



UK COMMISSION FOR
EMPLOYMENT AND SKILLS

Employer Perspectives Survey 2014: UK Results

Executive Summary
November 2014

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Introduction

This report presents findings from the 2014 UK Commission Employer Perspectives Survey (EPS), the third biennial survey in this series. It provides insight into the thoughts and behaviour of over 18,000 employers across the UK as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need. Key areas covered in this report include: training; work experience; collaboration with schools, colleges and universities; Apprenticeships and recruitment, including of young and old people.

The EPS is carried out in alternate years with the Employer Skills Survey series (ESS), which is the definitive source of intelligence on employer skills needs in the UK. The two survey series have been designed to complement each other in providing a clear picture of the skills challenges faced by employers across the UK.

Methodology

The Employer Perspectives Survey 2014 was a large-scale, telephone-based survey of 18,059 establishments across all sectors of the economy (including the public and not for profit sectors) in England, Scotland, Wales and Northern Ireland.

The sample was designed and weighted to be representative of the UK employer population as a whole¹. Interviews were conducted at an establishment level, with the most senior person at the site with responsibility for human resources. In smaller establishments this was typically the owner or managing director or the branch manager, and in large establishments this was typically the human resources manager.

Coverage

The EPS provides insight into employers' perspectives on the skills system (both public and private). It covers: the channels they use to recruit; information on who provides their training; their level of engagement with Apprenticeships, vocational qualifications and National Occupational Standards; their involvement in work experience and wider collaboration with schools, colleges and universities and the nature of their own networks.

¹ Establishments in the UK with at least two people working at them (either as employees or working proprietors)

It is intended that this report be used alongside a number of other outputs from the survey. Data tables have been published with this report on the gov.uk website, and national toolkits will be released in early 2015.

Employer Perspectives on Recruitment

The proportion of employers recruiting has risen slightly since 2012. Around half of employers (49 per cent) recorded at least one vacancy in the 12 months preceding the survey compared to 48 per cent in 2012. By industry, Non-Market Services (68 per cent) and Trade, Accommodation and Transport (54 per cent) had the highest levels of recruitment. Recruitment activity was lower in Northern Ireland when compared with the rest of the UK.

Around three quarters of employers used free to use private recruitment channels such as word of mouth, their own website, internal notices or through other free websites. **Word of mouth continues to be the most commonly used private recruitment channel, used by 30 per cent of employers. Since 2012, there has been an increase in use of social media as a recruitment channel (from three to seven per cent), but this remains substantially less used than other more established 'private free' channels.** Just under four in 10 recruiting employers (38 per cent) had used free to use public channels such as Jobcentre Plus and government schemes and programmes.

Smaller employers were particularly likely to rely solely on private free channels, with almost half of small recruiting employers only using private free channels. Large employers on the other hand tend to use a greater range of recruitment channels. Recruiting employers in Northern Ireland demonstrated quite different patterns in their use of recruitment channels when compared to the other nations, driven in part by a higher use of the Jobs and Benefits Office/Jobcentre.

Relevant work experience was rated by two-thirds of recruiting employers (66 per cent) as being a critical or significant factor looked for in candidates. Core Maths and English skills followed next, rated as critical or significant by 57 per cent of recruiting employers. Around half of recruiting employers rated vocational and academic qualifications as critical or significant. Over time, the importance employers attach to both academic and vocational qualifications when recruiting has increased.

There has been an increase in the proportion of employers that had recruited a young person compared to 2012, but this was in line with an increase in recruitment generally. Word-of-mouth or personal recommendation persists as the most popular recruitment method for recruiting young people, and was used by just under a quarter of employers (23 per cent) who had recruited a young person in the last 12 months. Perhaps surprisingly, company websites are far less likely to be used to recruit young people (14 per cent) compared to all age-groups more generally (21 per cent). Social media was used by only 4 per cent of employers to recruit their last young person.

Overall, two-thirds of recruiting employers (66 per cent) had taken on someone under the age of 25 in the last 12 months (an increase from 62 per cent in 2012). The recruitment of young people was most common among employers in the Trade, Accommodation and Transport sector (almost three-quarters of employers in this sector had done so). On the other hand, three in 10 of recruiting employers had taken on someone aged 50 years or older (29 per cent).

Three in 10 employers had recruited education leavers into their first job in the last two to three years. On the whole these employers generally found them well prepared for work, with the level of preparedness increasing with the level of education. Over eight in ten employers found university graduates to be well prepared for work

Employer Perspectives on Work Experience

Approaching two-fifths (38 per cent) of employers had provided individuals with work placements, while 18 per cent had conducted ‘work inspiration’ activities with people in education (such as mock interviews, delivering talks and holding site visits for students). Overall, 44 per cent of employers were involved in one or other of these activities. The employers who offered work inspiration were not simply a sub-set of the larger group of employers who offered work placements. While 12 per cent offered both types of work experience, around a quarter of employers had taken individuals on to work placements but not conducted any work inspiration activities. **There is evidence that work experience is being used as a recruitment tool by employers, as 28 per cent of those that had provided a placement (11 per cent of all employers) said that they had done this to help with recruitment.**

Work placements were most commonly provided for people in education, although employers also offered internships, work trials and placements aimed at the unemployed. Employers in Northern Ireland were more likely than the rest of the UK to have used work placements, but less likely to have subsequently taken on individuals into long-term roles. There is considerable variation between sectors in the extent to which placements are offered. Typically, large establishments and those in the Non-Market Services sector were more likely to have used work placements, whilst the Construction and Manufacturing sectors were least likely to offer work placement opportunities.

Employers tended to offer work placements for altruistic reasons (such as wanting to give young people experience, or as a part of their corporate social responsibility policies). **However, the proportion citing reasons relating to corporate benefit has increased since 2012**, whilst the level citing altruism has decreased.

The vast majority of employers who were involved in work inspiration activities did not experience difficulties engaging with schools, colleges or universities. Eight per cent of those that had engaged with schools or colleges, and four per cent that had engaged with universities had faced difficulties. Employers in Health and Social Work were more likely to cite difficulties engaging with schools, as were Third Sector employers, when engaging with schools or colleges.

Employer Perspectives on People Development

The majority of UK employers train their staff (almost seven in ten). Amongst those that train, **internal training provision is more common** (58 per cent provide it), but a considerable proportion of employers use external providers to deliver their training (45 per cent). **Both types of training however have decreased since 2012**, internal training in particular (from 63 per cent in 2012 to 58 per cent in 2014).

There is an imbalance in the use of private and public providers for external training, with private providers much more likely to be used, and the gap is widening. Of employers that train, 60 per cent had used private providers compared to 15 per cent who had used public providers, such as FE Colleges or Universities and other HE institutions. Since 2012, the gap has increased with use of private provision increasing by five percentage points and use of public provision decreasing by four percentage points. Large employers and those in Construction and the Non-Market Services sector were the sub-groups where use of public provision has shown the largest percentage point decrease. The majority of employers using private training providers said that they funded all of that training themselves. However around a quarter (23 per cent) had received support with this funding. Around half of establishments who are using public training providers report that they are funding this training entirely.

Employers tend to make their training choices based on the *relevance* of provision: 65 per cent of those choosing public providers chose their provider because their course offering was relevant, as did 57 per cent of employers using private provision. Conversely, half of employers who opted for a private provider rather than a public one (49 per cent) did so because they felt that public providers did not offer relevant courses. This was less commonly given as the reason for not using private providers.

A quarter of establishments (26 per cent) offer training that is designed to lead to a vocational qualification, consistent with the 2012 survey. Most of these employers perceive benefits (both for themselves as employers and for the individuals who achieve the qualifications). However, **the barriers that prevent more employers providing training designed to lead to vocational qualifications most commonly relate to issues of supply,** such as the fact that they are perceived to be too complicated (reported by 21 per cent of employers who had not arranged or funded training designed to lead to a vocational qualification), and too bureaucratic (20 per cent) and/or to take too long to deliver (19 per cent).

Around one-sixth of employers (17 per cent) had worked with other employers to access, develop or share expertise on skills and training. The nature of these working relationships was equally likely to be formal or informal / ad hoc. Half of employers who had collaborated in this way (50 per cent) said they had benefited from sharing best practice with other firms. Employers in the Manufacturing sector were notably less likely than average to have worked in such a collaborative manner with other employers.

Employer Perspectives on Apprenticeships

Fifteen per cent of all employers in the UK offered formal Apprenticeships (following a framework and designed to lead to a nationally recognised qualification). Employers in England, large establishments and those in the Non-Market Services, Manufacturing and Construction sectors were more likely to offer formal Apprenticeships. **The proportion of employers offering formal Apprenticeships has increased since 2012 (from 13 per cent to 15 per cent).**

Half of establishments offering formal Apprenticeships offered them only to new recruits (50 per cent), just over four in 10 offered them to both new and existing staff (41 per cent) and eight per cent offered them only to existing staff.

The Apprenticeships offered appear to be of variable quality, taking typical length and number of hours per week away from job role to train, study or meet their supervisor as indicators of quality. **Twelve per cent of employers offered short duration Apprenticeships lasting less than 12 months.** These short duration Apprenticeships were more common among establishments of five or more employees, as well as those in the Trade, Accommodation and Transport sector and the Non-Market Services sector. In addition, despite the majority of those employers offering Apprenticeships (96 per cent) provided formal training (either in the form of training delivered by a training provider, or delivered by the employer in-house), the amount of time spent training varied considerably. **Apprentices typically spent an average of seven hours per week on activities that are not part of their job role (such as training, studying, or meeting with their supervisor) but a quarter of employers (26 per cent) said that their apprentices spent less than 3 hours on these activities per week.**

There remains significant desire among employers not currently engaged in Apprenticeships to offer them in the future (24 per cent), while the vast majority of those currently engaged in formal Apprenticeships (88 per cent) planned to continue offering them in the future. Overall, a third of all employers in the UK (34 per cent) said that they plan to offer formal Apprenticeships in the future.

Executive Summaries present the key findings of the research produced by the UK Commission for Employment and Skills. More detailed analytical results are presented in Evidence Reports.

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