

Employers and the labour market

Introduction

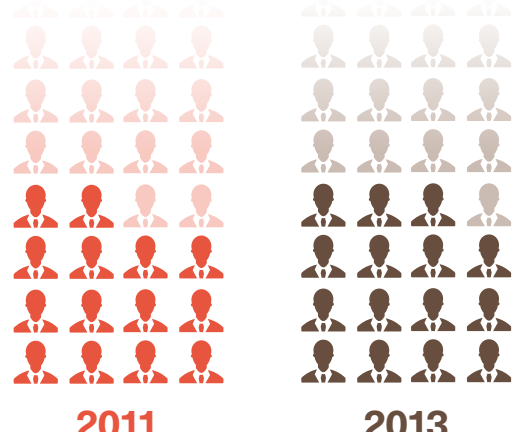
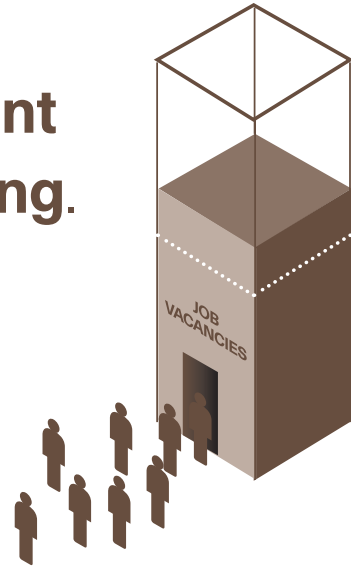
A skills shortage vacancy (SSV) is when a business fails to recruit due to applicants not having the right skills or work experience



The majority of employers can find the skills they need when recruiting, however, where they exist skills shortages are concentrated and persistent and employers report significant impacts.

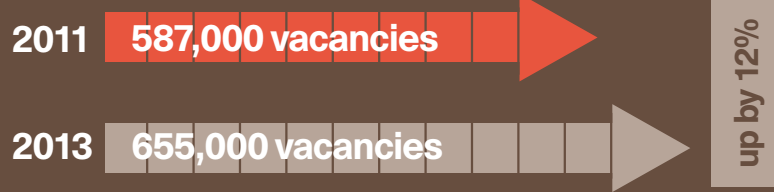
Recruitment

Recruitment is increasing.



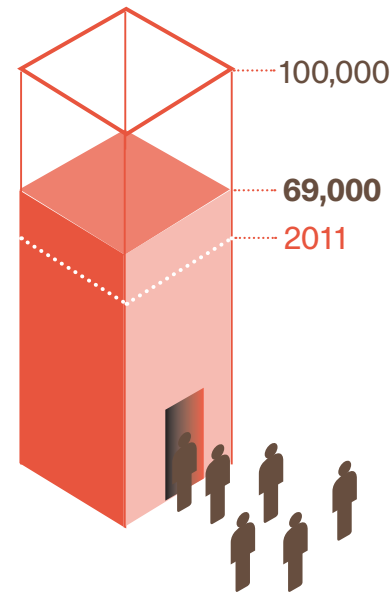
The proportion of employers reporting vacancies (15%) is higher in 2013 than in 2011 (14%)

In the UK vacancies rose from **587,000** in 2011 to **655,000** in 2013

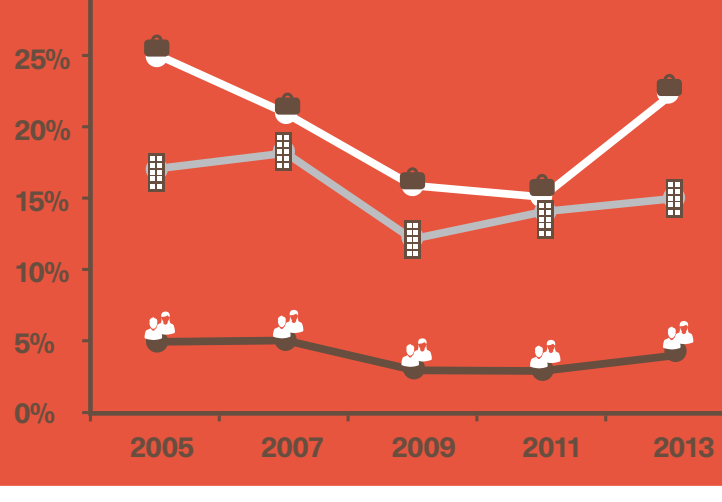


up by 12%

The volume of vacancies reported has risen by **12%** (equivalent to **69,000** additional vacancies compared to 2011)



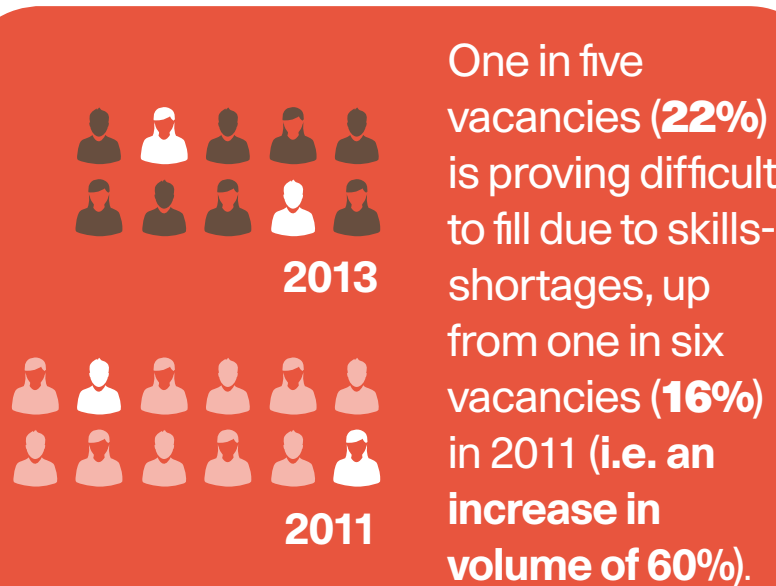
Within **England** the volume of vacancies is on a par with the levels reported in **2005** (prior to the recession).



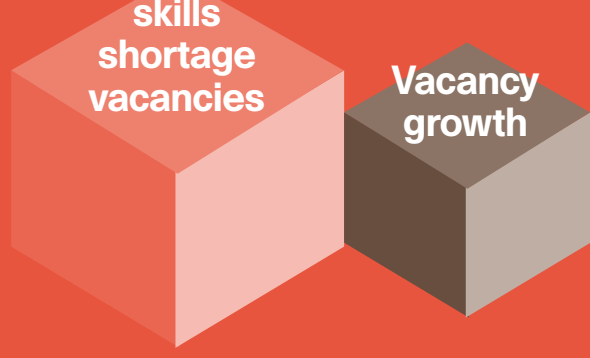
% of all vacancies in England that are skills shortage vacancies
% of establishments in England with any vacancies
% of employers in England with SSVs

Growing skills deficiencies

Skills shortages are rising fast. Employers are finding it increasingly difficult to recruit the skilled workers they need in key areas

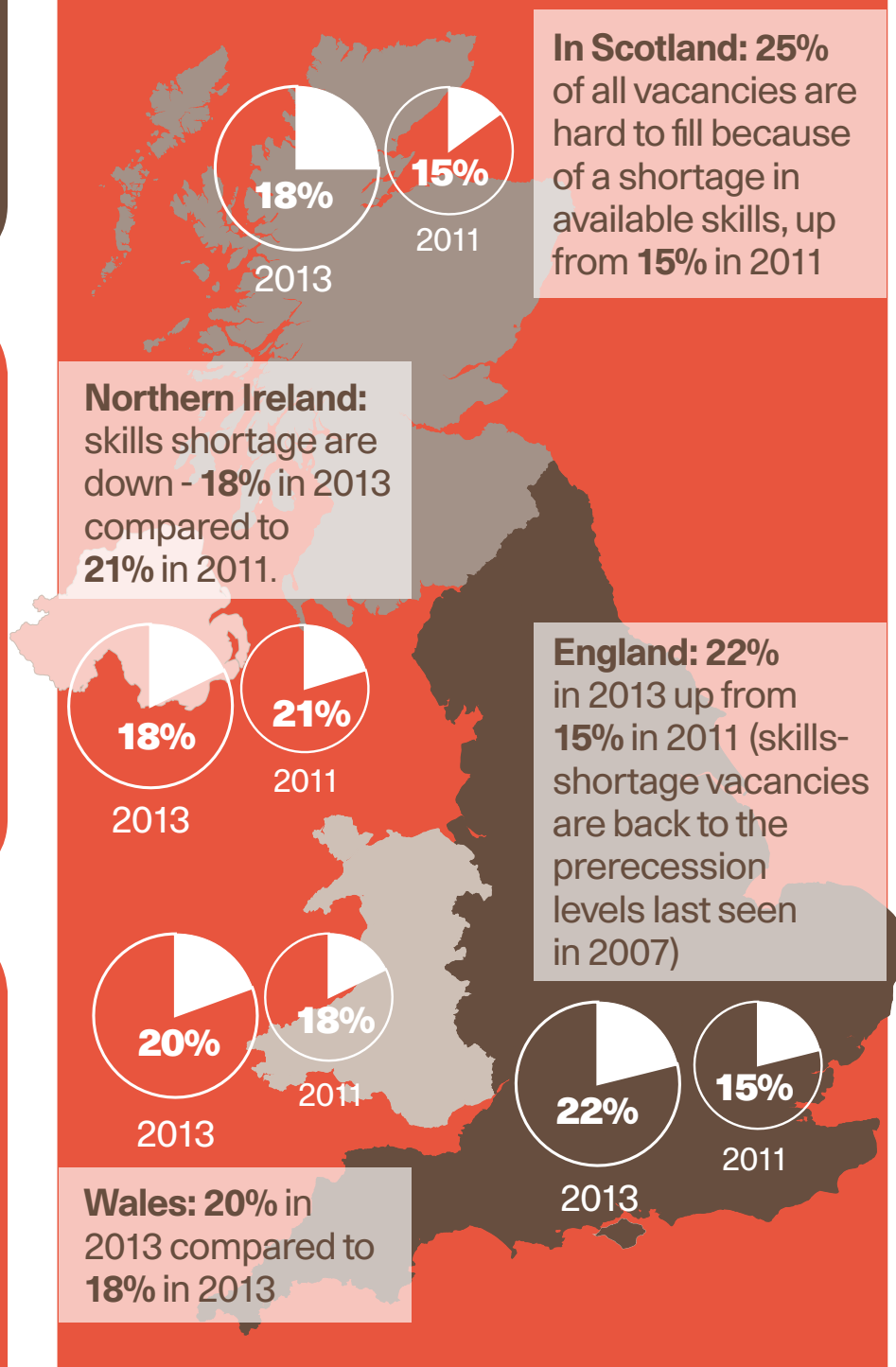


One in five vacancies (22%) is proving difficult to fill due to skills-shortages, up from one in six vacancies (16%) in 2011 (i.e. an increase in volume of 60%).



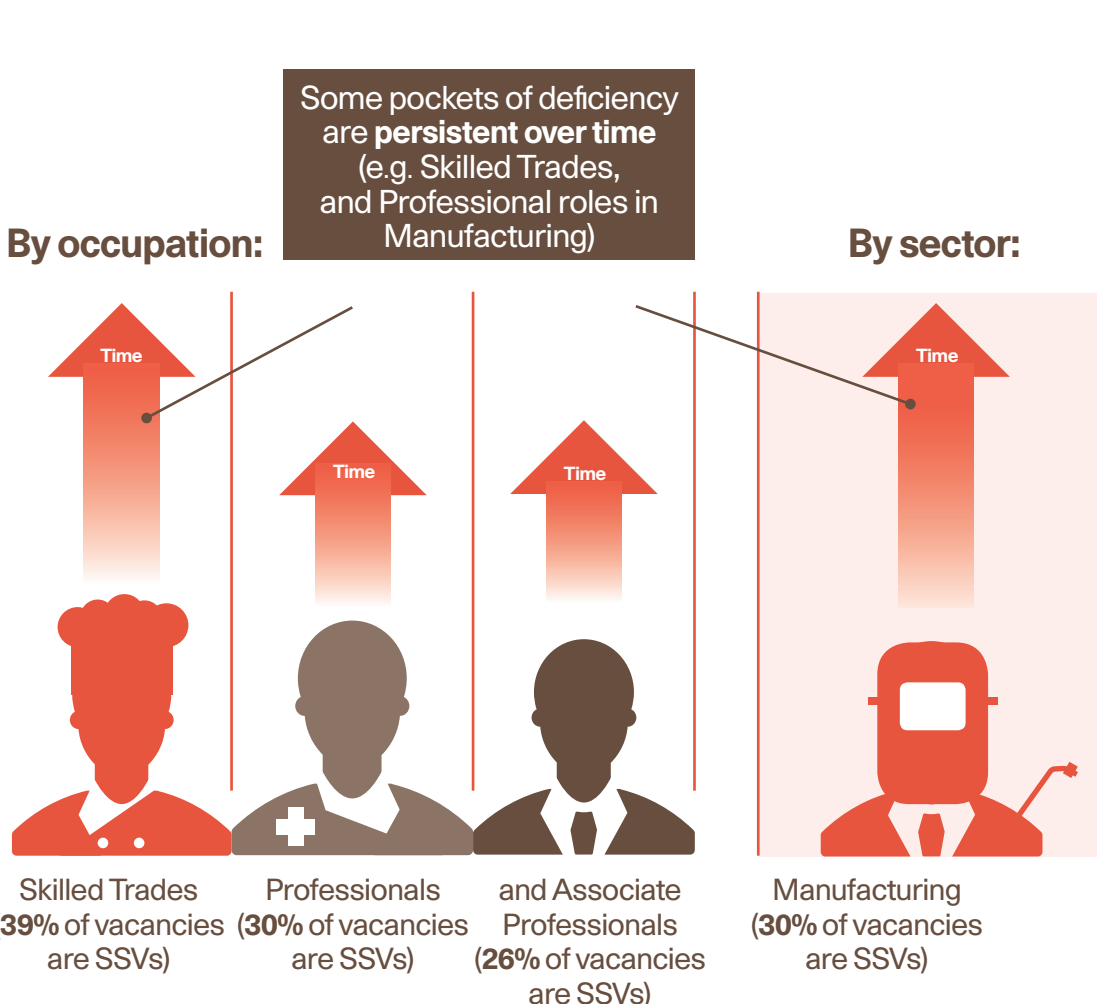
The growth in skills shortage vacancies has significantly **outpaced** vacancy growth.

The picture of skill shortages across the UK varies by country, e.g...

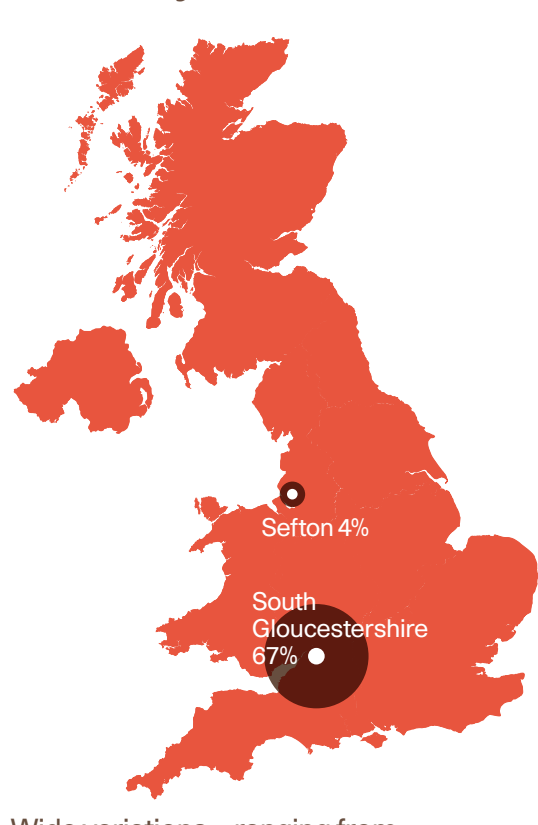


Pockets of deficiency

The intensity of skills shortage vacancies are being more widely felt in some sectors, occupations, and local areas:



By location:

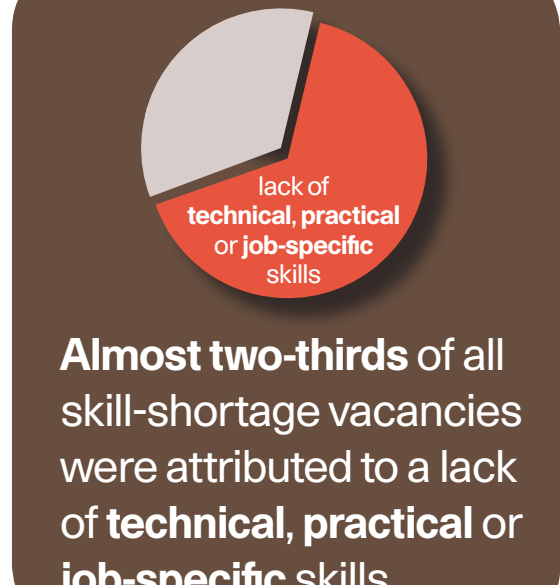


Wide variations – ranging from 67% of vacancies being SSVs in South Gloucestershire to 4% in Sefton

There are also newly emerging pockets of deficiency such as Associate Professionals in Business Services, and Professionals in Health and Social Work

Skills lacking & impacts

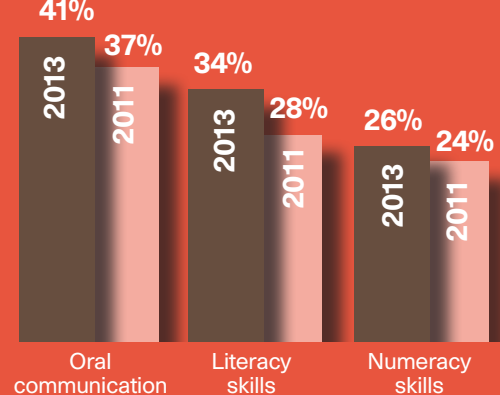
Skills lacking



Almost two-thirds of all skill-shortage vacancies were attributed to a lack of **technical, practical or job-specific** skills



“Softer” skills such as planning and organisation, customer handling, problem solving and team working were also cited



There has been an **increase** in the proportion of skill-shortage vacancies resulting from a lack of **communication skills** (e.g. oral communication - **41 per cent**, up from **37 per cent** in 2011), and **basic skills** (literacy skills - **34 per cent** up from **28 per cent** in 2011, numeracy skills - **26 per cent**, up from **24 per cent**)

Impacts

The impact on employers experiencing skills deficiencies is significant and prevents them from functioning properly



95%

95% of businesses with a skills shortage vacancy reported that it was having an **impact on their business**

The most common impact was an **increased workload for other staff (84 per cent)**, followed by **difficulties meeting customer service objectives (49%)**, and **delays in developing new products and services (44%)**

