

Bottleneck Vacancies in Romania

Recruitment difficulties for manufacturing sector

Evidence from studies and reports indicates that the, the main bottlenecks appear within craft and related trades workers, plant and machine operators and assemblers, elementary occupations, service and sales workers.

Sectors with the highest rates of skill shortages or lack of labour are: manufacturing (textile and garments), construction, and hospitality. According to the interviewed stakeholders, there are acute shortages in all occupations in the healthcare sector.

Most bottlenecks have been persistent since 2008.

Labour and skill shortages—interconnected reasons for bottlenecks

The reasons underlying these bottlenecks are between skill shortages (approx. 33%), labour shortages (approx. 23%), poor or unattractive working conditions (approx. 14.1%) and movement of personnel within the same industry (approx. 12.1%).

Migration to other countries is reported as an important explanation for shortages within craft and related workers and in the health care sector. Difficulties experienced within plant and machinery operators and assemblers can be explained by a structurally high turnover rate, rather than by a chronic deficit.

As not all occupations in new industries, such as those based on investment in new technologies like wind and solar power, have been classified in Romania yet, there are few suppliers of training and educational programmes in these fields, leading to skill shortages.

Joint effort undertaken to cope with bottlenecks

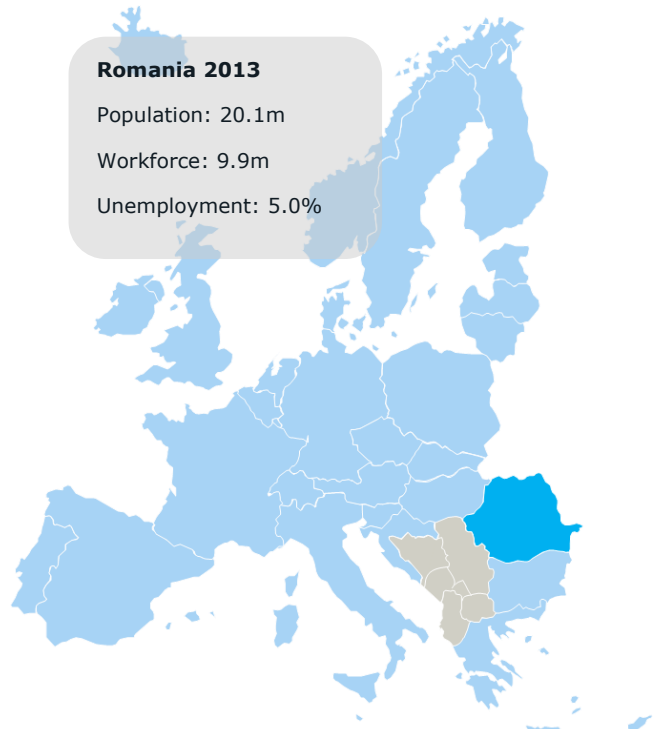
Numerous activities have been undertaken at by different stakeholders to cope with these shortages. At the national level, efforts are made to align the VET system to labour market demand. Local and regional employment agencies actively work with local employers in order to tailor the training courses for the unemployed to their needs.

In parallel, employers are increasing their efforts in recruitment by seeking help form employment agencies and specialised recruitment companies.

Assessment of available evidence



Medium. See page 5 for more information.



TOP 20 Bottleneck Vacancies in Romania 2013

Occupation (ISCO-08)*	Development since 2008
Garment and related trades workers	→
Building finishers	→
Painters, building structure cleaners	→
Textile products machine operators	↗
Printing trades workers	↗
Refuse workers	N/A
Physical/Engineering science technicians	↗
Wood treaters, cabinet-makers	N/A
Building frame and related trades workers	→
Manufacturing labourers	↗
Cooks, waiters, bartenders	→
Electrotechnology engineers	↗
Material-recording and transport clerks	N/A
Machinery mechanics and repairers	→
Food processing and related trades workers	N/A
Software developers and analysts	↘
Shop salespersons	→
Drivers and mobile plant operators	→
Building construction labourers	↗
Doctors / nurses / health care asst.	N/A

*Where an occupation has been identified on a more specific level than ISCO 4 digit, this is used. Page 1

Top 20 Bottleneck Vacancies

The top 20 bottleneck vacancies in Romania are identified and validated through the triangulation of data from sources such as national-level studies on the Romanian labour market, data from the National Employment Agency and a survey of companies, and ranked based on the ratio between the hard to fill vacancies and the total number of vacancies. Desk research and interviews allowed to explore in more detail some aspects of the identified bottlenecks.

Almost half (48.7%) of hard to fill vacancies require specific vocational education and more than a quarter (28.2%) require specific technical/ industrial high school education.

Many of the identified bottleneck vacancies such as these in manufacturing, (textile and garments), hotels and restaurant services, and construction require specific vocational training or technical school education and/or are characterized by high turnover rates and poor working conditions which ultimately lead to shortages of skilled personnel and high fluctuations.

Some emerging sectors such as ICT and renewable energies have also been reported to suffer from shortages. In the energy sector, in particular, significant investments in technologically advanced solar and wind power plants in the Southern and South Eastern part of the country have lead to a demand for skilled technicians and engineers, which the education systems are struggling to cope with.

Although there is no comprehensive evidence of recruitment difficulties in the public sector, (education; health and public administration), interviewees reported an acute lack of labour in the healthcare sector.

The difficulties encountered in filling certain positions translate into higher costs for employers, loss of productivity and competitiveness in these sectors.

Ranking of occupations corresponds to the percentage of vacancies open for more than 3 months compared to total vacancies. The absolute number of vacancies reported is also taken into account (see page 5).

Rank	Bottleneck Vacancies ISCO-08	Skills level (ISCO-08)	Geographical aspects
1	Garment and related trades workers	SM	National
2	Building finishers and related trades workers	SM	National
3	Painters, building structure cleaners and related trades workers	SM	National
4	Textile, fur and leather products machine operators	SM	National
5	Printing trades workers	SM	B; C;
6	Refuse workers	Elem	n/a
7	Physical and engineering science technicians	HS	V; N-V; S-E ; B
8	Wood treaters, cabinet-makers and related trades workers	SM	N-E; N-V
9	Building frame and related trades workers	SM	National
10	Manufacturing labourers	Elem	National
11	Cooks; Waiters; Bartenders	SNM	N-V; V; S-E
12	Electrotechnology engineers	HS	V; N-V; S-E
13	Material-recording and transport clerks	SNM	National
14	Machinery mechanics and repairers	SM	National
15	Food processing and related trades workers	SM	National
16	Software and applications developers and analysts	HS	B; C; V;
17	Shop salespersons	SNM	W; N-W; C;
18	Drivers and mobile plant operators	SM	National
19	Building construction labourers	Elem	National
20	Doctors / nurses / health care assistants	HS	National

Main sectors with Bottleneck Vacancies

Sectors	Bottleneck vacancies
Manufacturing (textile; garments)	Garment workers, Textile, fur and leather products machine operators
Construction	Building finishers workers, Painters, building structure cleaners
Health	Medical practitioners, Specialist nurses, Health care assistants
ICT	Software and application developers and analysts

The sectors identified as suffering from the most acute skills shortages or lack of labour are the textile manufacturing sector and the construction sector, both characterised by difficult working conditions and high labour fluctuations.

Important bottlenecks also appear in Health Care sector (across the whole spectrum of occupations) and the ICT sector, where bottlenecks mainly involve technical profiles such as software developers and analysts.

Bottlenecks in Growth Sectors

Within the health care sector, Romania is experiencing severe bottleneck problems for all occupations, ranging from health care assistance, to nurses and to doctors. While a sufficient number of professionals is qualified through the education system, the main problem resides in the inability of the public sector to offer attractive work conditions. As a consequence, health care professionals often move to other European countries where they can find better conditions and more competitive salaries.

In the ICT sector, the bottleneck problem has been mostly overcome through active measures to retain qualified workforce, particularly through incentives and tax breaks. These have been fairly successful in curbing the migration phenomenon in the sector and stimulated the creation of a software developer cluster. This in turn has raised the labour demand again, leading to bottlenecks.

Main reasons for Bottleneck Vacancies

A varied set of reasons underlies the presence of bottleneck vacancies

The reasons for the existence of bottleneck vacancies are diverse and fairly evenly split between lack of technical skills; lack of workplace competences and unwillingness to take on jobs in the sector due to unattractive conditions (insufficient salary or repetitive tasks).

Emigration

Emigration can explain the shortages experienced in Group 7 occupations. The fact that part of the workforce leaves the country results in both a labour and a skills shortage, as those remaining lack adequate qualifications. This is also the case for occupations in the health care sector, particularly doctors and nurses. For instance, although the VET system produces a high number of nurses, vacancies remain high as a considerable share leaves for other countries facing shortages of manpower in the health care which are able to provide better salaries and conditions.

Salary and working conditions

For those people who decide to stay in Romania, the low salaries and the unattractive working conditions characterizing many elementary occupations create a disincentive to take these jobs. Indeed, even though the average net salary has grown steadily in the past years, it still remains one of the lowest in the EU. On the other hand, employers are reluctant to increase compensation as cheap labour is one of the main competitive advantages of the production system.

Initiatives to cope with Bottleneck Vacancies

Initiatives aimed at filling bottleneck vacancies are numerous and involve a variety of actors. At the national level, a notable example of a mitigation strategy is the ESF-funded project *Aligning the educational offer of VET with the demands of the labour market* which aims at identifying the skills gap and ensure that VET programmes are able to generate sufficient skills to match the needs of employers by 2020.

At the regional and local level, public employment services are working closely with employers to develop appropriate training courses to cater to their needs. At the same time enterprises are increasingly seeking help from specialised recruitment agencies to fill the vacancies and some of them carry out internal training activities to align the skills of the workers to the changing needs.

Skills Strategies

Local and regional public employment services actively work with local employers in order to design appropriate training courses for the unemployed in order to ease their access to the labour market.

Traineeships are increasing in popularity and are considered as a good way of integrating the young into the active workforce.

Research in labour market needs

On the national level, research is being conducted to align VET to labour market demand and ensure that educational programmes adapt to the requirements of employers. This helps developing a more structured knowledge of the current situation and would inform policymaking.

Studies performed by the National Research Institute for Labour and Social Protection and co-funded by the ESF specifically assist this effort.

Wages

In order to prevent skilled workers, especially in the ICT sector, from leaving, tax breaks and incentives have been introduced. These have been fairly successful in curbing the migration phenomenon in the sector and stimulated the creation of a software developer cluster.

Along with active labour market measures, passive measures have been adopted, e.g. incentives for employers to hire potential employees

Recruitment and mobility

Employers are reported to increase their recruitment efforts by exploiting their personal networks and hiring specialised recruitment companies.

In order to facilitate the matching between demand and supply of labour, the national and local employment agencies organise job fairs. A specific job fair had been organised to promote construction jobs in Romania to (Romanian) workers in Spain and Italy.

Subsidies are offered to stimulate labour mobility for workers which have to change residence in order to accept employment: 1,922 persons have been assisted in 2012, out of which 554 moved more than 50km from their place of origin.

Main sources used to identify Bottleneck Vacancies in Romania

The Bottleneck Vacancies have been identified using four main sources:

- A company survey on labour demand performed between August and September 2011, as part of a larger effort to link the offer of vocational and technical education to labour market needs (1)
- A national-level analysis of the labour market dynamics (with a focus on the demand side) performed in 2008 (2)
- A comprehensive study which identified the past and current situation (in 2006) of the occupational structure of employment in Romania and significant changes in the content of some of the occupations on the market (3)
- Primary data put forward by the National employment agency (4)

The results from these sources have been compared, in order to validate the findings and elaborate on the specific characteristics of each bottleneck vacancy.

Furthermore, the reasons behind the identified bottlenecks have been explored through desk research on additional reports, studies, surveys and statistical data dealing with shortages in specific occupations and sectors (for example, an analysis of skilled labour shortages in construction funded by the ESF and published in 2010) and through interviews with key persons.

Two indicators have been used to conduct this study, namely: the ratio between the number of hard-to-fill vacancies to the number of vacancies and the rate between the number of vacancies unfilled for more than 3 months and the total reported volume. As the latter is based on quite outdated data (2006), the results were only used for investigating the historical trends in the occupations identified as bottlenecks in the more recent studies. To get to a more precise ranking, the information above has been complemented with primary data from the national employment agency on the exact number of vacancies reported by employers to the PES more than once over the first half of 2013.

The conclusions are based on representative samples, 3,836 firms in study (1) and 1,169 in study (2). Around 20,000 vacancies are reported more than once from a total number of 254,886.

One major limitation of these indicators is linked to the fact that they give disproportionate weight to high turnover sectors as they are based on the number of recorded difficulties. Labour intensive sectors may also be over-represented as they are more likely than high skilled sectors to report their vacancies to the PES. For this reason, qualitative data have also been used to investigate the dynamics in sectors like healthcare, energy and ICT which are characterized by smaller figures.

Sources

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