

ABOUT

This document provides a summary of key findings for the Dorset LEP area, based on findings from three major UKCES research products: Working Futures, the Employer Skills Survey (ESS) and the Employer Perspectives Survey (EPS).

Throughout the document, findings for the LEP area are compared with England or the UK as a whole. For ESS and EPS differences are only reported when they are statistically significant; when figures are described as 'similar' or 'no different', this means that there is no statistically significant difference. Whilst the percentages may differ slightly between the figure for the LEP area and England/the UK, when we say 'similar' it means that we cannot be confident that the difference is due to anything more than chance. In the case of Working Futures statistical significance is a more complex issue, since the analysis is forward-looking. The published guidelines relating to the interpretation of this dataset have been followed.



Working Futures

Working Futures uses robust sources of national data on demographics, education, employment and the economy to make projections of the UK labour market. Whilst not a crystal-ball, Working Futures moves beyond anecdotal guesses to provide rigorous, evidence-based projections through the application of proven models.



Employer Skills Survey

The Employer Skills Survey is the UK's definitive source of intelligence on employer investment. Exploring the skills challenges that employers face, the levels and nature of training investment, recruitment of young people and the relationship between skills challenges and business strategy, the ESS gives us a reliable, timely and valuable insight into the skills issues employers face.



Employer Perspectives Survey

The Employer Perspectives Survey provides insights into the thoughts and behaviour of UK Employers as they make decisions about how to engage with training providers, schools, colleges and individuals in the wider skills system, to get the skills they need.

WORKING FUTURES

2012 - 2022

Jobs and the economy

- The overall picture for the UK economy over the next decade (2012-2022) is one of gradual upturn, but with no quick return to long term trends as observed following previous recessions.
- Overall, the number of jobs in Dorset is projected to rise by around 20,000 over the next decade (2012-2022), an average annual rate of growth of 0.5 per cent. This is a little below the UK average rate (0.6 per cent).

Sectors

- The LEP area is “over-represented”, relative to the UK, in a number of sectors, including accommodation and food, health and social work, agriculture and public admin & defence. It is “under-represented” in support services, transport and storage and professional services.
- Private sector services as a whole are expected to contribute around 77 per cent of net job growth in the LEP area between 2012 and 2022. This is, however, below the UK average of 85 per cent.
- The leading sources of employment growth in the Dorset area (in absolute terms) are forecast to be health & social work (+7,000) construction (+5,000) and professional services (+3,000).
- Manufacturing (including engineering) is projected to see a continued decline in jobs (with a loss of 1,000 jobs – the equivalent of a fall of 4 per cent - over the decade in the LEP area); this decline is considerably less pronounced than the overall UK picture (9%).
- Employment in public administration is expected to contract by almost 10 per cent between 2012 and 2022 in the LEP area, a similar level to that projected at the UK level.

Occupations

- Dorset has a lower representation of employment in higher skilled occupations, compared with the UK as a whole. In the LEP area, 41 per cent of employment is in the three high skilled occupational groups: managers, professionals and associate professionals. This compares with a UK average of 43 per cent. However, the figure is much higher in London (57 per cent).
- The proportion of employment in the three lowest-skilled occupations is also slightly lower than the UK average. In the LEP area, 24 per cent of employment is in sales or customer service, plant/process operatives and elementary roles, compared with a UK average of 25 per cent.
- The proportion employed in middle-ranking occupations is higher than the UK average: jobs in administrative, skilled trades and caring/leisure roles account for 34 per cent of employment in Dorset, compared with 32 per cent in the UK.
- As with the wider UK picture, we expect to see job growth concentrated in higher level roles, as well as in lower level roles relating to care. The projections for the LEP area are for:
 - 25,000 additional high level jobs (for managers, professionals and associate professionals), with around half of these in professional roles. Higher skilled jobs are expected to grow at a similar rate to the UK (around 16 per cent over the course of the decade).
 - 9,000 fewer jobs in middle ranking administrative, secretarial and skilled trades occupations. Nevertheless, these areas of decline are expected to remain significant sources of employment by the end of the decade. For example, there are still expected to be around 36,000 administrative and secretarial jobs in 2022 in the LEP area, despite the loss of around 7,000 jobs in the previous decade.
 - Around 9,000 additional jobs in caring or leisure roles.

- Women are expected to take just over two thirds of the additional high level jobs created in the LEP area over the decade (17,000 out of 25,000), although female workers will be hit by the losses noted above in sales and elementary jobs.

Qualifications

- As a result of supply and demand factors, the qualification profile of employment is expected to shift markedly in the LEP area:
 - The proportion of jobs held by people qualified at a higher level (level 4 and above) is projected to increase from 38 per cent to 48 per cent between 2012 and 2022.
 - Workers with low qualifications (below level 2) are expected to decline from 18 per cent to 12 per cent of the total workforce over this period.

Replacement Demands

- We estimate that replacement demands (i.e. job openings created by people leaving the labour force temporarily or permanently) will contribute seven times as many job openings as net job growth over the next decade: 147,000 openings compared with 20,000.
- Replacement demands mean that there will be a need to recruit suitably skilled people across all broad occupational groups, including those projected to decline:
 - For some occupational groups (mostly higher skilled ones), we expect to see strong net growth in the number of jobs, supplemented by large replacement demands. For example, net growth of 13,000 jobs in professional roles is projected to be supplemented by 28,000 job openings arising from replacement demands.
 - For those occupational areas in which we expect to see a net decline in the number of jobs, replacement demands mean that we can still expect a strong supply of job openings. For example, in administrative roles, it is projected that a net loss of around 3,000 jobs will be more than offset by 13,000 job openings resulting from replacement demands.

EMPLOYER SKILLS SURVEY

2013

Skill shortages

- The number of employers reporting vacancies at the time of the survey (March to July 2013) was the same in Dorset (15 per cent) as that across England as a whole.
- While in most cases demand for skills is met through successful recruitment, just over one-third of vacancies in the LEP area (35 per cent) are reported to be hard-to-fill. This is higher than the England average of 28 per cent.
- In the LEP area, the main reasons for hard-to-fill vacancies were the low number of applicants with required skills, and the low number of applicants with the required attitude, motivation or personality. A lack of the required skills was also the main reason given across England as a whole, while the proportion citing the low number of applicants with the required attitude, motivation or personality was quite a lot higher in the LEP area than was reported nationally.
- Overall, 'skill-shortage' vacancies represent 24 per cent of all vacancies in the LEP area, which is similar to the England-wide figure of 22 per cent.

Skill gaps

- Most employers say that they have a proficient workforce with no skill gaps. The proportion reporting skills gaps is similar in the Dorset LEP area to England as a whole: 16 per cent compared with 15 per cent. This represents five per cent of the total workforce in Dorset, which is the same as was found nationally.
- In most cases, proficiency problems are due at least in part to employees being new in their roles and/or still in training for their roles. These factors are broadly the same in Dorset (where they account at least in part for 73 per cent of all skills gaps) as they are in England as a whole (75 per cent).
- However, employers in the LEP area also attribute skills gaps to problems in recruiting staff with the required levels of skills or motivation; 24 per cent of skills gaps in the LEP area are attributed (at least in part) to difficulties in recruiting staff with the required skills levels, as compared with 25 per cent in England as a whole.
- Overall, this suggests that there is a range of factors contributing to skills gaps in the LEP area, both transient (relating to new and/or untrained staff) and more lasting (relating to skills and/or motivation).
- The occupations where skills gaps are most acute are Sales and Customer Services staff, Machine Operatives and Elementary staff. Different patterns are discernible between occupations facing internal (skills gaps) and external (skills shortage) difficulties. Higher level roles such as Managers and Professionals have among the highest density of skills shortage vacancies but are two occupational groups with the lowest levels of skills gaps.
- In general, employers tend to be challenged either in terms of having inadequate skills among some of their existing workforce or struggling to find new recruits with the skills that the vacant positions require. It is very rare for employers to be challenged from both directions; just two per cent of all employers experience both skill-shortage vacancies and skills gaps; this proportion is, however, higher than the one per cent in England as a whole.
- Almost half of employers in the LEP area (47 per cent) report skills under-use (i.e. they have staff who are over-skilled and over-qualified for the jobs that they are currently doing). The level locally is broadly the same as the England-wide figure of 48 per cent.

Training and Workforce Development

- Most employers fund or arrange training for their staff: in the LEP area, around two-thirds had done so over the previous 12 months (69 per cent); this is slightly above the England-wide figure of 66 per cent.

- Compared with England as a whole, employers in Dorset are slightly more likely to provide off-the-job training (51 per cent compared with 48 per cent), while the proportion that only offer on-job training is similar (18 per cent locally and 17 per cent across England).
- The number of staff receiving training is slightly higher in the LEP area than in England generally. In Dorset, 65 per cent of staff received training in the previous 12 months, compared with the England-wide figure of 62 per cent.
- Furthermore, the number of days training was higher in the LEP area than in England as a whole. Each person trained received an average of 7.2 days training over the previous 12 months in the LEP area, compared with 6.7 days on average in England.
- While most employers could be described as being in 'training equilibrium' having been able to provide all the training that they wanted over the previous 12 months, two-fifths of all employers in the LEP area (40 per cent, including non-trainers that had not delivered any) wanted to provide more training than they had been able to do. This is consistent with the proportion in England as a whole (42 per cent).

Recruitment of Young People

- Just over one in four employers in the LEP area (27 per cent) recruited at least one education leaver in the two to three years preceding the survey, the same as the England-wide figure. Specifically:
 - Ten per cent had recruited a 16 year-old school leaver (similar to the England average of eight per cent);
 - 11 per cent had recruited a 17-18 year old school leaver (the same as the England average of 11 per cent);
 - 13 per cent had recruited a 17-18 year old college leaver (similar to the England-wide figure of 12 per cent);
 - 11 per cent had recruited someone from a university or HEI (slightly lower than the England-wide figure of 14%).

High Performance Working practices and Product Market Strategies

- High Performance Working (HPW) is defined by the UK Commission as 'a general approach to managing organisations that aims to stimulate more effective employee involvement and commitment in order to achieve high levels of performance' (UKCES 2009).
- The survey identifies a minority of employers – 14 per cent in the LEP area – who are "HPW employers" in the sense that they adopt a number of HPW practices. This is slightly above the proportion in England as a whole (12 per cent).
- Product Market Strategies (PMS) are defined within the survey by aggregating responses to a series of questions exploring pricing strategies, approaches to innovation and the nature of the product market (the extent to which the market attracts a "premium" and the extent of customisation of products and services in the market).
- Aggregating these responses classifies just under half (46 per cent) of private sector employers in Dorset as having a high or very high product market strategy, indicating that their competitive success is not dependent on price, they pursue innovation, they compete on quality and/or that they offer customised goods or services. This is very similar to the proportion across England as a whole (45 per cent).

EMPLOYER PERSPECTIVES SURVEY 2014

Employer Perspectives on Recruitment

- Almost three-fifths (56 per cent) of employers in Dorset had recruited at least one member of staff in the 12 months prior to the survey, which was significantly higher than the proportion for England as a whole (46 per cent).
- Around half of recruiting employers in the Dorset area (51 per cent) rated core English and Maths skills as a critical or significant factor looked for in candidates. Work experience skills were considered critical or significant by a slightly higher proportion (55 per cent). Two in five recruiting employers rated vocational qualifications as critical or significant (40 per cent), slightly more than the proportion who said this about academic qualifications (37 per cent).
- Just over a third of employers in Dorset (36 per cent) had recruited a young person aged 16-24 over the previous 12 months, similar to the proportion found across England as a whole (31 per cent). This pattern was also evident in relation to the recruitment of leavers from education, with 38 per cent of employers in Dorset having recruited someone straight from school, college or university over the preceding 2-3 years, broadly in line with the proportion (31 per cent) for England as a whole.
- The level of recruitment of older workers in Dorset was significantly higher than that found nationally in England. Overall, 22 per cent of employers in Dorset had recruited anyone over the age of 50 in the previous 12 months before the survey, as compared with 13 per cent across England.

Employer Perspectives on Work Experience

- Less than one-third of employers (31 per cent) in the LEP area had provided individuals with work experience in the previous 12 months. Across England as a whole, 38 per cent of employers reported having had at least one person on work experience during the same period.
- Less than one quarter (22 per cent) of local employers within the LEP area had offered any work inspiration, such as holding site visits at their establishment for students or conducted mock interviews with students. This was in line with the level found England-wide, which stood at 18 per cent.

Employer Perspectives on People Development

- A similar proportion (70 per cent) of employers in Dorset had provided any training to their employees in the preceding 12 months as was seen across England (69 per cent).
- A higher proportion of employers in the LEP area had provided internal training over the previous year (64 per cent) than had offered external training (53 per cent) with employees being trained by people and organisations other than the employer.
- Commercial organisations were the most frequently used type of organisation to deliver external training. Overall, 52 per cent of all employers in Dorset had used a commercial organisation for training over the preceding 12 months to the survey. This was significantly more than the proportion found nationally across England where just 41 per cent had used a commercial organisation. Lower proportions of employers in the LEP area had used either FE or HE institutions to conduct training for staff. Just 9 per cent of employers in Dorset had used an FE institution and just 6 per cent had used a HE institution to deliver training over the previous 12 months. This compares to 8 per cent and 4 per cent respectively for England as a whole.
- Almost two-fifths (37 per cent) of employers in the LEP area had sought or received information, advice or more practical help on skills or training-related issues from people external to their organisation in the preceding 12 months. This was significantly higher than the 27 per cent that had done so nationally.

- Overall 21 per cent of employers in the LEP area had participated in a collaborative venture with other employers, similar to the figure of 17 per cent across England as a whole.
- One-quarter of employers in Dorset (25 per cent) had provided training that led towards the achievement of a nationally recognised vocational qualification in the preceding 12 months. This was similar to the 26 per cent of employers which had done so nationally.
- Just under two-fifths of employers (36 per cent) in the LEP area were aware of National Occupational Standards (NOS), which describes what an individual needs to do, know and understand to be competent in an occupation and underpins the development of vocational qualifications. The level of awareness in Dorset was on a par with that seen across England, where 39 per cent of employers were aware of NOS.

Employer Perspectives on Apprenticeships

- Only a minority of employers offered apprenticeships at the time of the survey (13 per cent in Dorset. Locally the level of engagement with apprenticeships was similar to the figure of 15 per cent in England as a whole.
- At the time of the survey, just over two in five employers in the Dorset LEP area were expecting to offer formal Apprenticeships in the future (41 per cent, which was similar to the 35 per cent found across England as a whole).





UK Commission for
Employment and Skills (UKCES)

www.gov.uk/ukces