

Employer Skills Survey 2013

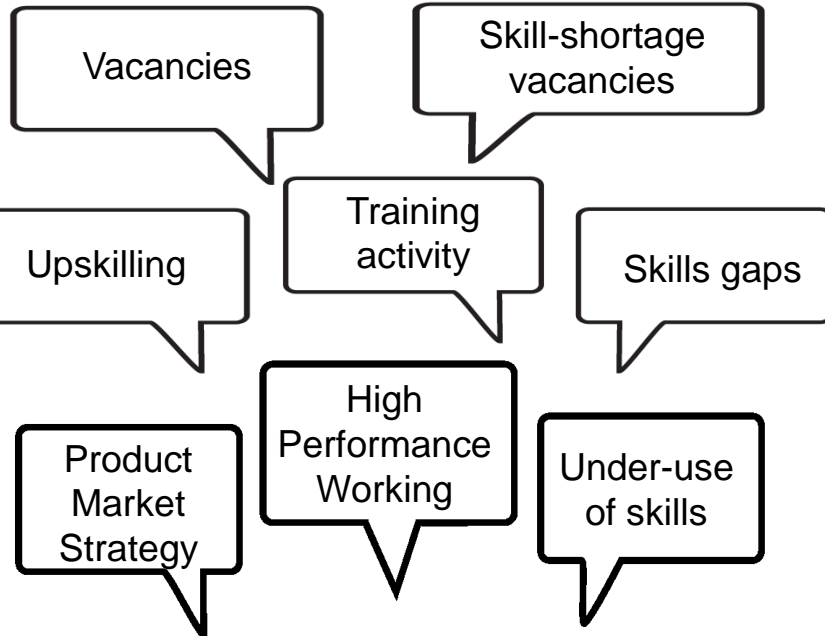
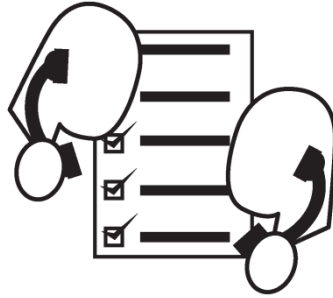
Scotland Slide Pack

Chapter 1: Background and Introduction

UKCESS 2013 - Overview

6,014 telephone interviews with establishments in Scotland

1,429 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 Scotland.

Achieved interviews / confidence intervals

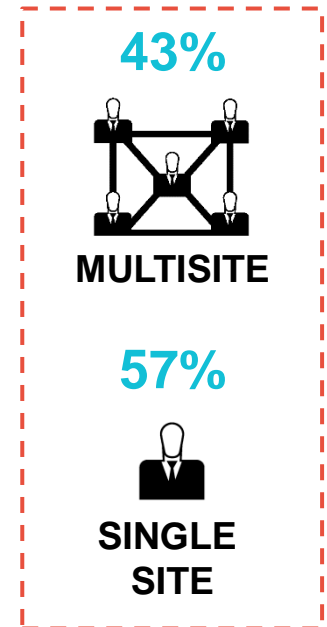
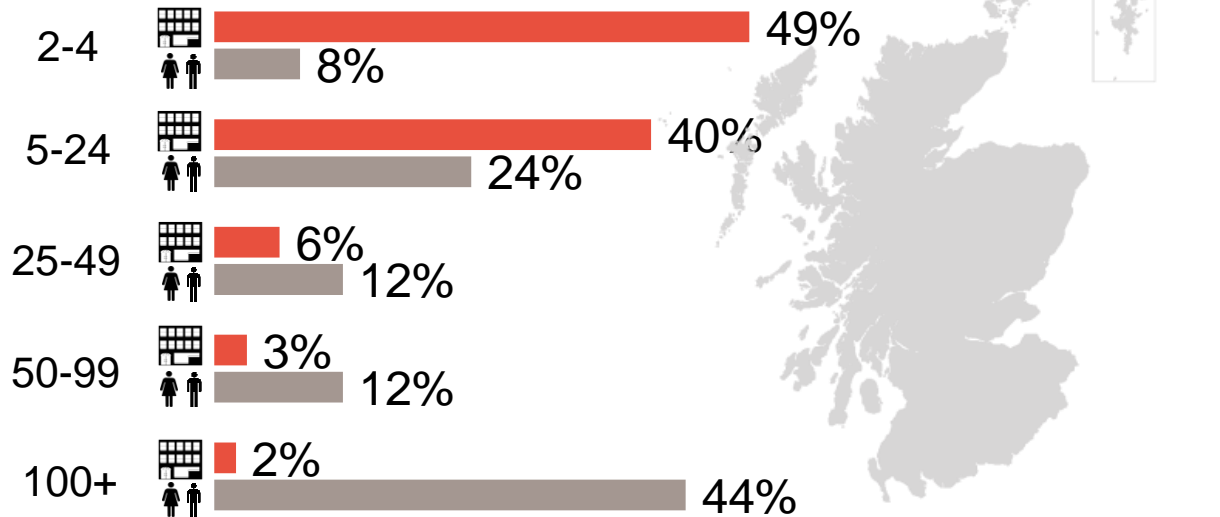
	Population	Number of interviews	(Maximum) Sampling Error
Scotland	140,948	6,014	+/-1.24
By region in Scotland			
Aberdeen City and Shire	16,387	772	+/-3.44
Ayrshire	8,826	349	+/-5.14
Edinburgh, Fife and the Lothian	29,008	1,322	+/-2.63
Forth Valley	7,048	282	+/-5.72
Glasgow and Clyde Valley	39,688	1,522	+/-2.46
Highland and Islands SIP	18,380	693	+/-3.65
South of Scotland	10,114	518	+/-4.19
Tayside	11,497	556	+/-4.05
By size of establishment			
2-4	68,805	1,109	+/-2.92
5-24	56,721	3,178	+/-1.69
25-49	8,199	869	+/-3.14
50-99	3,995	482	+/-4.19
100-249	2,235	264	+/-5.67
250+	993	112	+/-8.73

‘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 48.76% to 51.24%’

	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	12,006	519	+/-4.21
Mining & Quarrying	378	21	+/-20.81
Manufacturing	6,683	409	+/-4.70
Electricity, Gas and Water	834	86	+/-10.01
Construction	12,561	496	+/-4.31
Wholesale and Retail	29,518	991	+/-3.06
Hotels & Restaurants	14,073	571	+/-4.02
Transport and Communications	7,979	446	+/-4.51
Financial Services	2,888	205	+/-6.60
Business Services	24,451	784	+/-3.44
Public Administration	2,714	124	+/-8.60
Education	4,747	354	+/-5.01
Health and Social Work	10,890	568	+/-4.00
Community, Social and Personal Services	11,226	440	+/-4.44

Profile of survey population

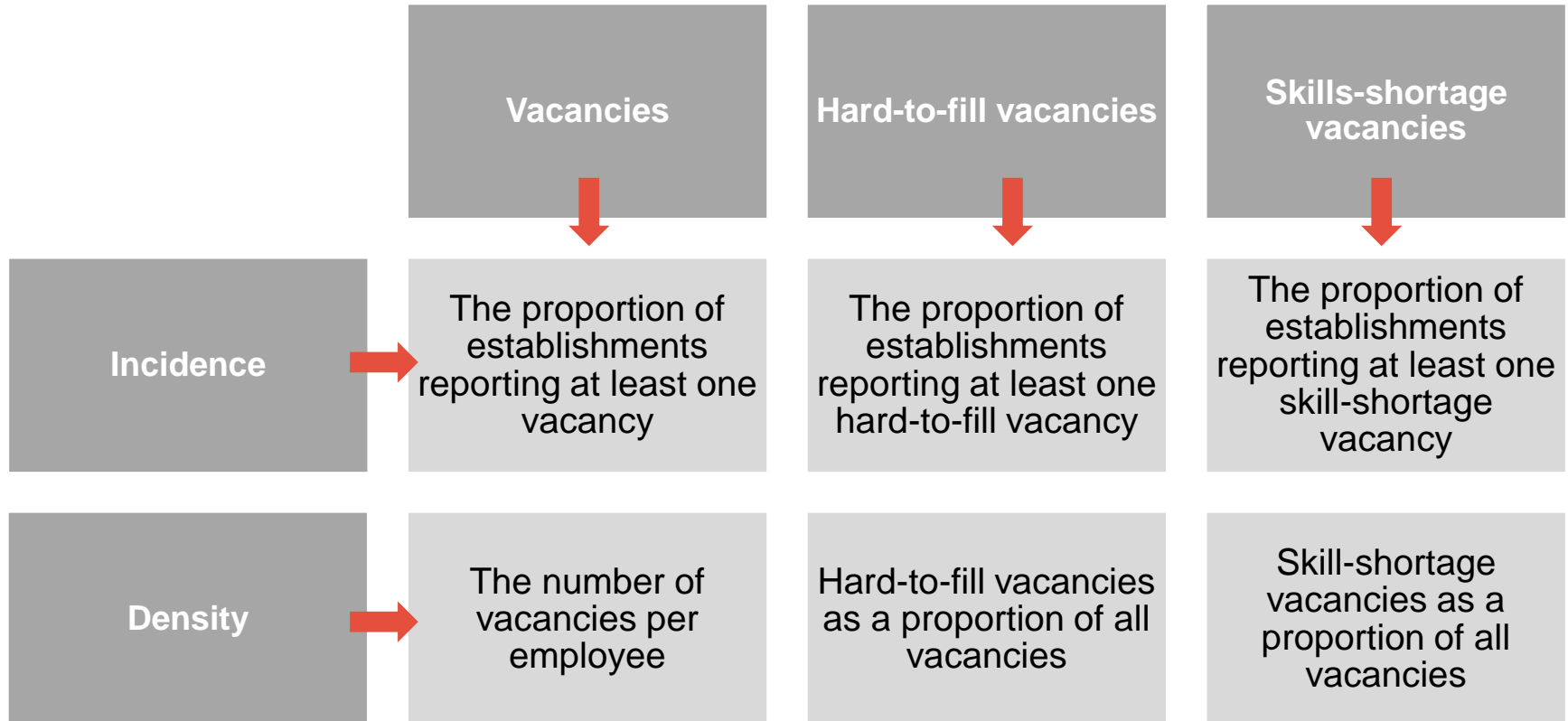
Establishments vs. Employment



Chapter 2: Employers' experiences of skill shortages

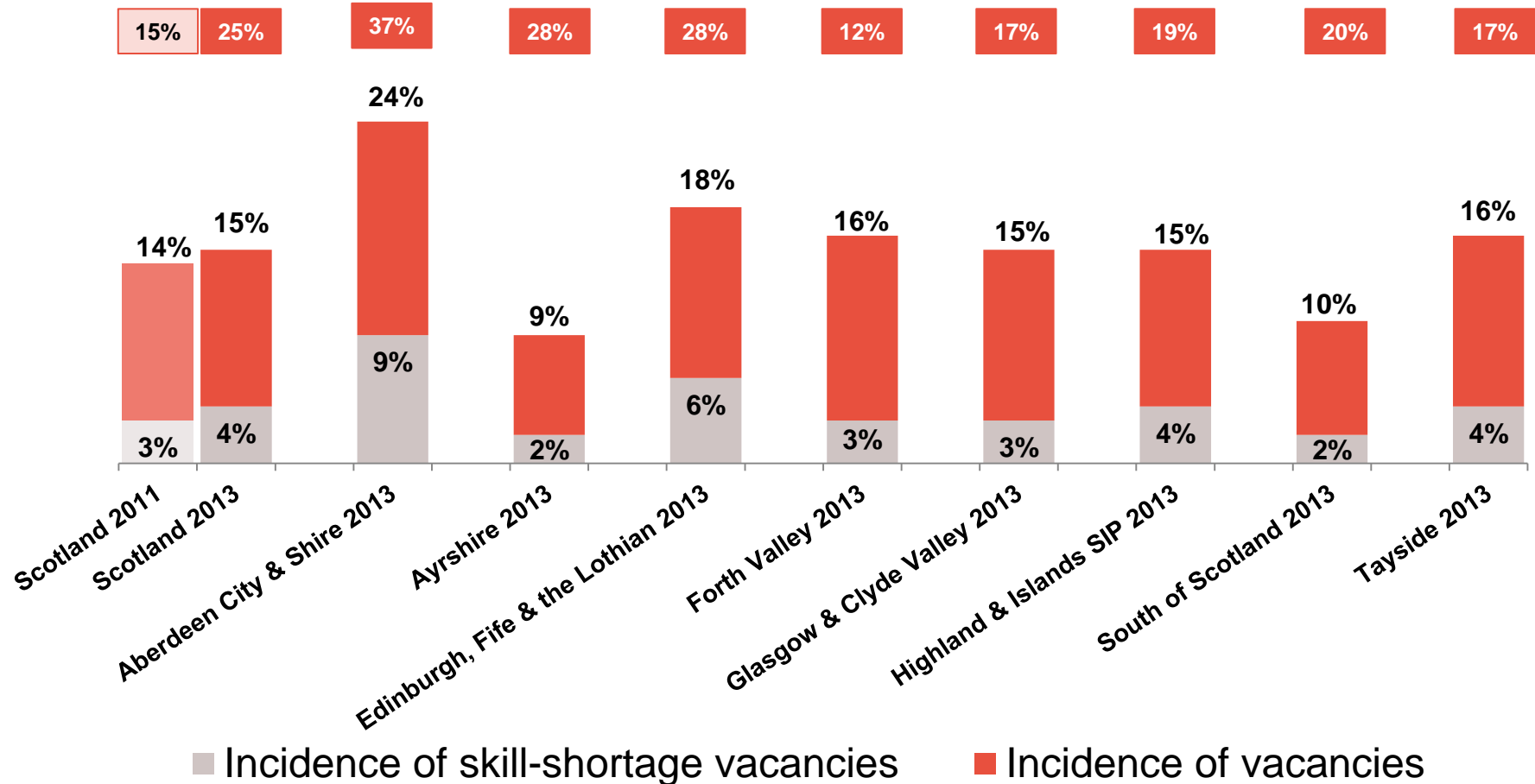
Incidence and density measures

Vacancies and skill-shortages



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

SSV density



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

Base for bars: All establishments (as shown)

2011: (2,487)

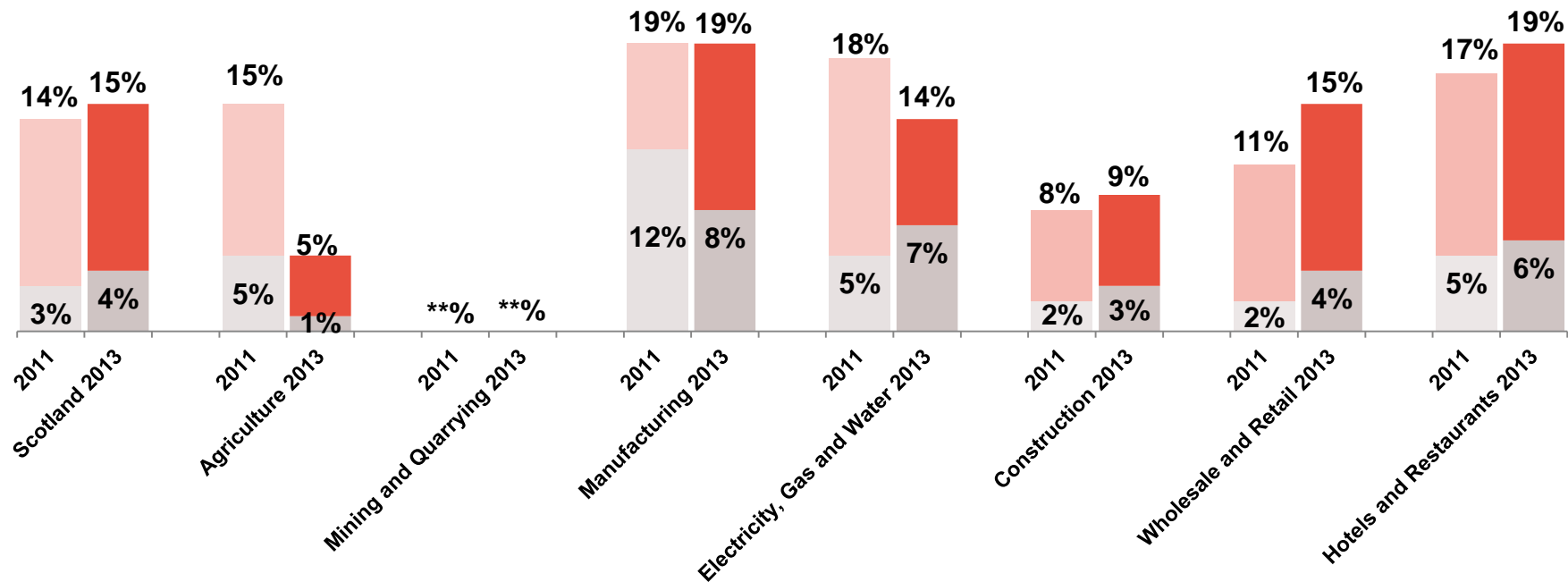
2013: (6,014) (772) (349) (1,322) (282) (1,522) (693) (518) (556)

Incidence and density of vacancies and skill-shortage vacancies by sector (I)

SSV density



■ Incidence of skill-shortage vacancies
■ Incidence of vacancies



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

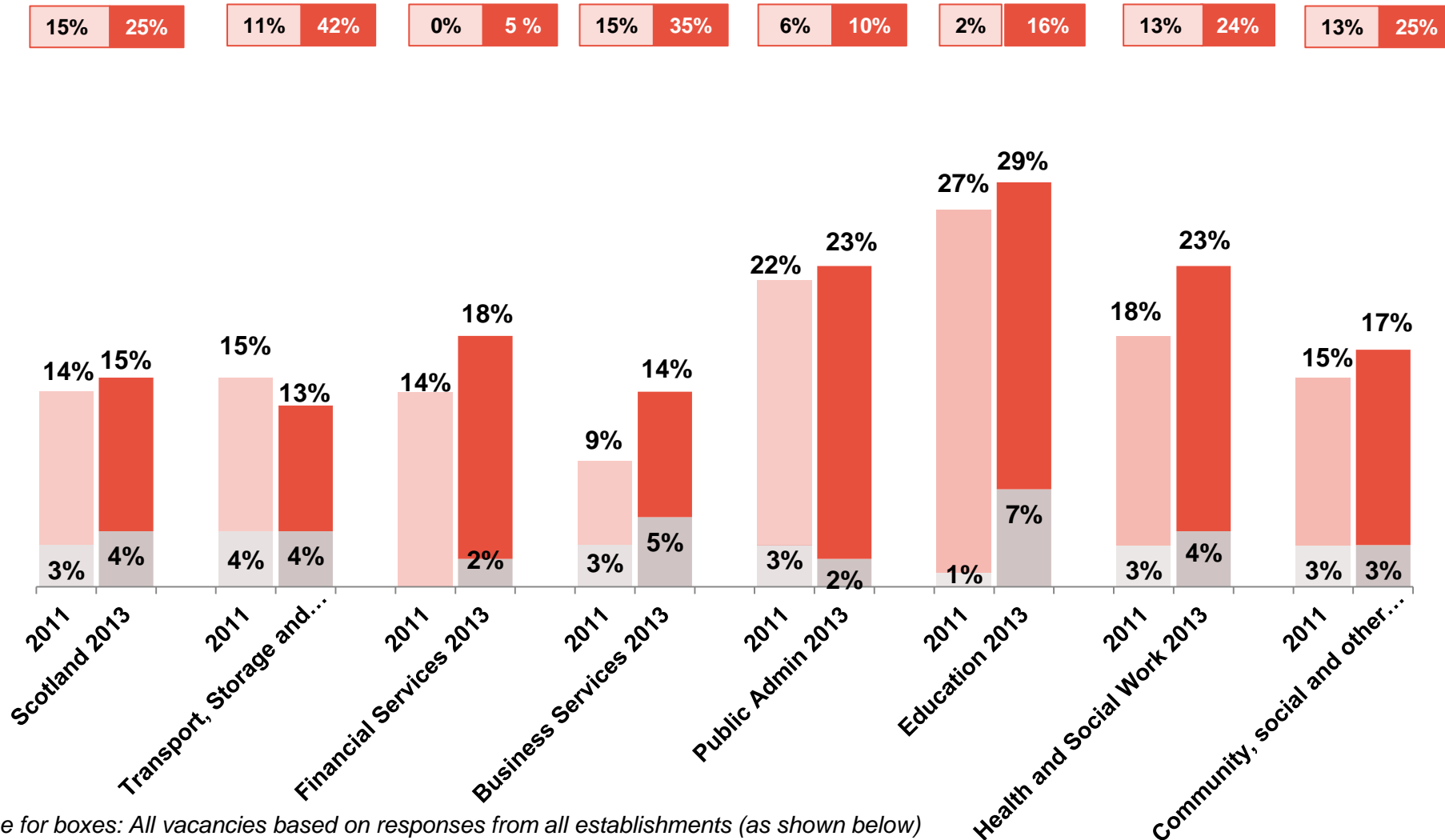
Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)

2011: (2,487) (85) (24) (176) (82) (229) (317) (219)

2013: (6,014) (519) (21) (409) (86) (496) (991) (571)

Incidence and density of vacancies and skill-shortage vacancies by sector (II)

SSV density



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

Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)

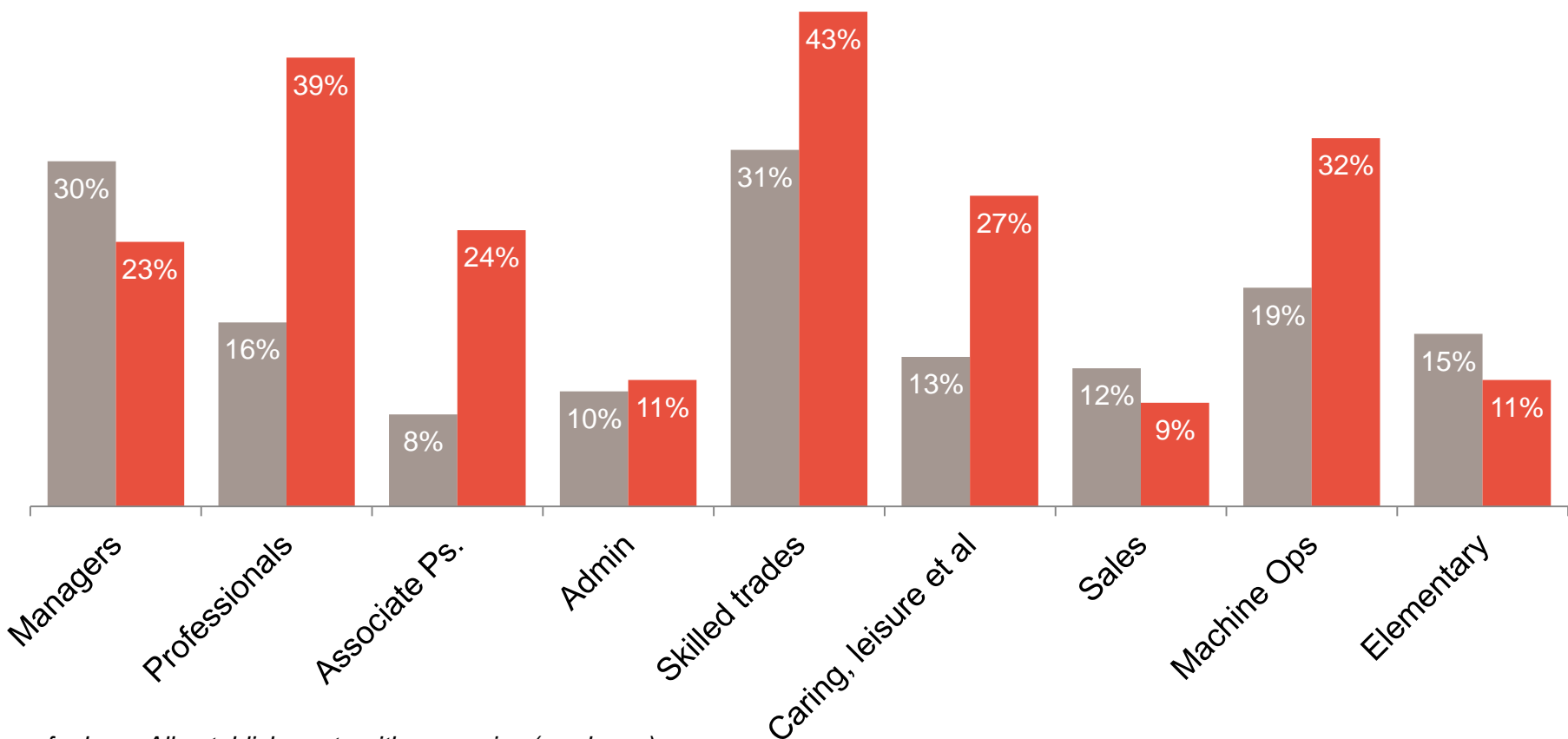
2011: (2,487) (224) (91) (343) (136) (164) (207) (190)

2013: (6,014) (446) (205) (784) (124) (354) (568) (440)

Skill-shortage vacancies by occupation in Scotland

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

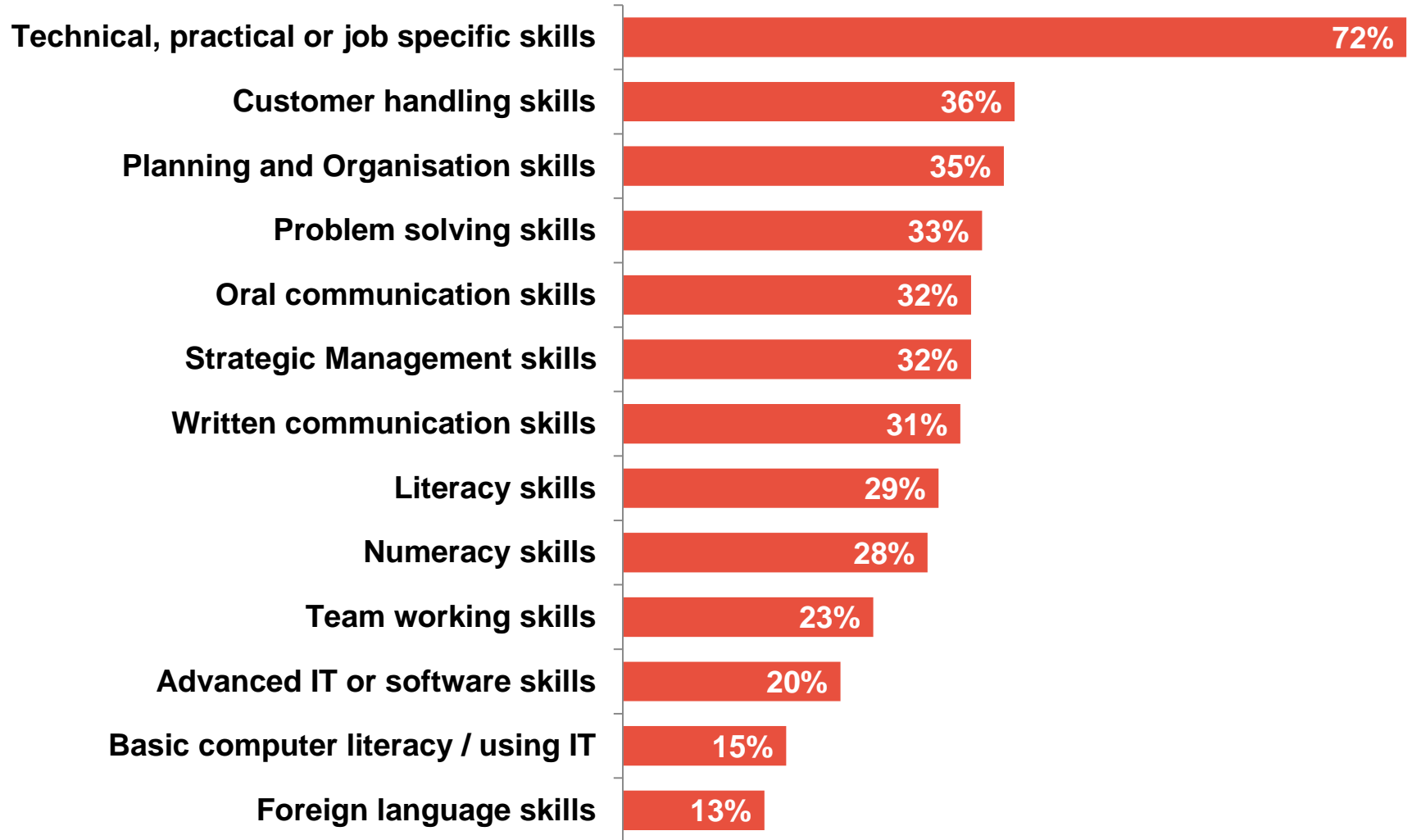
500 4,000 1,300 600 2,200 2,100 500 1,100 800



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

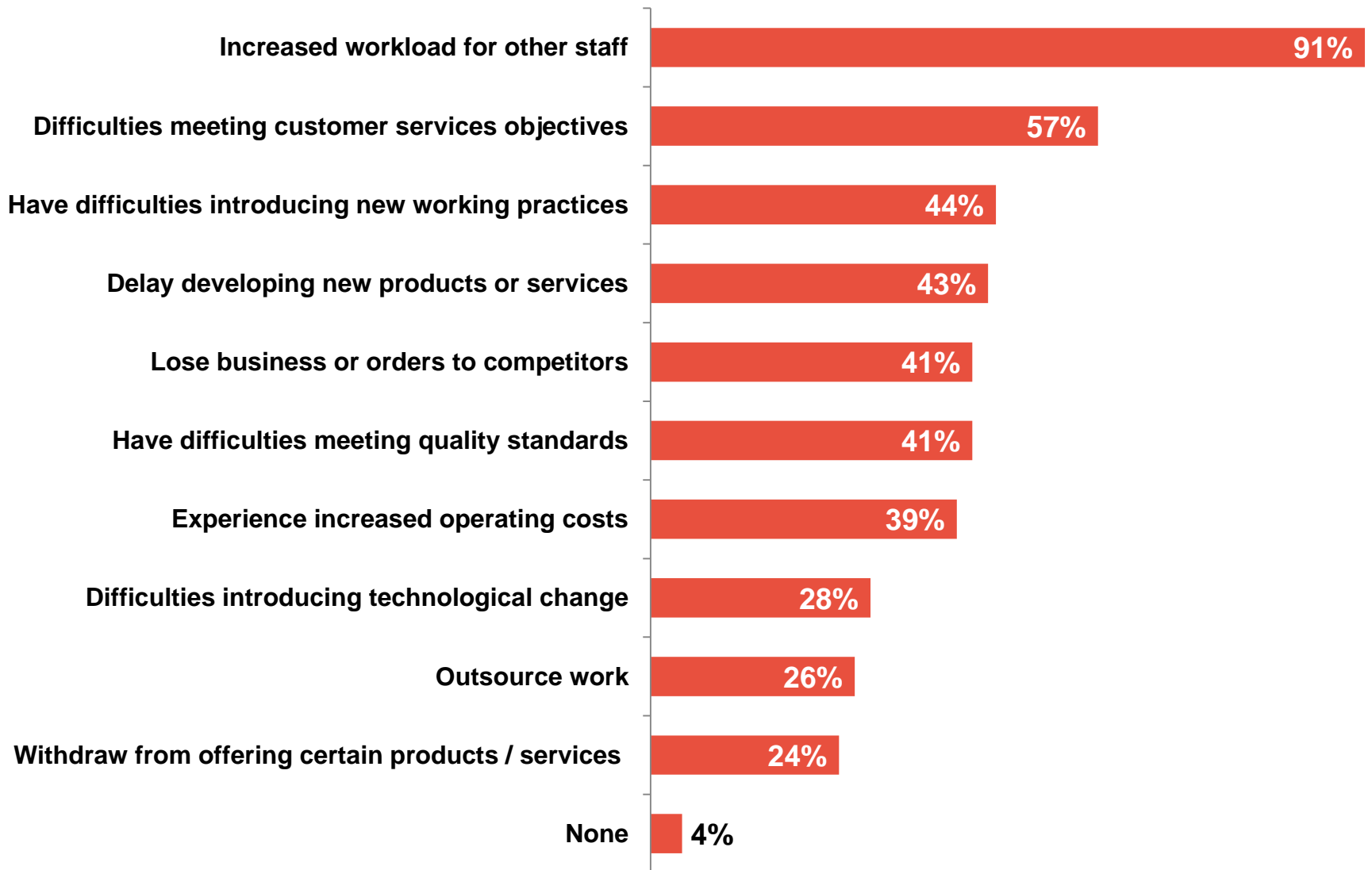
2011:	(52)	(165)	(142)	(131)	(103)	(100)	(78)	(69)	(134)
2013:	(94)	(331)	(237)	(221)	(225)	(244)	(150)	(135)	(246)

Skills lacking among applicants in Scotland



*Base : All establishments with skill-shortage vacancies - up to 6 occupations followed up (427)
Figures are shown as a percentage of all SSVs (not a percentage of all establishments)*

Impact of skill-shortage vacancies in Scotland

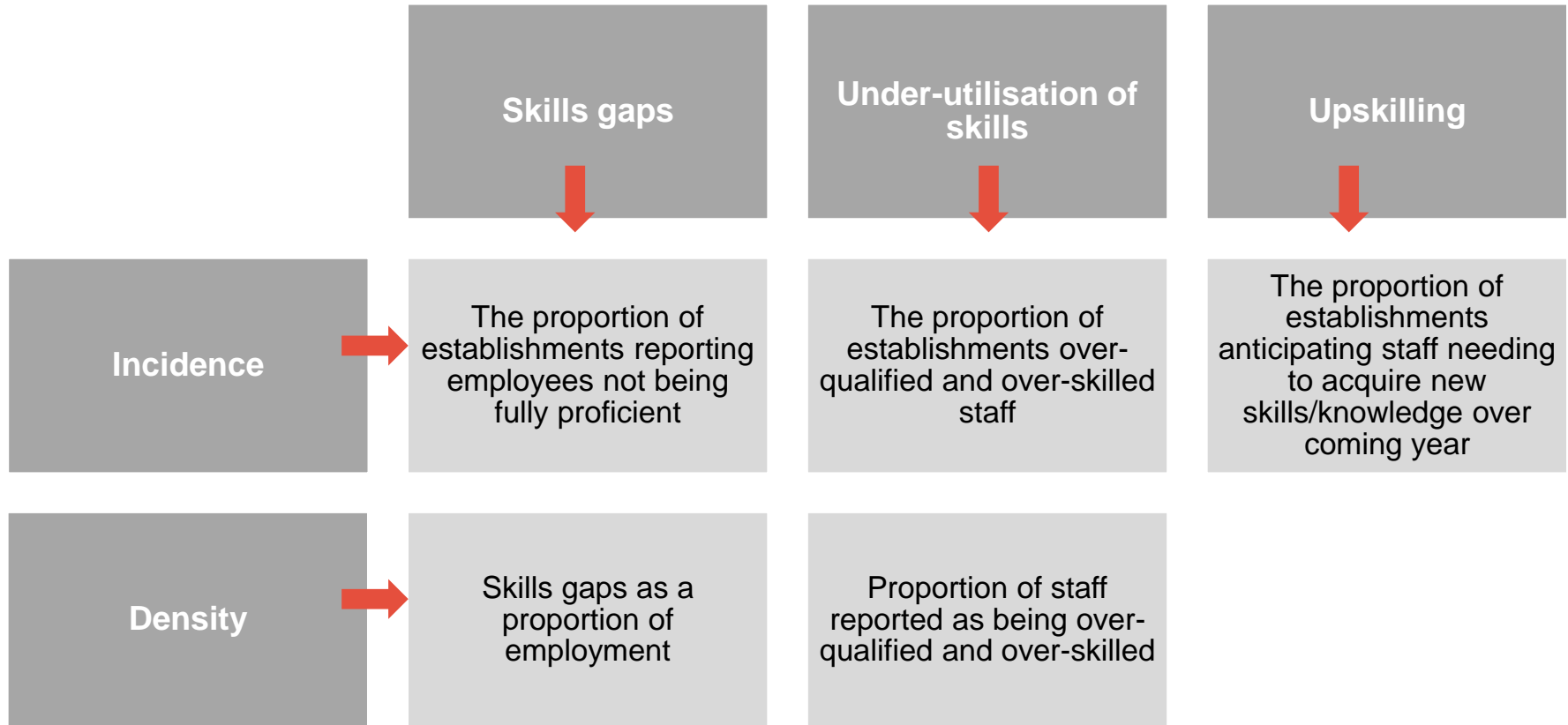


Base: All establishments where all hard-to-fill vacancies caused by skills related issues (407)

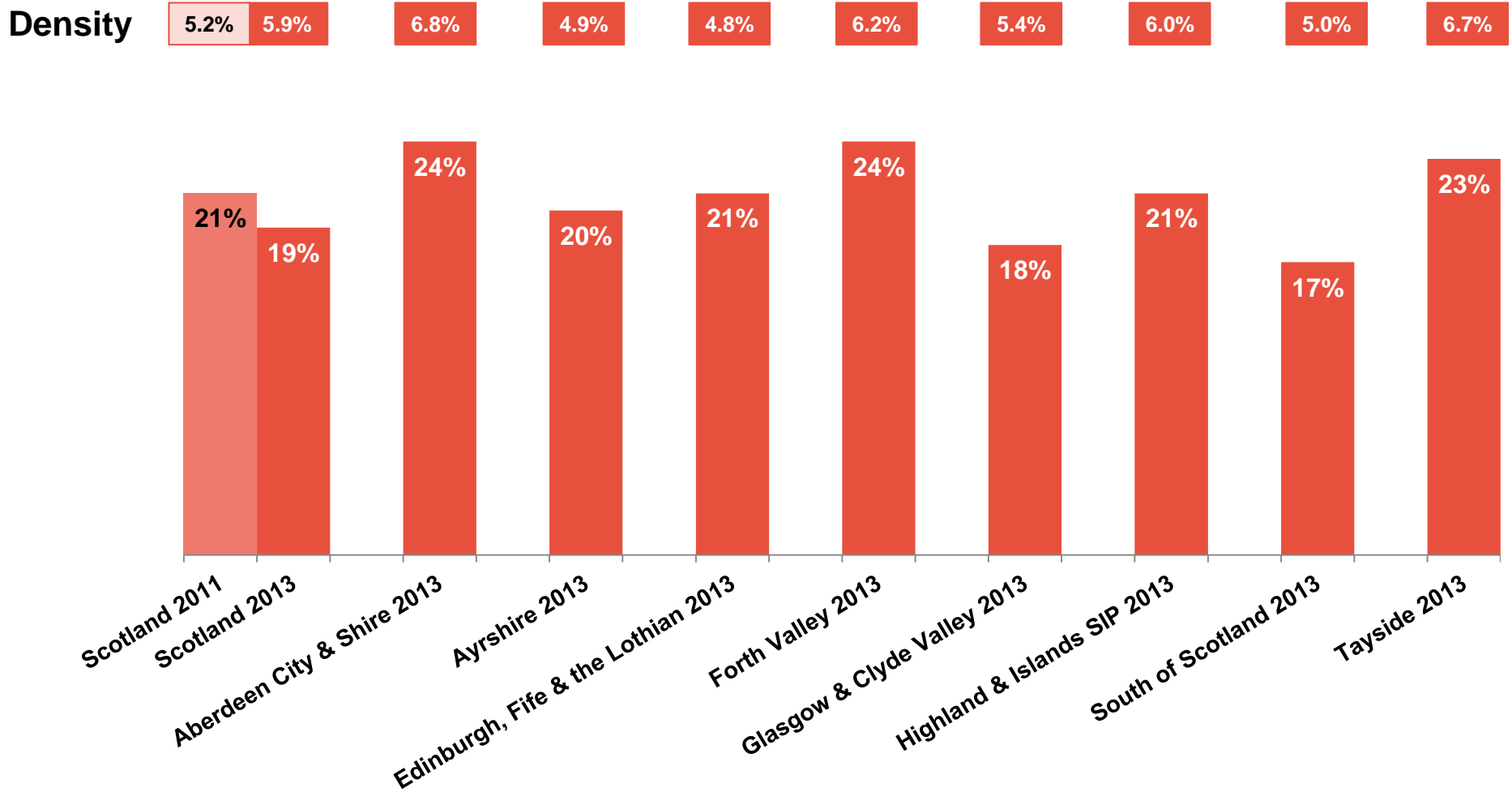
Chapter 3: The Internal Skills Challenge

Incidence and density measures

Internal Skills Challenges



Incidence and density of skills gaps by region



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

Base for bars: All establishments (as shown)

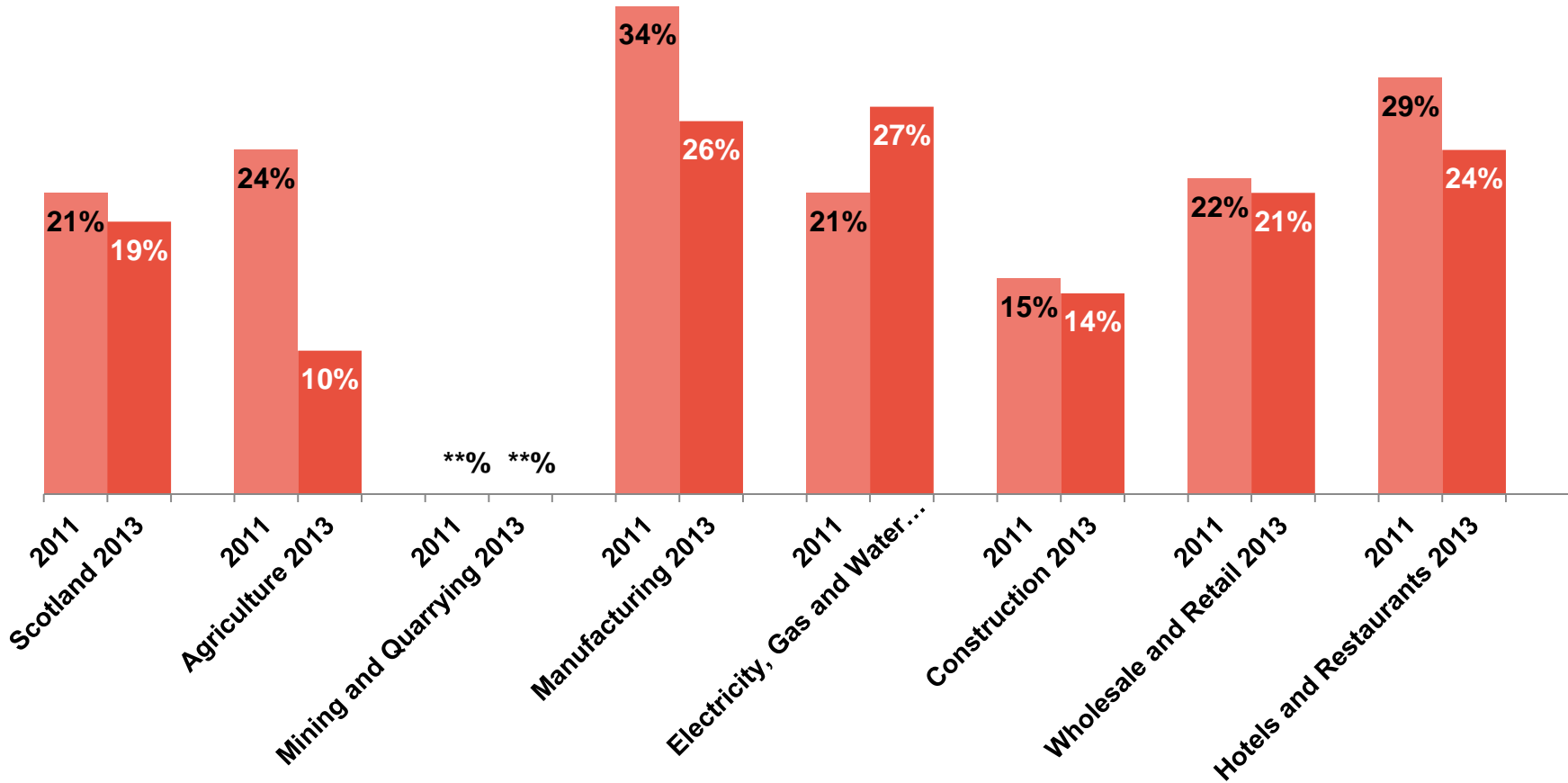
2011: (2,487)

2013: (6,014) (772) (349) (1,322) (282) (1,522) (693) (518) (556)

Incidence and density of skills gaps by sector (I)

Density

2011	5.2%	7.2%	xx%	6.6%	2.3%	5.3%	6.8%	10.4%
2013	5.9%	5.5%	xx%	7.4%	4.8%	3.9%	5.9%	9.0%



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

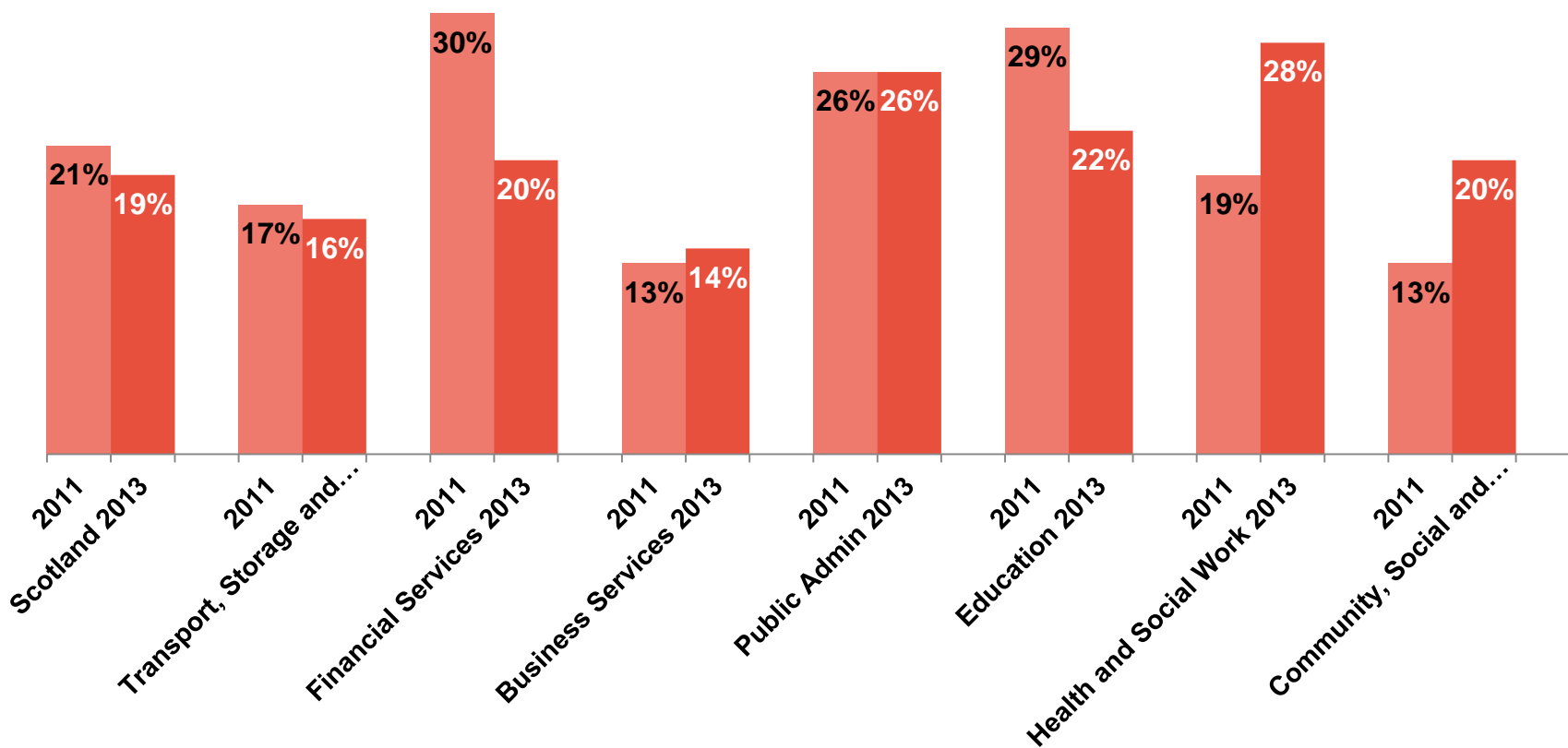
Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)

2011:	(2,487)	(85)	(24)	(176)	(82)	(229)	(317)	(219)
2013:	(6,014)	(519)	(21)	(409)	(86)	(496)	(991)	(571)

Incidence and density of skills gaps by sector (II)

Density

2011	5.2%	3.5%	3.6%	3.2%	3.5%	3.3%	5.4%	4.1%
2013	5.9%	5.8%	1.7%	5.0%	4.2%	6.3%	6.5%	5.2%



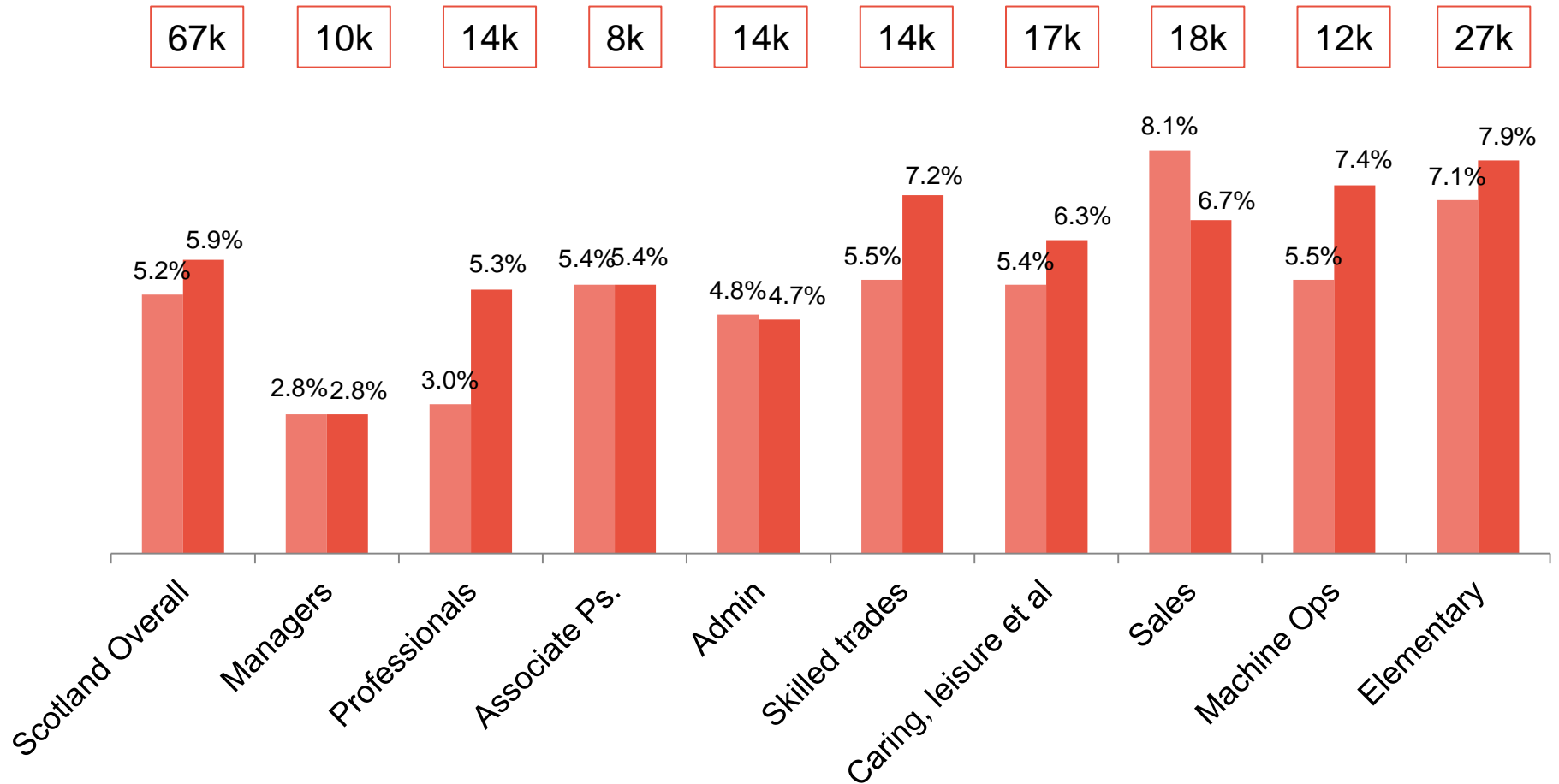
Base for boxes: All employment across all establishments (as shown below)

Base for bars: All establishments (as shown)

2011:	(2,487)	(224)	(91)	(343)	(136)	(164)	(207)	(190)
2013:	(6,014)	(446)	(205)	(784)	(124)	(354)	(568)	(440)

Skills gaps by occupation in Scotland

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

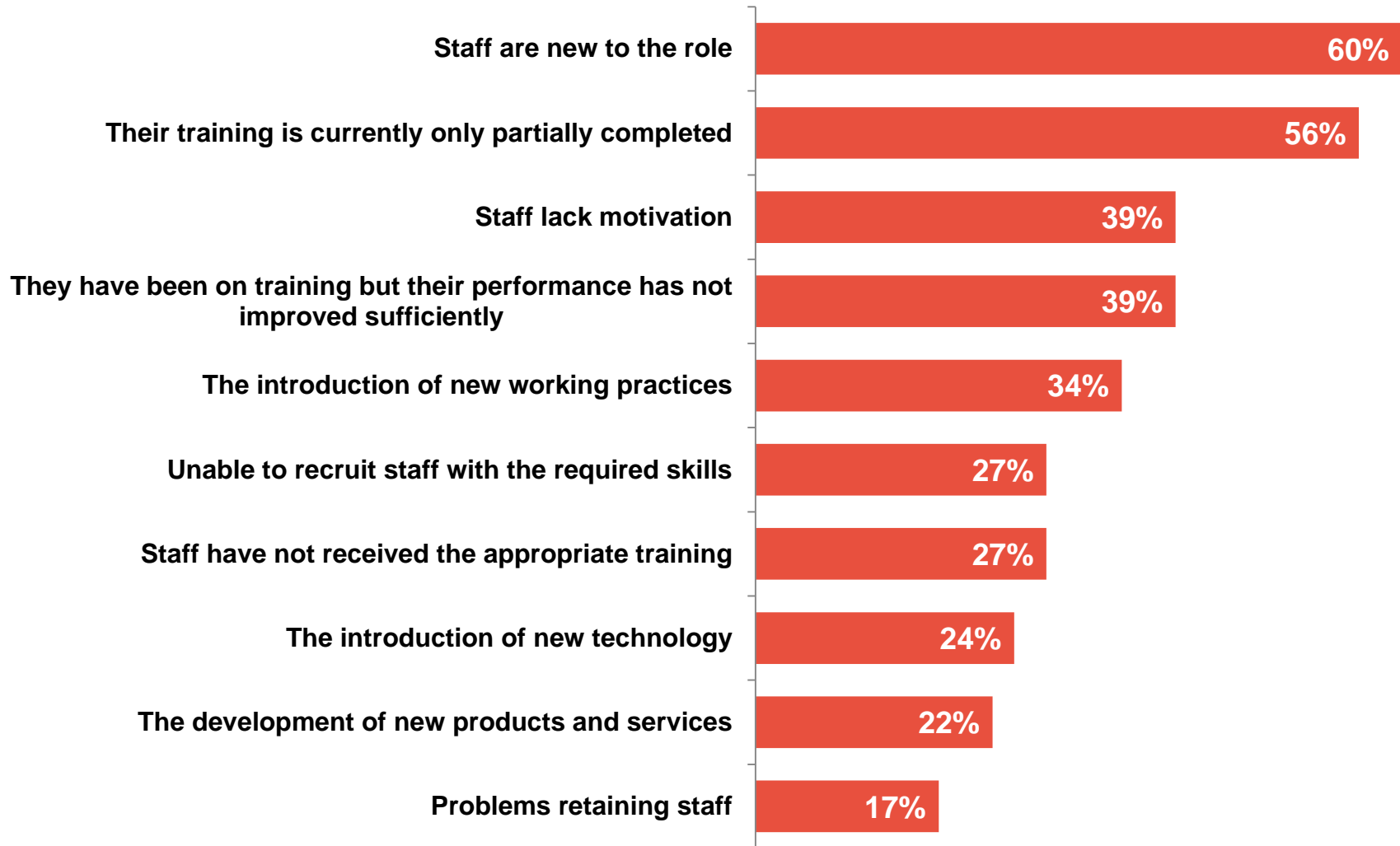


Base for boxes: Number of skills gaps within establishments with staff in each occupation (as shown below)

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

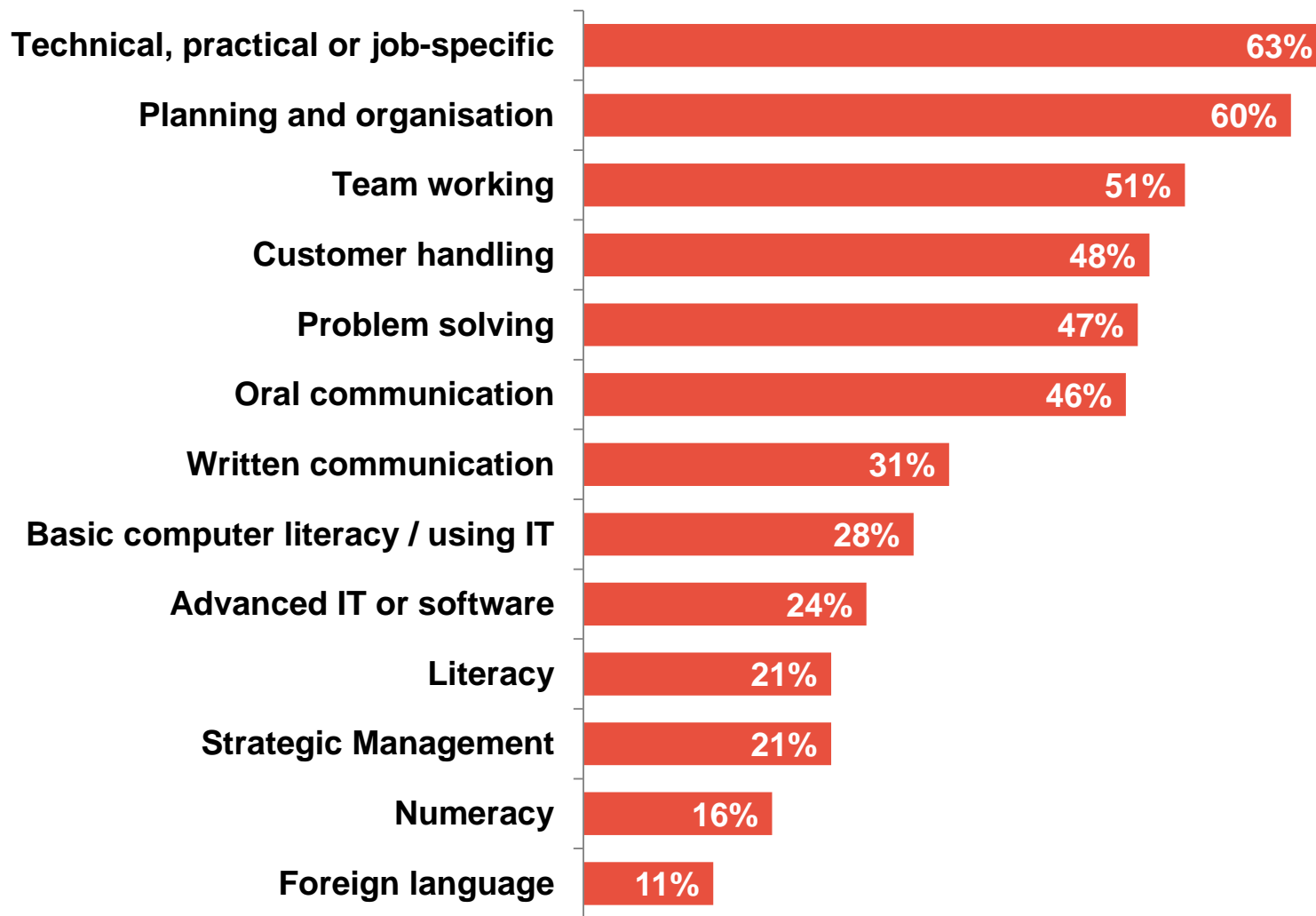
2011:	(2,487)	(649)	(649)	(619)	(1,795)	(795)	(477)	(817)	(603)	(1,217)
2013:	(6,014)	(5,716)	(1,323)	(1,081)	(3,838)	(1,888)	(990)	(1,802)	(1,224)	(2,566)

Main causes of skills gaps in Scotland



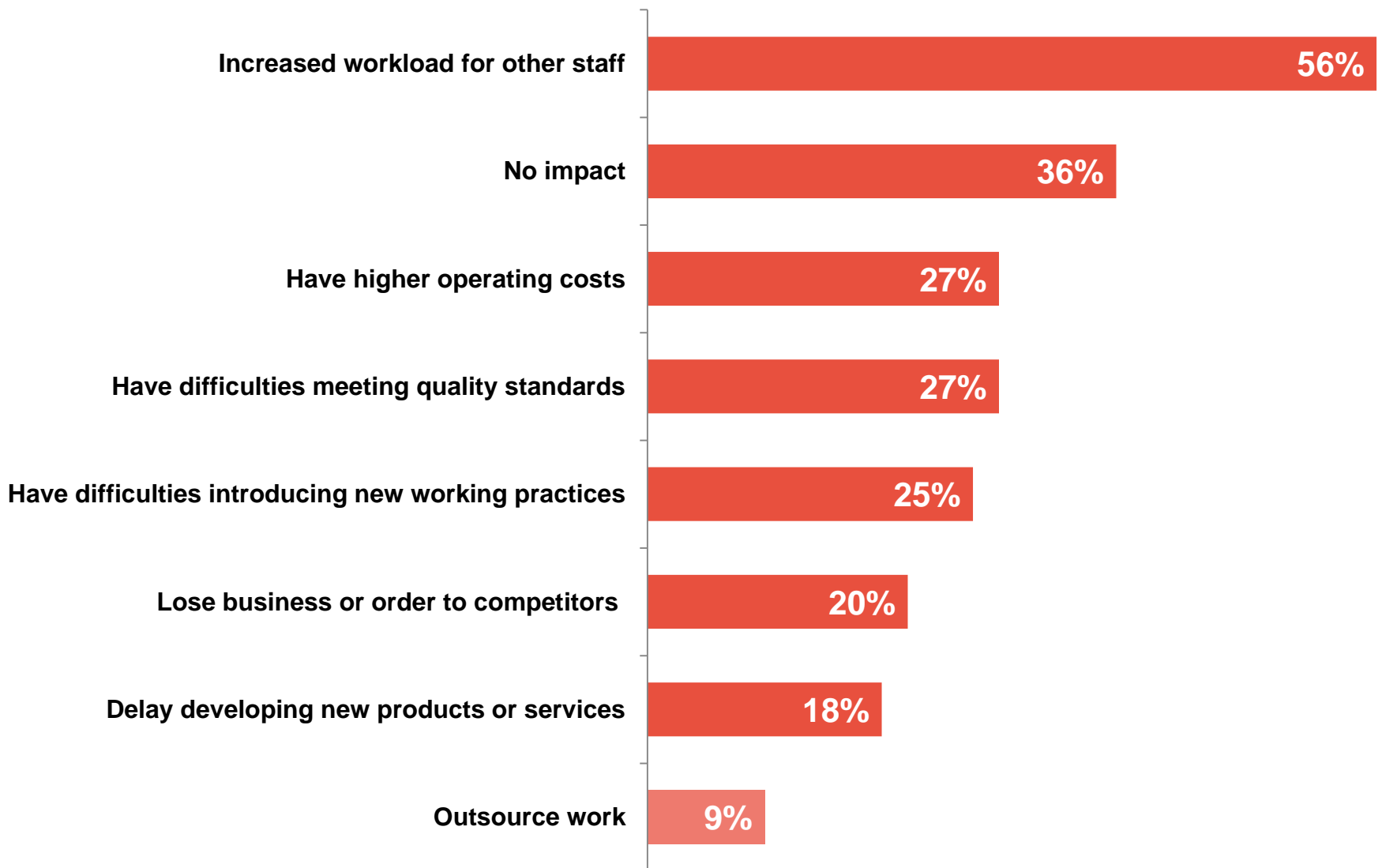
*Base : All establishments with skills gaps - up to 2 occupations followed up (1,713)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)*

Skills lacking in staff with skills gaps in Scotland



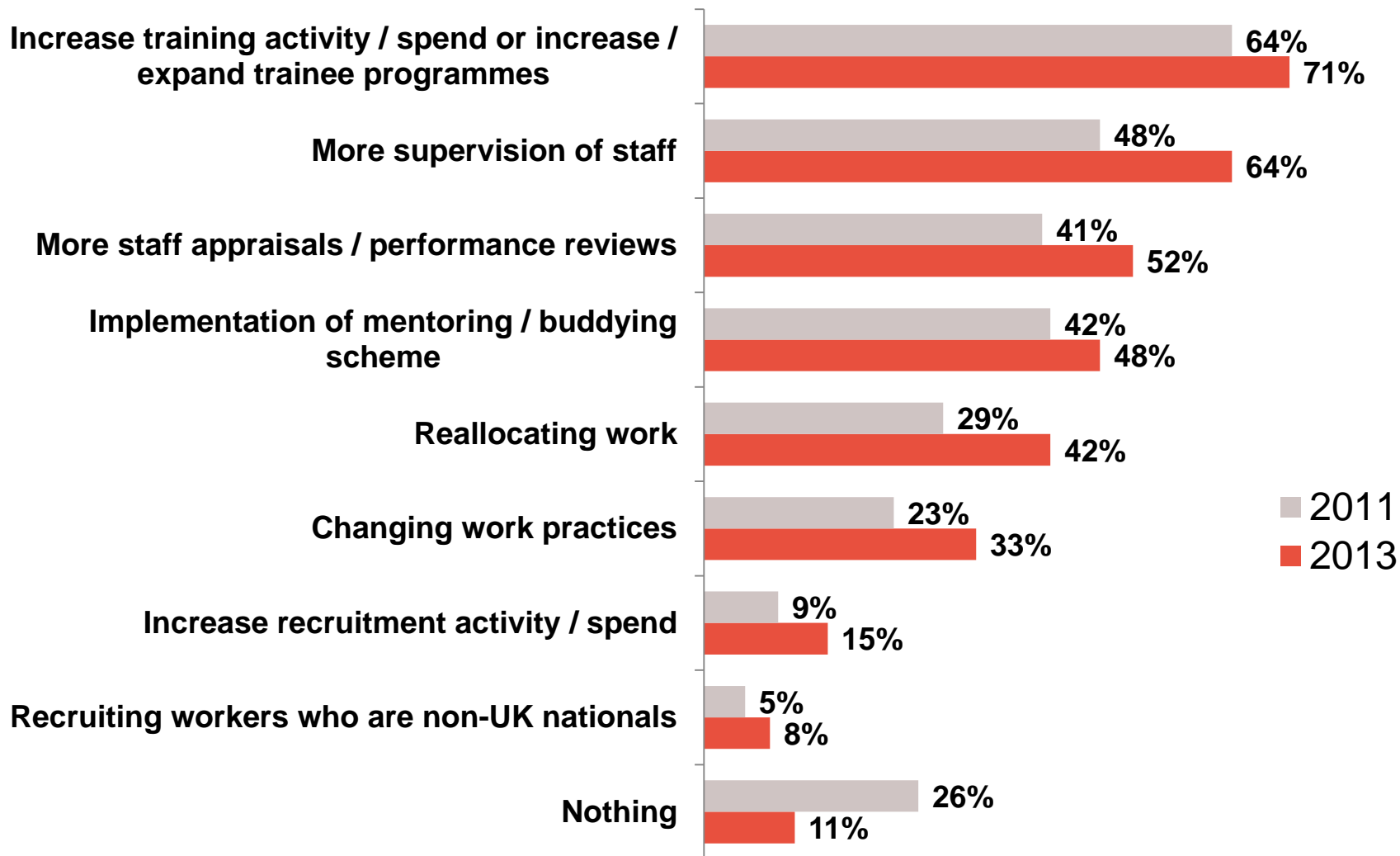
*Base : All establishments with skills gaps - up to 2 occupations followed up (1,713)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)*

Impact of skills gaps in Scotland



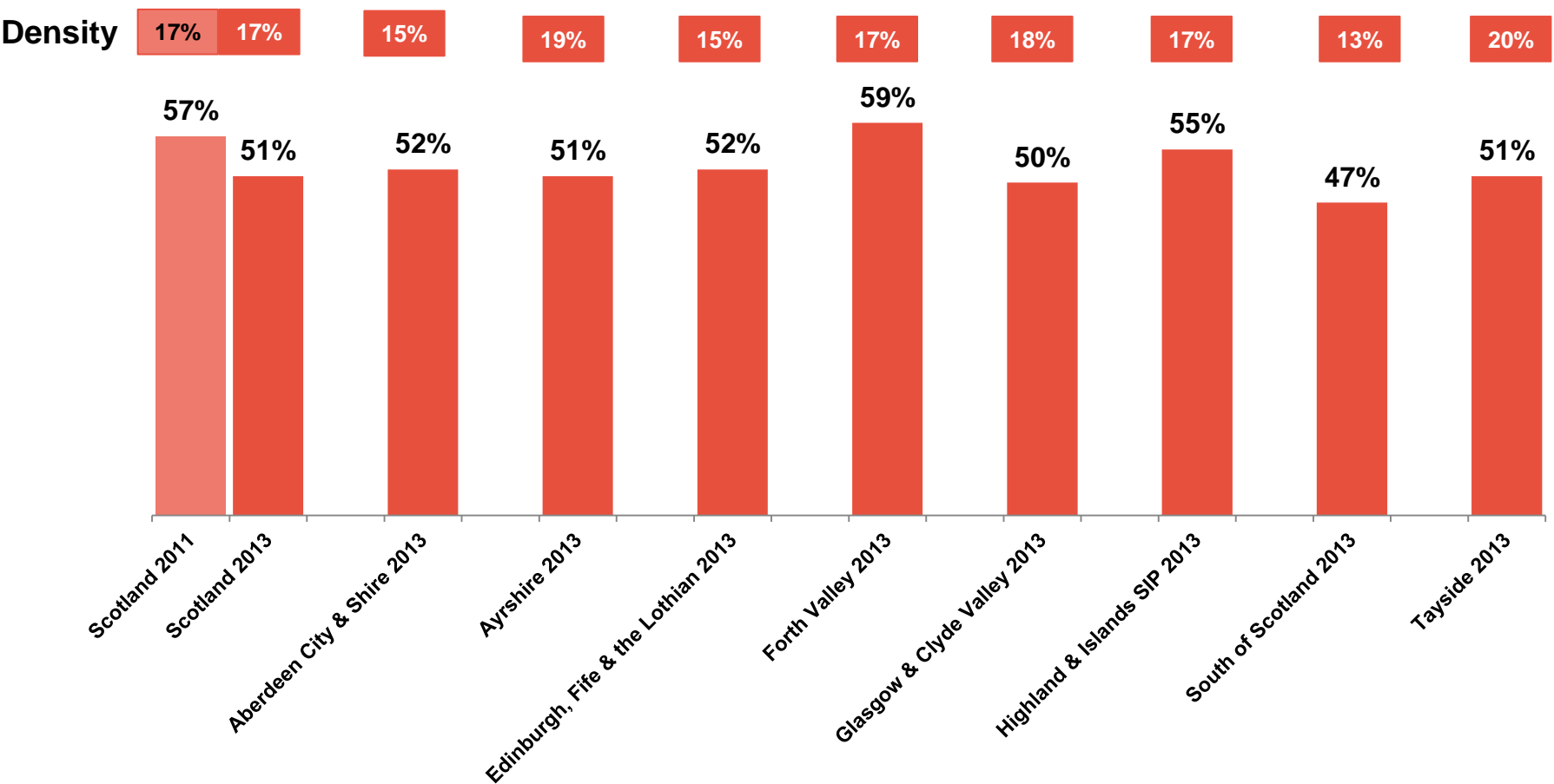
Base: All establishments with skills gaps (1,713)

Action taken to overcome skills gaps in Scotland



Base: All establishments with skills gaps 2011 (797)
Base: All establishments with skills gaps 2013 (1,713)

Incidence and density of skills under-utilisation by region



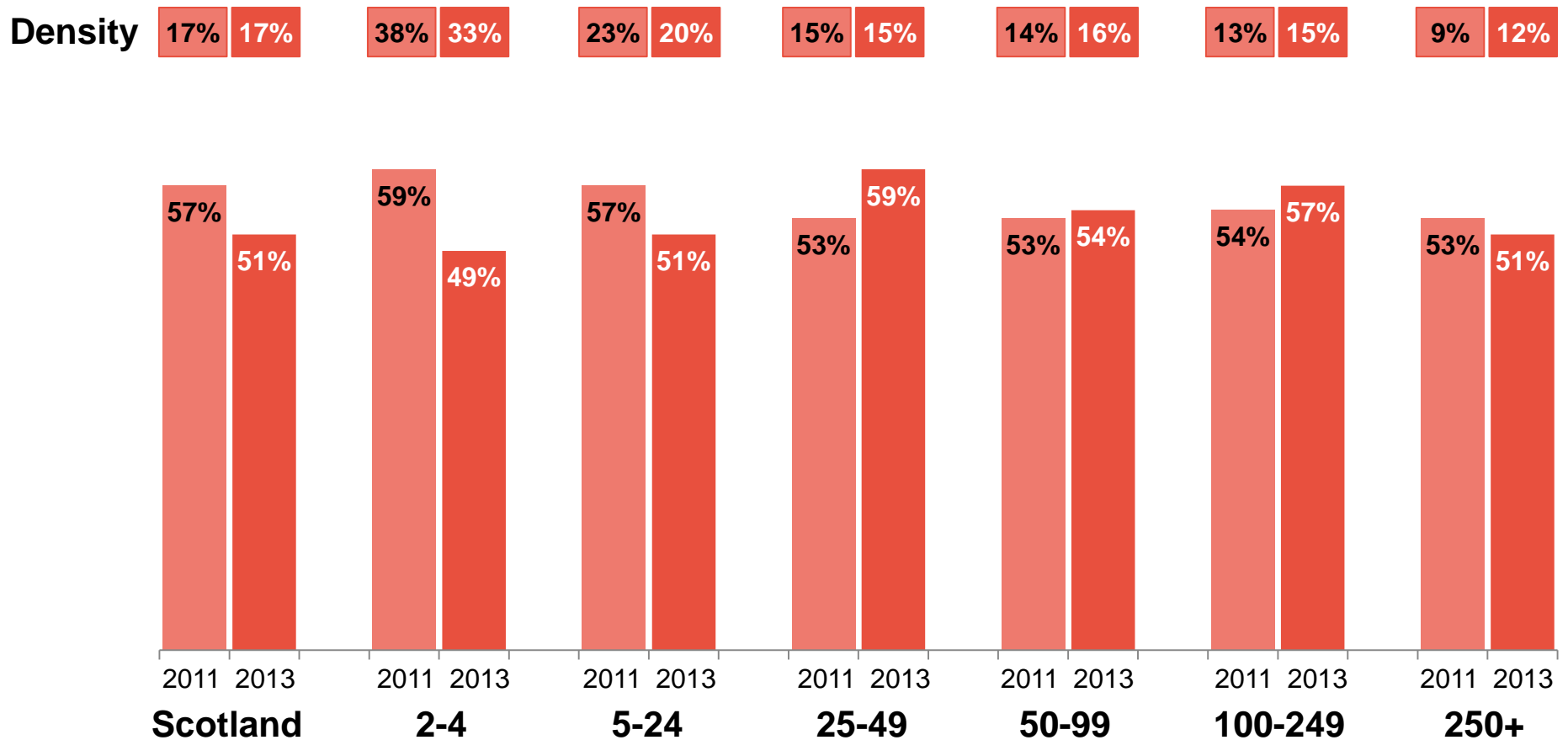
Base for boxes: 2011: All employment across all establishments; 2013: All employment across establishments in Module 2

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

2011: (5,958)

2013: (3,044) (360) (170) (680) (151) (782) (344) (269) (288)

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

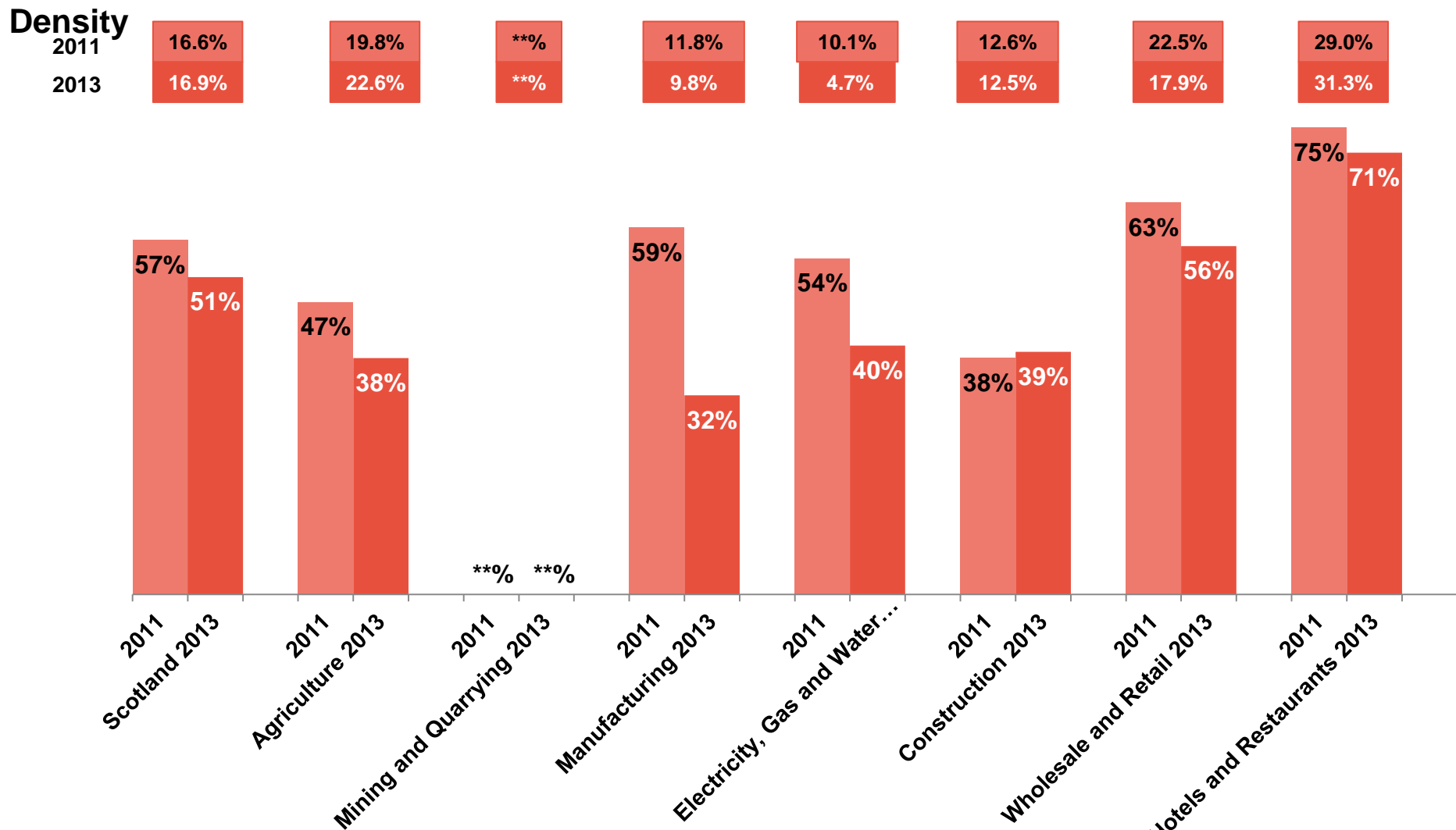


Base for boxes: 2011: All employment across all establishments; 2013: All employment across establishments in Module 2

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

2011:	(2,487)	(297)	(895)	(402)	(413)	(323)	(157)
2013:	(3,044)	(556)	(1,603)	(430)	(254)	(147)	(54)

Incidence and density of skills under-utilisation by sector (I)

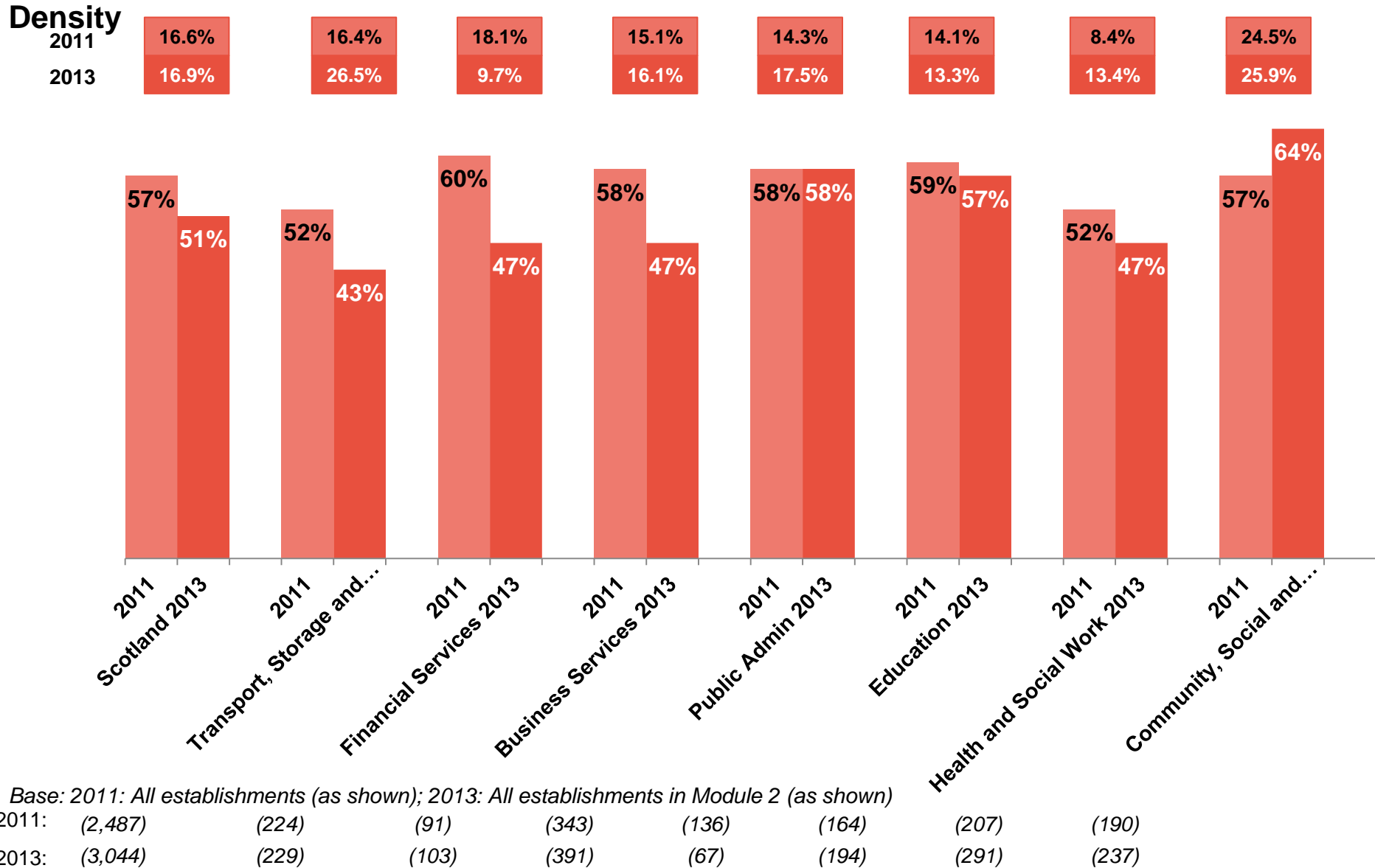


Base: 2011: All establishments (as shown); 2013: All establishments in Module 2 (as shown)

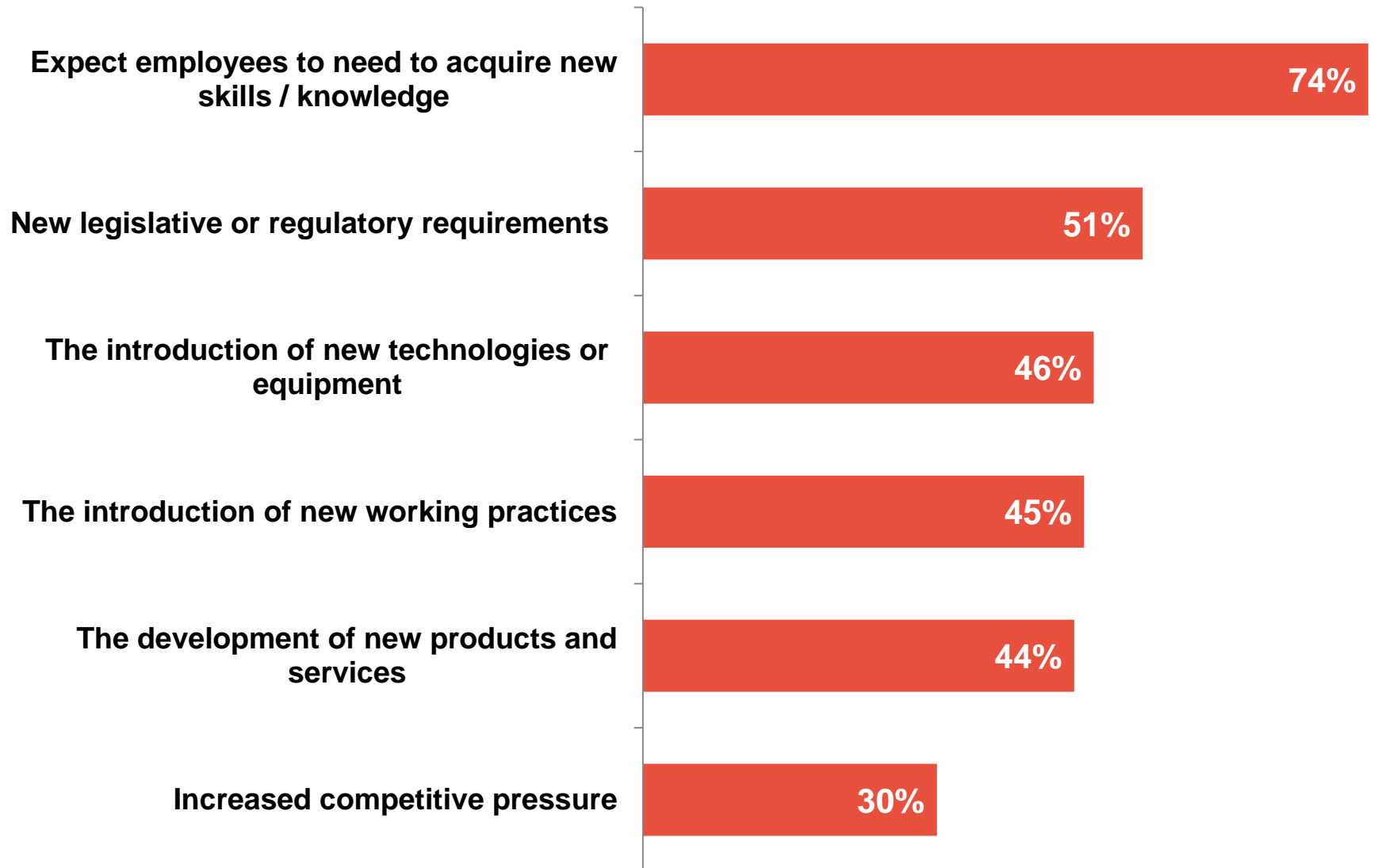
2011:	(2,487)	(85)	(24)	(176)	(82)	(229)	(317)	(219)
2013:	(3,044)	(270)	(12)	(198)	(39)	(230)	(497)	(286)

** denotes data not shown due to low base size (<25)

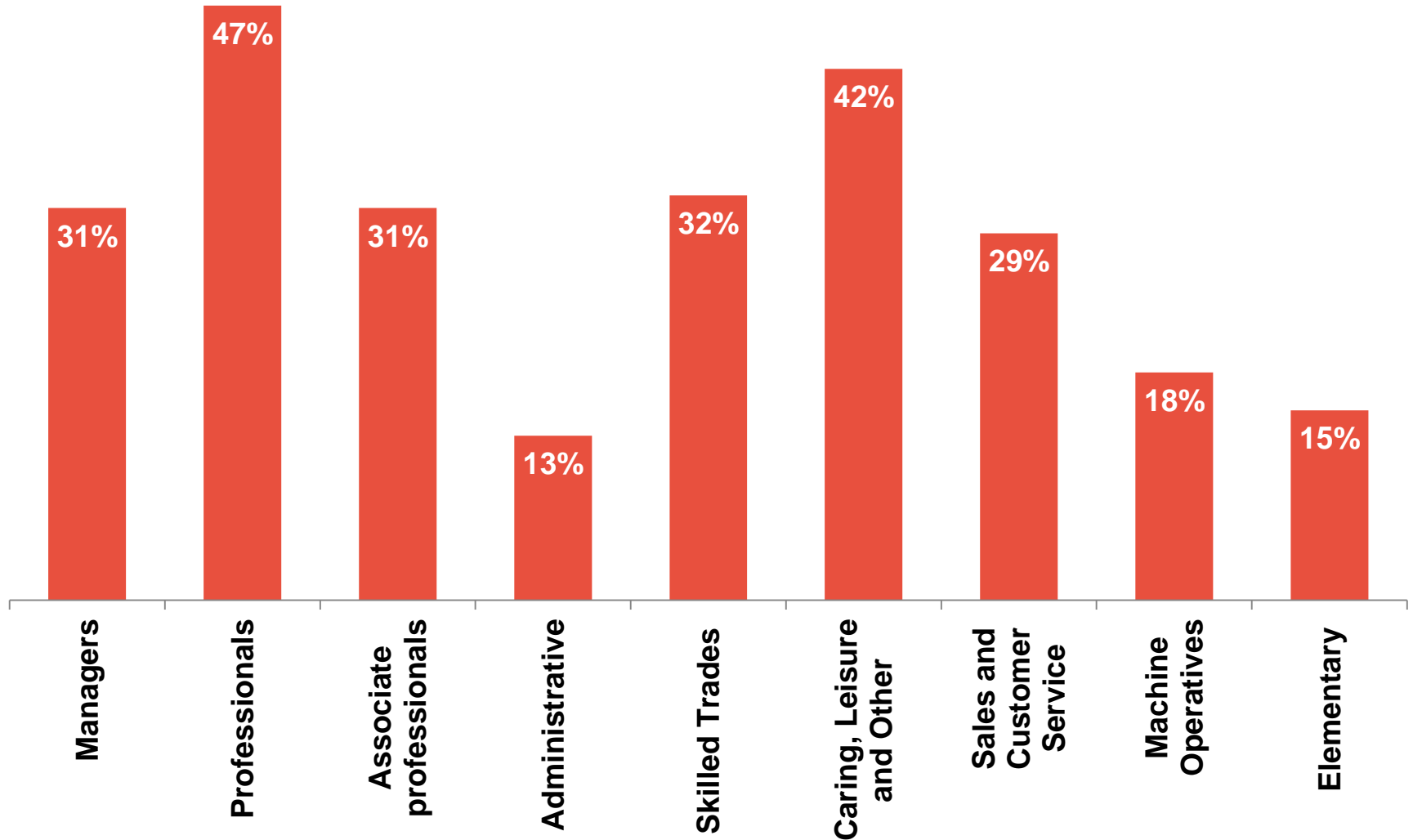
Incidence and density of skills under-utilisation by sector (II)



Drivers of upskilling in Scotland



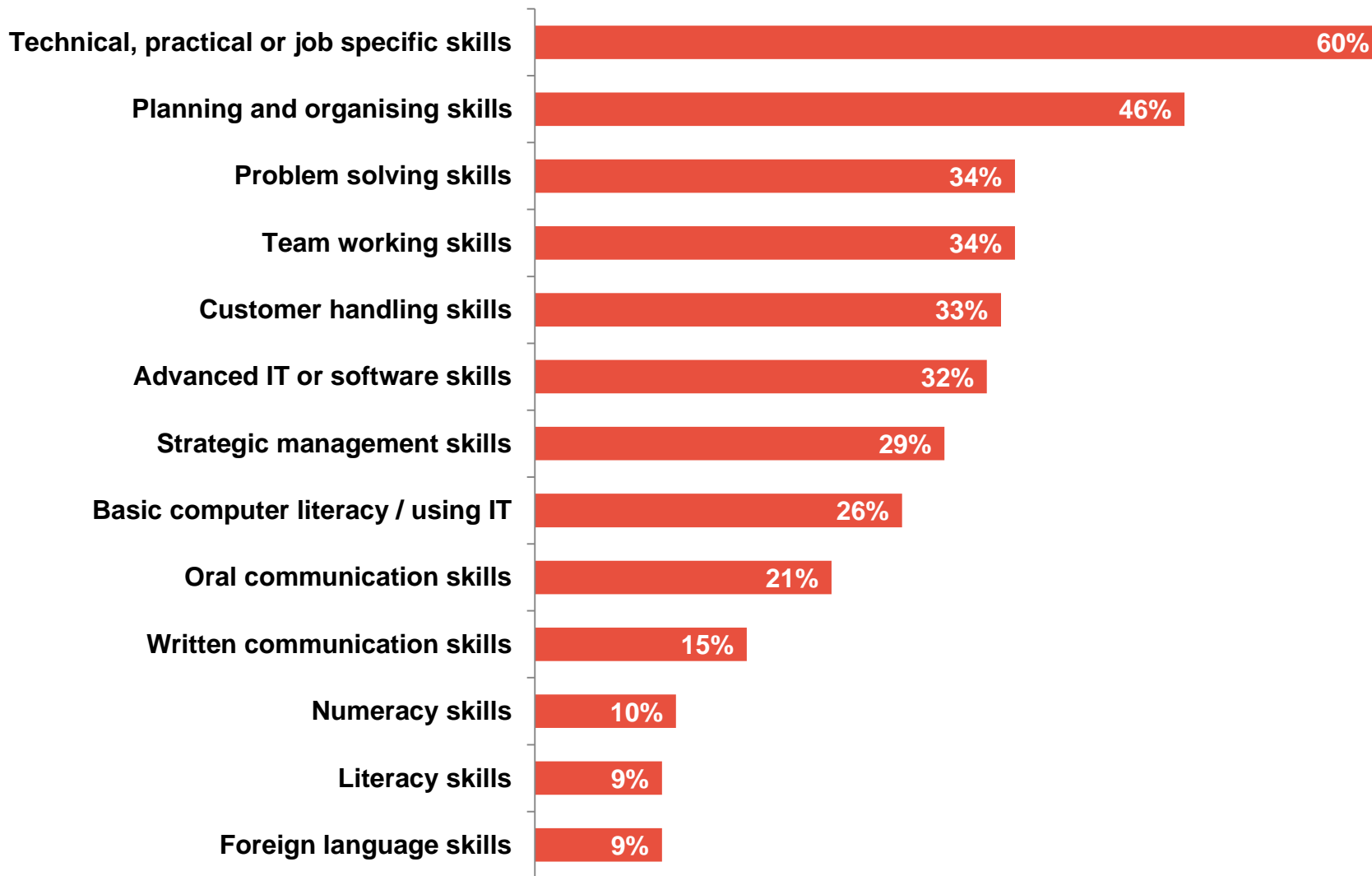
Occupations affected by need for upskilling in Scotland



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

Base: (2,884) (698) (550) (1,958) (965) (523) (919) (605) (1,296)

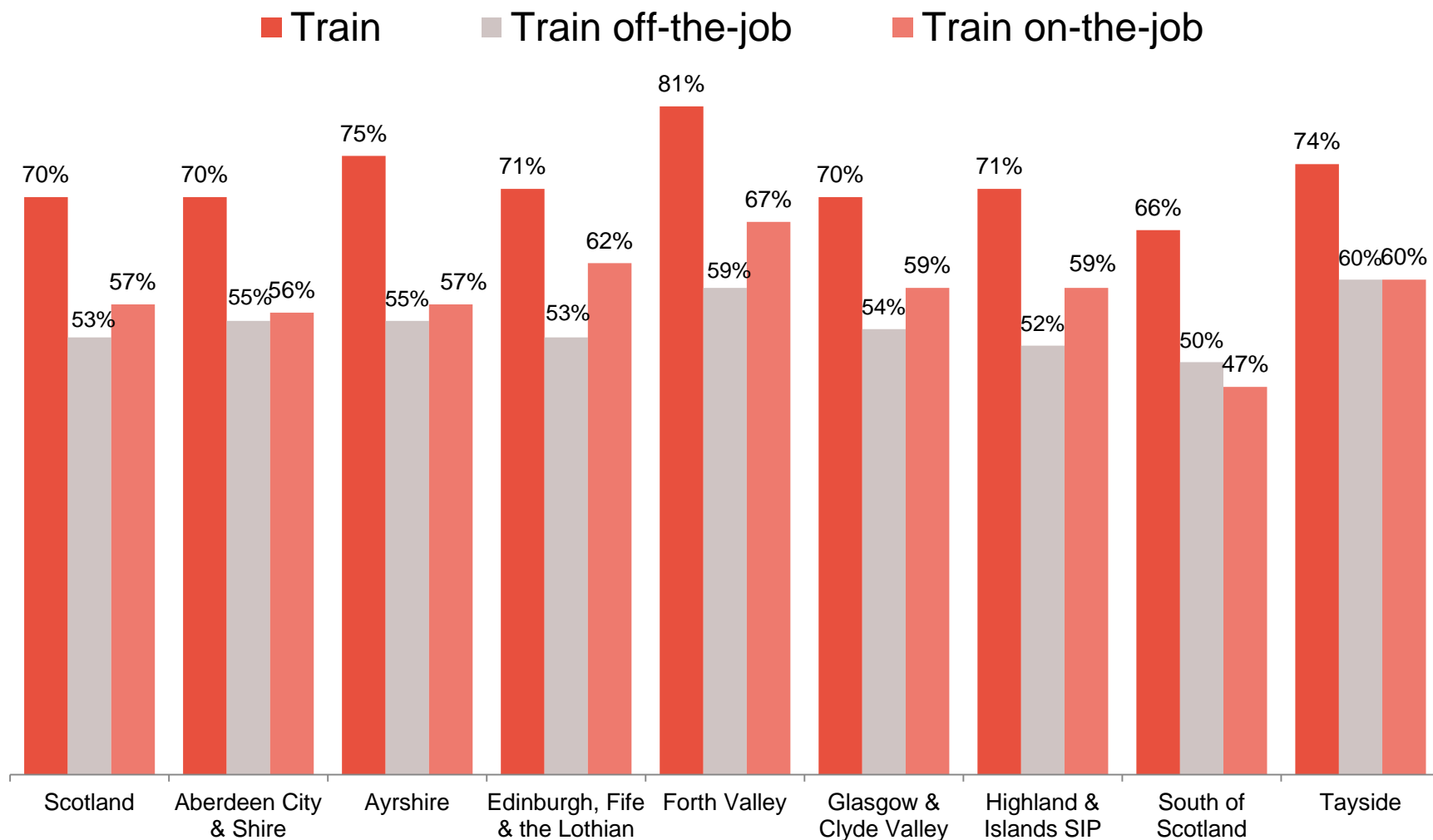
Skills which need improving/updating in next 12 months in Scotland



Base: All establishments who anticipate a need to upskill staff in the next 12 months excluding those where the main occupation affected is not known (2,362)

Chapter 4: Training and Workforce Development

Incidence of training provision over the previous 12 months by region

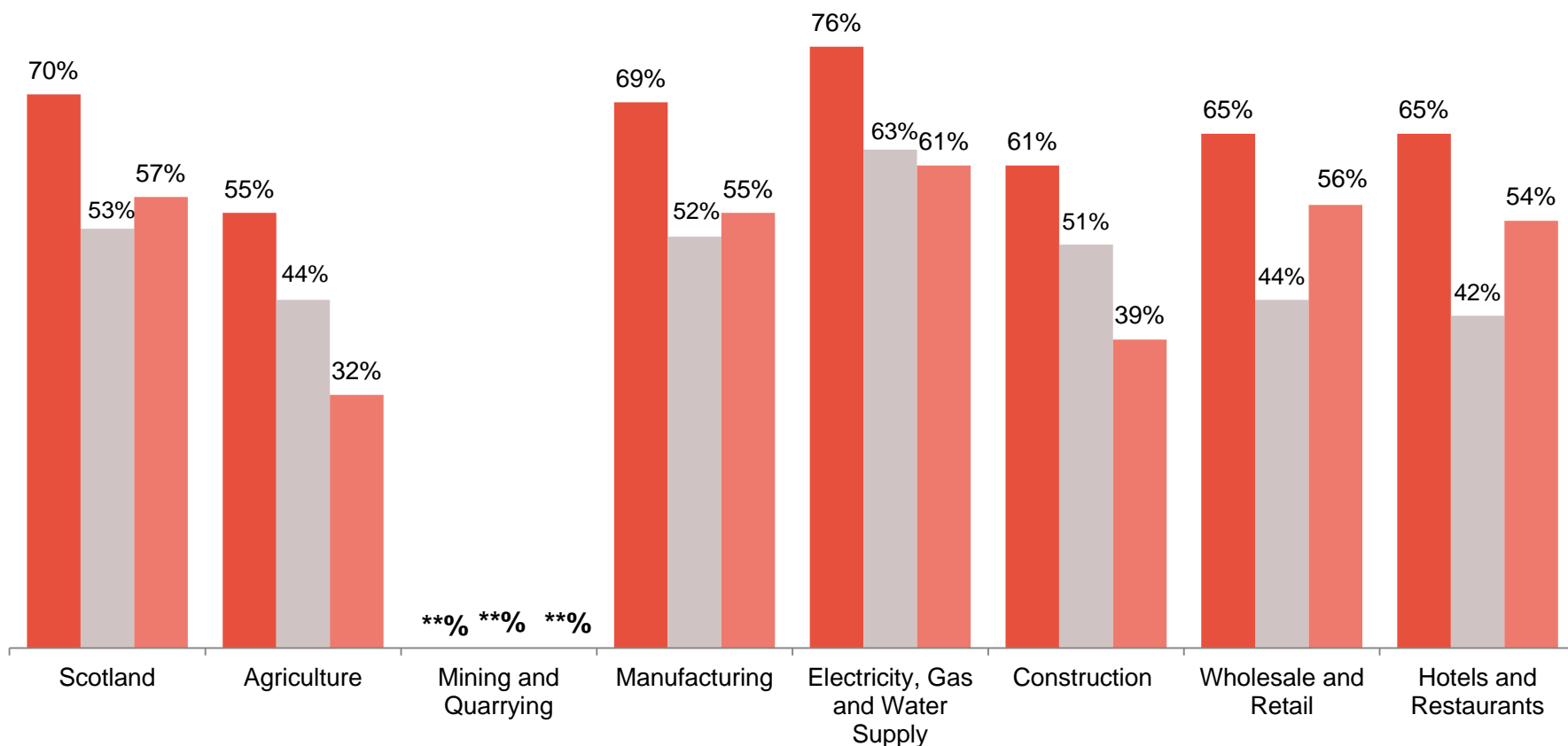


Base for bars: All establishments (as shown)

2013: (6,014) (772) (349) (1,322) (282) (1,522) (693) (518) (556)

Incidence of training provision over the previous 12 months by sector (I)

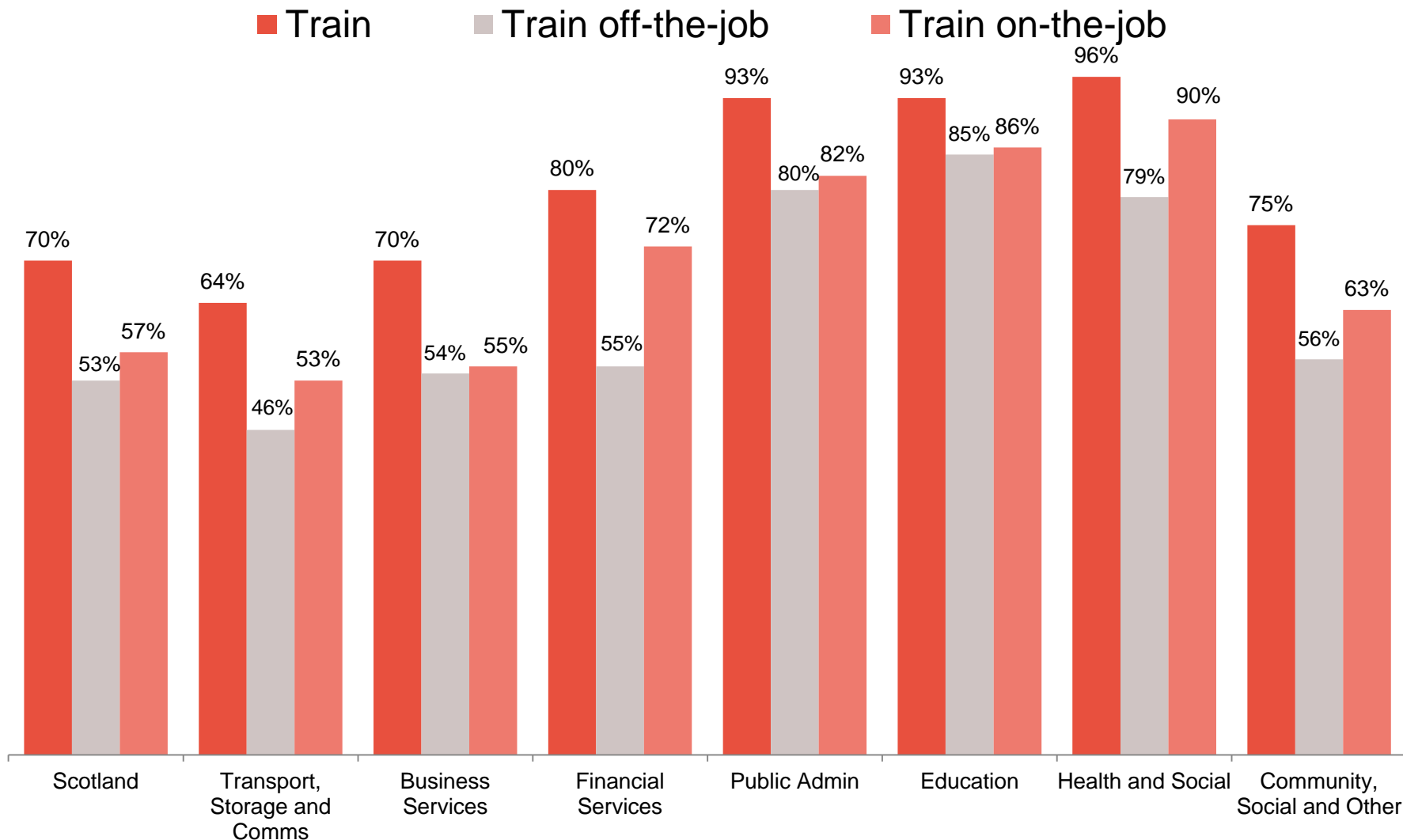
■ Train ■ Train off-the-job ■ Train on-the-job



Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)

2013: (6,014) (519) (21) (409) (86) (496) (991) (571)

Incidence of training provision over the previous 12 months by sector (II)



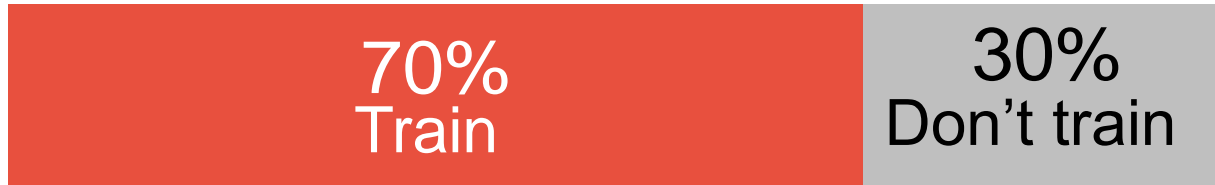
Base for bars: All establishments (as shown)

2013: (6,014) (446) (784) (205) (124) (354) (568) (440)

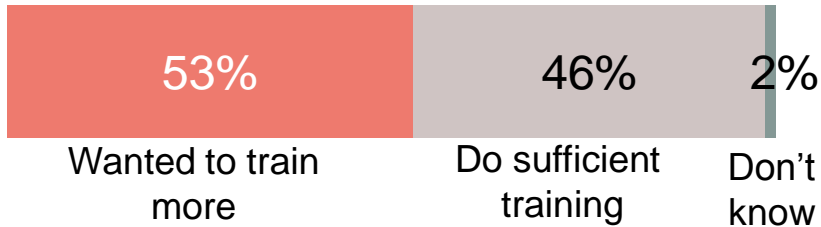
Training Equilibrium: employer interest in providing more training than they were able to

Among all employers in Scotland....

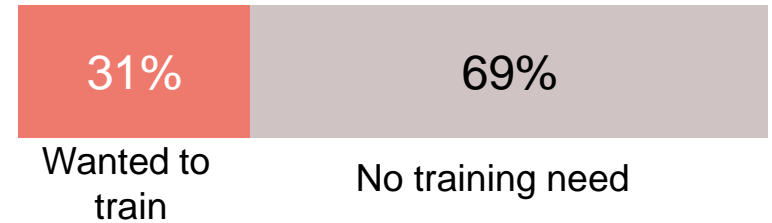
(Base: 6,014)



Of trainers.... (Base: 4,884)

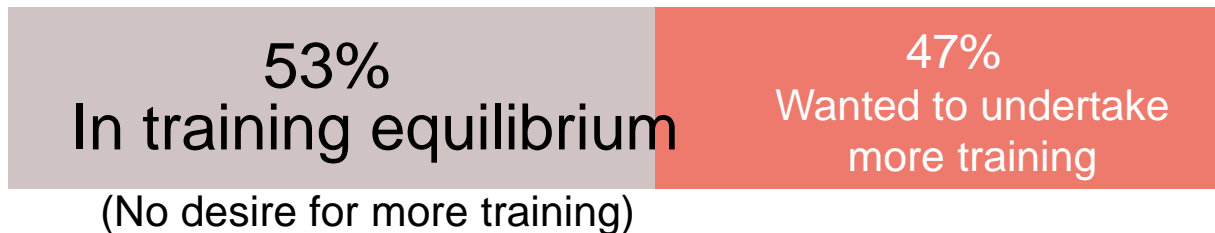


Of non-trainers.... (Base: 1,081)

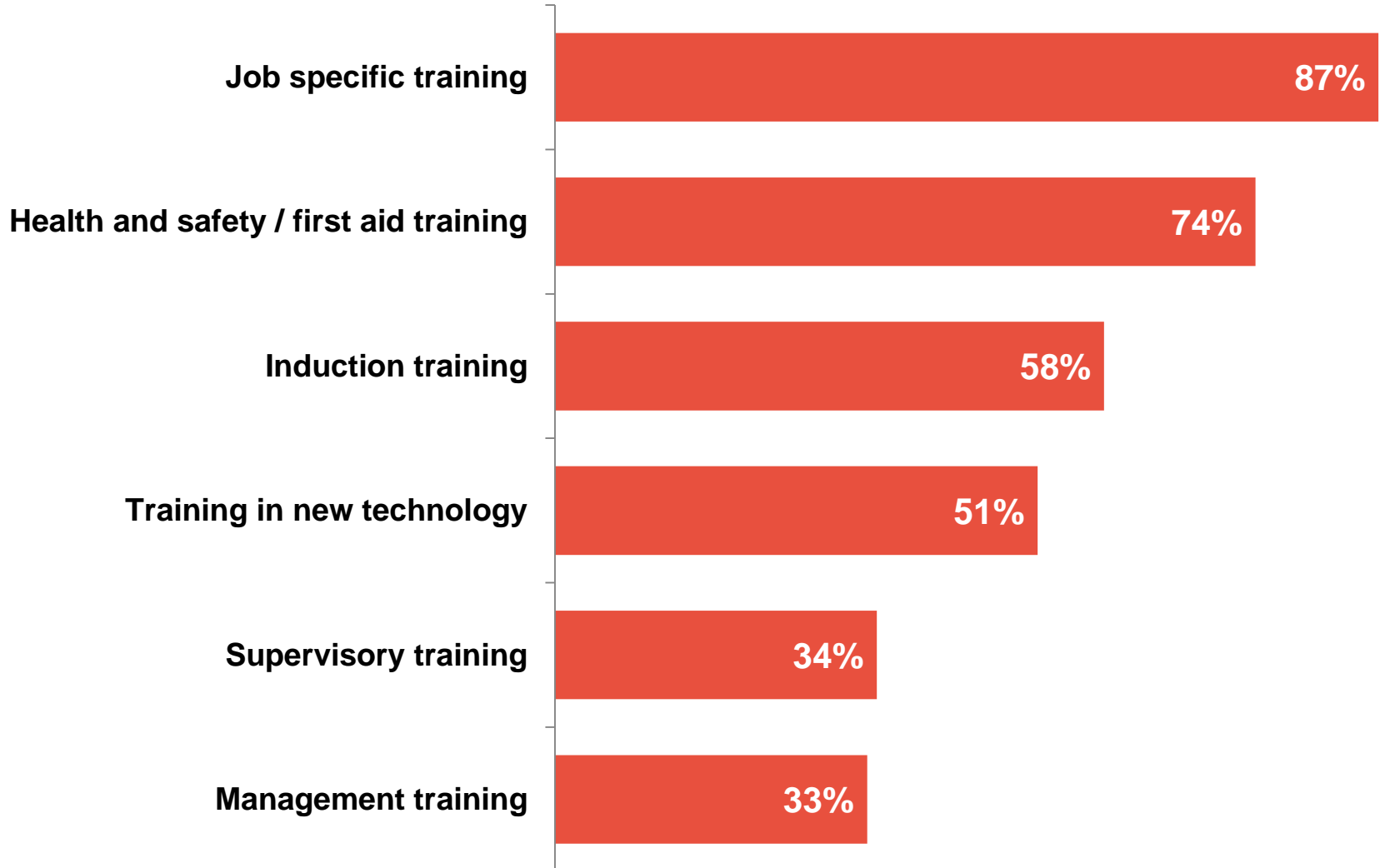


ALL EMPLOYERS

(Base: All establishments 6,014)



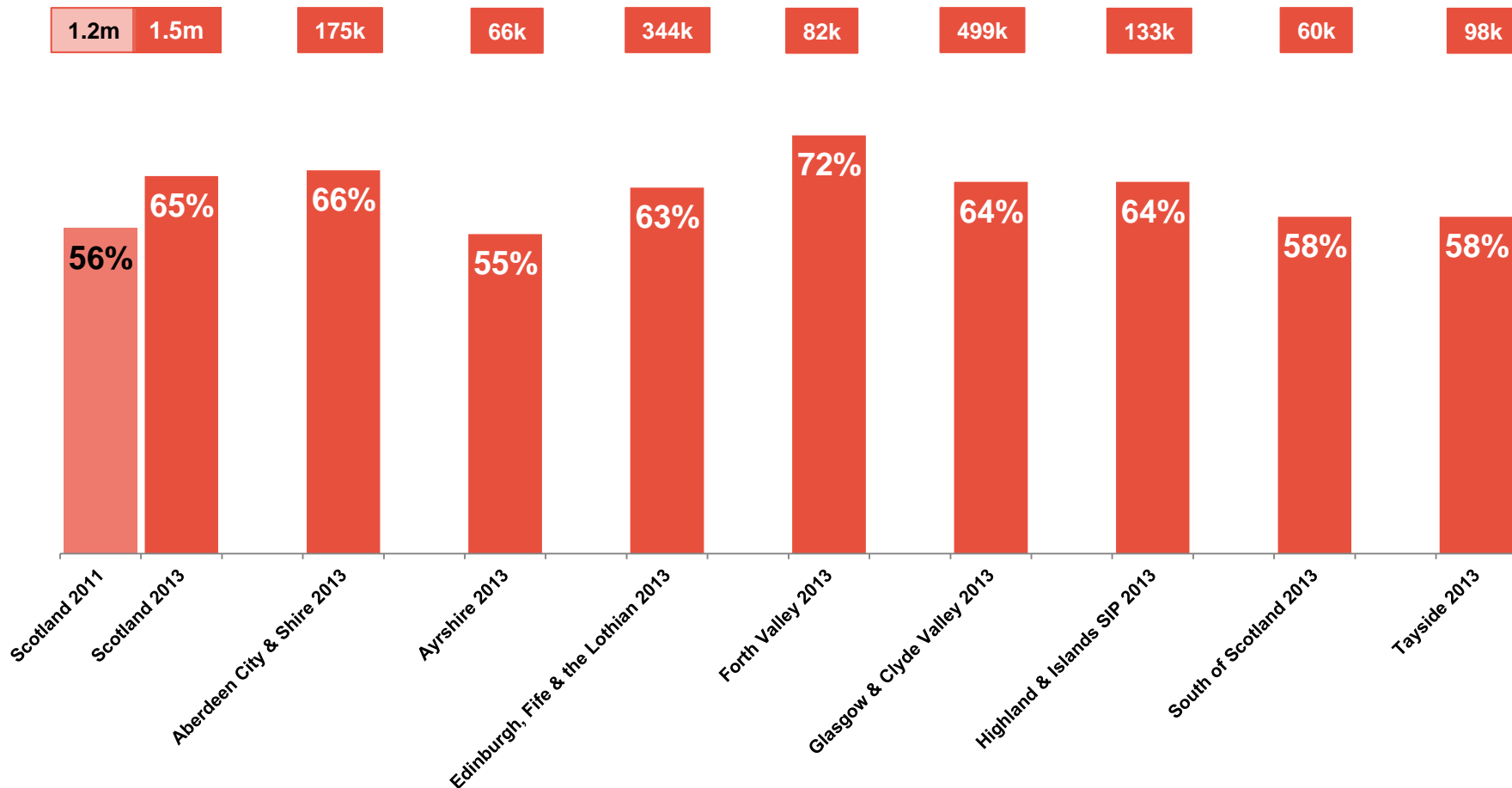
Types of training provided in Scotland



Base : All establishments that train (4,884)

Number and proportion of staff trained by region

Number of staff trained:



Base for bars: All establishments (as shown)

2011: (2,487)

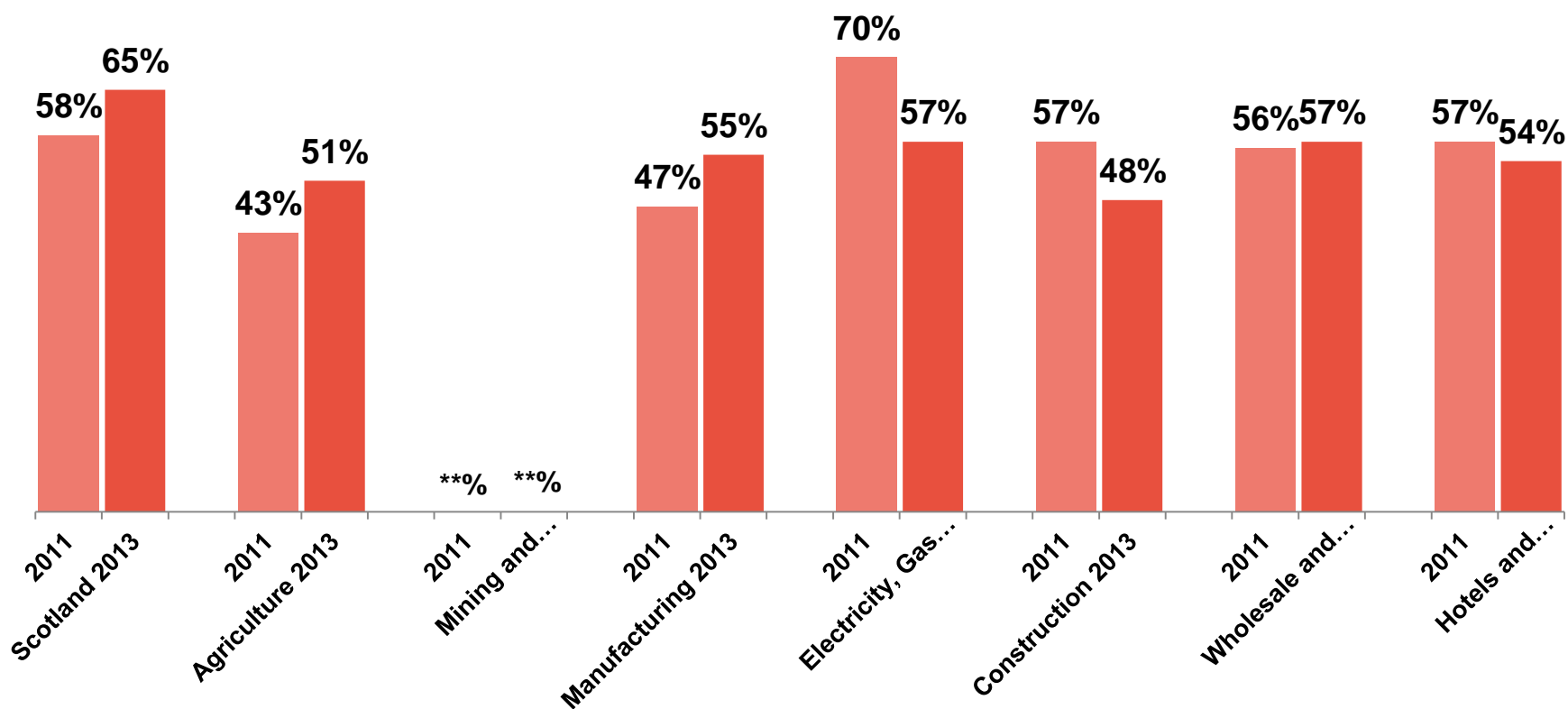
2013: (6,014) (772) (349) (1,322) (282) (1,522) (693) (518) (556)

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 sector (I)

Number of staff trained:

1.4m	21k	**	87k	22k	80k	198k	91k
1.5m	26k	**	97k	20k	63k	199k	90k



Base for bars: All establishments (as shown)

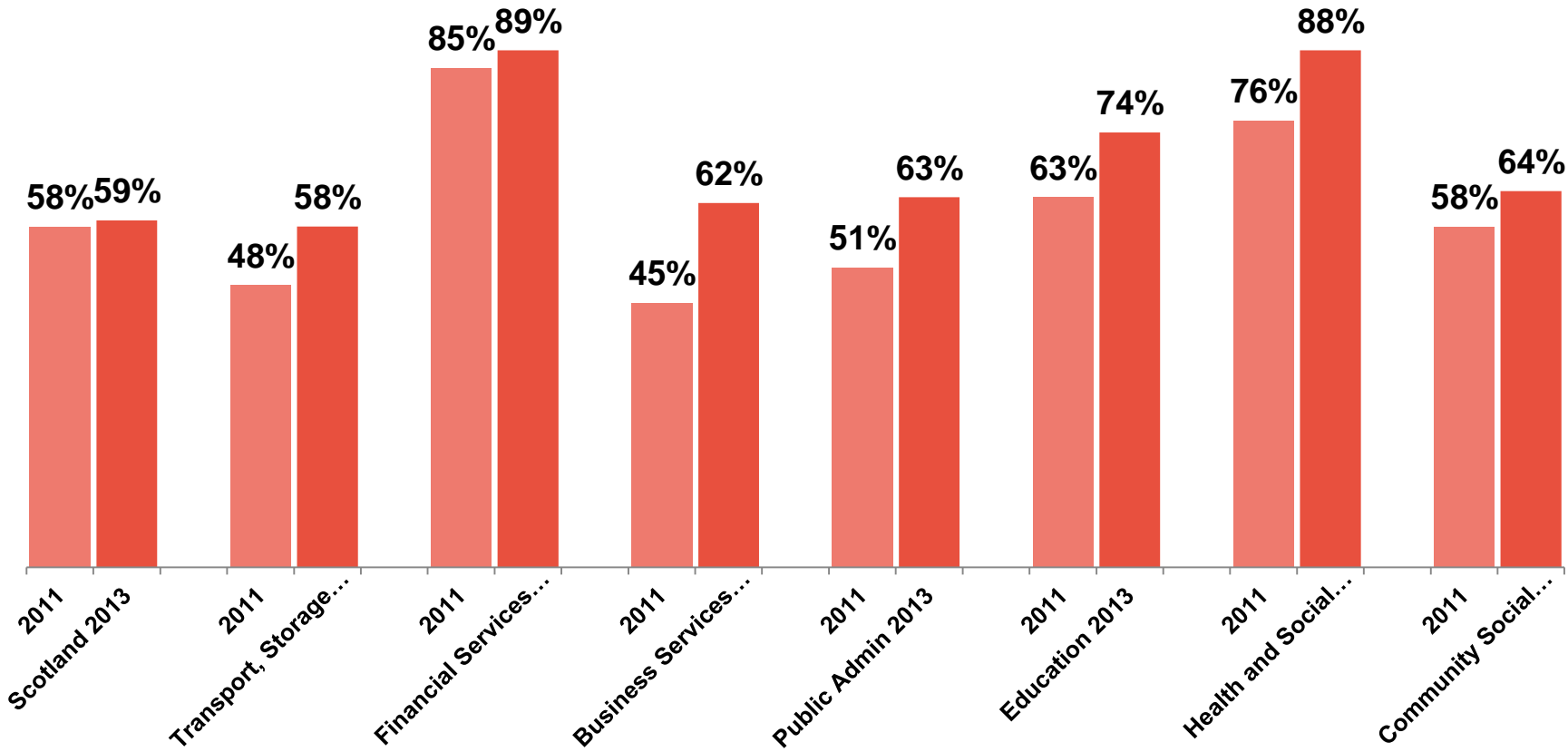
2011:	(2,487)	(85)	(24)	(176)	(82)	(229)	(317)	(219)
2013:	(6,014)	(519)	(21)	(409)	(86)	(496)	(991)	(571)

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 sector (II)

Number of staff trained:

1.4m	72k	78k	155k	77k	120k	283k	60k
1.5m	85k	76k	206k	94k	135k	325k	66k



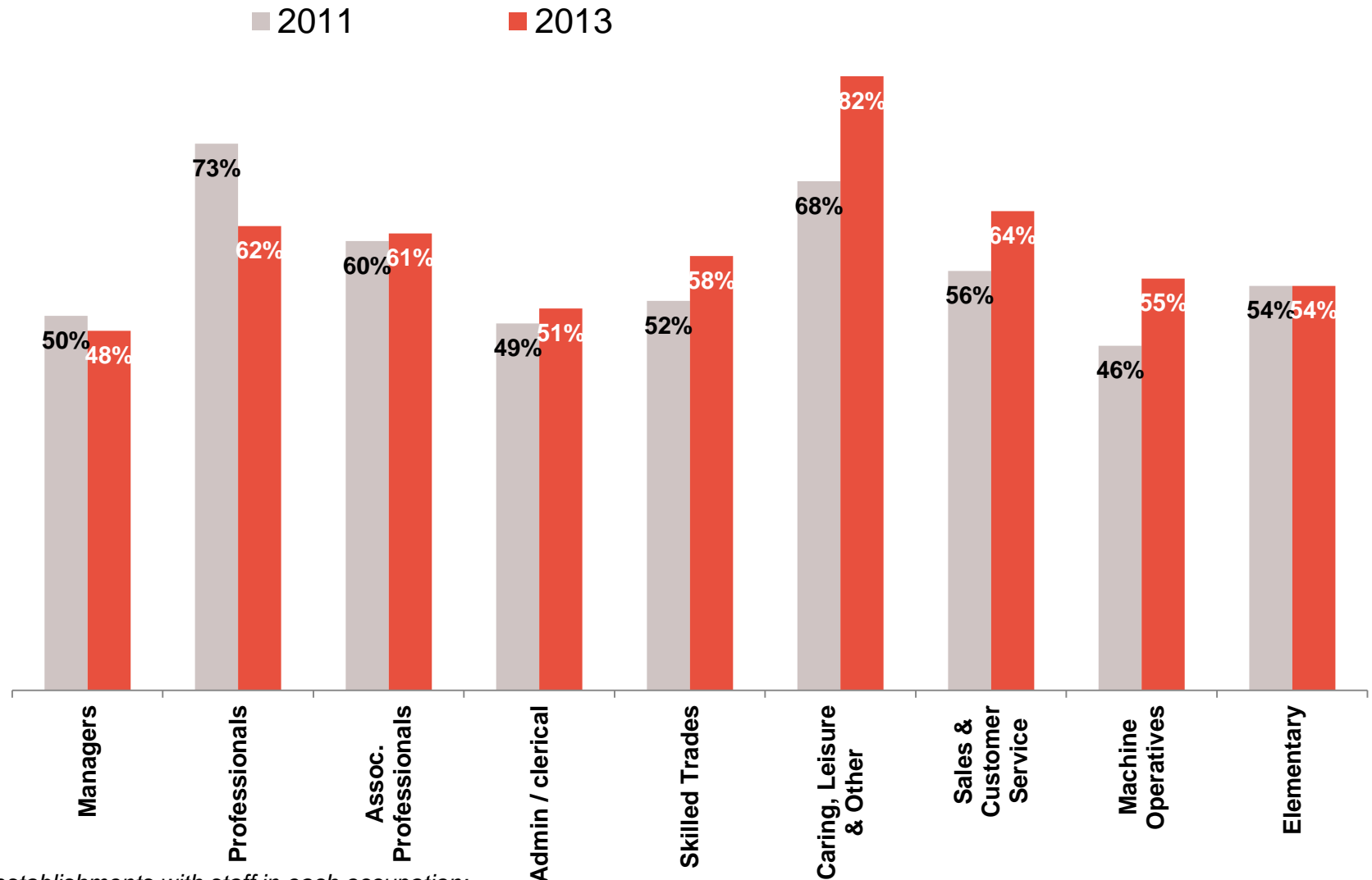
Base for bars: All establishments (as shown)

2011: (2,487) (224) (91) (343) (136) (164) (207) (190)

2013: (6,014) (446) (205) (784) (124) (354) (568) (440)

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 Scotland

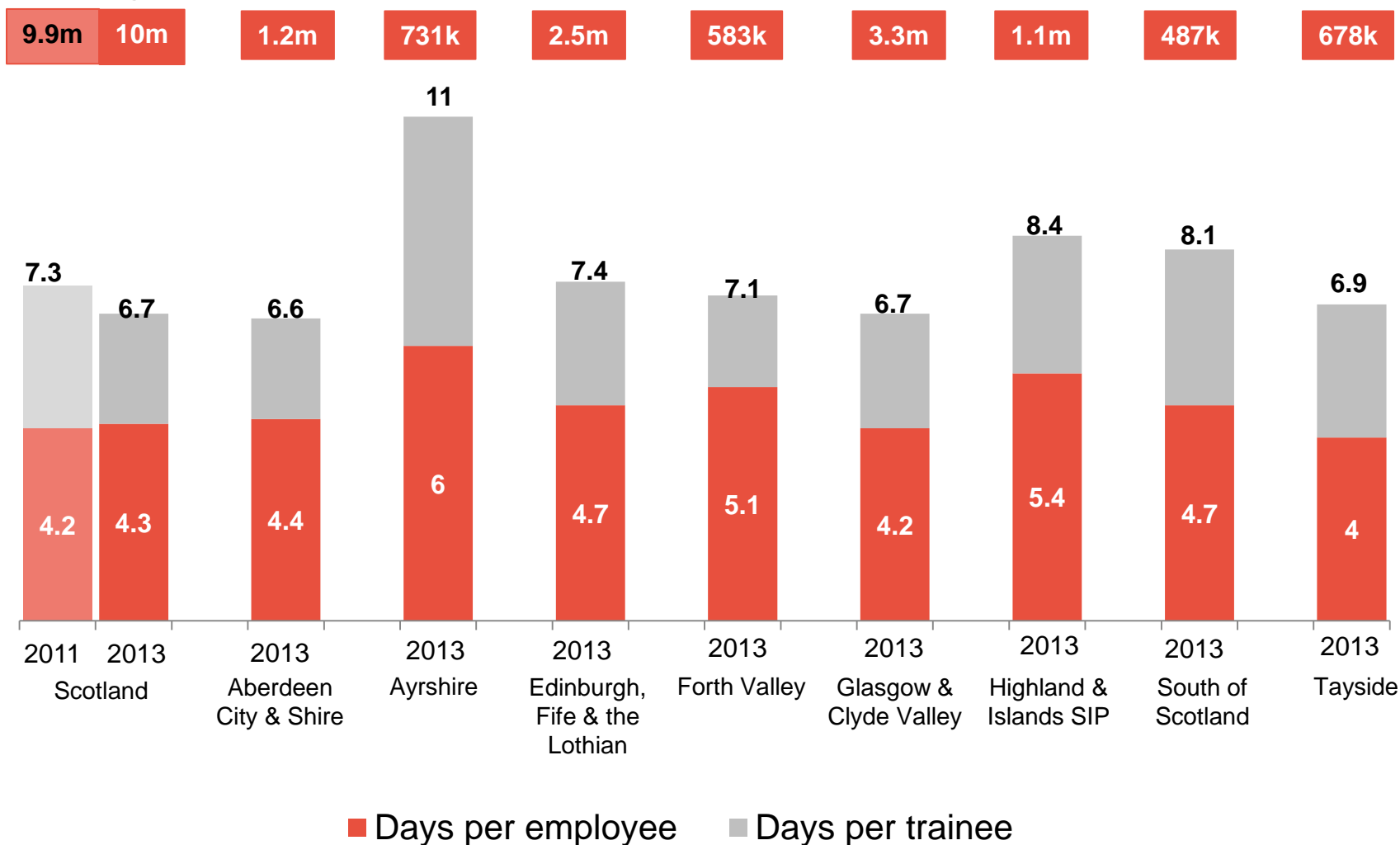


Base : All establishments with staff in each occupation:

2011:	(2,487)	(649)	(649)	(619)	(1,795)	(795)	(477)	(817)	(603)	(1,217)
2013:	(6,014)	(5,716)	(1,323)	(1,081)	(3,838)	(1,888)	(990)	(1,802)	(1,224)	(2,566)

Training days provided by region in Scotland

Total days training:



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

2011: (2,487)

2013: (6,014) (772) (349) (1,322) (282) (1,522) (693) (518) (556)

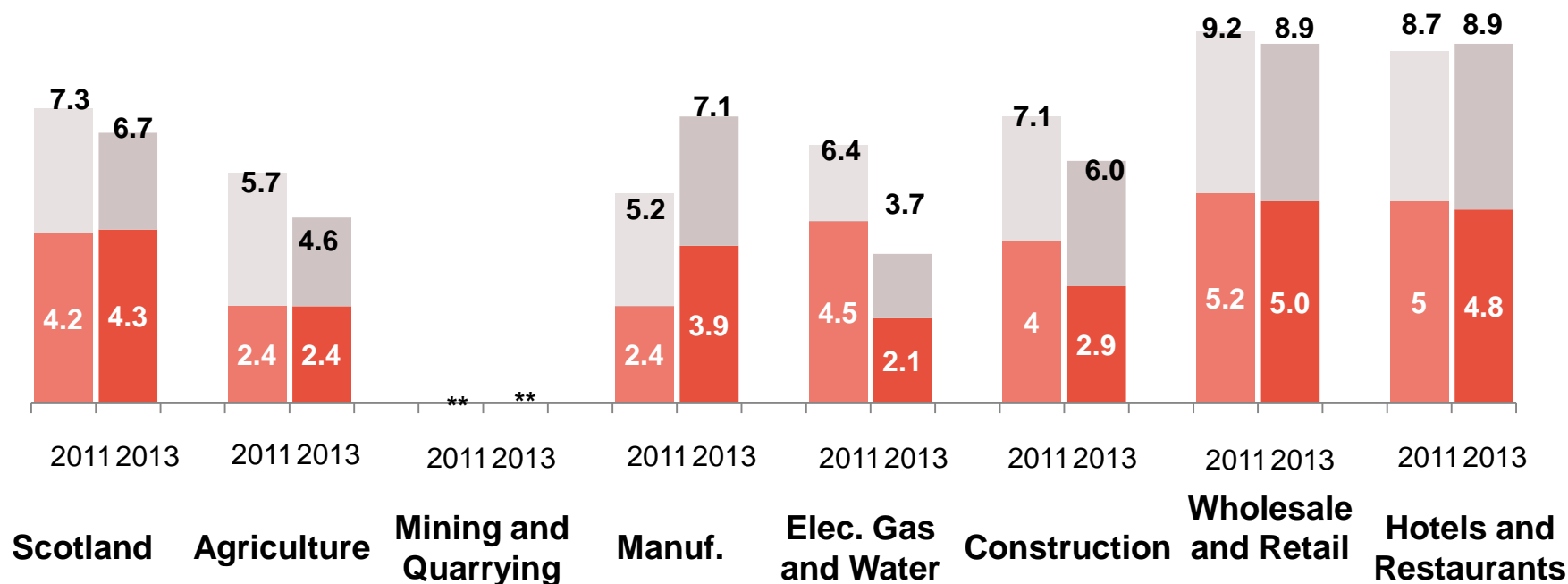
Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Training days provided by sector (I)

Total days training:

2011:	9.9m	121k	**	449k	143k	568k	1.8m	789k
2013:	10m	123k	**	686k	73k	379k	1.8m	795k

■ Days per employee ■ Days per trainee



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

** denotes data not shown due to low base size (<25)

2011:	(2,487)	(85)	(24)	(176)	(82)	(229)	(317)	(219)
2013:	(6,014)	(519)	(21)	(409)	(86)	(496)	(991)	(571)

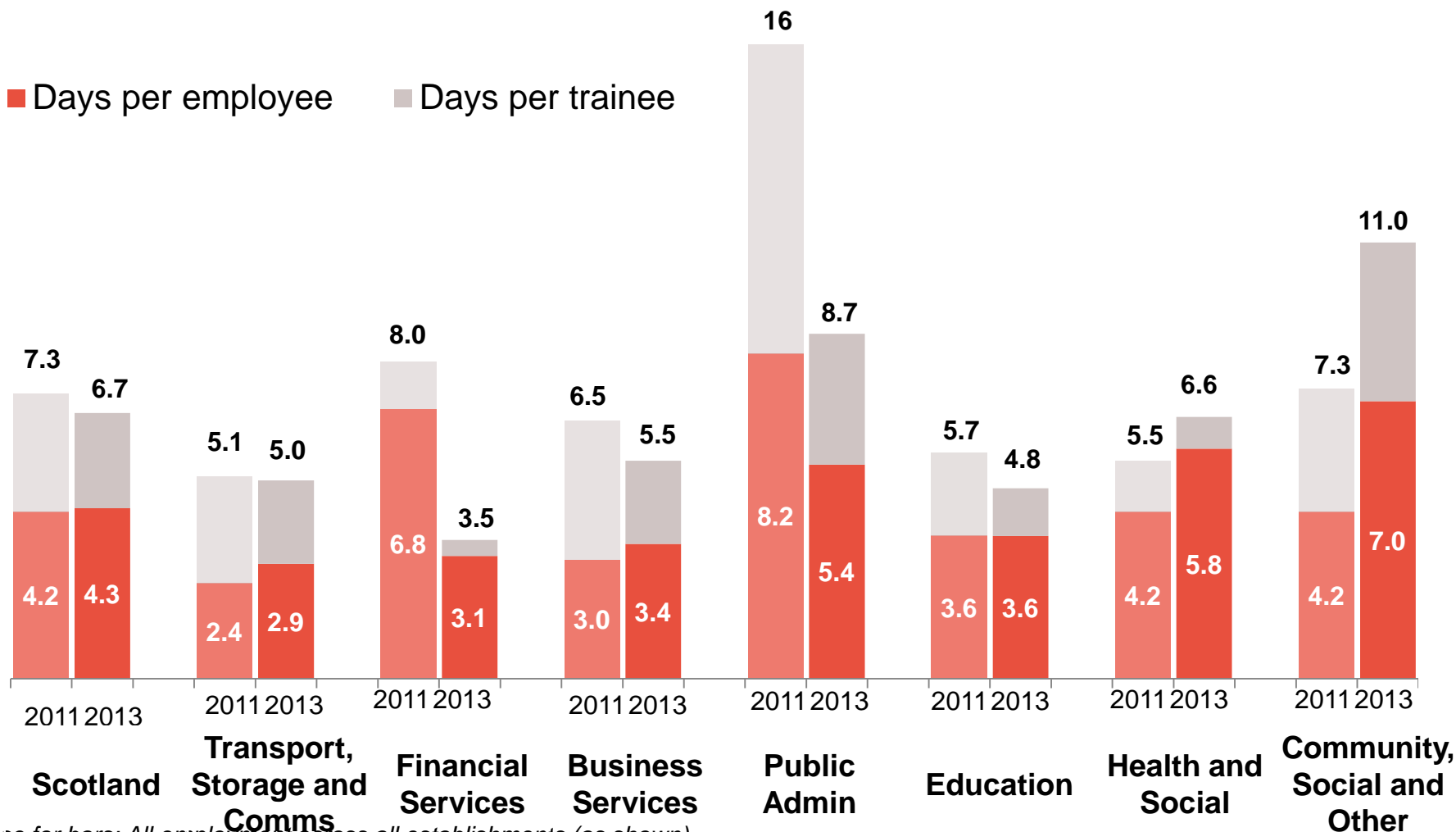
Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Training days provided by sector (II)

Total days training:

2011:	9.9m	366k	629k	1.0m	1.2m	687k	1.6m	440k
2013:	10m	426k	269k	1.1m	814k	651k	2.1m	723k

■ Days per employee ■ Days per trainee



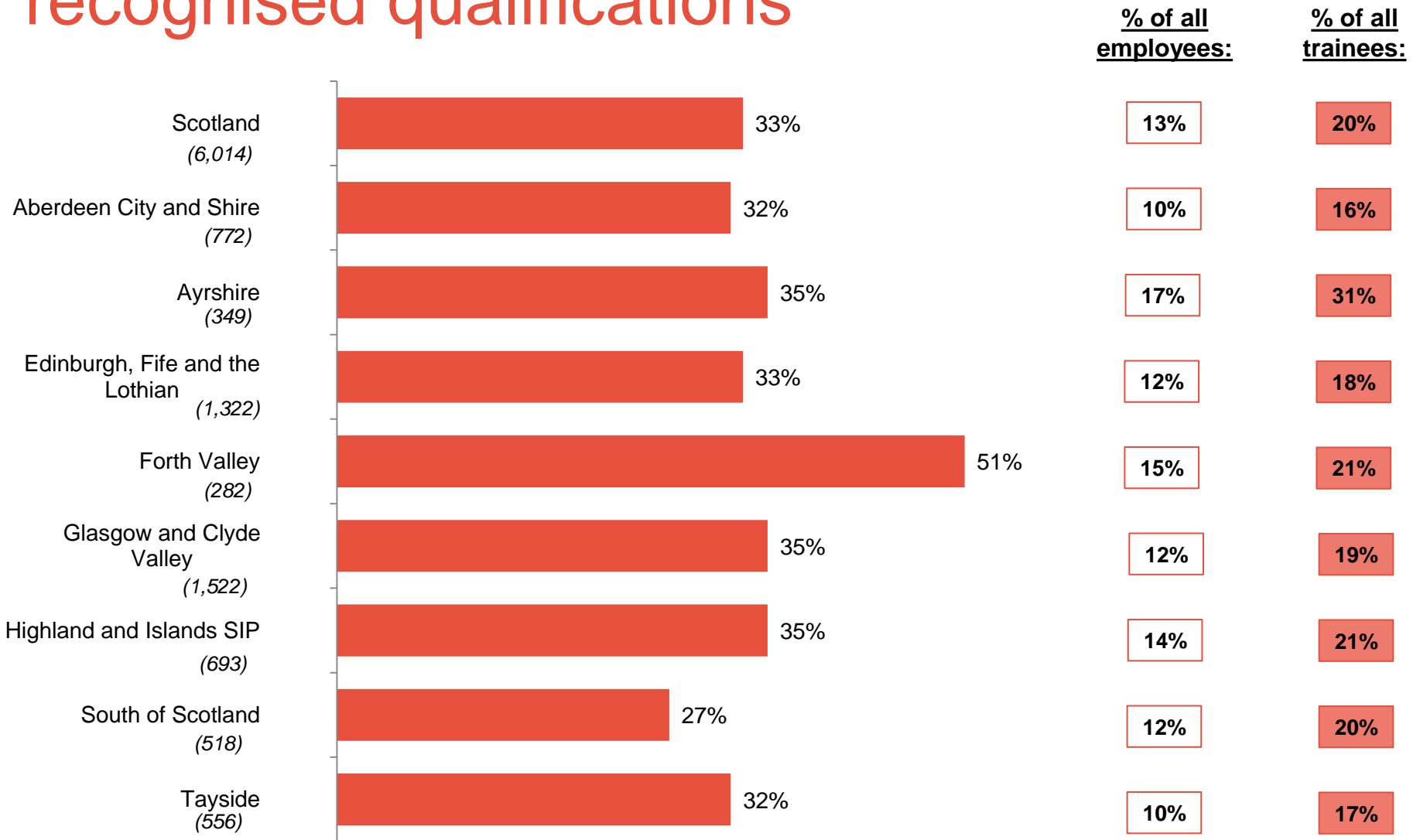
Base for bars: All employment across all establishments (as shown)

2011: (2,487) (224) (91) (343) (136) (164) (207) (190)

2013: (6,014) (446) (205) (784) (124) (354) (568) (440)

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



Base: 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.

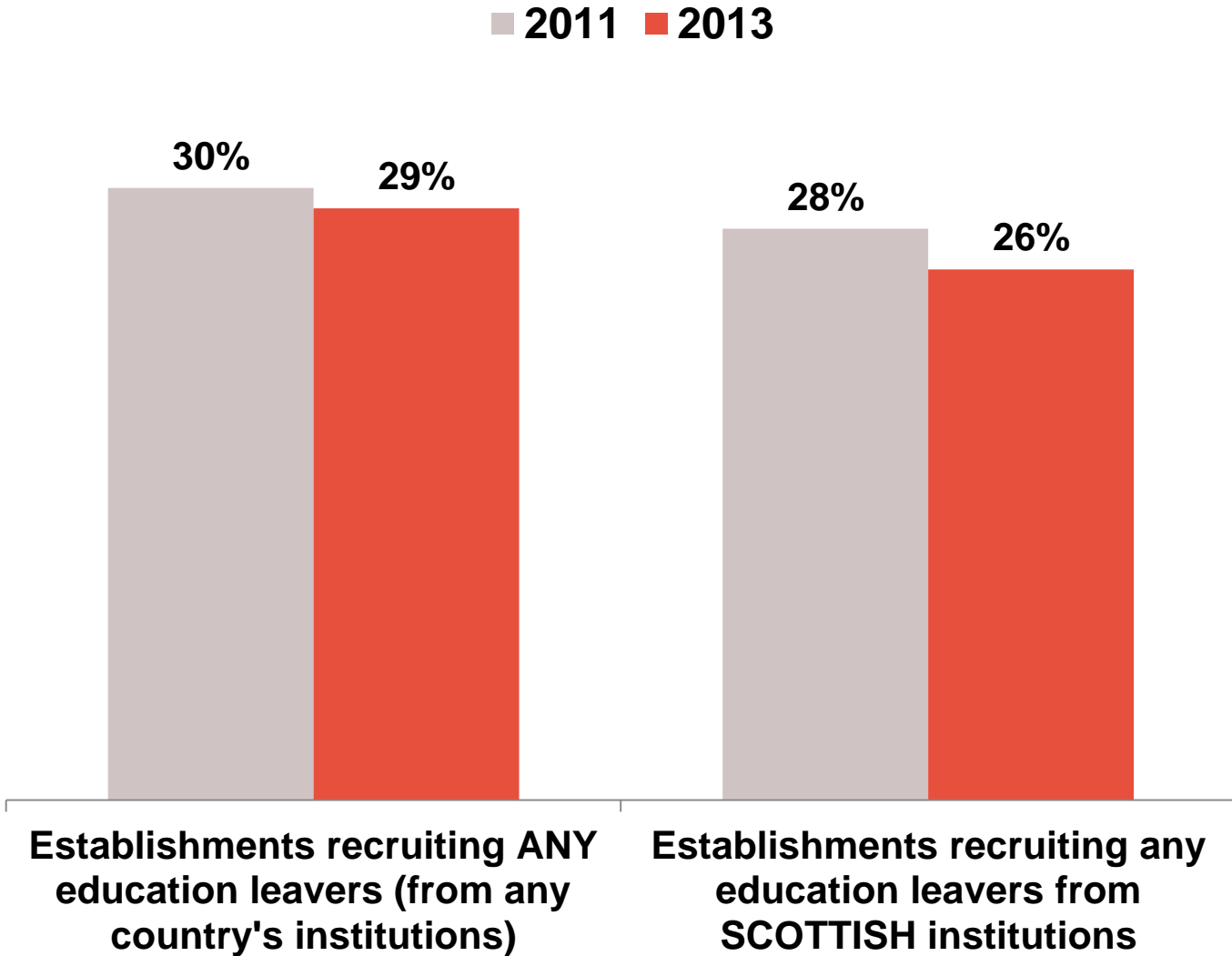
Training expenditure by component in Scotland

Unweighted Base:	2011 685		2013 1,429	
	£bn	%	£bn	%
Total training expenditure	£4.0bn	100	£4.2bn	100
Off-the-job training: total	£2.1bn	54	£2.1bn	50
Off-the-job training: Course-related: total	£1.8bn	46	£1.8bn	44
Trainee labour costs	£0.3bn	9	£0.5bn	13
Fees to external providers	£0.2bn	5	£0.2bn	5
On-site training centre	£0.5bn	12	£0.3bn	7
Off-site training centre (in the same company)	£0.1bn	2	£56m	1
Training management	£0.6bn	15	£0.6bn	15
Non-training centre equipment and materials	£57m	1	£45m	1
Travel and subsistence	£66m	2	£57m	1
Levies minus grants	-£16m	-0.4	-£31m	-1
Off-the-job training: other (seminars, workshops etc.): total	£0.3bn	8	£0.3bn	6
Trainee labour costs	£0.2bn	5	£0.2bn	4
Fees to external providers	£0.1bn	3	£77m	2
On-the-job training: Total	£1.8bn	46	£2.1bn	50
Trainee labour costs	£1.2bn	29	£1.3bn	32
Trainers' labour costs	£0.7bn	17	£0.8bn	18

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

Chapter 5: Recruitment of Young People

Recruitment of education leavers in Scotland Summary



Base: All establishments (2011: 2,487; 2013: 6,014)

Employer recruitment of young people

“Recruiting employers” *Base: All establishments (6,014)*

67%

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

33%

Not recruited

Recruited young people *Base: All establishments in Module 2; (3,044)*

46%

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

21%

Recruited, but not young people

25%

Recruited young person from Scottish education

1%

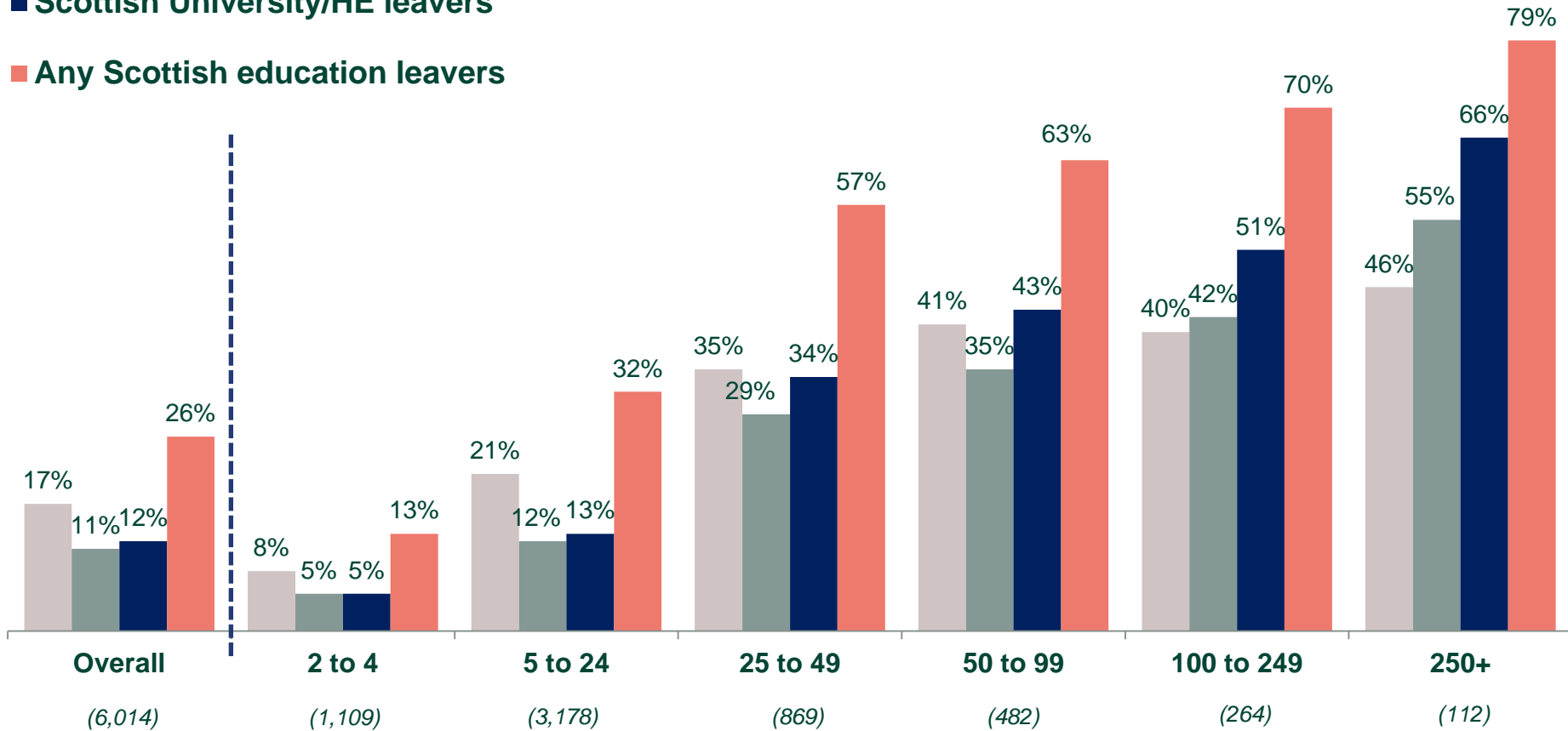
Recruited Scottish education leavers aged over 25

34%

Recruited young person not from education

Recruitment of education leavers by size in Scotland

- Scottish secondary school leavers
- Scottish FE College leavers
- Scottish University/HE leavers
- Any Scottish education leavers



Recruitment of education leavers by sector

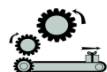
HIGH LEVELS OF RECRUITMENT

LOW LEVELS OF RECRUITMENT

SCOTTISH SECONDARY SCHOOL LEAVERS.....



Hotels and Restaurants 22%



Manufacturing 22%



Agriculture 10%



Financial Services 10%



Transport, Storage and communication 9%



Public admin 9%

SCOTTISH FEC LEAVERS



Health and Social Work 18%



Hotels and Restaurants 17%



Education 16%



Financial Services 5%



Agriculture 5%



Construction 4%

SCOTTISH UNIVERSITY/HE LEAVERS.....



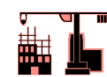
Education 25%



Public Admin 18%



Health and Social Work 18%



Construction 5%



Agriculture 2%

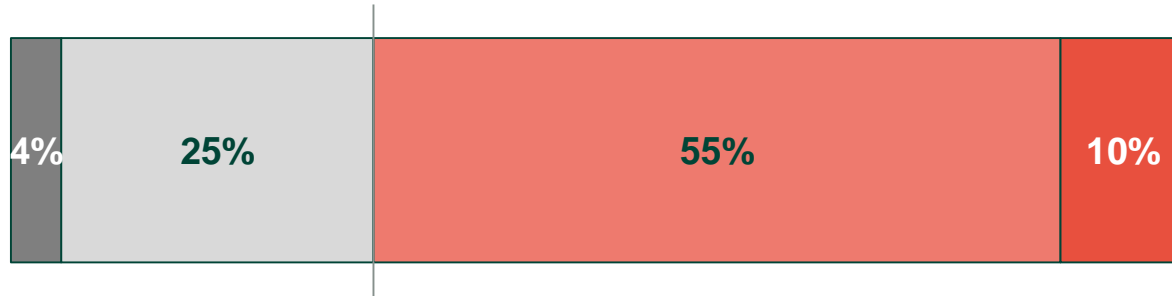
Base: All establishments (6,014)

Work-readiness of Scottish education leavers

■ Very poorly prepared ■ Poorly prepared ■ Well prepared ■ Very well prepared

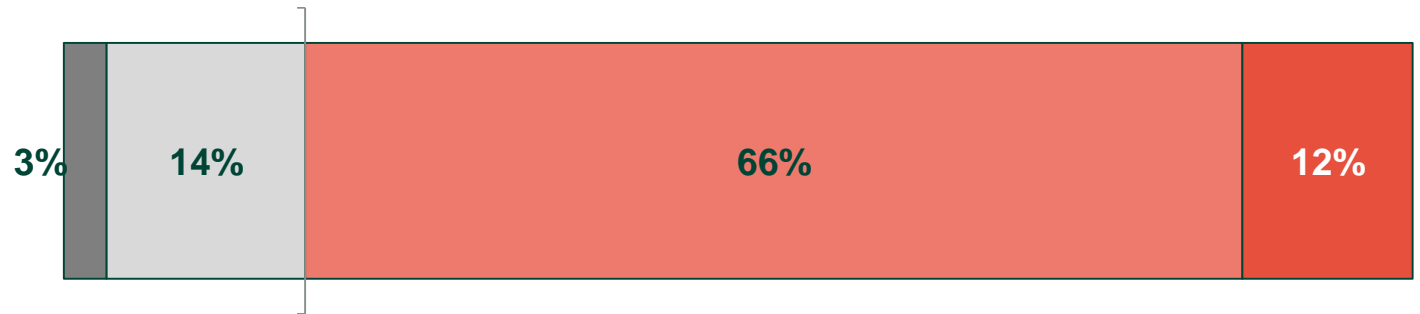
**Scottish
Secondary
school
leavers**

Base:
(1,514)



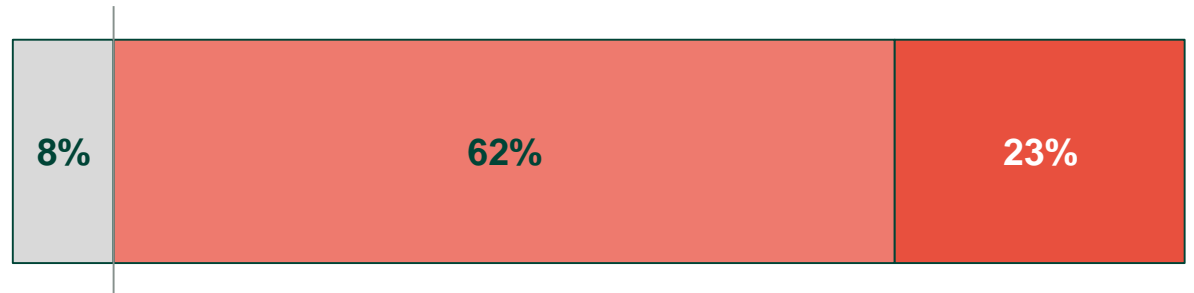
**17-18
year-old
Scottish
FE leavers**

Base:
(1,095)



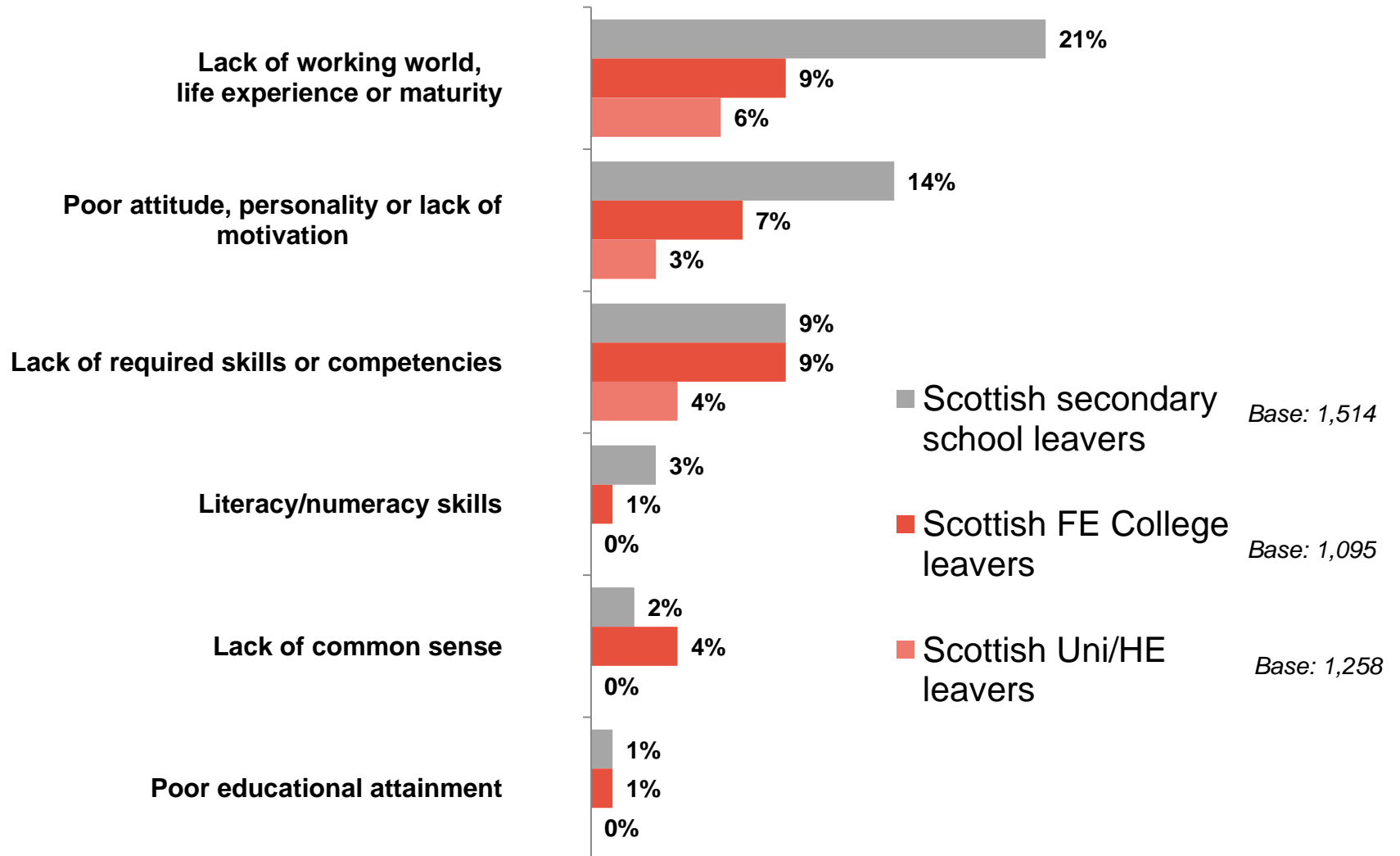
**Scottish
University/
HE leavers**

Base:
(1,258)



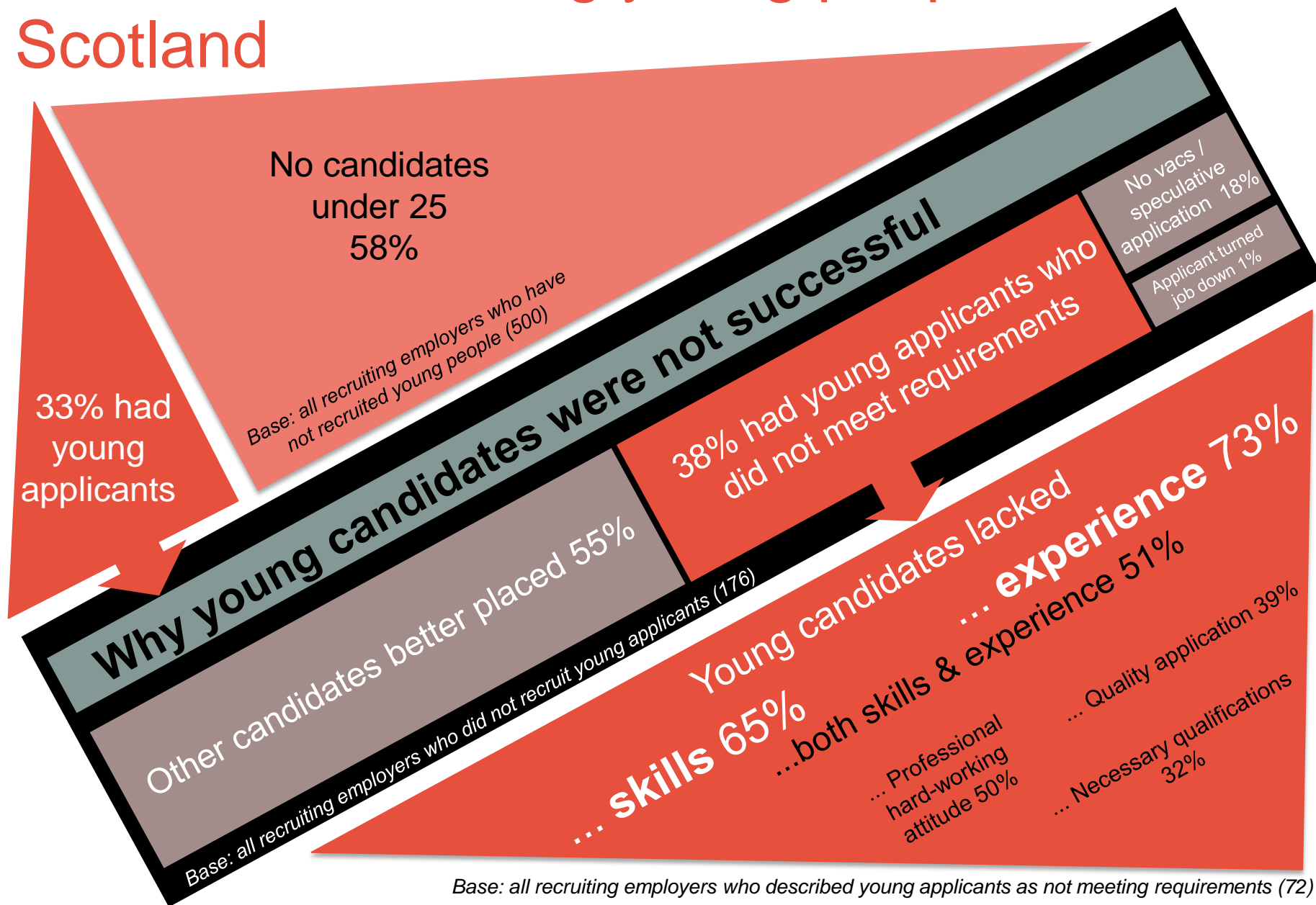
Base: All establishments that have recruited each type of education leaver in the previous 2-3 years (as shown)

Skills and attributes lacking in education leavers in Scotland



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

Barriers to recruiting young people in Scotland



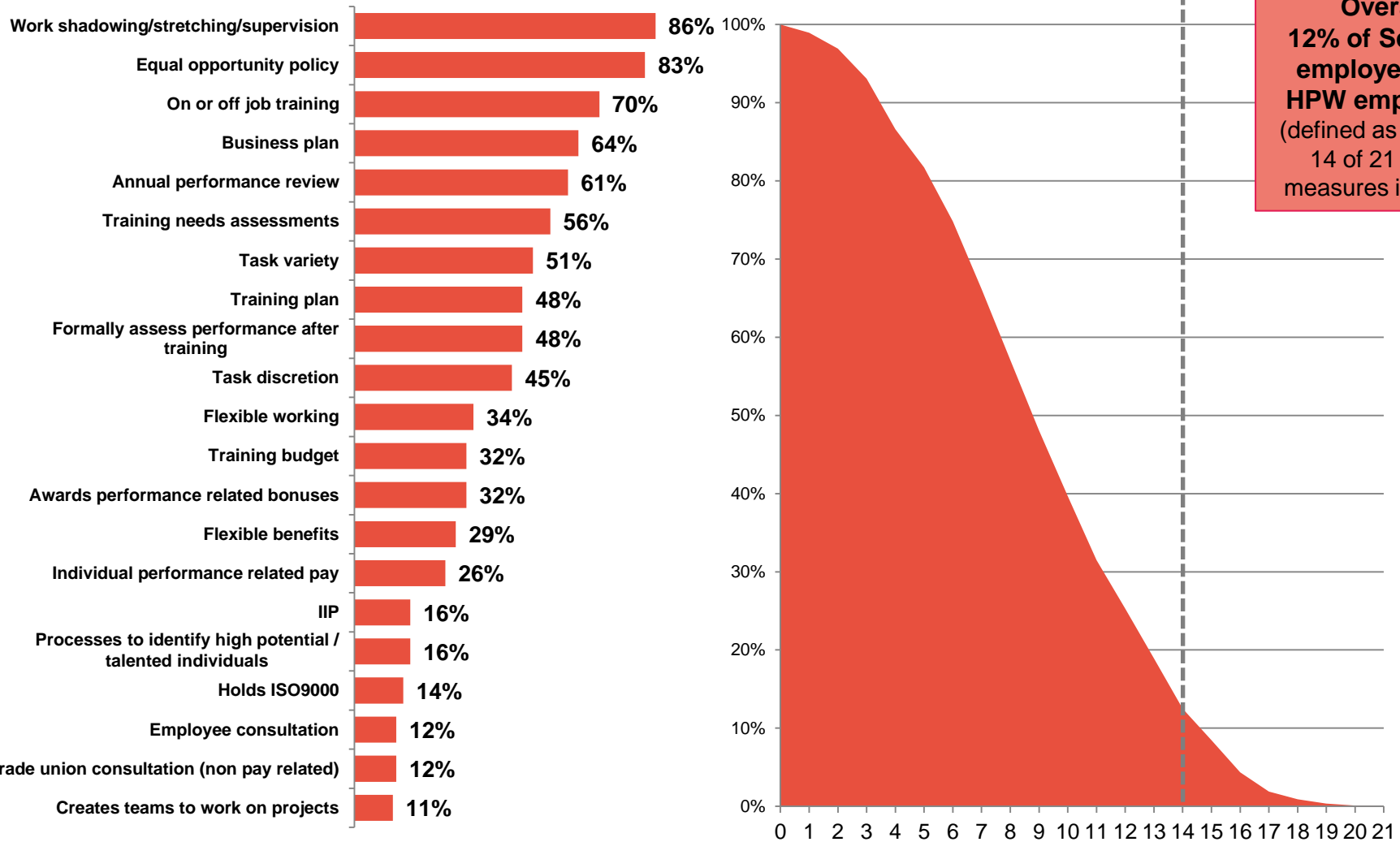
Summary of skills deficiencies and training amongst employers recruiting young people in Scotland

	Recruited a Young Person	Recruited school leaver	Recruited FEC leaver	Recruited HE leaver	Recruited but not a Young Person
	%	%	%	%	%
<i>Unweighted base</i>	1,892	1,514	1,095	1,258	533
Vacancies					
Have vacancies	24	28	33	38	14
Skill-shortage vacancies					
Have skill-shortage vacancies	7	9	11	12	3
Skill-shortage vacancies as % of all vacancies	26	24	30	27	16
Skills gaps					
Have skill gaps	32	36	39	37	15
Skills gap density	6	8	8	7	4
Training					
Train at all	83	84	90	91	72
% of staff trained	67	62	71	75	54

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

Chapter 6: High Performance Working Practices and Product Market Strategies

Incidence of High Performance Working Practices



Overall
12% of Scottish employers are HPW employers
 (defined as “having”
 14 of 21 HPW
 measures in place)

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

	HPW employers	Non-HPW employers
	%	%
<i>Unweighted base:</i>	617	2,353
Have vacancies	30	13
Have skill-shortage vacancies	8	3
Skill-shortage vacancies as % of all vacancies	27	21
Have skill gaps	28	18
Skills gap density	5	4

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

Summary of vacancy situation by Product Market Strategy grouping in Scotland

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

27%

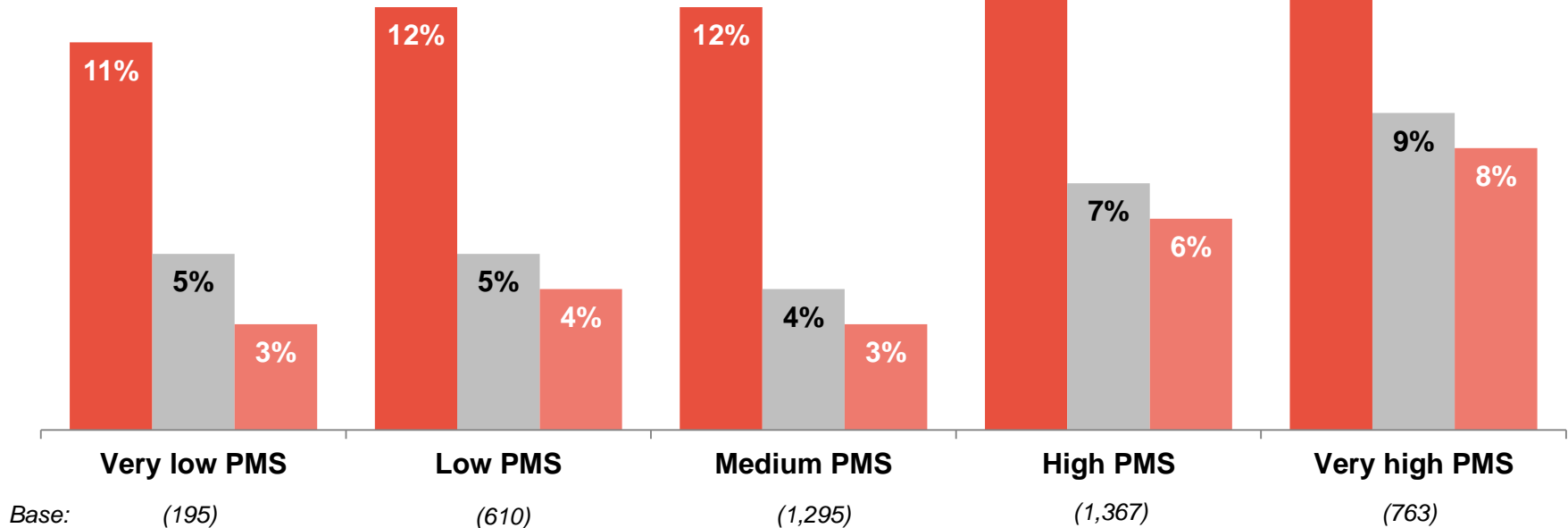
26%

25%

30%

32%

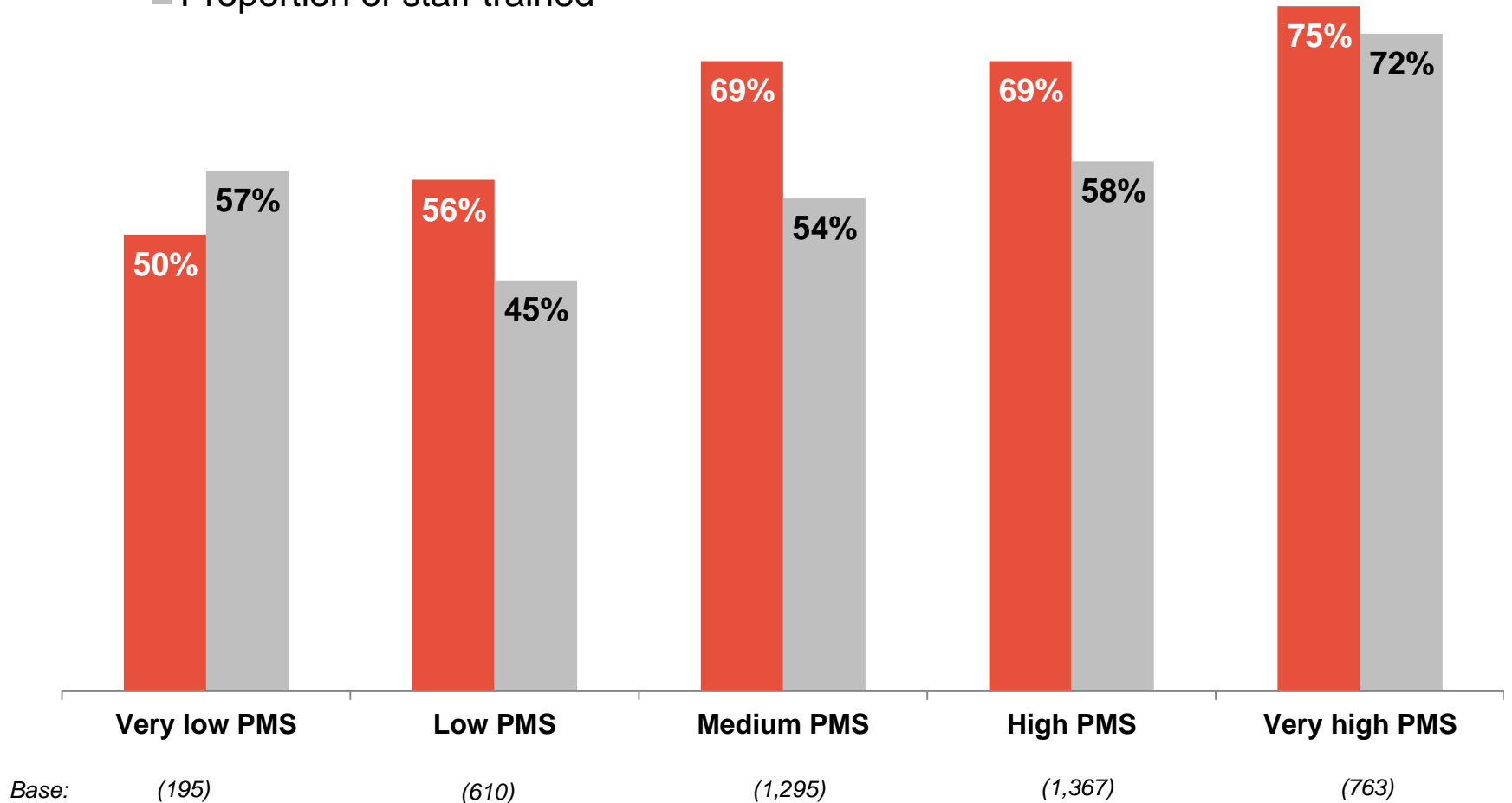
Incidence of: ■ Vacancies
■ Hard-to-fill vacancies
■ Skill-shortage vacancies



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

Incidence of training by Product Market Strategy grouping

- Percentage of establishments that train
- Proportion of staff trained



Base: All establishments in the private sector 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 **one in four vacancies (25%) across Scotland are hard-to-fill due to skill shortages** in the available labour pool.
- In addition, some 135,000 employees are regarded as being **not fully proficient** in their job roles (5.9% of the total workforce in Scotland).
- **Inefficiencies are apparent in the workforce** –half (51%) 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 17% of the workforce in Scotland.

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

- More employees are receiving training than in 2011.
- However there has been a fall in the number of days training per employee funded or arranged by employers in Scotland;
- However 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 and training employees as trainers.

Recruitment of young people has held up

Recruitment of education leavers is roughly the same in 2013 as 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.

For more information contact UKCES Employer Surveys



01709 774 800



employersurveys@ukces.org.uk



@ukces

www.gov.uk/government/publications/UKCES-Employer-Skills-Survey-2013-Scotland