

# Employer Skills Survey 2017

**England slide pack**

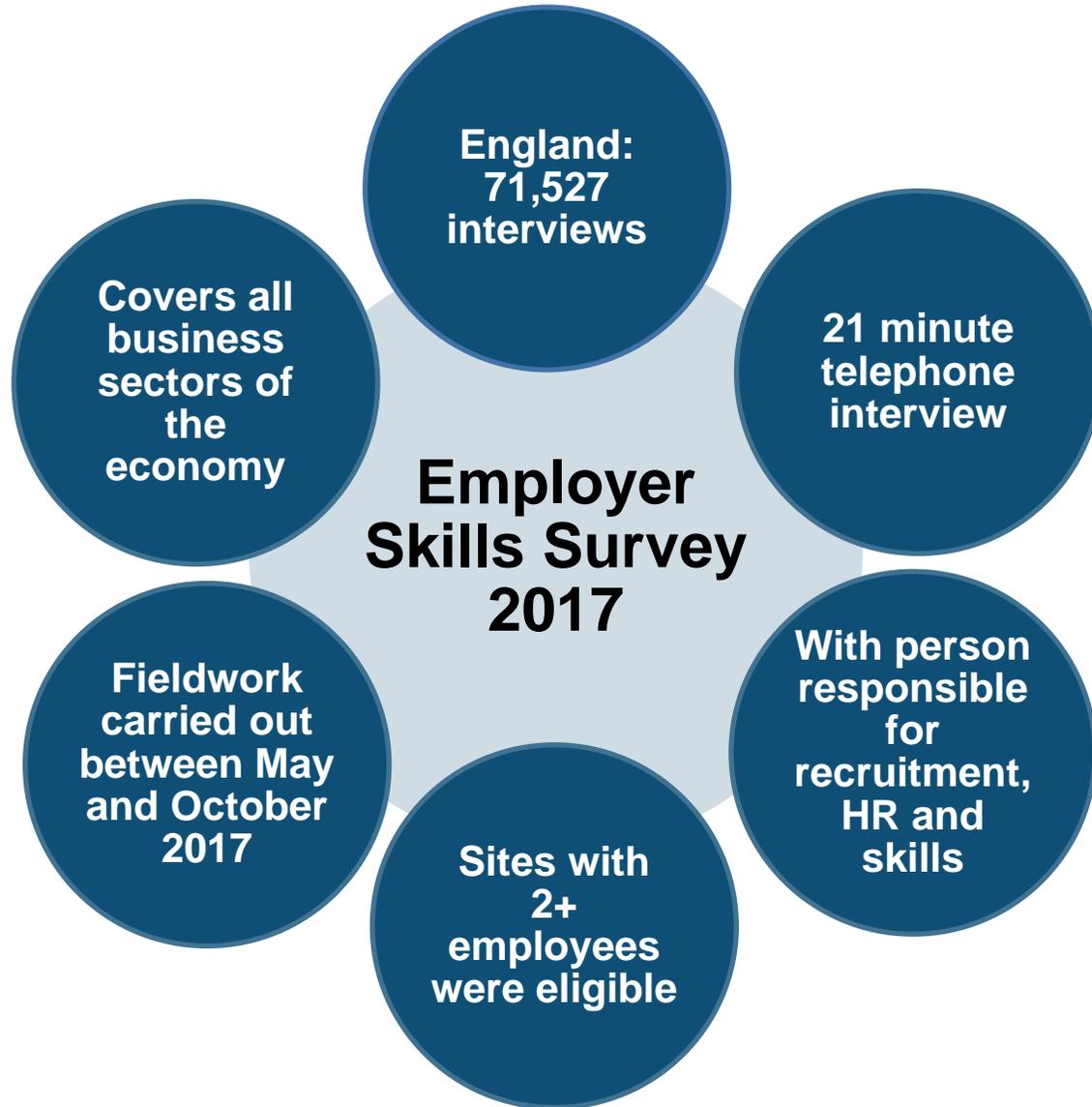


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# Introduction



## Questionnaire Coverage

- **This is the fourth survey in this biennial series.**
- **The study focused on the following areas:**
  - Recruitment and skill-shortage vacancies
  - Skills gaps in the existing workforce
  - Skills underutilisation
  - Upskilling - the need for staff to acquire new skills or knowledge
  - Training and workforce development
  - High Performance Working practices

# Achieved interviews

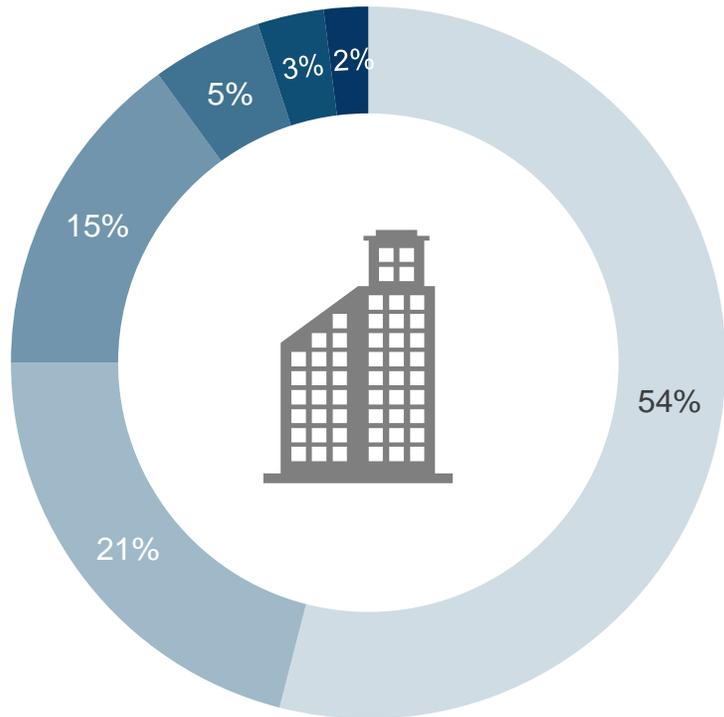
	Population	Number of interviews
England	1,602,000	71,527
<b>By region</b>		
East Midlands	131,000	6,801
East of England	181,000	8,111
London	290,000	10,269
North East	61,000	5,195
North West	191,000	8,263
South East	274,000	10,155
South West	177,000	7,992
West Midlands	154,000	7,483
Yorkshire and The Humber	144,000	7,258

By sector	Population	Number of interviews
Primary Sector & Utilities	60,000	3,761
Manufacturing	38,000	5,498
Construction	106,000	5,622
Wholesale & Retail	152,000	11,841
Hotels & restaurants	58,000	6,917
Transport & Storage	23,000	3,317
Information & Communications	54,000	3,436
Financial Services	15,000	2,195
Business Services	239,000	11,582
Public Administration	3,000	859
Education	10,000	4,516
Health & social work	34,000	6,315
Arts & Other Services	71,000	5,668

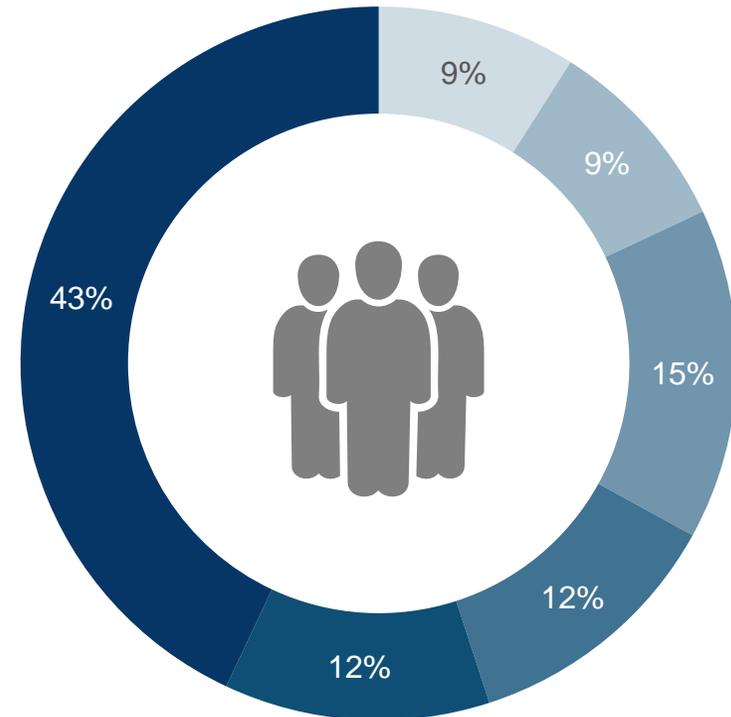
All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is less than one percentage point at the overall level and typically between one and three percentage points across the region and sector sub-groups.

# Survey population: size of establishment

% of all establishments

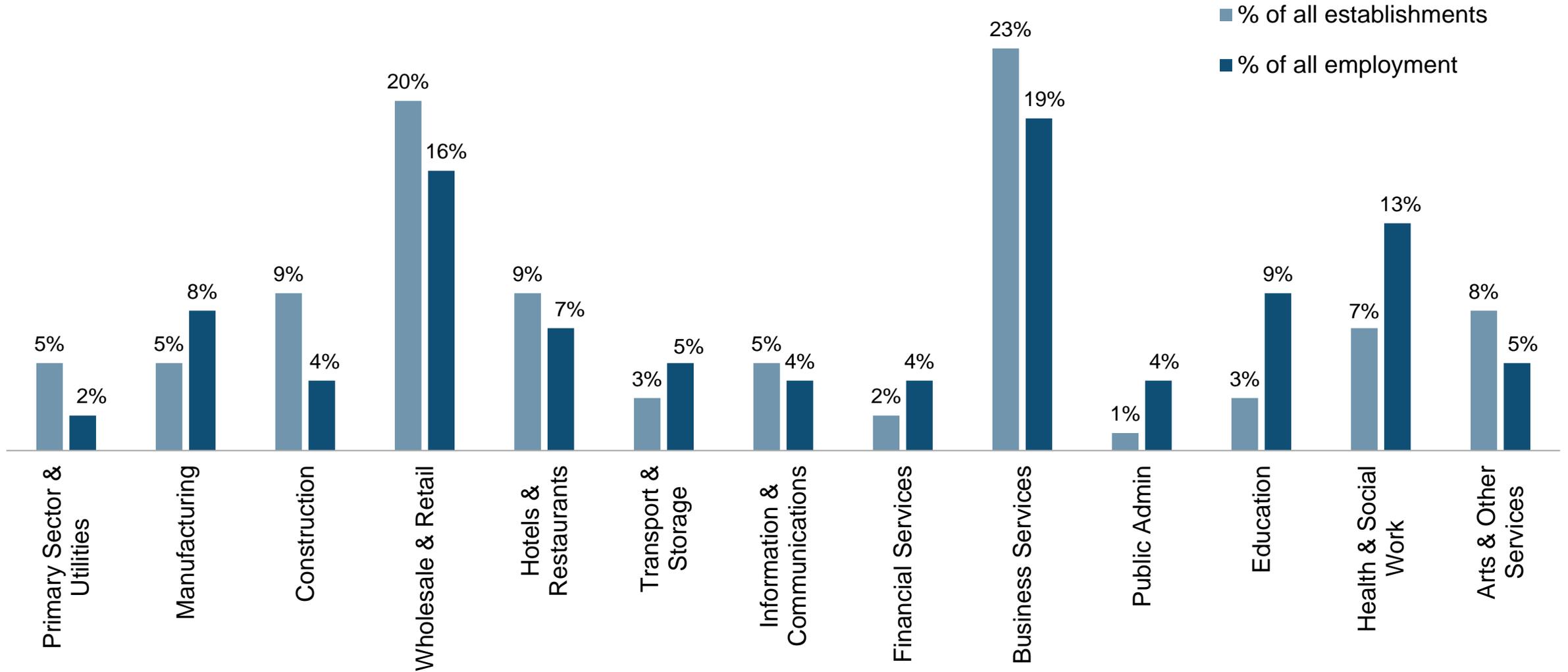


% of all employment



■ 2 to 4 employees ■ 5 to 9 ■ 10 to 24 ■ 25 to 49 ■ 50 to 99 ■ 100+

# Survey population: sector



# Key definitions

## Establishment base

Proportions are based on the number of establishments, defined here as a single location of an organisation, where at least two people work.

## Employment base

Proportions are based on the total number of employees and working proprietors across establishments.

## Vacancies

## Skill-shortage vacancies

## Skills gaps

## Under-utilisation

### Incidence

Proportion of establishments reporting at least one vacancy

Proportion of establishments reporting at least one skill-shortage vacancy  
(i.e. vacancies which are reported to be hard-to-fill because applicants lack relevant skills, qualifications or experience)

Proportion of establishments with at least one employee deemed by their employer to be not fully proficient in their role

Proportion of establishments with at least one employee with skills **and** qualifications more advanced than required for their current job role

### Density

Vacancies as a proportion of all employment

Skill-shortage vacancies as a proportion of all vacancies

The number of staff reported as not fully proficient as a proportion of all employment

The proportion of all staff with skills **and** qualifications more advanced than required for their current job role

# Recruitment and skill-shortage vacancies



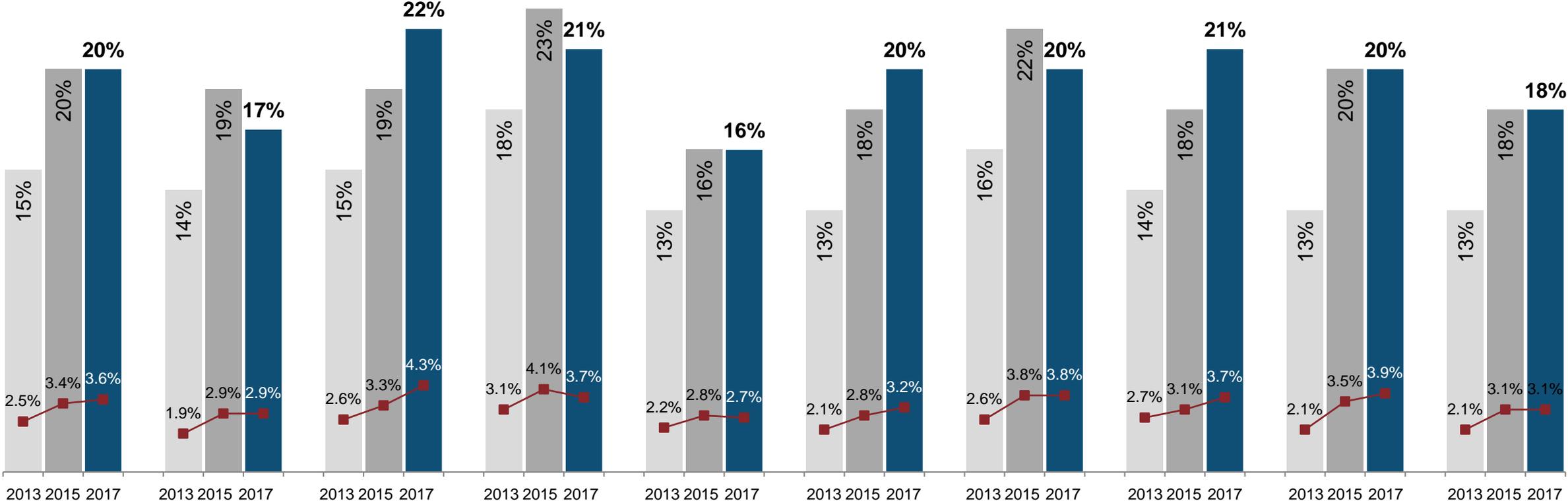
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# Incidence and density of vacancies by region

■ Incidence of vacancies    ■ Density (vacancies as % of employment)



**England**    **East Midlands**    **East of England**    **London**    **North East**    **North West**    **South East**    **South West**    **West Midlands**    **Yorkshire and The Humber**

873,000	57,000	110,000	175,000	27,000	101,000	150,000	87,000	94,000	71,000
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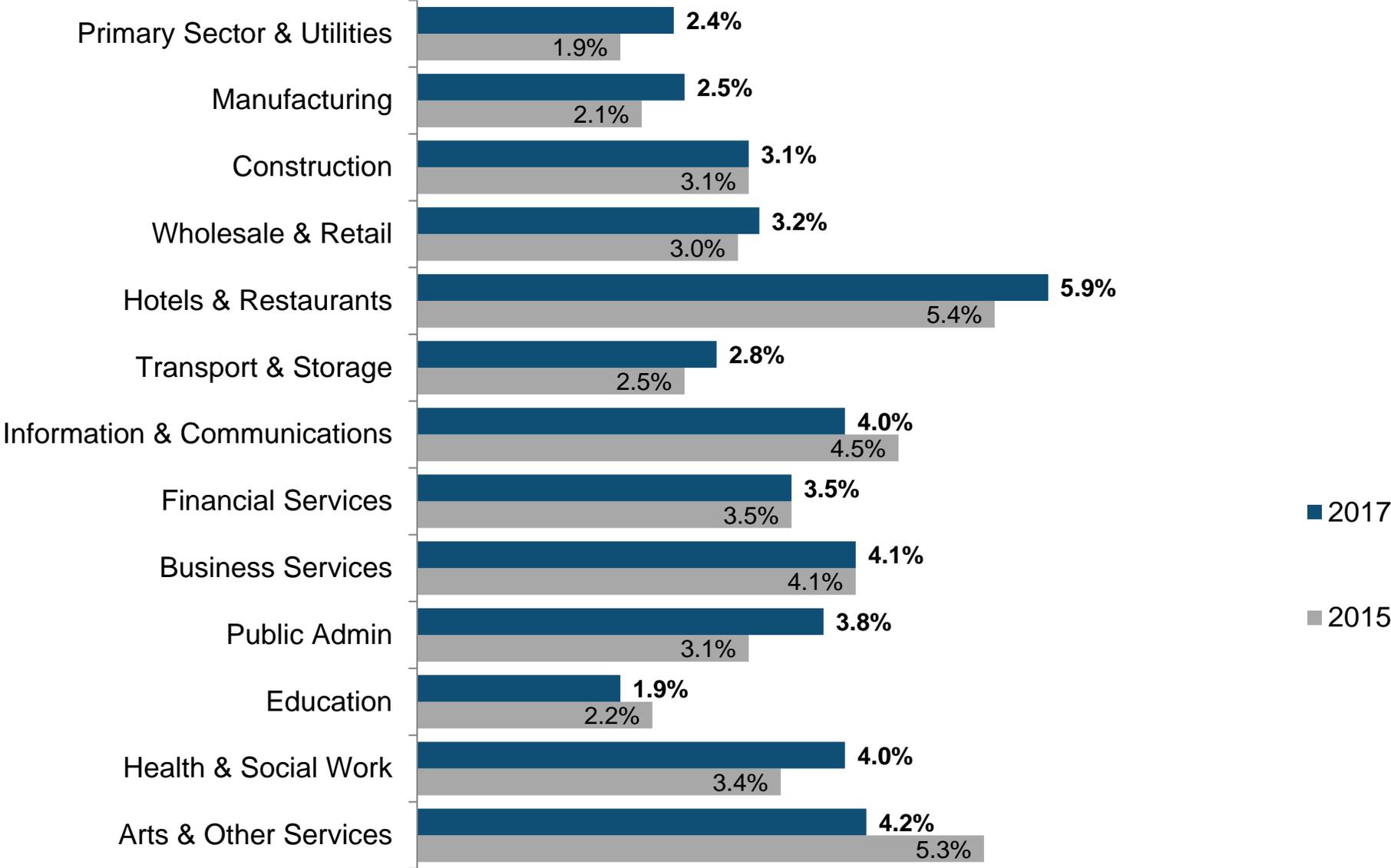
Number of reported vacancies (2017)

Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

# Density of vacancies by sector

Number of reported vacancies (2017)

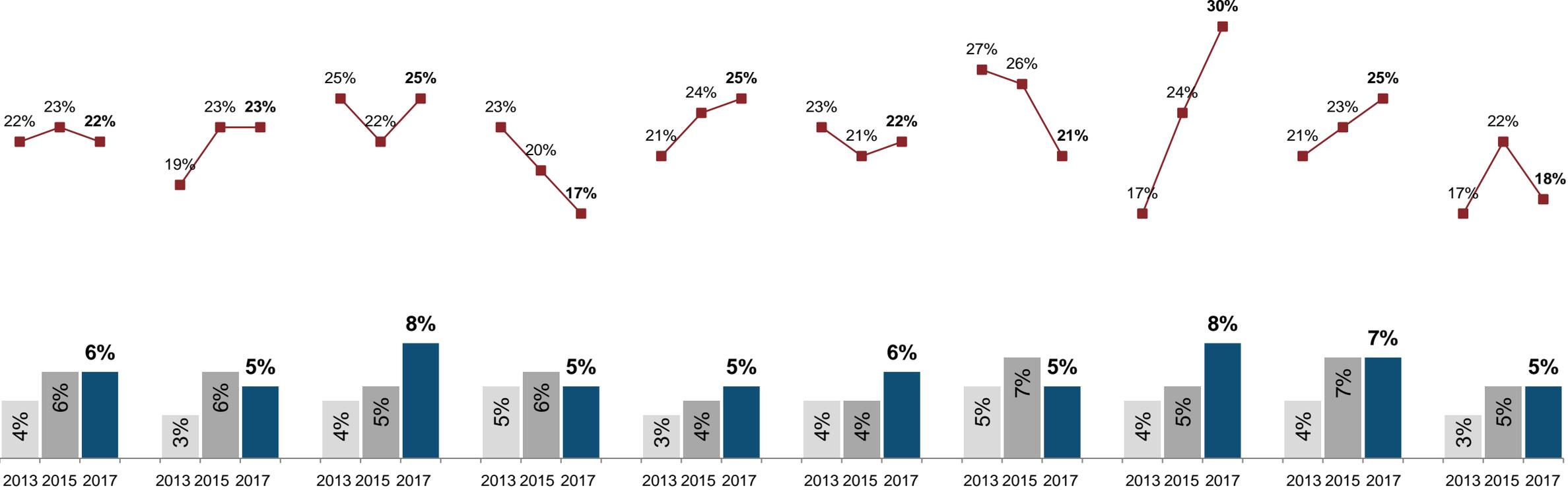
14,000
49,000
31,000
125,000
106,000
33,000
37,000
30,000
192,000
39,000
42,000
127,000
48,000



Base: All establishments (2017 base sizes range from 859 in Public Admin. to 11,841 in Wholesale and Retail)

# Incidence and density of skill-shortage vacancies by region

■ ■ ■ Incidence of skill-shortage vacancies (SSVs)    ■—■ Density (SSVs as % of vacancies)



194,000	13,000	28,000	30,000	7,000	22,000	31,000	26,000	24,000	14,000
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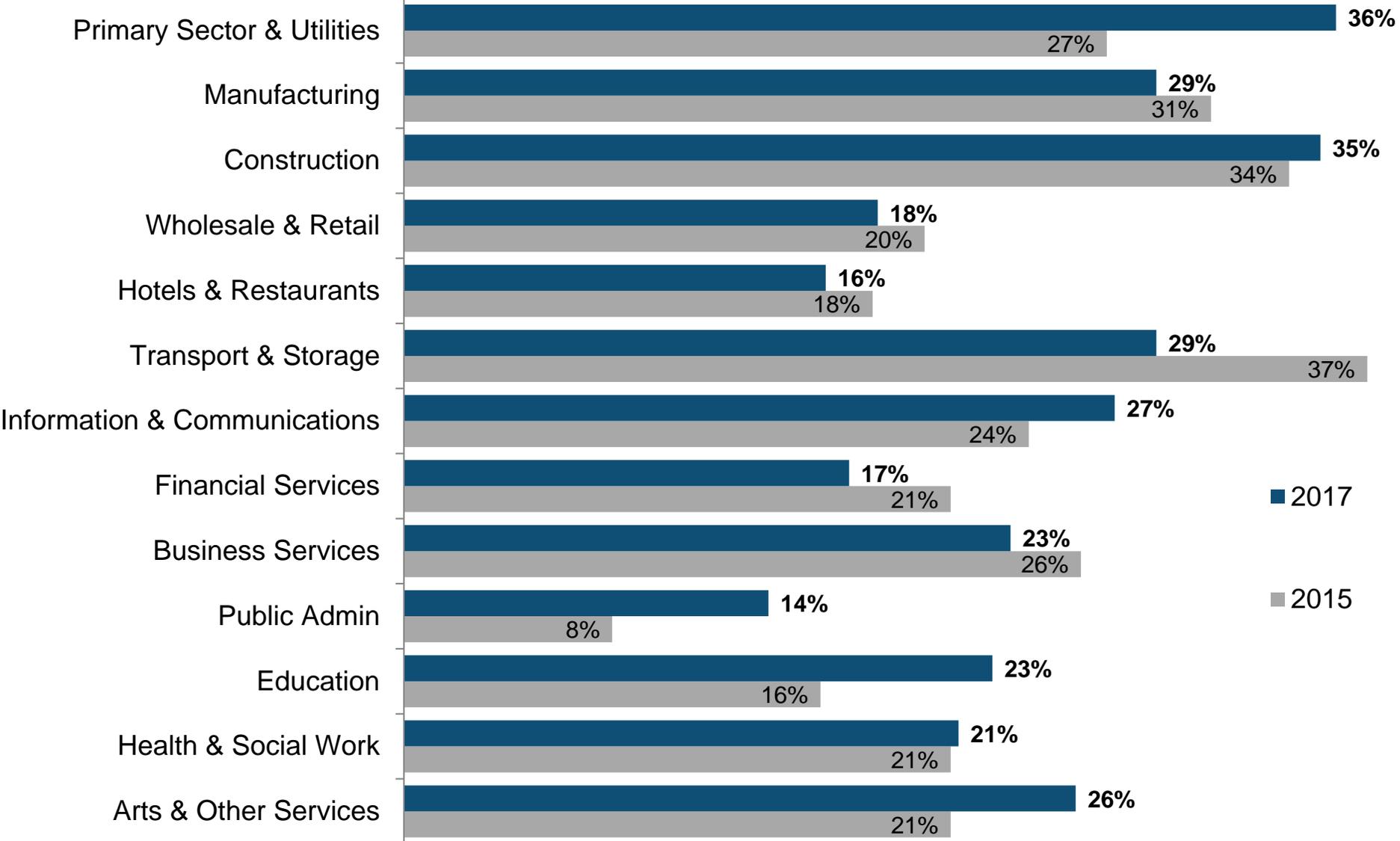
Number of skill-shortage vacancies (2017)

Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

# Density of skill-shortage vacancies by sector

Number of skill-shortage vacancies (2017)

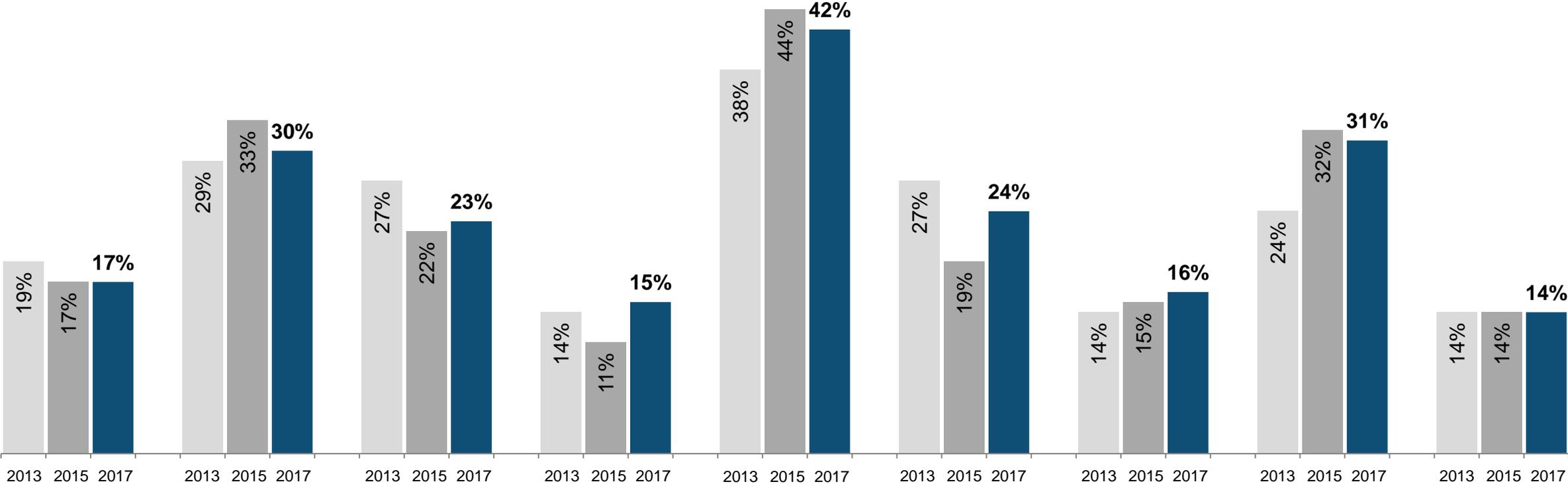
5,000
14,000
11,000
23,000
17,000
9,000
10,000
5,000
45,000
5,000
10,000
27,000
12,000



Base: All establishments with vacancies (2017 base sizes range from 264 in Public Admin. to 3,417 in Business Services)

# Density of skill-shortage vacancies by occupation

■ ■ ■ Density of skill-shortage vacancies (SSVs)

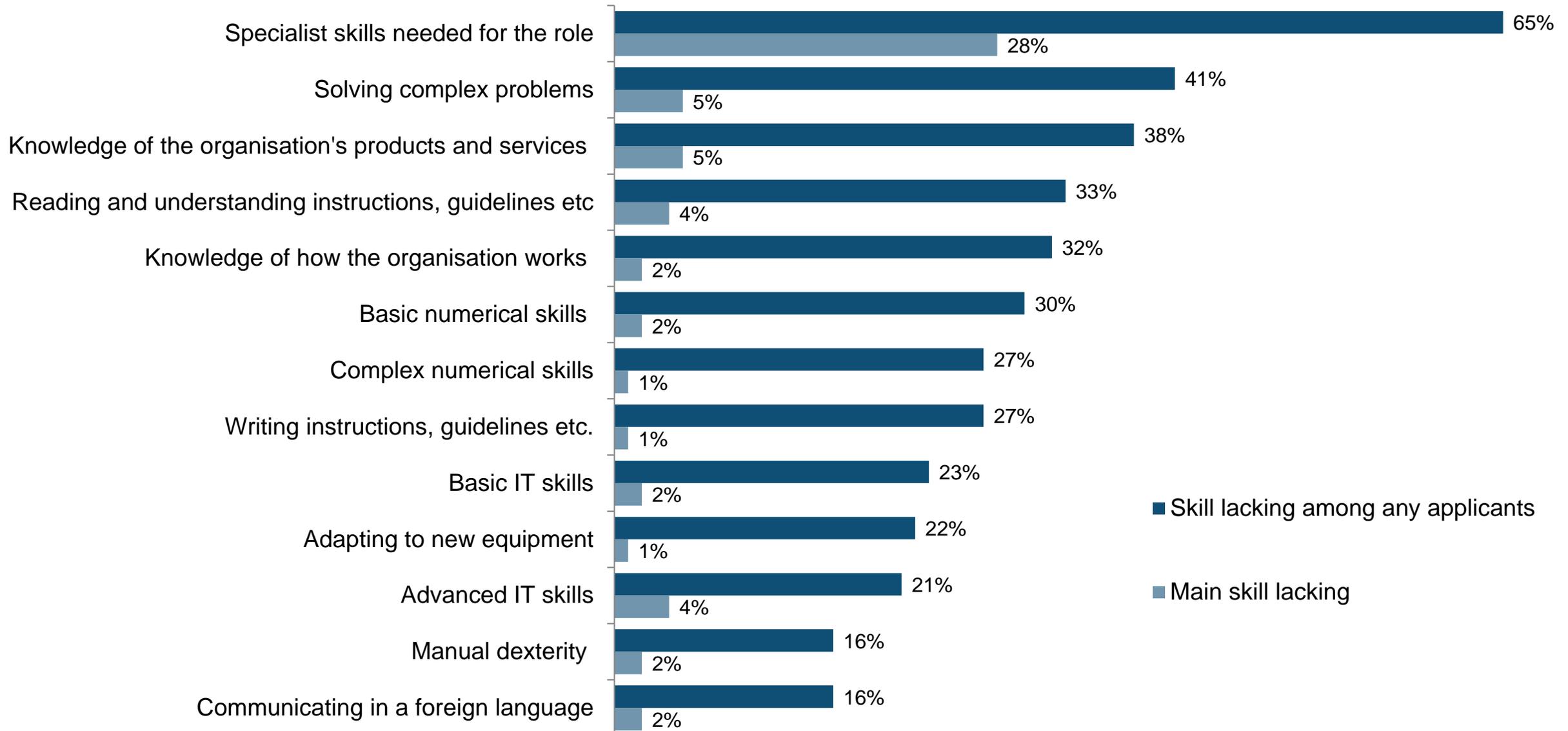


Managers	Professionals	Associate Professionals	Admin. and Clerical	Skilled Trades	Caring, Leisure, Other Services	Sales and Customer Service	Machine Operatives	Elementary
4,000	34,000	30,000	10,000	34,000	25,000	17,000	16,000	19,000

Number of skill-shortage vacancies (2017)

Base: All establishments with vacancies in the given occupations (2017 base sizes range from 1,641 for Machine Operatives to 4,093 for Elementary)

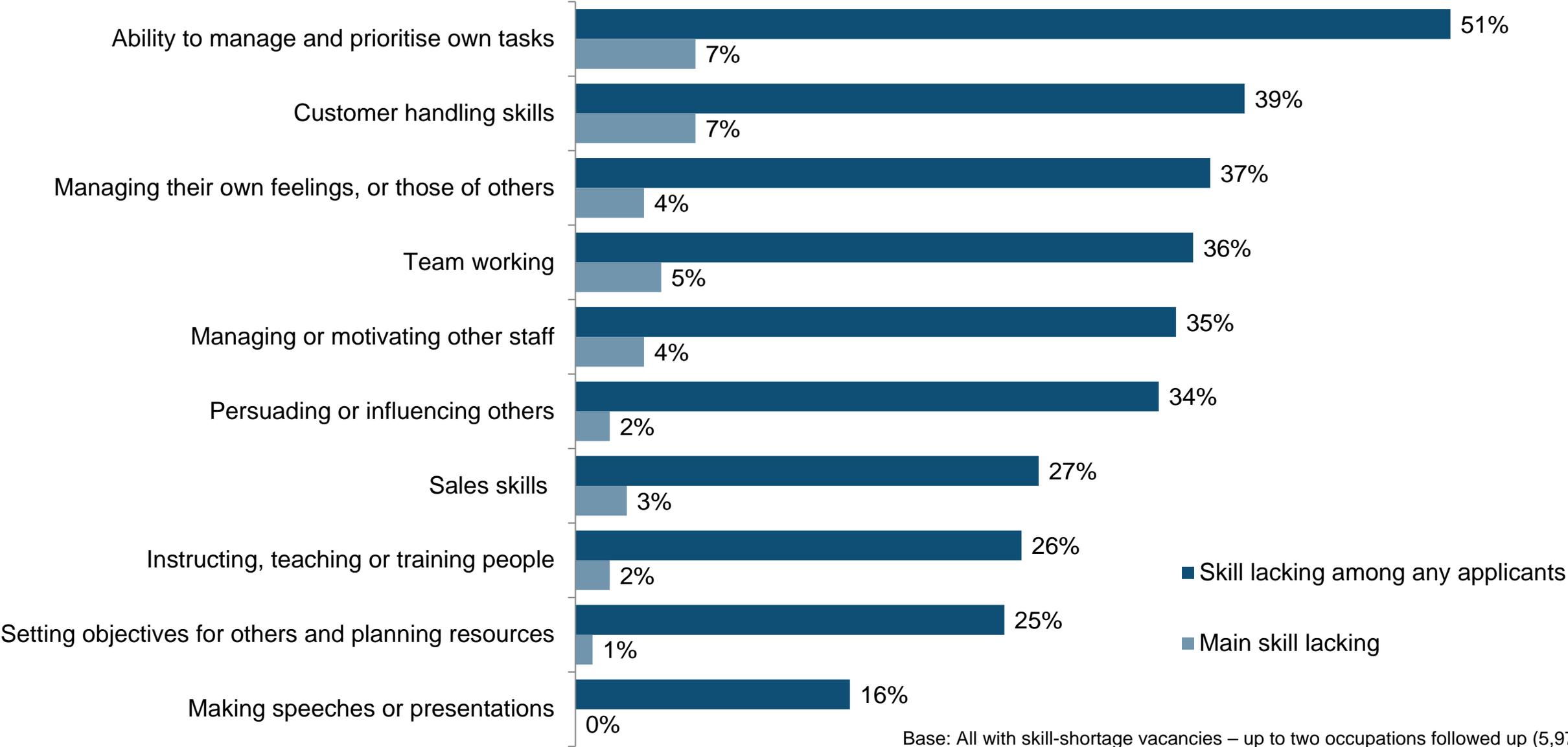
# Technical and practical skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (5,975)

Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

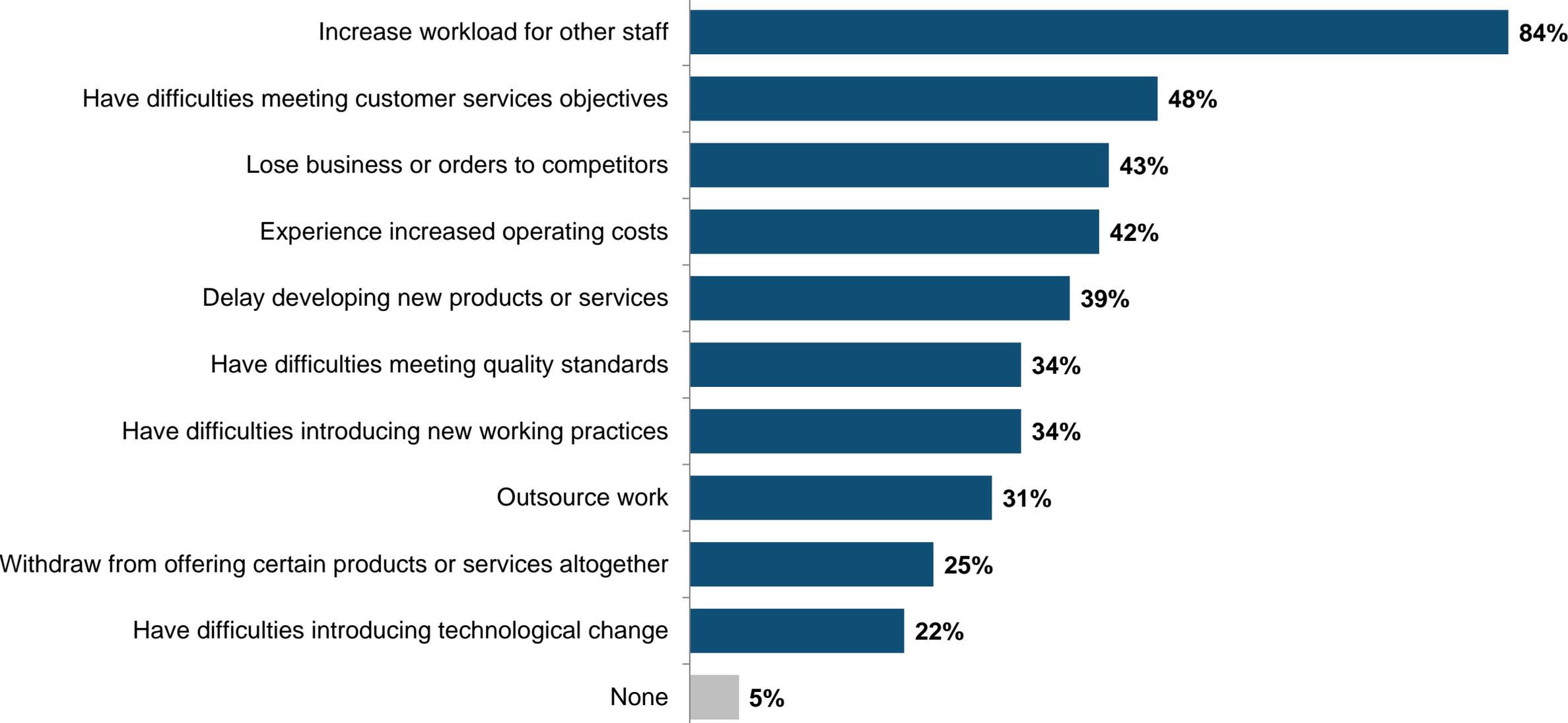
# People and personal skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (5,975)

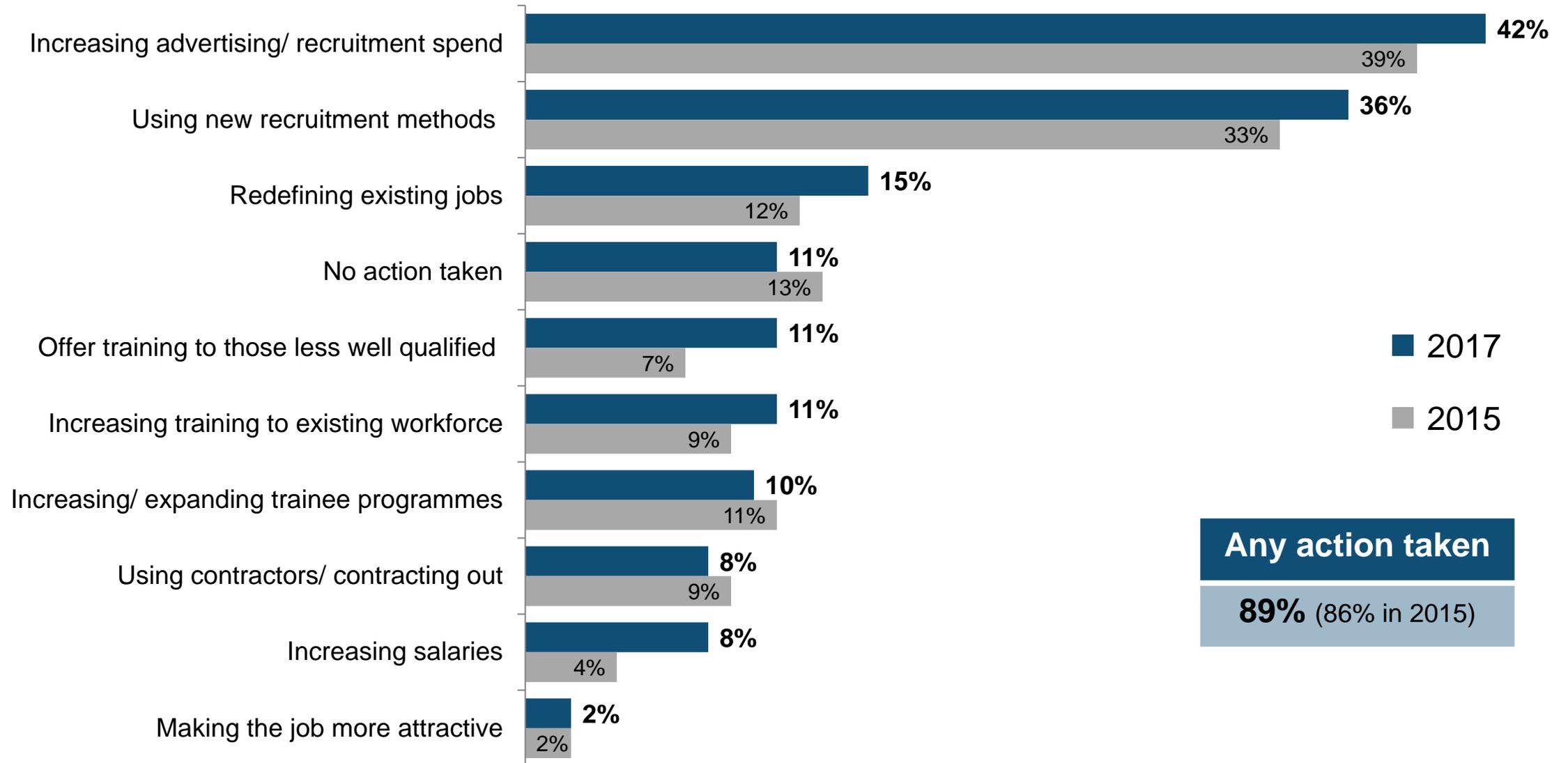
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

# Impact of skill-shortage vacancies



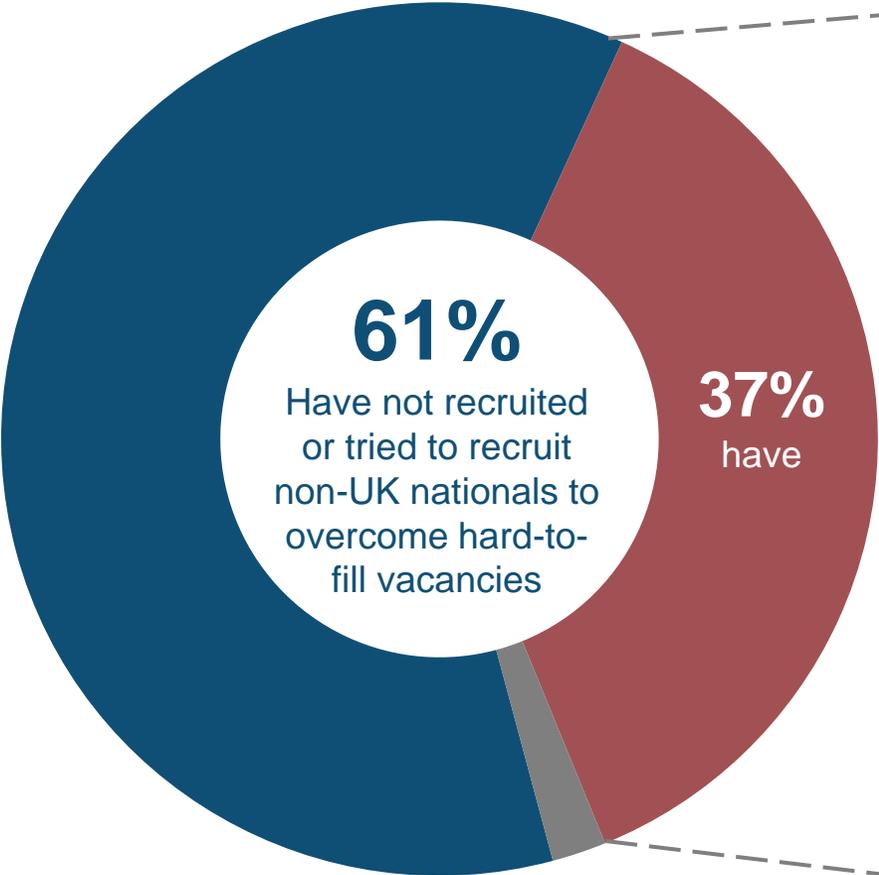
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (5,503)

# Action taken to overcome skill-shortage vacancies



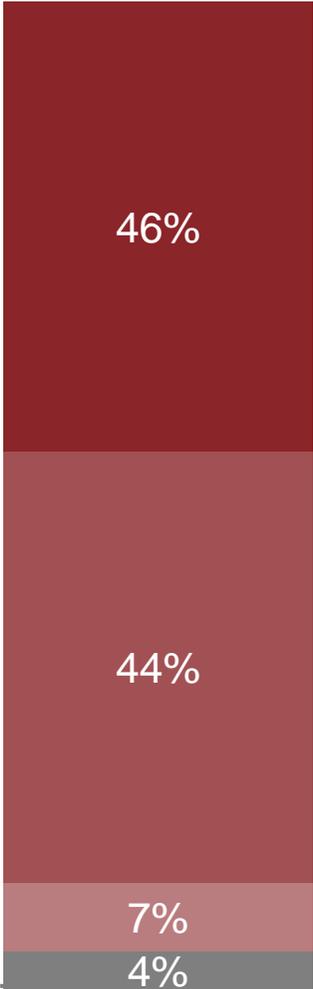
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (2015: 5,495; 2017: 5,503)

# Recruitment of EU nationals to fill hard-to-fill vacancies



Tried to recruit:

- EU nationals only
- Both
- Non-EU nationals only
- Don't Know



**90%**  
of those who tried to recruit non-UK nationals to fill hard-to-fill vacancies looked to recruit EU nationals

Base for pie: All establishments with hard-to-fill vacancies (8,232)

Base for column: All that had recruited or tried to recruit non-UK nationals in response to having hard-to-fill vacancies (3,336)

# Skills gaps in the existing workforce



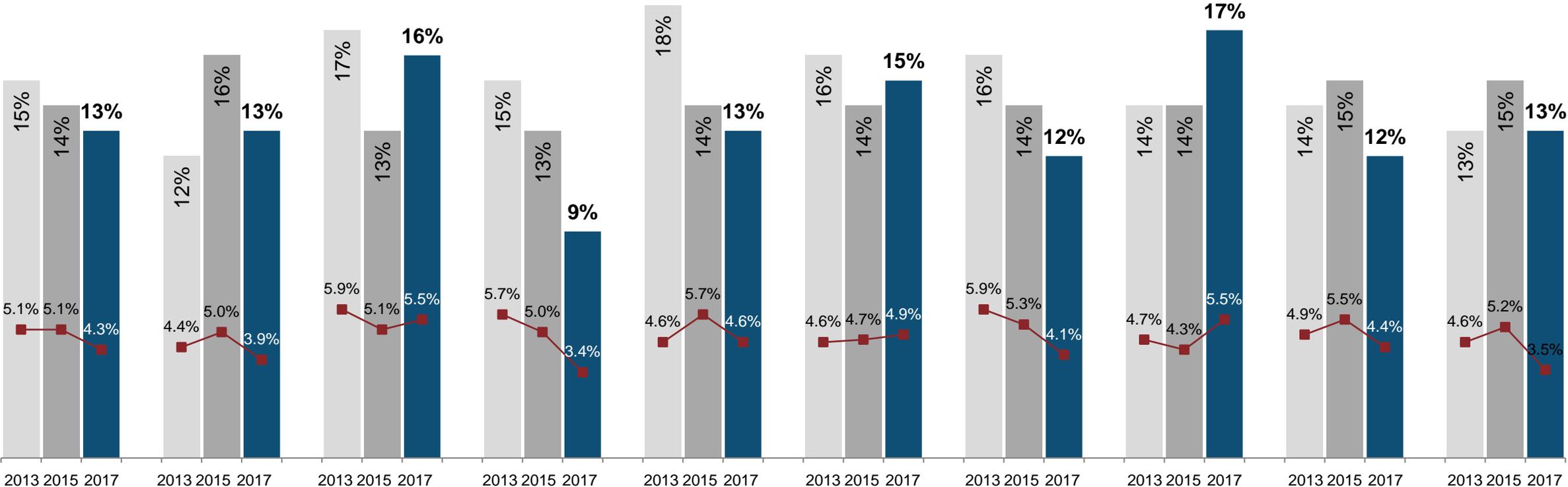
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# Incidence and density of skills gaps by region

■ Incidence of skills gaps    ■ Density (% of all staff with a skills gap)

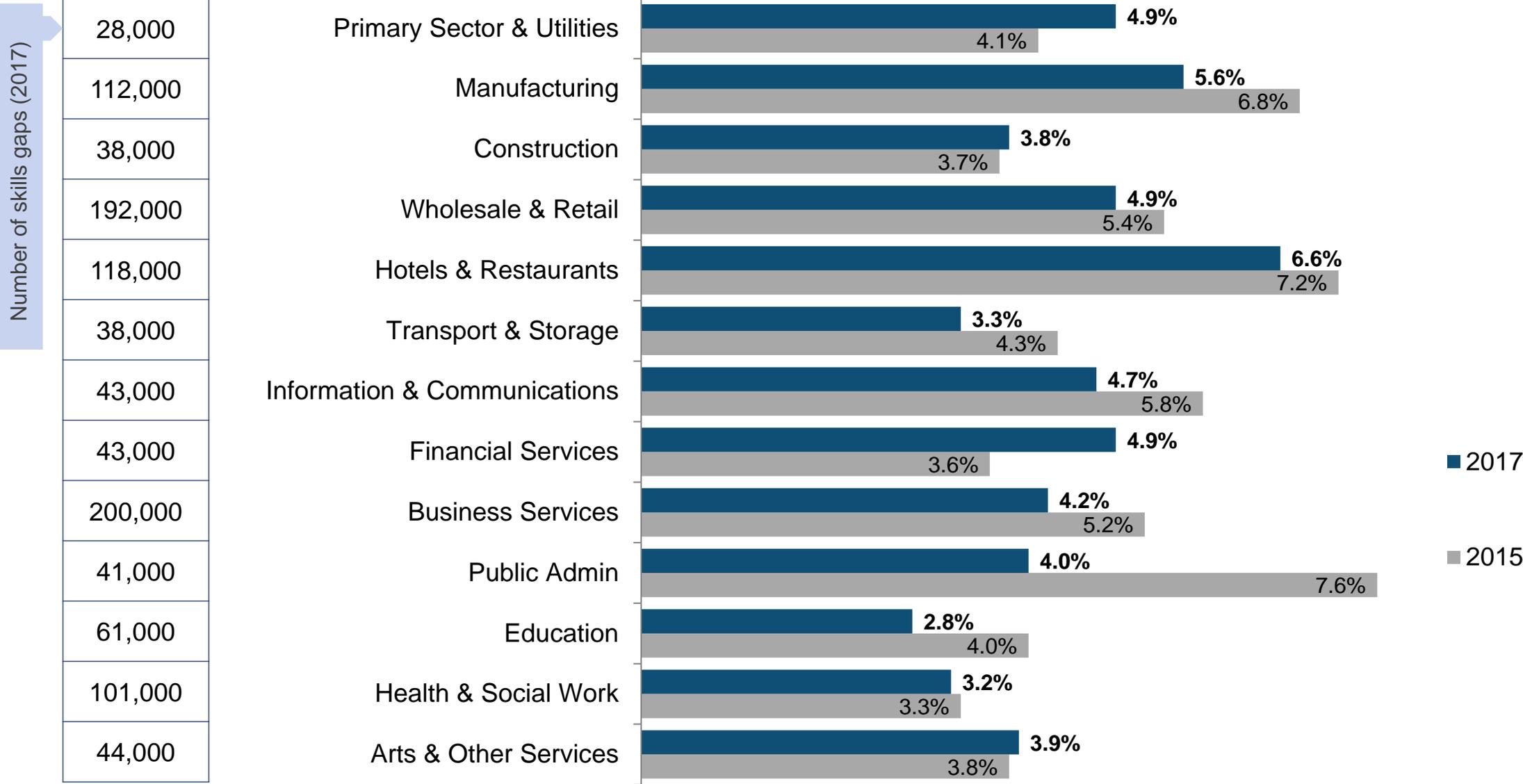


Region	England	East Midlands	East of England	London	North East	North West	South East	South West	West Midlands	Yorkshire and The Humber
Number of skills gaps (2017)	1,060,000	78,000	141,000	160,000	47,000	155,000	162,000	130,000	106,000	81,000

Number of skills gaps (2017)

Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

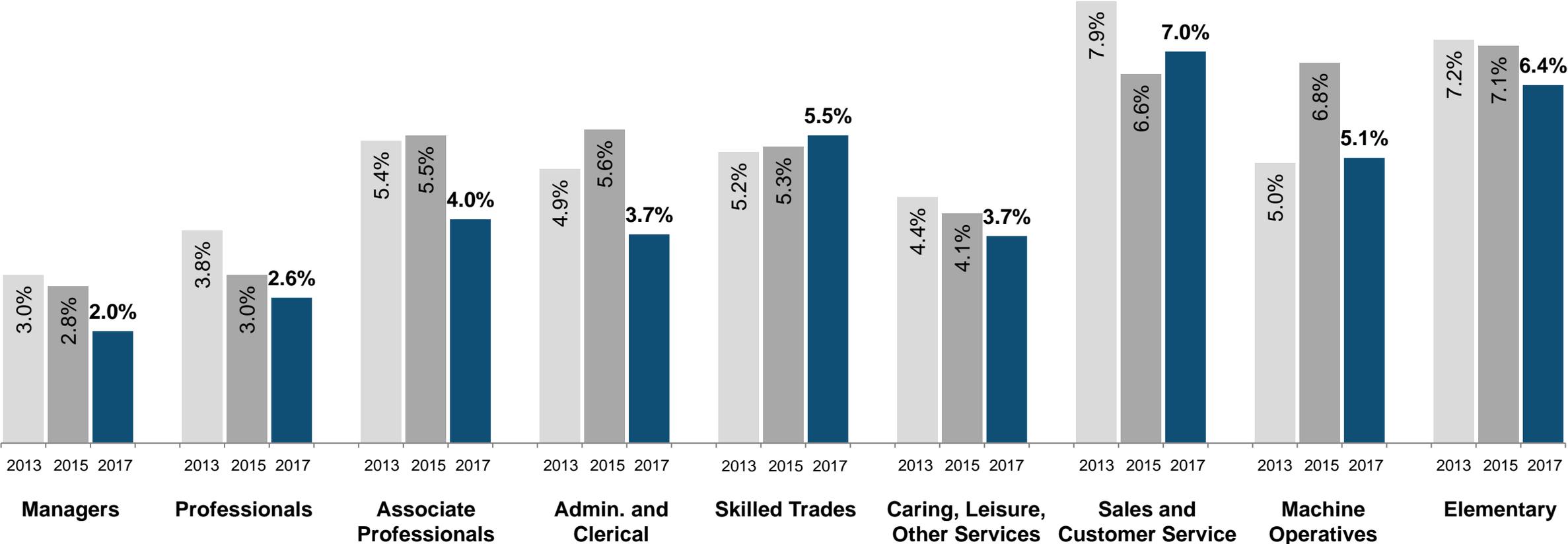
# Density of skills gaps by sector



Base: All establishments (2017 base sizes range from 859 in Public Admin. to 11,841 in Wholesale and Retail)

# Density of skills gaps by occupation

■ ■ ■ Density of skills gaps

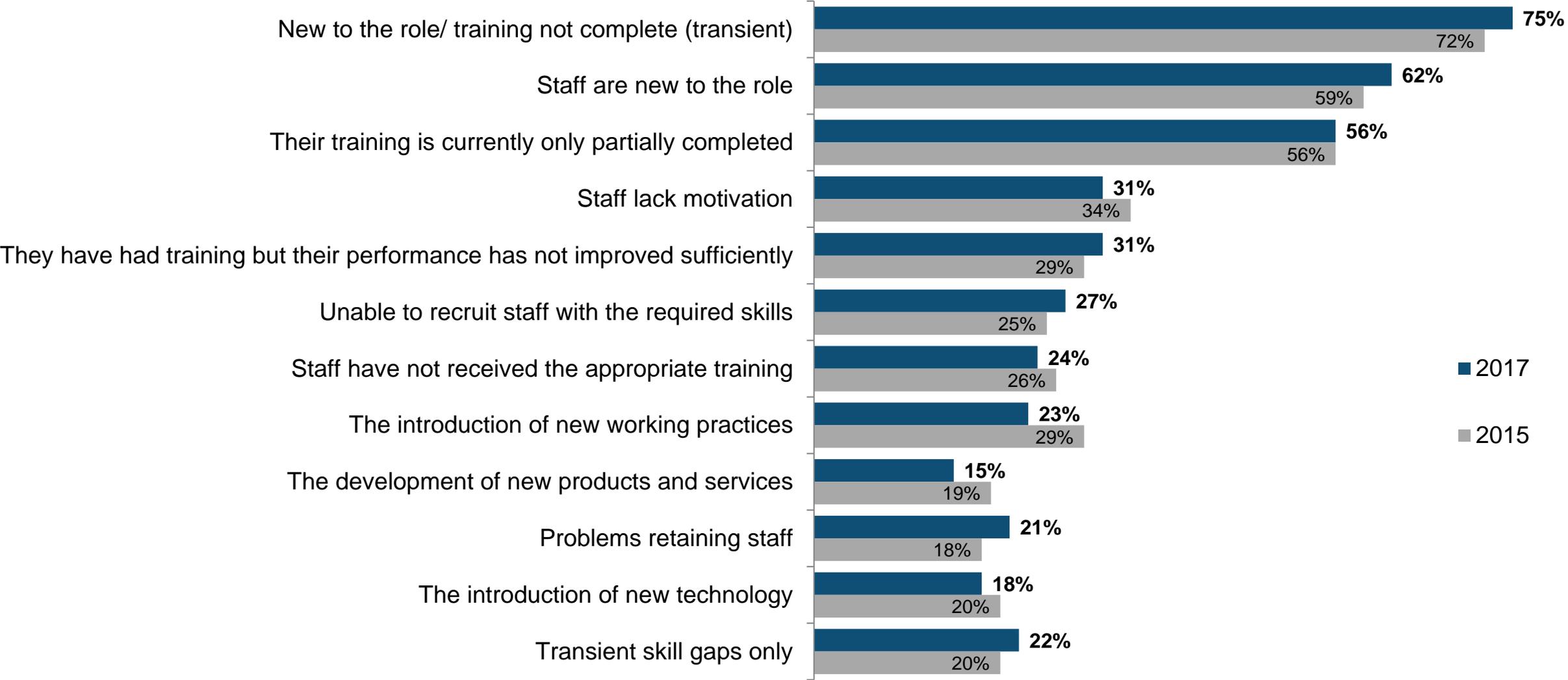


82,000	81,000	69,000	118,000	90,000	82,000	229,000	98,000	210,000
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Number of skills gaps (2017)

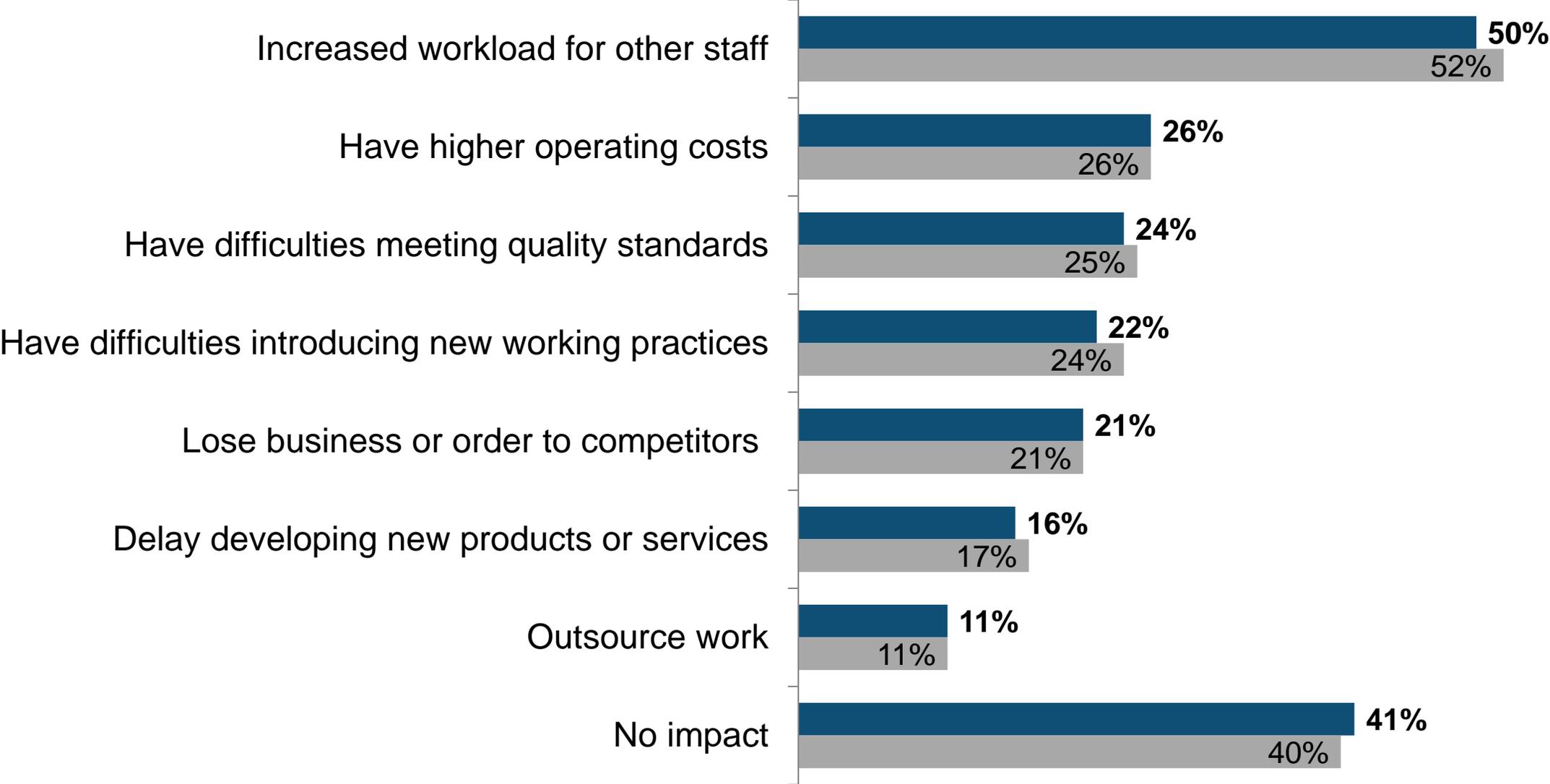
Base: All establishments with staff in the given occupations (2017 base sizes range from 11,463 for Caring, Leisure and Other Services to 68,786 for Managers)

# Main causes of skills gaps



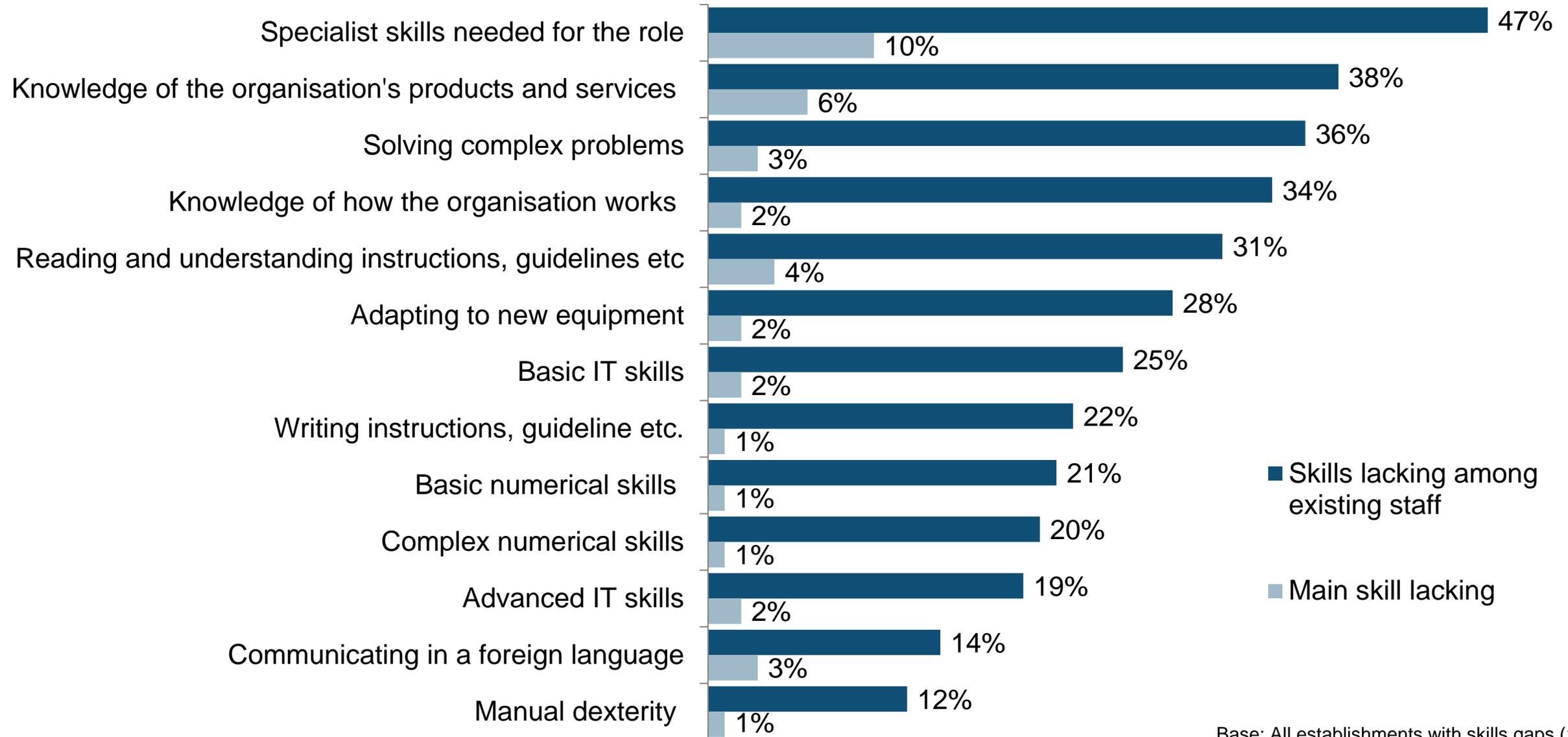
Base: All establishments with skills gaps - up to 2 occupations followed up (2015: 15,409; 2017:14,806 )  
 Figures are shown as a percentage of all skills gaps (not a percentage of all establishments)

# Impact of skills gaps



Base: All establishments with skills gaps (14,806)

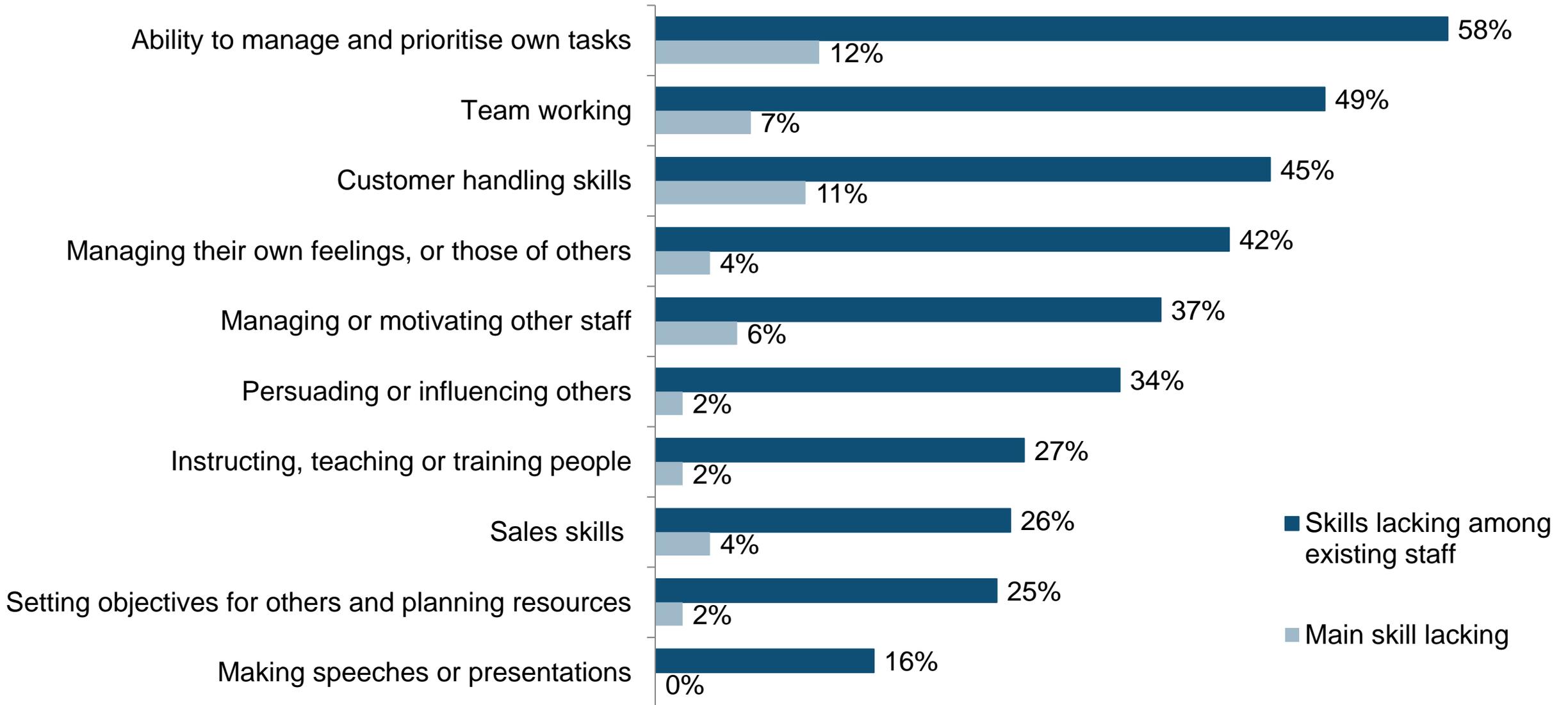
# Technical and practical skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (14,806)

Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

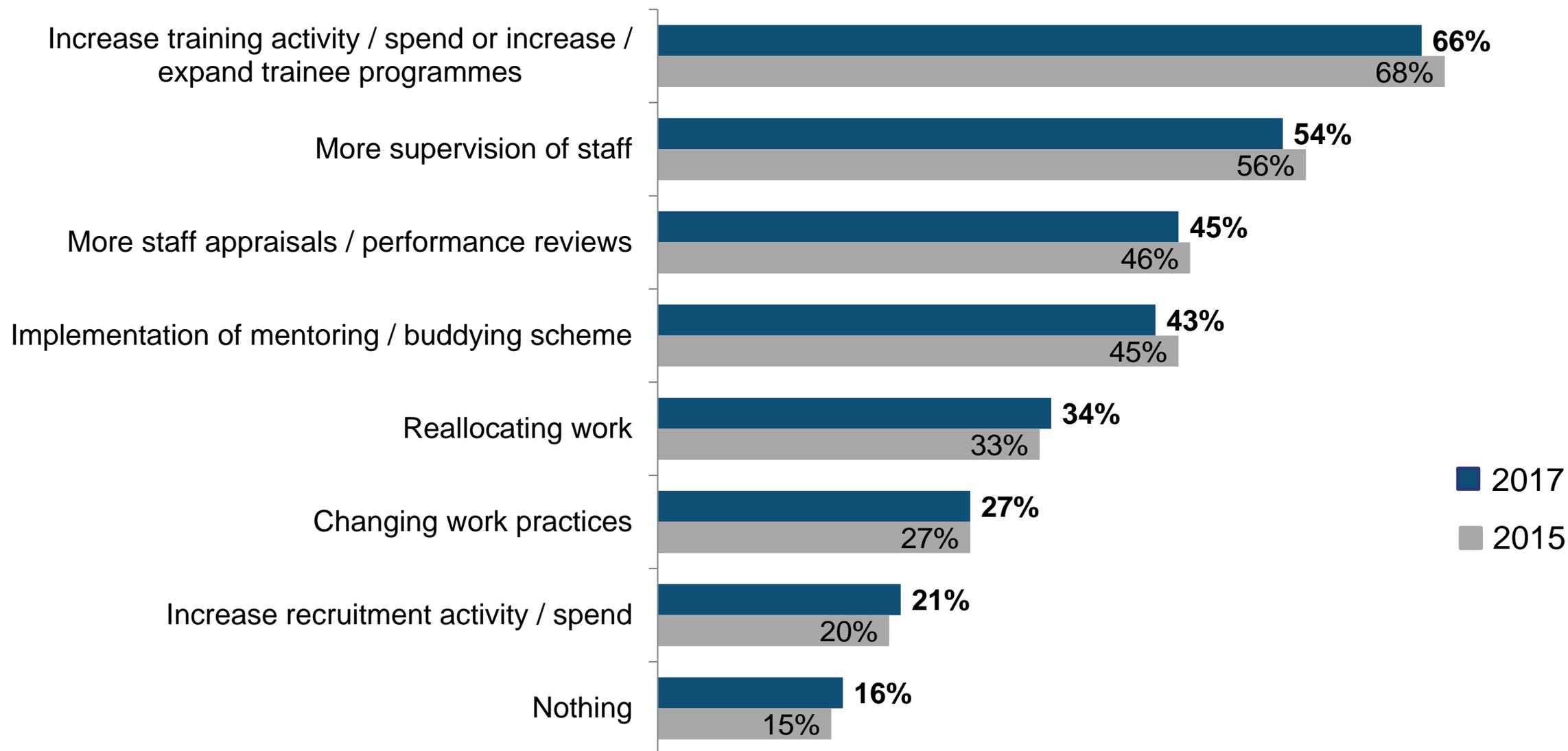
# People and personal skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (14,806)

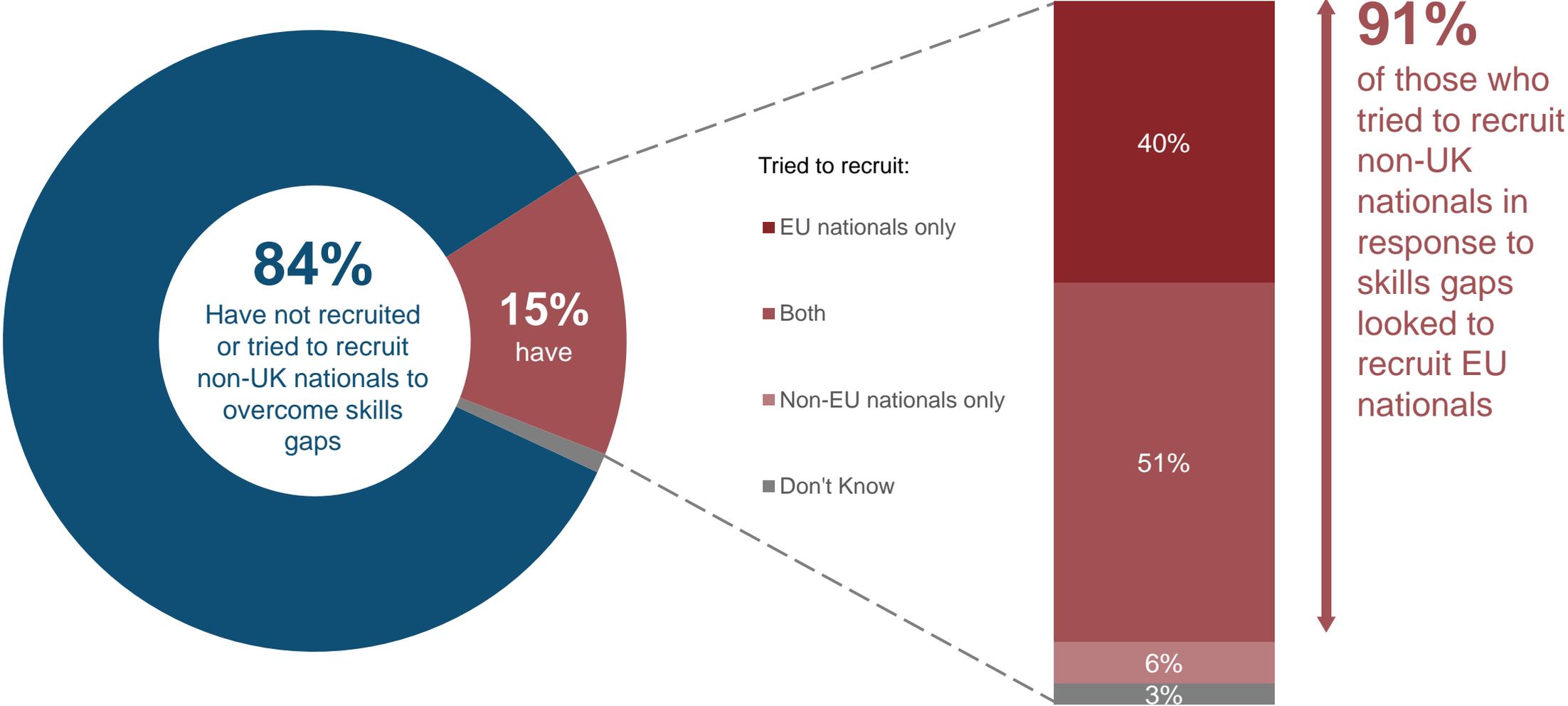
Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

# Action taken to overcome skills gaps



Base: All establishments with skills gaps (2015: 15,409; 2017: 14,806)

# Recruitment of EU nationals to overcome skills gaps



Base for pie: All establishments with skills gaps (14,806)

Base for column: All that had recruited or tried to recruit non-UK nationals in response to skills gaps (2,571)

# Skills under-utilisation



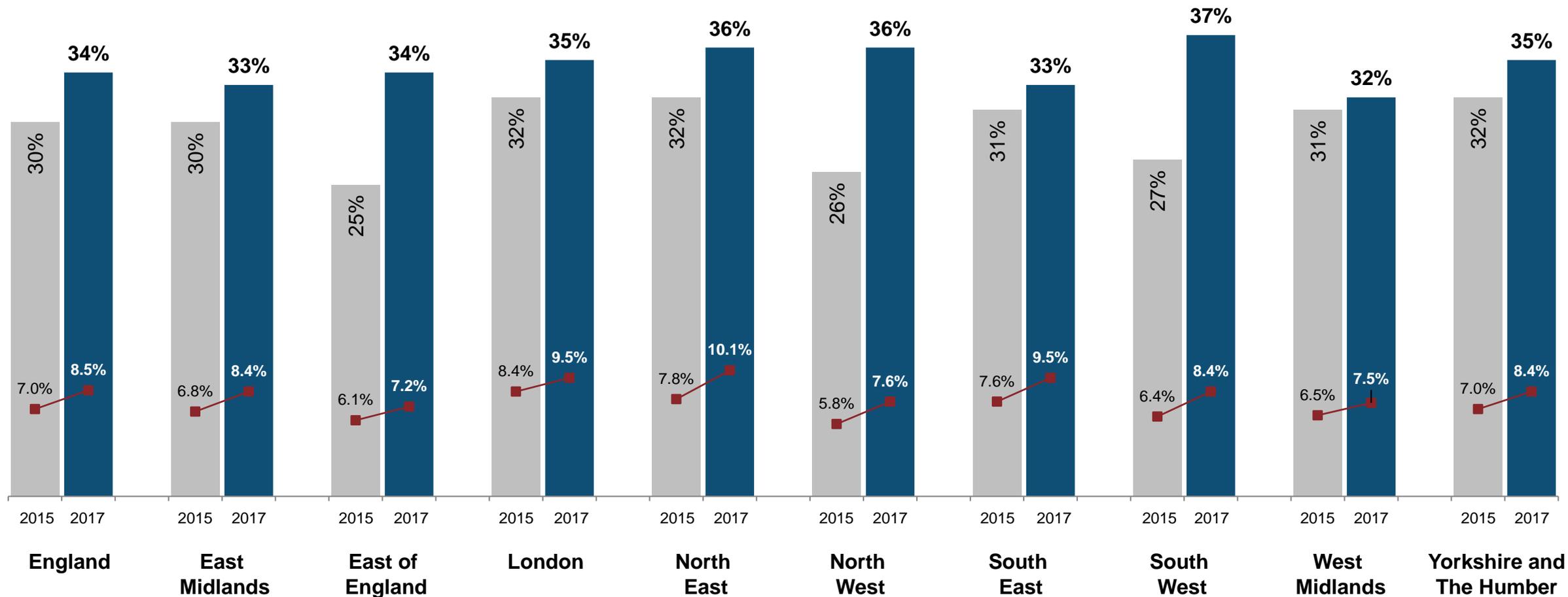
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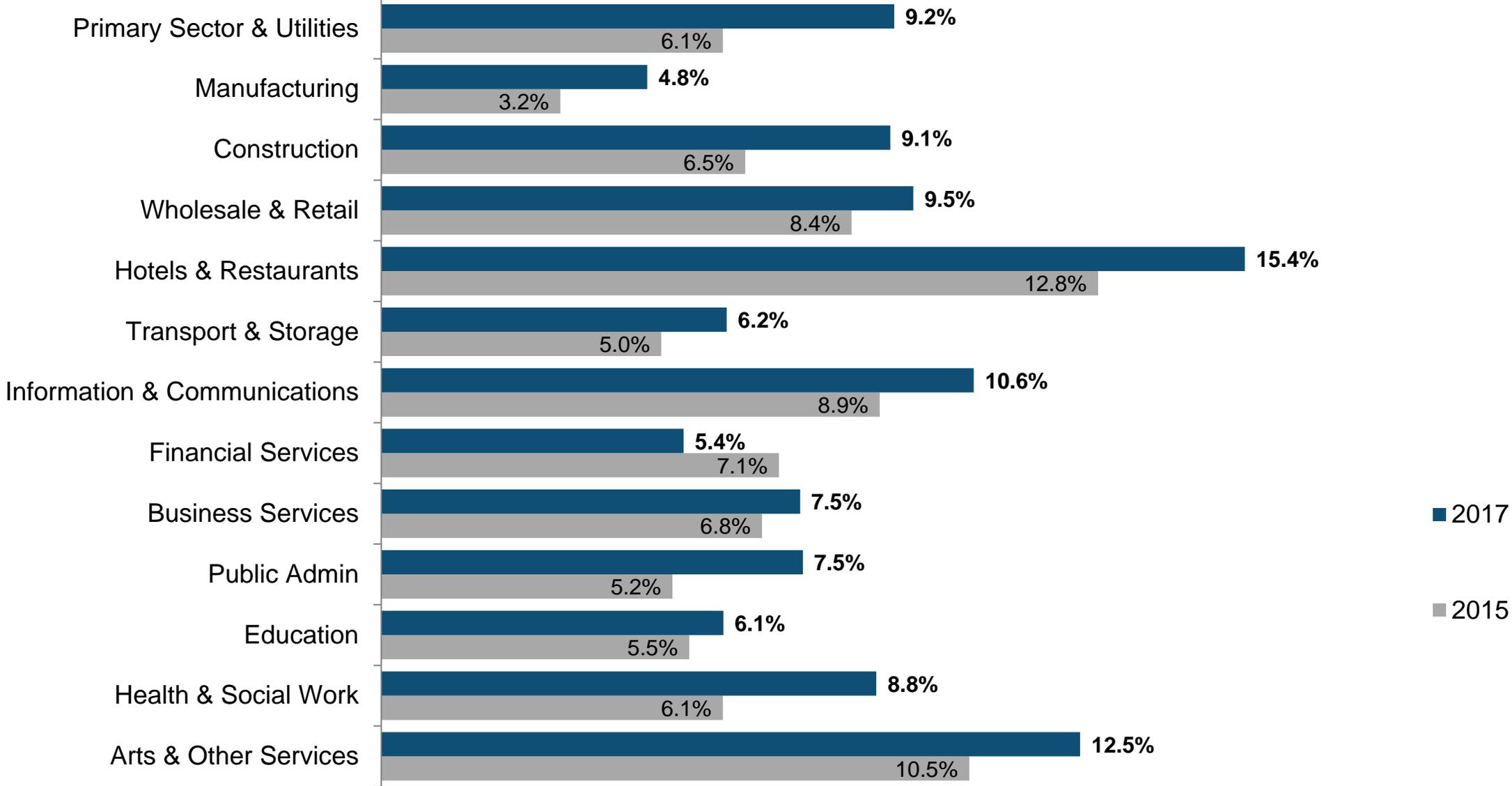
# Incidence and density of skills under-utilisation by region

■ Incidence of under-utilisation    ■ Proportion of staff considered to be under-utilised



Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

# Density of skills under-utilisation by sector



Base: All establishments (2017 base sizes range from 859 in Public Admin. to 11,841 in Wholesale and Retail)

# Upskilling

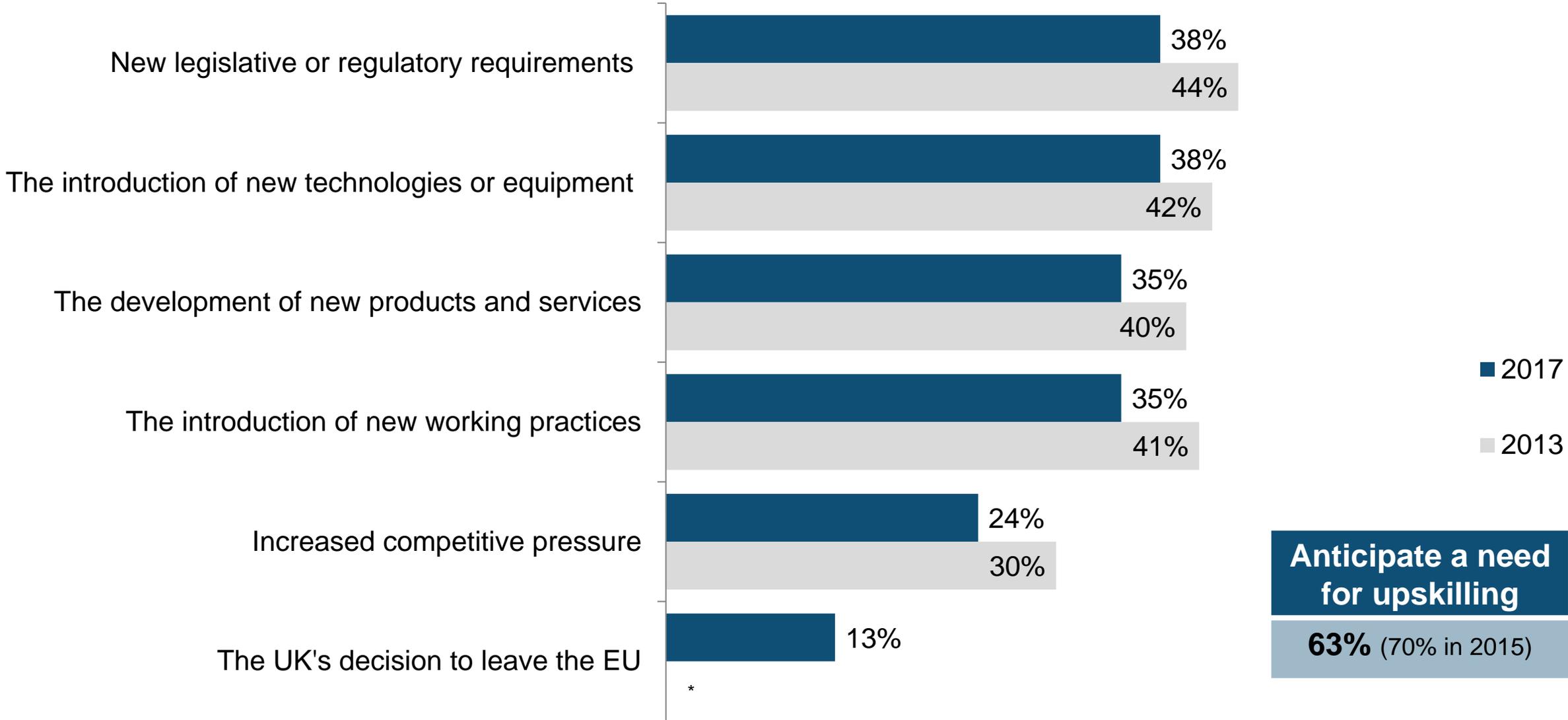


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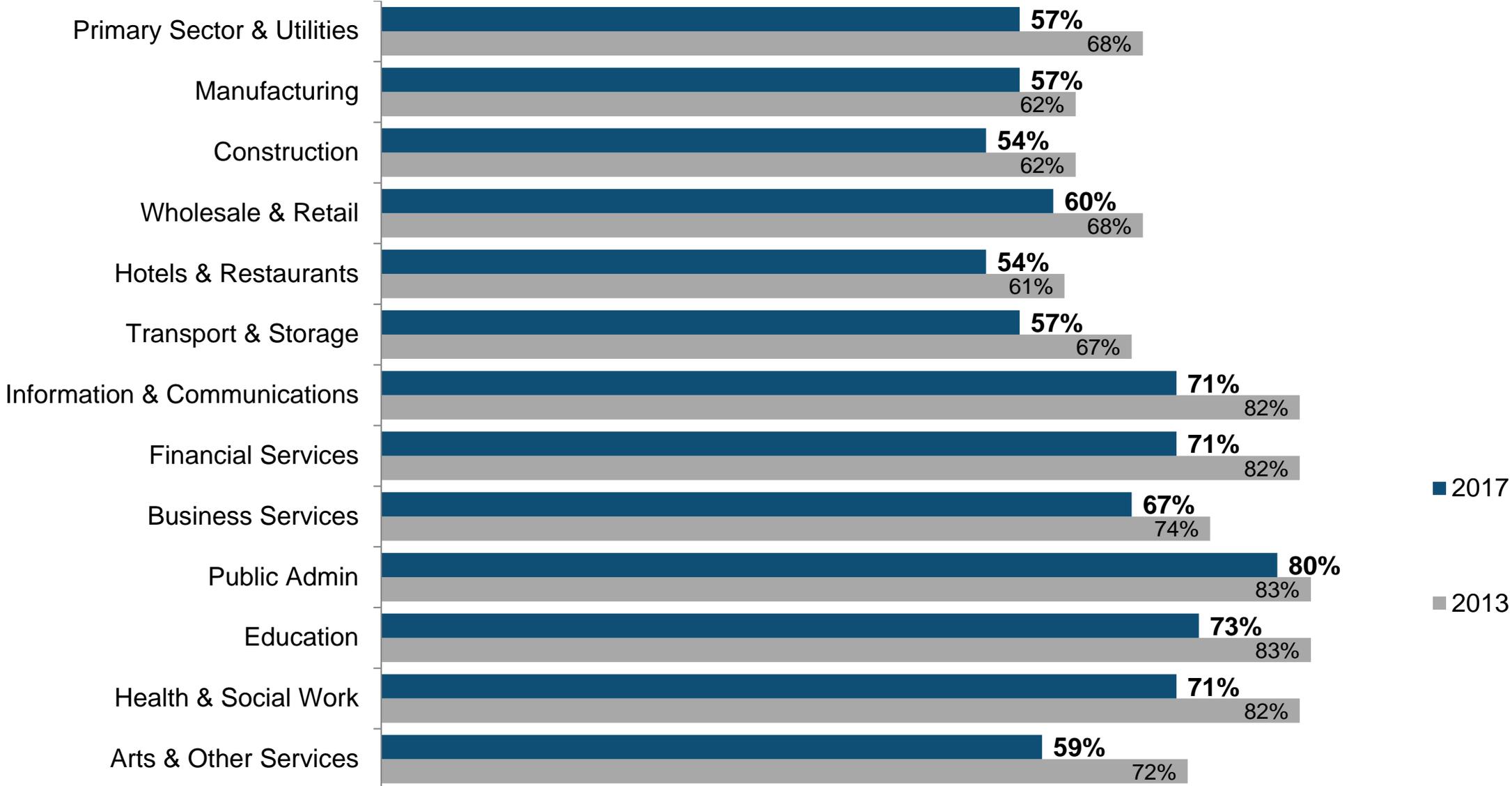
# Reasons for staff requiring upskilling



Base: All establishments in Module 2 (2013: 37,559; 2017: 35,490)

\* Code not asked in 2013

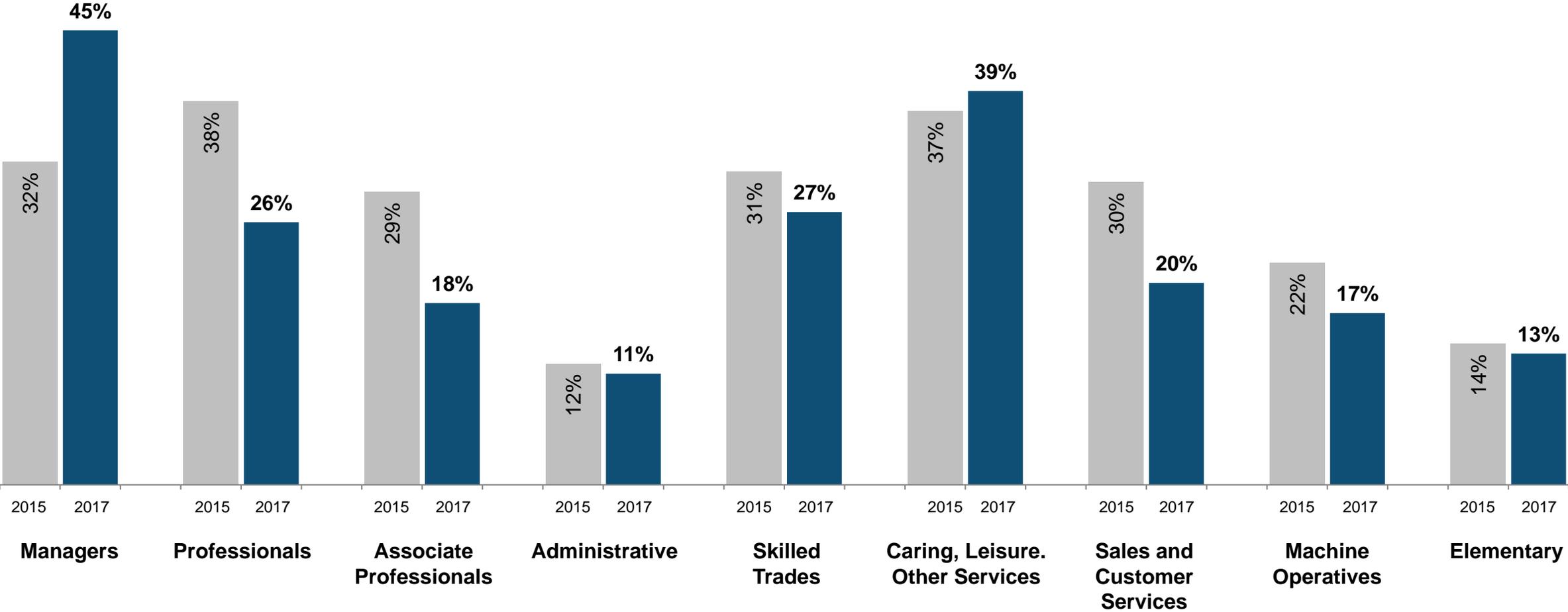
# Prevalence of a need for upskilling by sector



Base: All establishments in Module 2 (2017 base sizes range from 392 in Public Admin. to 5,810 in Wholesale and Retail)

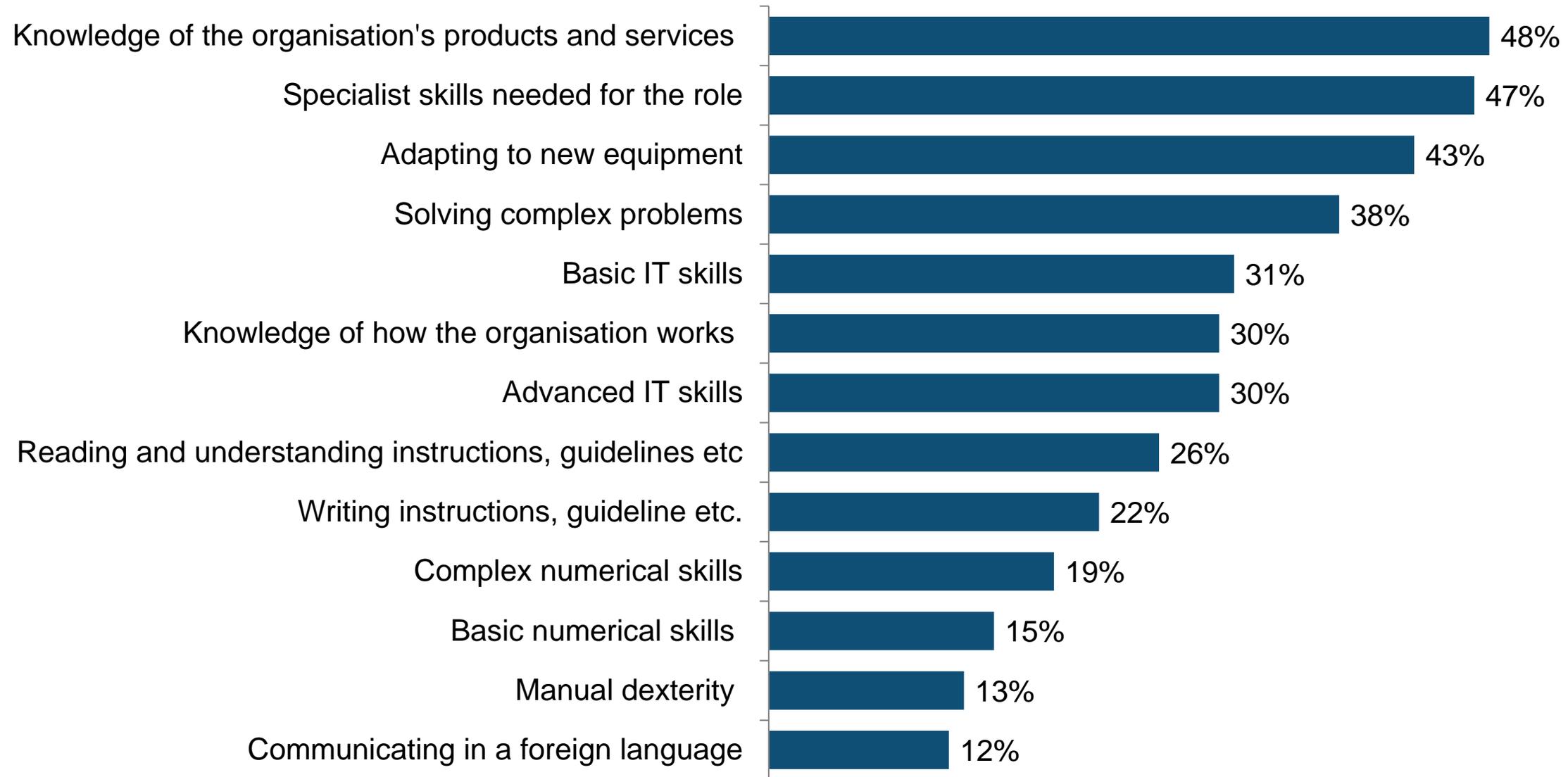
# Occupations affected by a need for upskilling

■ Incidence of need for upskilling



Base: All establishments in Module 2 with staff in the given occupations (2017 base sizes range from 5,661 for Caring Leisure and Other Services to 34,107 for Managers)

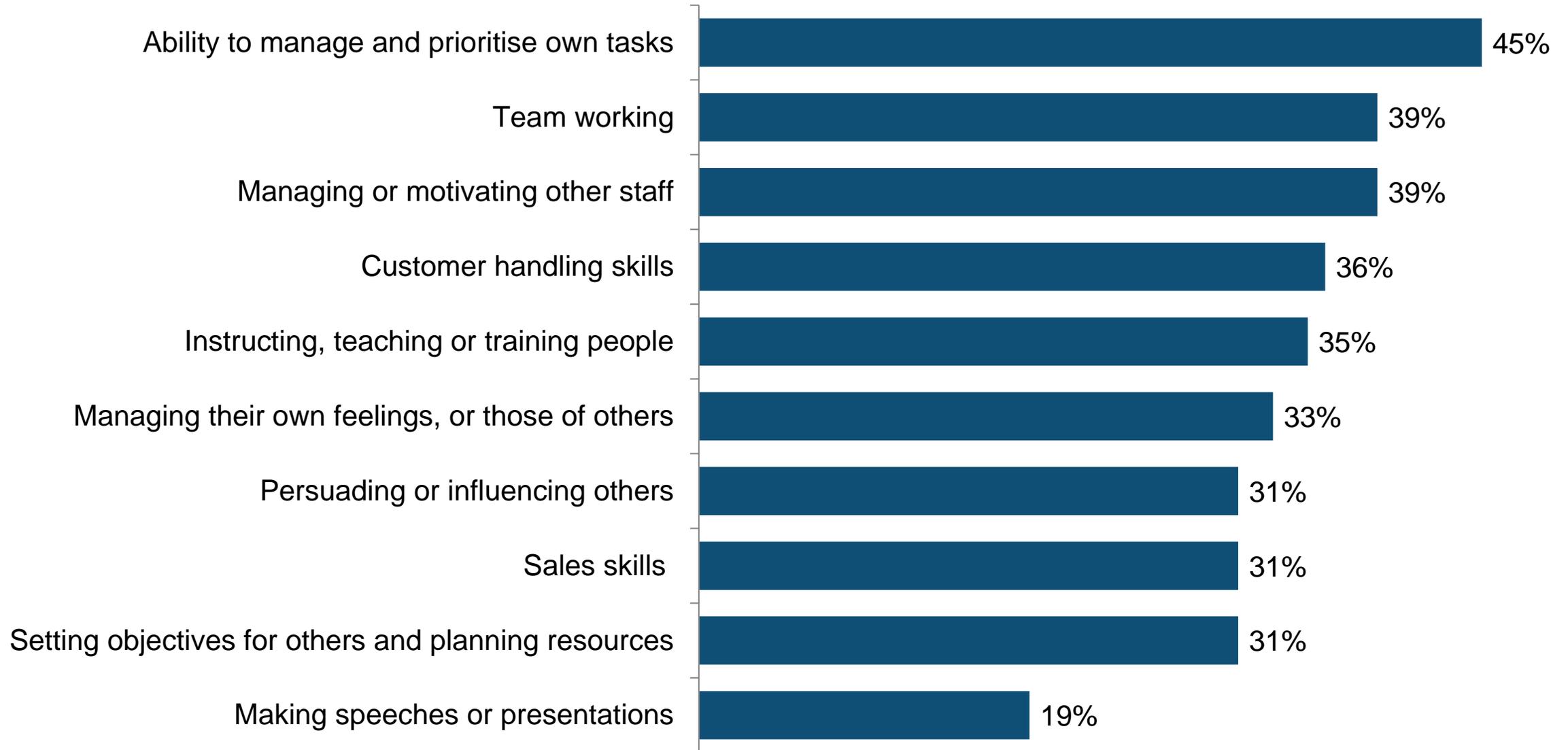
# Technical and practical skills that need improving in the next 12 months



Base: All establishments who anticipate a need for new skills in next 12 months (31,314)

Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

# People and personal skills that need improving in the next 12 months



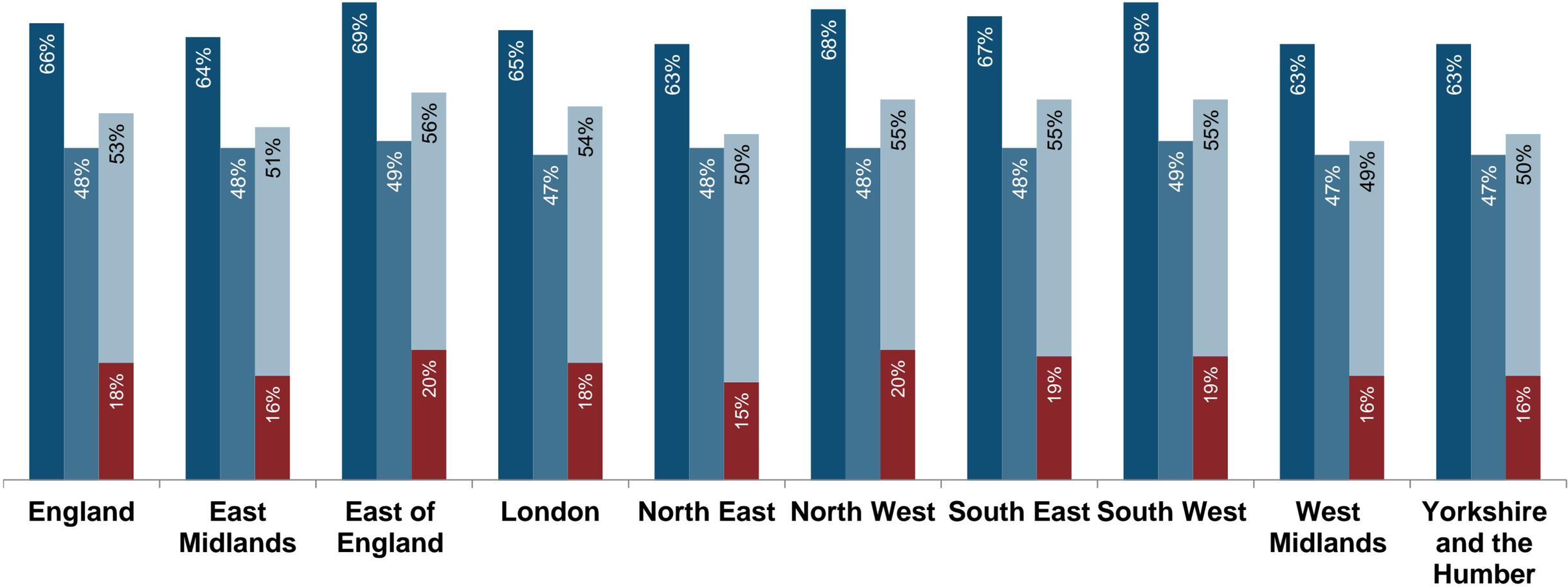
Base: All establishments who anticipate a need for new skills in next 12 months (31,314)

Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

# Training and workforce development

# Proportion of employers providing training in the last 12 months by region

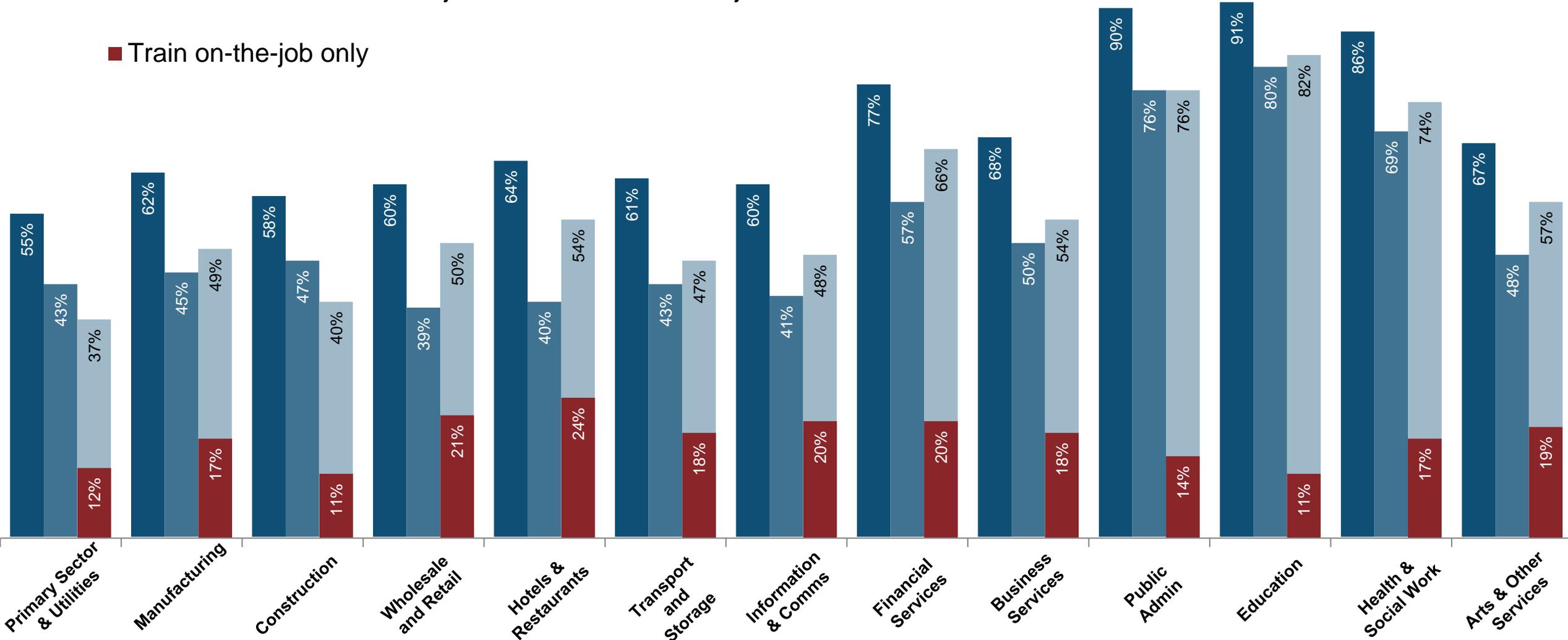
■ Train
 ■ Train off-the-job
 ■ Train on-the-job
 ■ Train on-the-job only



Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

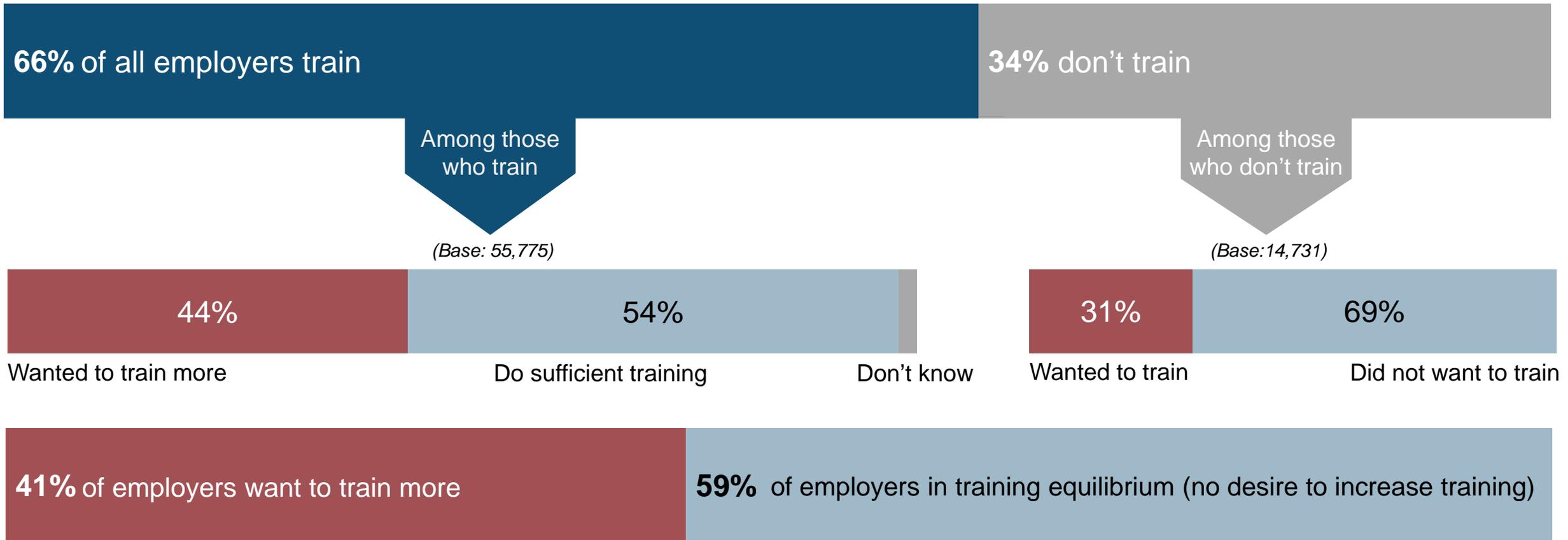
# Proportion of employers providing training in the last 12 months by sector

- Train
- Train off-the-job
- Train on-the-job
- Train on-the-job only



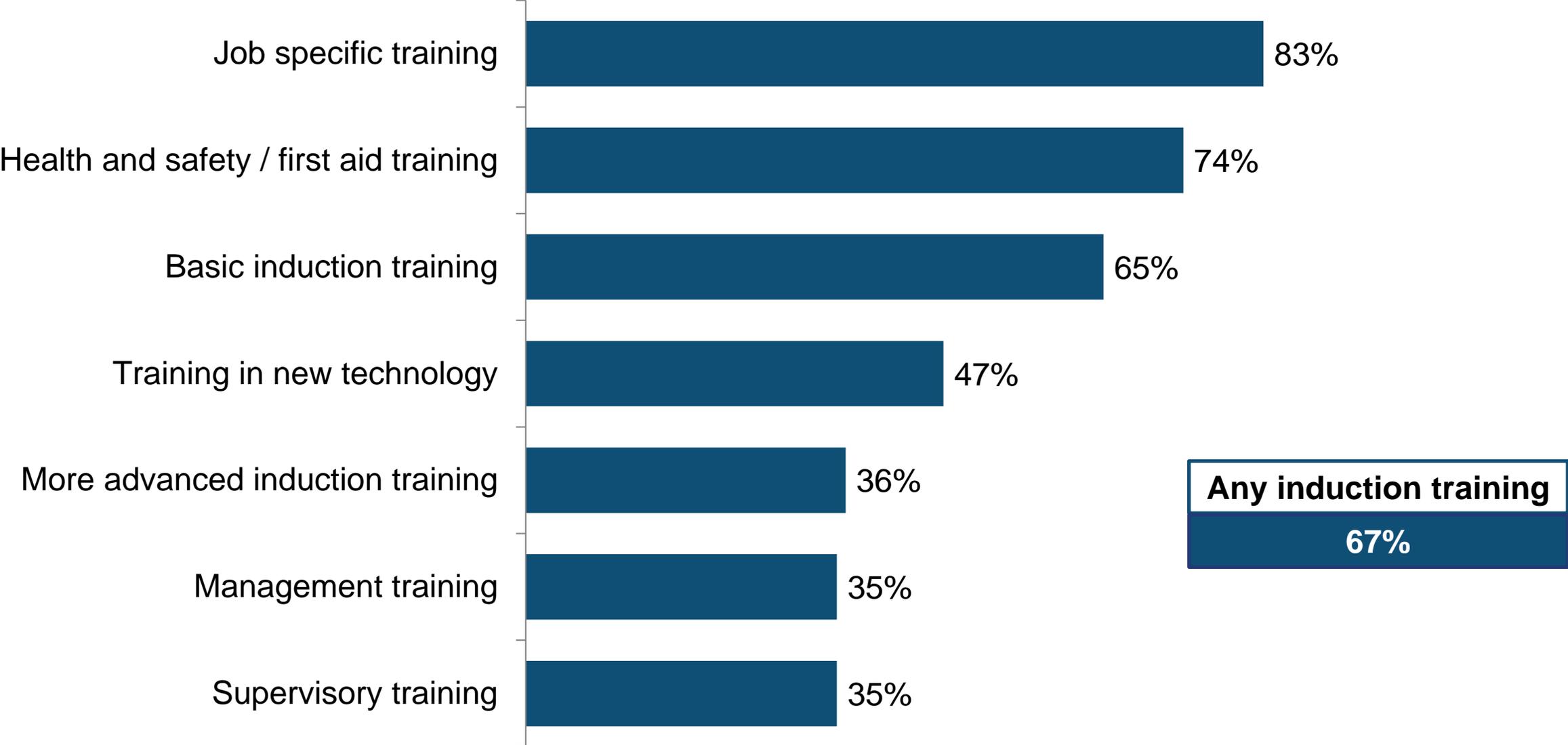
Base: All establishments (2017 base sizes range from 859 in Public Admin. to 11,841 in Wholesale and Retail)

# Training Equilibrium: employers' interest in providing more training than they were able to



\*Note training employers responding 'Don't know' (2%) have been included in the group 'Wanted to undertake more training' on final measure

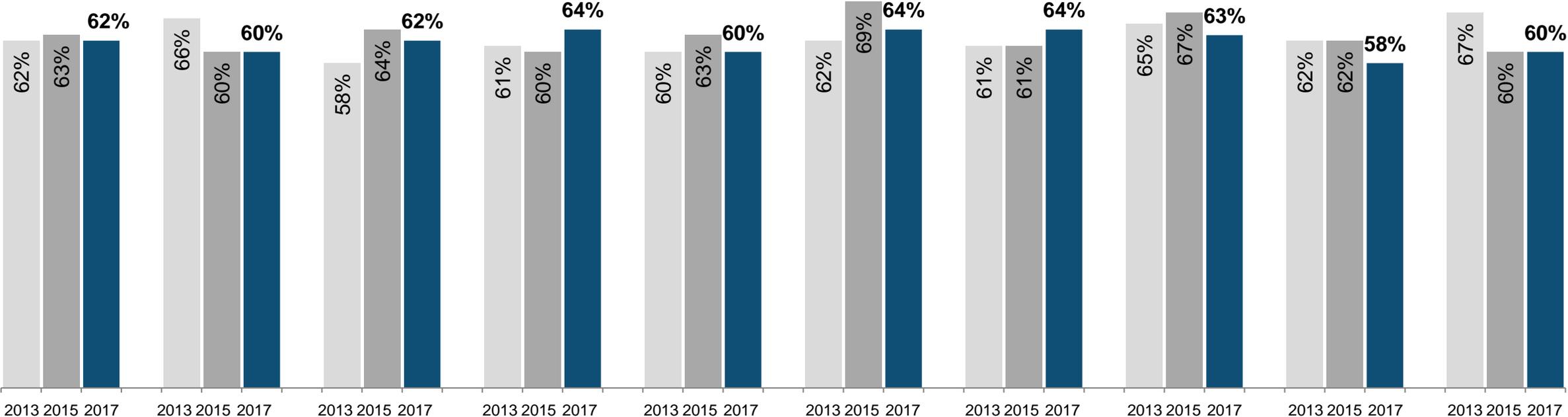
# Types of training provided



Base: All establishments that train (55,775)

# Number and proportion of staff trained by region

■ ■ ■ Proportion of staff trained over last 12 months



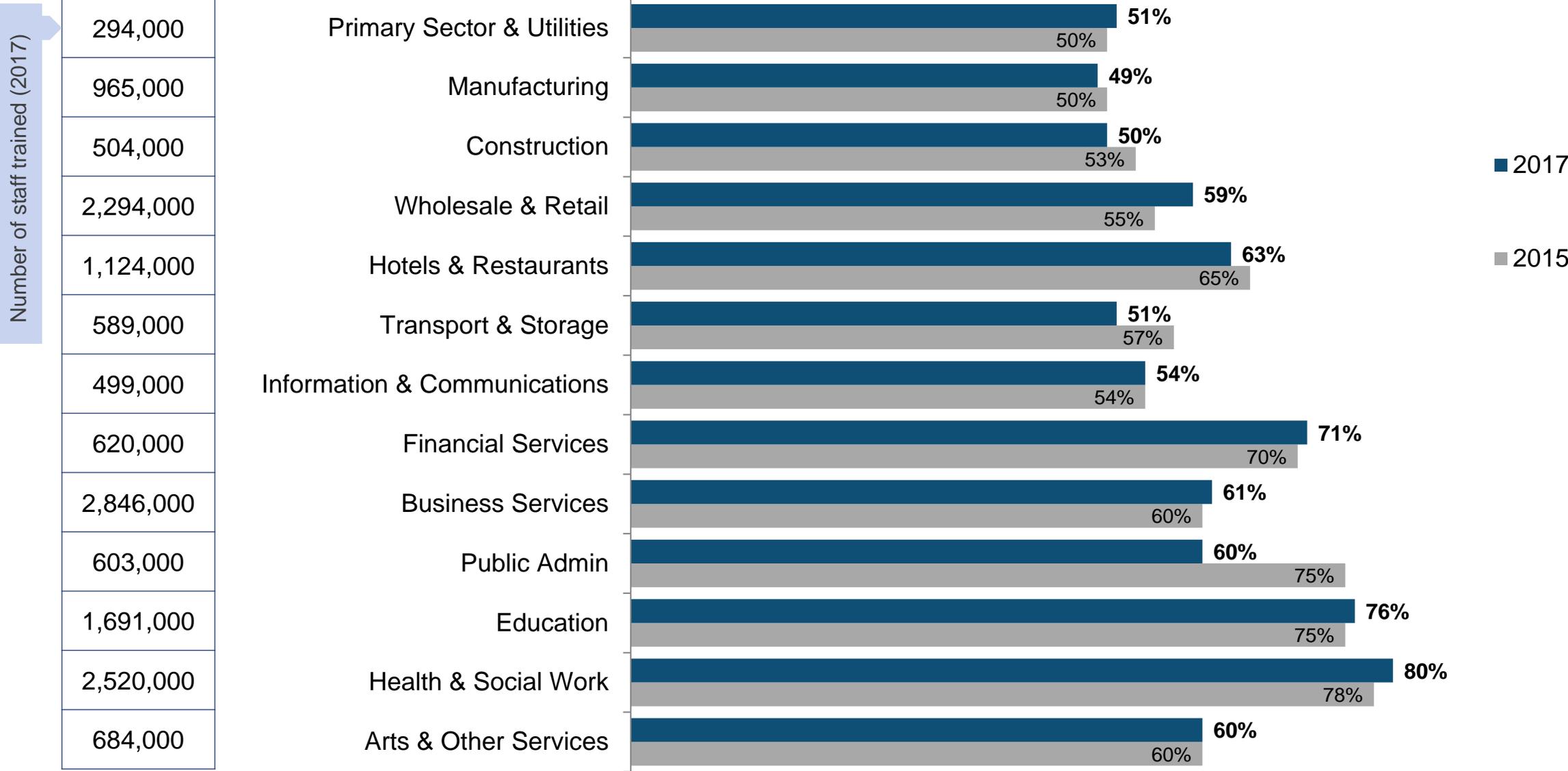
**England**      **East Midlands**      **East of England**      **London**      **North East**      **North West**      **South East**      **South West**      **West Midlands**      **Yorkshire and The Humber**

15,233,000	1,118,000	1,577,000	3,074,000	612,000	2,011,000	2,496,000	1,501,000	1,407,000	1,376,000
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Number of staff trained (2017)

Base: All establishments (2017 England: 71,527; regional base sizes range from 5,195 in North East to 10,269 in London)

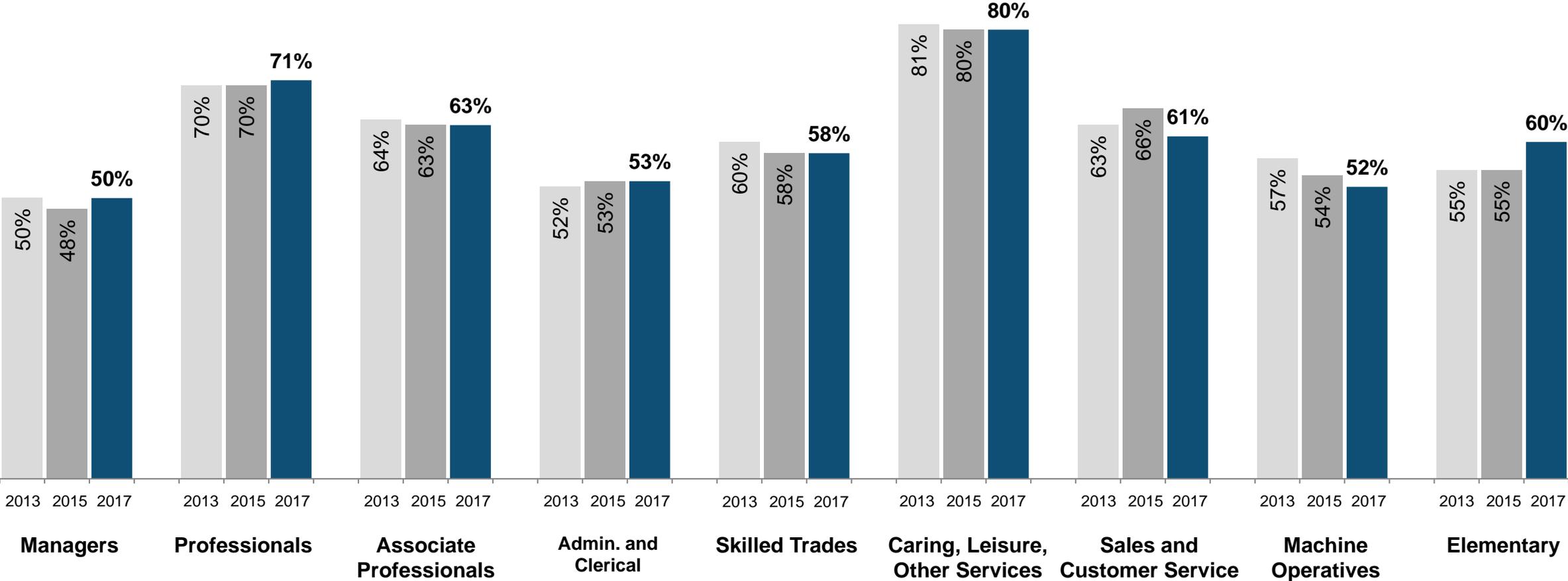
# Number and proportion of staff trained by sector



Base: All establishments (2017 base sizes range from 859 in Public Admin. to 11,841 in Wholesale and Retail)

# Proportion of staff trained by occupation

■ ■ ■ Proportion of staff trained over last 12 months

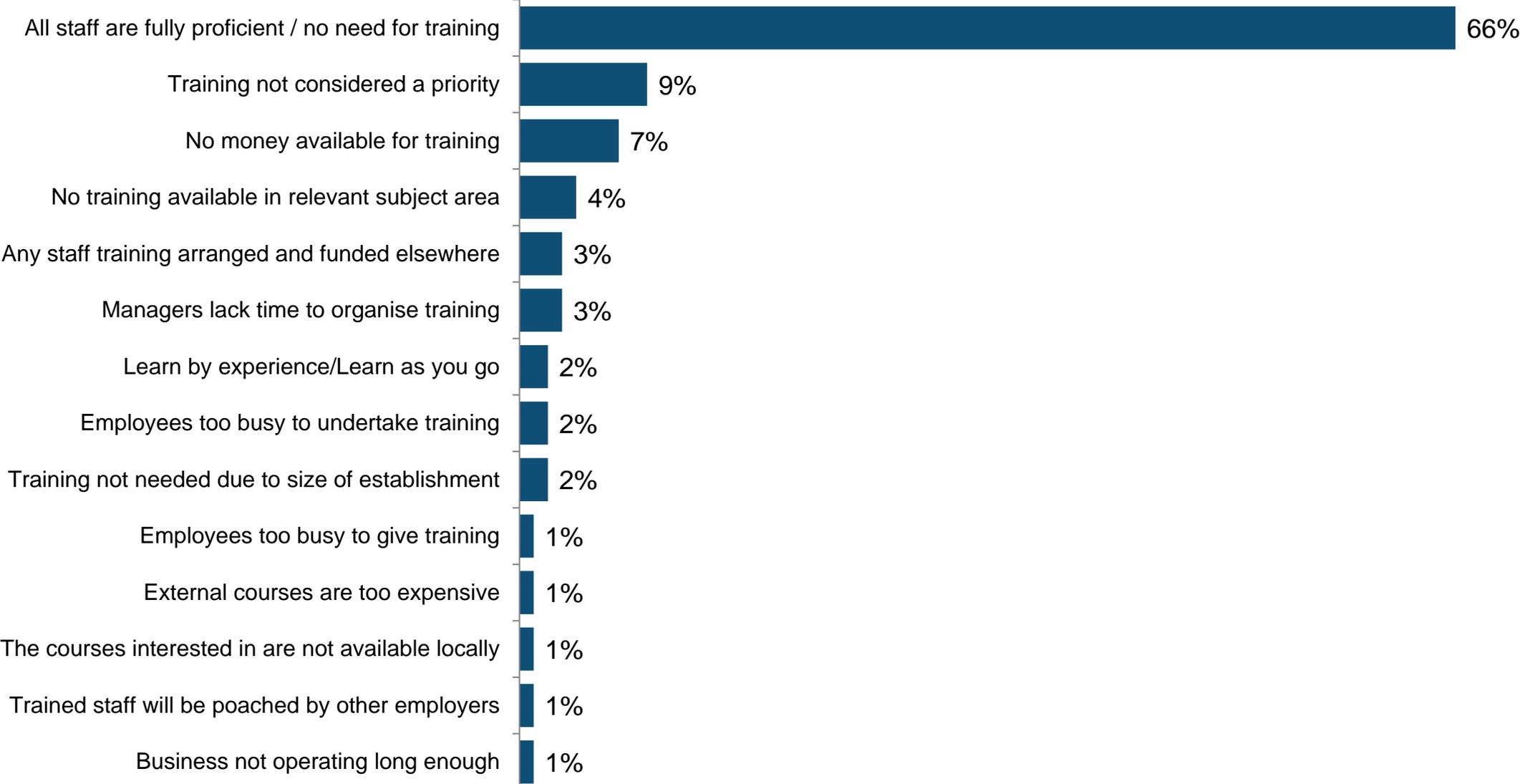


Base: All establishments with staff in the given occupations (2017 base sizes range from 11,463 for Caring, Leisure and Other Services to 68,786 for Managers)

# Training days

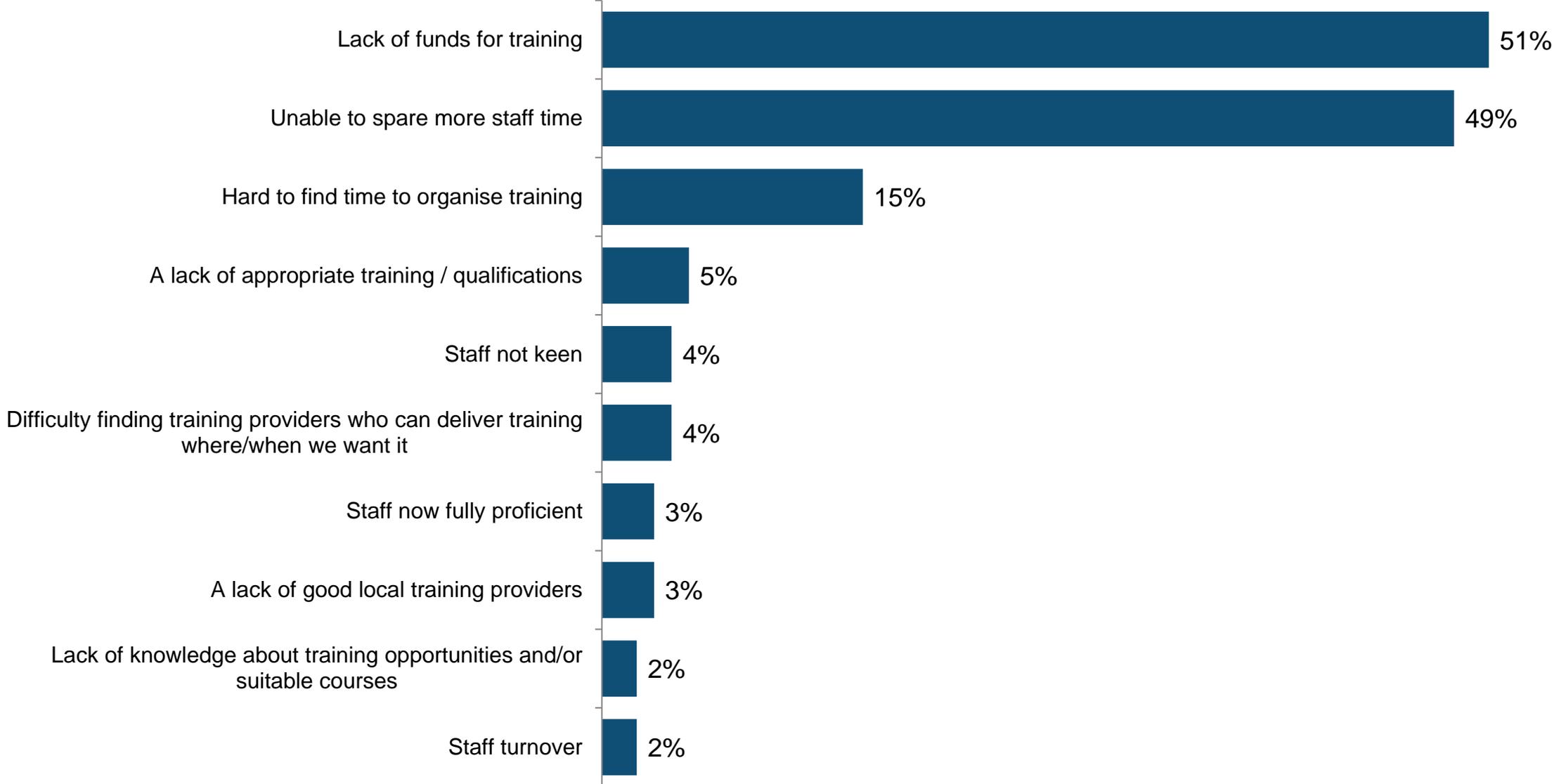
	Days per person trained				Total training days			
	2011	2013	2015	<b>2017</b>	2011	2013	2015	<b>2017</b>
England	7.9	6.7	6.8	<b>6.4</b>	97.1m	94.9m	99.9m	<b>97.6m</b>
East Midlands	7.9	6.9	7.1	<b>6.5</b>	7.8m	8.5m	8.2m	<b>7.7m</b>
East of England	7.0	6.6	6.3	<b>6.4</b>	9.1m	9.1m	10.0m	<b>10.0m</b>
London	7.7	6.1	6.3	<b>6.2</b>	15.7m	15.7m	16.8m	<b>19.0m</b>
North East	8.2	6.8	6.9	<b>7.2</b>	4.4m	4.0m	4.4m	<b>4.4m</b>
North West	8.3	8.1	7.2	<b>6.0</b>	13.6m	14.5m	14.9m	<b>12.0m</b>
South East	8.1	6.3	6.3	<b>7.0</b>	16.5m	14.3m	14.3m	<b>17.5m</b>
South West	6.7	6.8	6.9	<b>6.0</b>	8.4m	9.9m	10.6m	<b>8.9m</b>
West Midlands	8.7	7.1	7.5	<b>5.8</b>	10.6m	10.0m	10.8m	<b>8.2m</b>
Yorkshire and The Humber	8.6	6.2	7.5	<b>7.1</b>	11.0m	9.0m	9.9m	<b>9.8m</b>

# Reasons for not providing any training



Base: All establishments that do not provide training (14,731)

# Reasons for not providing further training



Base : All establishments who would have provided more training in the past 12 months if they could (25,481)

# Training and workforce development - summary

	2011	2013	2015	2017
% of employers that train	65%	66%	66%	<b>66%</b>
% of employers that train off-the-job	46%	48%	48%	<b>48%</b>
% that <i>only</i> train on-the-job	19%	17%	17%	<b>18%</b>
% of staff trained over the last 12 months	54%	62%	63%	<b>62%</b>
Days training per person trained	7.9	6.7	6.8	<b>6.4</b>
Total training days provided	97.1m	94.9m	99.9m	<b>97.6m</b>

# High Performance Working practices

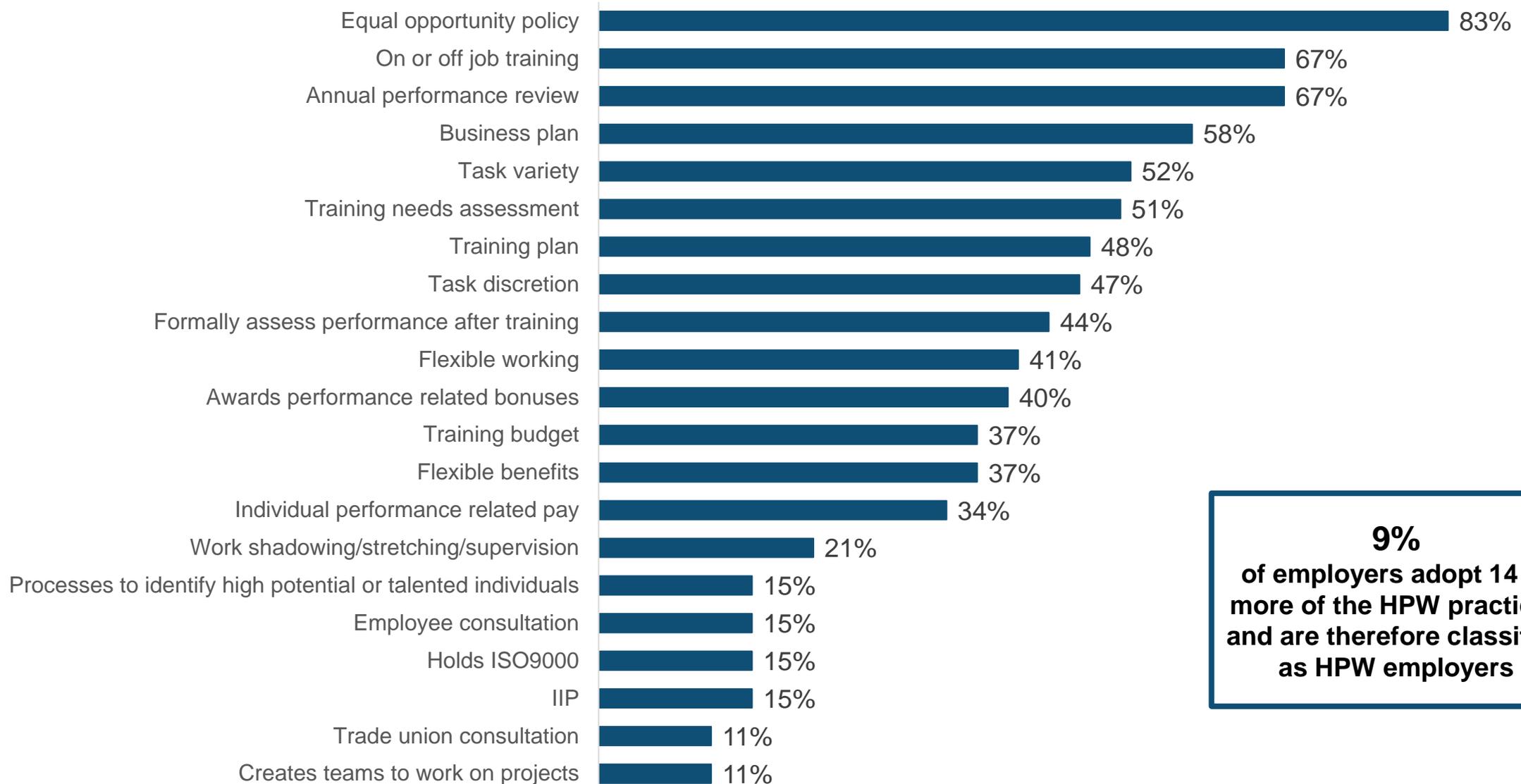


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# High Performance Working practices



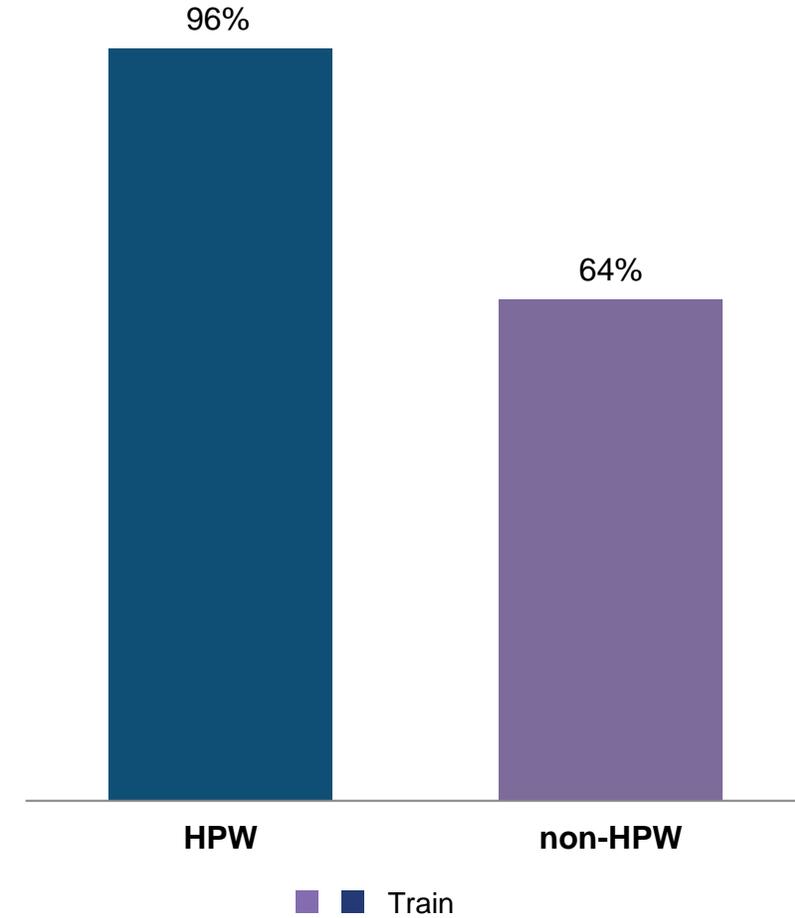
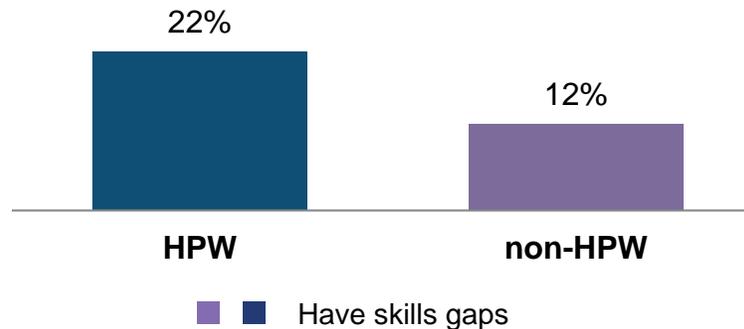
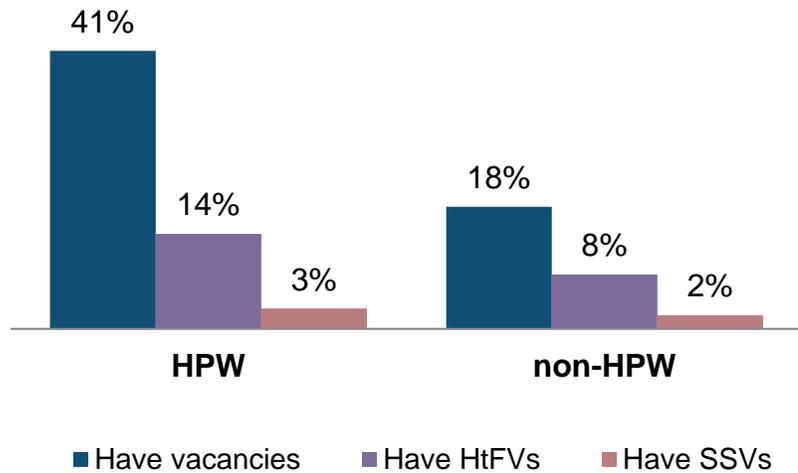
**9%**  
of employers adopt 14 or more of the HPW practices and are therefore classified as HPW employers

# High Performance Working and skills challenges

HPW employers are **more active in the recruitment market...**

...yet are **more likely to have skills gaps** among their workforce...

...and are much **more likely to train** their staff...



# Conclusions



Department  
for Education



**IFF Research**

# Current state of skills in England

- **There has been a 9% increase in the number of reported vacancies**, from 797,000 in 2015 to 873,000 in 2017. However, the proportion of employers with vacancies has stayed at 20%.
- Around one-fifth (22%) of these vacancies were proving hard-to-fill due to **applicants lacking the necessary skills, qualifications or experience (i.e. skill-shortage vacancies)**, similar to 2015 (23%).
- The number **of skills gaps among the existing workforce has dropped** from 1.18 million to 1.06 million; a decrease from 5.1% of the total workforce in 2015 to 4.3% in 2017.
- **Specialist skills needed for the role** and **ability to manage and prioritise own tasks** were the main technical and practical, and people and personal skills lacking among both applicants and existing staff.
- **A third of employers (34%) reported having under-utilised staff**, that is staff with qualifications and skills beyond those required for the role (up from 30% in 2015).

# Impacts and response

- The impact on **businesses' productivity and growth potential** are key impacts of skills challenges, with potential to restrict both aspects in the short and long term. The impact of skills challenges were felt most notably on current staff with employers reporting **increased workloads for other staff** as an impact of skill-shortage vacancies (84%) and as an impact of skills gaps among existing staff (50%).
- Despite persistent skills challenges, **the proportion of employers that train has remained consistent over time** (66%) and in 2017 the number of days training per trainee decreased from 6.8 days in 2015 to 6.4 days in 2017.
- Whilst 41% of employers wanted to provide more training, the main barriers preventing them from doing so centred on a lack of funds for training (51%) and lack of staff time to spare (49%).
- When looking ahead to the next 12 months, **a smaller proportion anticipated a need for staff to acquire new skills than they did in 2013** (63% compared with 70%)