

Employer Skills Survey 2017

Northern Ireland slide pack

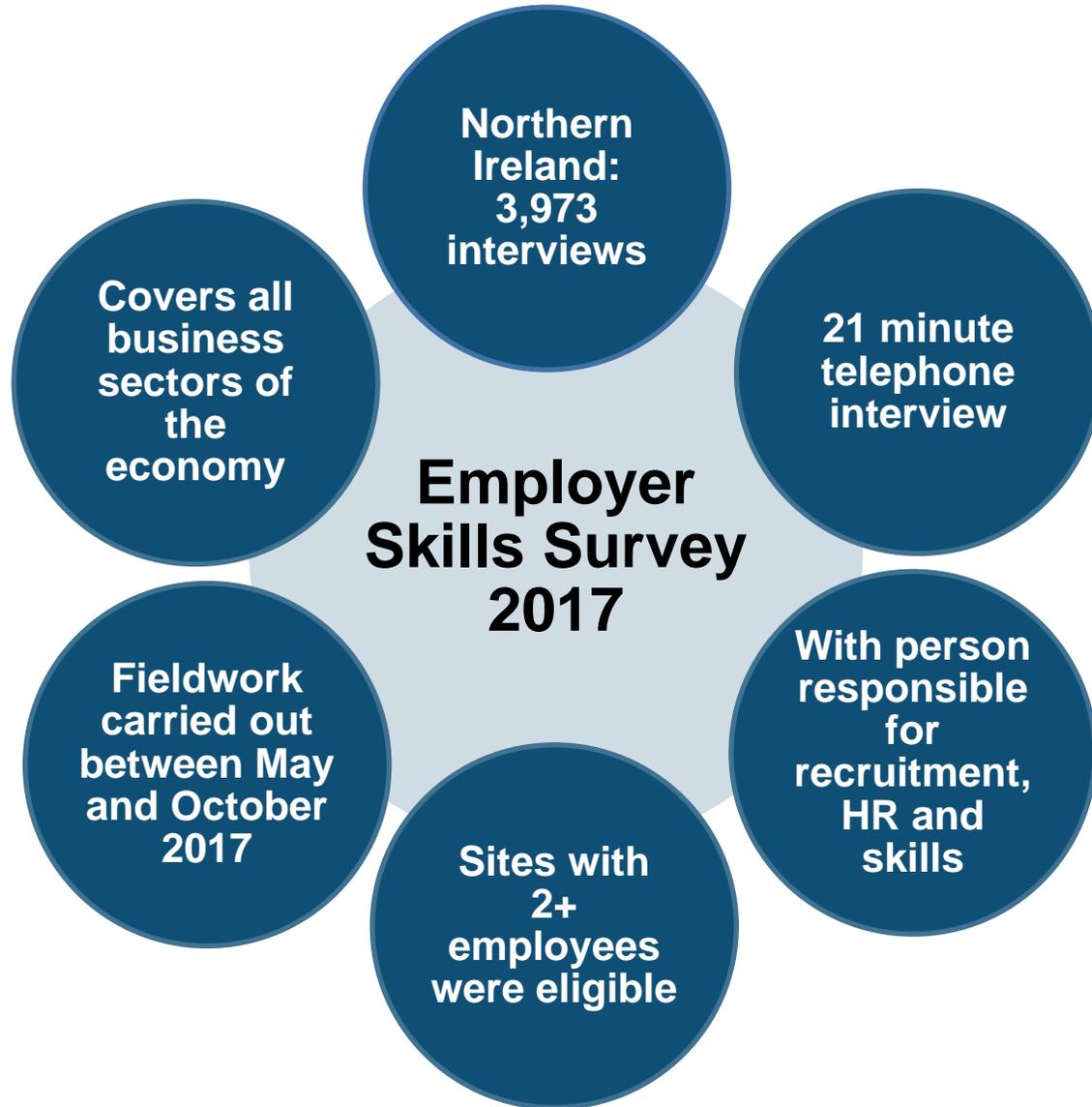


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Introduction



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 |
|--|------------|----------------------|
|--|------------|----------------------|

| | | |
|------------------|--------|-------|
| Northern Ireland | 56,000 | 3,973 |
|------------------|--------|-------|

By region*

| | | |
|---------|--------|-----|
| Belfast | 10,000 | 824 |
|---------|--------|-----|

| | | |
|-------|-------|-------|
| North | 8,000 | 1,023 |
|-------|-------|-------|

| | | |
|-------|--------|-----|
| South | 12,000 | 814 |
|-------|--------|-----|

| | | |
|------|--------|-----|
| East | 15,000 | 640 |
|------|--------|-----|

| | | |
|------|--------|-----|
| West | 10,000 | 672 |
|------|--------|-----|

*Note that these regional breakdowns were introduced for ESS 2017 (grouping the 11 District Councils of Northern Ireland into the five groupings shown above). These regions are comprised of the 11 District Council geographies of Northern Ireland, as detailed below:

- Belfast - comprised of the Belfast district council
- East - comprised of the Ards and North Down, Mid and East Antrim, Antrim and Newtownabbey, and Lisburn and Castlereagh district councils
- South - comprised of the Armagh City Banbridge and Craigavon, and Newry Mourne and Down district councils
- North - comprised of the Causeway Coast and Glens, and Derry City and Strabane district councils
- West - comprised of the Mid Ulster, and Fermanagh and Omagh district councils

| By sector | Population | Number of interviews |
|-----------|------------|----------------------|
|-----------|------------|----------------------|

| | | |
|----------------------------|-------|-----|
| Primary Sector & Utilities | 8,000 | 188 |
|----------------------------|-------|-----|

| | | |
|---------------|-------|-----|
| Manufacturing | 3,000 | 252 |
|---------------|-------|-----|

| | | |
|--------------|-------|-----|
| Construction | 5,000 | 319 |
|--------------|-------|-----|

| | | |
|--------------------|--------|-----|
| Wholesale & Retail | 12,000 | 782 |
|--------------------|--------|-----|

| | | |
|----------------------|-------|-----|
| Hotels & restaurants | 4,000 | 384 |
|----------------------|-------|-----|

| | | |
|---------------------|-------|-----|
| Transport & Storage | 2,000 | 155 |
|---------------------|-------|-----|

| | | |
|------------------------------|-------|-----|
| Information & Communications | 1,000 | 117 |
|------------------------------|-------|-----|

| | | |
|--------------------|-------|-----|
| Financial Services | 1,000 | 122 |
|--------------------|-------|-----|

| | | |
|-------------------|-------|-----|
| Business Services | 7,000 | 499 |
|-------------------|-------|-----|

| | | |
|-----------------------|-------|----|
| Public Administration | 1,000 | 54 |
|-----------------------|-------|----|

| | | |
|-----------|-------|-----|
| Education | 3,000 | 255 |
|-----------|-------|-----|

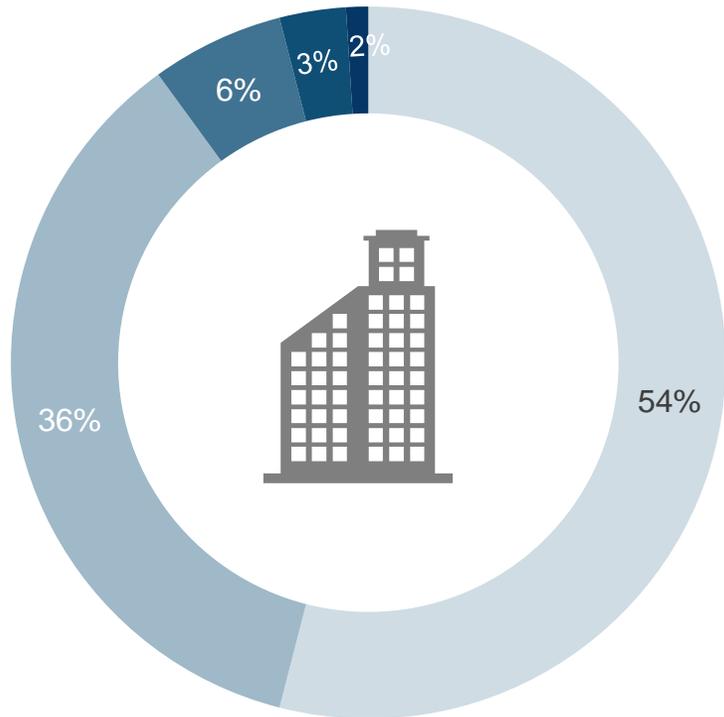
| | | |
|----------------------|-------|-----|
| Health & social work | 4,000 | 461 |
|----------------------|-------|-----|

| | | |
|-----------------------|-------|-----|
| Arts & Other Services | 5,000 | 385 |
|-----------------------|-------|-----|

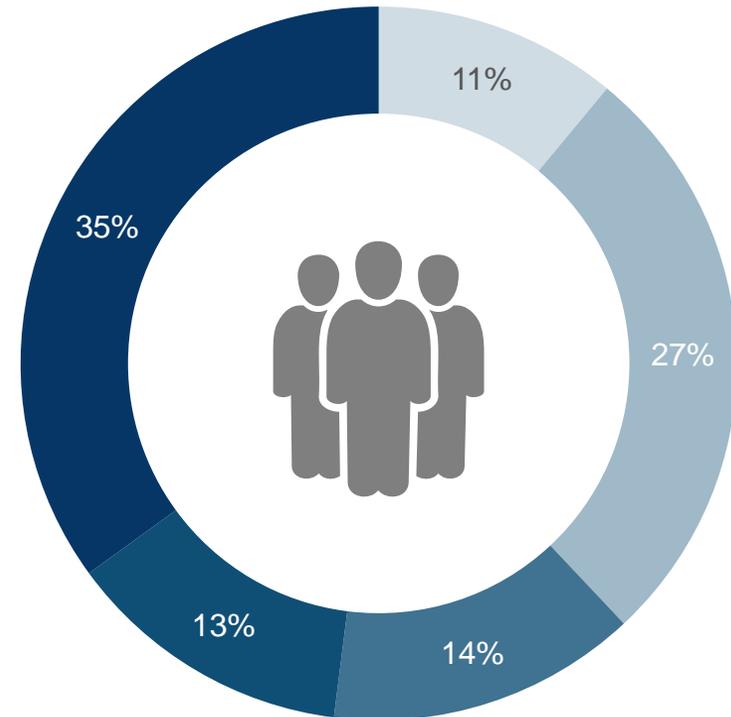
All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is less than one percentage point at the overall level and typically between one and three percentage points across the region and sector sub-groups.

Survey population: size of establishment

% of all establishments

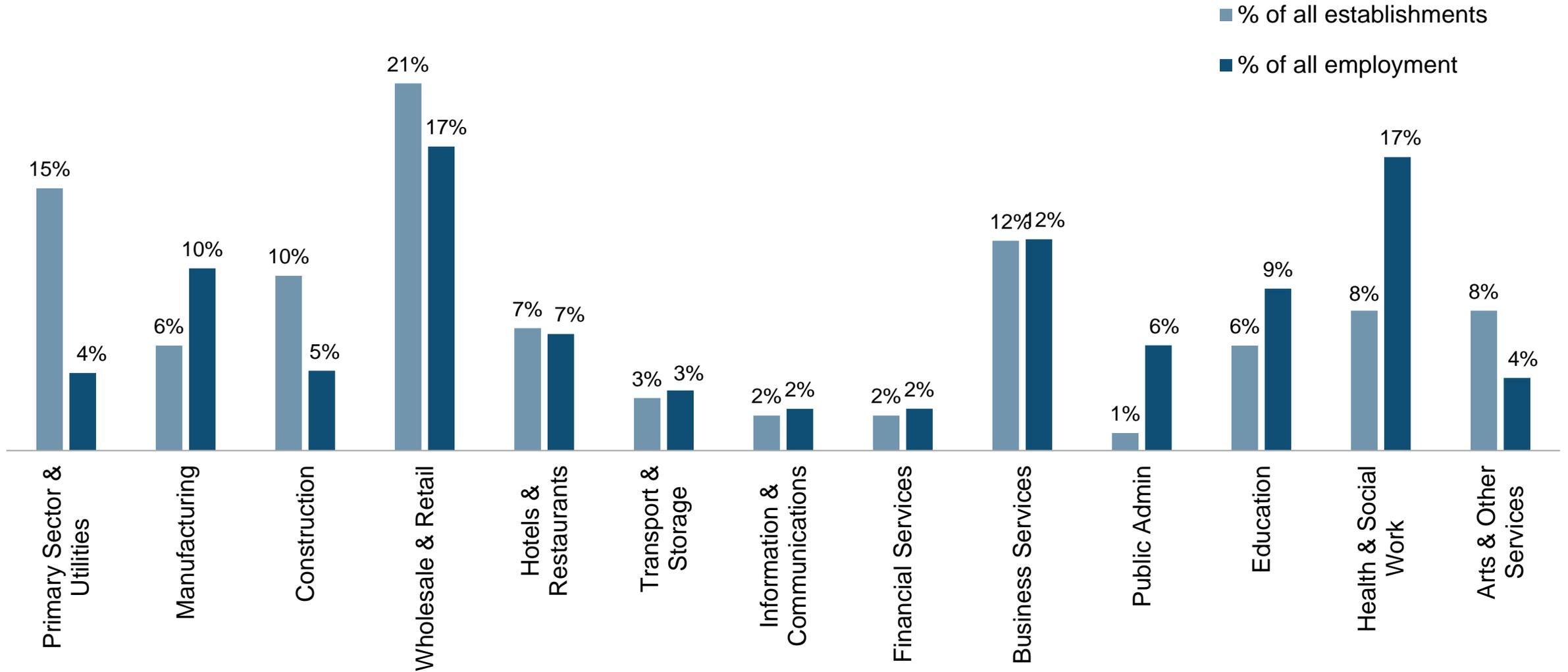


% of all employment



■ 2 to 4 employees ■ 5 to 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



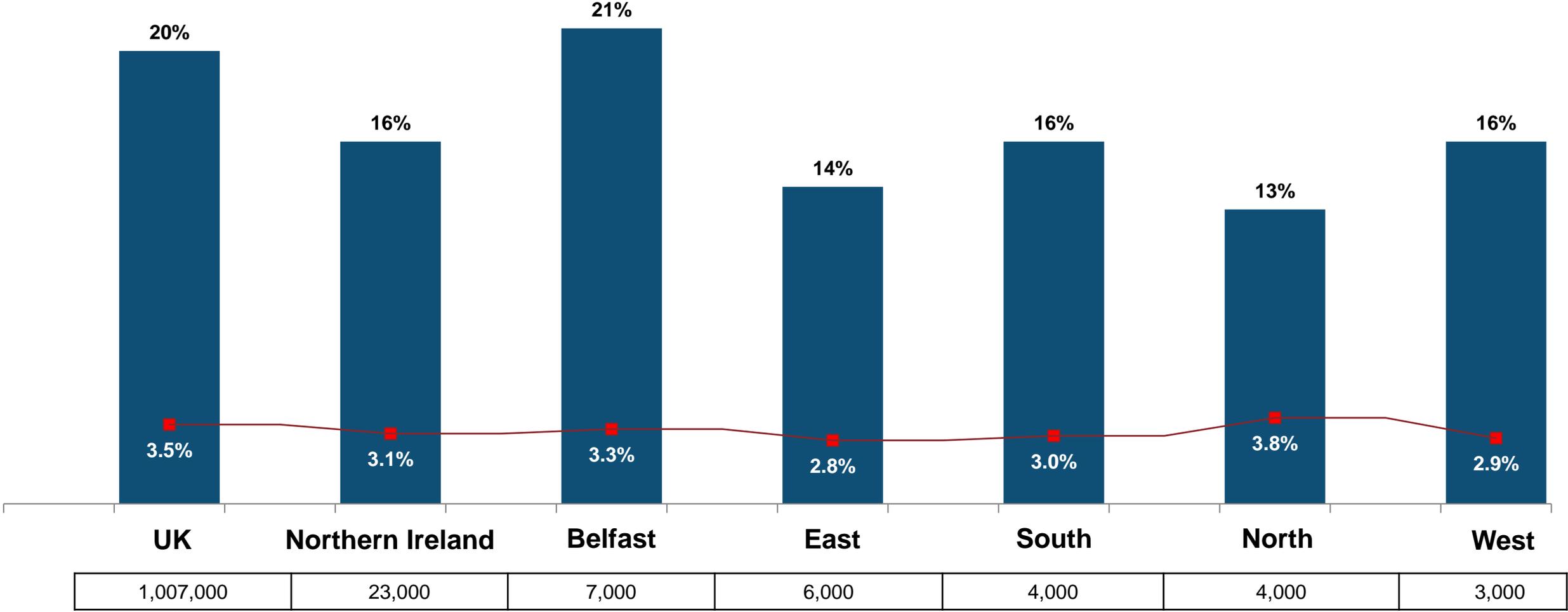
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Incidence and density of vacancies by region

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



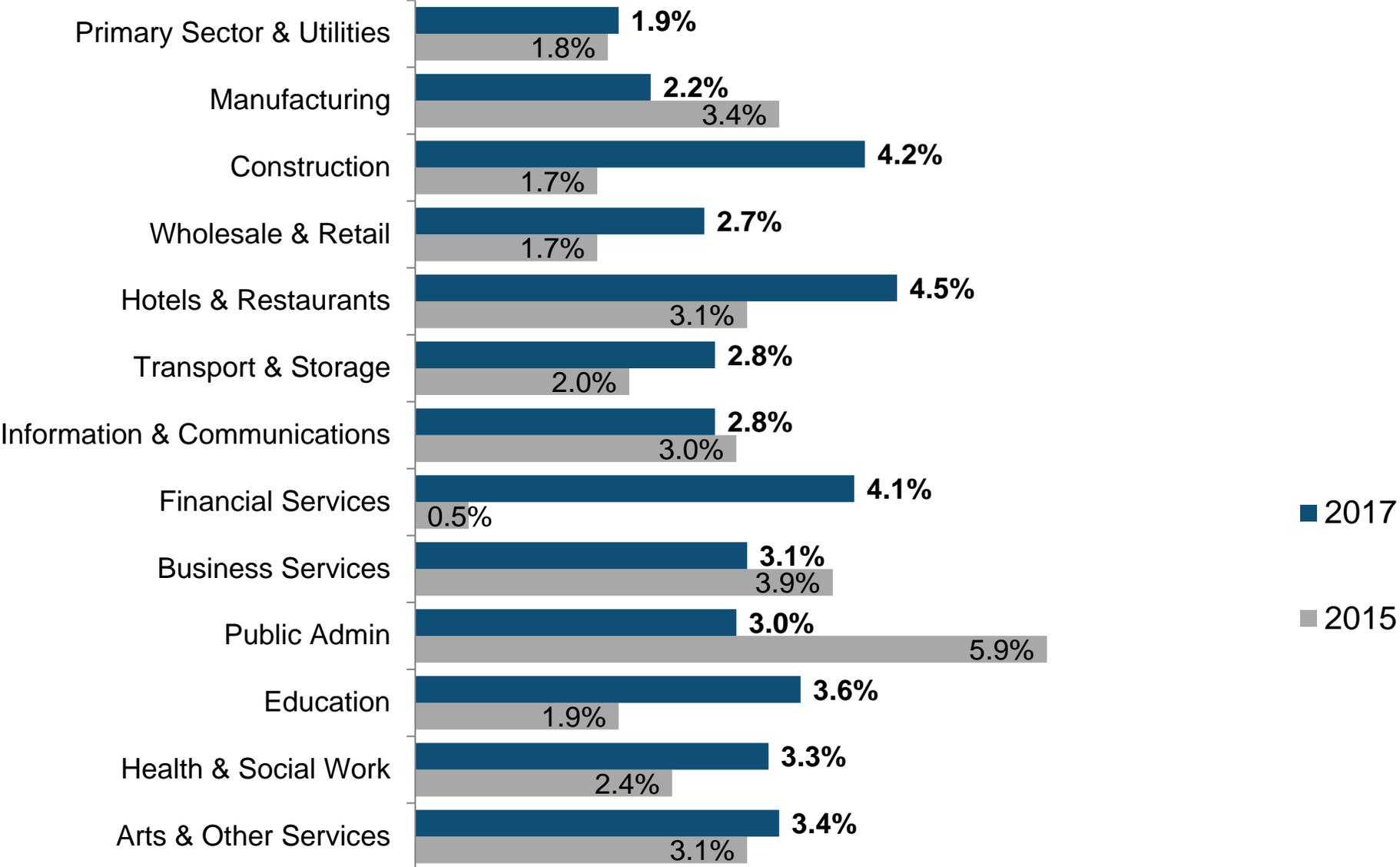
Number of reported vacancies (2017)

Base: All establishments; UK: 87,430; Northern Ireland: 3,973 Belfast: 824; East: 1,023; South: 814; North: 640; West: 672)

Density of vacancies by sector

Number of reported vacancies (2017)

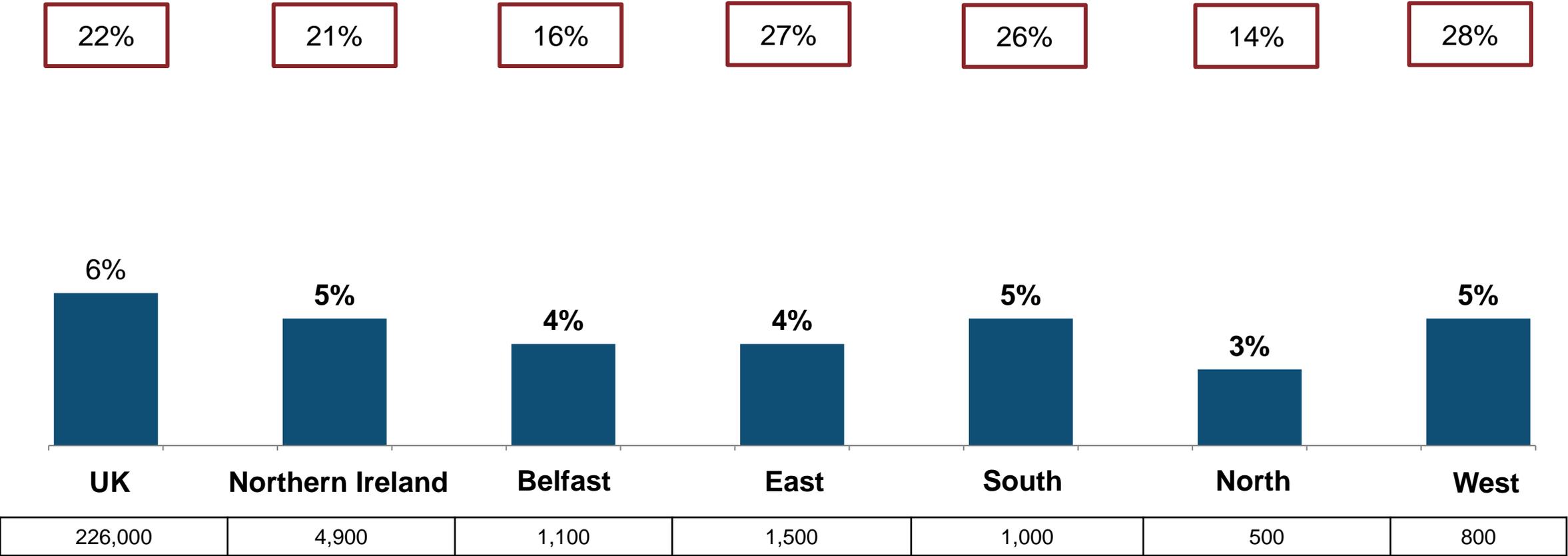
| |
|-------|
| 600 |
| 1,700 |
| 1,400 |
| 3,500 |
| 2,200 |
| 700 |
| 500 |
| 500 |
| 3,000 |
| 1,300 |
| 2,500 |
| 4,000 |
| 1,000 |



Base: All establishments (2017 base sizes range from 54 in Public Admin. to 782 in Wholesale and Retail)

Incidence and density of skill-shortage vacancies by region

■ Incidence of vacancies □ Density (SSVs as % of vacancies)

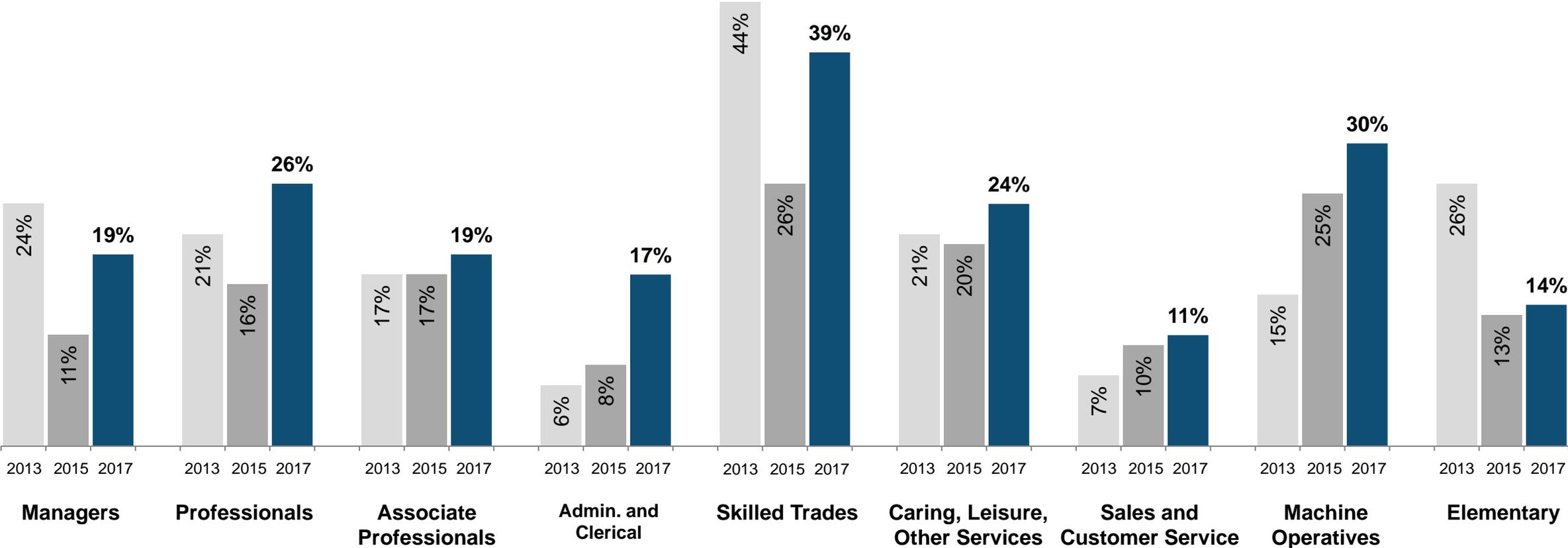


Number of skill-shortage vacancies (2017)

Base: All establishments with vacancies (UK: 25,114; Northern Ireland: 855; Belfast: 199; East: 216; South: 183; North: 116; West: 141)

Density of skill-shortage vacancies by occupation

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

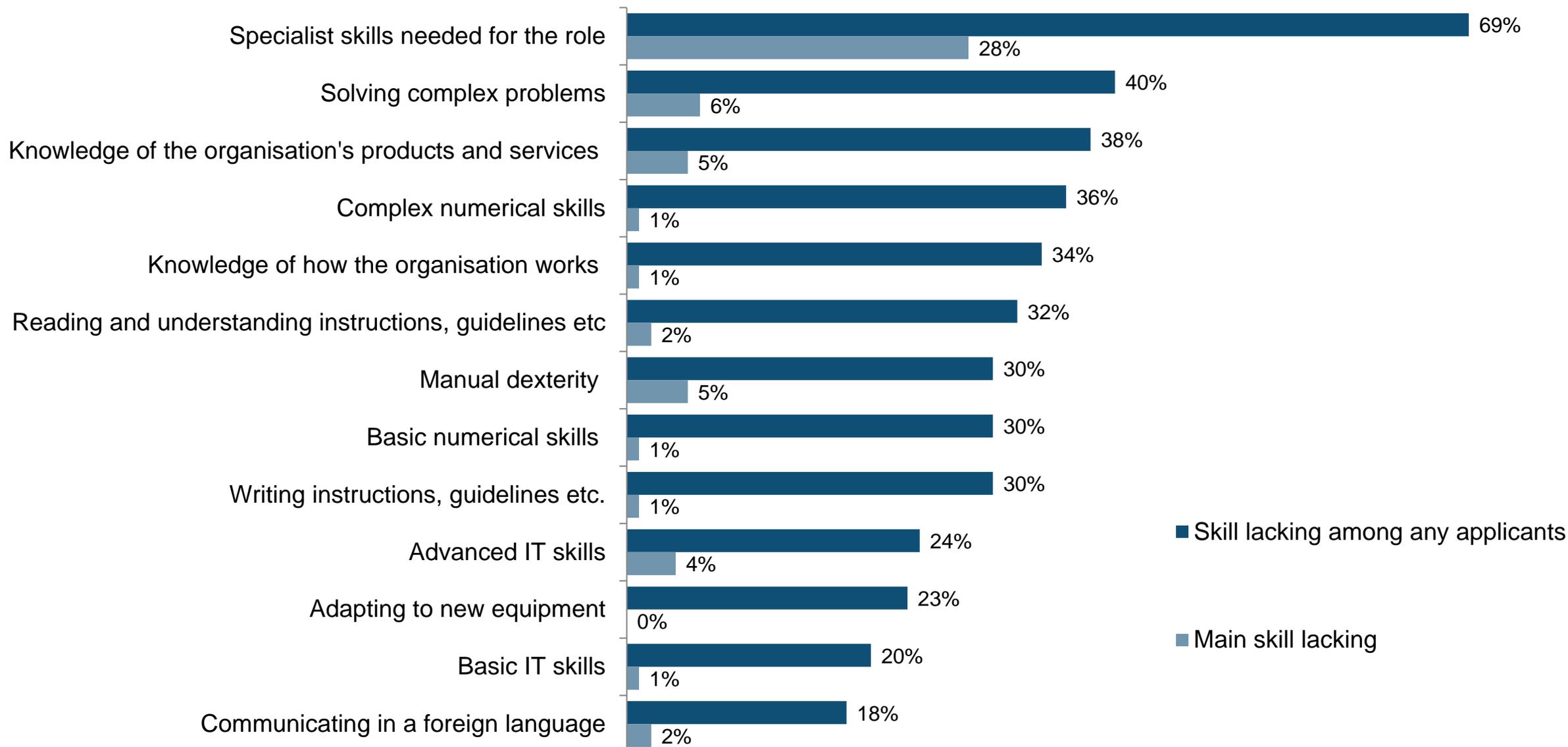


| | | | | | | | | |
|-----|-----|-----|-----|-------|-----|-----|-----|-----|
| 200 | 800 | 600 | 300 | 1,200 | 700 | 300 | 500 | 500 |
|-----|-----|-----|-----|-------|-----|-----|-----|-----|

Number of skill-shortage vacancies (2017)

Base: All establishments with vacancies in the given occupations (2017 base sizes range from 44 for Managers to 162 for Professionals)

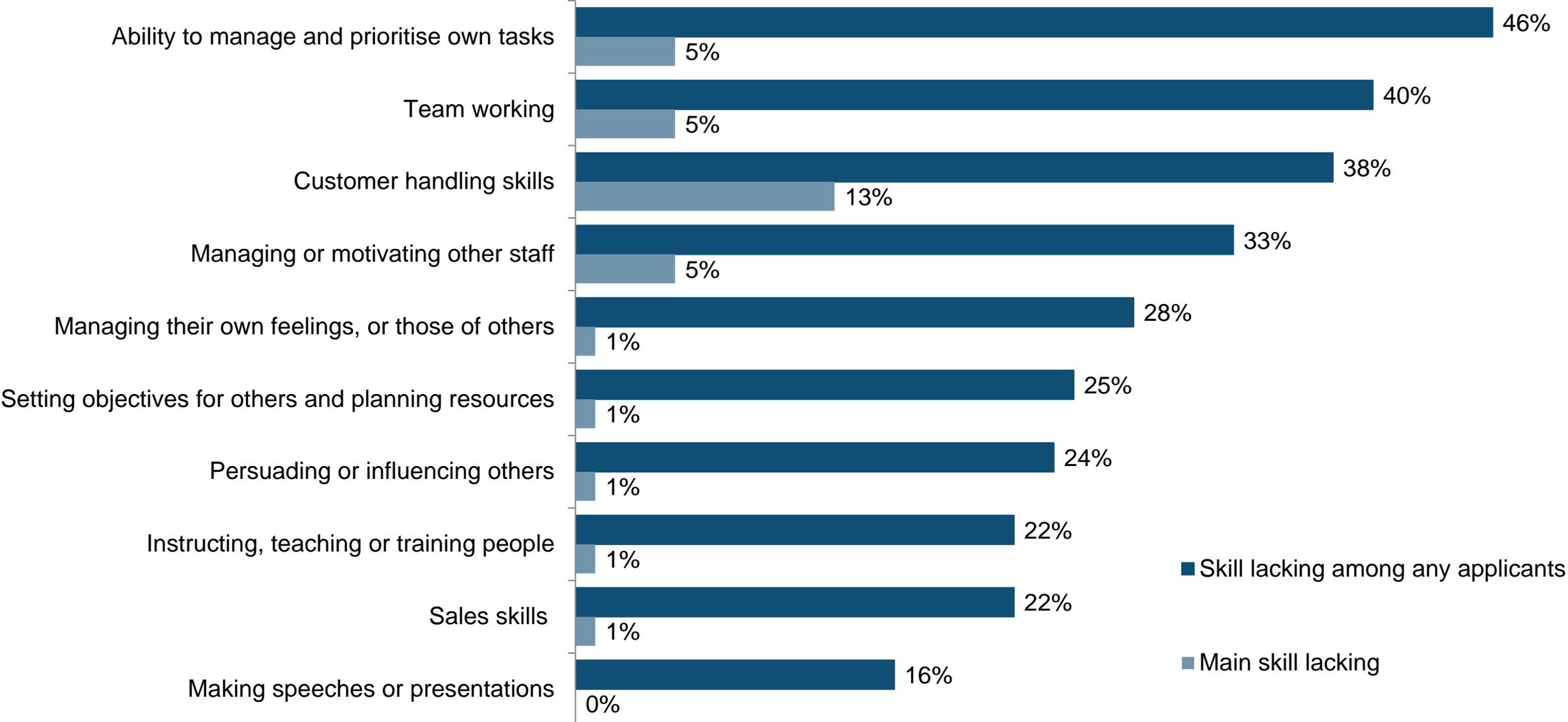
Technical and practical skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (251)

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

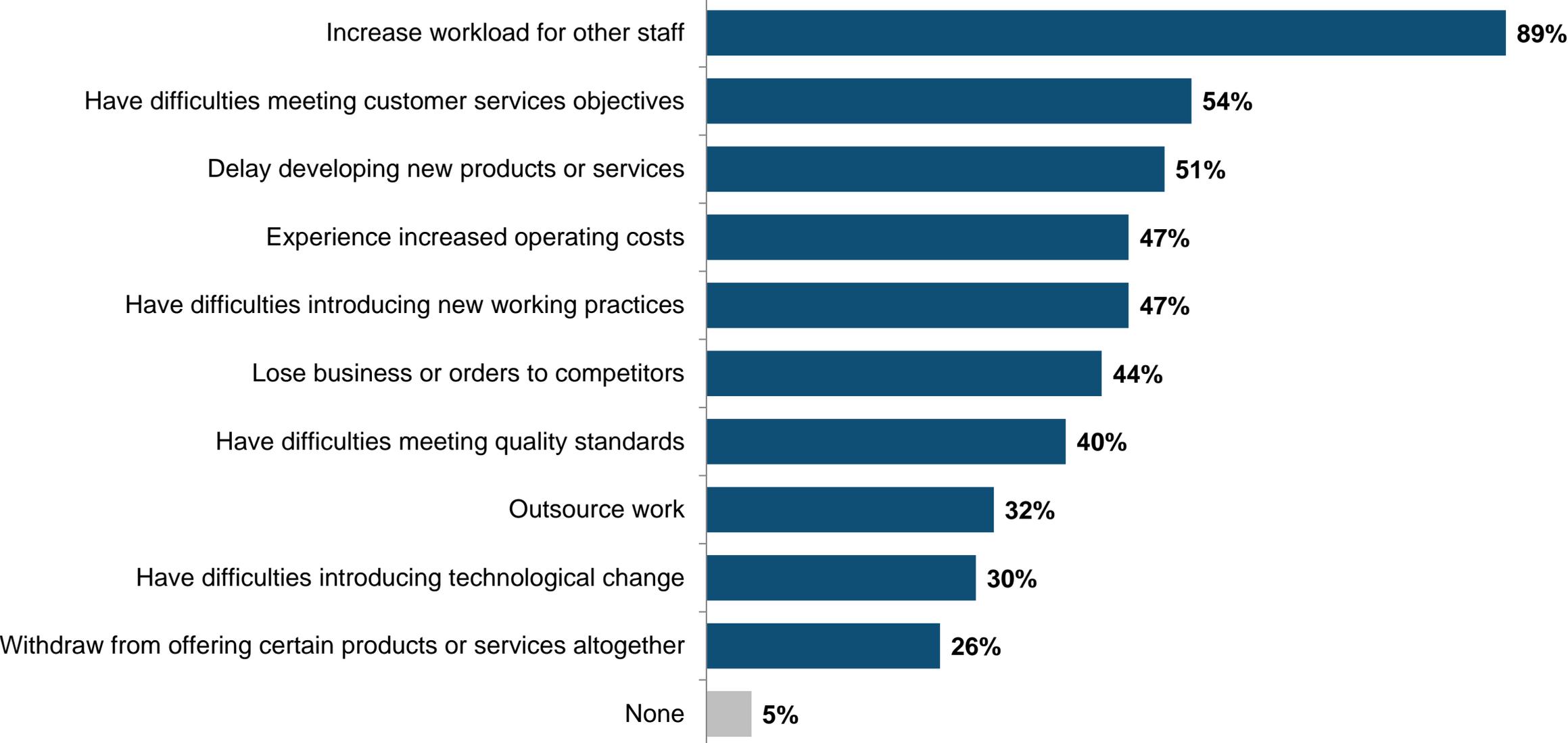
People and personal skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (251)

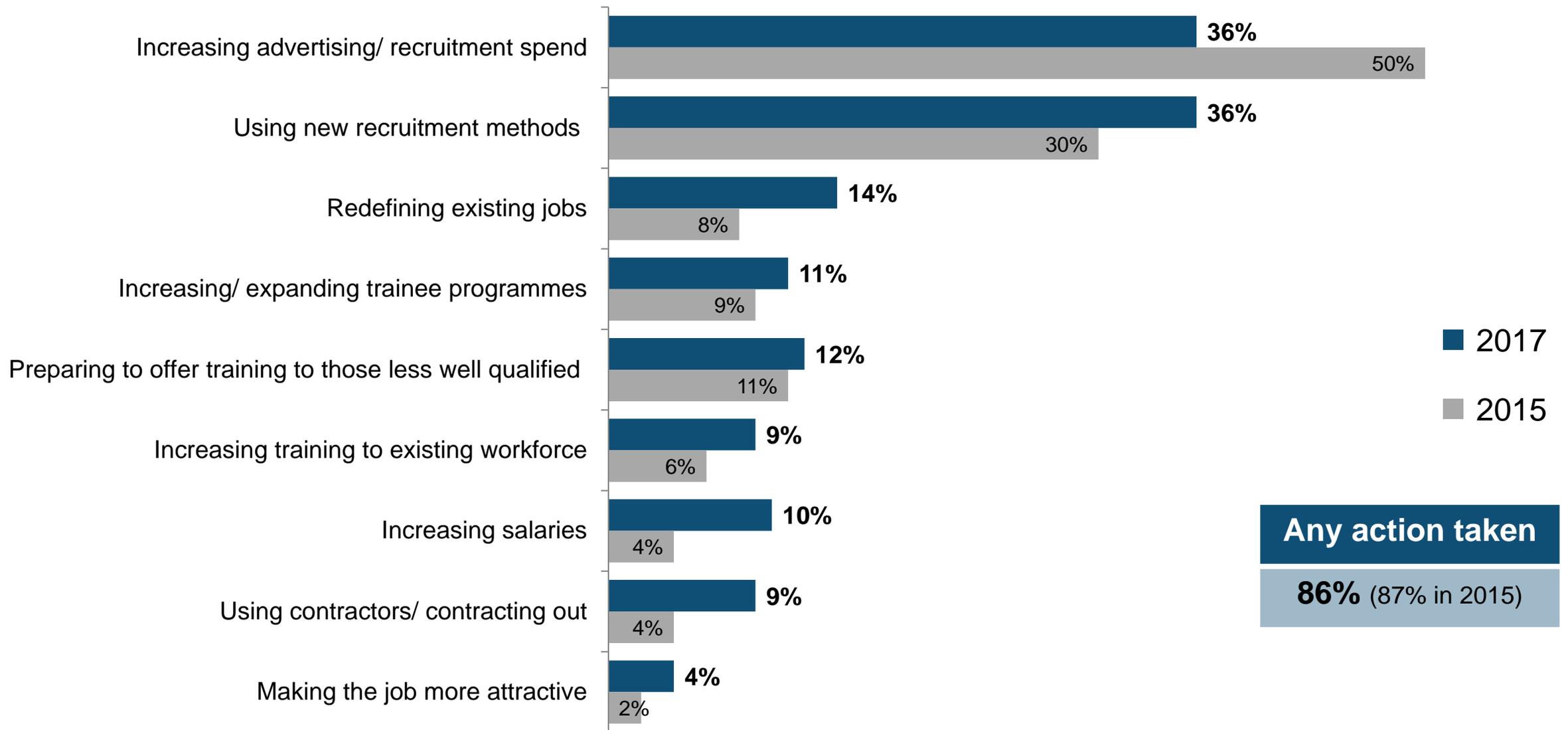
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

Impact of skill-shortage vacancies



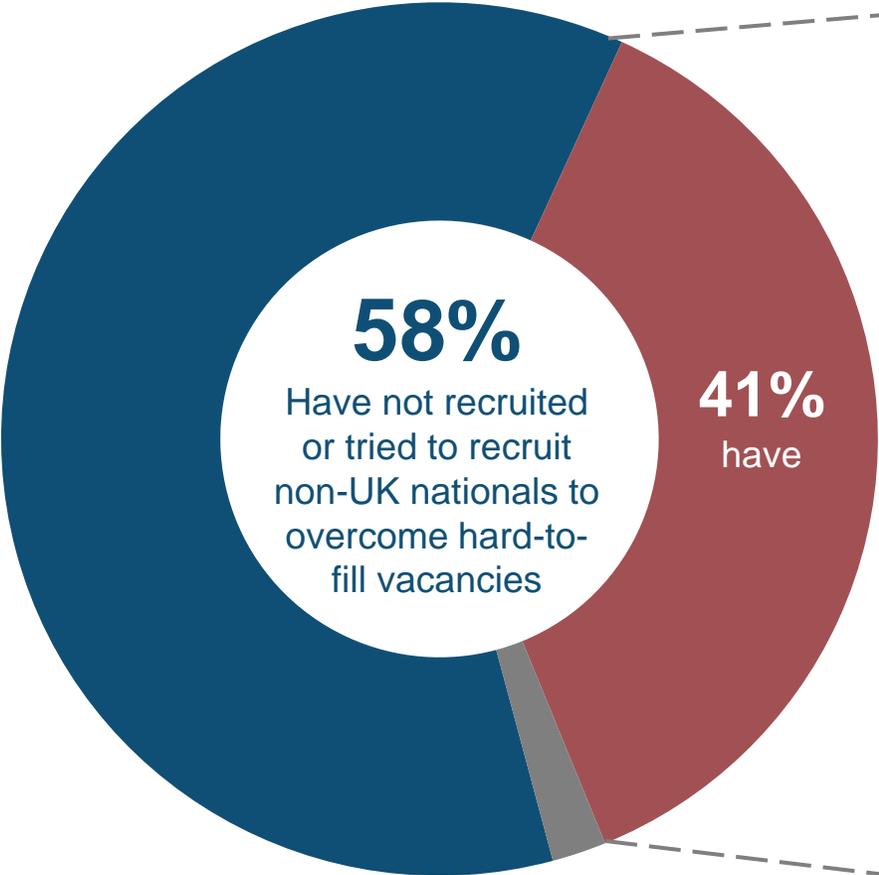
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (234)

Action taken to overcome skill-shortage vacancies



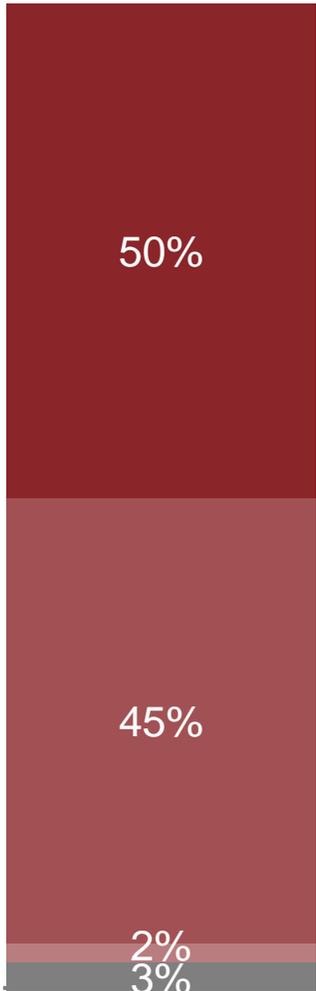
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (2015: 162; 2017: 234)

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



Tried to recruit:

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



95%
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 (336)
Base for column: All that had recruited or tried to recruit non-UK nationals in response to having hard-to-fill vacancies (142)

Skills gaps in the existing workforce



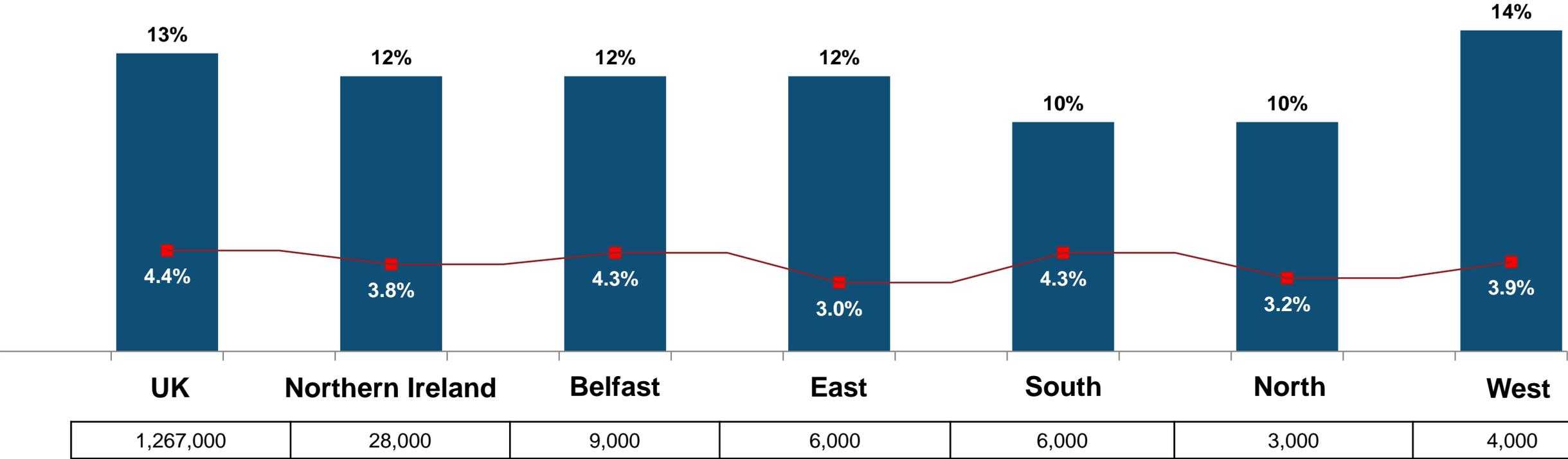
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Incidence and density of skills gaps by region

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

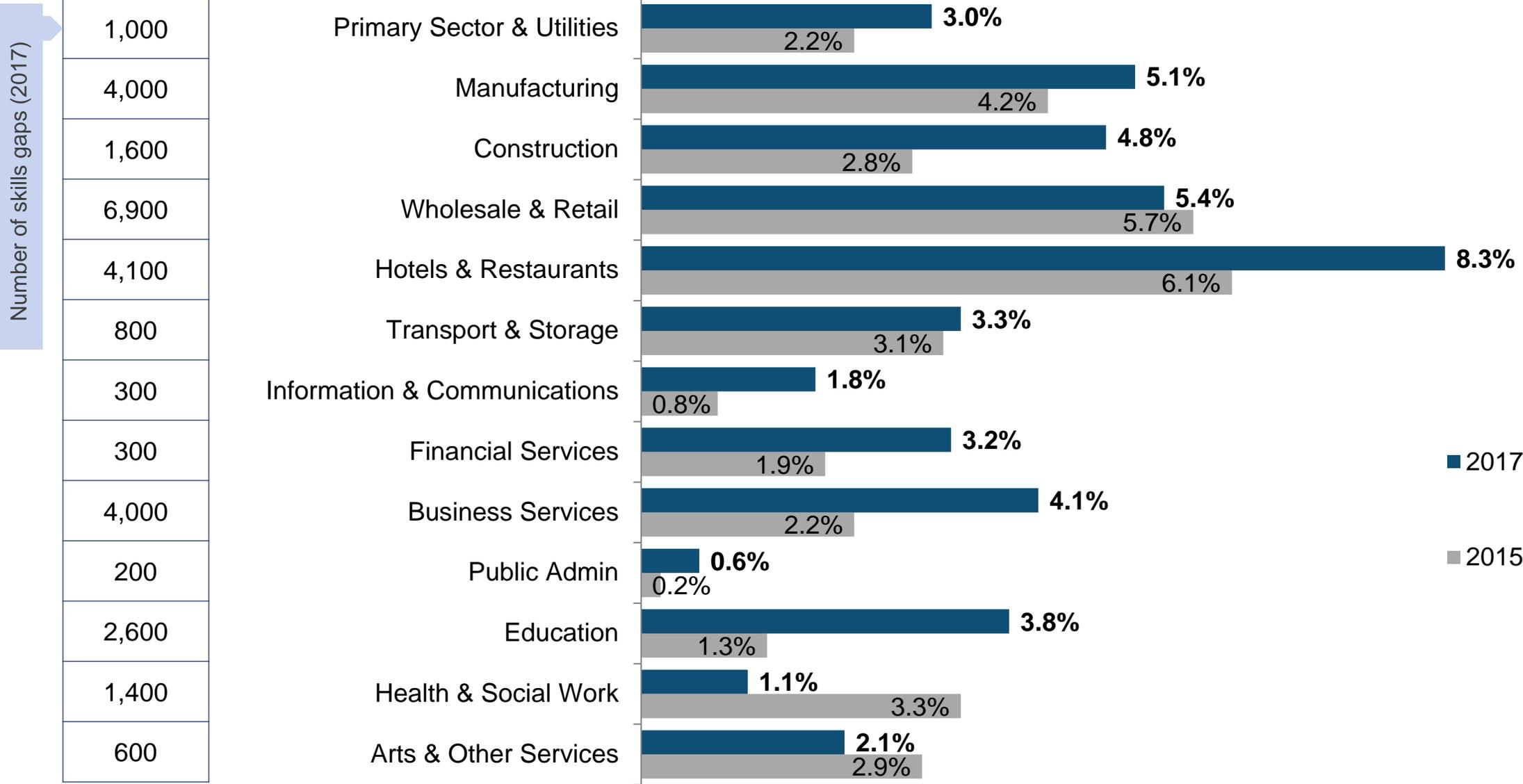


| | | | | | | |
|-----------|--------|-------|-------|-------|-------|-------|
| 1,267,000 | 28,000 | 9,000 | 6,000 | 6,000 | 3,000 | 4,000 |
|-----------|--------|-------|-------|-------|-------|-------|

Number of skills gaps (2017)

Base: All establishments; UK: 87,430; Northern Ireland: 3,973 Belfast: 824; East: 1,023; South: 814; North: 640; West: 672)

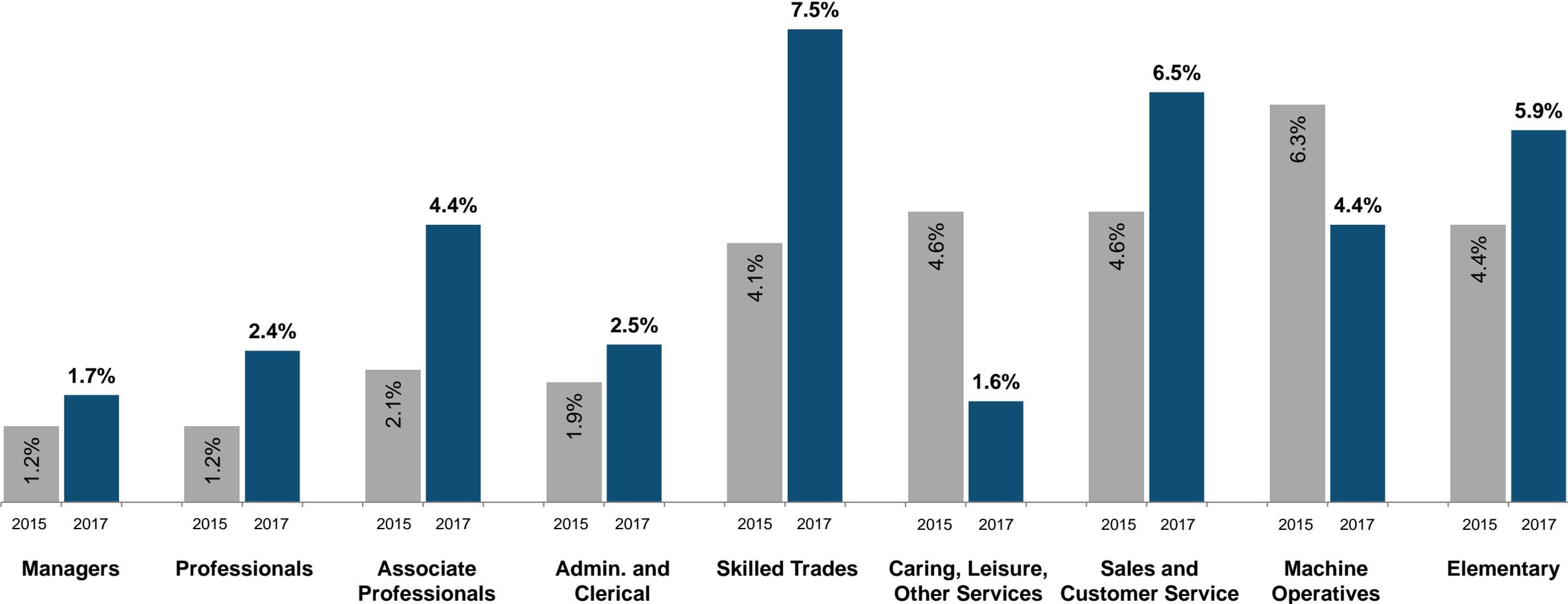
Density of skills gaps by sector



Base: All establishments (2017 base sizes range from 54 in Public Admin. to 782 in Wholesale and Retail)

Density of skills gaps by occupation

■ Density of skills gaps

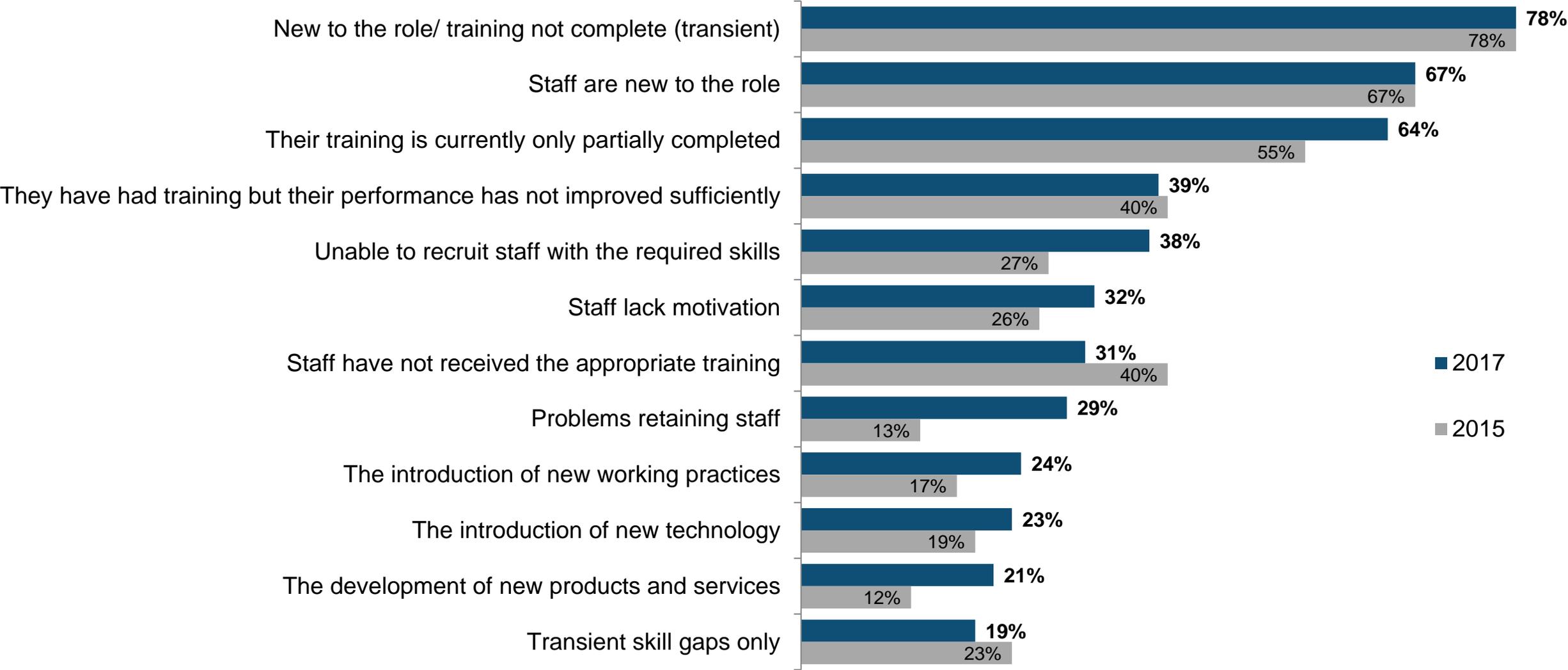


| | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2,000 | 2,000 | 2,000 | 3,000 | 4,000 | 1,000 | 6,000 | 3,000 | 5,000 |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|

Number of skills gaps (2017)

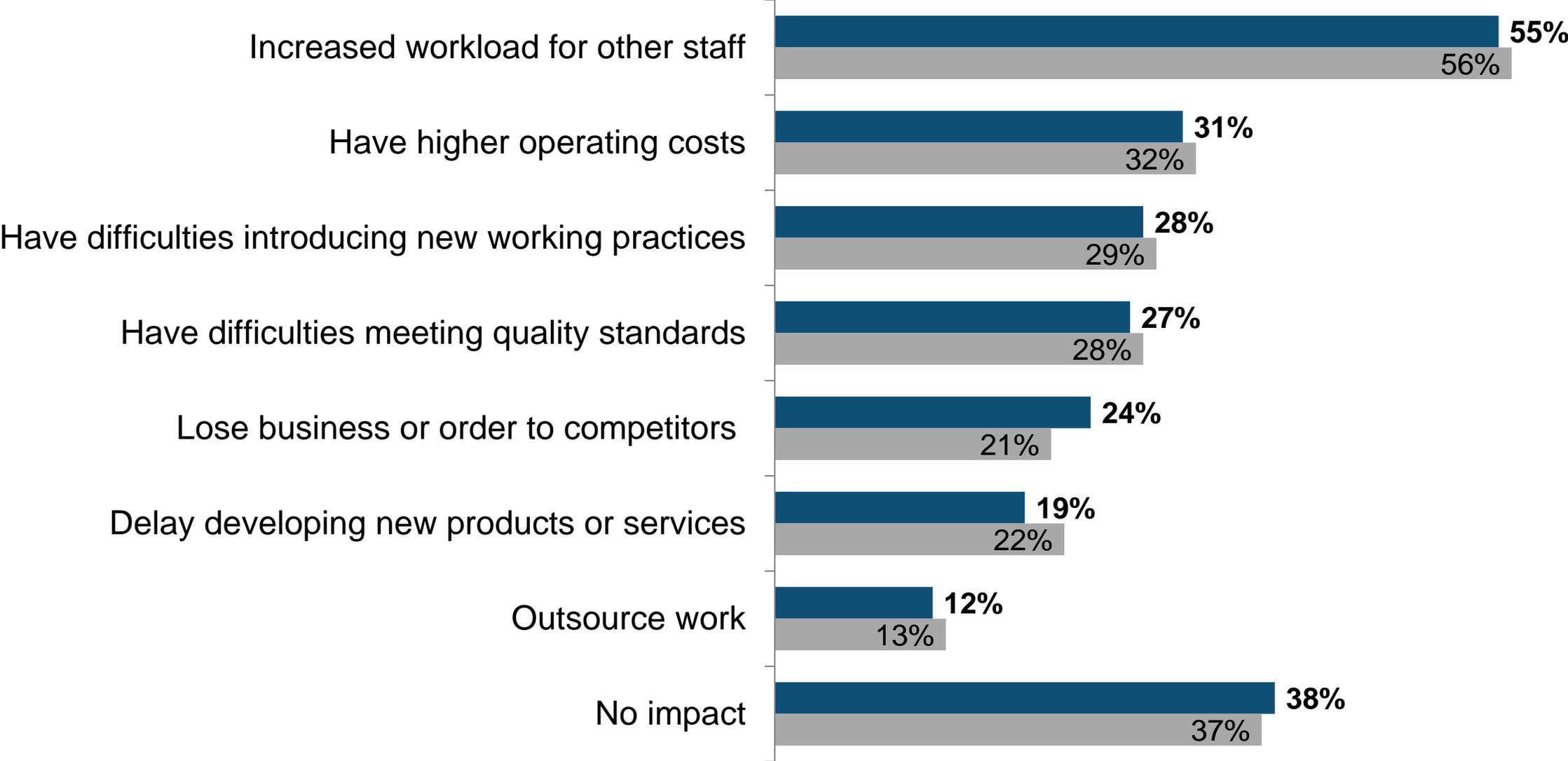
Base: All establishments with staff in the given occupations (2017 base sizes range from 647 for Machine Operatives to 3,693 for Managers)

Main causes of skills gaps



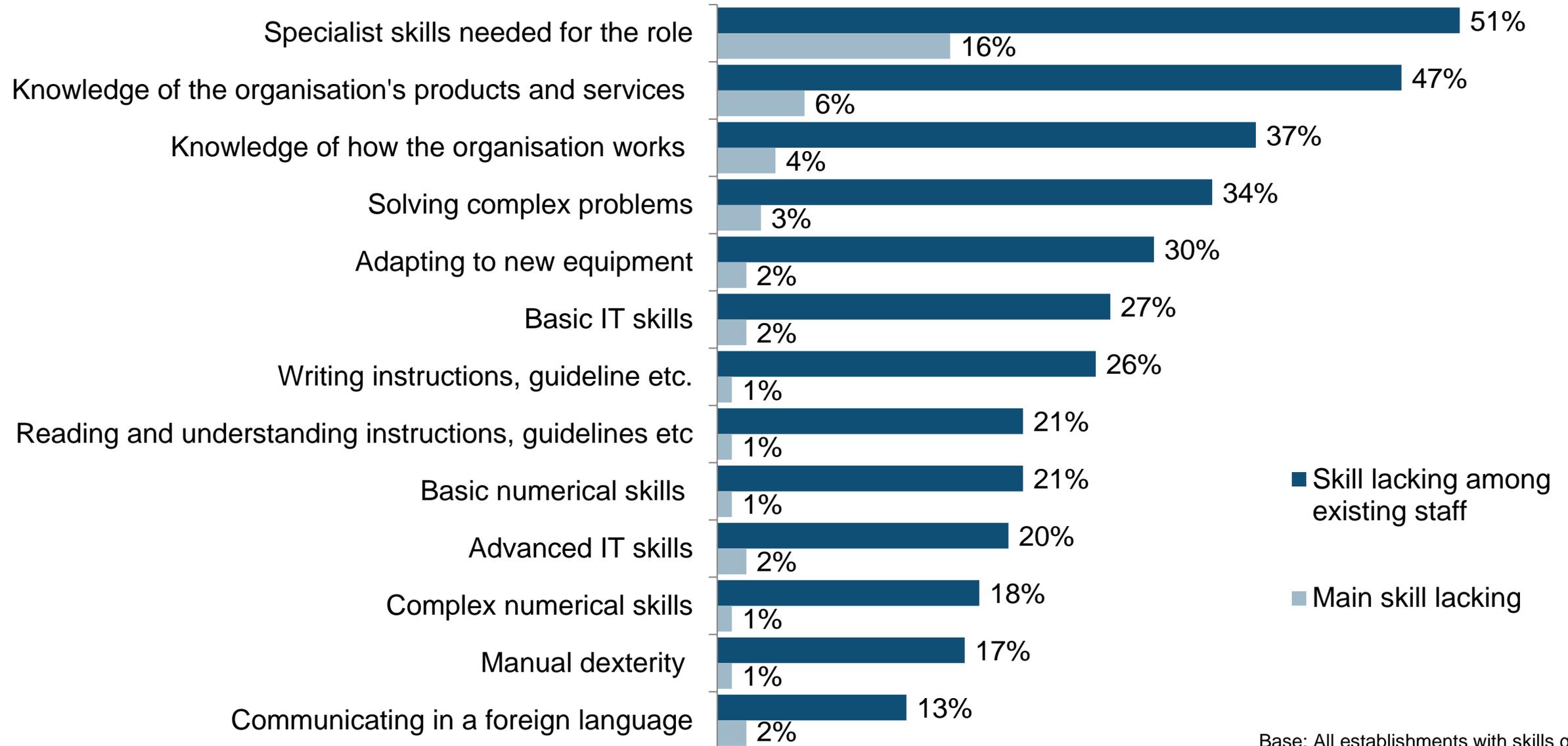
Base: All establishments with skills gaps - up to 2 occupations followed up (2015: 2,668; 2017:2,318)
 Figures are shown as a percentage of all skills gaps (not a percentage of all establishments)

Impact of skills gaps



Base: All establishments with skills gaps (657)

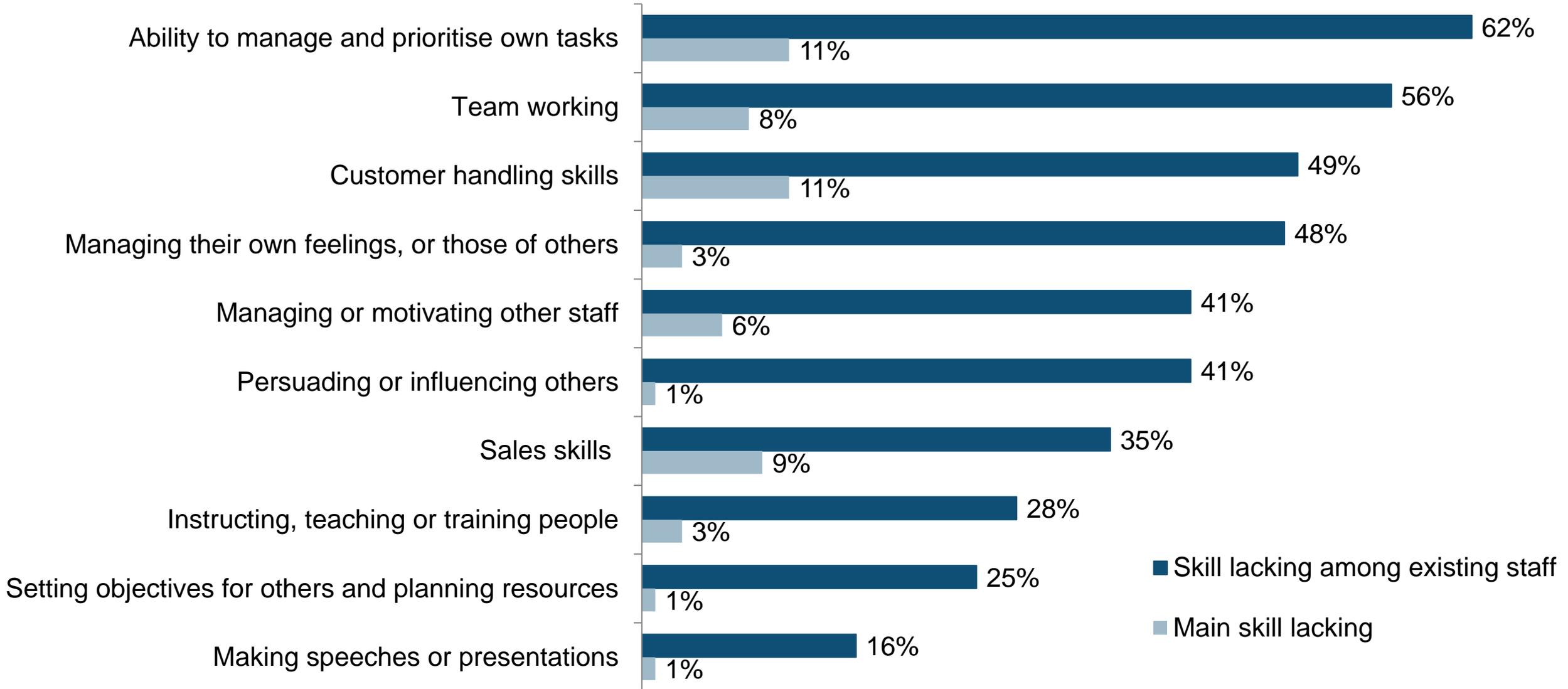
Technical and practical skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (657)

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

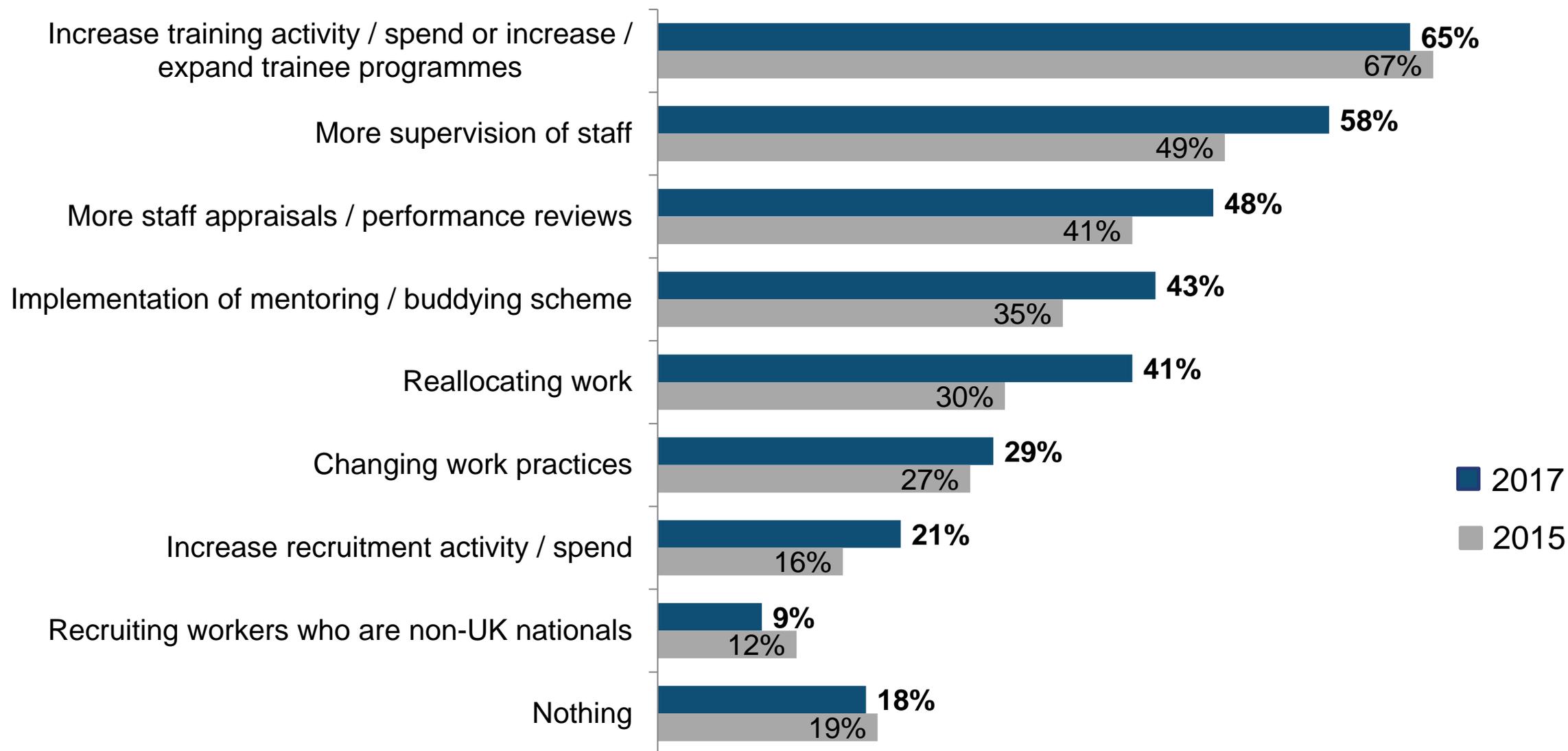
People and personal skills that need improving among staff with skills gaps



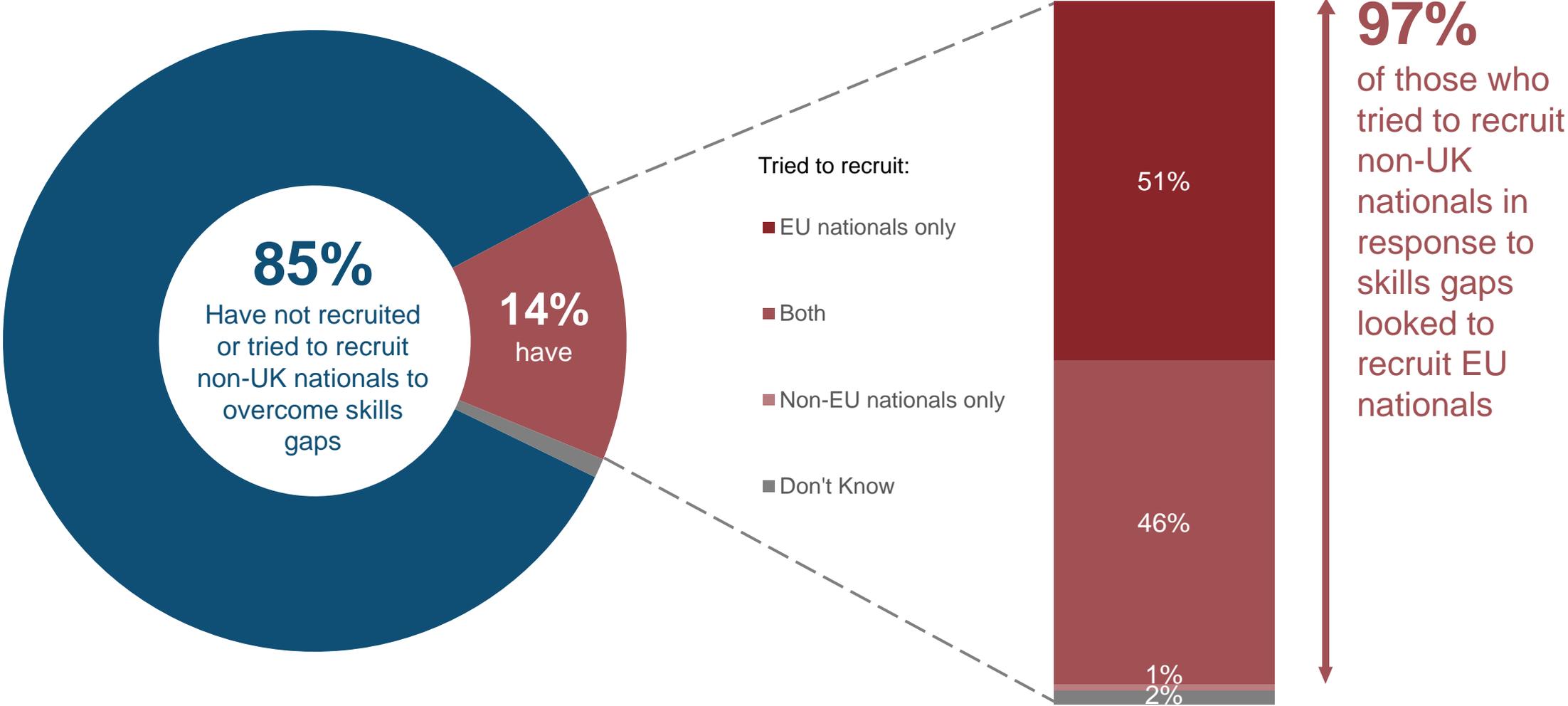
Base: All establishments with skills gaps (657)

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

Action taken to overcome skills gaps



Recruitment of EU nationals to overcome skills gaps



Base for pie: All establishments with skills gaps (657)

Base for column: All that had recruited or tried to recruit non-UK nationals in response to skills gaps (108)

Skills under-utilisation

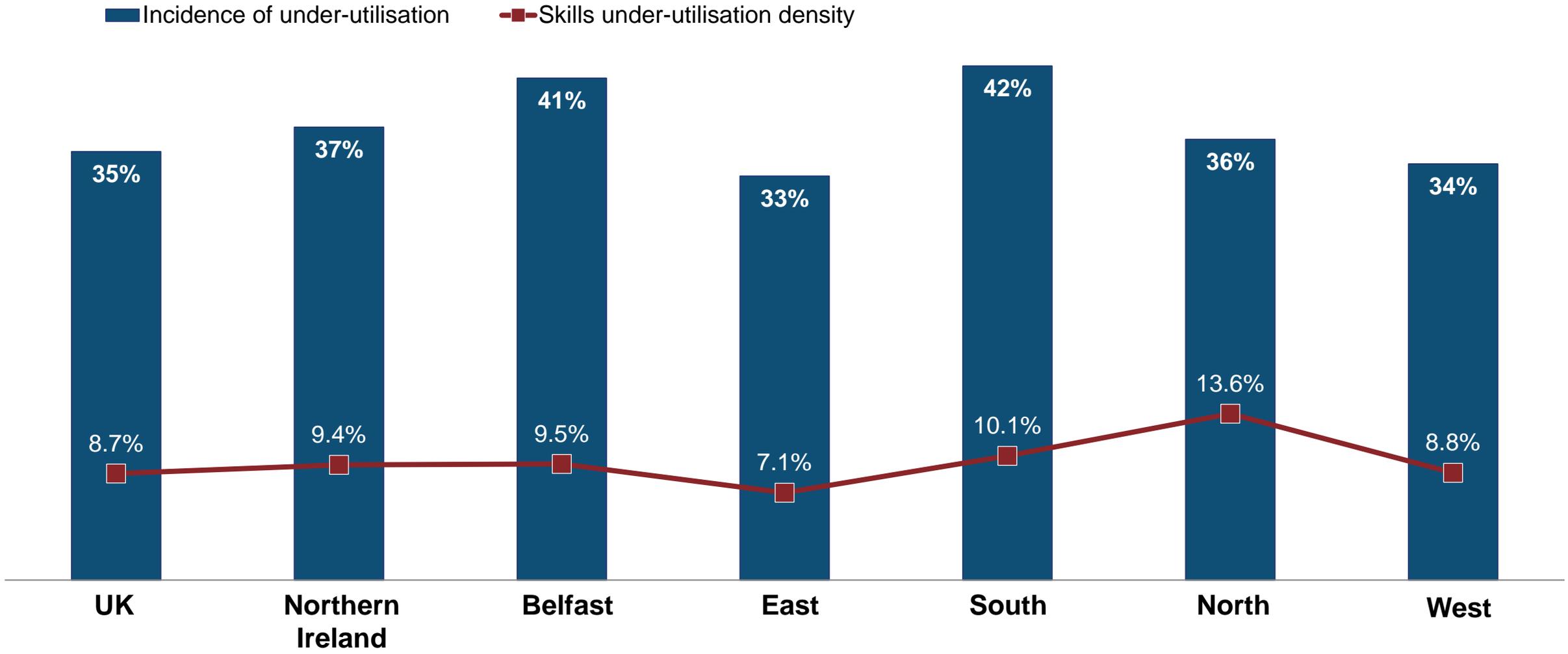


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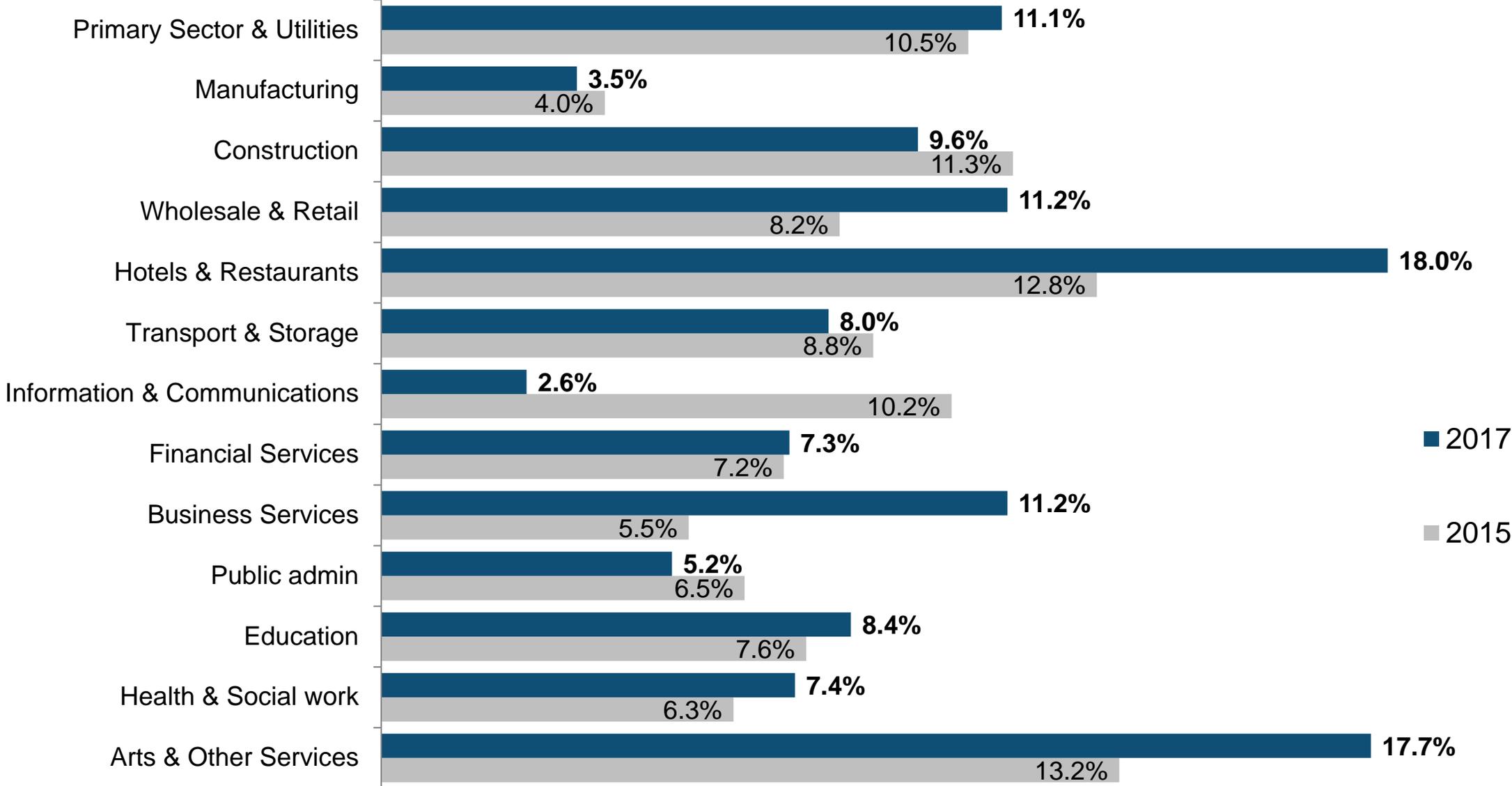
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Incidence and density of skills under-utilisation by region



Base: All establishments: UK: 87,430; Northern Ireland: 3,973; Belfast: 824; East: 1,023; South: 814; North: 640; West: 672)

Density of skills under-utilisation by sector



Base: All establishments (2017 base sizes range from 54 in Public Admin. to 782 in Wholesale and Retail)

Upskilling

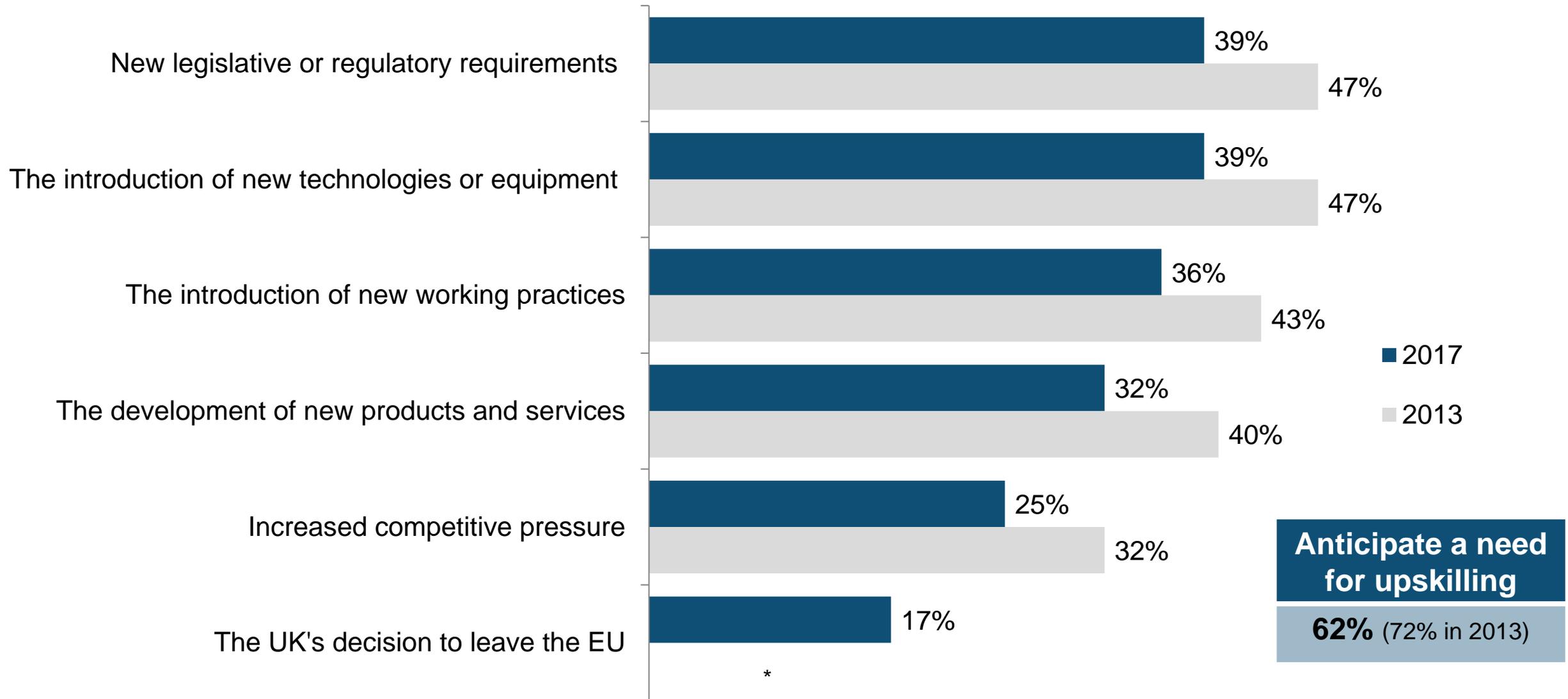


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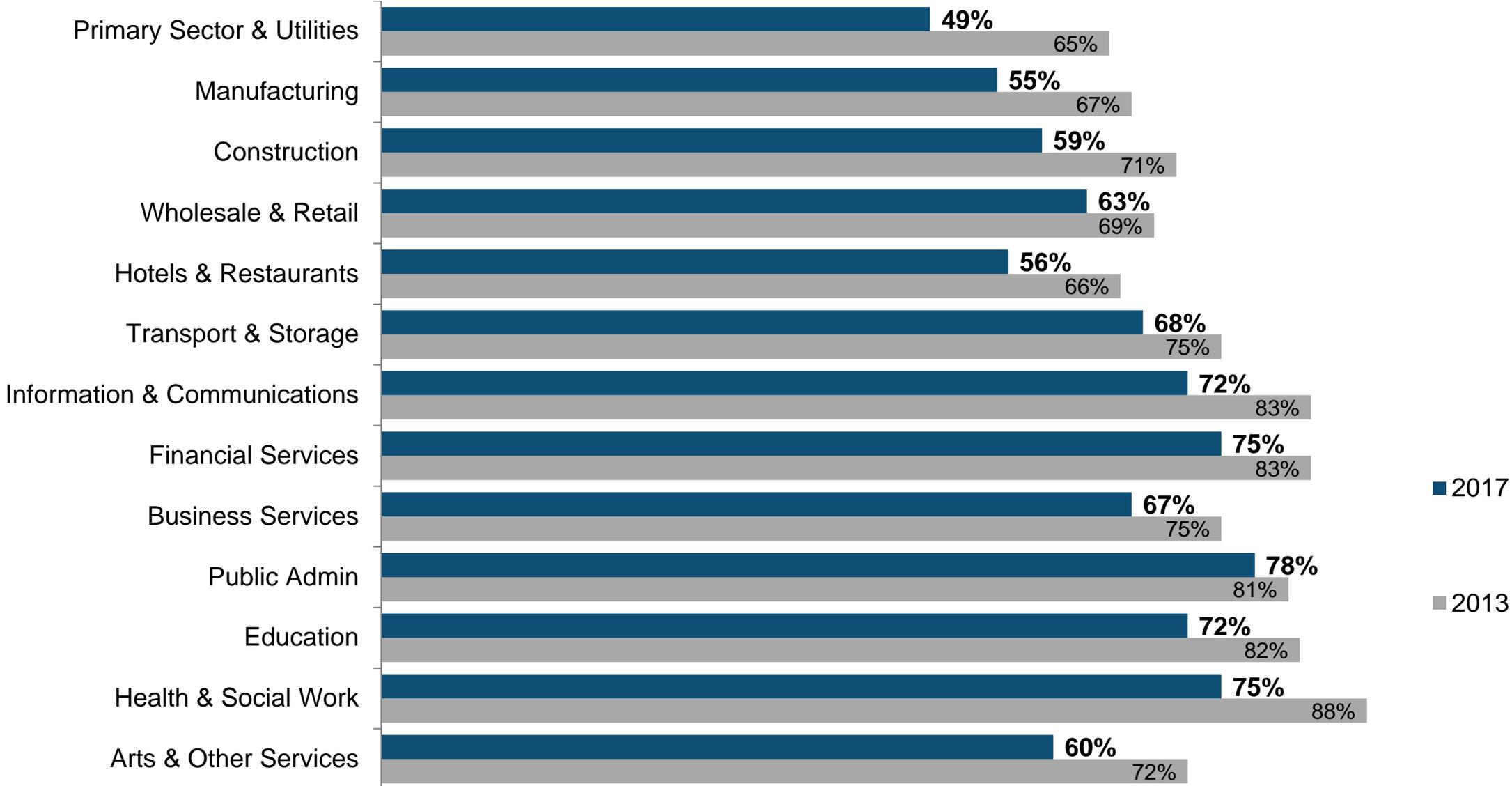
Reasons for staff requiring upskilling



Base: All establishments in Module 2 (2013: 1,945 ; 2017: 2,015)

* Code not asked in 2013

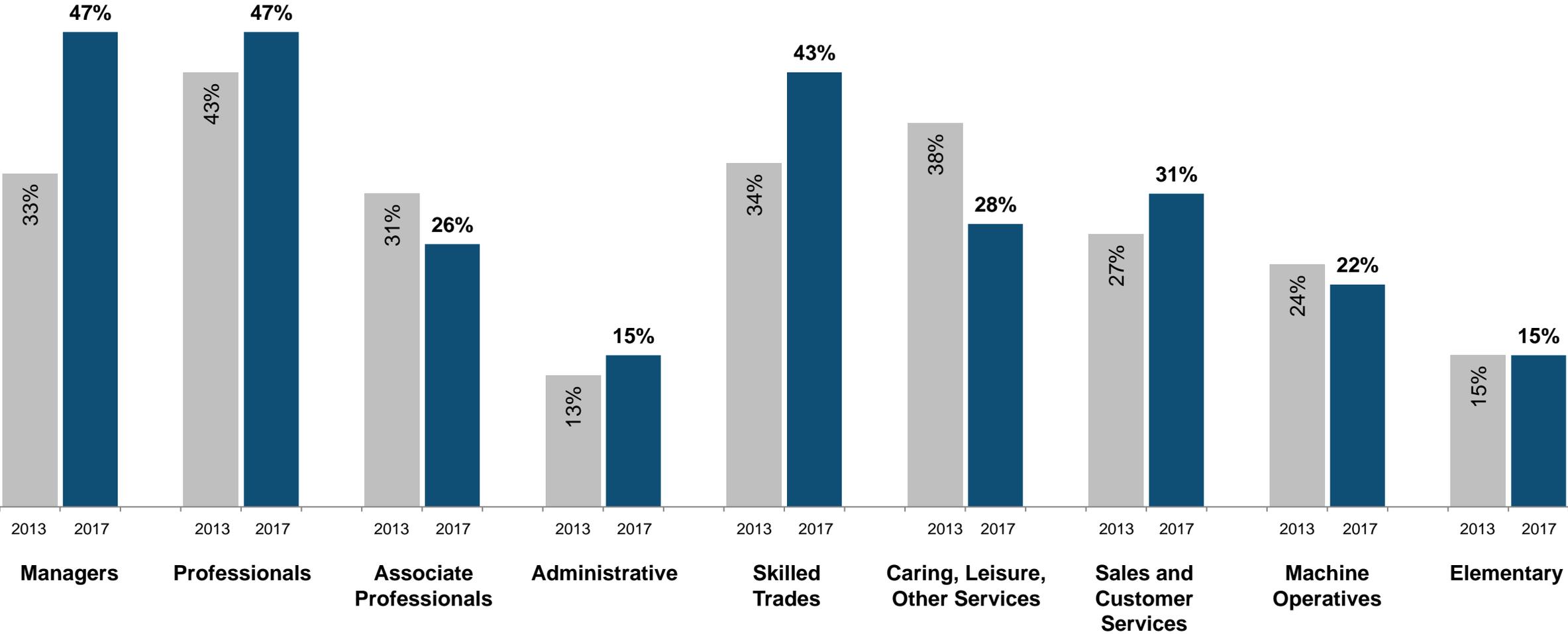
Prevalence of a need for upskilling by sector



Base: All establishments in Module 2 (2017 base sizes range from 27 in Public Admin. to 395 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 603 for Associate Professionals to 3,693 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 (1,190)

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



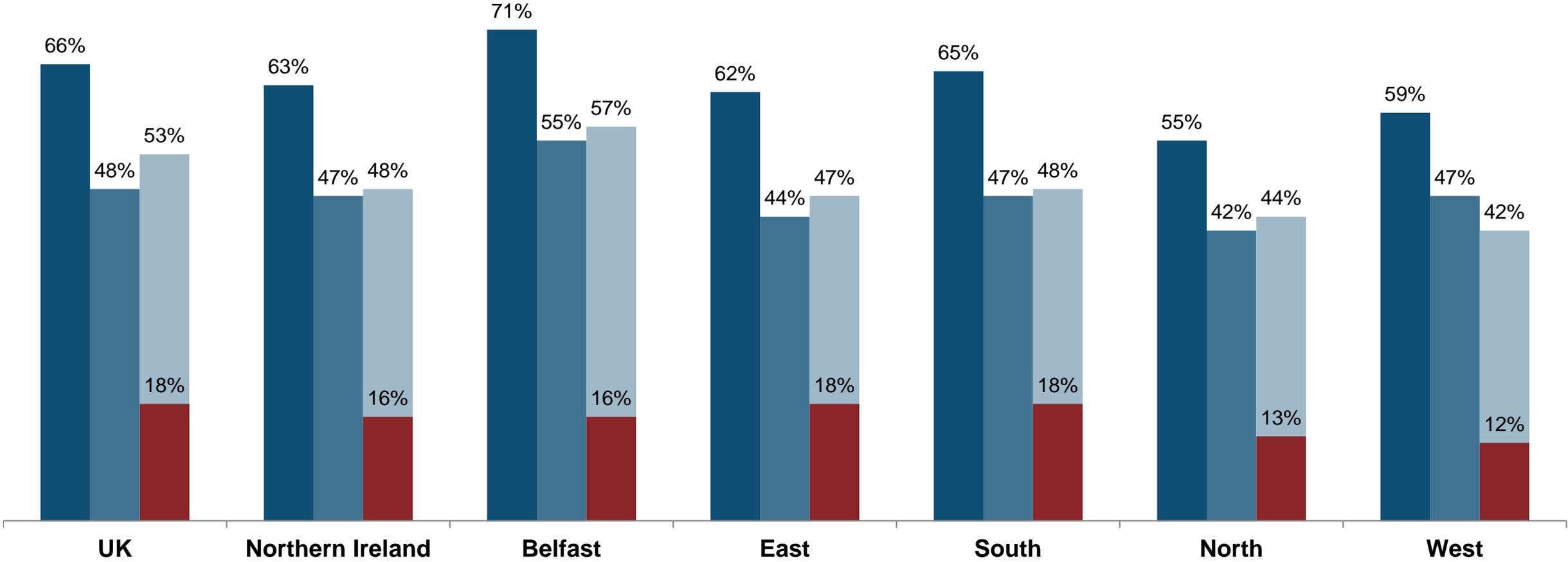
Base: All establishments who anticipate a need for new skills in next 12 months (1,190)

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

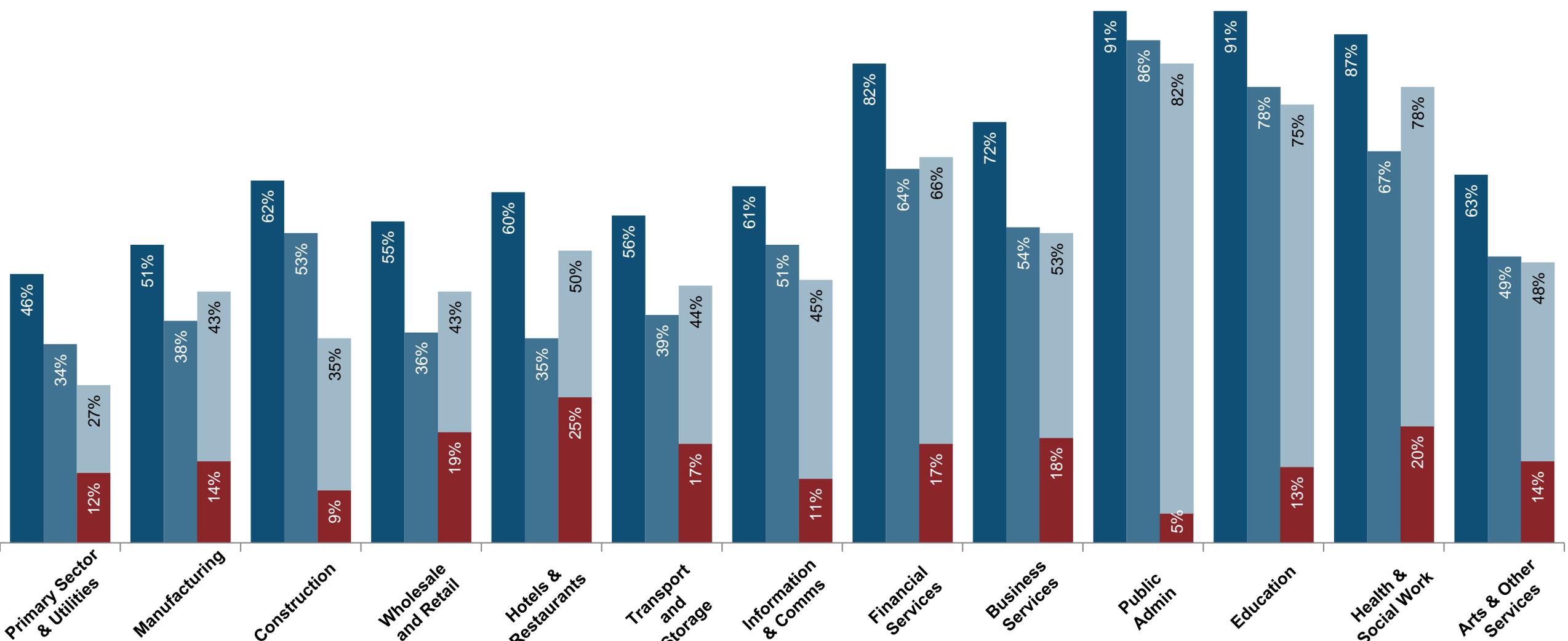
■ Train ■ Train off-the-job ■ Train on-the-job ■ Train on-the-job only



Base: All establishments: UK: 87,430; Northern Ireland: 3,973; Belfast: 824; East: 1,023; South: 814; North: 640; West: 672)

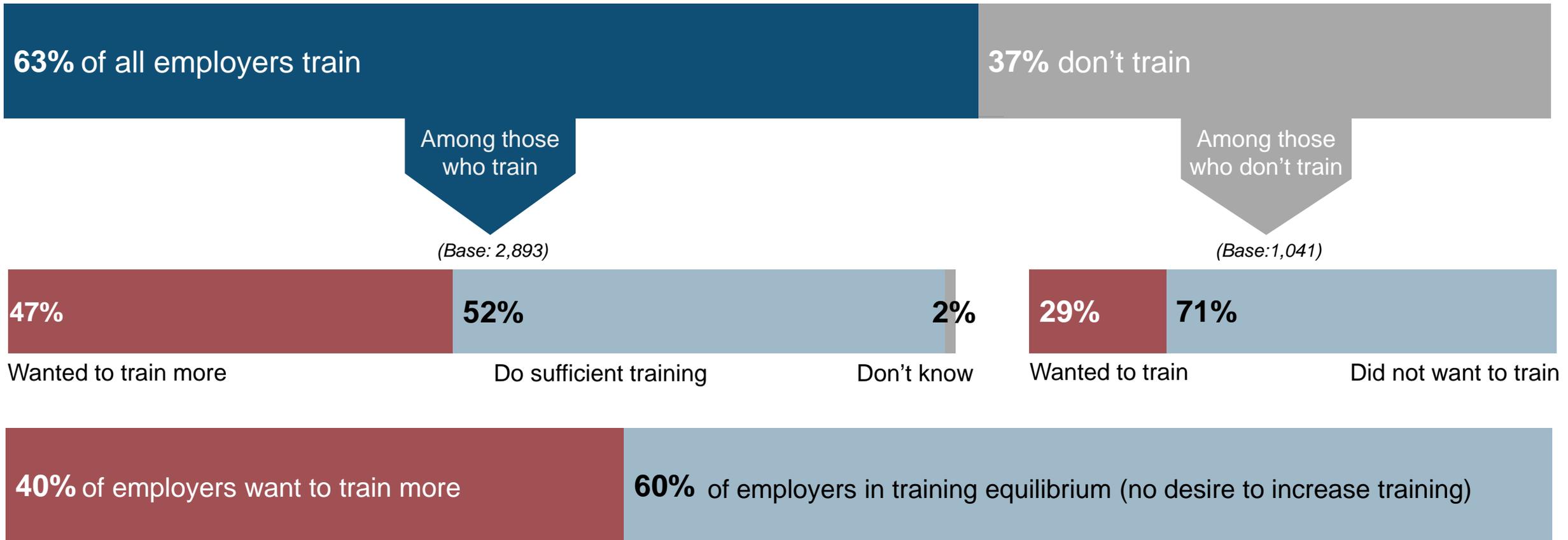
Proportion of employers providing training in the last 12 months by sector

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



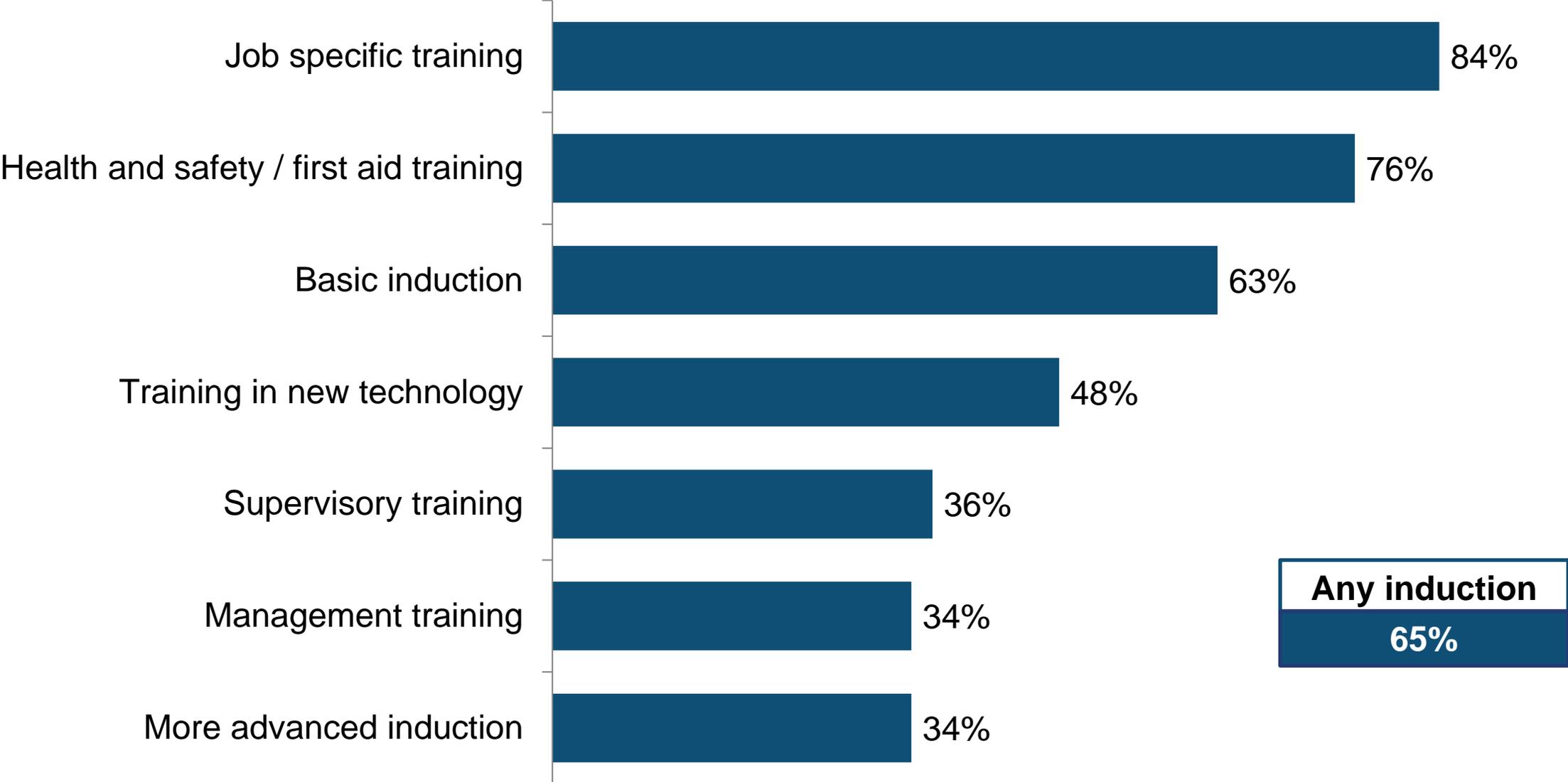
Base: All establishments (2017 base sizes range from 54 in Public Admin. to 782 in Wholesale and Retail)

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



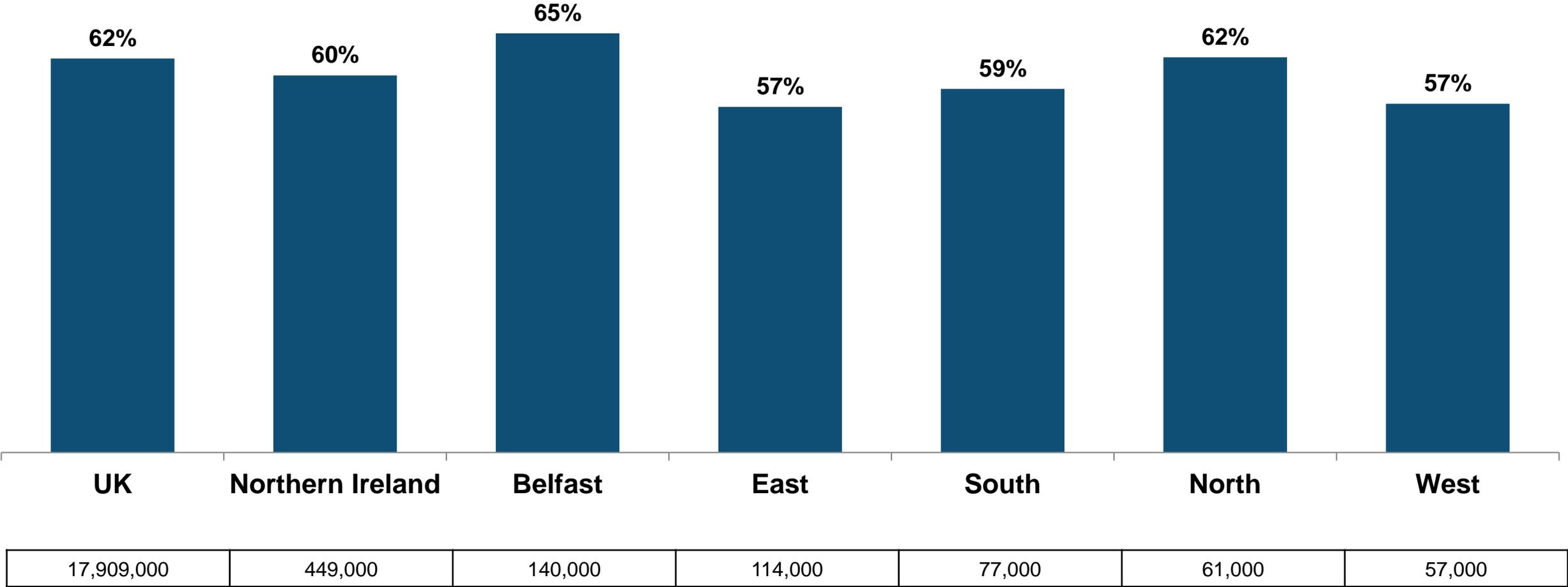
*Note training employers responding 'Don't know' (2%) have been included in the group 'Wanted to undertake more training' on final measure

Types of training provided



Base: All establishments that train (2,893)

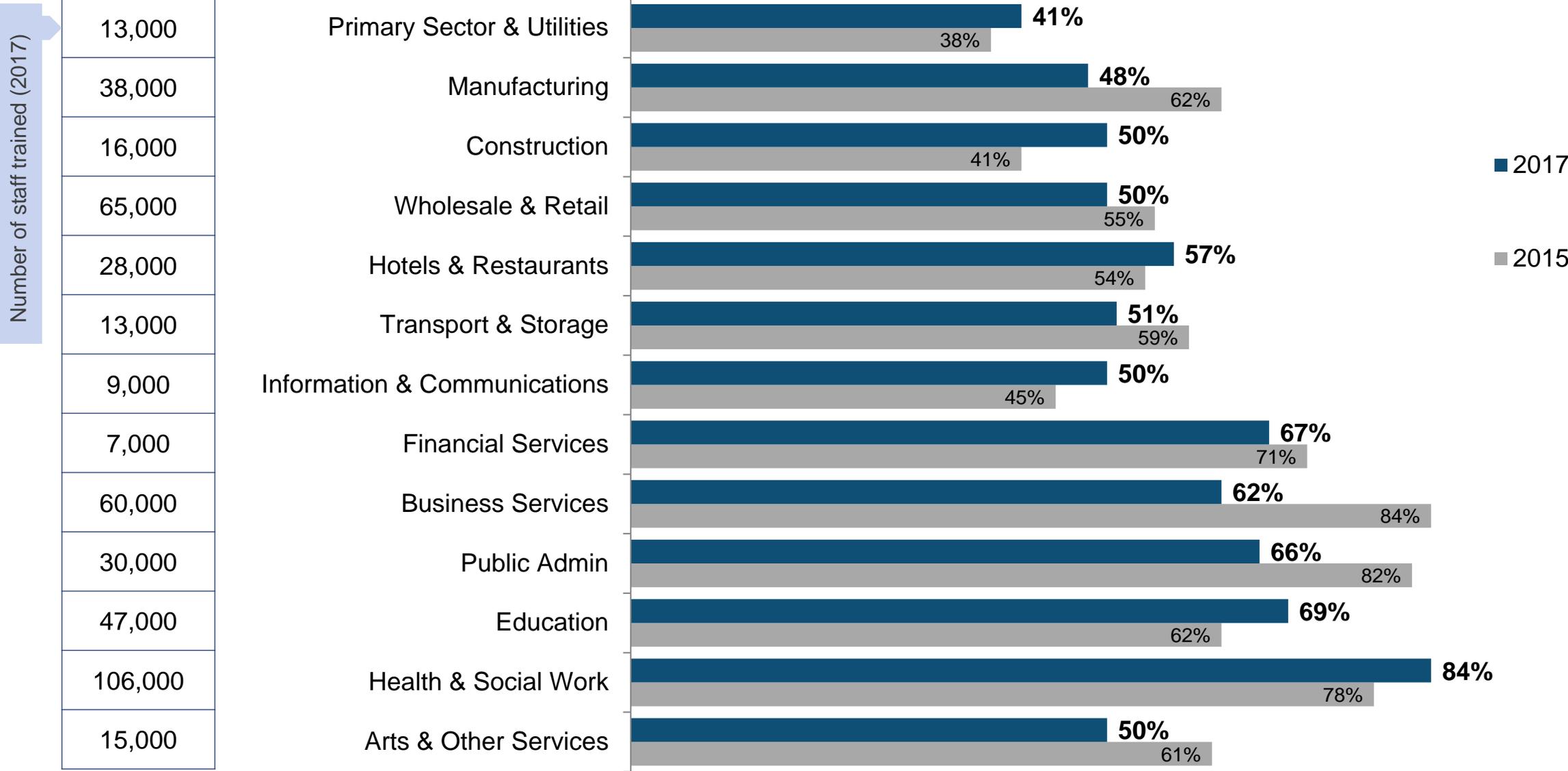
Number and proportion of staff trained by region



Number of staff trained (2017)

Base: All establishments: UK: 87,430; Northern Ireland: 3,973; Belfast: 824; East: 1,023; South: 814; North: 640; West: 672)

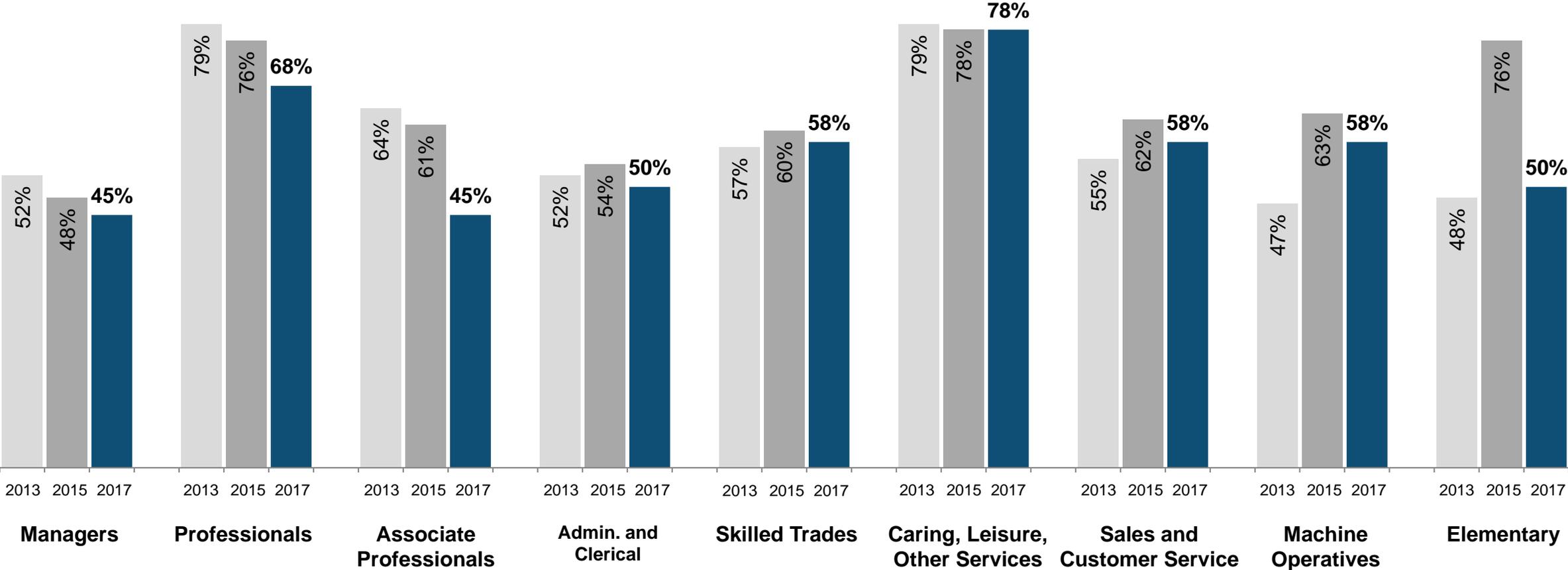
Number and proportion of staff trained by sector



Base: All establishments providing training (2017 base sizes range from 45 in Public Admin. to 529 in Wholesale and Retail)

Proportion of staff trained by occupation

■ ■ ■ Proportion of staff trained

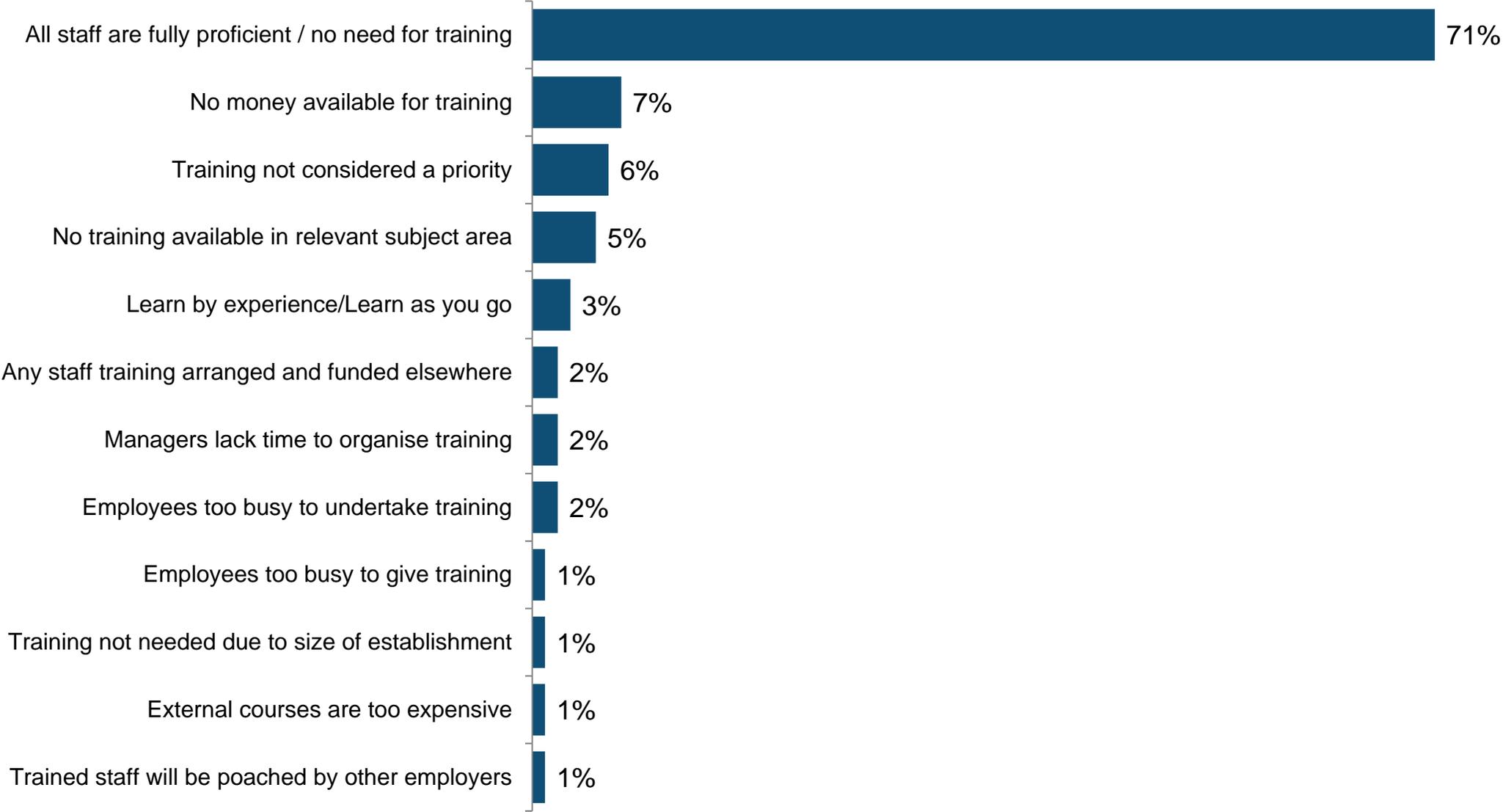


Base: All establishments with staff in the given occupations (2017 base sizes range from 372 for Associate Professionals to 1,780 for Managers)

Training days

| | Days per person trained | Total training days |
|------------------|-------------------------|---------------------|
| UK | 6.4 | 114m |
| Northern Ireland | 5.7 | 2.6m |
| Belfast | 4.6 | 0.6m |
| East | 6.4 | 0.7m |
| South | 5.3 | 0.4m |
| North | 4.3 | 0.3m |
| West | 5.3 | 0.5m |

Reasons for not providing any training



Base: All establishments that do not provide training (1,041)

Reasons for not providing further training



Base : All establishments who would have provided more training in the past 12 months if they could (1,422)

Training and workforce development - summary

| | 2011 | 2013 | 2015 | 2017 |
|---|------|------|------|-------------|
| % of employers that train | 65% | 63% | 62% | 63% |
| % of employers that train off-the-job | 48% | 49% | 47% | 47% |
| % that <i>only</i> train on-the-job | 17% | 14% | 15% | 16% |
| % of staff trained over the last 12 months | 56% | 59% | 64% | 60% |
| Days training per person trained | 6.3 | 6.3 | 5.6 | 5.7 |
| Total training days provided | 2.7m | 2.7m | 2.6m | 2.6m |

High Performance Working practices

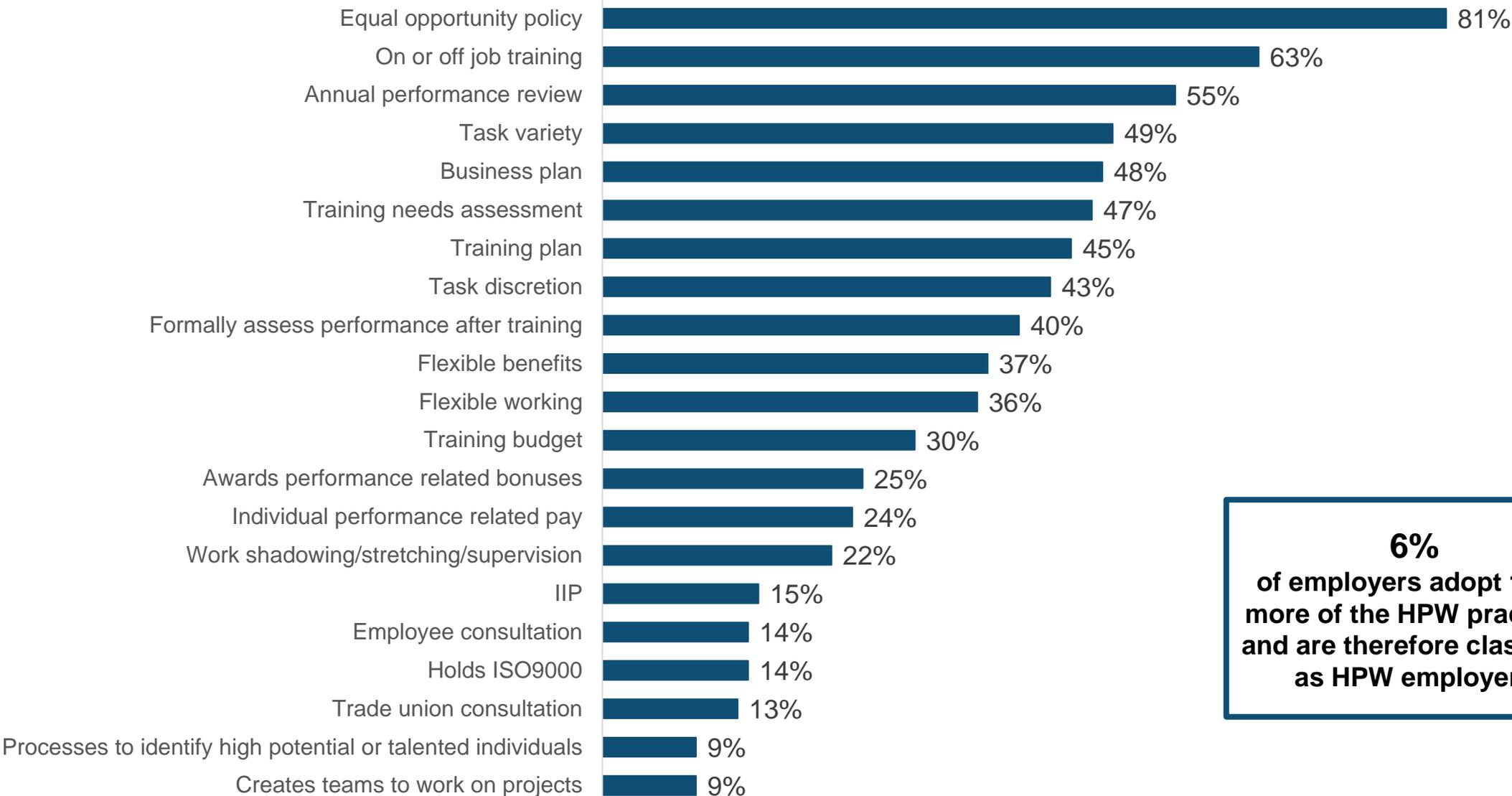


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High Performance Working practices



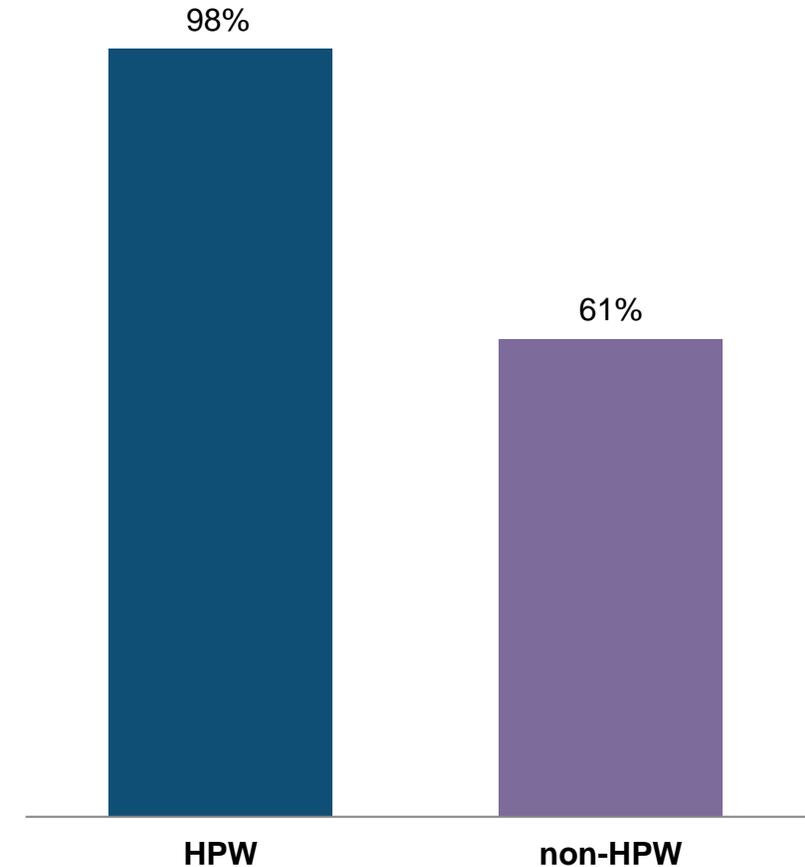
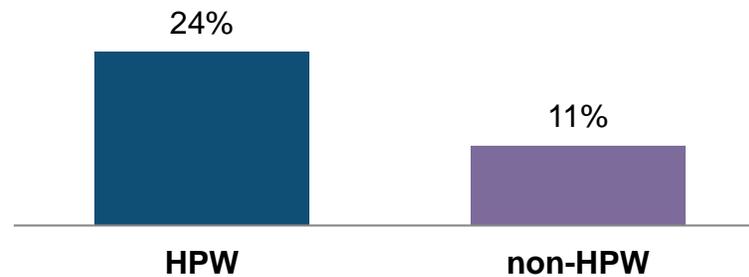
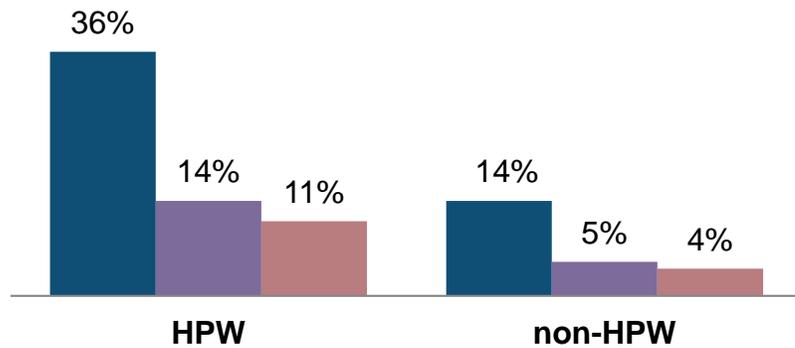
6%
of employers adopt 14 or more of the HPW practices and are therefore classified as HPW employers

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...**



■ Have vacancies ■ Have HtFVs ■ Have SSVs

Conclusions

Current state of skills in Northern Ireland

- **The density of vacancies in 2017 has increased on the levels reported in 2015** (up 2.7% of all employment in 2015 to 3.1% in 2017). This is now in line with the density of vacancies reported in Scotland and Wales (3.1% and 3.0% respectively), but behind England (3.6%).
- Around one-fifth (21%) of these vacancies were proving hard-to-fill due to **applicants lacking the necessary skills, qualifications or experience (i.e. skill-shortage vacancies)**. This has increased from 14% of all vacancies in 2015, and is now in line with the UK average of 22%.
- The density **of skills gaps among the existing workforce has increased**; from 3.3% of the workforce in 2015 to 3.8% in 2017. This density is below the UK average of 4.4%.
- **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.
- **Approaching two-fifths of employers (37%) reported having under-utilised staff**, that is staff with qualifications and skills beyond those required for the role (up from 28% in 2015), a similar increase seen at the UK level.

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 (89%) and as an impact of skills gaps among existing staff (55%).
- Despite persistent skills challenges, **the proportion of employers that train has remained consistent over time** (63%), as has the number of training days per trainee.
- Whilst 40% of employers wanted to provide more training, the main barriers preventing them from doing so centred on a **lack of funds for training** (58%) and **lack of staff time** to spare (51%).
- 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** (62% compared with 72%)