

Better jobs

The UK economy has been good at creating many new jobs over the last seven years. It has been successful at taking unemployment down substantially. One of the main aims now should be to promote higher skilled and better paid jobs. This is the essence of how to tackle the so called productivity problem.

It is normally easier to get from a job to a better paid job, than to get from unemployment into work. It is possible for many to work with their employer. Good companies have schemes to foster training and to help employees achieve qualifications. This usually leads in turn to promotion within the firm.

There are many skilled areas where the UK is recruiting where we could do with more skilled young people from our own Colleges. Various companies and industries complain of a shortage of good people with the right skills. Often they turn to inviting in people from overseas to fill the gaps. The UK economy has been great at generating jobs for new migrants as well as for people already settled here.

Raising employee productivity can take place in several ways. The company may just get better at selling service or product, and raise the amount supplied per worker through good sales combined with processes that allow the existing workforce to service some of the growth. The value of the company's output may rise for other reasons. When, for example, the oil price goes up the employees of the oil producers become more productive because the value they each produce rises. A company may introduce better product or service which commands a higher prices which also boosts productivity. A company may invest more capital in computing, automation or more modern process which can allow the same workforce to produce and sell more.

The UK has a great opportunity to replace more imports with domestic production given the improvement in our competitiveness in the last couple of years.