



The IET Engineering Management

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Talent from abroad
Plugging the UK skills gap

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Talent from abroad: can it plug the gap?

Skills shortages have changed the engineering marketplace and electrical engineering is no exception. Richard Spragg at international staffing specialist EPCglobal takes a close look at two overseas sources of talent long touted as solutions to the shortage, but finds they are only part of the answer.

Skills shortages remain the single most significant threat to project delivery across the engineering industry. It is generally accepted that the pull of the IT market on technically-minded talent in the 1990s reduced the current pool of professional engineers. There still aren't enough graduates coming into the industry to replace a population whose average age has continued to rise.

With skills in such short supply, the value of individual engineers increases significantly; they can dictate terms and pick and choose assignments, meaning market rates are at their mercy. We have what is known in recruitment terms as a 'candidate-driven market'.

Compounding this situation, massive investment in infrastructure and a corresponding demand for engineering talent has created an environment where employers fight more fiercely for each candidate. The electrical engineering sector has suffered from the greatest reduction in overall numbers, with a drop of almost two thirds during the early 1990s.

There can be no doubt that in the long term (10 years plus) resolving the problem requires a general increase in entrants to the industry. Here, the government must take a lead and there's evidence of an increased focus on the types of school and university-level subjects that produce engineers. Pay rates and career paths attractive to graduates

will also play a part, with the prospect of plenty of well-funded projects stretching far into the future to ensure their talents will be properly utilised.

Employers aren't as disposed to taking a strategic view when their priority is completing the next project. In the shorter term, therefore, (1-10 years) there is only a limited number of options, each with advantages and drawbacks. They include encouraging experienced professionals to work

PROBLEM: A SERIOUS SHORTAGE OF ENGINEERS IN THE UK

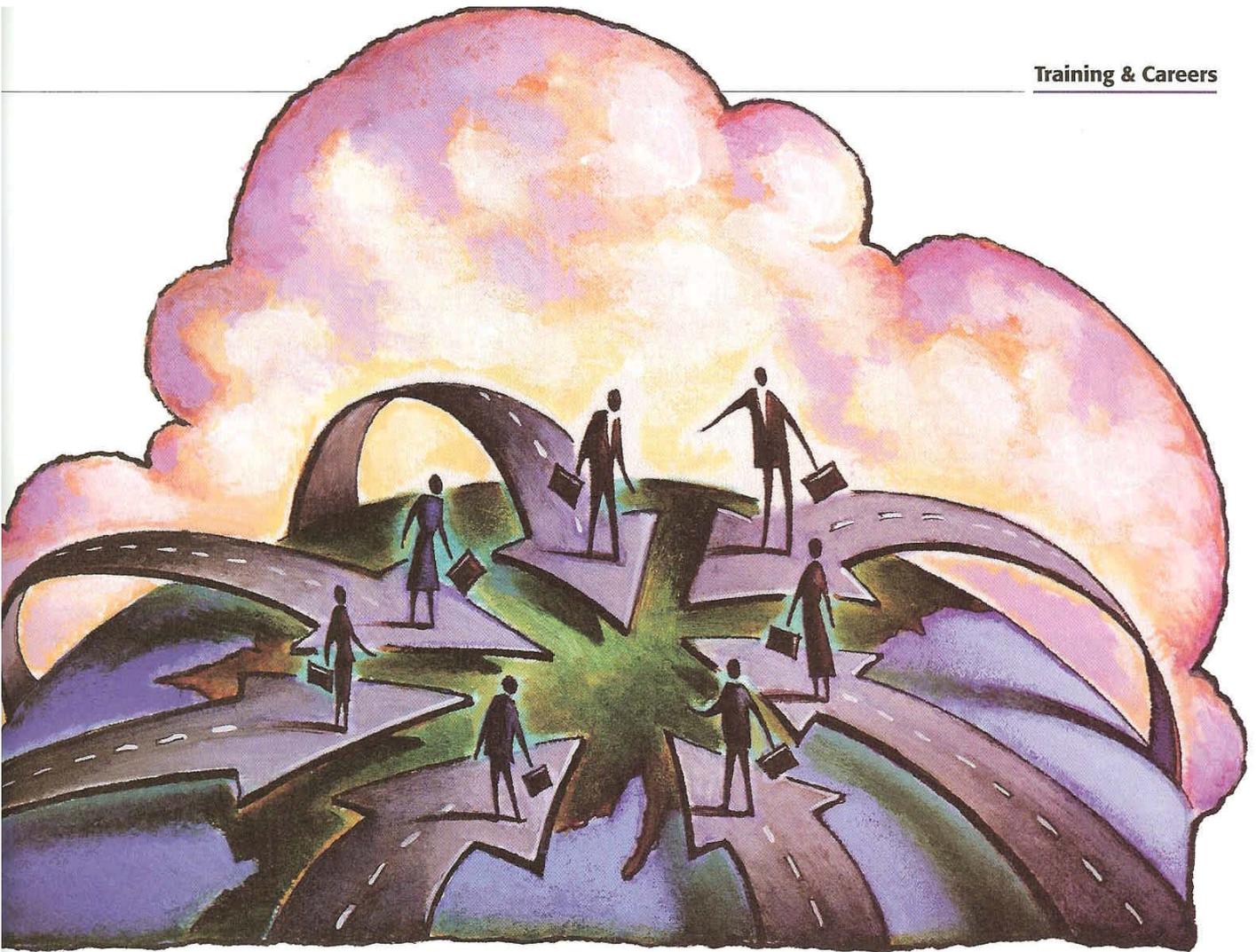
Short term solutions (1-10 years):

- Encourage experienced professionals to work for longer;
- Attract those with relevant skills from other industries;
- Bring people in from other locations, e.g. Eastern Europe, India.

Long term solutions (>10 years):

- Government support for engineering careers;
- Encourage students to take science subjects in schools;
- Attractive pay rates and career paths;
- Interesting and well-funded projects to work on.





for longer, attracting people with relevant skills from other industries, or bringing people in from other locations.

TALENT FROM ABROAD

Looking overseas to solve shortages in the UK is one of the most attractive short-term options. Below, we take a look at two very different sources of talent, with different applications – Eastern Europe and India.

EU accession states would on the surface appear to present the most opportunities and I spent three months last year in Poland, the Czech Republic and Hungary investigating bringing skills into the UK market for large clients who typically need multiple recruits with mechanical and electrical engineering backgrounds for oil and gas, and rail projects.

The trip to Eastern Europe revealed a different place to the one we might have expected, however: Employers looking to bring in professional engineers from this part of the world can expect to face several issues as they attempt to make the migration of Polish, Czech and Hungarian engineers viable.

A common misperception is that there is a vast resource of qualified engineers itching to move to the UK and an idyllic life that awaits them. This could not be further from the truth, for cultural and financial reasons.

Poland serves as a good example. There is certainly an extensive population of qualified and capable professional

engineers. It is a highly respected profession and technical language skills are strong, with English almost the standard. Furthermore, it's geographically close, which reduces upheaval for engineers making a move.

EUROPEAN FACTORS

The EU is therefore an attractive proposition for UK employers but financially speaking, while salaries are higher here, so are living expenses. A job with an American or British firm is not the pot of gold that we often assume it might be for an Eastern European engineer: We mistakenly assume we can compare the engineering community to other industries, particularly manufacturing.

For example, when a large client of EPCglobal's wanted welders and steel fixers, it was able to mobilise over 600 Polish contractors to a third country location in a matter of days. In the blue collar market, things are different. A welder can expect to make literally eight times his existing salary by working overseas for a foreign employer. In this atmosphere, workers are prepared to leave their employer overnight and accept employment the following day. All factors of inconvenience or upheaval are rendered irrelevant by the huge benefits attached to moving. The white collar end of the industry is very different and the earnings differential is not the same. The differential will also decrease further as markets move closer in the EU. →

Finally, loyalty is integral to Polish culture and it manifests itself both in general conventions and in law. Engineers tend to remain with the same company for long periods of time. Once an engineer has been with the same company for three years, their notice period moves to three months. With the industry dominated by large, previously nationalised companies, moving from company to company is not the done thing. Employment therefore resembles marriage, and separation is significant and not expected under normal circumstances. In a predominantly Catholic country, the family is also extremely important. Moving away from the family unit to work for long periods of time, though not by any means unheard of, is thought through very carefully.

In contrast, a British engineer in the UK can expect to sustain a good reputation while changing employer every two to three years. Provided individual projects are finished and reasonable care is shown for the short term effects of their departure, UK engineers could expect to leave and rejoin the same employer two or three times in the space of their career.

Attempting to recruit in this atmosphere has its challenges. Our three-month kick-off project taught us that methods of recruitment common to the UK market could not be replicated in Poland.

THE INDIAN PERSPECTIVE

EPCglobal's quest to find new sources of engineering talent has also recently taken us to India. A common myth is that Indians are actively seeking to work abroad. Whilst historically many Indian engineers have made their way overseas, we encountered a strong desire to remain in India where there are strong ties of culture and family.

There's no doubt that India has long had a wealth of technical talent. The difference is that there is now an active internal market that demands their skills more than ever. Wage differentials are reducing, and, while electrical engineering salaries are still 30% of UK-based salaries, wage inflation means that these salaries are rising at a level of 20-30% per year, significantly reducing the incentive to leave India.

WHY QUALIFIED FOREIGN ENGINEERS DON'T WANT TO MOVE TO THE UK:

- Family ties;
- Cultural ties;
- Loyalty to current employer;
- UK living expenses high;
- UK salaries not high enough;
- Loss of professional reputation if move jobs too often;
- Active internal market in own country (e.g. India).

“It's a common myth that Indians are actively seeking to work abroad”

We've come to understand that, if only for reasons of geography, India doesn't yet offer a substantial mobile workforce. Rather, we envisage significant (for example, planning) aspects of other national projects being outsourced as employers become more prepared to disperse them to lower-cost environments. Having an international recruitment strategy that holds water is particularly important during the bidding stage, where projects are won and lost. Applying this strategy to project planning to guarantee supply will be key to delivering successful projects.

SHORT TERM EFFECTS

In conclusion, we anticipate that Poland, the Czech Republic and Hungary, along with the newer entrants to the EU, will contribute in the short term to reducing the UK skills gap in engineering. How soon and how much will depend on the overall effort made by UK-based employers in reaching out to these markets and cultural changes in the markets themselves. Rewards are there for employers who are prepared to view recruiting in the region as a long term benefit rather than a quick fix. But be prepared for a slow start and significant expenses, especially as recruitment itself is not a significant industry there and it takes a while to gain trust and understanding.

Engineers in India and other developing nations will play an increasing role in various aspects of projects globally, but we should remember that many major projects are in the pipeline in these geographies, which should keep local talent occupied and even draw in engineers from the UK. The net effect will therefore be negligible.

It's more important than ever to encourage the government to prioritise engineering as a career path but, until the fruits of any initiatives are born, electrical engineers in the UK will continue to enjoy rising pay and the pick of projects for many years to come. Employers will have to become more imaginative in their resourcing if this fact of life is not to become a burden. ■

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