



UK Research
and Innovation

Equality, diversity and inclusion in UK Foundation Industries

Summary Findings: Age

Developed by



CONTEXT

Foundation industries are those sectors and sub-sectors of the economy that are principally concerned with the manufacture of core materials that supply other industrial firms. They play a crucial role in the economy, underpinning critical supply chains.

In the UK, there are approximately 7,000 businesses in the six foundation industry sectors included in this study (chemicals, cement, ceramics, glass, metal and paper), accounting for just over five percent of businesses in the manufacturing sector. In total, the foundation industries employ 253,825 people.

Research has shown that the foundation industries have faced a range of challenges since the financial crisis and more recently due to the COVID-19 pandemic. Some of these challenges relate to difficulties with staff recruitment and retention, as well as changing skills needs.

There is recognition that action needs to be taken to drive greater employee diversity, enabling firms to recruit from a wider and more socially representative labour pool. This will allow them to effectively respond to future demands including the net zero challenge.

THE RESEARCH

This study was undertaken by the Enterprise Research Centre (ERC) on behalf of UKRI to improve understanding of the age and gender diversity of the foundation industry workforce, and to consider potential actions for change and barriers to these.

The project involved three stages:

- A review of the existing literature and available data on diversity and the link with business performance.
- A telephone survey of 249 UK-based foundation industry businesses in Autumn 2020.
- In-depth interviews with senior managers in eight foundation industry businesses to provide a greater depth of understanding of diversity issues.

MAIN FINDINGS – AGE

The literature review reveals that diversity in the foundation industries is an under-researched topic, with only limited sector data available on the workforce profile and the trends that underpin it.

The telephone survey reveals a picture of an ageing workforce. Although the estimated proportion of the workforce that is under 25 years is in line with the economy average, over a quarter of foundation industry businesses have no employees in this age bracket.

A quarter of foundation industry businesses report that more than half of their employees are aged over 50 years. The proportion of employees over 50 years greatly outweighs those under 25 years in all sectors and across businesses of all sizes. The age of directors across foundation industry sectors is also skewed towards the over 50 years age bracket.

Foundation industry leaders acknowledge that the age balance within the workforce is not optimal and needs addressing. In some businesses and sectors, the pressure to replace skills that will soon be lost through retirement is also a concern looming on the horizon.

The study found many examples of businesses engaging with the education system to promote employment opportunities to young people. These activities are regarded as crucial to increase young people in the foundation industries. However, many efforts at engaging with the educational system are locally focused and lack scale. Capacity constraints, particularly in smaller companies, can be a barrier to engagement over time.

Many businesses are looking to the future, including moving to digitised production capabilities, adopting new technologies and processes underpinning the net zero transition, diversification into new product markets and increasing use of data analytics. Attracting younger workers into the industry is regarded as crucial to these transitions.

But meeting future skills needs is a concern for firms. Challenges in engaging on curriculum development were particularly highlighted as a concern that would result in current skills shortages in technical qualifications persisting into the future.

POLICY IMPLICATIONS

If the ageing workforce issues in the foundation industries are not tackled, businesses will suffer skill shortages and will be ill-equipped to deal with upcoming challenges and opportunities for growth, with significant knock-on effects to the wider economy. Firm-level efforts alone will not be sufficient to tackle these challenges in the timescales required.

Policy options to improve the representation of younger people in the sector include:

- Increasing networking and sharing of best practice between firms on attracting/recruiting young people.
- Supporting better engagement with skills and training providers to ensure the opportunities in the sector are made apparent to young people.
- Developing a coherent industry vision of the future that that embraces new technology makes clear there are opportunities for young people.

The next step in improving the representation of younger workers in the foundation industries is to identify the external inputs required to support firm-level action. New structures may also be required to facilitate effective engagement with the education sector. Making progress will be a long-term undertaking as perceptions and practices take time to shift, but the current economic circumstances offer an opportunity for change as consideration turns to the provision of new training and employment opportunities for young people who have been particularly hard hit by the COVID-19 pandemic. Presenting a new vision of the future of foundation industries, which focuses to a greater extent on technology and environmental credentials, could also make the sector more attractive to young people.



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This project was undertaken by Lee Hopley from the Enterprise Research Centre (ERC) on behalf of UKRI between February 2020 and April 2021 as firms were experiencing the impacts of the COVID-19 pandemic. The project focused primarily on the longer-term position of the foundation industries but took into account pandemic impacts.

This research was undertaken by the Enterprise Research Centre on behalf of UKRI in order to improve understanding of the age and gender diversity of the foundation industry workforce – metals, paper, chemicals, glass, ceramics and cement. The research comprised of a detailed literature review, a survey of 249 businesses in foundation industries undertaken by our research partners OMB Research Ltd, as well as a combined 8 in-depth qualitative interviews with businesses and key industry stakeholders to provide a greater depth of understanding of the issues affecting diversity.

We would like to thank all of the businesses who participated in the qualitative interviews, as well as those who contributed to the development of the wider research.