

## Skills shortage threatens the UK's thriving manufacturing industry

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British manufacturing is thriving, not declining, due to innovative strategies by companies, but is at risk of collapse due to a severe shortage of skills, a researcher from the University of Birmingham's School of Geography, Earth and Environmental Sciences announced today (Thursday 2nd September) at the Royal Geographical Society's (with IBG)'s annual conference.



British manufacturing is at risk of collapse due to a severe shortage of skills

Professor John Bryson, Chair of Enterprise and Economic Geography, stated in a talk to the RGS, that it is incorrect to hold the belief that British manufacturing is dead, in fact, it is flourishing due to survival strategies put in place by manufacturing companies. He also expressed the need for a new, modern definition of manufacturing.

According to the research, Britain is now producing more manufactured product than in 1966, when manufacturing employment was at its peak. The companies that are now the bedrock of British industry have transformed their businesses in order to mitigate the effects of globalisation and successful manufacturers based in low-cost economies, and have become producers of information-rich, design-intensive and high-value products.

The survival strategies include: production of customised and hybridised products that require close contact with the consumer and a 'cradle to grave' approach to servicing the customer's needs; developing skills and expertise that are difficult to replicate or transfer and production processes that are protected by patents and registered designs; an on-going process of product innovation; flexibility in responding to customers' requirements; and delivery times and nearness to market that enable British firms to respond rapidly to customer requirements.

However the successful firms are now concerned about the lack of high-tech skills in the labour market and some are even worried that their businesses may not survive into the next decade due to their inability to recruit employees with the right expertise.

Professor John Bryson said, 'Policy makers and government no longer understand British industry. Unfortunately manufacturing conjures up images of pollution, heavy engineering, and industrial decline, but this view is now outdated and anachronistic, and does not describe the new breed of British manufacturing companies that are constantly adapting and changing to the needs of the customer and finding innovative ways to improve their business and to stay in business. British manufacturing is thriving because many firms have transformed themselves to produce high-value, innovative products rather than trying to compete in the mass market on price with China and other countries.'

'British manufacturing is now about hybrid products, products that contain embedded services, products that require a constant dialogue with the customer, design-intensive products that have attachments with designated geographic locations and convey positive connotations of reputation and quality.'

'It is therefore extremely worrying that the UK has so many success stories in manufacturing and has such a solid base in modern manufacturing, but that there is a huge threat to the continued survival and competitiveness of British manufacturing. This threat involves hard-to-fill vacancies and skill shortages that will make it extremely difficult for firms to grow and in some cases even continue to survive as companies find it increasingly difficult to recruit commercially aware engineers and other forms of skilled labour.'

Professor Bryson maintained that the opportunity for specialised training, making manufacturing more appealing at GCSE and A level, and using a more up-to-date definition of manufacturing, would make it an attractive career option. He said, 'The UK does not place an emphasis on this particular type of expertise and it is not promoted as a long term career option as it is seen as low-skilled. The firms that need the skilled labour do not have the capacity to offer training as they are largely SMEs. These training schemes were offered by the large firms, which have subsequently relocated from the UK. Over the next five years there will be around 90,000 hard-to-fill manufacturing jobs in the West Midlands alone that could be filled by people with the right skills and expertise and around 650,000 in the mid west of America.'

Ends

Notes to Editors

1. John Bryson holds the Chair of Enterprise and Economic Geography at the School of Geography, Earth and Environmental Sciences at the University of Birmingham.
2. The paper is based upon research funded by EPSRC and the Research Council of Norway and is elaborated on in a major book that is being published by Routledge in December 2010 under the title: Design Economies and the Changing World Economy: Innovation, Production and Competitiveness.
3. Case studies from the research:
  - a) The oldest manufacturer of whistles in the world, Hudson's of Birmingham, whose Acme Thunderers have been blown by generations of referees, has a process of constant innovation and produces 1 to 3 new innovations (whistle designs) every year, competing successfully with Chinese producers.
  - b) The centre of British lock-making, Willenhall, in the West Midlands, still has a dozen very successful firms. They use local skills to concentrate on customised, high-value, high security products, while Chinese producers cater for the cheaper end of the market.
  - c) A firm in Birmingham's jewellery quarter recently employed a 75 year old, because there was no one younger with the skills to do the job required.

For further information

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