly skilled, skilled and semi-skilled/elementary as shown in the table above. Of these, the greatest increase was for highly skilled managerial and professional occupations — for whom job ads were up 20 percent. Advertisements for skilled workers (teachers, social workers, finance and sales people, technicians, etc) increased by 8 percent, whereas advertisements for semi-skilled/elementary occupations were up a strong 17 percent on last year. This category was fuelled by growth in employers seeking plant/machine operators and assemblers, elementary workers, agriculture and fishery workers, and service and sales workers (Jobs Letter, No. 232, 15th June 2005).

From the table above, it is evident that hard-to-fill vacancies do not only fall in the highly skilled and skilled categories but also in the semi-skilled and elementary categories (47 percent of all occupations mentioned). For roles that fall into the hard-to-fill semi-skilled and elementary categories, many employers suggest that instead of requiring a high level of education or training, attitude and motivation are more important for job applicants. The response below typifies this:

We tend to employ mainly on attitude as opposed to skills test. Generally, we can teach people how to use a till, or we can teach people how to make a cup of espresso coffee, but it's very hard to teach people to turn up to work on time, or not to turn up hung-over

⁴ This breakdown is taken from the Job Vacancy Monitor (March 2005)

Table 5: Hard-to-Fill Vacancies by Industry and Occupational Group⁵

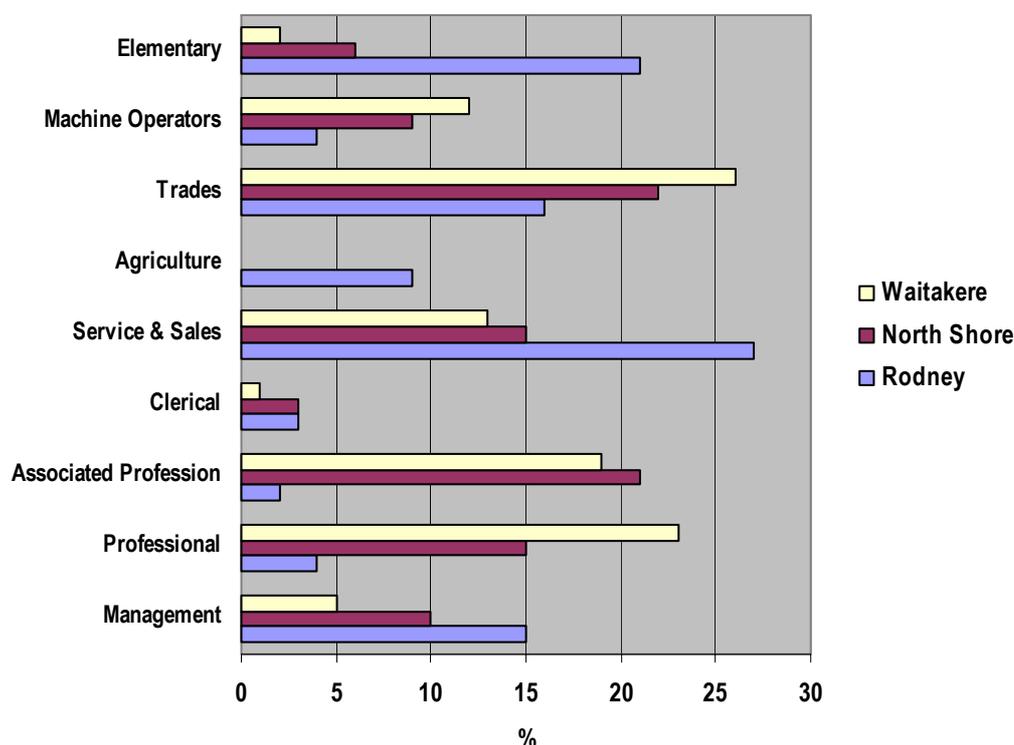
	Managerial (%)	Professional (%)	Technical (%)	Clerical (%)	Service/Sales (%)	Agriculture (%)	Trades (%)	Plant/ Machines (%)	Elementary (%)	TOTAL (n=284)
Hospitality/retail/tourism	17.2	0	3.1	3.1	51.6	1.6	3.1	3.1	17.2	100
Bio-business	18.2	0	0	0	0	45.5	9.1	0	27.3	100
Construction	2.6	5.1	20.5	2.6	2.6	0	25.6	25.6	15.4	100
Health/care	4	64	0	8	24	0	0	0	0	100
Manufacturing (Incl. plastics, boat building)	6.7	6.7	11.7	0	6.7	0	63.3	3.3	1.7	100
IT	0	36.8	52.6	0	10.5	0	0	0	0	100
Business	36.4	36.4	0	0	9.1	0	18.2	0	0	100
Electro technology	5.1	29.4	29.4	0	0	0	35.3	0	0	100
Transport	0	0	0	0	0	0	6.7	80	6.7	100
Engineering	0	53.3	26.7	0	0	0	20	0	0	100
Film and TV	12.5	0	87.5	0	0	0	0	0	0	100

Table 5 above highlights the occupational groups most difficult to fill in the eleven industry sectors that were part of the surveys. Over half of the roles in hospitality that were hard-to-fill were in service and sales positions, for bio-businesses, 45.5 percent were in agricultural occupations, for construction they were in trades, technical and plant operating roles, 64 percent of healthcare vacancies were in professional jobs like nursing and medical practitioners, manufacturing roles most difficult-to-fill are in the trades, for ICT it is technical and professionally qualified people, for business, vacancies are in managerial and professional roles, electro-technology in professional, trade and technical positions, and for film and television, they are almost exclusively technical roles.

The area breakdowns are also interesting.

⁵ The occupational breakdowns were categorised according to the nine Statistics New Zealand's Standard Classification of Occupations 1999, retrieved from www.stats.govt.nz.

Figure 5: Hard-To-Fill Vacancies by Area



Several of the hard-to-fill vacancies identified in the surveys are reflected in the Job Vacancy Index which measures the number of advertisements for all occupations (Department of Labour, 2005). For example, the growth of vacancies amongst national professionals was driven by health professionals (64 percent) with the number almost doubling since the start of the Index in January 2003. The opening of a new hospital in Waitakere City explains the high vacancy rates amongst professionals in Waitakere City. In the semi-skilled/elementary vacancies, strongest growth in vacancies was measured for plant and machine operators which includes drivers (25 percent) and confirms similar findings for the transport and building and construction sectors in the Waitakere City survey. In the Waitakere City survey, the most common positions that are difficult-to-fill have been identified in the trades whereas a slower growth rate has been reported in the vacancy monitor. This might be as a result of the industries focused on in this research.

Trades and Associated Professions followed by Professional and Sales and Services are the most common hard-to-fill positions identified by the North Shore City survey respondents. For the niche manufacturers, skilled trades people are hard to attract; in sport and leisure, it is commonly sales, service and elementary positions; for employers in the building and construction industry, it is plant and machinery operators and for business services, it is in the managerial and professional roles (McLaren, Maidment and Spoonley, 2004).

In the industries surveyed in the Rodney District, sales and service positions were most commonly seen as positions difficult-to-fill and these included care-givers, serving staff and salespeople. This is followed by elementary positions such as cleaners, labourers and general maintenance workers. According to several employers, the trades position are becoming increasingly difficult-to-fill. One attributed this to the abolition of the apprenticeship system which has created a skills gap lasting between ten and twelve years. This is exacerbated by

many skilled employees reaching retirement age and new apprentices not yet qualified (McLaren, Westbrooke and Spoonley, 2004).

The remainder of this section examines why these occupations are hard-to-fill in the industry sectors surveyed. The issues considered are as follows:

- Skills lacking in applicants;
- Personal attributes or qualities lacking in applicants;
- The main causes of hard-to-fill vacancies;
- Effects of hard-to-fill vacancies on the company; and
- Outcomes of hard-to-fill vacancies for the company.

The table below provides a breakdown by survey location of the seven skills most commonly identified as lacking in job applicants.

Table 6: **Most Common Skills Lacking in Applicants**

Skills Lacking in Applicants	Rodney (%)	North Shore (%)	Waitakere (%)
<i>Technical/practical</i>	23	22	31
<i>Oral communication</i>	8	14	14
<i>Problem solving</i>	8	12	8
<i>Customer relations</i>	14	6	8
<i>Literacy</i>	6	14	5
<i>Team working</i>	10	9	5
<i>Numeracy</i>	6	7	5

Across all three areas, technical and practical skills were highlighted as the skills most often lacking in job applicants. This is followed by oral communication and problem-solving skills. Literacy is featured as a skill deficiency across all three areas. As one respondent in the hospitality industry ironically commented;

We are not worried about literacy anymore, nobody here can spell.

Table 7: **Most Common Causes of Hard-To-Fill Vacancies**

Causes of Hard-to-Fill Vacancies	Rodney (%)	North Shore (%)	Waitakere (%)
<i>Low number of appropriate applicants</i>	17	28	24
<i>Lack of necessary work skills</i>	11	21	15
<i>Low number of applicants generally</i>	17	9	14
<i>lack of required qualifications</i>	7	14	17
<i>Terms & conditions of job</i>	14	5	7
<i>Competition from other employers</i>	5	5	9

Significantly, the low number of appropriate applicants was seen as a significant contributor to hard-to-fill vacancies in all three areas. This is followed by the lack of necessary work skills. However, some employers commented that particular jobs were not seen as desirable due to the non-standard hours many of these required. Attitude too remained a problem. Employers commented thus:

The industry is short 8000 bus drivers. All of the drivers are unmotivated – nobody really wants to be here. It's just we pay a dollar more per hour than some other businesses. But, generally conditions are lousy.

Prospective employees are sent by WINZ not wanting to work – no pro action – more careful selection – avoiding WINZ people.

WINZ policies sending us people who aren't interested. Had this experience for over eight years. Also inflated CVs done through WINZ training and do not match the actual skills.

Table 8: Most Common Effects of Hard-to-Fill Vacancies on Enterprises

Effects on Business	Rodney (%)	North Shore (%)	Waitakere (%)
<i>Difficulty in meeting customer needs</i>	25	21	20
<i>Increased operating costs</i>	11	19	18
<i>Loss of business to competitors</i>	13	20	14
<i>Existing staff work harder</i>	15	13	12
<i>Delays in developing new products/services</i>	9	12	9
<i>Withdraw from offering certain services</i>	7	3	6

The effects of hard-to-fill vacancies can make conducting business problematic. Meeting customers' needs could be compromised and additional stress placed on existing staff to work longer hours and take on larger workloads with increasing levels of stress. This might be why many of the employers interviewed did not envisage employment in their business increasing over the next twelve months.

Delays in developing new products have been difficult because of the inability to find skilled staff and, in addition, this creates challenges in introducing new work practices. For one employer in the electro-technology sector, this meant closing his business in New Zealand and moving overseas. For others, like an employer in boat-building, the lack of suitable staff has meant keeping the business small and not having to rely on others. Consequently, for most of the employers interviewed, the most effective way of overcoming skills gaps and shortages was to increase in-house training and by taking on trainees. Several employers commented on misleading CVs and the difficulties they faced in assessing training and education provision as standards were inconsistent.

In summary, employers are concerned that they are failing to meet customer requirements, they are losing to competitors, costs are increasing and there is added stress on staff as a result of labour shortages. These concerns impact on anticipated growth, and is related to earlier material which highlighted the fact that growth in the past twelve months is not translated into sustainable employment growth in the next twelve months (McLaren and Spoonley, 2005).

Table 9: Most Common Outcomes of Having Hard-to-Fill Vacancies

Outcomes	Rodney (%)	North Shore (%)	Waitakere (%)
Increase training to upskill workforce	39	35	35
Extend recruitment	21	37	29
Take on more trainees	2	6	9
Increase salaries	16	1	5
Redefine existing jobs	10	6	3
Change recruitment strategy	0	6	7

There are a combination of factors affecting employment across the business sectors investigated in all three regions. Firstly, skills shortages exist because there are insufficient numbers of job seekers with the required skills. Secondly, recruitment difficulties are experienced because of the lack of appropriate applicants and employers have highlighted issues of poor communication skills and work ethic. Finally, skills gaps are experienced because employers are only able to recruit job seekers with some of the skills required and it has been suggested that the lack of practical and technical skills contributes to this. Consequently, in-house or on-the-job training of existing staff was the most common option used by employers to overcome hard-to-fill vacancies but extending recruitment was the most common solution identified to fill any shortage of skills experienced (McLaren, Maidment and Spoonley, 2004).

The range of outcomes, because of operating a business in the current climate, are highlighted by employers' comments below:

Reduce our business and minimise the number of employees. (Engineering - Toolmaking)

We write our new employee completely off for the first year and retrain them – otherwise we would have ongoing problems due to skill deficiencies. (Engineering - Automation)

We find our specialists in America and in England. New Zealand is not keeping up with our industry's needs. Five-to-ten years ago there were not enough people with computer skills for the film industry. Now we have more than we can employ, but not enough specialised people. (Film)

The effects of skills shortages in the building and construction industry have particular outcomes as the following comments from employers illustrate:

The shortage of skilled, willing workers is an ongoing problem in the concrete industry. There is a huge gap between our skills needs such as operating sensitive and expensive machinery and the training provided in NZ. The resulting extra costs for small business are tremendous. First, I have to train my staff myself to equip them with the necessary skills which costs me thousands of dollars per employee. Second, I have to turn away contracts because I don't have enough qualified staff. Third, skill-deficient workers can cause damage to the machines. I have a fear that we are going under, especially since there are no government subsidies for our training.

The type of crane manoeuvring we do requires extremely specialised skills which are hardly taught in New Zealand. Thus we have to train every single worker. This is very, very costly and hugely impacts on our business volume.

We often get employees with little technical ability and have to train them ourselves. Also, we take on apprentices to get some effectively trained people but this is very costly we can't actually afford apprentices any longer. It takes 12-18 months to teach them just the basic skills.

OTHER BARRIERS TO EMPLOYMENT

To give employers another opportunity to identify barriers to employment, this question was open-ended and the most common themes are summarised in the table below.

Table 10: **Some of the Barriers to Employment** (n= 363)

Barriers	Number of responses
Shortage/lack of skills	34
Local/NZ training/Education standards	34
Attitude/Personal Qualities	29
Not enough applicants	20
Work ethic in younger people	13
Training costs/availability	13
Lack of Gov't support for industry/small	12
Gov't employment laws/policies	12
Location	10
Work Ethic	9
Skilled NZers leaving the country	8
Unrealistic expectations	8
Low pay rates in industry	8
Financial constraints	7
Ability/willingness to learn	7
Low standard communication/literacy	7
Decline in business volume	7
Bureaucracy	5
Compliance costs	5
Fluctuating workload	5
TOTAL	253

Skills Shortage

The shortage of skills was seen as inhibiting business growth and this was an Auckland-wide problem.⁶ The shortage of applicants and lack of skilled job seekers, particularly since the abolition of the apprenticeship system, has forced employers to devise strategies to overcome this. One employer in the manufacturing industry is automating his systems. Another is changing the focus of his business. One manufacturer submitted that all the apprentices in his business were over forty years old and there was a shortage of apprentices coming through the system. He suggested that trades should be 'professionalised' (McLaren, Westbrooke and Spoonley, 2004) and the status of trades enhanced.

Education and Training

The low standard of education and more specifically the poor written and oral communication skills of school leavers were identified by employers as barriers to employing fully effective people. Lack of international standards contributed to this. One employer in hospitality

⁶In a 'preliminary results' publication examining job openings for Auckland regional residents in the eight years between 2003 and 2011, it was found that 12,093 trades workers would be required and 25,042 technicians and associated professionals (Economic Development Unit, Manukau City Council, 2004).

commented on the low entry level for certain courses and the lack of specialised training for the printing and tool making industries were mentioned. In addition, the costs of staff training were more than some small employers could afford (McLaren, Maidment and Spoonley, 2004).

Personal Qualities and Traits

Employers rated personal qualities and traits as one of the greatest barriers to gaining a proficient team of employees. The attitude of employees was most commonly mentioned and included reference to the so-called 'New Zealand attitude'. This was expressed by one employer in the manufacturing industry who commented, 'government handouts were demotivating to the self-development of people'. There was little incentive for employees to commit themselves to showing up to work on a regular basis and producing a high standard of work (McLaren, Maidment and Spoonley, 2004).

Government Regulations

Many employers believed that government policies were preventing smaller employers from increasing their staffing levels. One employer in the ICT industry suggested that current government policy made it difficult to employ staff so they are outsourcing to other countries where labour is cheaper. Another in ICT suggested the lack of government subsidised on-the-job training made it difficult for smaller employers to remain competitive internationally. Administrative costs prohibited employers spending money on training (McLaren, Maidment and Spoonley, 2004).

New government policies: we need to train people for a whole year before they can do their heavy truck licenses – that incurs high costs and it also costs us \$500 for the license. (Transport)

Other Barriers

Other issues raised were growing international competition and keeping up with technological advancement. In some instances, the nature of the enterprise or industry was seen as unattractive to job seekers and financial constraints, due to the small size of businesses, affected the affordability of in-house training.

First small businesses cannot compete against multi nationals and thus should receive government subsidies. Second, the government, IRD, ACC are leeching small businesses. We are penalised for employing, for example, apprentices – it is costly tax and ACC wise. It requires a lot of paperwork and is time consuming and the government rules and regulations are frustrating us. Third, the free trade agreement is fatal for small businesses and only beneficial to multi nationals. A lot of contracts go to China as the labour is cheaper. (Engineering)

Our skilled New Zealanders are leaving the country for better job prospects. (Film)

As long as education causes ridiculous student debt, there will be a shortage of skilled people in the health industry. (Health)

Our society needs to re-evaluate its attitudes towards manual labour and recognise the positive side of manual work – that does not only include tertiary institutions but also schools. (Engineering)

IMPORTANT SKILLS IN THE NEXT 2 TO 3 YEARS

To gauge the importance of certain skills for employers, we asked them which skills they thought might be most important in the next two to three years. This is summarised in Table 11. Over 50 percent commented on personal skills. This is followed by 38 percent citing technical or trade skills like design, remaining up to date with new technology and computer skills. This is interesting and again highlights the frustration many employers felt when employing staff.

Table 11: **Most Common Skills Perceived to be Important in the Next 2-3 Years (n=338)**

Skills	% of cases
Personal attitudes (including responsibility, honesty/integrity/reliability/commitment/ work ethic)	27.6
Communication skills (including language)	14.2
Practical skills/work experience	12.1
Ability/willingness to learn	9.8
Customer service/sales	9.5
Use/update of new technology/software	8.9
People Skills	8.6
Motivation/development	7.7
Technical skills	6.5
Computer/IT	6.5
Problem solving/lateral thinking	5.3
Numeracy/literacy	4.8
Teamwork/relationship building	4.7
Design skills	3.8
Management/supervisor/leadership skills	2.4

Several employers felt that many school leavers struggle with the essential competencies like general life skills, literacy, numeracy and oral communication skills. This is a common theme in the literature and Betcherman et al. (1998) typify this when they suggest that strong basic skills are an essential prerequisite for effective participation in the labour market and that these skills should be the first priority of all education systems. Many employers referred to the lack of adequate standards and the attitudes of job seekers. One employer suggested that attitude constituted 70 percent of what makes a good employee. The lack of perseverance and the 'laid back' nature of New Zealand culture was frequently mentioned in this regard and this was seen to be exacerbated by the ease with which benefits could be accessed leading to a lack of motivation to work (McLaren, Maidment and Spoonley, 2004).

MIGRANT EMPLOYEES

Many of the employers we interviewed, and the media coverage in general, suggests that migrants are increasingly relied on to fill skills gaps and shortages. The following tables outline the responses given by the employers in answer to the question how they would describe migrant employees in terms of their company needs. The tables are followed by some of the comments that were offered. Summarised in the discussion following these tables is the general attitude of employers towards migrant job seekers and employees.

Table 12: Positive Attributes

Theme	No.
More skilled or more suitably skilled than New Zealanders (also overqualified)	28
Migrants have a good work ethic	26
Migrants have a better quality of work and motivation	13
Company culture promotes diversity in skills and includes migrants	13
Migrants undertake work that is unattractive to New Zealanders	10
Prepared to invest in additional training for migrants to overcome language problems	8
Work visas a problem – want to employ migrants but can't get them into New Zealand	7
Migrants essential for skill shortage area	6
Essential to employ migrants due to language/skill diversity	2
No language problems experienced	1
Language problem overcome by employing various ethnic groups	1
Total	115

Most of the positive attributes identified in migrant employees related to levels of skill, the general work ethic and qualifications. Some of the comments made by employers surveyed are:

I prefer them to New Zealanders: they are loyal and keen to work and learn the needed skills.
(Construction - concrete)

The ones in my business have such good qualifications and skills. They are enthusiastic and motivated. They have such good personal qualities that far outweigh any language problems ... I wish NZ businesses and the government would recognise migrants' values and no longer discriminate against them. What have we New Zealanders got that gives us the right to feel so precious about ourselves and to put such little value on our workmates from other cultures I had a Chinese engineer for years and he was so perfect that it was a huge loss when he left.
(Construction - Ceilings)

My experience with migrant employees is definitely positive. Usually, their qualifications are higher – compared with New Zealanders – and also, they show a keenness to work which is something that appears to be chronically low in a number of New Zealanders. (Construction - Roading)

My experience is positive. I employ Chinese who are very conscientious workers and show good input. I also employ one Indian who is willing and keen to learn. Skill wise, they are substandard (they are trained in Asia) but their willingness to show up and learn counts a lot. Engineering - Machinery)

Manually, New Zealanders are very talented, also, they are creative. If it comes to design – and converting ideas into design people from overseas often who the better skills.
(Engineering -Marine)

There is a shortage of skilled people in New Zealand. We hire from Australia to fill our gaps and these people show advanced skills in some areas. Film making is a global industry and we find skilled people everywhere. (Film)

In the special effects area they are better qualified than New Zealanders. There simply is no training in this area that can match the US or European standards. (Film)

I can only refer to American and English employees who are above NZ standards skill wise. (Film)

Some of the very qualified people are not allowed to practice their skills due to NZQA regulations.
(Health)

A similar number of negative attitudes were identified by employers and are summarised below.

Table 13: **Negative Attributes**

Theme	No
Language is a barrier	78
Migrants have a bad work ethic – not suitable	11
Type of work doesn't attract migrant applicants	9
New Zealanders more willing to undertake work than migrants	6
Not financially viable to employ migrants, takes too long to train and maintain	4
Migrants not qualified enough for type of work required	3
Only employ New Zealanders	2
Total	113

Language as a barrier was mentioned most often as a problem facing employers and employees in the work environment. Comments on language skills included the requirement for verbal, written, reading and comprehension but the emphasis differed from industry to industry. Generally, a lack of language skills was highlighted as problematic in the areas of safety (ability to read and understand manuals), ability to follow instructions, customer service (sending the right product to the customer), and the time to train migrants (taking longer than the average English as first language speakers). The majority of negative comments were linked to the language barrier when respondents stated: “we use written manuals”, “they don't understand our customers”, “take too long to train” and therefore they deemed migrants unsuitable to consider for employment. In addition, some comments emphasised a problem associated with cross-cultural employment: “Chinese don't understand the holistic view of Maori” and “we prefer to look after our own first”, “unsuitable due to cultural differences”.

The following quotes are examples of other reservations employers had.

I have employed Chinese, Indians, South Africans. Often they claimed cross-qualifications but they didn't really have them – their paperwork was faked. Credentials can be bought. Thus, I am becoming sceptical toward [the employment of] migrants. Once bitten, twice shy. (Construction - Marine Engineering)

Migrant workers are on a different wave-length and do not understand New Zealand work cultures. (Engineering- Machinery)

Asians are not suitable for a European Café – they can't make coffee and should work in Asian restaurants because they are good at making Asian food. I walk out of cafes when I see Asians at the coffee machine. (Hospitality)

Table 14: **Ambivalence**

Theme	No
Migrants are suitable only in certain jobs	27
Only certain cultures are suitable to employ	21
Total	48

Forty-eight employers suggested that migrants were only suitable in certain jobs such as in unskilled roles, or certain cultures were preferred over others. These were generally from English-speaking countries. Many questioned the category of “migrants” and wanted differentiation of groups indicating that they perceived migrants to fall into distinct and separate groups. This was illustrated when respondents differentiated between certain cultures and indicated that some were more desirable than others. South African migrants featured more than any other as being desirable based on communication and technical skills. One respondent replied, “we don’t employ migrants, but I am one”.

Some comments related to the idea of matching skills with particular cultures. “Asians can’t make coffee (in cafes) they should work in Asian food places” and “migrants don’t have heavy vehicle licences”, “low skilled jobs are ok for migrants” and therefore migrants were seen as suitable for specific jobs for example, housekeeping or if a there is a technical background, but front desk, sales and customer service or liaison were not appropriate primarily due to the language barrier. Pacific peoples, one respondent commented, “were good for heavy and dirty jobs, unlike Asians”.

Table 15: **No Difference**

Theme	No.
No different – same selection and training criteria applied	103
Work ethic and skills the same as New Zealanders	11
Work ethic is not linked to ethnicity	11
Total	125

One-third of the employers submitted that they employed people on merit irrespective of ethnicity. However, the theme “no different” was often contradicted by the comment, but only in the instance that English language was good. Respondents replied that recruitment criteria were applied to all applicants and this usually included the requirement to speak and understand English well. Employers commented that they treated migrant applicants no different to any other applicant. Other skills listed included technical skills, attitude, suitably registered or holding a relevant licence to operate. Respondents often stated that they recruited on a “skill basis” rather than culture, but good English skills remained a pre-requisite.

Table 16: No Comment/Don't Know/Doesn't Apply

Theme	No.
No comment	60
Doesn't apply to our business/ don't know	14
No experience in employing migrants	19
Total	93

Several boat building respondents indicated that this question did not apply mainly because “migrants don't have the skills that we need for this industry”. Furthermore, the location of businesses, for example in Warkworth, did not attract migrants, but employers would employ them if they applied for jobs. These replies provide insight into the high rates of “doesn't apply” and “no comment” responses and perhaps this indicates that further investigation would reveal more about the recruitment criteria of these organisations. One respondent was desperately seeking migrant employees and could not attract them.

The issue of the recognition of migrants' qualification was raised several times by employers who were frustrated in their efforts to employ migrants. The quotes below highlight some of these issues:

The NZQA regulations – it is a shame how our migrant employees are undervalued and prevented from employment. They are keen workers but I can't employ them because their skills aren't cross-valued. (Construction - Ceilings)

We have good experiences with migrants. The problem is that there are keen and enthusiastic migrant workers but the apprenticeship board rejects them. They are asked to retrain in NZ in spite of sufficient levels of skills obtained elsewhere. (Construction - Plumbing)

My message to the government is be fair – accept our immigrants' qualifications, help them to improve their English skills, give them and us (businesses) a chance.

Given the shortages identified in this research, migrants provide an important labour source for employers struggling to find labour. The issues surrounding the labour market participation of migrants deserves more attention and the information here suggest that a number of issues (qualification recognition, language) need to be addressed for this labour to become a more attractive option (McLaren and Spoonley, 2005).

The final section of this report deals with issues around the provision of education and training and the preparation of job seekers for the world of work.

EDUCATION AND TRAINING PROVISION

This section was included to gain an insight into the attitudes of employers towards secondary school and post-compulsory education and training. Eighty-nine percent of the employers interviewed participated in some form of in-house or on-the-job education and training. This confirms, and corresponds with, the finding of the Business New Zealand Skill and Training Survey (2003) which found that 89 percent of respondent enterprises indicated that they were providing training for their employees. Furthermore, Business New Zealand reported that more than half of the respondents had increased the amount of training provided over the last 2 years and 95 percent of companies indicated that they were likely to offer training in the next year (http://www.dest.gov.au/ty/publications/employability_skills/final_report.pdf).

All the employers interviewed in the health care and film and television sectors provided employees with some form of training and all, except one, in construction, ICT, business and engineering. These results are shown in Table 17.

Table 17: **Employers' Participation in Education and Training** (n= 365)

	YES		NO		TOTAL
	No.	%	No.	%	No.
Hospitality/retail/tourism	73	88	10	12	83
Bio-business	12	80	3	20	15
Construction	41	98	1	2	42
Health/Care	27	100	0	0	27
Manufacturing (incl. plastics, boat building)	76	91	8	9	84
IT	27	96	1	4	28
Business	18	95	1	5	19
Electro-technology	17	89	2	11	19
Transport	15	79	4	21	19
Engineering	18	95	1	5	19
Film and TV	10	100	0	0	10
TOTAL	334		31		365

Table 18: Employers Awareness of Government Support in Training (n=336)

	YES		NO		TOTAL
	No.	%	No.	%	No.
Hospitality/retail/ tourism	19	25	56	75	75
Bio-business	1	7	14	93	15
Construction	9	24	29	76	38
Health/Care	11	44	14	56	25
Manufacturing (incl. plastics, boat building)	23	30	54	70	77
IT	4	14	24	86	28
Business	3	20	12	80	15
Electro-technology	5	33	10	67	15
Transport	10	53	9	47	19
Engineering	5	26	14	74	19
Film and TV	2	20	8	80	10
TOTAL	92		244		336

The above table indicates that almost three-quarters of the employers surveyed were unaware of government support for training employees across all the sectors surveyed. Only 7 percent of employers in the bio-business industry and 14 percent in ICT were aware of some form of government subsidised training. Transport (53 percent) and the health care (44 percent) sector employers interviewed were generally more aware of the government assistance available to them for upskilling their employees.

The following table has been included to illustrate employers' attitudes to education and training. To increase our understanding of current education and training provision, employers were asked to give some indication of the effectiveness of school, tertiary and other forms of training. The table below gives a breakdown of the number of responses for each form of training provision

Table 19: Employer Opinions on Education Provision

Education/ Training provider	Effective/ Relevant?	Hosp/retail/tourism	Bio-business	Construction	Health/care	Manufacturing incl. plastics, boat building	IT	Business	Electro technology	Transport	Engineering	Film & TV	TOTAL (no. of responses)
School (n=205)	Yes	9	3	4	0	18	2	4	0	5	1	0	46
	Yes, but...	21	4	7	3	15	11	8	1	5	1	0	76
	No	32	2	11	3	15	6	3	2	5	4	0	83
Polytech (n=261)	Yes	14	3	7	10	18	4	6	7	1	6	0	76
	Yes, but...	24	3	11	6	29	17	10	7	1	5	5	118
	No	18	3	13	5	12	2	0	4	1	5	4	67
University (n=193)	Yes	6	2	4	9	13	3	5	3	0	4	0	49
	Yes, but...	20	2	9	7	18	18	10	5	0	4	4	97
	No	13	4	8	4	6	2	0	1	1	3	5	47
ITO (n=187)	Yes	21	4	20	5	36	15	10	15	2	12	0	140
	Yes, but...	10	1	3	0	14	2	1	1	0	0	1	33
	No	6	1	0	1	4	0	0	1	0	0	1	14
PTE (n= 147)	Yes	29	5	18	15	25	10	8	9	6	10	4	139
	Yes, but...	1	1	0	0	2	0	0	0	0	0	0	4
	No	1	0	0	1	0	0	0	0	0	0	2	4
Inhouse (n=285)	Yes	49	10	32	18	65	20	14	17	13	15	6	272
	Yes, but...	5	0	0	0	3	0	1	0	0	0	9	9
	No	3	0	0	0	1	0	0	0	0	0	0	4

Data in this table are aggregated in Figure 6 below and show that only 22 percent of the employers who responded to this question felt that schools were preparing students adequately for the workforce compared to 37 percent who believe schools are preparing students for the workforce but have some reservations about the basic life skills and practical knowledge school leavers are entering the workforce with. On other hand, 40 percent of the employers interviewed did not find the curriculum adequate enough to prepare school leavers for the workforce.

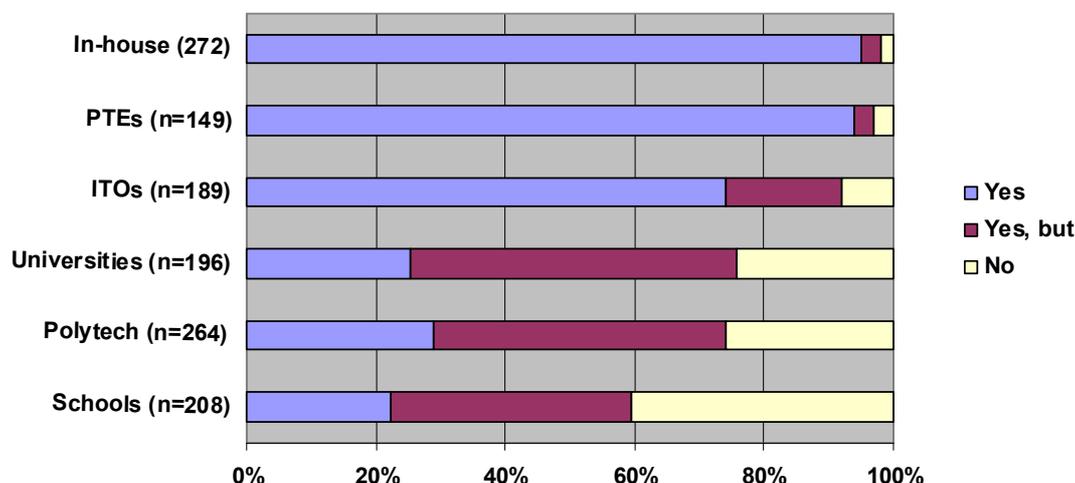
Employers had a somewhat different view in relation to the training provision of polytechs. Twenty-eight percent of the respondents indicated that polytechs provided adequate training compared with 25 percent who found polytech graduates were inadequately prepared for the labour force. The remainder had reservations about the practicality of the courses offered by

polytechs. These findings are similar to the comments made in relation to university training. One-quarter of the employers interviewed indicated that training is sufficient and an almost equal number (24 percent) that university education was inadequate in providing for the needs of employers. The remainder of the employers interviewed suggested that university training does provide adequate skills but that there are concerns in relation to the practical skills prospective employees enter the labour market with and that the training is often too theoretical. Several employers commented that both polytech and university education did not meet international standards.

On the other hand, employers found that the training provided by ITOs and PTEs was the most valuable and practical. For ITO training provision, 74 percent of employers who answered this question indicated that training was sufficient and 93 percent for PTEs.

Significantly, 95 percent of respondents indicated that in-house training provides the most satisfactory outcome compared with only 1.5 percent who indicated that this was an unsatisfactory option. For 3.3 percent of the employers interviewed, this option was satisfactory. However, there were some constraints in terms of implementation as some smaller companies do not have the time, resources or finances to consider this option.

Figure 6: **Employer Opinions on the Relevance/Efficacy of Education and Training Provision**



Not unexpectedly, employers felt that training and education providers were not always practical enough. One employer's response typified this. He suggested that for the development of effective training and education courses, institutions should be made aware of the requirements that businesses have. Many employers have developed their own in-house training schemes that work well once they have attracted the desired employees. A common response was around the inability of people to read and write properly, the low standard of education and the lack of preparation for the workforce. Several did acknowledge that education began in the home and many children were coming to school without having acquired basic personal skills (McLaren, Westbrook and Spoonley, 2004).

The following comments illustrate the views of the employers interviewed:

The educational institutes attitudes towards manual labour. A degree is not everything – we would rather employ technicians – skilled in their work- than an employee with a University degree but without practical intelligence.

There is such a lack of practical skills – the training system in NZ has been in a mess for years ever since the apprenticeship has been put on hold. That's why we provide our own training and have taken on apprentices in the past. But apprentices are quite costly and we can't afford them any longer since they are not subsidised.

In Australia we met with educational institutions. Here in NZ I miss this. Universities please establish a link with us and make training more attractive and effective.

No more lollipop courses – offer some which increase employment prospects

Table 20: Reasons for Inadequate School Education (n= 113)

	TOTAL
Life/personal/basic skills	25
Language skills/verbal comm./literacy	24
Attitude of applicants	17
Not practical enough/too theoretical	13
Lack of OTJ/work experience	12
Education can't cover all needs	8
NZ attitude	7
Inadequate training/not meeting standards	6
Other	16
Total	113

The table above indicates that employers hold schools at least partly responsible for providing students with basic life skills and attitudinal guidance (mentioned 42 times). This is followed by language and verbal communication skills. The quote below typifies responses received.

Get back to basics, do not rely on calculators and computers. (Plastics)

Table 21 gives a breakdown of the themes that emerged. The lack of technical and practical training as well as the often unacceptable attitude of applicants were some of the most common shortcomings observed. The standards of education were also questioned. The quotes below highlight some of these.

Table 21: Reasons for Inadequate Polytech Education (n= 150)

	TOTAL
Not practical enough/too theoretical	31
Attitude of applicants	22
Too general/broad, not specific enough	16
Lack of OTJ/work experience	16
Inadequate training/not meeting standards	16
Standards too low	11
Education can't cover all needs	10
Not meeting international standards	9
Other	19
Total	150

Please consult us regularly. You produce far too many sound engineers who cannot find jobs. This creates unemployment. People are wasting their money and their time and are disappointed in the end. (Film)

Certificate training up scaling/down scaling does not give employers much info about the person's skills. Often means the person has attended but has the person learnt anything? (Plastics)

I can't rely on their qualifications – what their qualification promises is not what they can do. (Boat Building)

I like to suggest that a certain percentage of the course marks should be based on attendance. This way the students would examine the importance of commitment and reliability. (Construction - Plumbing)

Put in an apprenticeship system with at least four years practical training in place. Lower the costs for education. (Boat Building)

I find that our trainees are not motivated – we invest in their training but they don't have the attitude. They don't want to be here and they drop out. We won't be taking on apprentices in the future. (Boat Building)

Table 22 : Reasons for Inadequate University Education (n= 102)

	TOTAL
Not practical enough/too theoretical	27
Attitude of applicants	20
Standards too low/Inadequate training	16
Lack of OTJ/work experience	10
Too general	7
Life/personal/basic skills	7
Other	15
Total	102

The shortcomings observed in university education are similar to the ones identified for polytech education and training. Once again, courses were not seen to be practical enough, standards were unacceptable and, in certain instances, did not meet international benchmarks and applicants often left university with unrealistic expectations.

The question of how best to invest in education and training, and to ensure that providers are responsive, is one that has been a policy concern internationally (see Wilson, 1995), and an issue which has been repeatedly mentioned and which locally has attracted very strong responses from employers. What is indisputable is the finding in these surveys is that on-the-job or in-house training is seen as effective in fulfilling employers' needs and that career pathways are best driven by a demand-led approach. Furthermore, in a recent study⁸, it was

⁸ This is a study funded by the Foundation for Research, Science and Technology (FRST) on pathways to sustainable employment which examines the impact of the increasing variability of employment pathways for both workers and employers.

found that young New Zealanders (aged 15-34) in receipt of in-house training (60 percent) were equally enthusiastic about this form of training. In the study referred to, a sample of 362 young people in full-time employment were asked about their level of satisfaction with the training they had received from their employers, and 92 percent described that training as either very or fairly satisfactory (Dupuis, Inkson and McLaren, 2005). This is confirmed in another recent study on employing young workers in Australia where it was found young people ranked job-related training as the most important workplace characteristics (Tresize-Brown, 2005).

CONCLUDING COMMENTS

Employers in these surveys experienced significant problems in filling vacancies across most occupational levels and this situation reflected the available information concerning the national skills shortages.

There was broad consensus that personal attributes (non-skill based behaviours and attitudes) are as important, if not more important, than technical or other job-specific skills. For maximum employability, key generic skills together with job-specific or relevant technical skills are required not only to gain employment but also for employees to achieve their potential in the workforce. In many instances, employers were dissatisfied with education and training provision because applicants lacked these skills. Similar issues have been identified in Australia. A project on employability skills for the future was undertaken by the Australian Chamber of Commerce and Business Council of Australia (2002) to identify an employability skills framework that would contribute to the thinking and curriculum development of the Australian education and training system (see also Smith and Comyn, 2003). Taking this further to encompass post compulsory education, an Employer Skills Survey undertaken by the University of Victoria (2003) demonstrated that employers have replaced 'creativity and innovation' with 'professional ethics' on a wish list for the top ten graduate attributes. The report concluded that academic performance alone is not sufficient – instead, it is the combination of skills that ensure employability. These are all issues raised by employers in our survey and require ongoing attention by all training and education providers.

Partly as a consequence of this, job-related training was found to be one of the most important forms of skill development for both employers and employees. For employers, this form of training was seen as a response to the skills shortage or the inadequate workplace skills of employees. For many, it addressed the gap left by what was perceived as inadequate education and training provision and was seen as most responsive to employer needs. In addition, it was very favourably rated by young employees in two separate studies. The second issue that emerged was the shortage of trade and technical skills. This is exacerbated by the status of the trades and the myth that trades training might be second-class, as well as the inadequate skills training (including apprenticeships) during the 1990s which is, in part, responsible for the skills shortages, particularly in the trades.

Migrants are increasingly relied on to fill the skills shortages. The Minister of Labour and Immigration, Paul Swain, says that the government hopes to address skills shortages by creating more industry training posts and the use of Modern Apprenticeships but that this will not solve the problem in the short-term so the Immigration Service is 'hatching plans to attract new migrants with skills in key areas' (**The Jobs Letter**, April 2005:3). This might not be enough to satisfy employer requirements. Several were frustrated by the lack of qualification recognition or the confusion surrounding such recognition as well as the lack of post-arrival support – particularly with English language skills. In addition, employers are competing for skills in a global market. Australia faces similar challenges but skilled workers in Australia earn, on average, 25 percent more than they would in New Zealand (**The Jobs Letter**, April 2005:3) making it a more attractive destination for skilled migrants. Given this environment, several of the employers interviewed suggested that support in terms of qualification recognition, English language training and other post-arrival initiatives that are more accessible to migrants and employers should be given more attention. According to Spoonley (2005), some of the issues and challenges to be addressed are: the underutilisation of immigrant skills sets or human

capital, employment discrimination, lack of adequate post-arrival policies, poor labour market matching and international competition for skilled migrants. Based on our findings, we would add to this list more streamlined and adequate processes for the recognition of qualifications.

The many challenges facing employers in the Auckland region, and New Zealand as a whole, have been raised by employers who took part in our three surveys. This is confirmed by the Department of Labour's survey (June 2005) which indicated that 39 percent of businesses are finding it hard to obtain the skills they needed for expansion and 26 percent of all businesses noted that their problems in finding labour were their biggest constraint to increasing output. In addition to the skills shortages and the effects of low unemployment, an ageing population, low birth rates and strong global competition for skilled people, the local councils and economic development agencies who contracted the research have highlighted the importance of matching opportunity and capacity in the regional labour markets as it is recognised that labour markets cannot be seen in isolation from the region as a whole.

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USEFUL WEBSITES

EDANZ, the economic development agency of New Zealand has identified some useful websites around information on skills and labour shortages in New Zealand (<http://www.edanz.org.nz>). These and others are listed below.

The Department of Labour has various useful websites:

www.dol.govt.nz/labour-market-reports.asp: The Department of Labour has obtained customised HLFS survey data by regional council area and these results are published in the Department's six monthly regional labour market reports.

<http://www.dol.govt.nz/skill-mkt-plan.asp>: This website provides information on the Skills Action Plan (SAP) launched by the Government in 2002 to better match people's skills to job opportunities and to assist people to make well-informed decisions about participating in, or providing, education and training.

<http://www.dol.govt.nz/linked-employee.asp>: This is the linked employer-employee database which is a joint project between the Department of Labour and Statistics NZ to develop a database which integrates data from different sources so that the same individuals are matched and different information about them is combined to gain new insights into their labour market behaviour and outcomes that cannot be answered from employee or employer surveys alone.

Other Government agency websites:

www.worksite.govt.nz: this is a web-based portal for labour market information.

www.workinsight.govt.nz: This is a six-monthly publication on skills and work, which supports the aim of helping match people and jobs. It contains updates on labour market trends, statistical information, personal profiles and references to further information. Its primary target audience is career advisers, Work and Income NZ work brokers, and other job market intermediaries.

Local Government and Agency websites:

www.enterprisewaitakere.co.nz: Economic Development agency serving the people and businesses of Waitakere City and the greater Auckland Region.

<http://www.enterprisens.org.nz>: Economic development agency for North Shore City.

<http://www.bizrodney.com>: Website of the Rodney Economic Development Trust.

Other useful websites:

www.anzbank.com/nz: The ANZ bank publishes a job advertisement series that measures the number of jobs advertised in the major daily newspapers and Internet sites covering Auckland, Wellington and Christchurch each month and provides a good indication of future labour market trends.

www.nationalbank.co.nz: The National Bank Survey of Business Opinion includes information on the employment intentions of employers. The information is available on a regional basis and provides a qualitative indication on the future labour market conditions in each region. The bank also publishes information on quarterly regional economic trends.

<http://lmd.massey.ac.nz>: This website has the Labour Market Dynamics Research Programme's publications that can be downloaded.