

UK Employer Skills Survey 2013

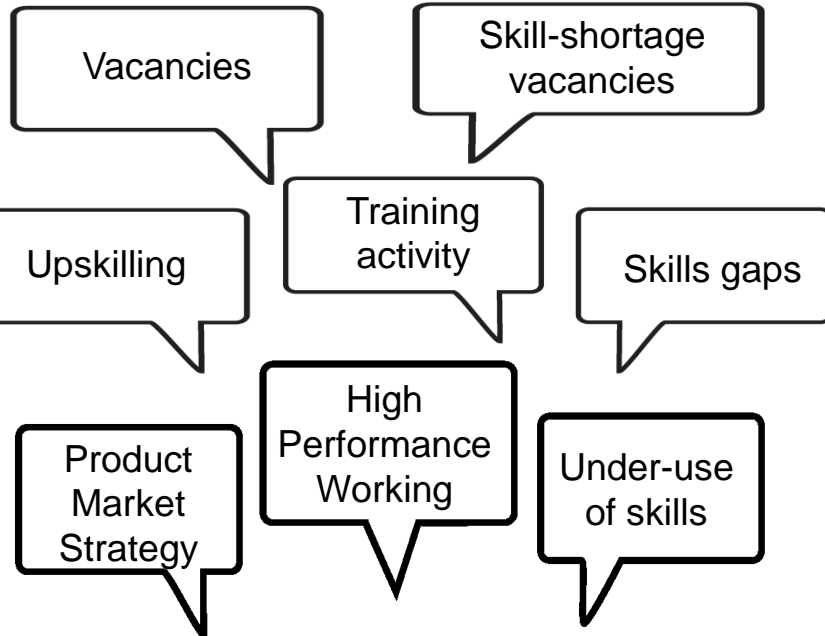
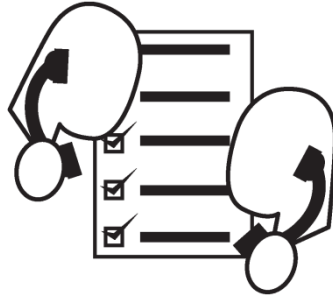
England Slide Pack

Chapter 1: Background and Introduction

UKCESS 2013 - Overview

75,255 telephone interviews with establishments in England

8,704 follow up interviews on training spend



- UKCESS 2013 is the second time the survey has been run at a UK-level
- The 2013 survey covers establishments with 2 or more people working at them
- The 2011 survey included establishments with one employee – these were not covered in 2013.
- Where comparisons are made with 2011 findings, these are based on re-weighted 2011 data (configured to represent the 2+ employment business population used in 2013).
- This slide pack summarises main findings amongst employers in England

Achieved interviews / confidence intervals

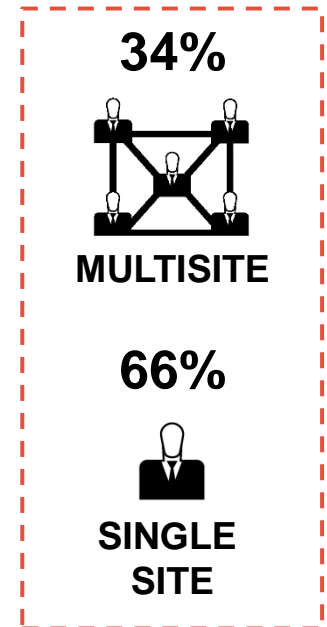
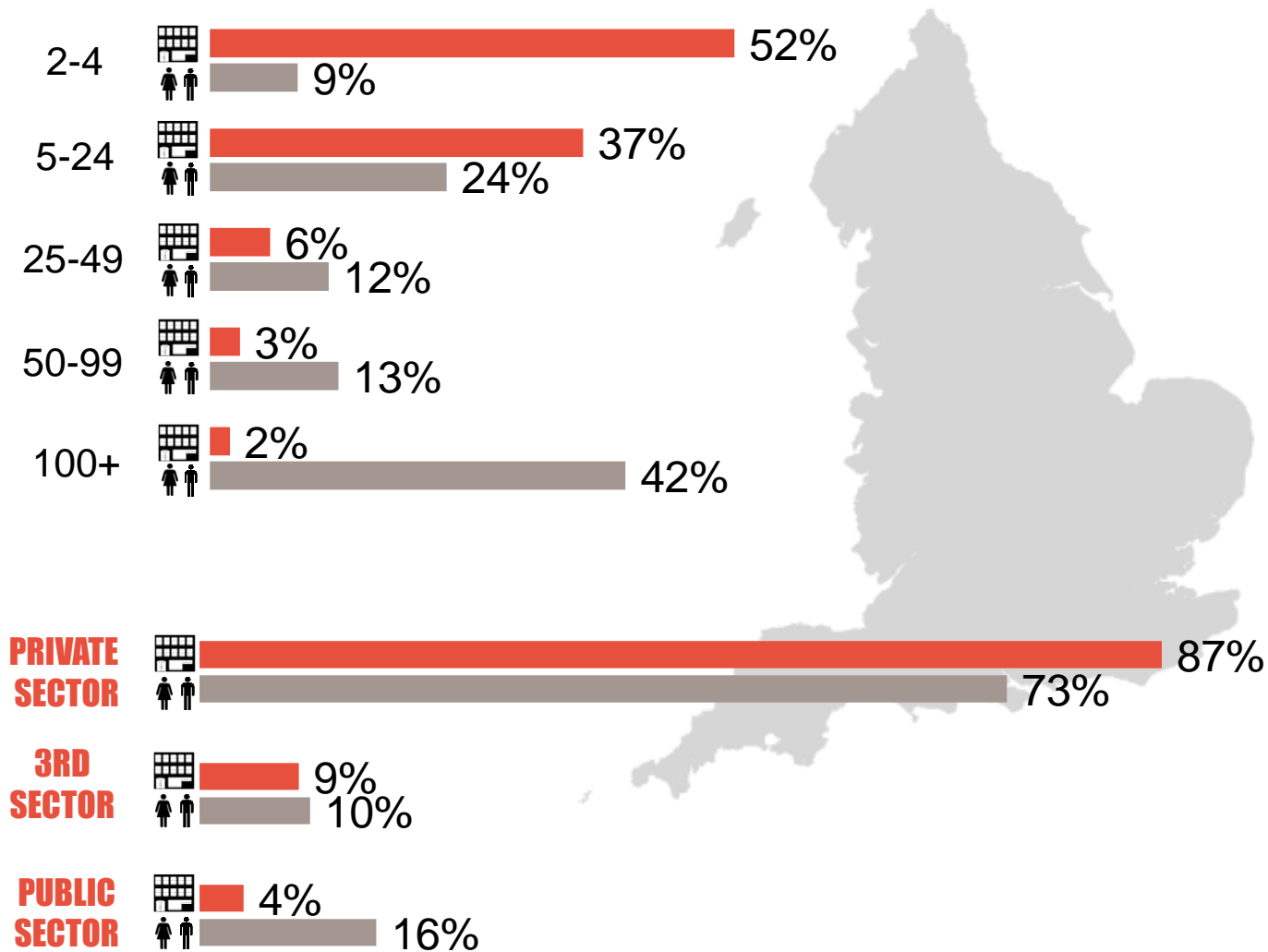
	Population	Number of interviews	(Maximum) Sampling Error
England	1,465,963	75,255	+/-0.35
By region in England			
East Midlands	119,810	7,269	+/-1.11
East of England	166,911	8,476	+/-1.04
London	248,709	10,371	+/-0.94
North East	55,521	5,614	+/-1.24
North West	176,942	8,763	+/-1.02
South East	255,079	10,730	+/-0.93
South West	166,239	8,511	+/-1.03
West Midlands	143,628	7,914	+/-1.07
Yorkshire and the Humber	133,124	7,607	+/-1.09
By size of establishment			
2-4	765,881	14,875	+/-0.8
5-24	544,420	42,969	+/-0.45
25-49	81,488	9,259	+/-0.96
50-99	42,227	4,699	+/-1.35
100-249	22,157	2,463	+/-1.86
250+	9,790	990	+/-2.95

‘for a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 49.65% to 50.35%’

	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	66,135	2,263	+/-2.02
Mining & Quarrying	1,103	87	+/-10.09
Manufacturing	85,789	6,302	+/-1.19
Electricity, Gas and Water	7,556	935	+/-3.0
Construction	136,529	5,980	+/-1.24
Wholesale and Retail	313,455	14,321	+/-0.8
Hotels & Restaurants	128,917	7,314	+/-1.11
Transport and Communications	106,707	5,743	+/-1.26
Financial Services	34,434	1,886	+/-2.19
Business Services	306,501	12,000	+/-0.88
Public Administration	16,500	696	+/-3.64
Education	46,834	4,756	+/-1.35
Health and Social Work	107,780	6,882	+/-1.14
Community, Social and Personal Services	107,723	6,090	+/-1.22

Profile of survey population

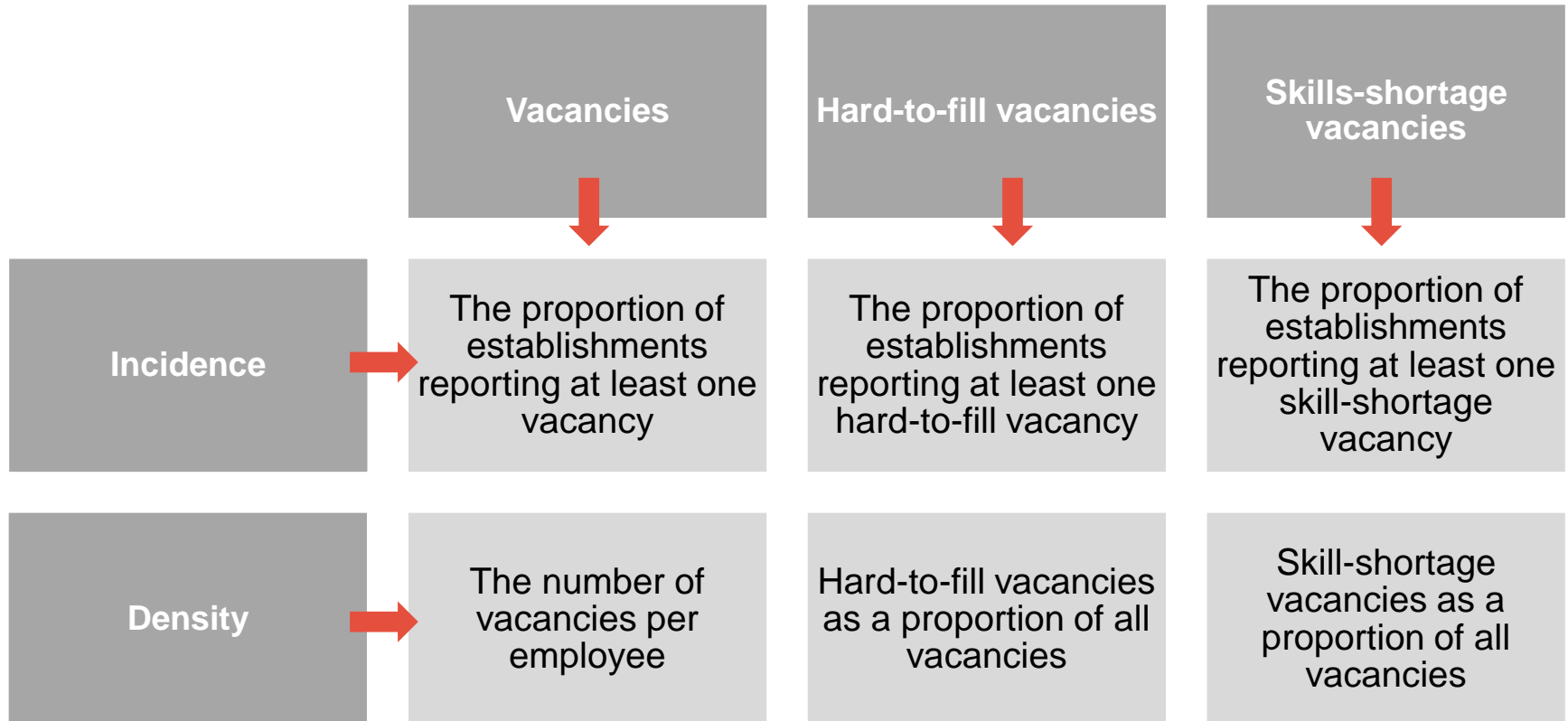
Establishments vs. Employment



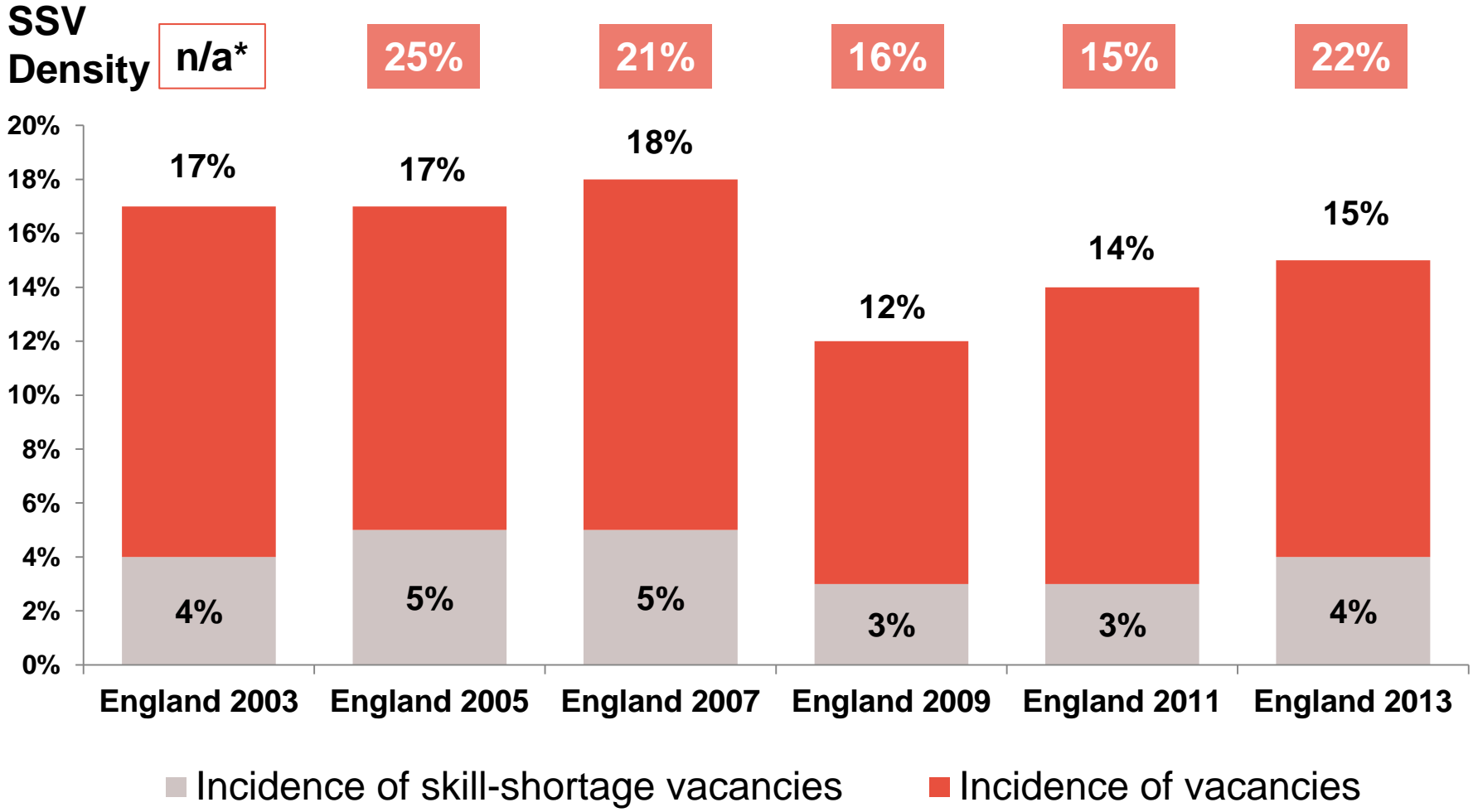
Chapter 2: Employers' experiences of skill shortages

Incidence and density measures

Vacancies and skill-shortages



Incidence and density of vacancies and skill-shortage vacancies over time

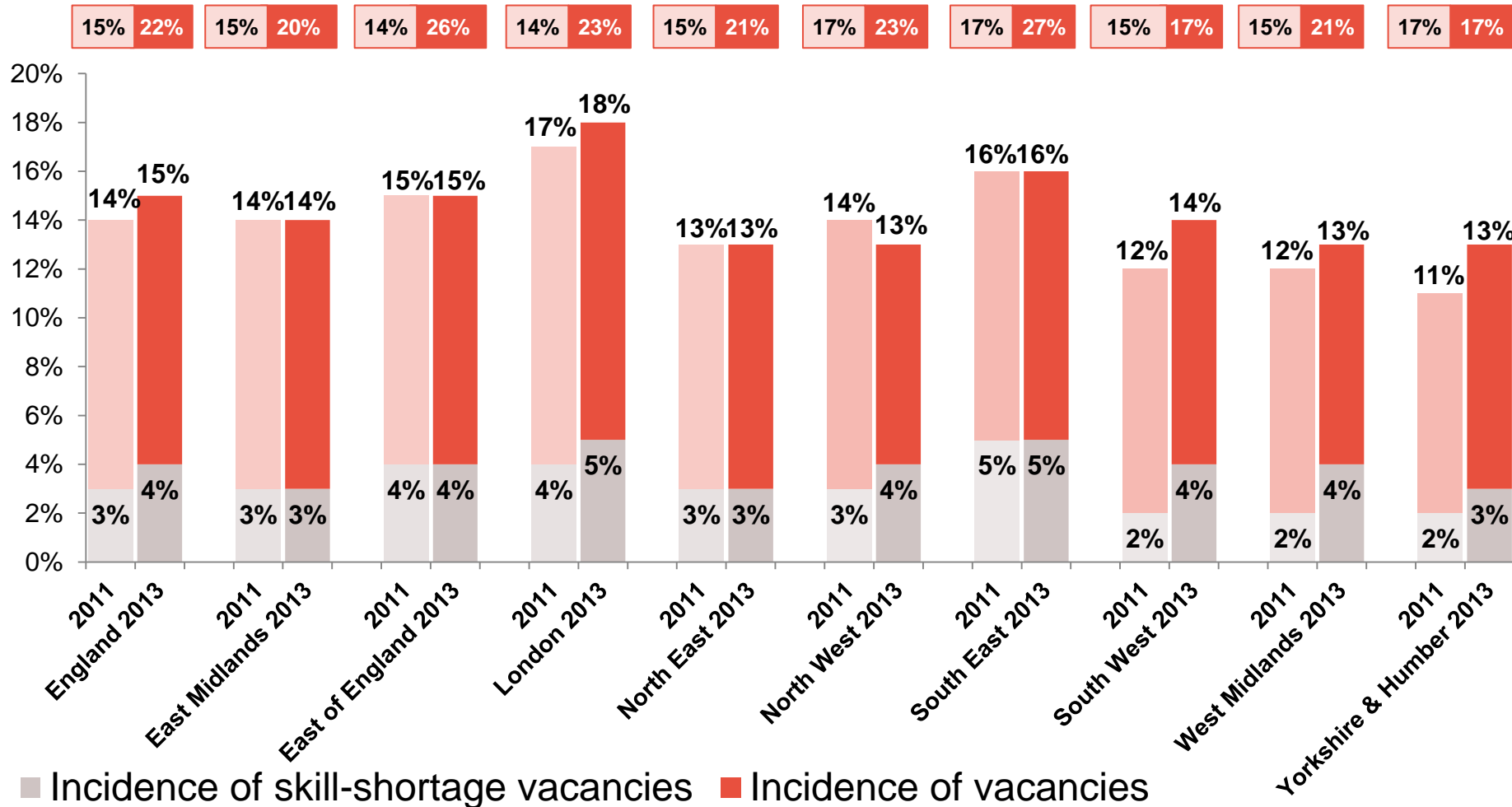


*NB: Employment level data from 2003 not comparable due to changes in survey design.
 Base for boxes: All vacancies based on responses from all establishments (as shown below)
 Base for bars: All establishments each year (as shown)

(72,100) (74,835) (79,018) (79,152) (74,156) (75,255)

Incidence and density of vacancies and skill-shortage vacancies by region

SSV density



■ Incidence of skill-shortage vacancies ■ Incidence of vacancies

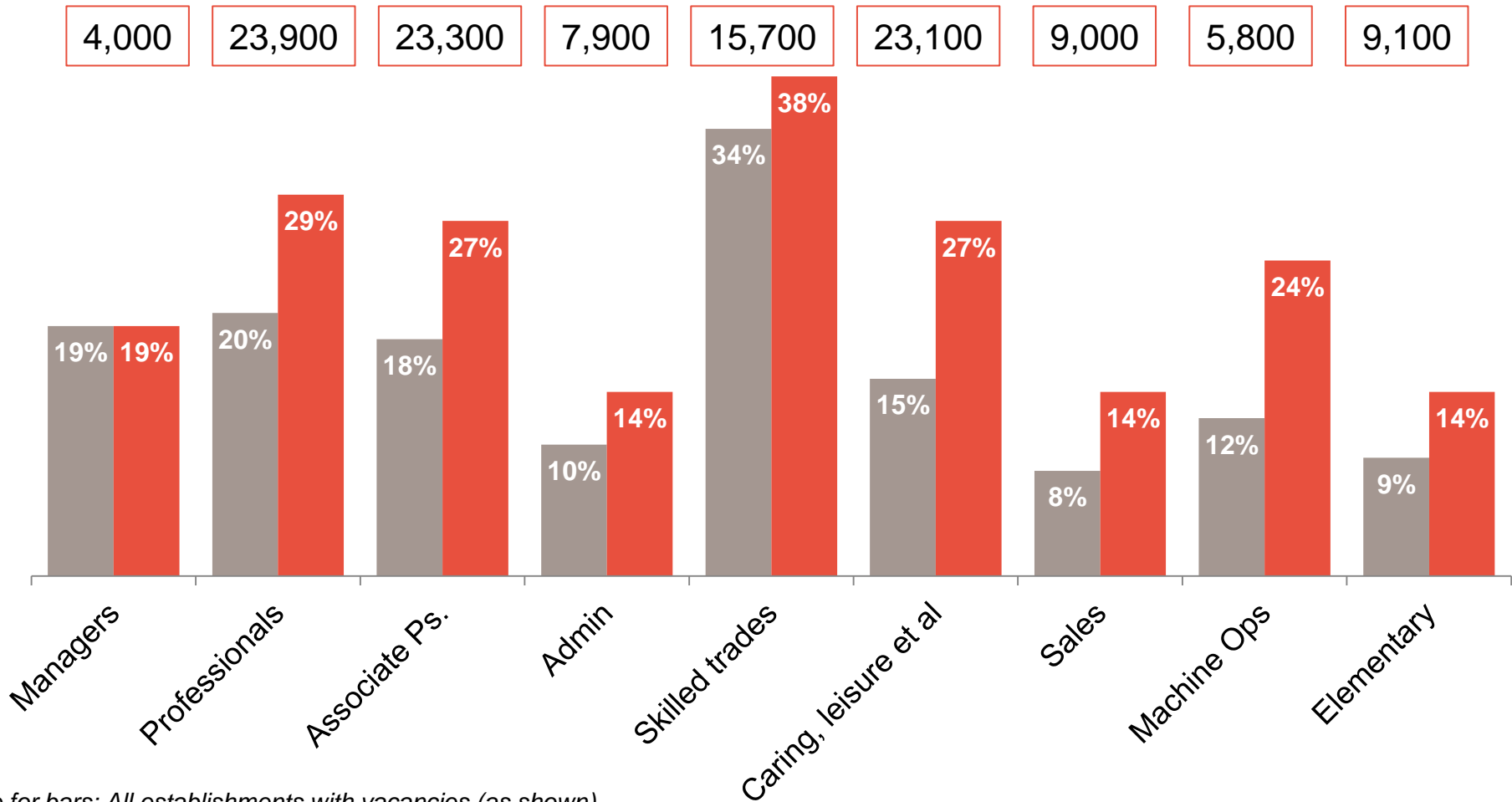
Base for boxes: All vacancies based on responses from all establishments (as shown below)

Base for bars: All establishments (as shown)

2011:	(74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
2013:	(75,255)	(7,269)	(8,476)	(10,371)	(5,614)	(8,763)	(10,730)	(8,511)	(7,914)	(7,607)

Skill-shortage vacancies by occupation in England

■ 2011 SSV density ■ 2013 SSV density □ Number of SSVs (2013)



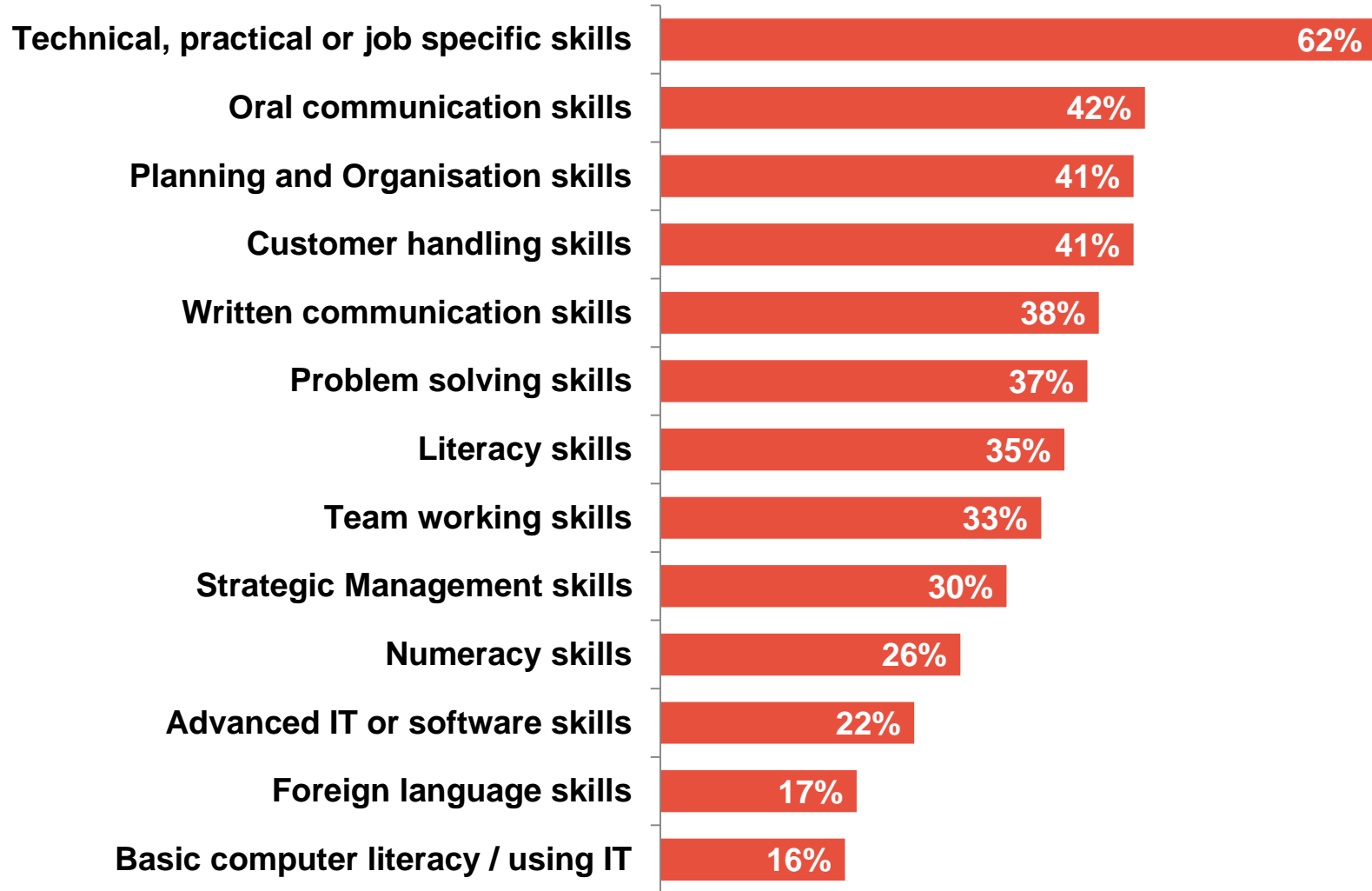
Base for bars: All establishments with vacancies (as shown)

Note: figures shown as percentage of all SSVs – up to 6 occupation followed up

2011: (834) (2,589) (2,807) (2,243) (1,884) (2,233) (1,964) (941) (2,422)

2013: (998) (2,992) (2,895) (2,314) (2,140) (2,752) (2,202) (949) (2,684)

Skills lacking among applicants in England



*Base : All establishments in England with skill-shortage vacancies - up to 6 occupations followed up (4,057)
Figures are shown as a percentage of all SSVs (not a percentage of all establishments)*

Impact of skill-shortage vacancies in England

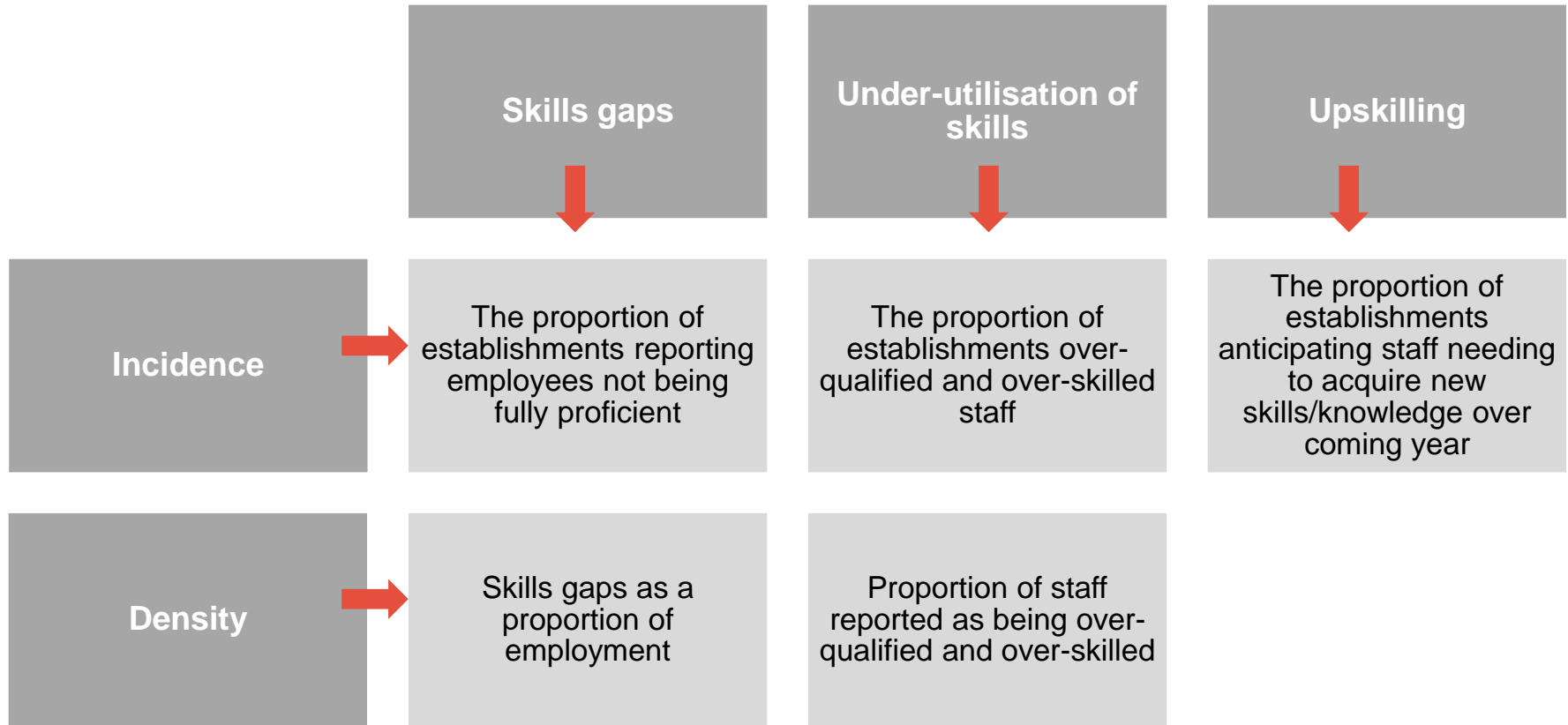


Base: All establishments in England where all hard-to-fill vacancies caused by skills related issues (3,879)

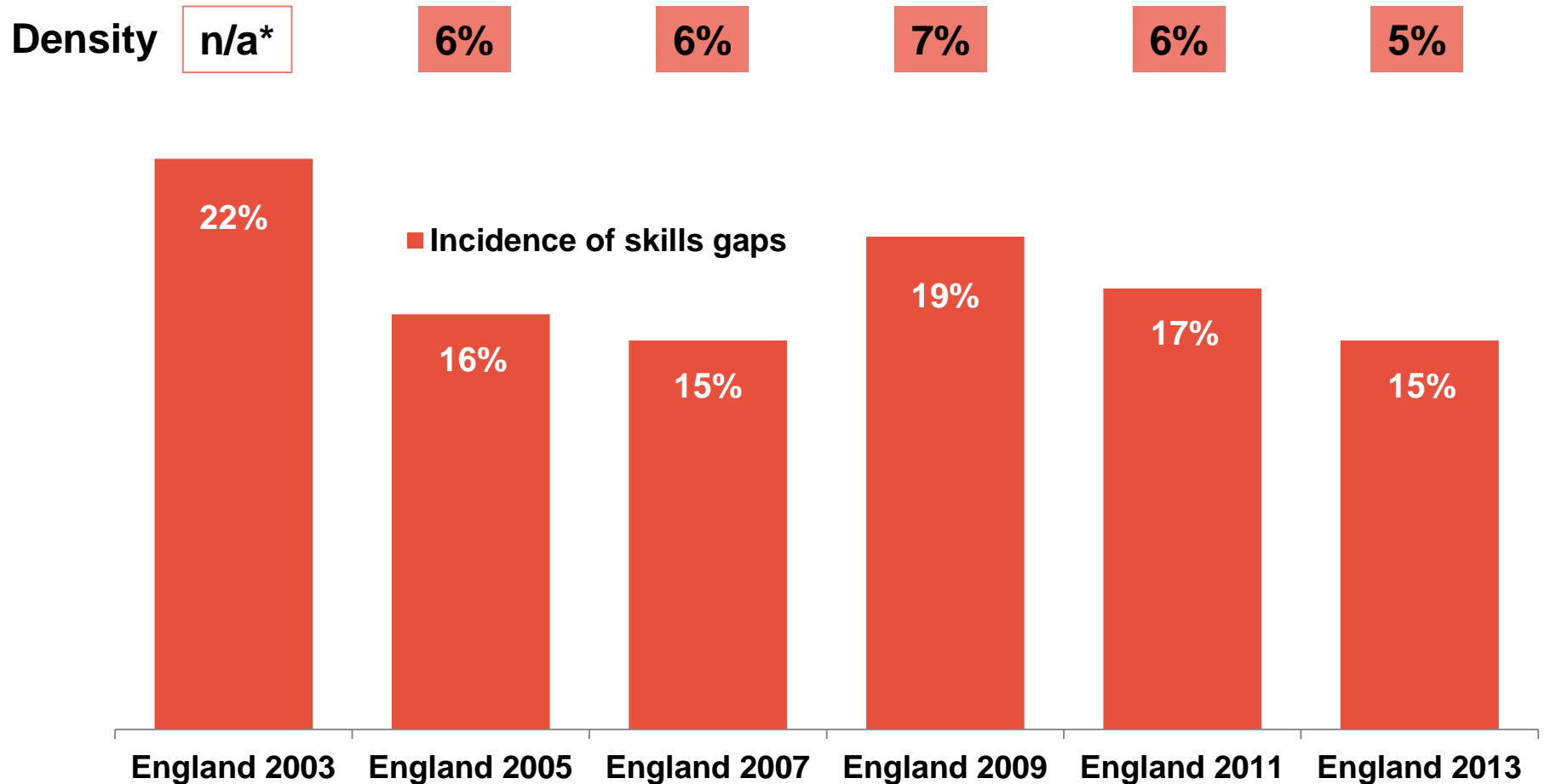
Chapter 3: The Internal Skills Challenge

Incidence and density measures

Internal Skills Challenges



Incidence and density of skills gaps over time



*NB: Employment level data from 2003 not comparable due to changes in survey design.

Base for boxes: All employment across all establishments (as shown below)

Base for bars: All establishments each year (as shown)

(72,100)

(74,835)

(79,018)

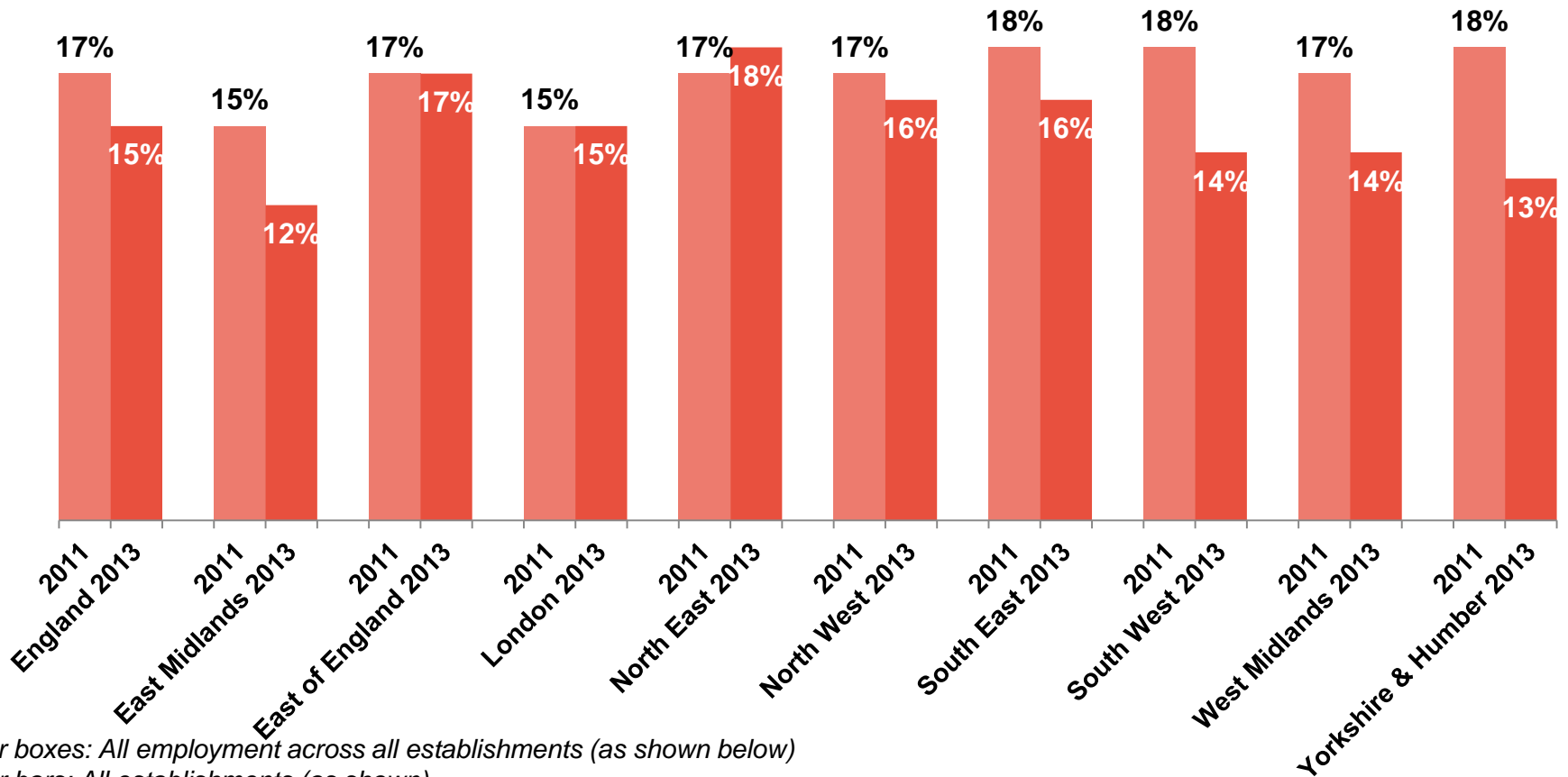
(79,152)

(74,156)

(75,255)

Incidence and density of skills gaps by region

Density 5.6% 5.1% 5.7% 4.4% 6.0% 5.9% 5.7% 5.7% 5.6% 4.6% 5.6% 4.6% 5.6% 5.9% 5.7% 4.7% 5.5% 4.9% 5.1% 4.6%



Base for boxes: All employment across all establishments (as shown below)

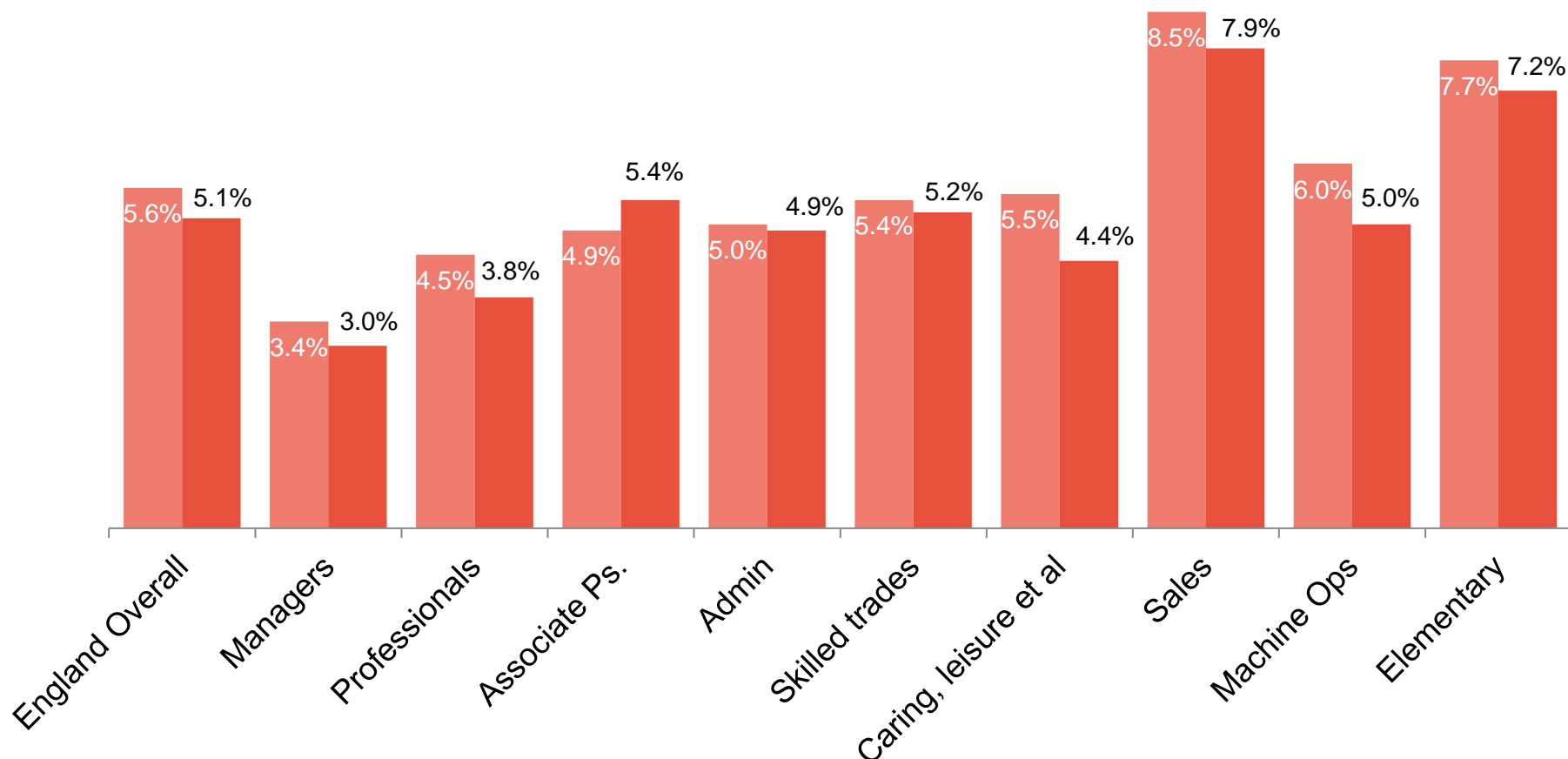
Base for bars: All establishments (as shown)

2011:	(74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
2013:	(75,255)	(7,269)	(8,476)	(10,371)	(5,614)	(8,763)	(10,730)	(8,511)	(7,914)	(7,607)

Skills gaps by occupation in England

■ 2011 skills gap density ■ 2013 skills gap density □ Number of gaps (2013)

1.2m 128k 101k 73k 141k 83k 99k 244k 77k 224k



Base for boxes: Number of skills gaps within establishments with staff in each occupation (as shown below)

Base for bars: All establishments with staff in each occupation (as shown)

2011: (74,156) (70,647) (13,809) (11,795) (42,972) (17,264) (10,716) (23,192) (11,204) (25,914)

2013: (75,255) (72,749) (14,322) (10,282) (44,503) (19,260) (11,583) (22,872) (11,405) (26,334)

Main causes of skills gaps in England



*Base : All establishments in England with skills gaps - up to 2 occupations followed up (16,563)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)*

Skills lacking in staff with skills gaps in England



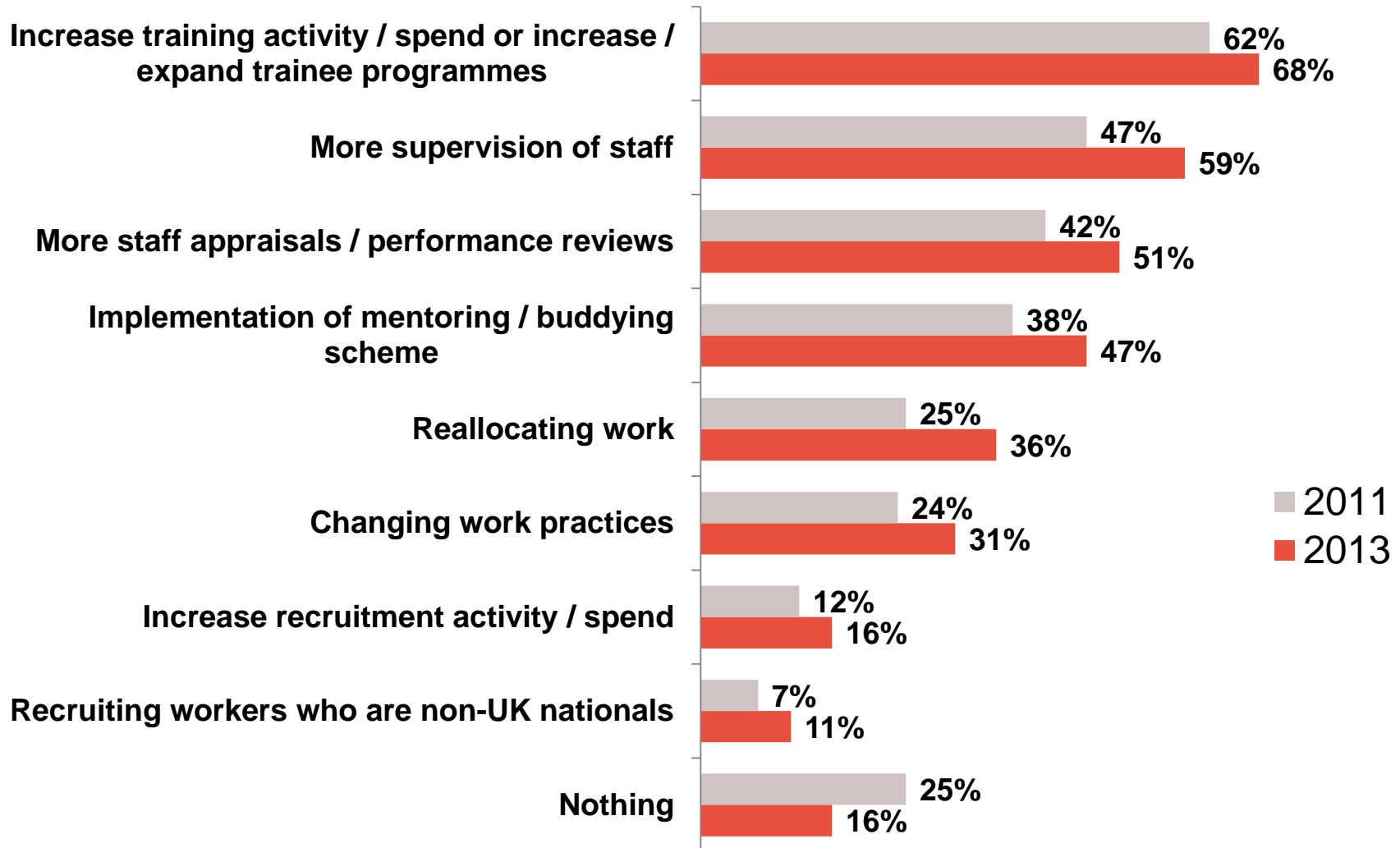
*Base : All establishments in England with skills gaps - up to 2 occupations followed up (16,563)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)*

Impact of skills gaps in England



Base: All establishments in England with skills gaps (16,563)

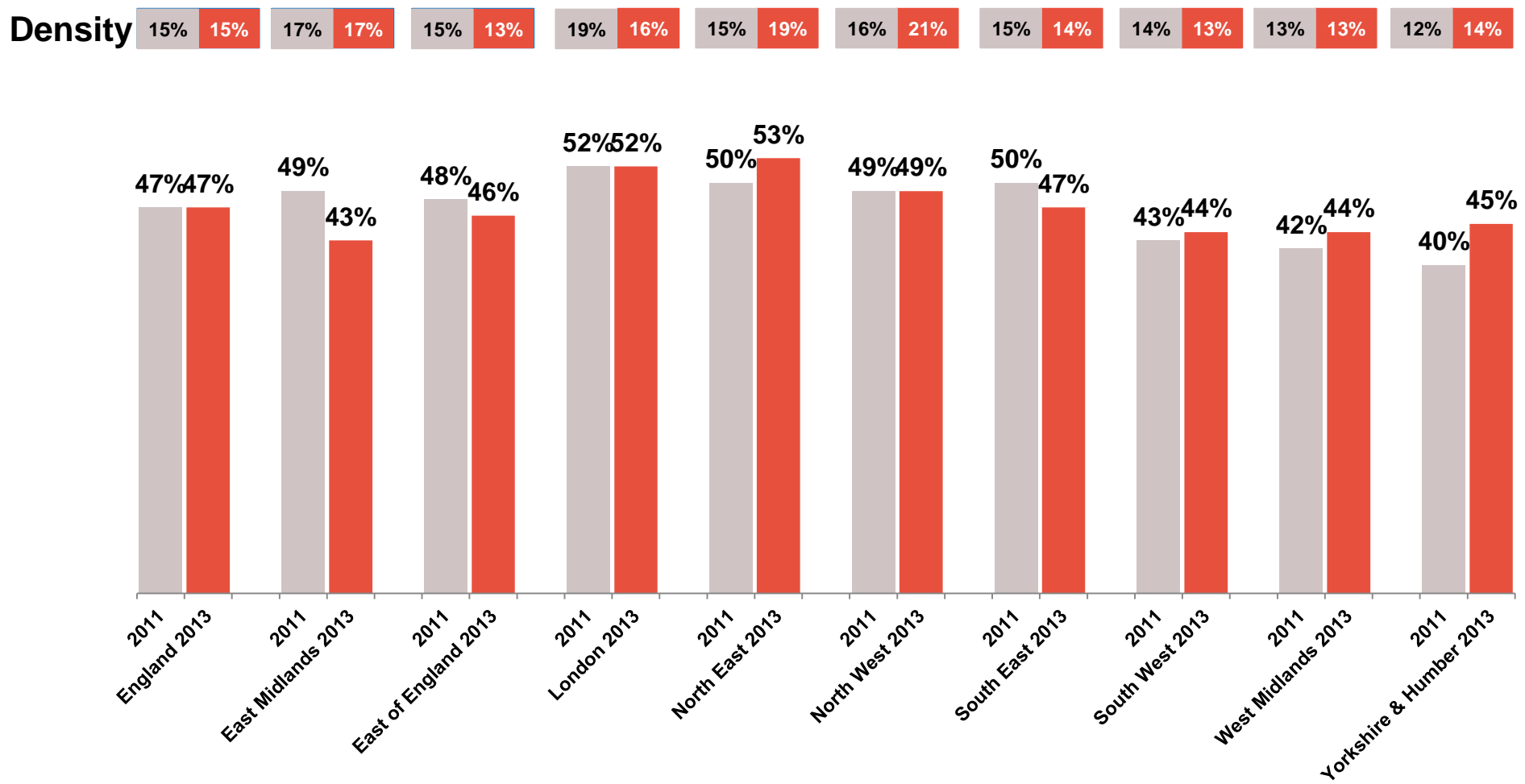
Action taken to overcome skills gaps in England



Base: All establishments in England with skills gaps 2011 (18,043)

Base: All establishments in England with skills gaps 2013 (16,563)

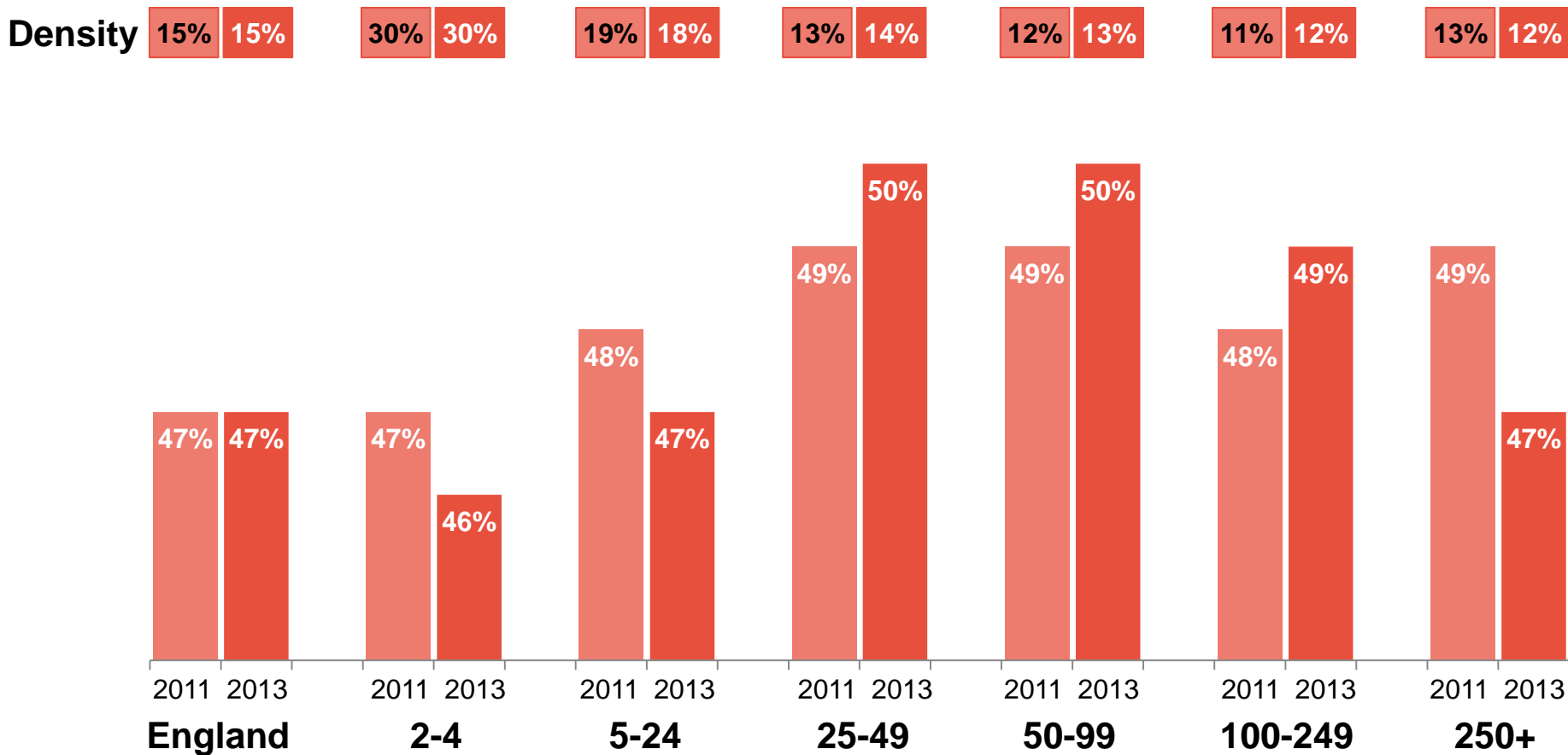
Incidence and density of skills under-utilisation by region



Base: 2011: All establishments in England (as shown); 2013: All establishments in England in Module 2 (as shown)

2011:	(74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
2013:	(37,559)	(3,627)	(4,245)	(5,113)	(2,878)	(4,357)	(5,383)	(4,238)	(3,934)	(3,784)

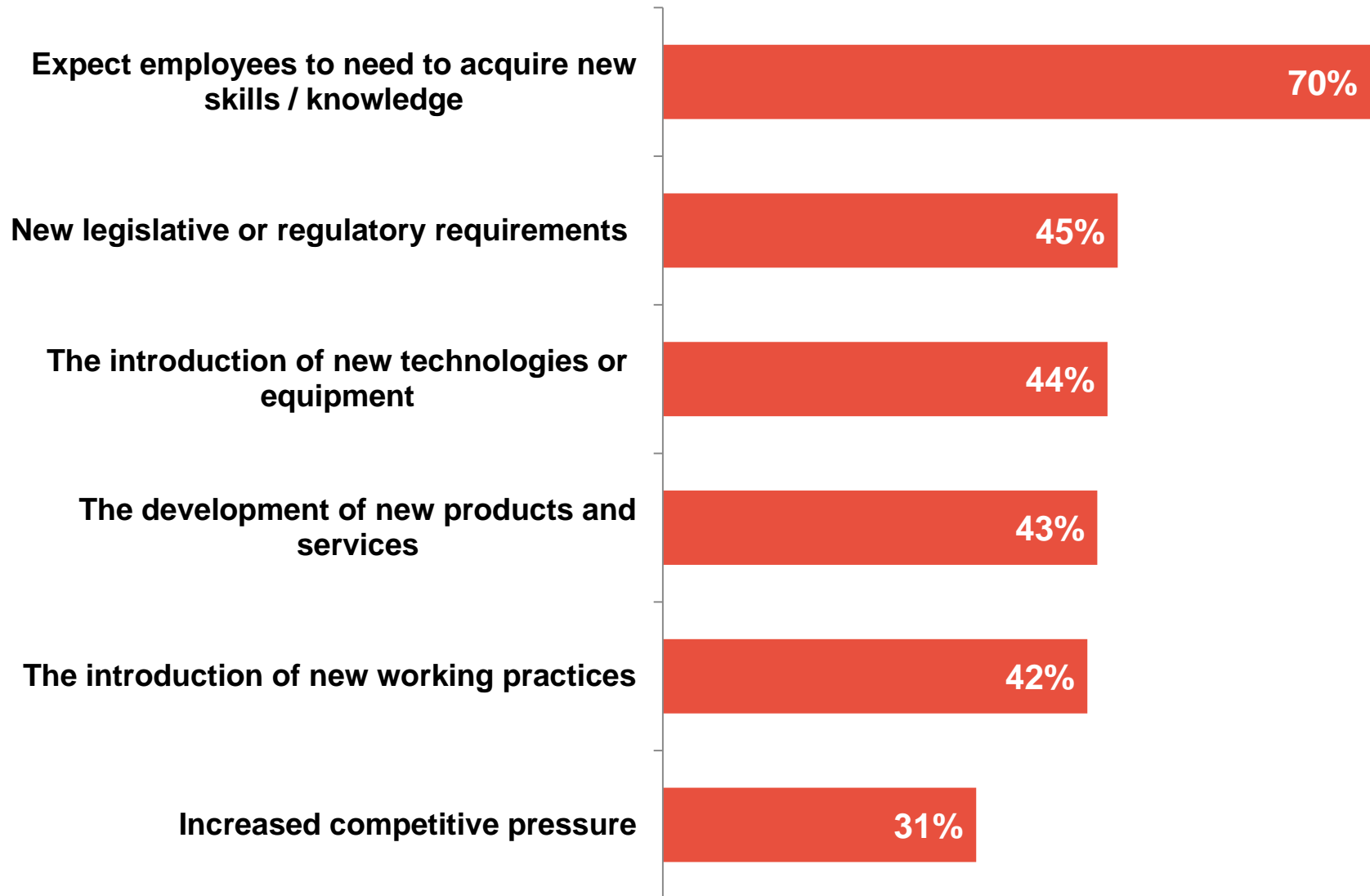
Incidence and density of skills under-utilisation by size in England



Base: 2011: All establishments in England (as shown); 2013: All establishments in England in Module 2 (as shown)

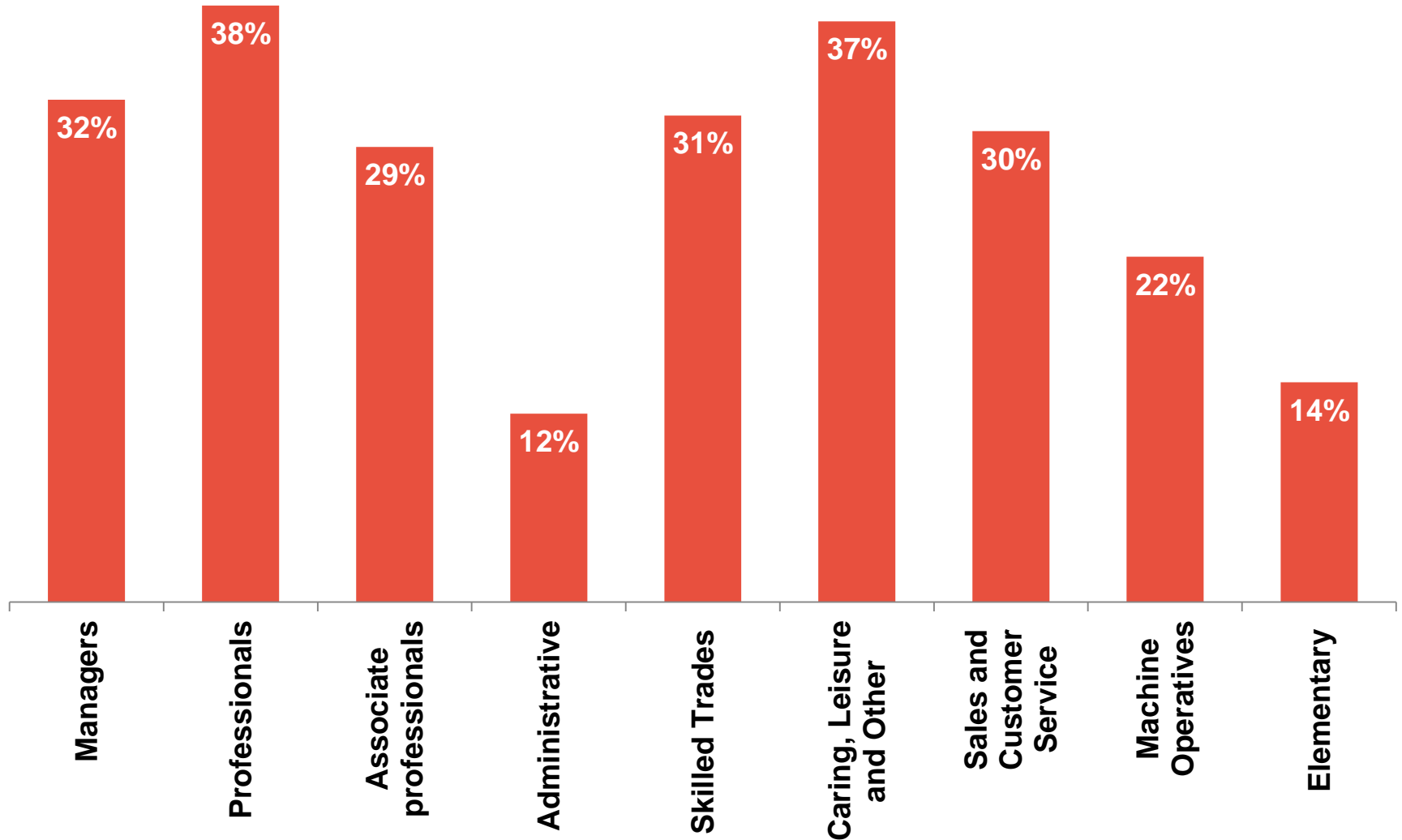
2011:	(74,040)	(15,394)	(41,091)	(8,756)	(4,788)	(2,689)	(1,322)
2013:	(37,559)	(7,447)	(21,342)	(4,688)	(2,367)	(1,219)	(496)

Drivers of upskilling in England



Base: All establishments in England in Module 2 (37,559)

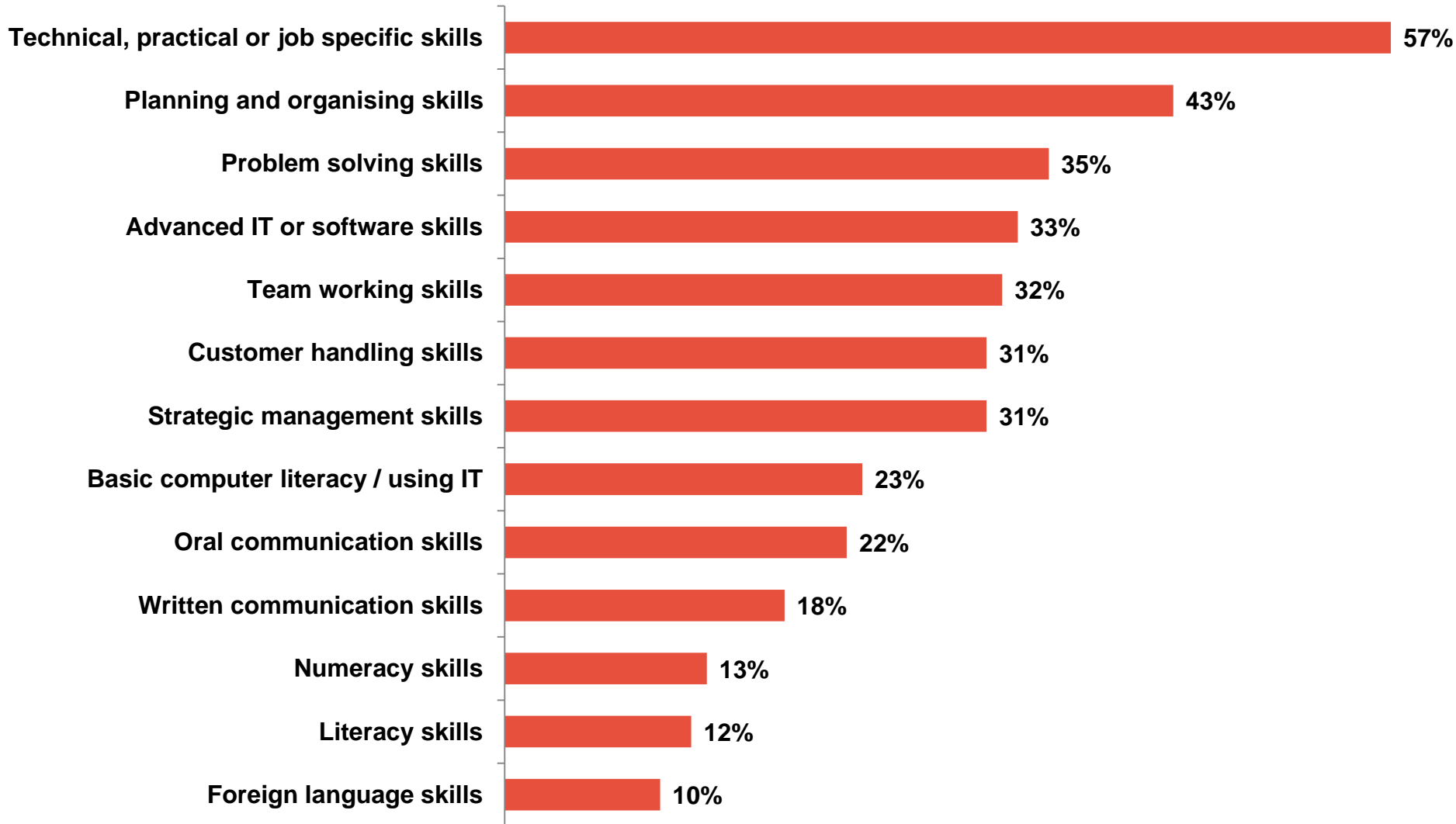
Occupations affected by need for upskilling in England



Base: All establishments in England who employ staff in each occupation (Module 2):

Base: (36,342) (7,135) (5,118) (22,249) (9,638) (5,746) (11,380) (5,704) (13,117)

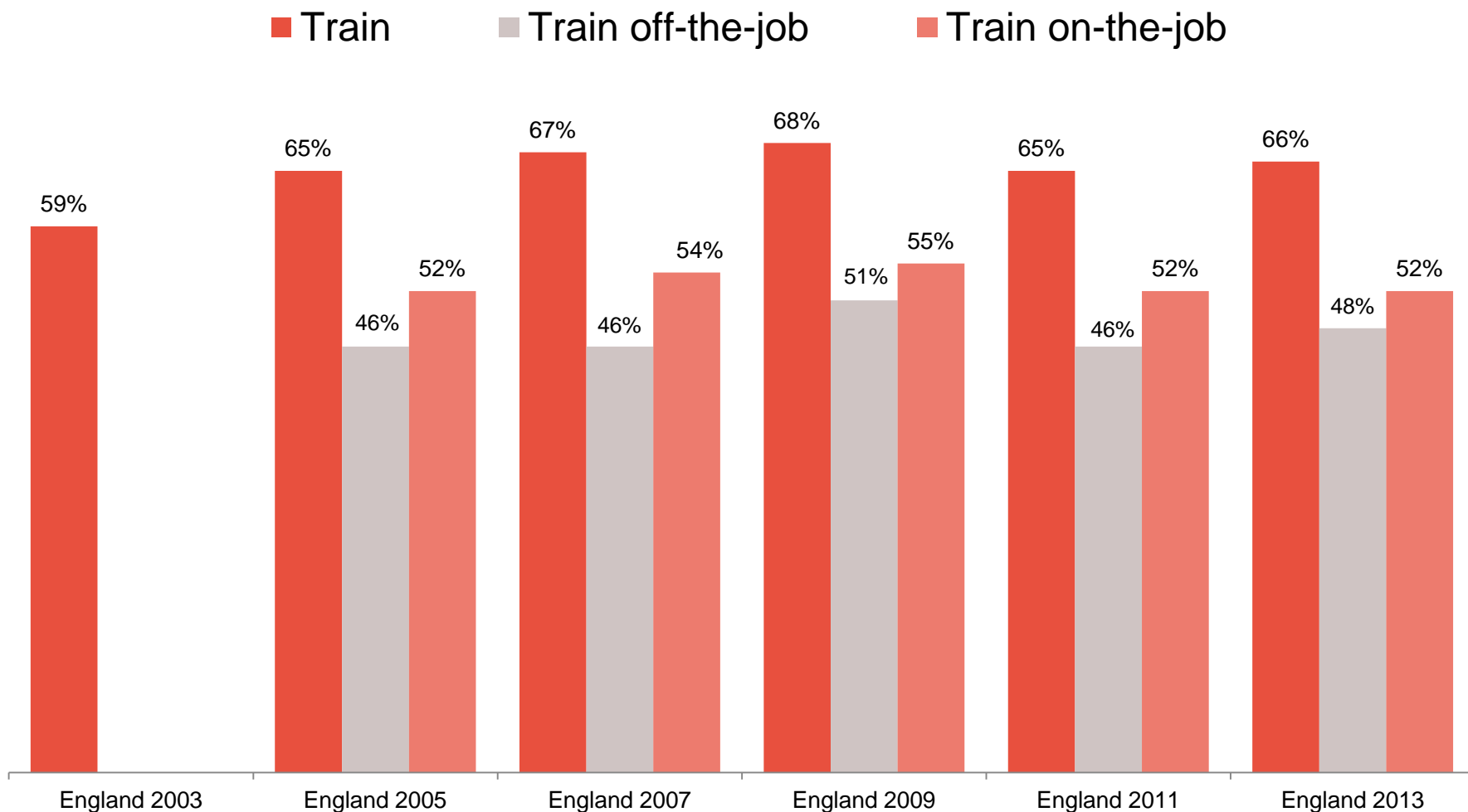
Skills which need improving/updating in next 12 months in England



Base: All establishments in England who anticipate a need to upskill staff in the next 12 months excluding those where the main occupation affected is not known (26,542)

Chapter 4: Training and Workforce Development

Incidence of training provision over the previous 12 months over time



NB: question asked differently in 2003; on- and off-the job distinction not made. Data is therefore not directly comparable.

Base for bars: All establishments each year (as shown)

(72,100)

(74,835)

(79,018)

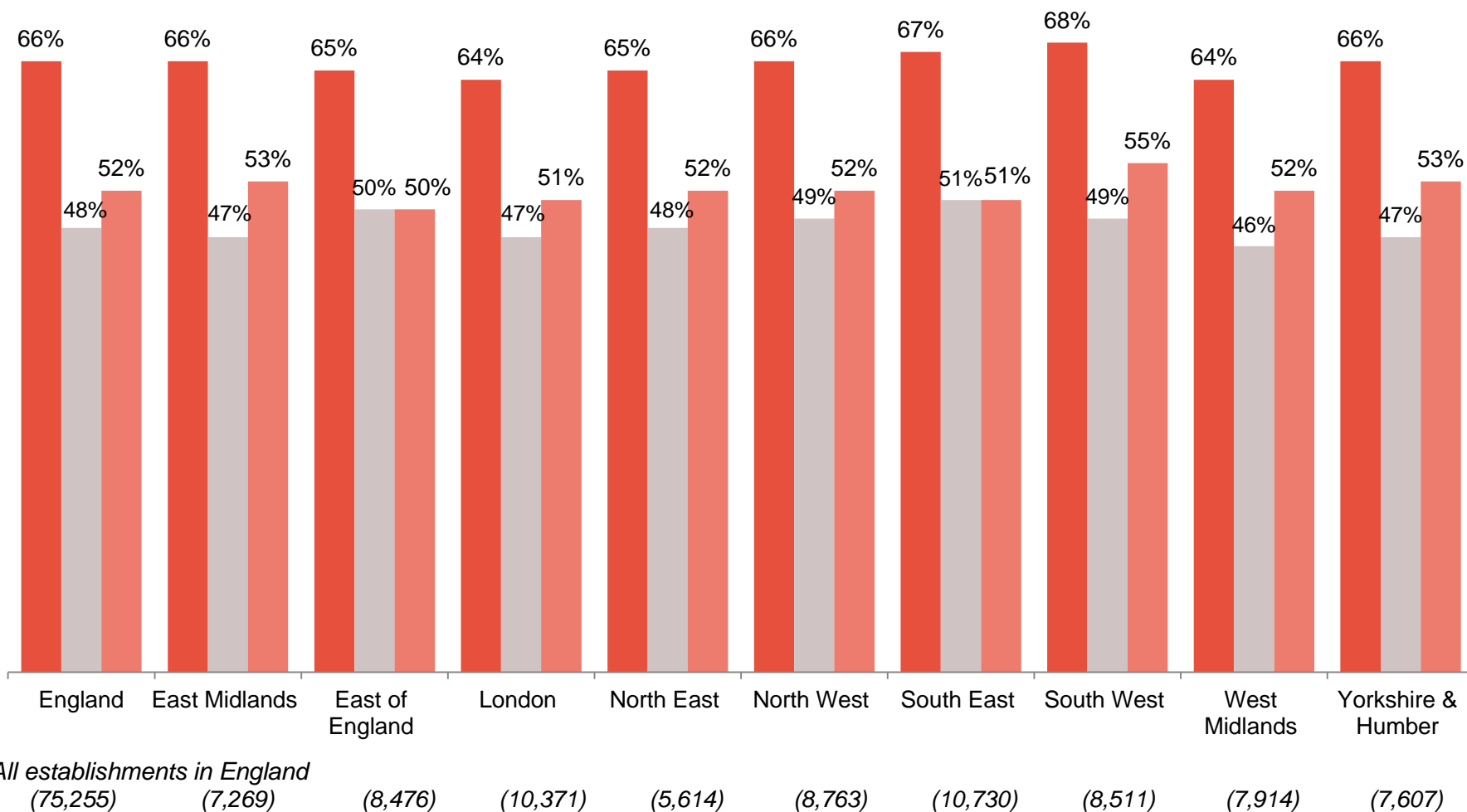
(79,152)

(74,156)

(75,255)

Incidence of training provision over the previous 12 months by region

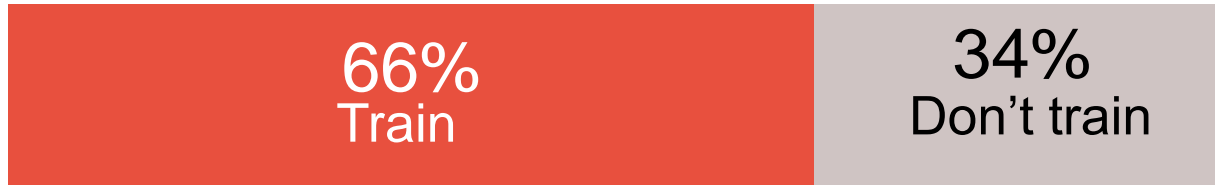
■ Train ■ Train off-the-job ■ Train on-the-job



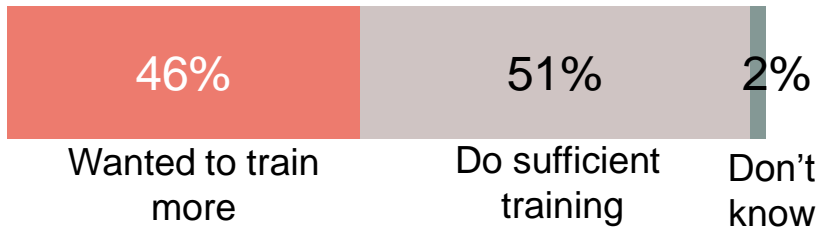
Base : All establishments in England
(75,255)

Training Equilibrium: employer interest in providing more training than they were able to in England

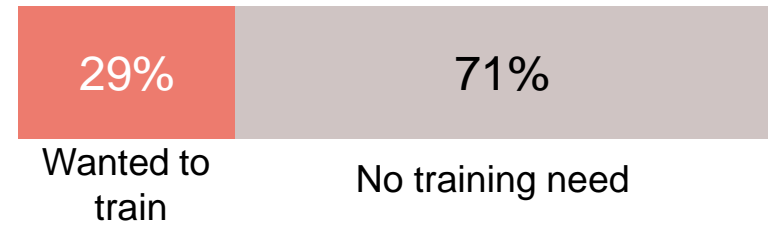
Among all employers....
(Base: 75,255)



Of trainers.... (Base: 57,787)



Of non-trainers.... (Base: 17,468)



ALL EMPLOYERS

(Base: All establishments, 75,255)

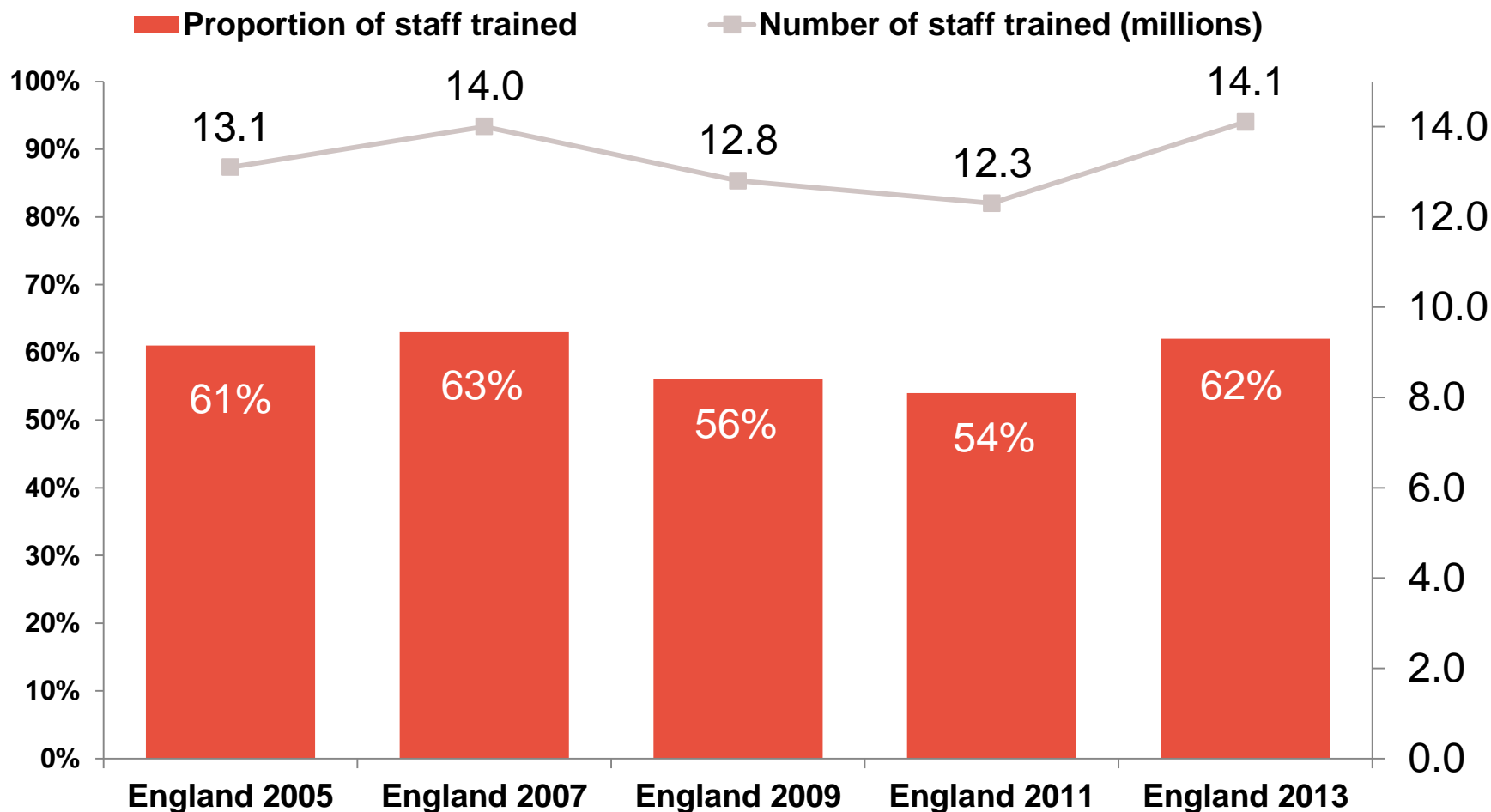


Types of training provided in England



Base : All establishments in England that train (57,787)

Number and proportion of staff trained over time



Data from 2003 not comparable due to changes in the way the questions were asked.

Base for bars: All employment across all establishments in England (as shown)

(74,835)

(79,018)

(79,152)

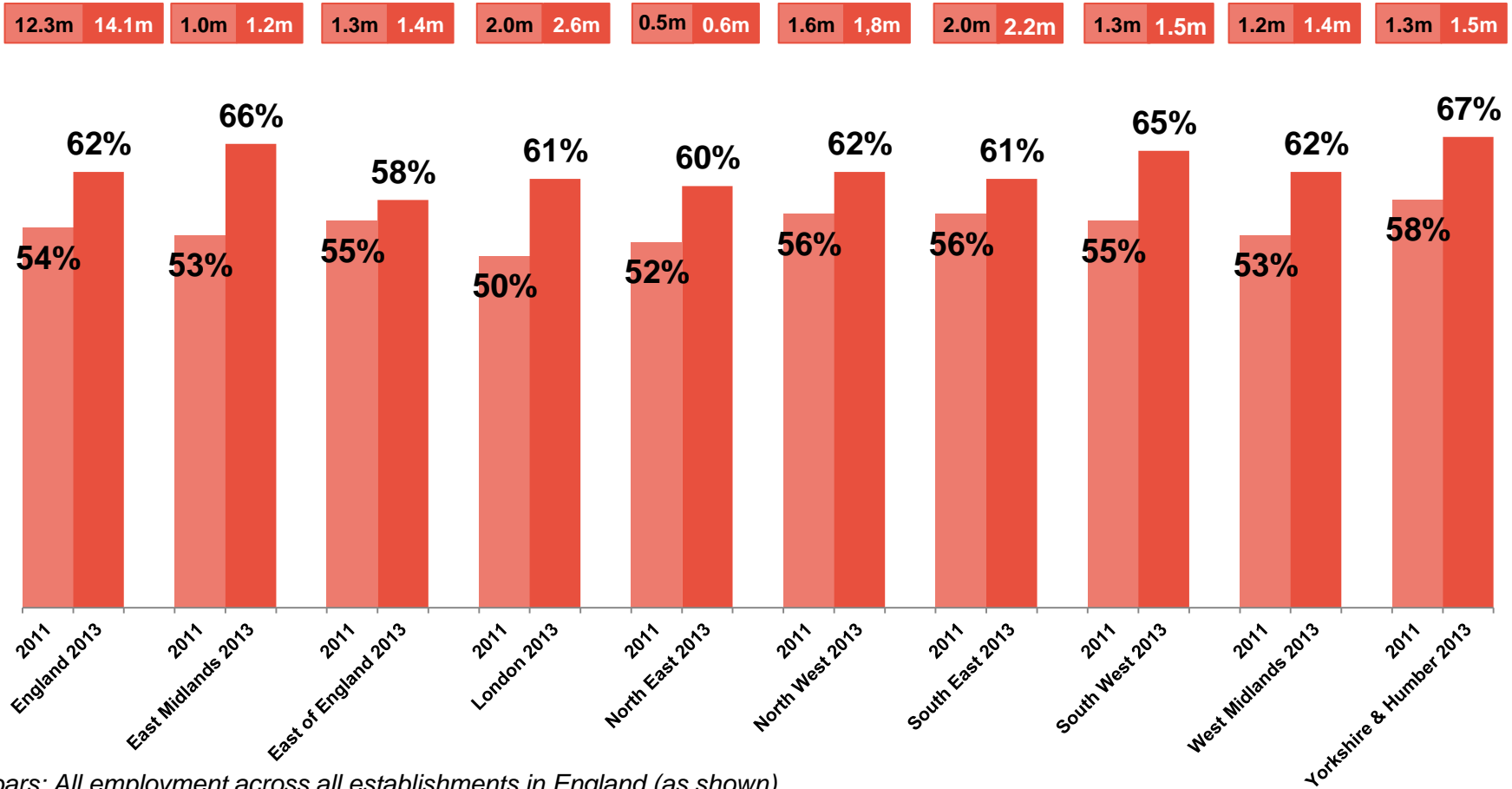
(74,156)

(75,255)

Note: proportion of staff trained shown as a proportion of all employment across all establishments, not just those establishments that train.

Number and proportion of staff trained by region

Number of staff trained:

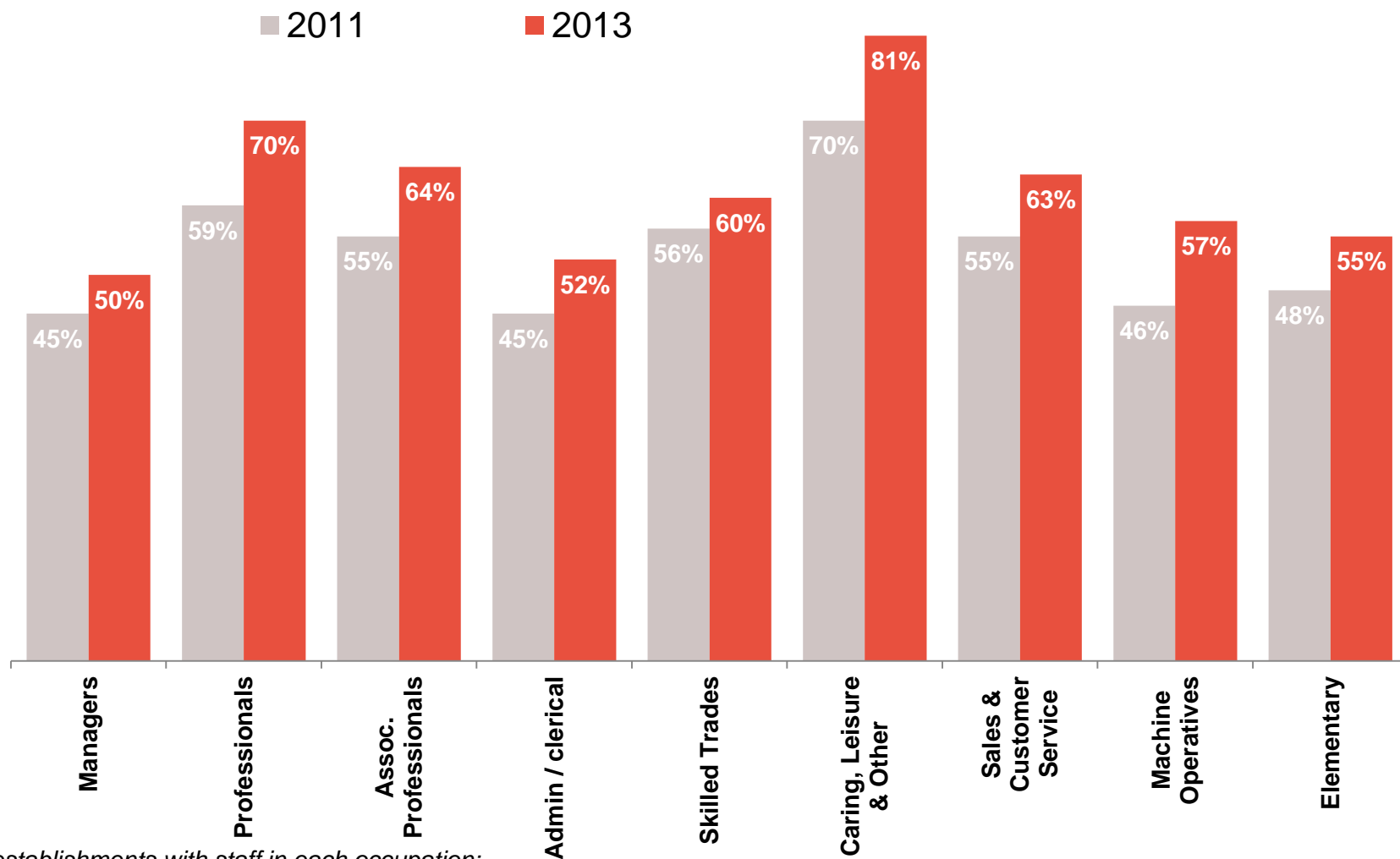


Base for bars: All employment across all establishments in England (as shown)

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Note: proportion of staff trained shown as a proportion of all employment across all establishments, not just those establishments that train.

Proportion of staff trained by occupation in England



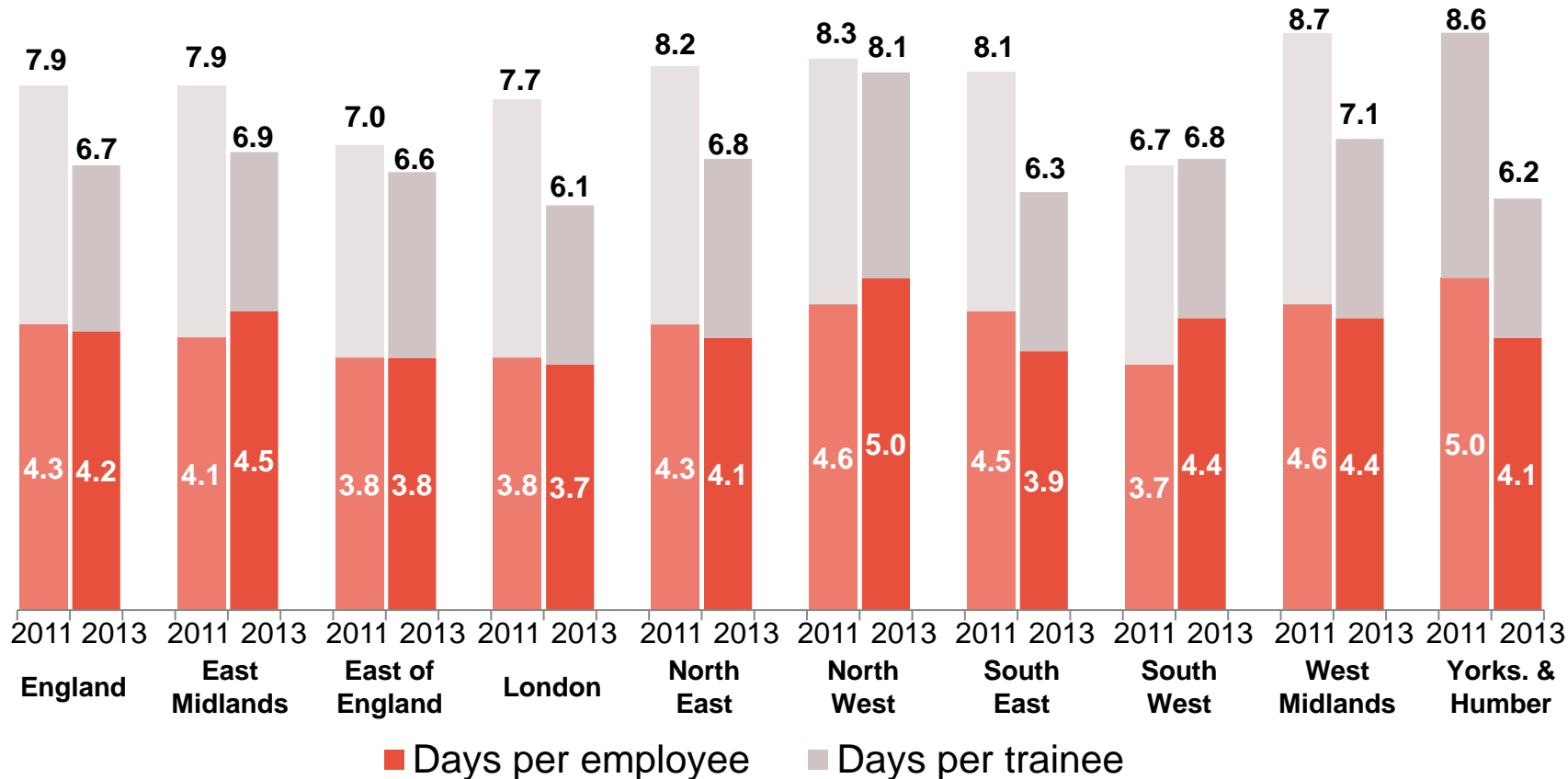
Base : All establishments with staff in each occupation:

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2013:	(72,749)	(14,322)	(10,282)	(44,503)	(19,260)	(11,583)	(22,872)	(11,405)	(26,334)

Training days provided by region

Total days training:

2011:	97.1m	7.8m	9.1m	15.7m	4.4m	13.6m	16.5m	8.4m	10.6m	11.0m
2013:	94.9m	8.5m	9.1m	15.7m	4.0m	14.5m	14.3m	9.9m	10.0m	9.0m

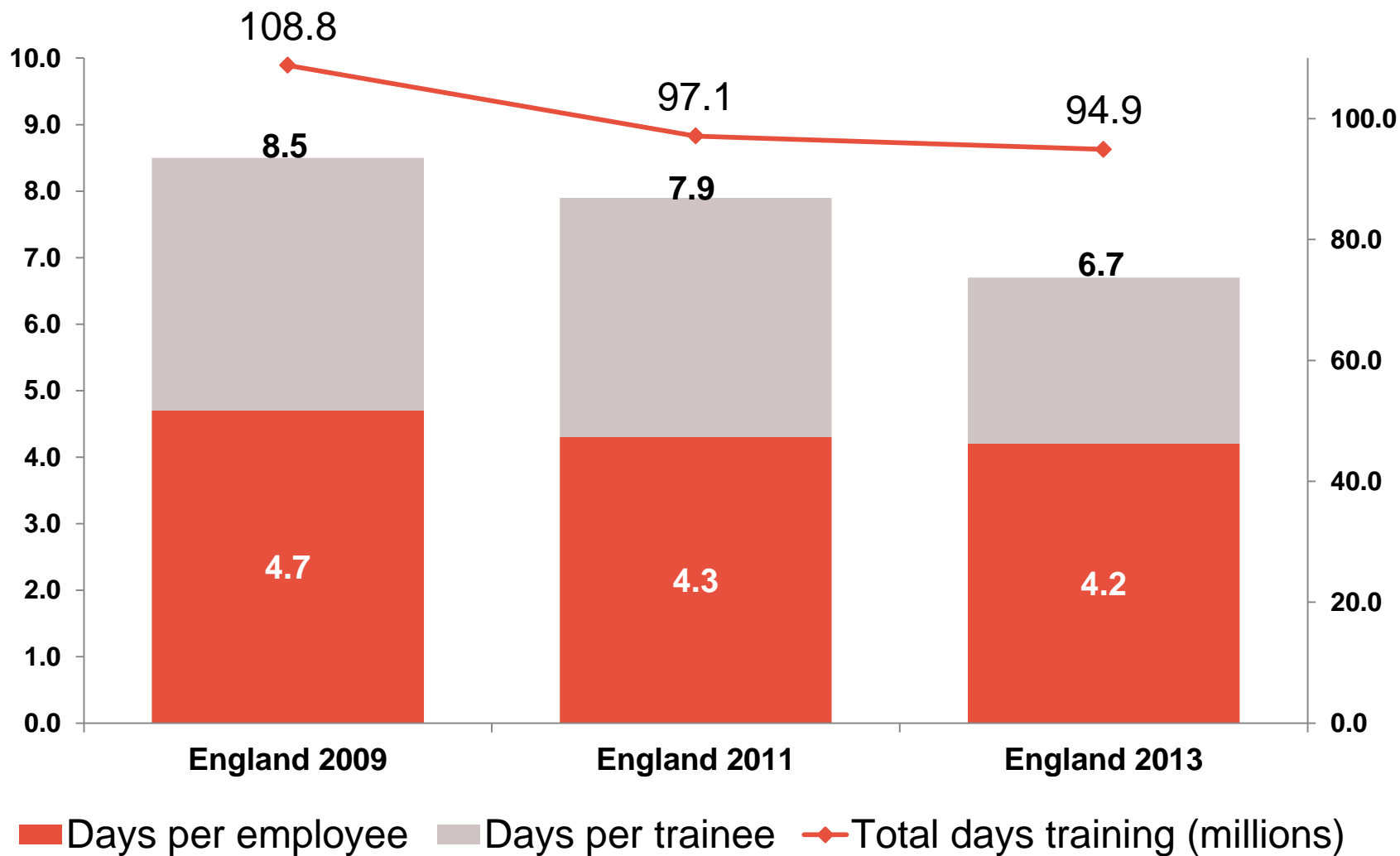


Base for bars: All employment across all establishments in England (as shown)

2011:	(74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
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Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Training days provided over time



Training days data prior to 2009 not comparable due to changes in the way the question was asked.

Base for bars: All employment across all establishments in England (as shown)

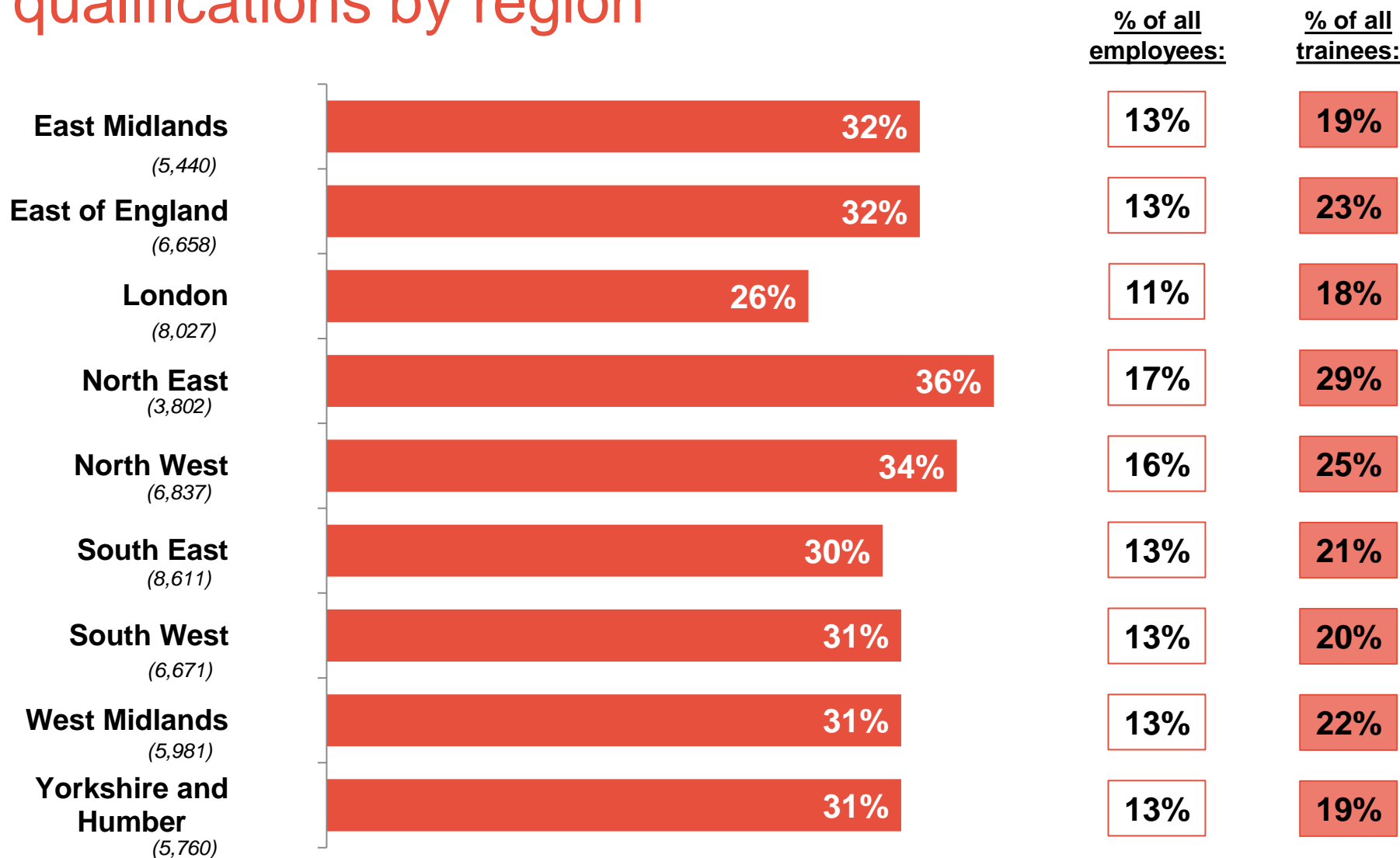
(79,152)

(74,156)

(75,255)

Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Incidence of training staff to nationally recognised qualifications by region



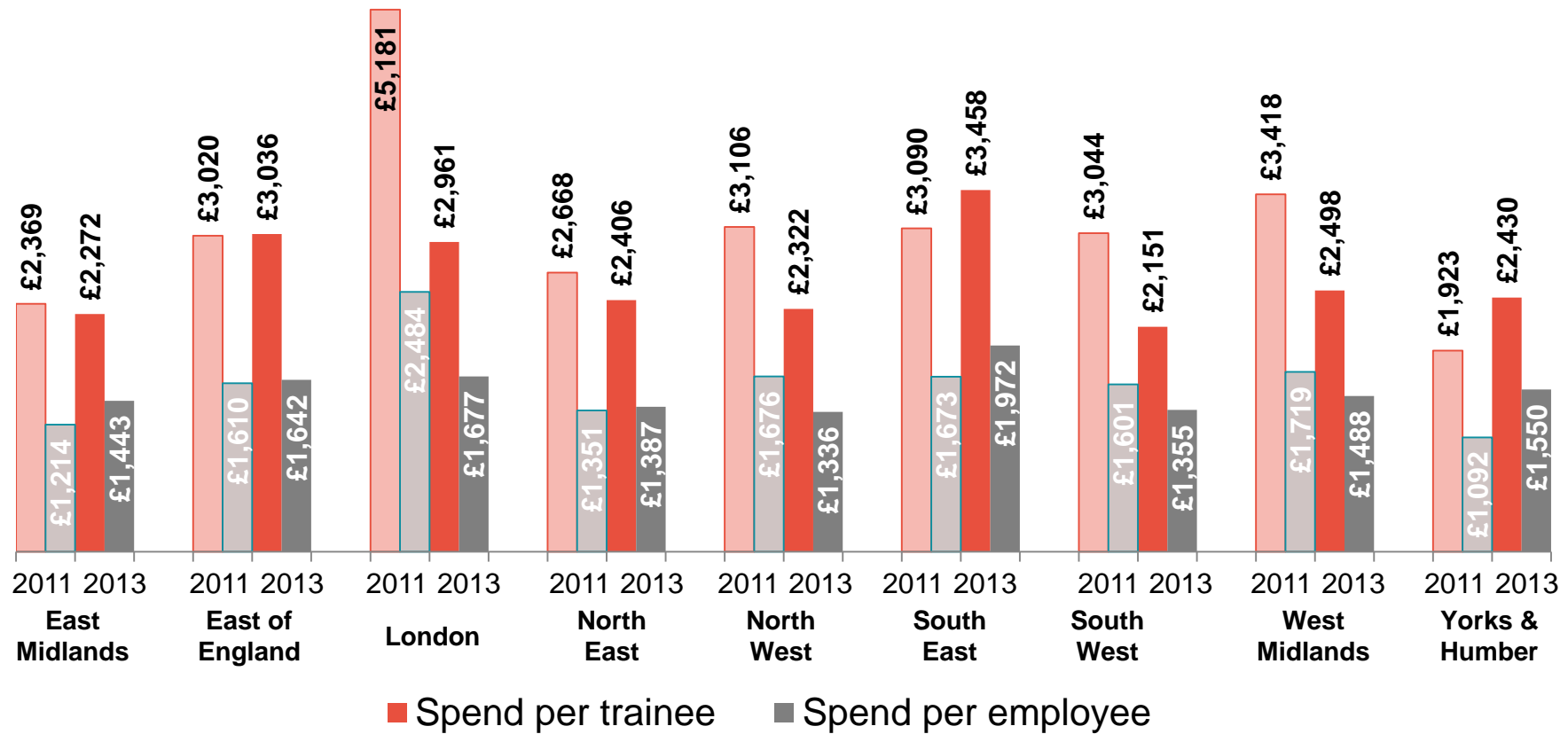
Base: All Establishments (as shown)

Note: % of all employees shown as an average for all employment across all establishments; % of all trainees shown as an average of all trainees.

Investment in Training by region

Total spend:

2011:	£2.3bn	£3.9bn	£10.1bn	£1.4bn	£4.9bn	£6.1bn	£3.6bn	£4.0bn	£2.4bn
2013:	£2.7bn	£3.9bn	£7.1bn	£1.4bn	£3.9bn	£7.2bn	£3.1bn	£3.4bn	£3.4bn



Base: All establishments that train (Investment in Training follow up survey):

2011:	(730)	(983)	(971)	(620)	(1,050)	(1,172)	(855)	(738)	(753)
2013:	(805)	(1,021)	(1,271)	(703)	(1,173)	(1,110)	(1,040)	(788)	(793)

Training expenditure by component in England

Unweighted Base:	2011 7,872		2013 8,704	
	£bn	%	£bn	%
Total training expenditure	£38.6bn	100	£36.0bn	100
Off-the-job training: total	£18.2bn	47	£17.8bn	49
Off-the-job training: Course-related: total	£15.1bn	39	£14.9bn	41
Trainee labour costs	£4.5bn	12	£4.3bn	12
Fees to external providers	£2.5bn	6	£2.0bn	6
On-site training centre	£2.1bn	5	£2.1bn	6
Off-site training centre (in the same company)	£0.5bn	1	£0.4bn	1
Training management	£5.1bn	13	£5.4bn	15
Non-training centre equipment and materials	£0.3bn	1	£0.4bn	1
Travel and subsistence	£0.3bn	1	£0.3bn	1
Levies minus grants	-£0.2bn	-1	-£0.2bn	-1
Off-the-job training: other (seminars, workshops etc.): total	£3.1bn	8	£3.0bn	8
Trainee labour costs	£2.2bn	6	£2.2bn	6
Fees to external providers	£0.9bn	2	£0.8bn	2
On-the-job training: Total	£20.5bn	53	£18.2bn	51
Trainee labour costs	£12.8bn	33	£11.8bn	33
Trainers' labour costs	£7.7bn	20	£6.4bn	18

Base : All establishments in England that train (Investment in Training follow-up survey)

Chapter 5: Recruitment of Young People

Employer recruitment of young people in England

“Recruiting employers” *Base: All establishments in England (75,255)*

64%

Employers who have recruited anyone in the past two to three years

36%

Not recruited

Recruited young people *Base: All establishments in England (Module 2; 37,559)*

45%

Employers who have recruited anyone under the age of 25 in the past two to three years

19%

Recruited, but not young people

1%

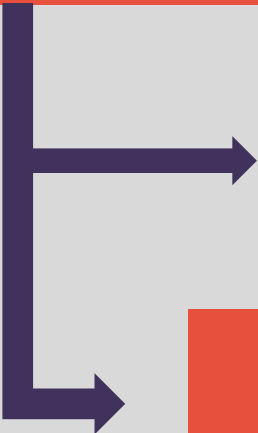
Recruited education leavers aged over 25

25%

Recruited young person from education

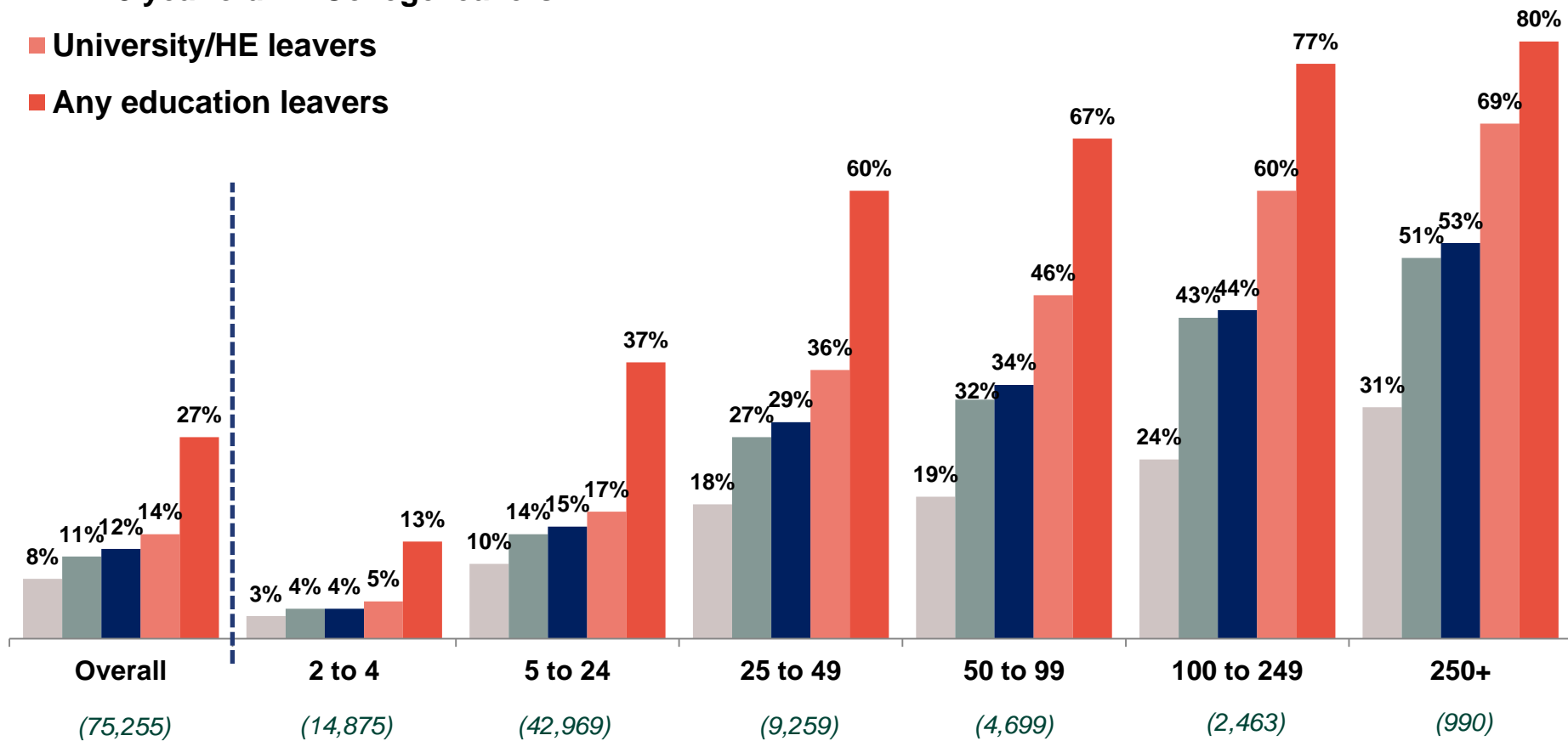
32%

Recruited young person not from education



Recruitment of education leavers by size in England

- 16 year old school leavers
- 17-18 year old school leavers
- 17-18 year old FE College leavers
- University/HE leavers
- Any education leavers



Base: All establishments in England (as shown)

Recruitment of education leavers by sector

HIGH LEVELS OF RECRUITMENT

LOW LEVELS OF RECRUITMENT

16 YEAR OLD SCHOOL LEAVERS



Hotels and restaurants 14%

Community social and other 13%



Wholesale and Retail 11%



Financial Services 3%



Business Services 4%



Public Admin 5%

17-18 YEAR OLD SCHOOL LEAVERS



Hotels and Restaurants 20%



Wholesale and Retail 14%



Education 13%



Agriculture 3%



Construction 6%



Business Services 7%

17-18 YEAR OLD FEC LEAVERS



Hotels and Restaurants 20%



Education 17%



Health and Social Work 17%



Agriculture 5%



Construction 7%



Business Services 8%

UNIVERSITY/HE LEAVERS



Education 40%



Public Admin 20%



Financial Services 18%



Agriculture 3%

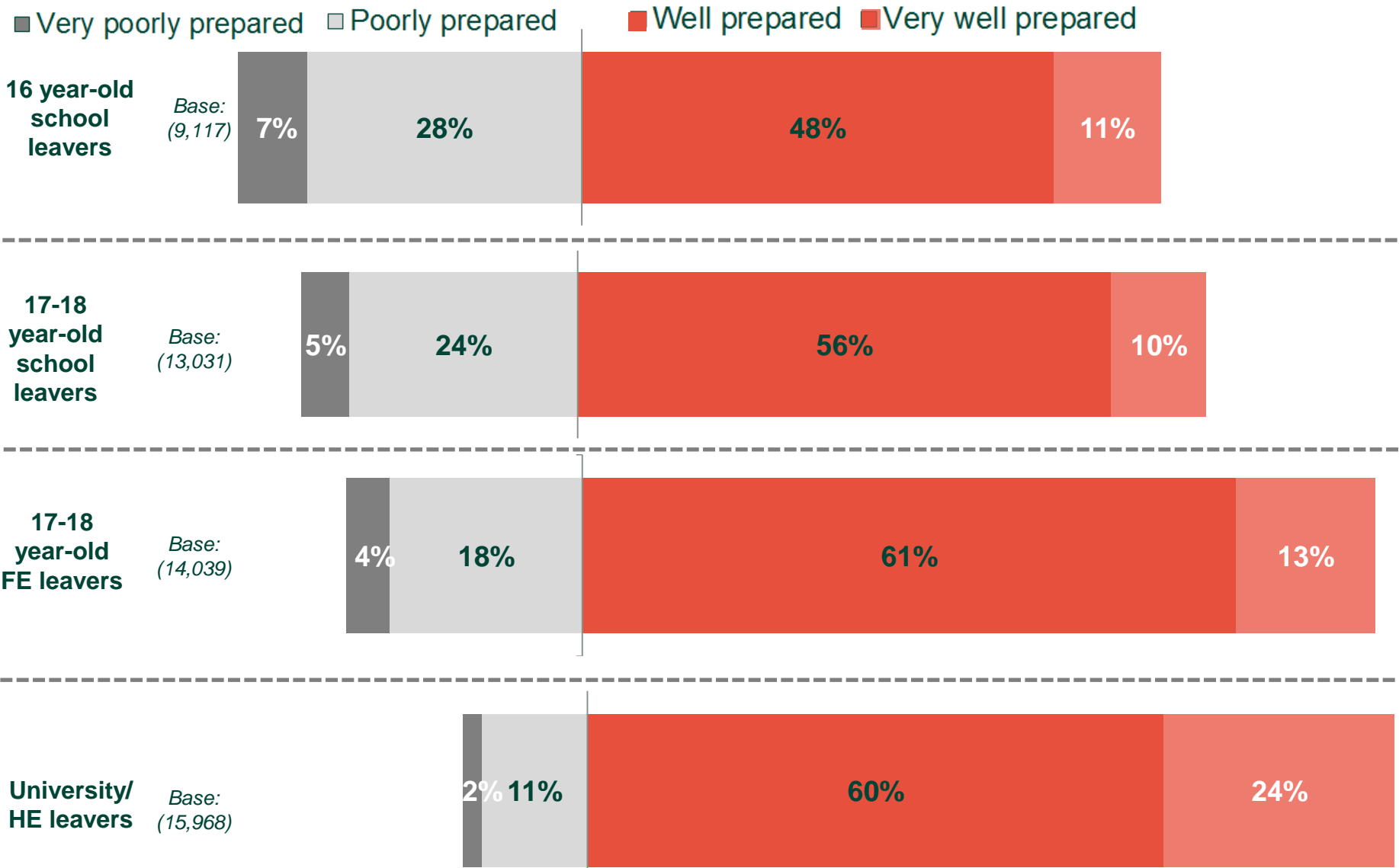


Construction 4%



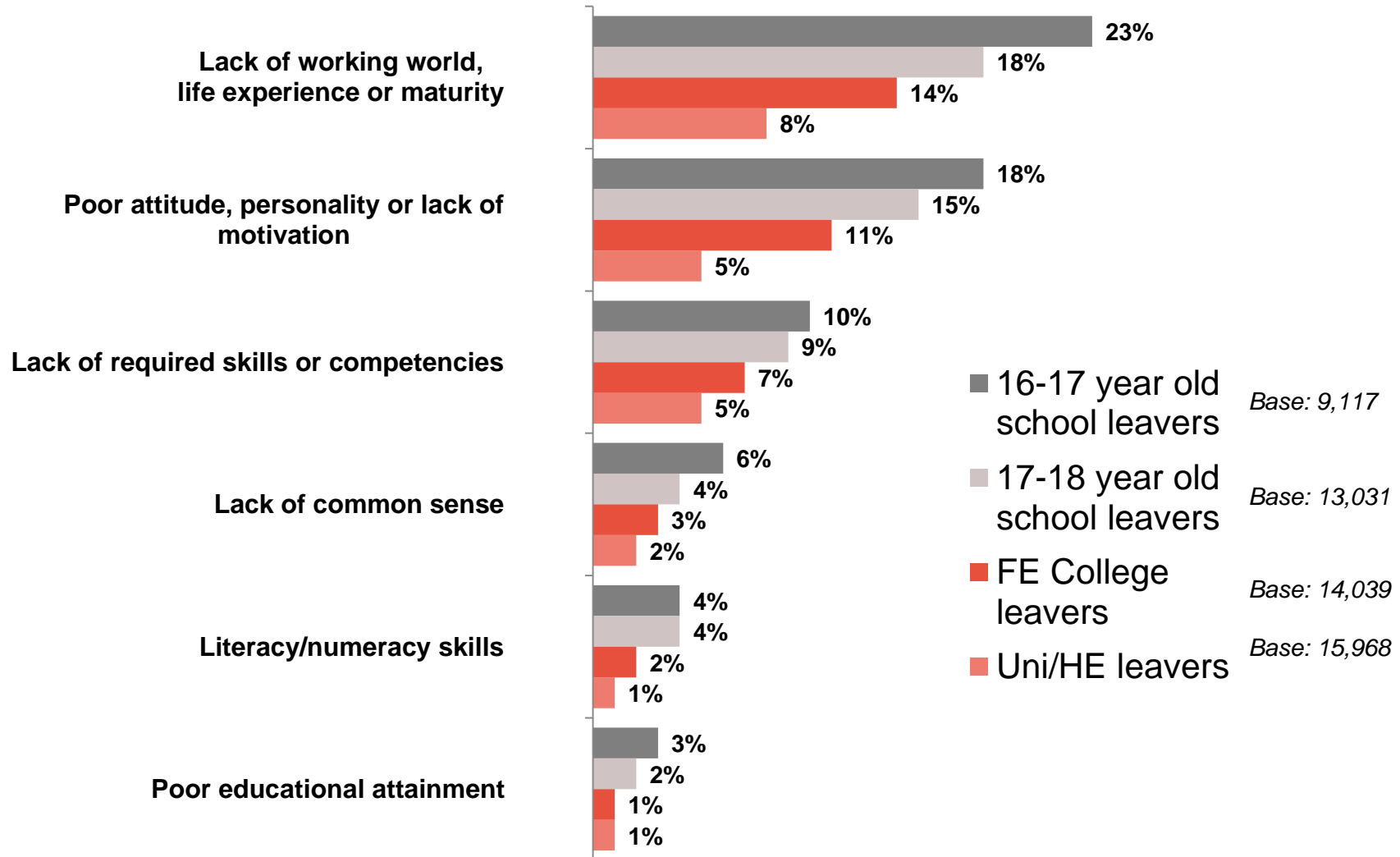
Manufacturing 9%

Work-readiness of education leavers in England



Base: All establishments in England that have recruited each type of education leaver in the previous 2-3 years (as shown)

Skills and attributes lacking in education leavers in England



Base: Establishments in England recruiting each type of education leaver (as shown)

Barriers to recruiting young people in England

No candidates under 25
62%

Base: all recruiting employers who have not recruited young people (6,028)

29% had young applicants

Why young candidates were not successful

Other candidates better placed 52%

Base: all recruiting employers who did not recruit young applicants (1,748)

47% had young applicants who did not meet requirements

No vacs / speculative application 6%
Applicant turned job down 2%

... **skills** 63%

- ...both skills & experience 59%
- ... Professional hard-working attitude 37%
- ... Necessary qualifications 29%
- ... Quality application 33%
- ... **experience** 24%

Base: all recruiting employers who described young applicants as not meeting requirements (802)

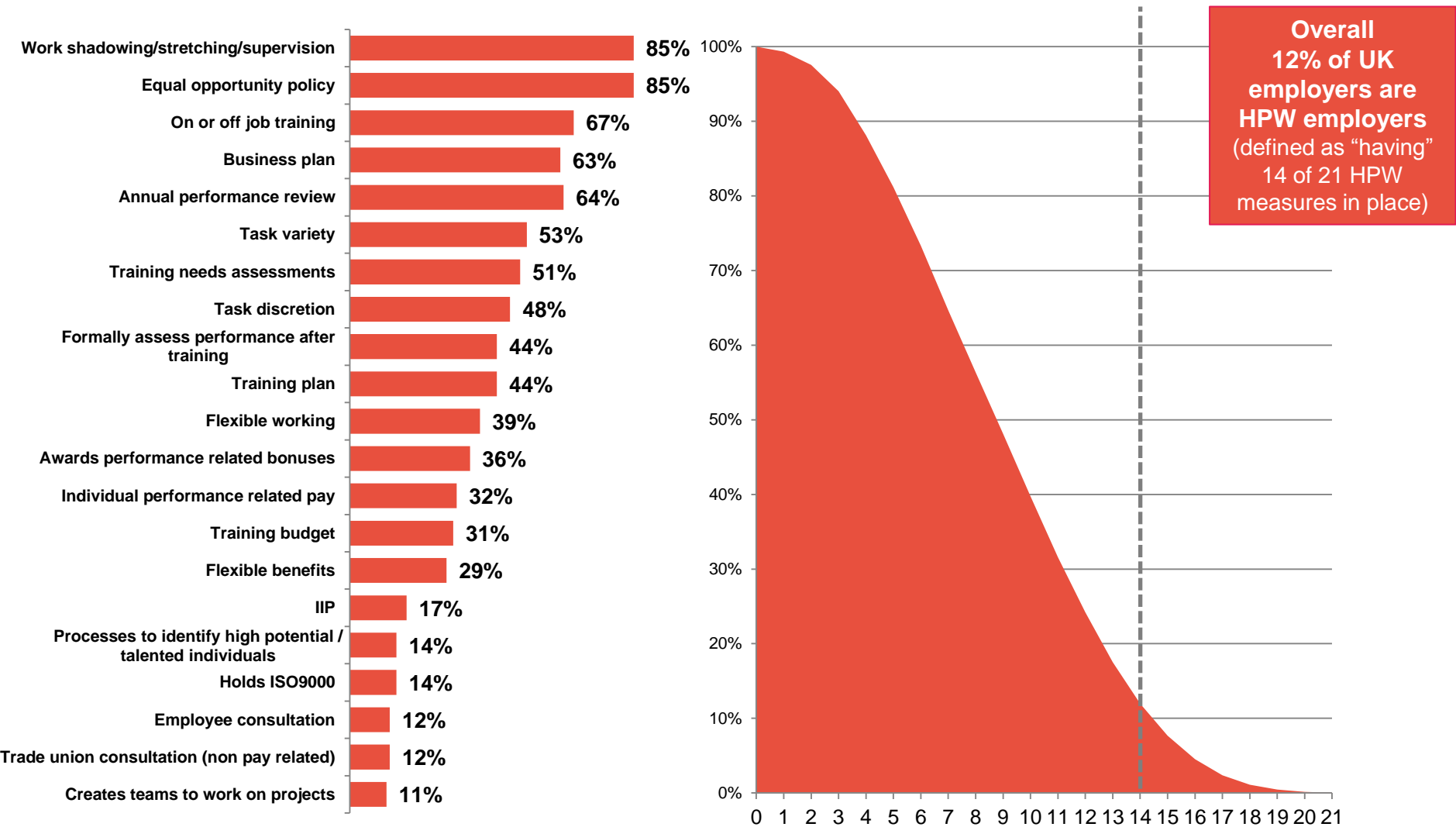
Summary of skills deficiencies and training amongst employers recruiting young people in England

	Recruited a Young Person	Recruited school leaver	Recruited FEC leaver	Recruited HE leaver	Recruited but not a Young Person
	%	%	%	%	%
<i>Unweighted base</i>	22,609	16,301	14,039	15,968	6,458
Vacancies					
Have vacancies	25	29	31	34	13
Skill-shortage vacancies					
Have skill-shortage vacancies	7	8	8	10	4
Skill-shortage vacancies as % of all vacancies	22	21	20	20	27
Skills gaps					
Have skill gaps	26	34	33	31	11
Skills gap density	6	7	7	6	4
Training					
Train at all	81	85	87	88	69
% of staff trained	65	69	71	71	55

Base: all establishments in England recruiting each type of education leaver (as shown)

Chapter 6: High Performance Working Practices and Product Market Strategies

Incidence of High Performance Working Practices in England



Base: All establishments in England in Module 1 (37,696)

Summary of skills deficiencies by adoption of High Performance Working Practices in England

	HPW employers	Non-HPW employers
	%	%
<i>Unweighted base:</i>	6,858	30,838
Have vacancies	29	13
Have skill-shortage vacancies	8	4
Skill-shortage vacancies as % of all vacancies	18	25
Have skill gaps	22	14
Skills gap density	5	5

Base: All establishments in England in Module 1 by HPW classification (as shown)

Summary of vacancy situation by Product Market Strategy grouping in England

Proportion of all vacancies which are hard-to-fill:

54%

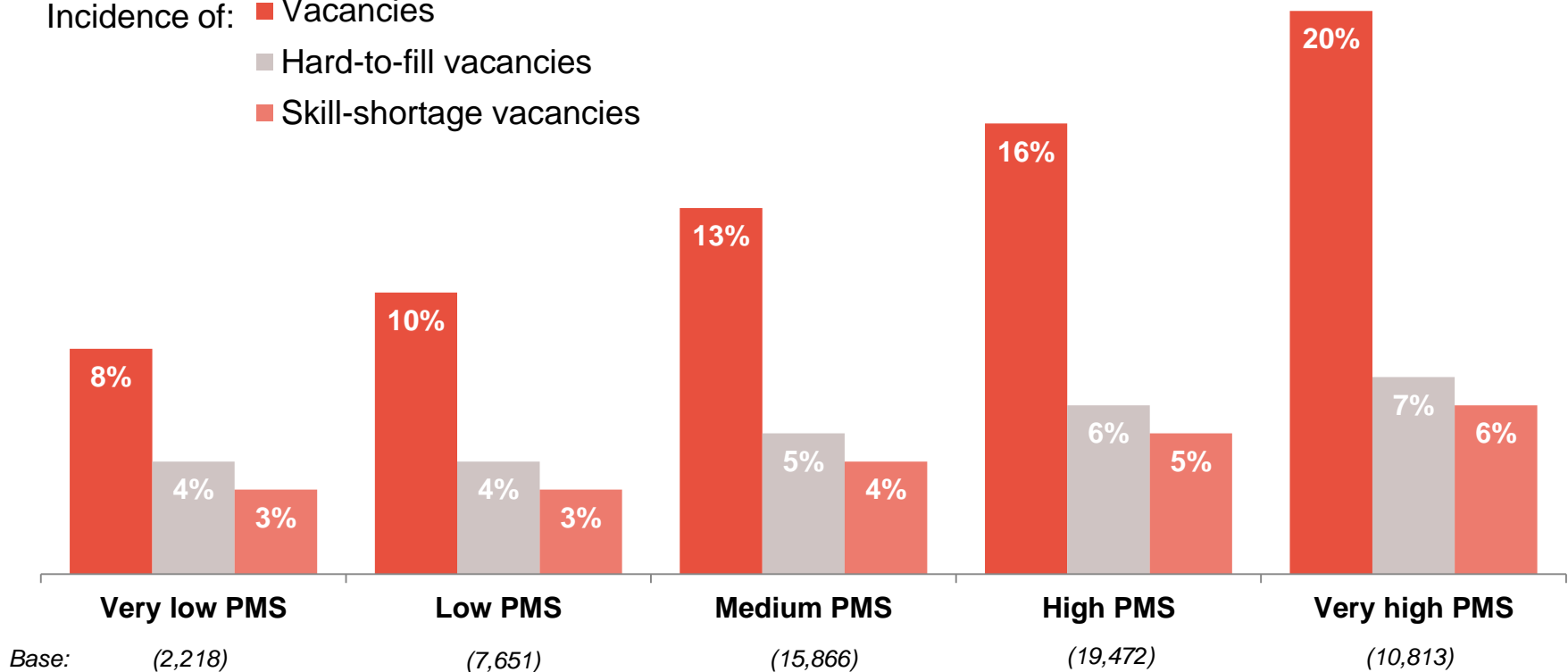
27%

38%

29%

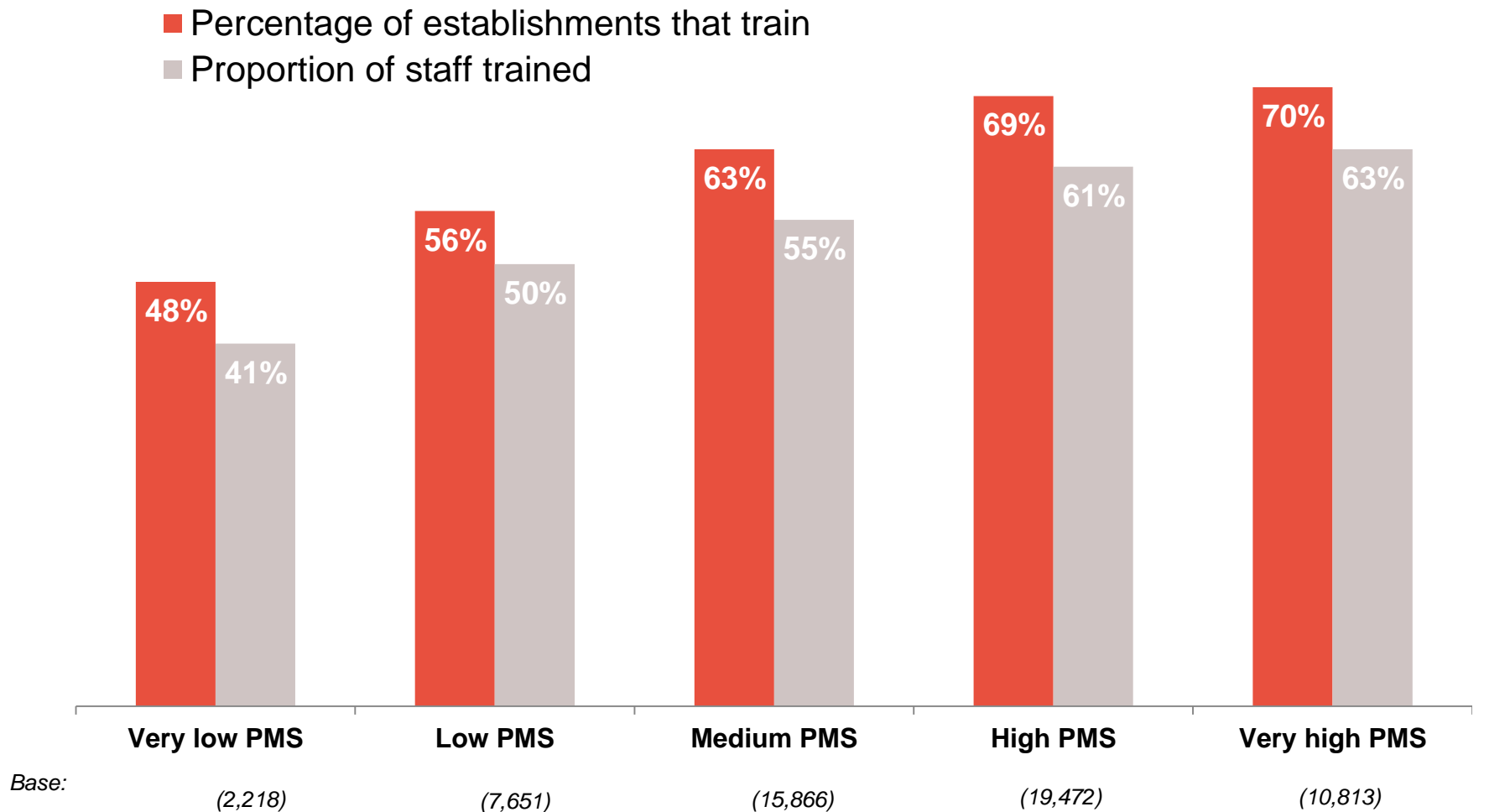
30%

Incidence of: ■ Vacancies
■ Hard-to-fill vacancies
■ Skill-shortage vacancies



Base: All establishments in England in the private sector in each PMS group (as shown)

Incidence of training by Product Market Strategy grouping in England



Base: All private sector establishments in England in each PMS group (as shown)

Chapter 7: Summary and Conclusions

Skills deficiencies threaten emerging recovery

Increase in vacancies tempered by increase in skill-shortage vacancies and persistent pockets of skills deficiencies in the workforce

- Although a small minority of establishments (4%) are affected by skill-shortage vacancies, in total **more than one in five vacancies (22%) across England are hard-to-fill due to skill shortages** in the available labour pool.
- In addition, some 1.2 million employees are regarded as being **not fully proficient** in their job roles (5.1% of the total workforce in England).
- **Inefficiencies are apparent in the workforce** – nearly half (47%) of establishments say they have at least one member of staff who has skills and qualifications that exceed those required for the job role, equating to 15% of the workforce in England.

Provision of training “smarter” and “targeted”

An increase in the proportion of staff trained is offset by a decrease in the volume received by each person

- Overall there has been a fall in the number of days training funded or arranged by employers in England;
- This is coupled with a fall in total training expenditure...
- However more employees are receiving training than in 2011.
- This suggests **that the recession of recent years has led to employers ‘training smarter’ and ‘doing more for less’**, with increased emphasis on in-house training, training employees as trainers, reduced use of external providers and enhanced use of e-learning.

Recruitment of young people falling

Fewer employers have recruited people directly from education compared to in 2011

- The main obstacle to (more) young people getting new jobs is **competition in the market place** rather than perceptions that young applicants do not have the capability to perform in the job role.
- Where the choice not to recruit a young applicant was motivated by a belief that the young person did not have the capabilities to do the job the main things lacking were **skills and experience**, and sometimes both.
- Most employers recruiting directly from education found the recruits to be well or very well prepared for work, particularly those recruiting older education leavers.

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