

Employer Skills Survey 2015

England Slide Pack

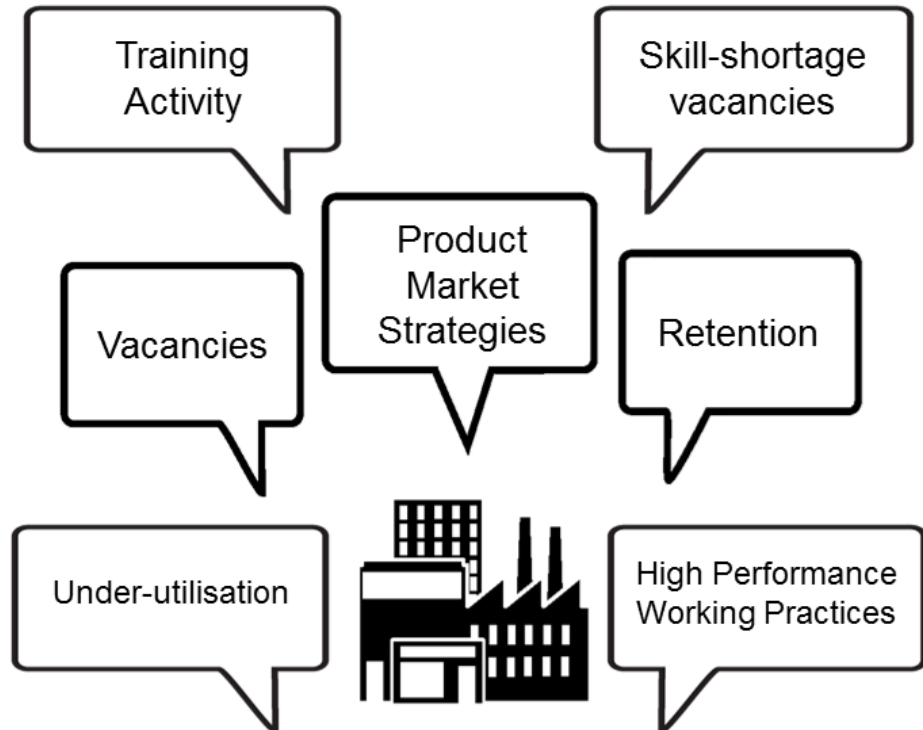
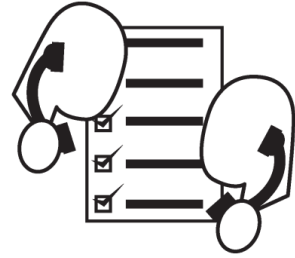
May 2016

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ESS 2015 – overview

75,129 telephone interviews with establishments in England
9,616 follow up interviews on training spend



- ESS 2015 is the third time the survey has been run at UK-level
- The 2015 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 or 2015.
- Where comparisons are made with 2011 or 2013 findings, these are based on re-weighted 2011 data (configured to represent the 2+ employment business population used in 2013 and 2015).

Achieved interviews / confidence intervals

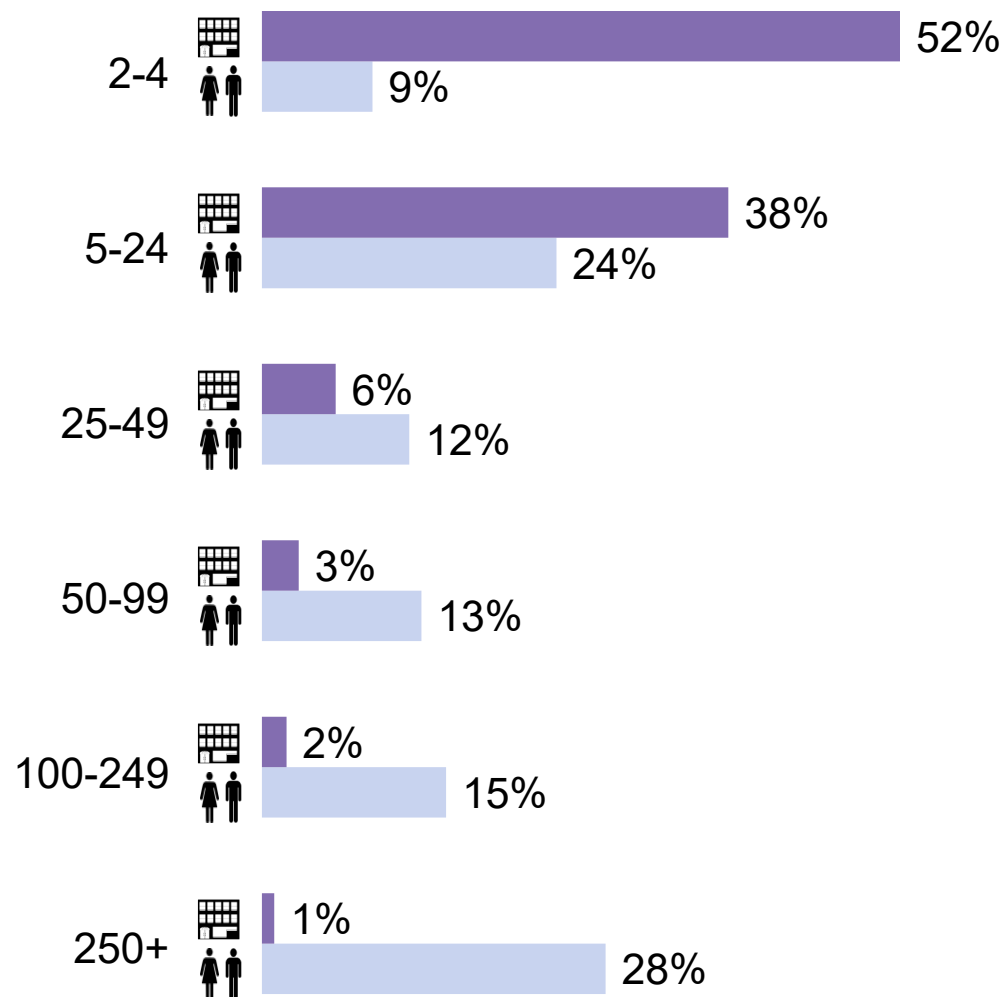
‘For a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 49.64% to 51.36%’

	Population	Number of interviews	(Maximum) Sampling Error
England	1,488,171	75,129	+/-0.36
By region			
East Midlands	120,461	7,179	+/-1.16
East of England	169,817	8,445	+/-1.07
London	260,283	10,630	+/-0.95
North East	55,916	5,642	+/-1.30
North West	178,229	8,631	+/-1.05
South East	257,799	10,685	+/-0.95
South West	167,484	8,493	+/-1.06
West Midlands	144,557	7,879	+/-1.10
Yorkshire and The Humber	133,625	7,545	+/-1.13
By size of establishment			
2-4	767,588	16,346	+/-0.77
5-24	559,433	41,013	+/-0.48
25-49	85,347	9,860	+/-0.99
50-99	42,867	4,882	+/-1.40
100-249	22,950	2,263	+/-2.06
250+	9,986	765	+/-3.45

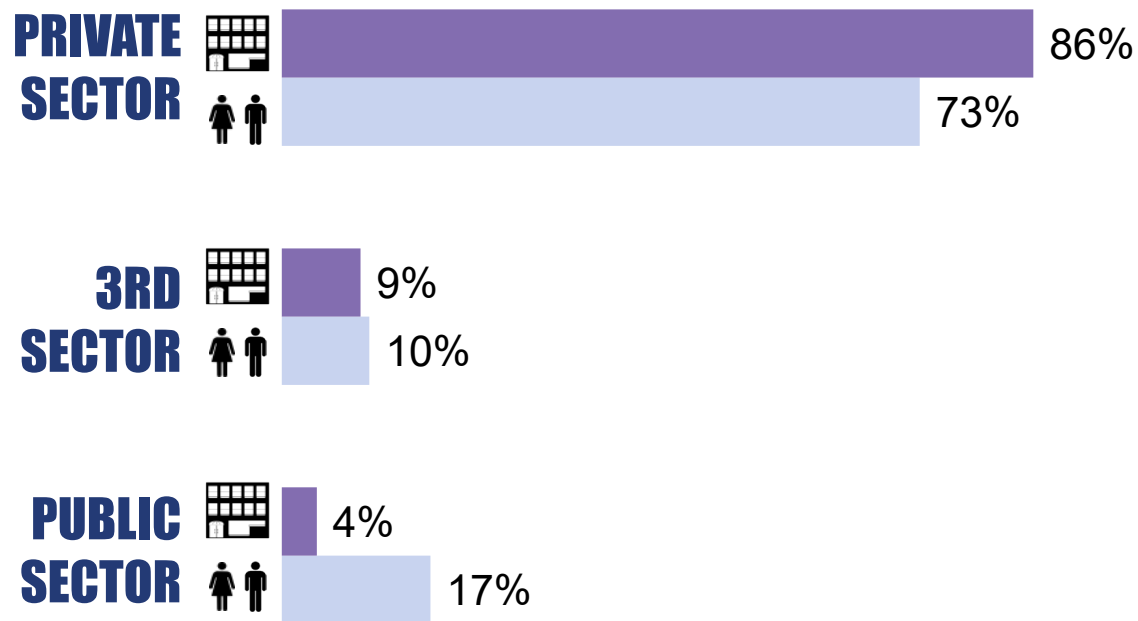
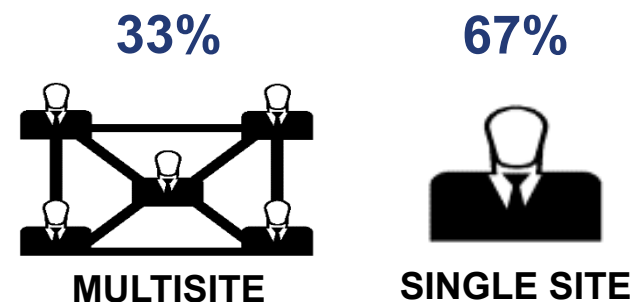
	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	68,835	2,651	+/-1.90
Manufacturing	85,875	5,821	+/-1.28
Electricity, Gas and Water	8,236	880	+/-3.30
Construction	133,703	6,334	+/-1.23
Wholesale and Retail	313,469	13,126	+/-0.86
Hotels & Restaurants	133,022	7,274	+/-1.15
Transport and Communications	113,494	7,538	+/-1.13
Financial Services	32,777	2,121	+/-2.13
Business Services	319,313	11,158	+/-0.93
Public Administration	15,162	721	+/-3.65
Education	47,477	4,549	+/-1.45
Health and Social Work	110,011	6,963	+/-1.17
Arts and Other Services	106,897	5,993	+/-1.27

Profile of survey population

Establishments vs. Employment – England



Data based on IDBR March 2014 counts



Data taken from ESS 2015
Base: All establishments (75,129)

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

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

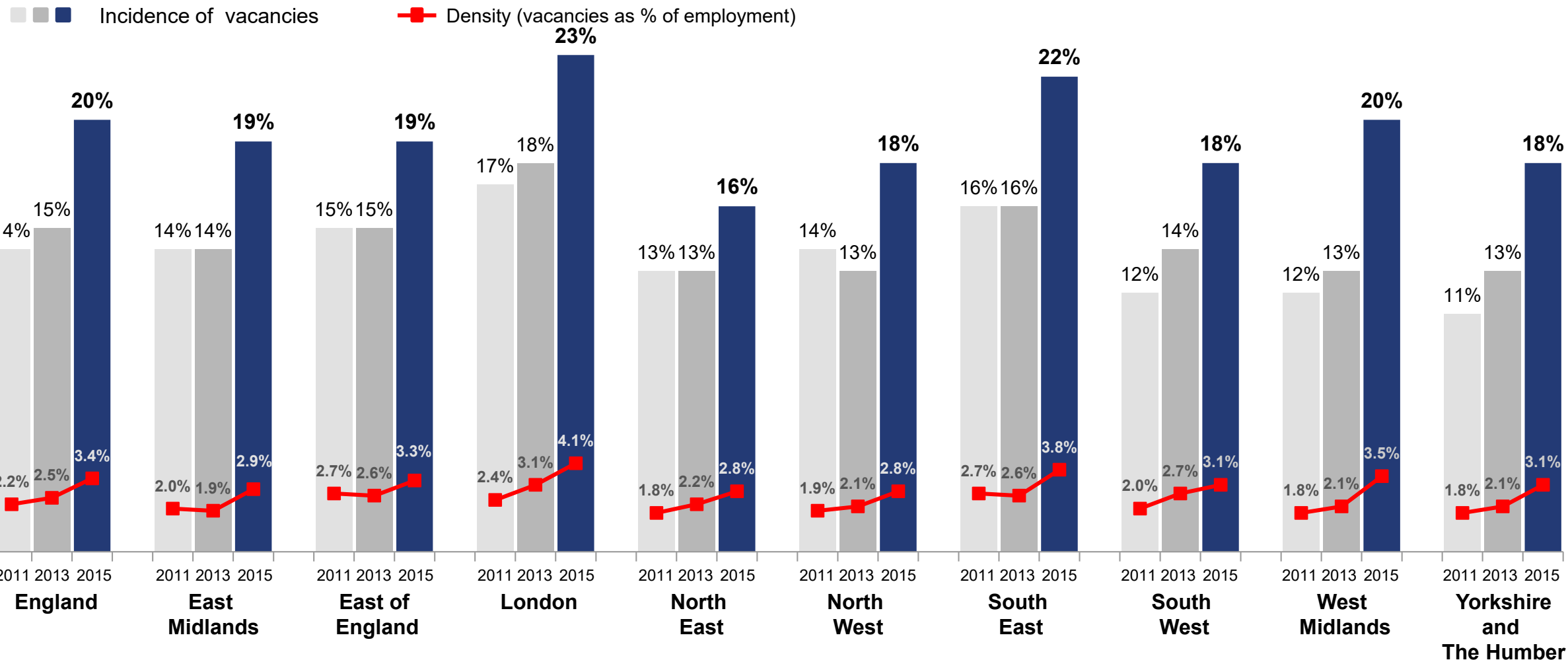
Skill-shortage vacancies as a proportion of all vacancies

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

Section 1: Employers' experiences of skill shortages

Incidence and density of vacancies by region

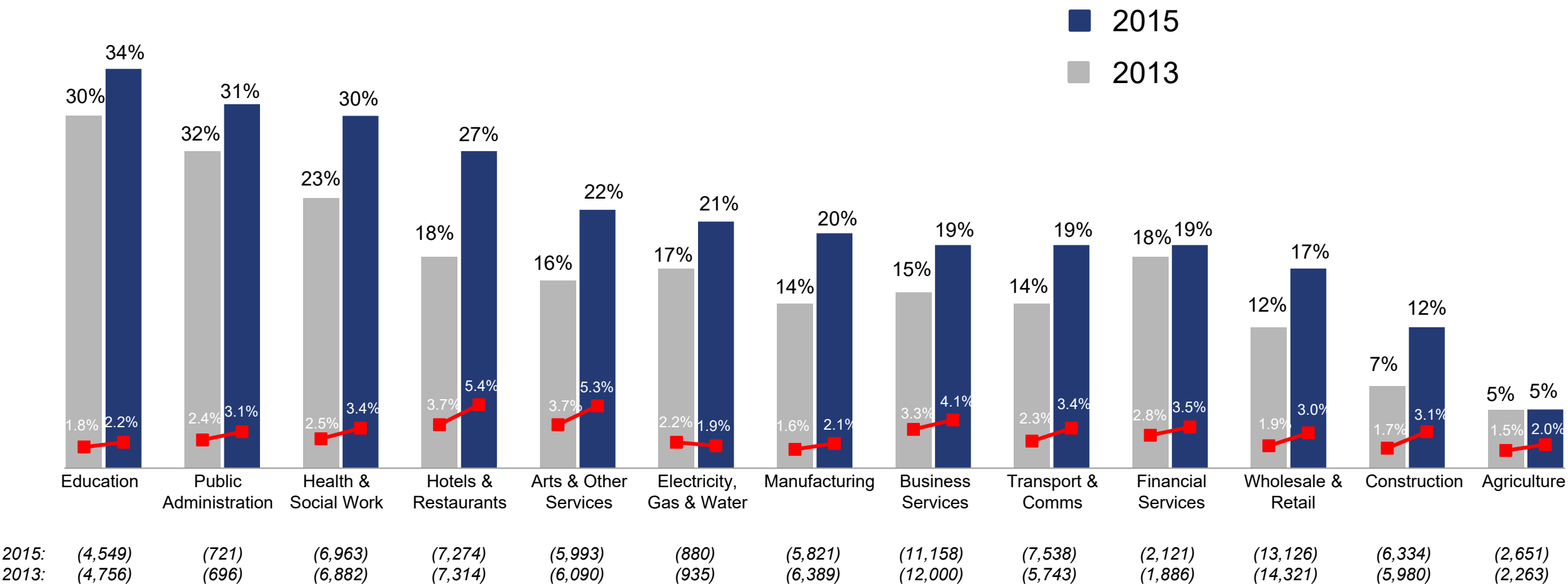


2011: (74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
2013: (75,255)	(7,269)	(8,476)	(10,371)	(5,614)	(8,763)	(10,730)	(8,511)	(7,914)	(7,607)
2015: (75,129)	(7,179)	(8,445)	(10,630)	(5,642)	(8,631)	(10,685)	(8,493)	(7,879)	(7,545)

Base: All establishments (as shown)

Incidence and density of vacancies by sector

Incidence of vacancies	Density (vacancies as % of employment)	Employers with at least one vacancy (2015)
16,164	4,750	33,340
35,319	23,942	1,710
16,864	59,715	21,716
6,167	54,153	15,890
3,708		



Base: All establishments (as shown)

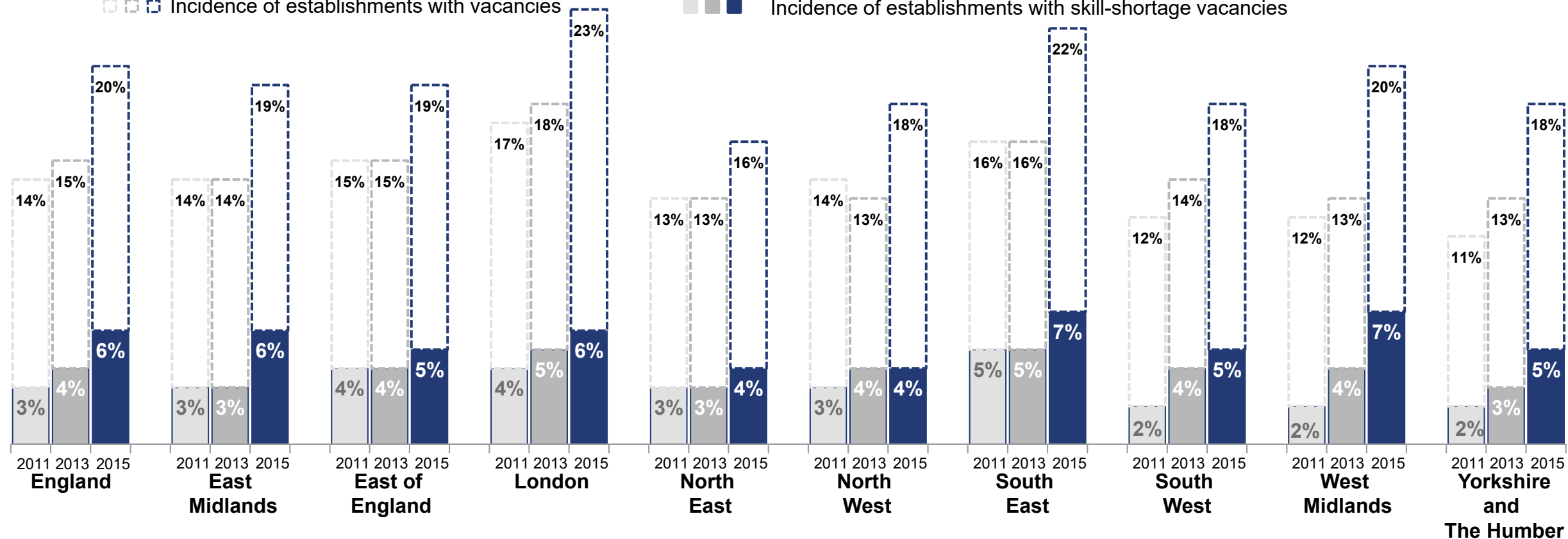
Incidence and density of skill-shortage vacancies by region

SSV Density (SSVs as % of Vacs)



Incidence of establishments with vacancies

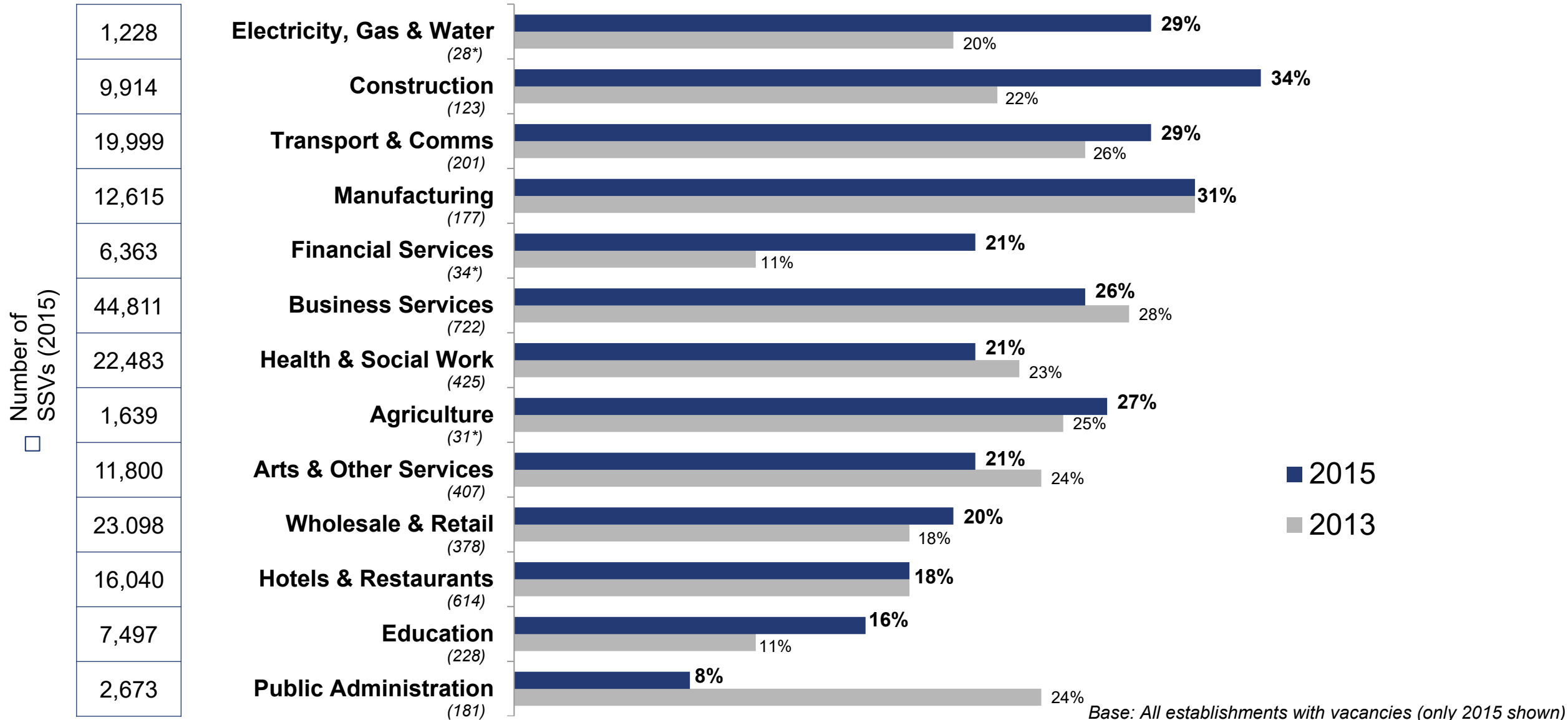
Incidence of establishments with skill-shortage vacancies



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)
2015:	(75,129)	(7,179)	(8,445)	(10,630)	(5,642)	(8,631)	(10,685)	(8,493)	(7,879)	(7,545)

Base: All establishments with vacancies (only 2015 shown)

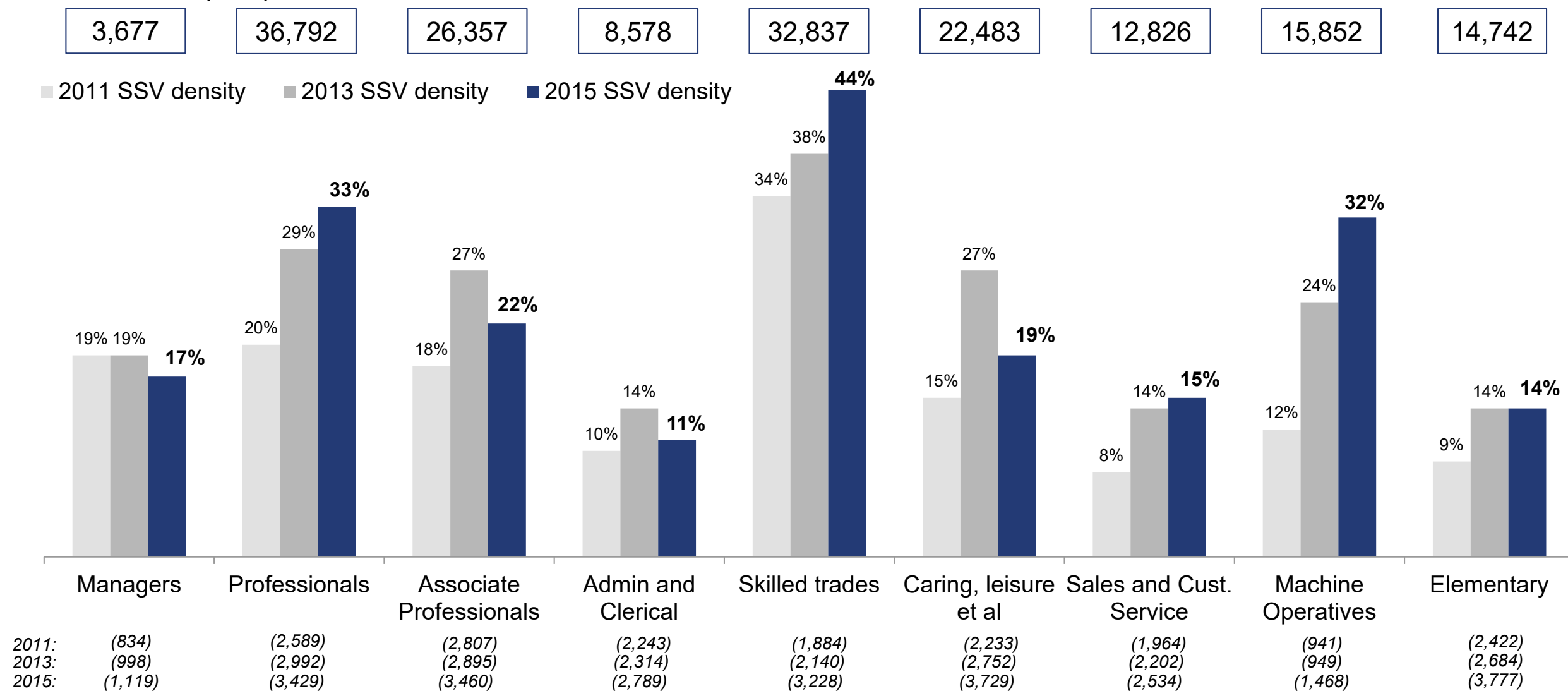
Density of skill-shortage vacancies by sector



Base: All establishments with vacancies (only 2015 shown)
 * Figure should be treated with caution due to low base size (<50)

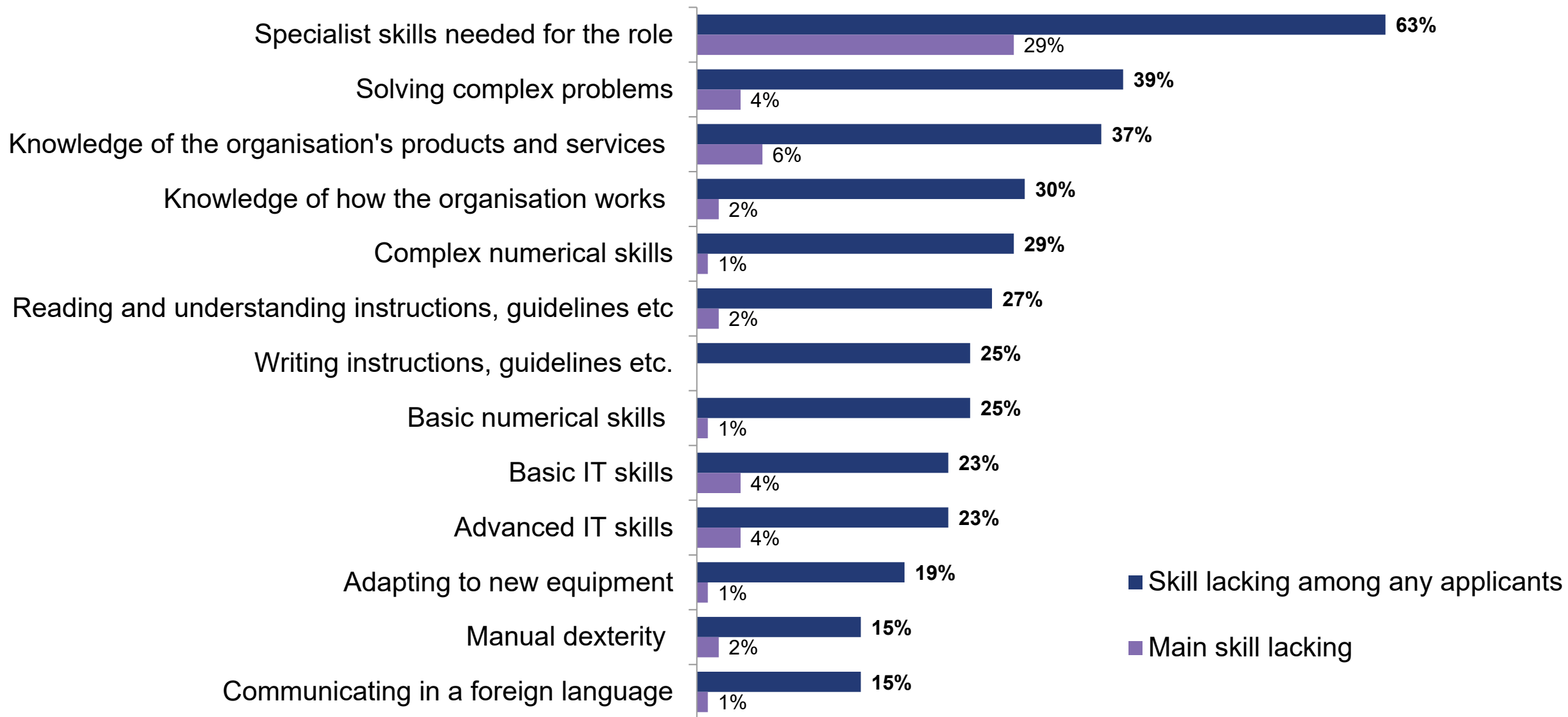
Density of skill-shortage vacancies by occupation

Number of SSVs (2015)



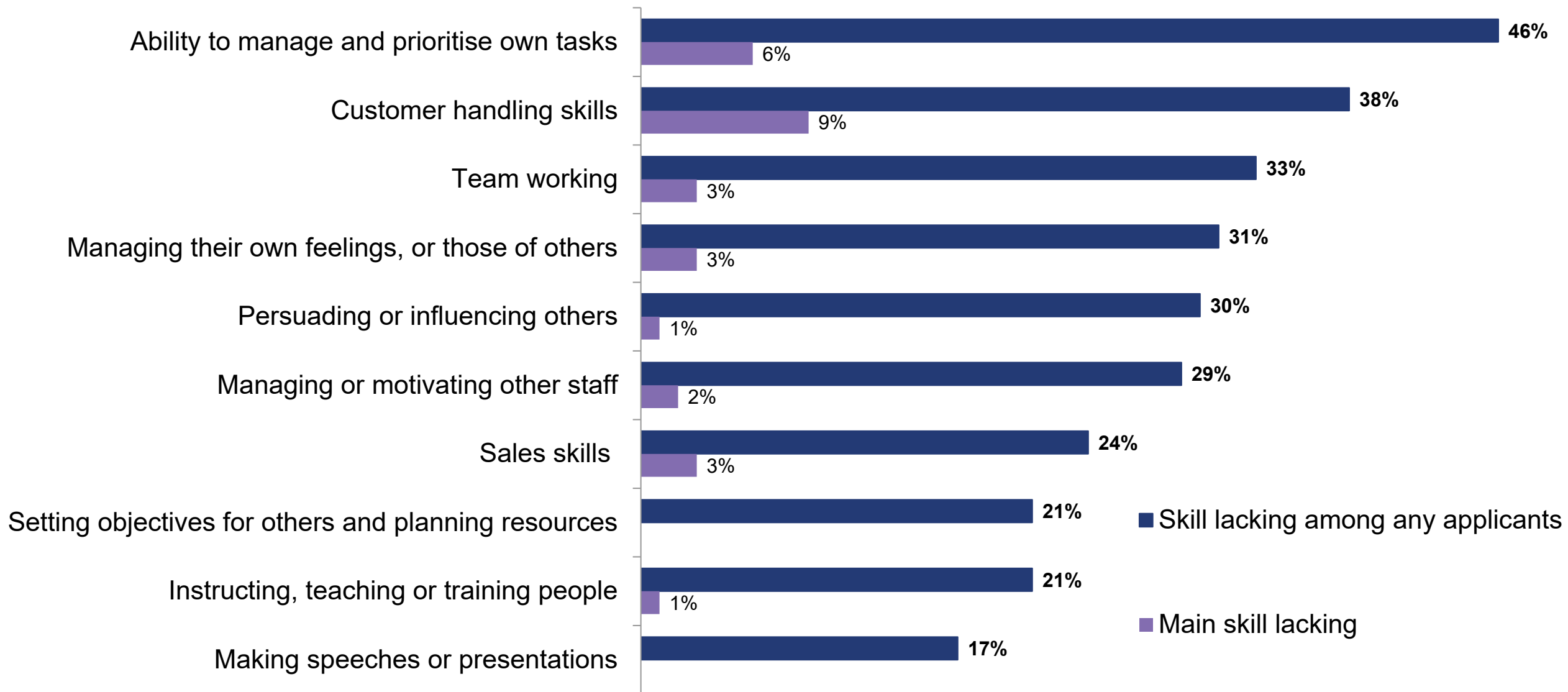
Base: All establishments with vacancies in each occupation (as shown)

Technical and practical skills lacking among applicants



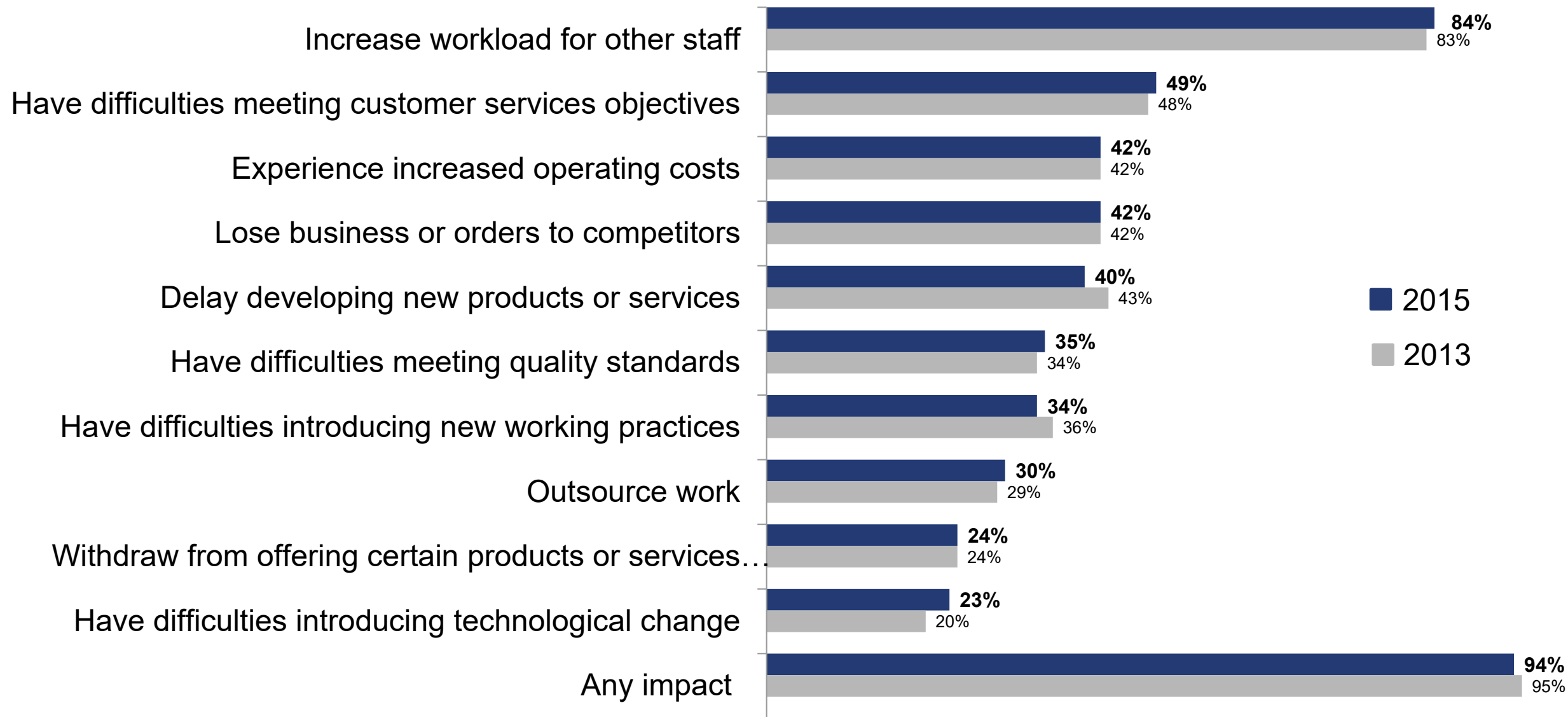
Base: All with skill-shortage vacancies that received the new lists of skills descriptors (6,472)

People skills lacking among applicants



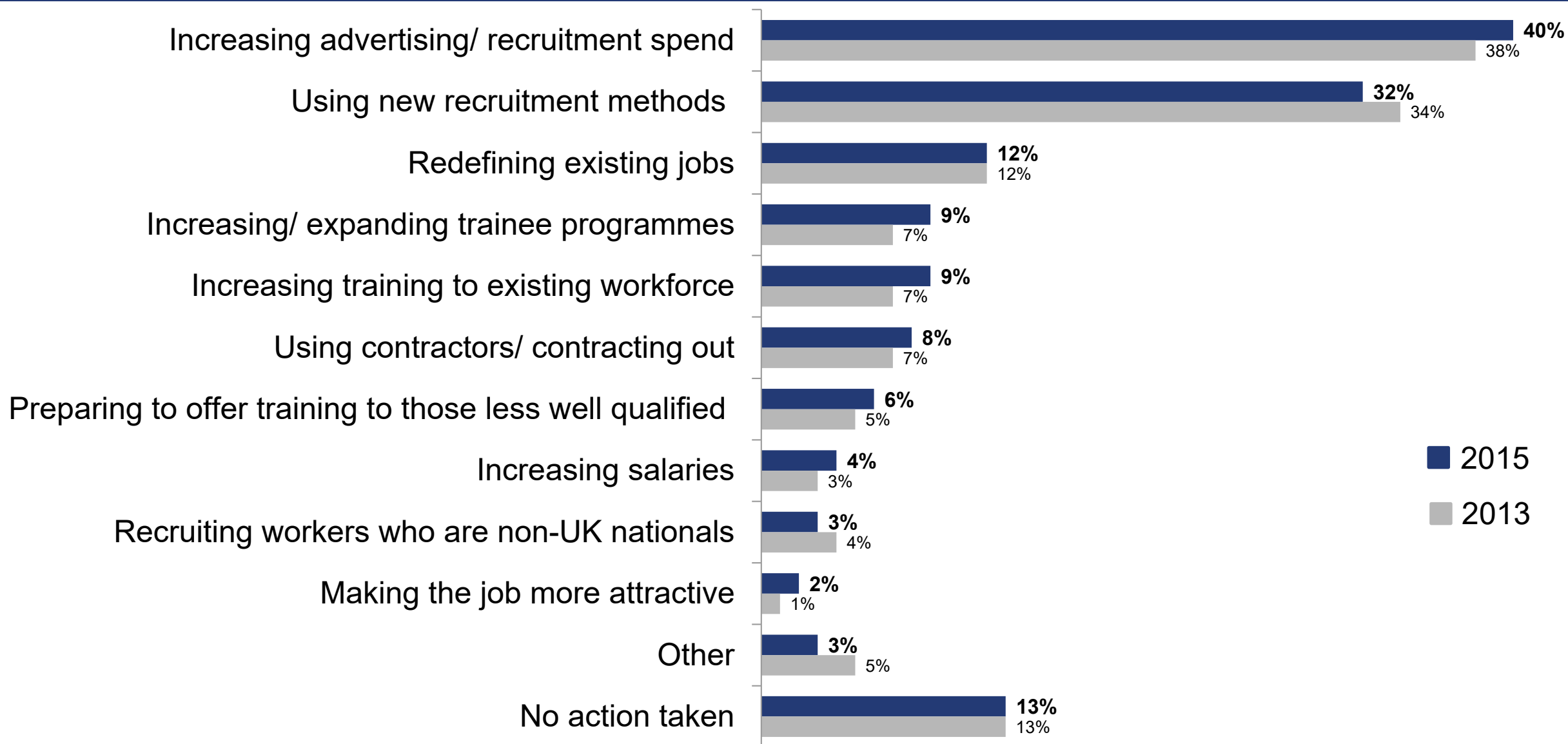
Base: All with skill-shortage vacancies that received the new lists of skills descriptors (6,472)

Impact of skill-shortage vacancies



Base (2013/2015): All establishments with hard-to-fill vacancies that are all as a result of skill shortages (3,879 / 5,495)

Action taken to fill skill-shortage vacancies



Base (2013 / 2015): All with hard-to-fill vacancies (5,073 / 7,797))

Section 2: Retention difficulties



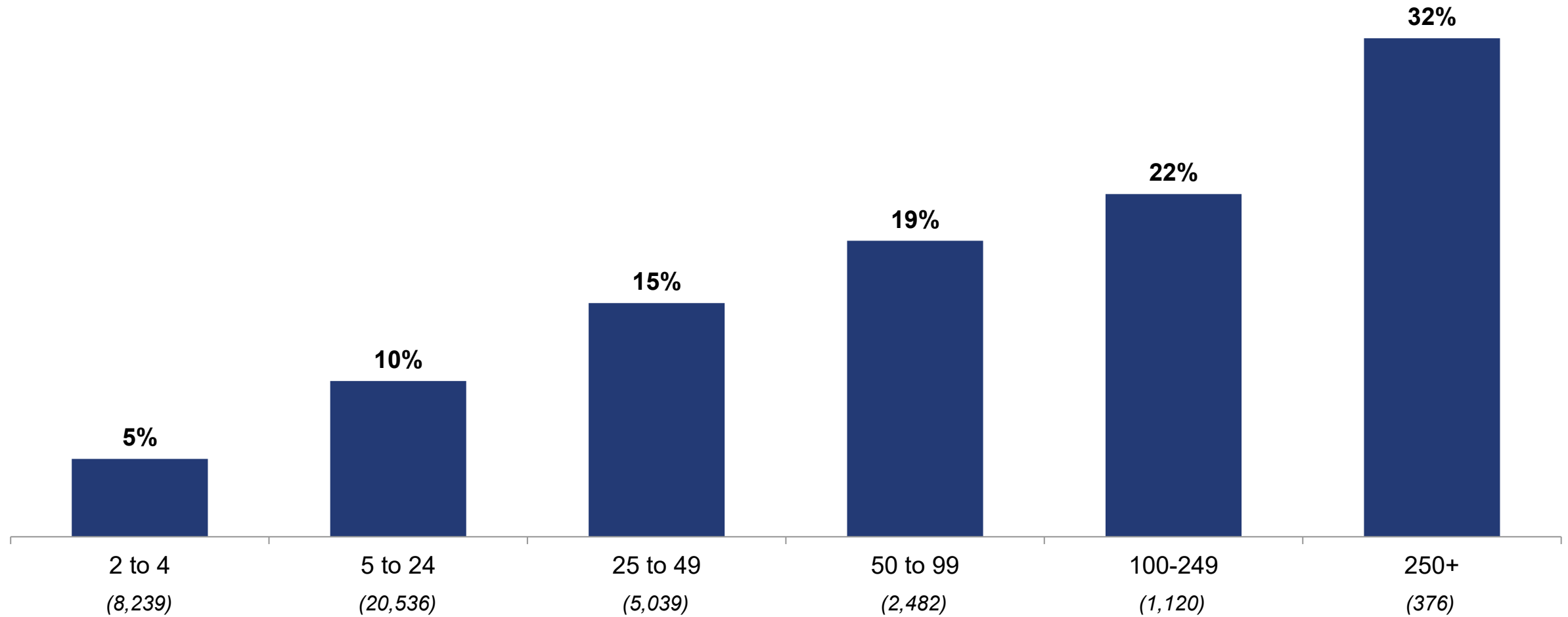
Incidence of retention difficulties - by region



Base: All establishments in Module 2 (as shown)

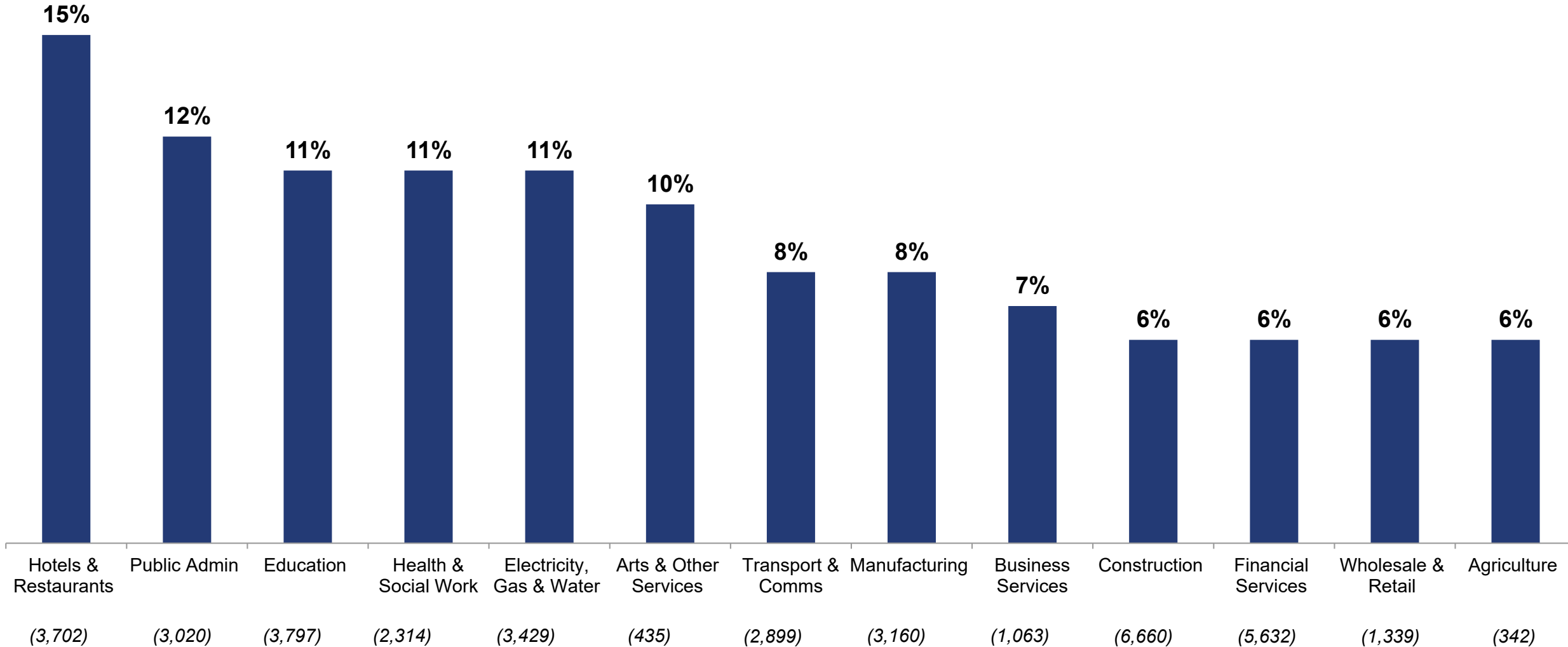


Incidence of retention difficulties - by establishment size



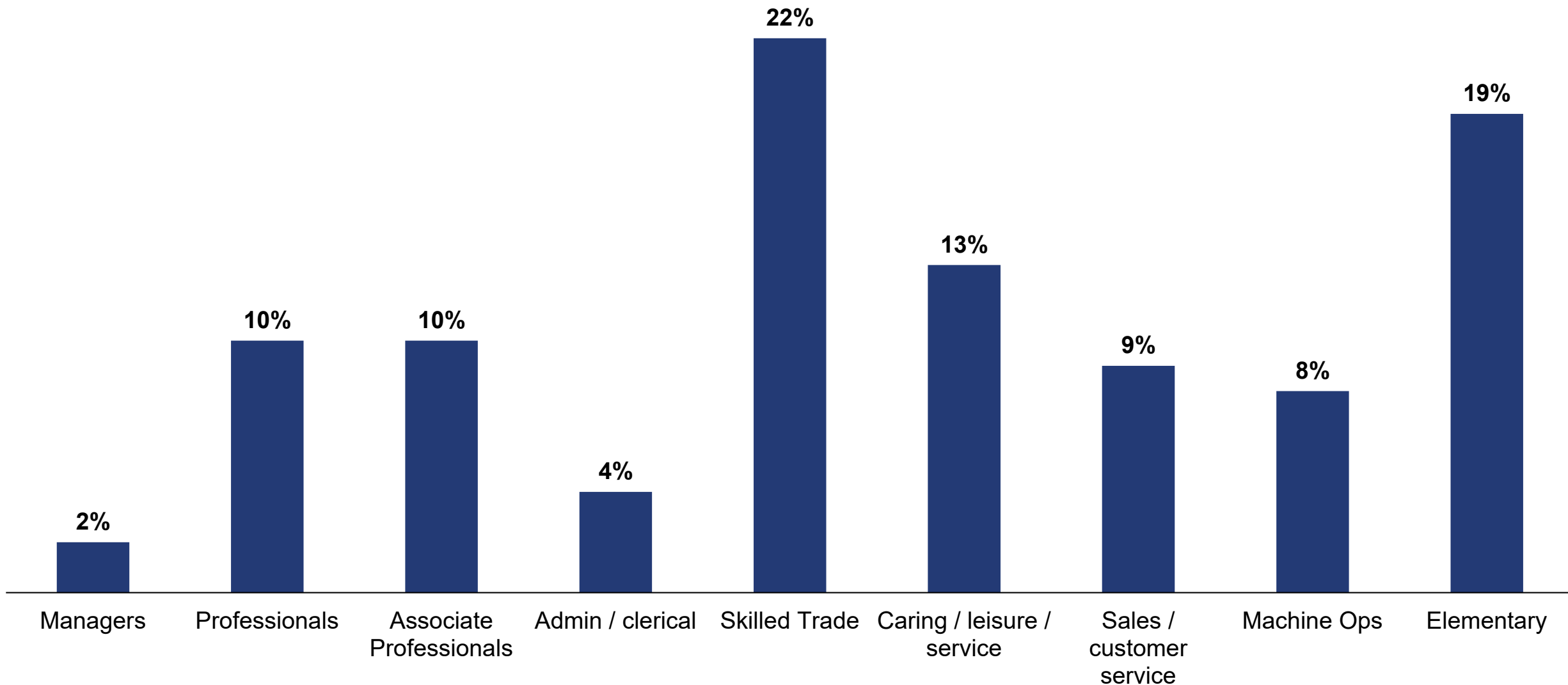
Base: All establishments in Module 2 (as shown)

Incidence of retention difficulties by sector



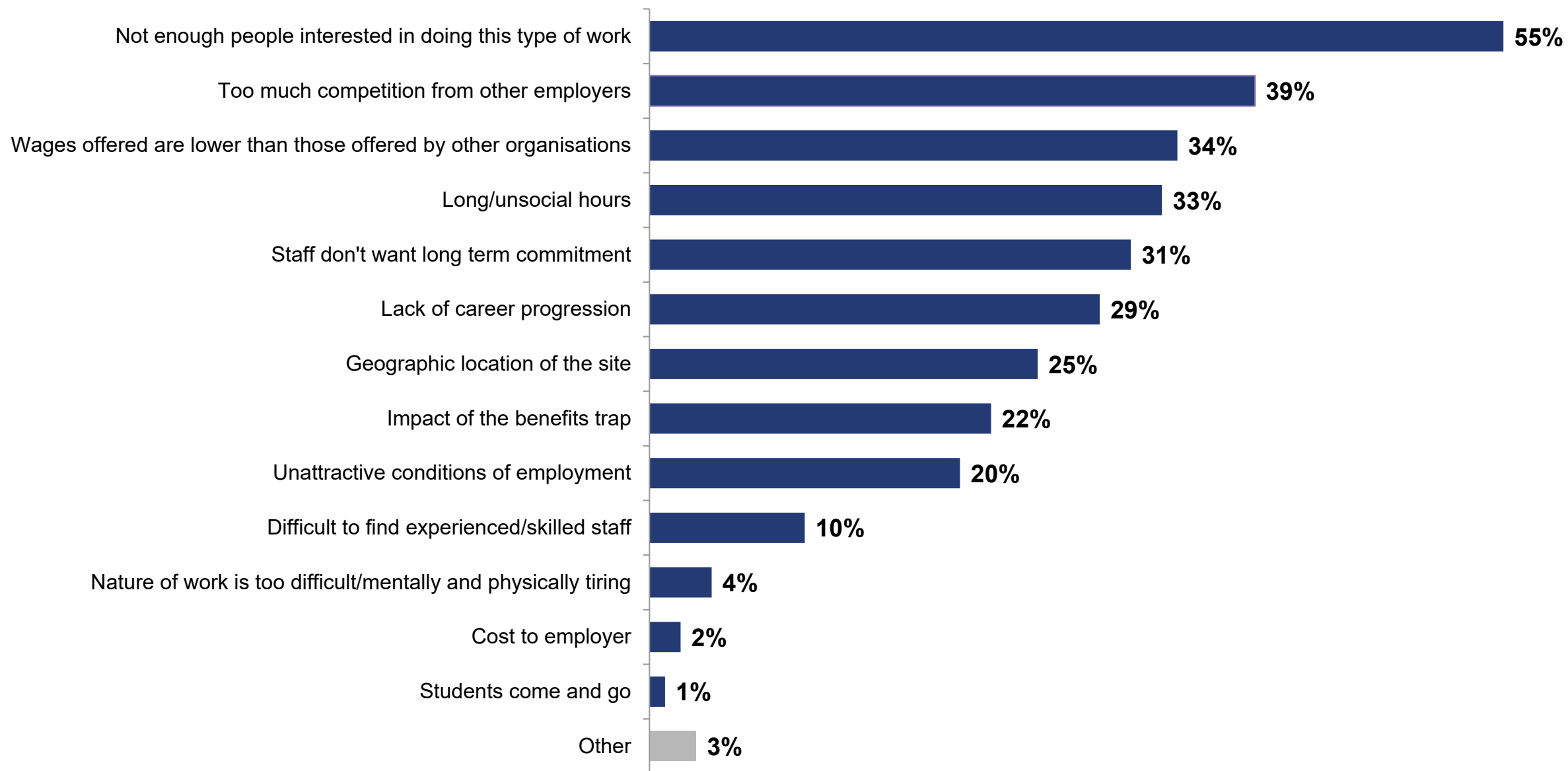
Base: All establishments in Module 2 (as shown)

Occupation most affected by retention difficulties



Base: All establishments with retention difficulties (4,066)

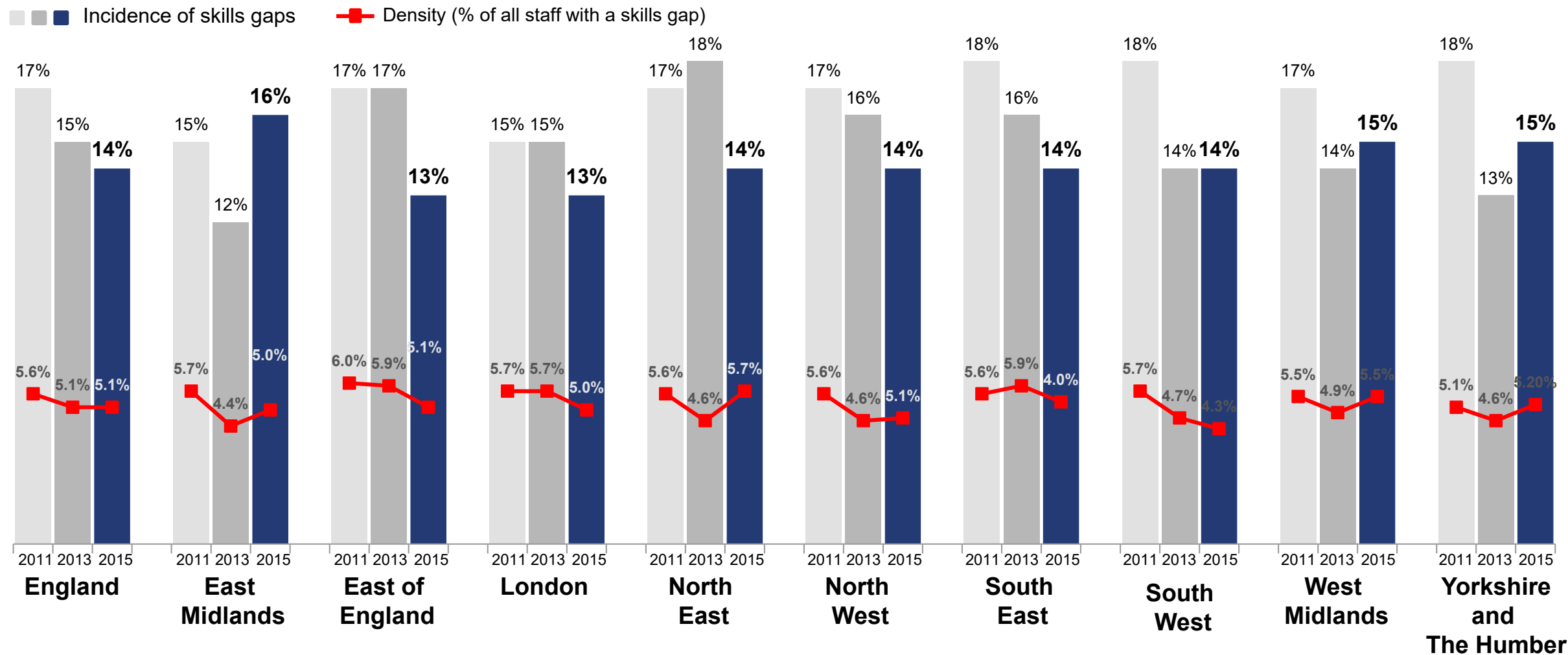
Reasons why it is difficult to retain staff



Base: All establishments experiencing retention difficulties (Module 2: 4,066)

Section 3: The internal skills challenge

Incidence and density of skills gaps by region

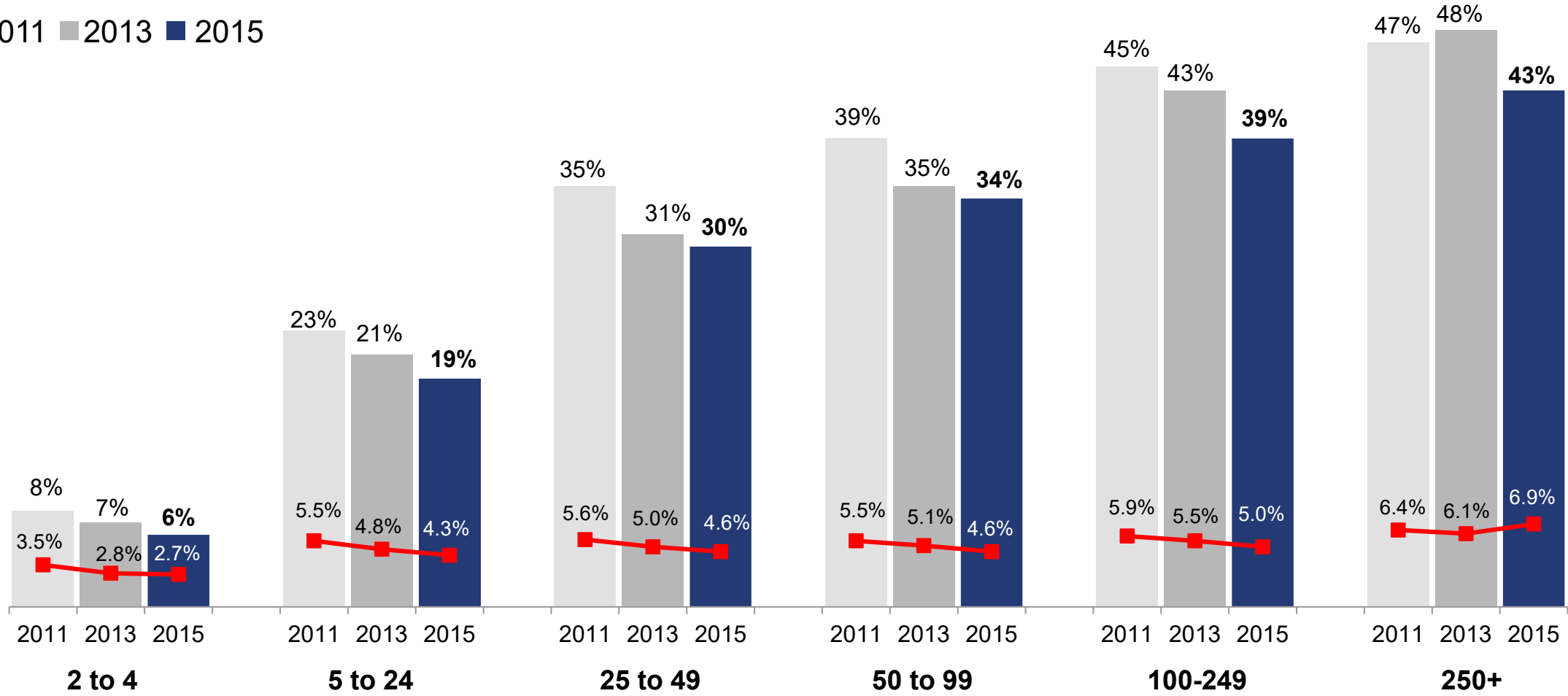


2011:	(74,156)	(7,253)	(8,372)	(9,925)	(5,529)	(8,735)	(10,592)	(8,377)	(7,851)	(7,522)
2013:	(75,255)	(7,269)	(8,476)	(10,371)	(5,614)	(8,763)	(10,730)	(8,511)	(7,914)	(7,607)
2015:	(75,129)	(7,179)	(8,445)	(10,630)	(5,642)	(8,631)	(10,685)	(8,493)	(7,879)	(7,545)

Incidence and density of skills gaps by establishment size

■ Incidence of skills gaps
 ■ 2011 ■ 2013 ■ 2015

■ Density (% of all staff with a skills gap)



2011: (15,457)
 2013: (14,875)
 2015: (16,346)

(41,136)
 (42,969)
 (41,013)

(8,760)
 (9,259)
 (9,860)

(4,790)
 (4,699)
 (4,882)

(2,691)
 (2,463)
 (2,263)

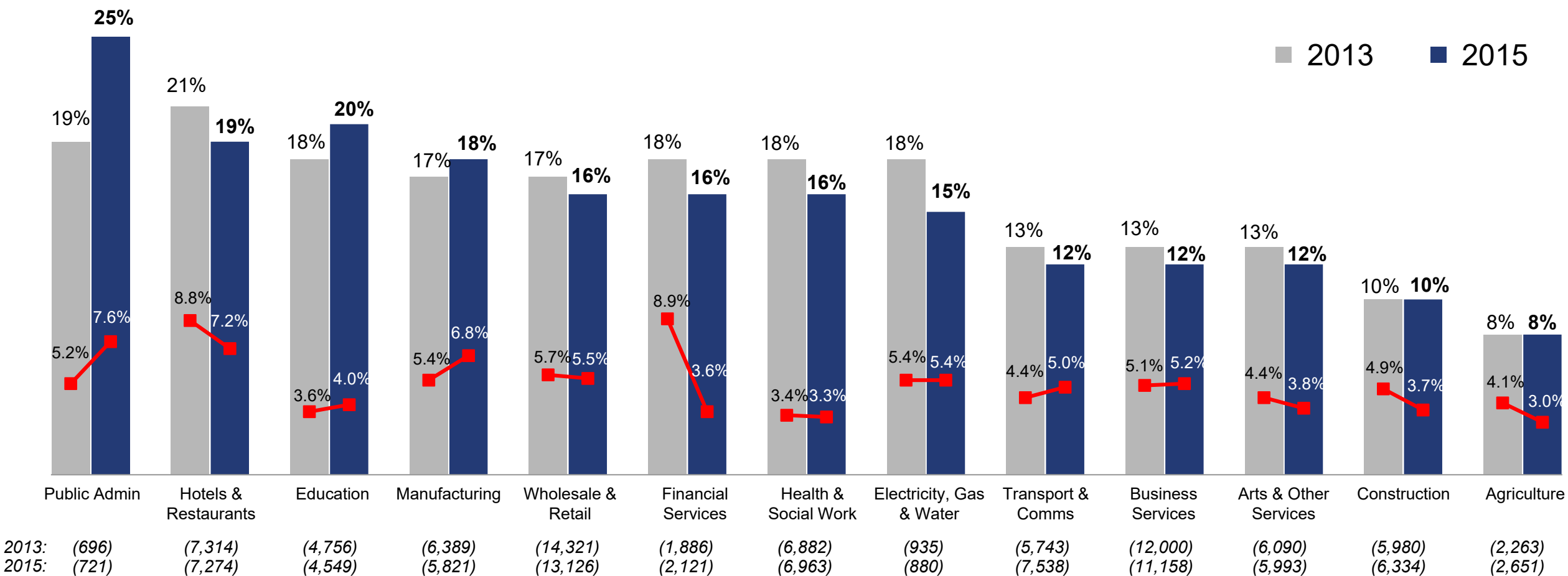
(1,322)
 (990)
 (765)

Base: All establishments (as shown)

Incidence and density of skills gaps by sector

■ Incidence of skills gaps ■ Density (% of all staff with a skills gap) □ Number of skills gaps (2015)

81,286	118,374	90,103	136,760	208,453	31,304	101,513	12,335	98,584	220,754	40,484	35,659	9,092
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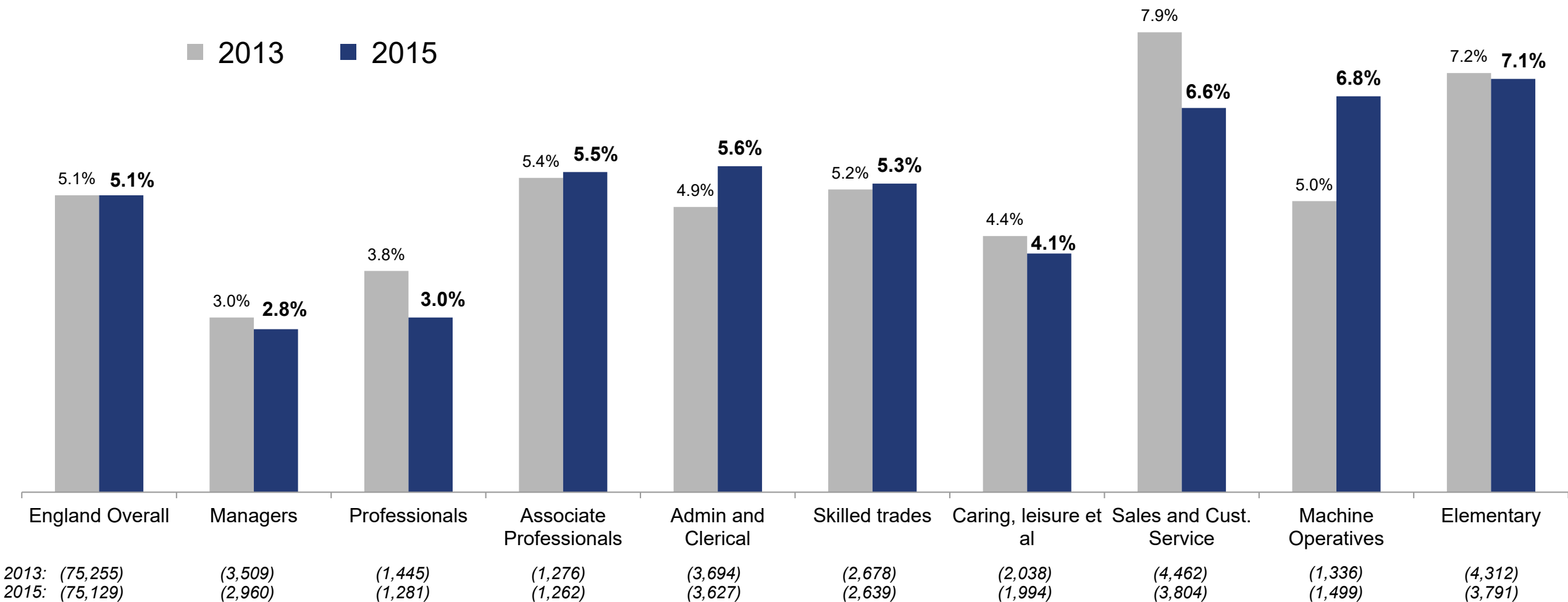
Base: All establishments (as shown)

Skills gaps density by occupation

□ Number of skills gaps (2015)

56,879	116,281	86,375	77,887	166,780	85,479	99,264	198,608	132,128	221,898
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■ 2013 ■ 2015



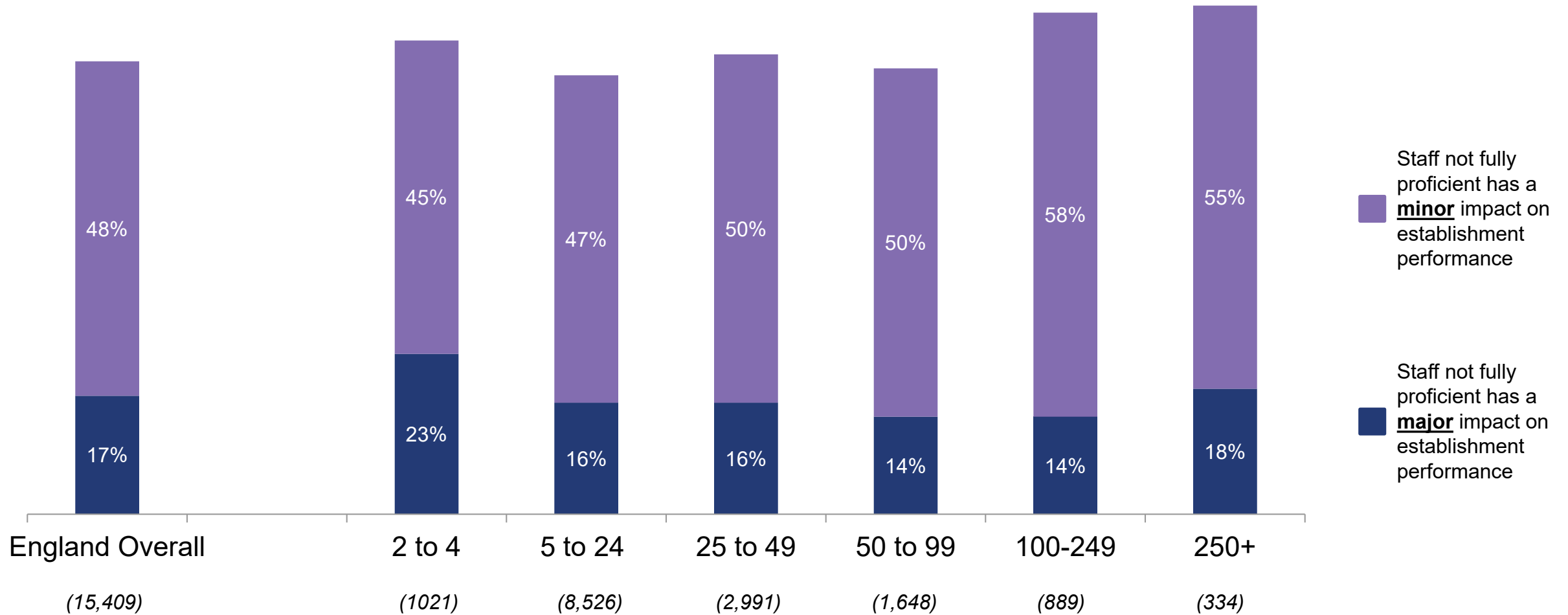
Base: All employment (as shown)

Main causes of skills gaps



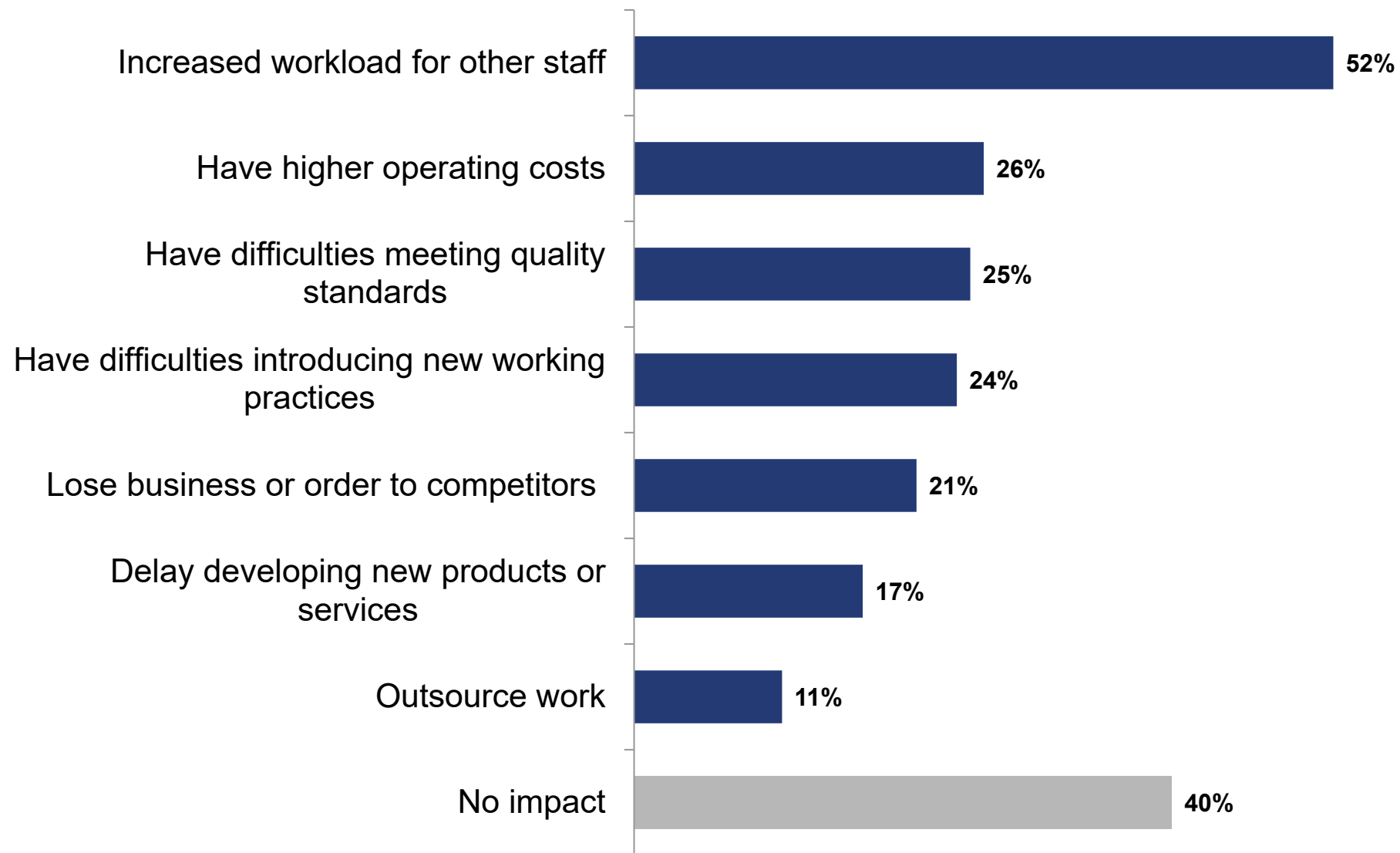
Base (2013/2015) : All establishments with skills gaps - up to 2 occupations followed up (16,563 / 15,409)
 Figures are shown as a percentage of all gaps (not a percentage of all establishments)

Impact of skills gaps by establishment size



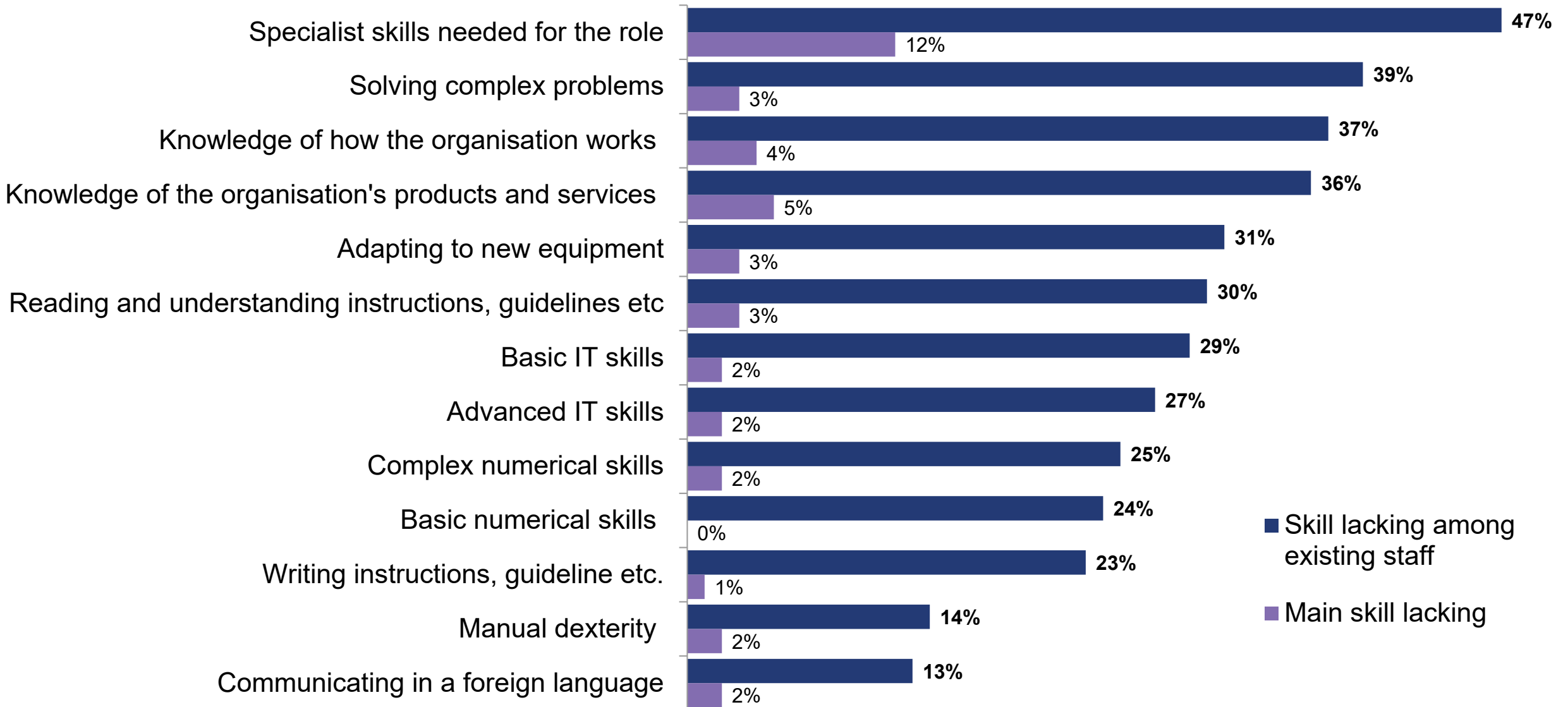
Base: All with skills gaps (as shown)

Impact of skills gaps



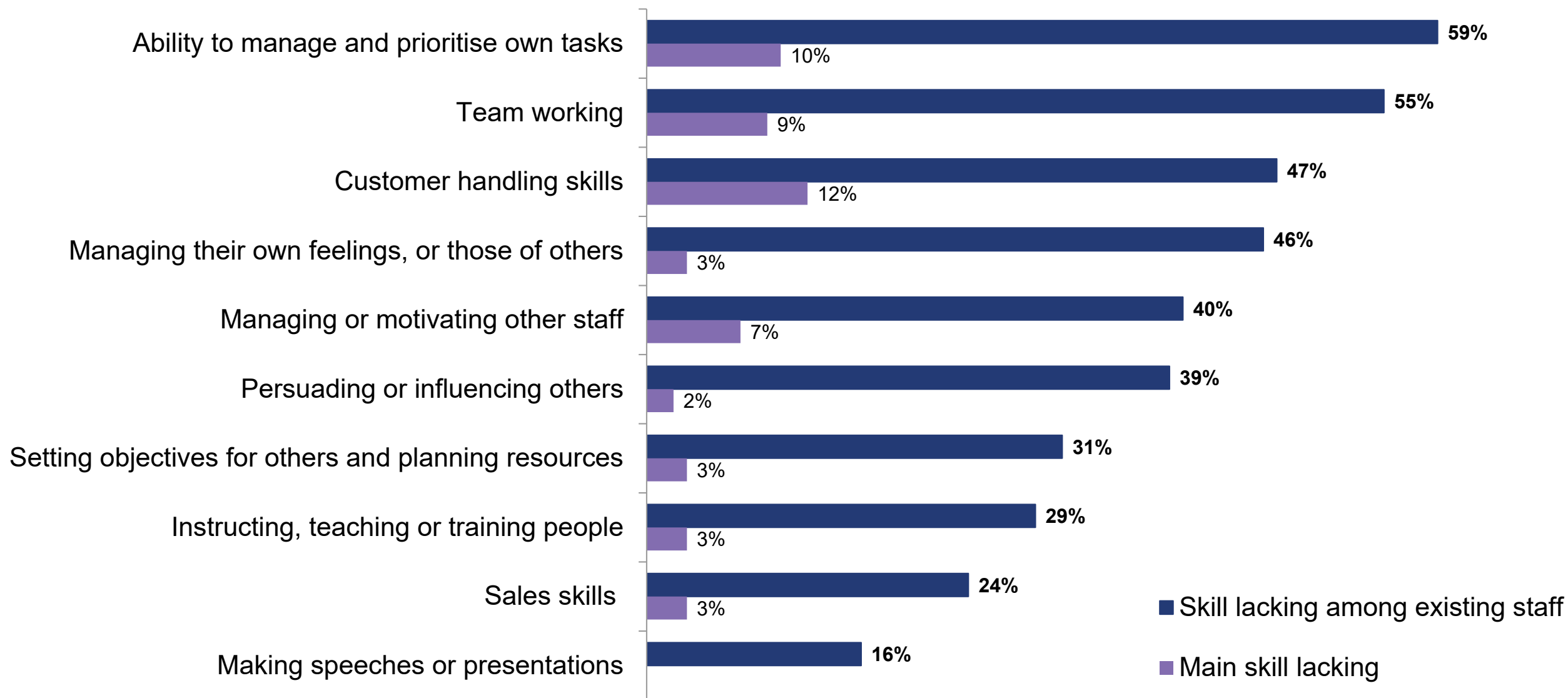
Base: All establishments with skills gaps (15,409)

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



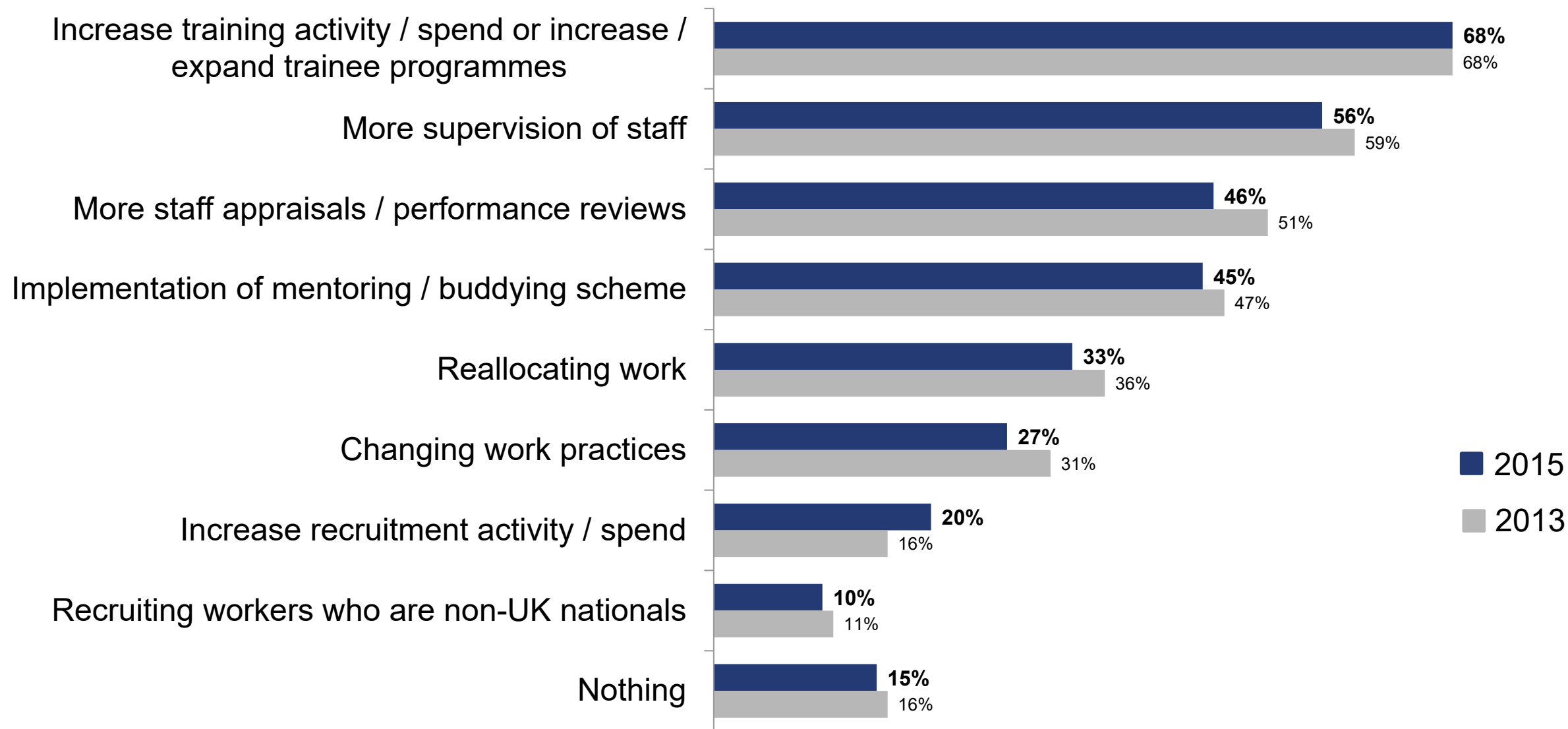
Base: All with skills gaps followed up with the new lists of skills descriptors (37,381)

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



Base: All with skills gaps followed up with the new lists of skills descriptors (37,381)

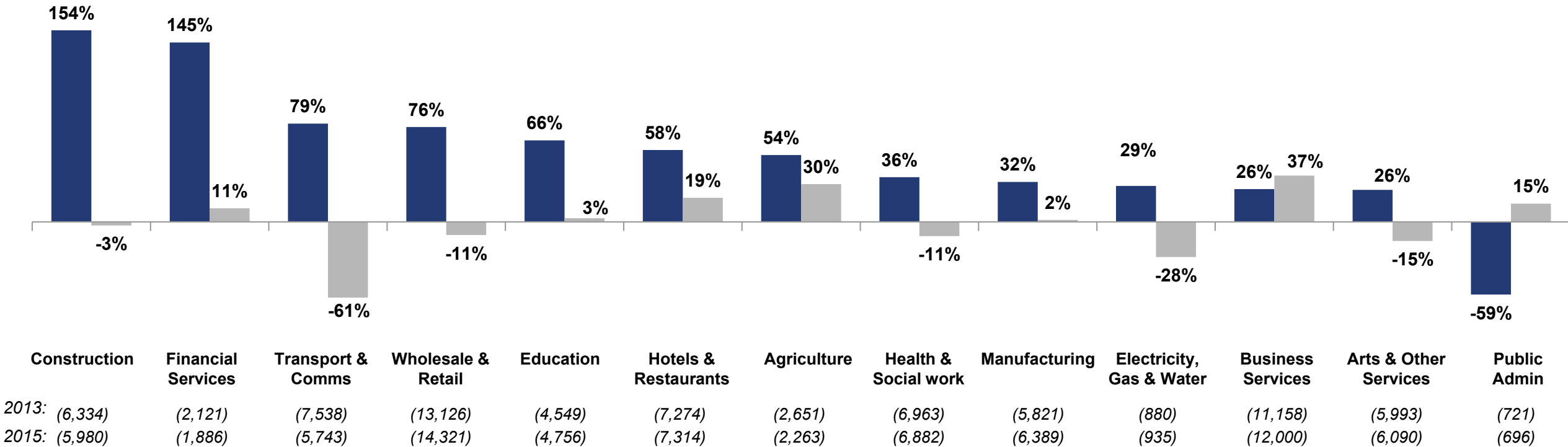
Action taken to overcome skills gaps



Base (2013 / 2015): All establishments with skills gaps (16,563 / 15,409)

Changes in the number of SSVs and skills gaps over time

■ % Change in SSVs since 2013 ■ % Change in Skills Gaps since 2013

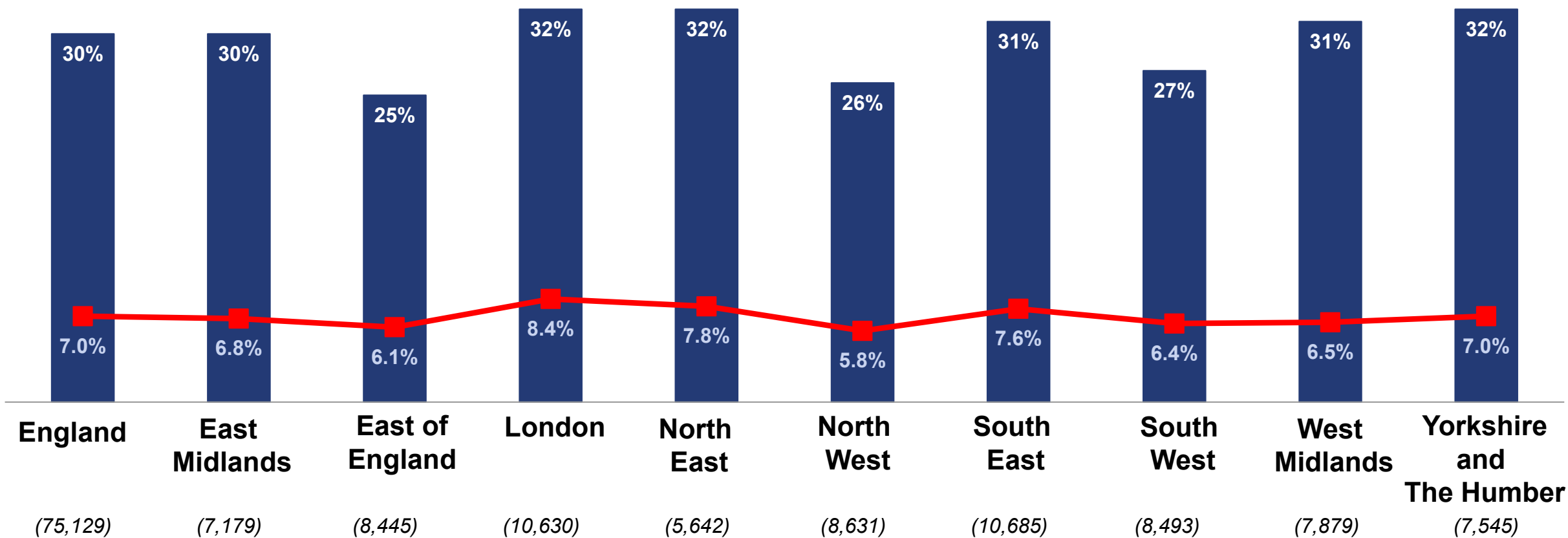


Base: All establishments (as shown)

Section 4: Under-utilisation

Incidence and density of skills under-utilisation by region

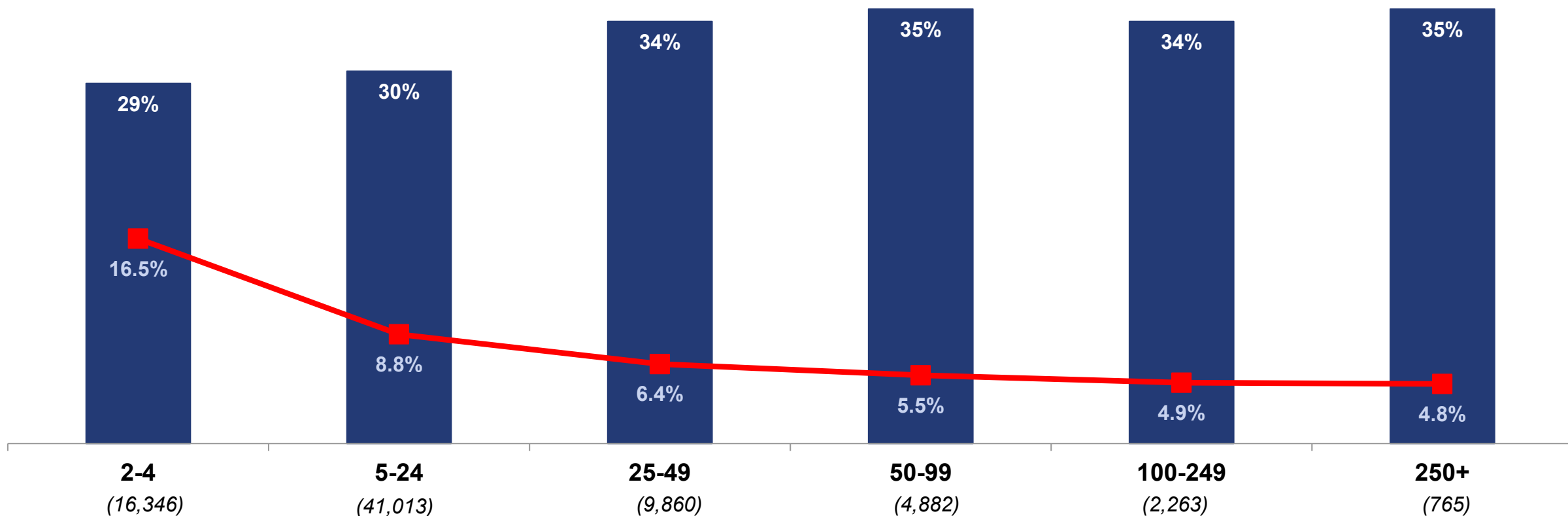
■ Incidence of under-utilisation ■ Skills under-utilisation density



Base: All establishments (as shown)

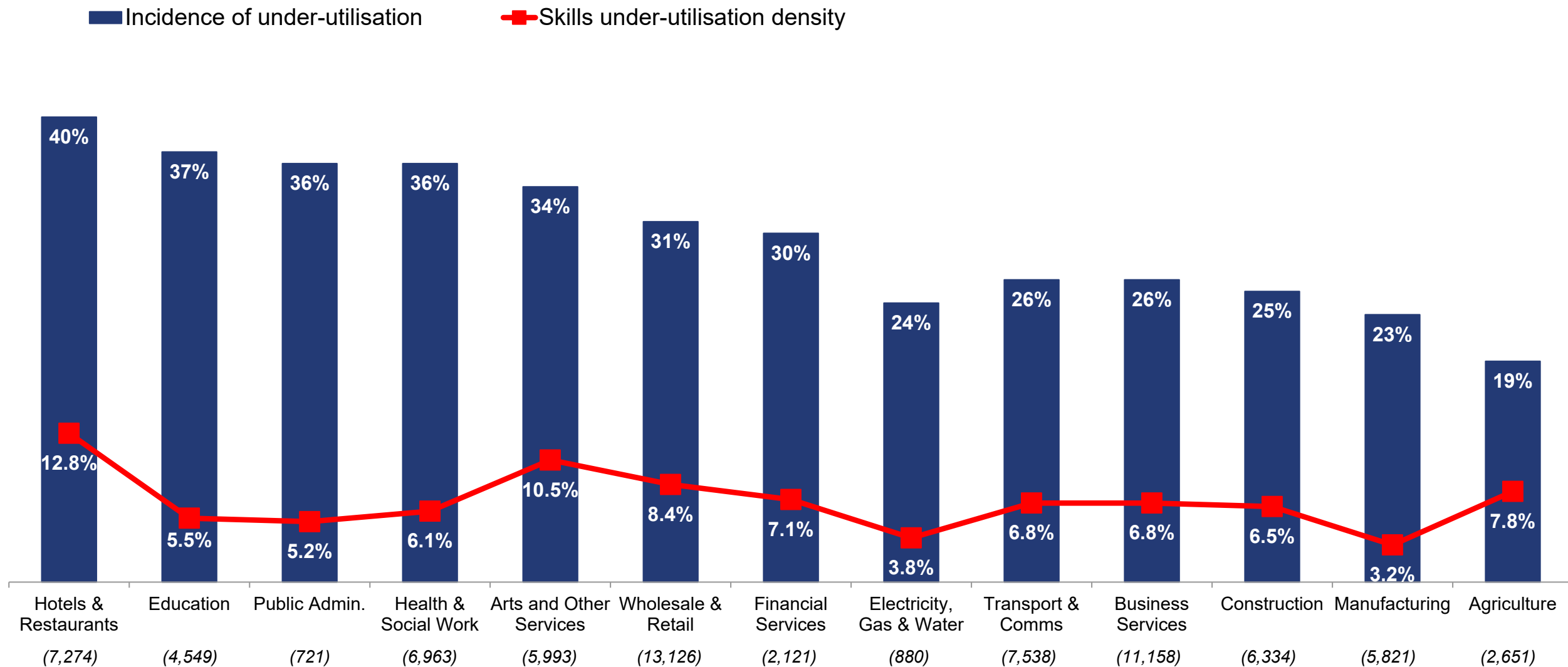
Incidence and density of skills under-utilisation by establishment size

■ Incidence of under-utilisation ■ Skills under-utilisation density



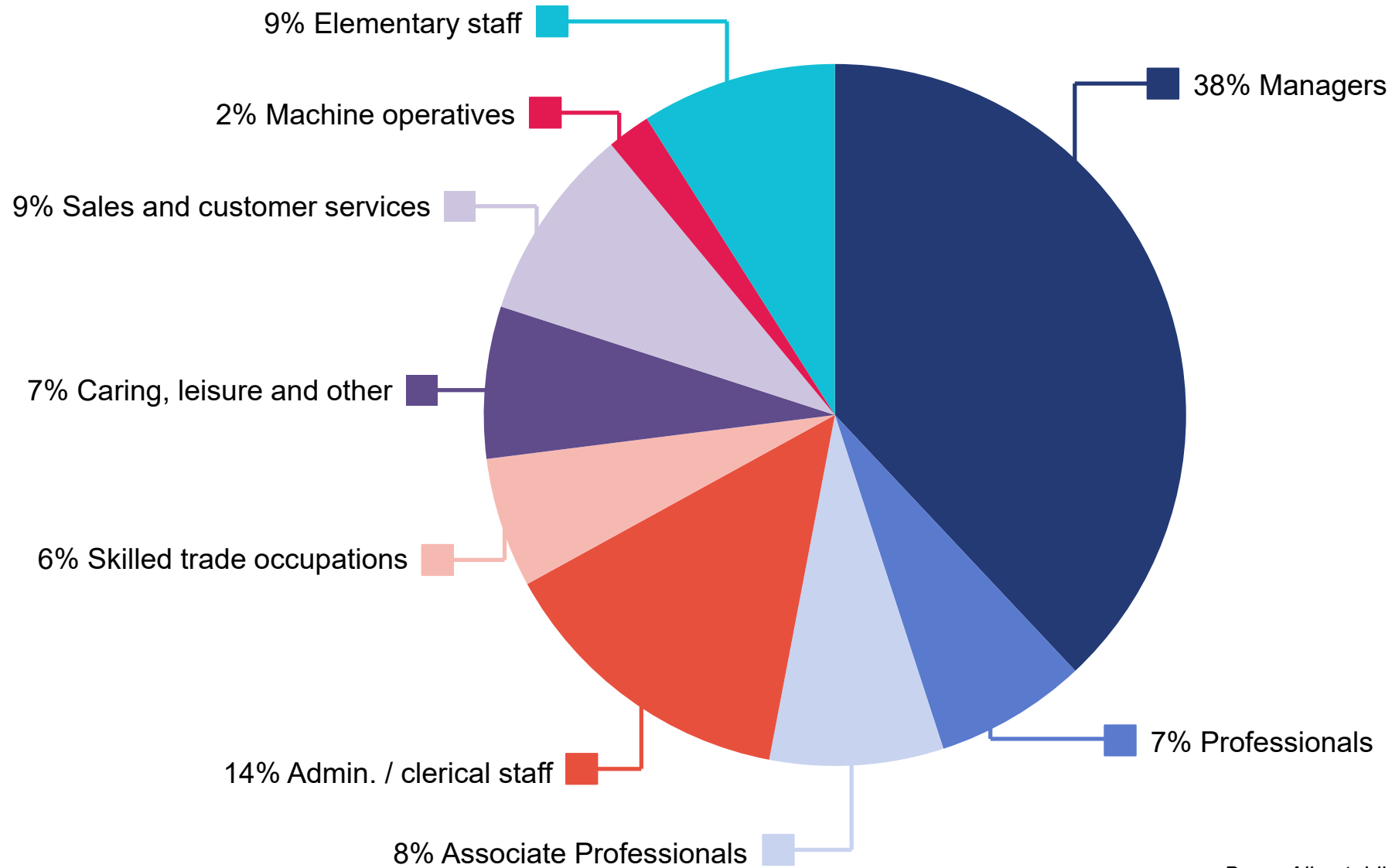
Base: All establishments (as shown)

Incidence and density of skills under-utilisation by sector



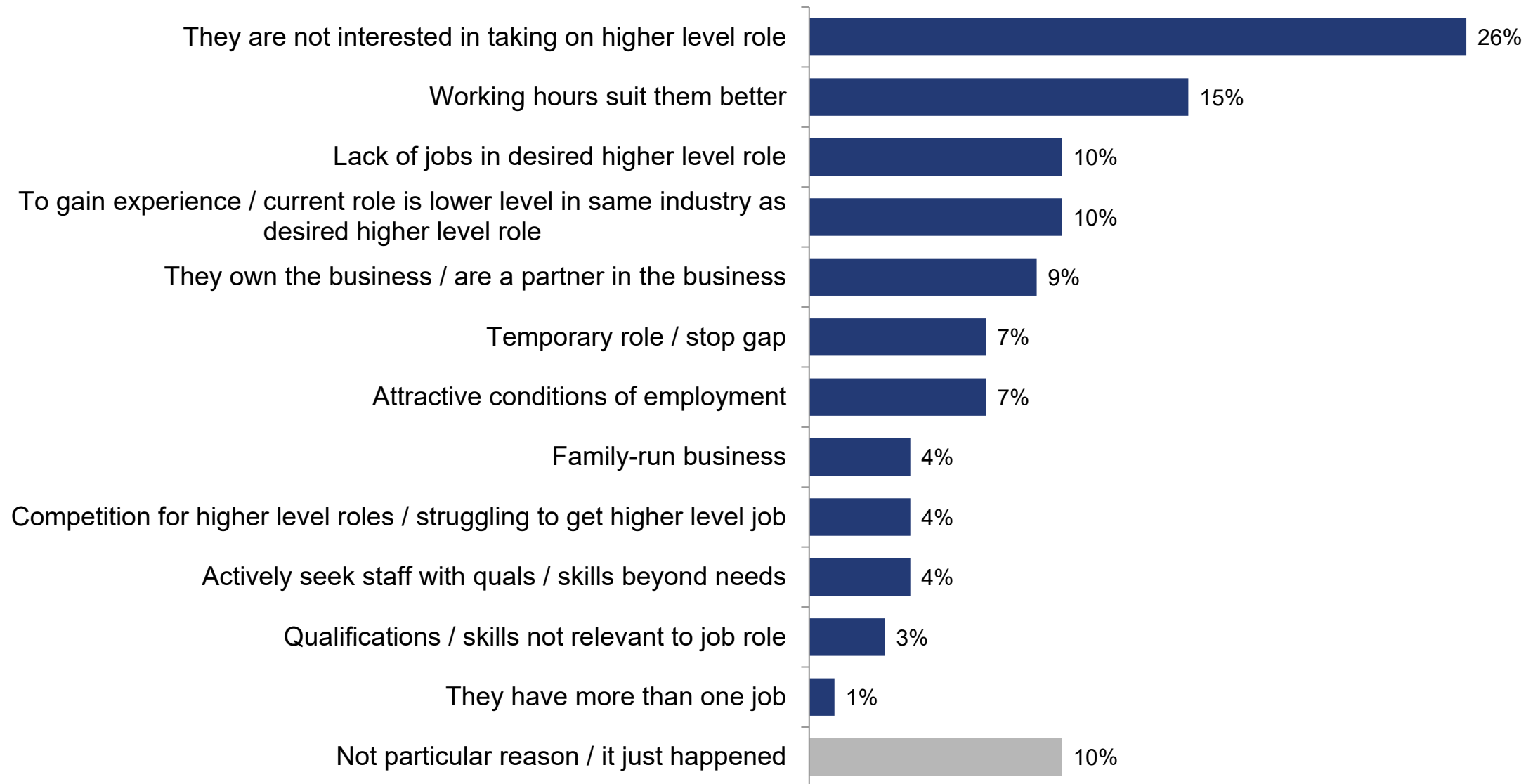
Base: All establishments (as shown)

Occupations where under-utilisation is most prevalent



Base: All establishments with under-utilised staff (22,879)

Reasons why staff are working in roles for which they have excess qualifications and skills



Section 5: Employer investment in training and skills

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

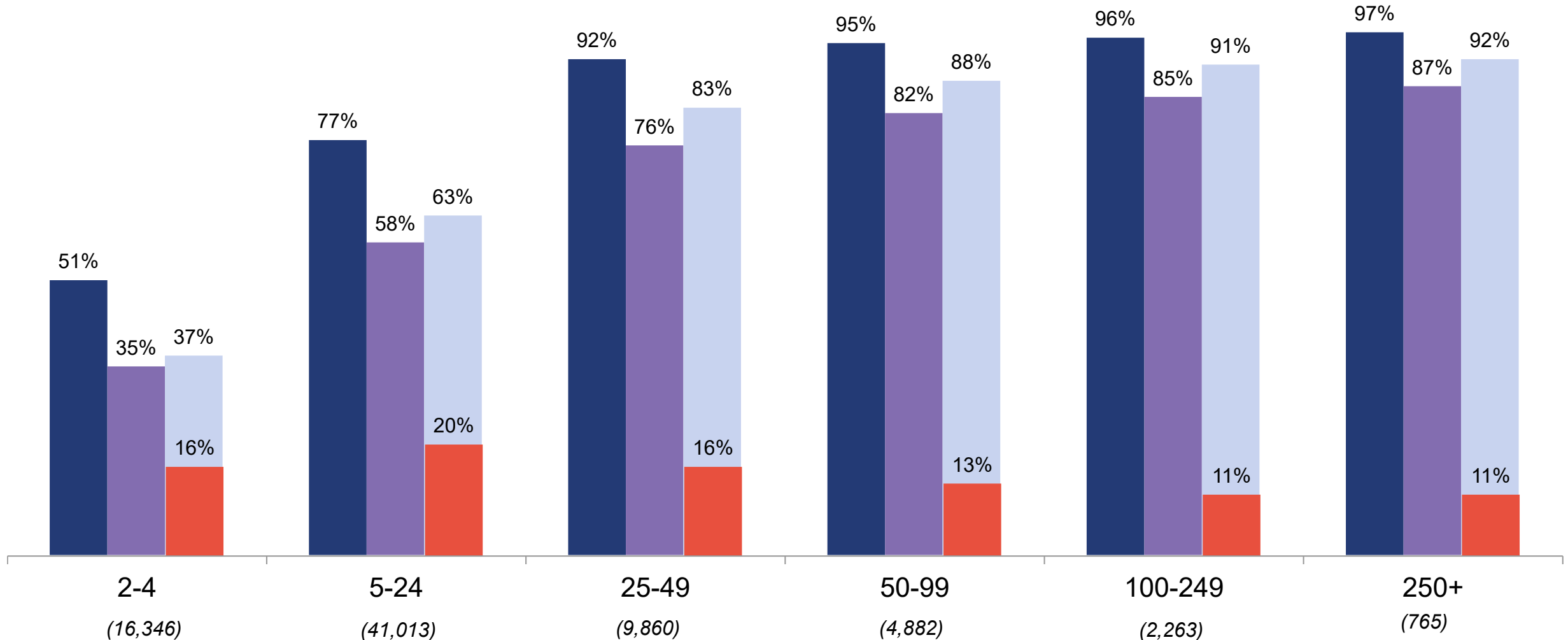


Base: All establishments (as shown)



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

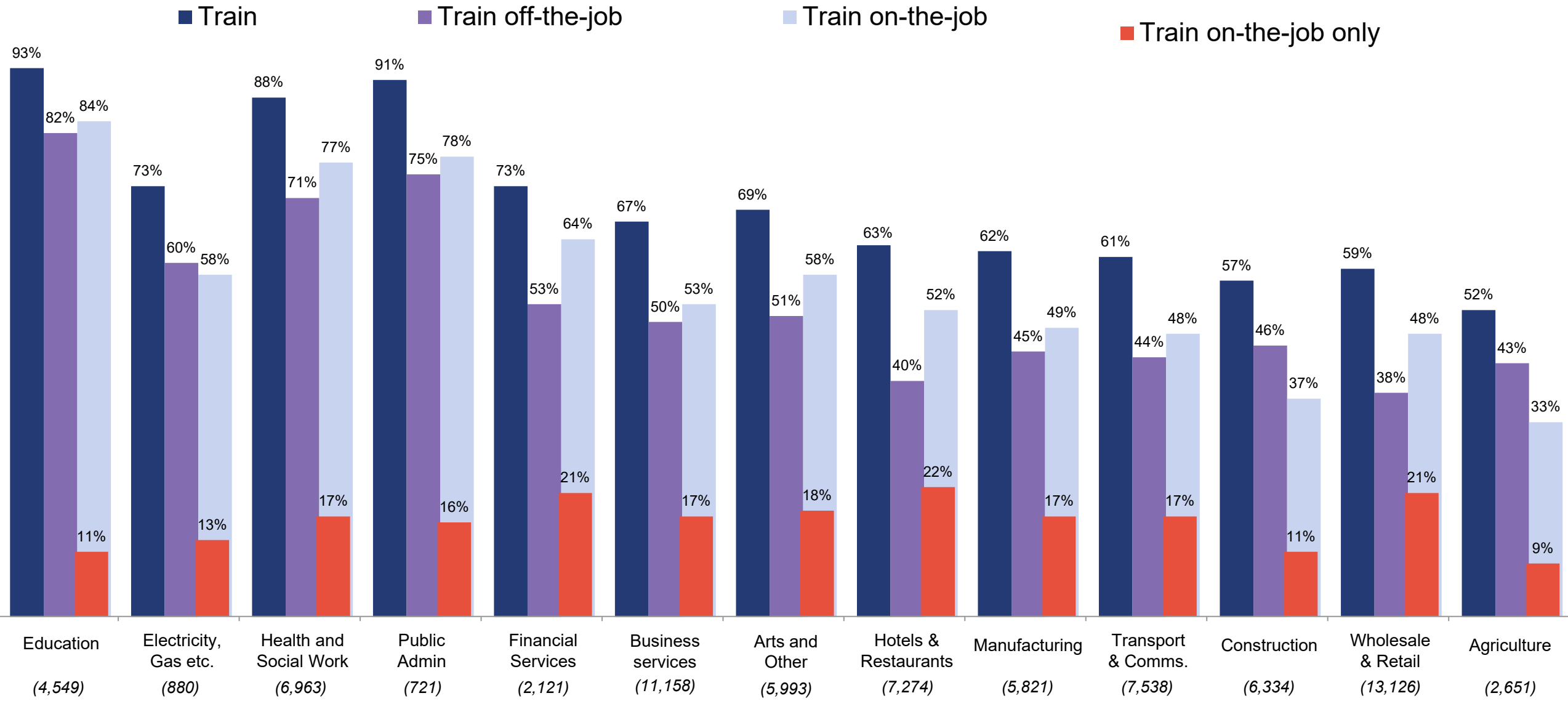
■ Train ■ Train off-the-job ■ Train on-the-job ■ Train on-the-job only



Base: All establishments (as shown)

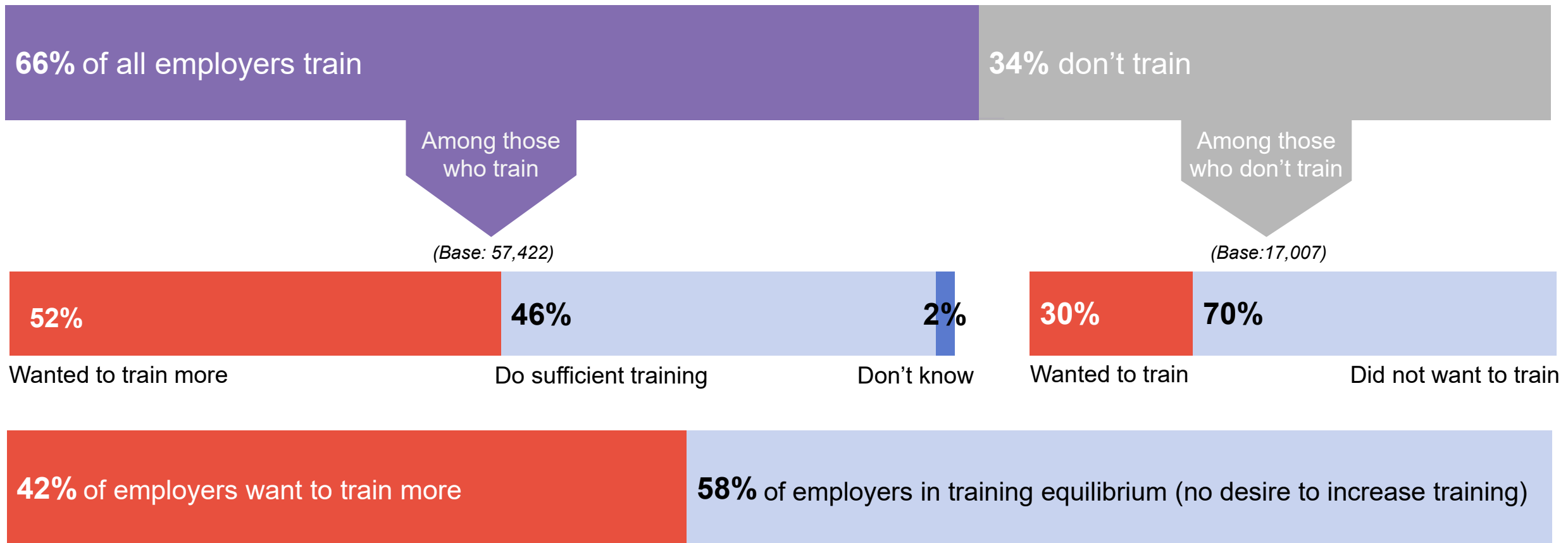


Proportion of employers providing training in the last 12 months by sector



Base: All establishments (as shown)

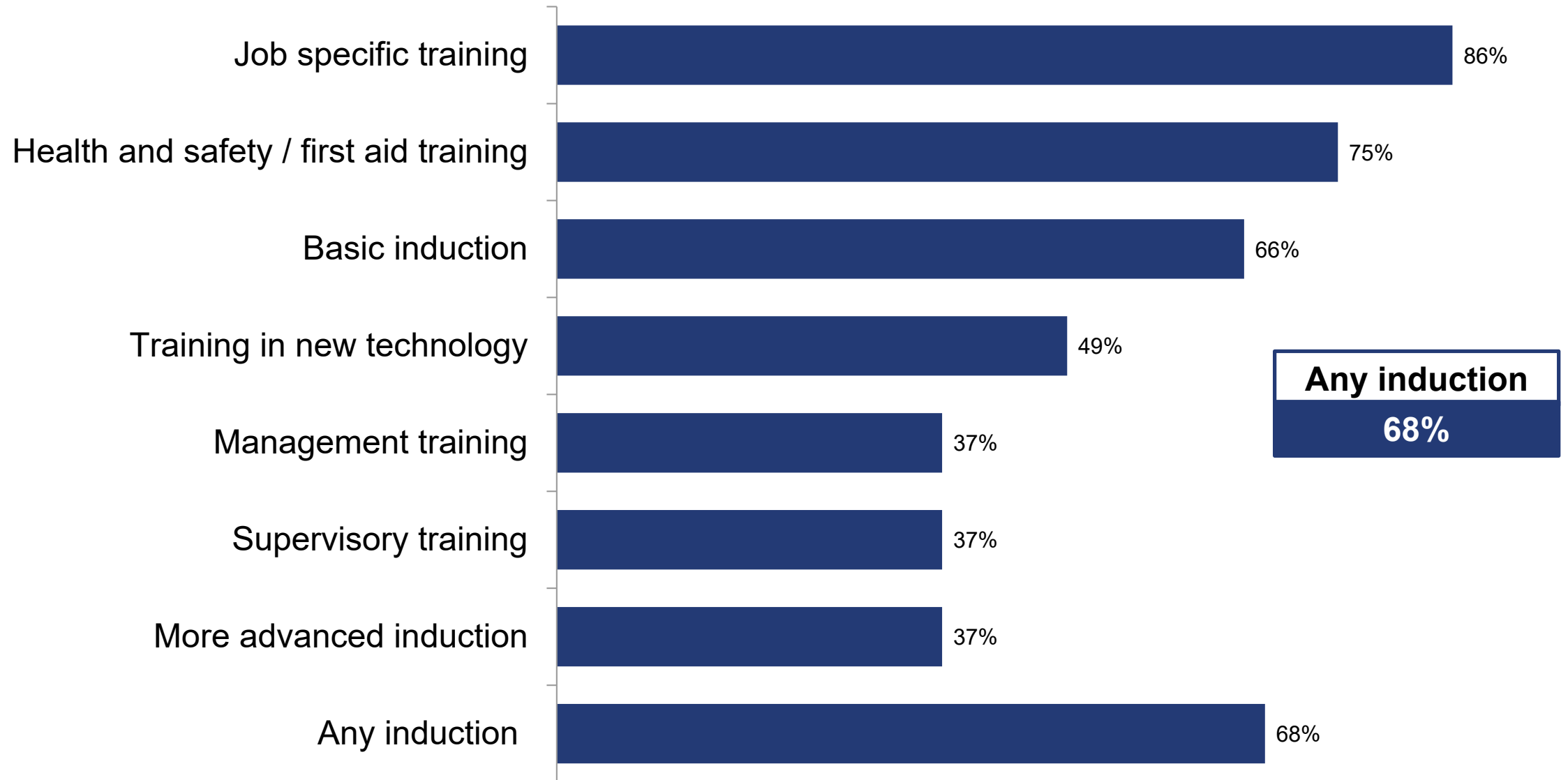
Training Equilibrium: employers' interest in providing more training than they were able to



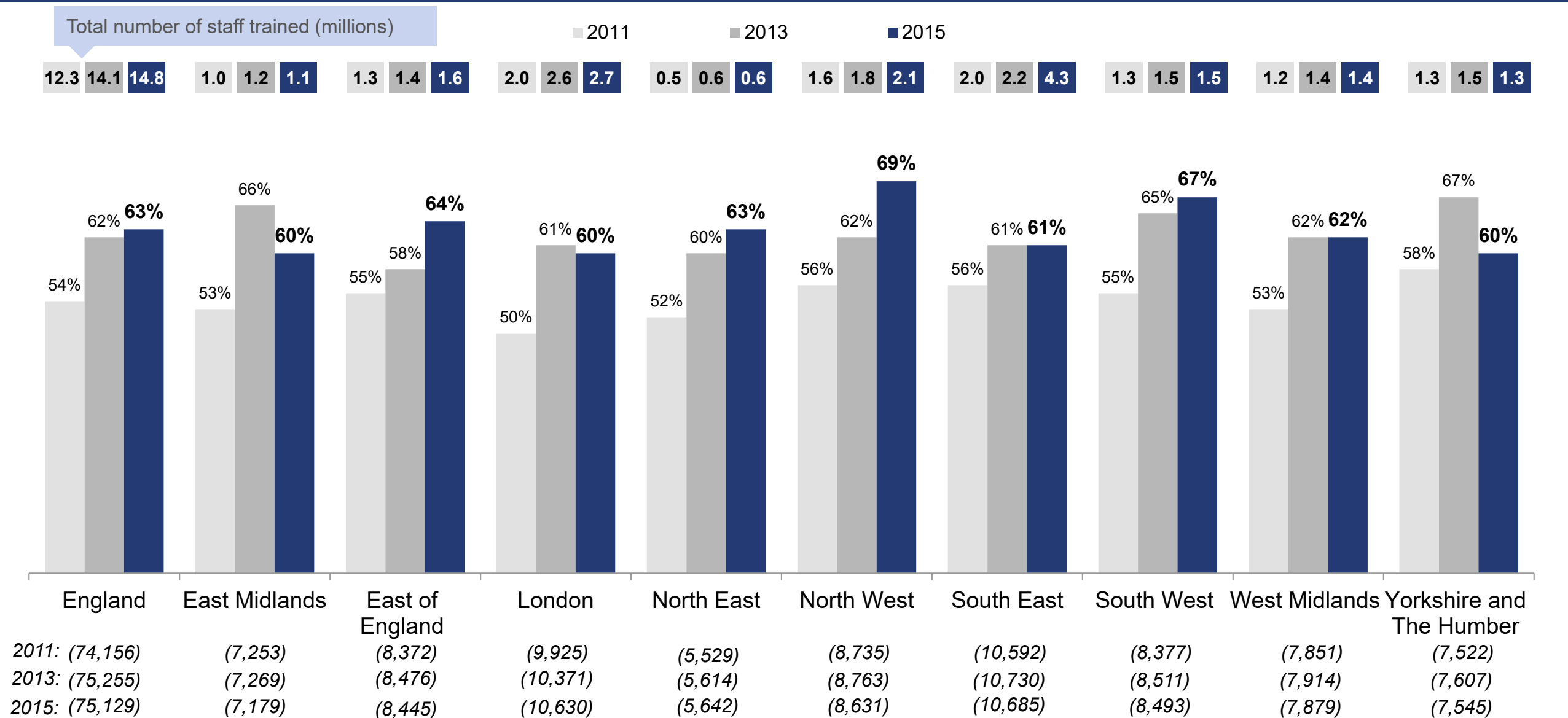
*Note training employers responding 'Don't know' have been included in the group 'Wanted to undertake more training' on final measure

Base: All establishments (75,129)

Types of Training and Workforce Development provided



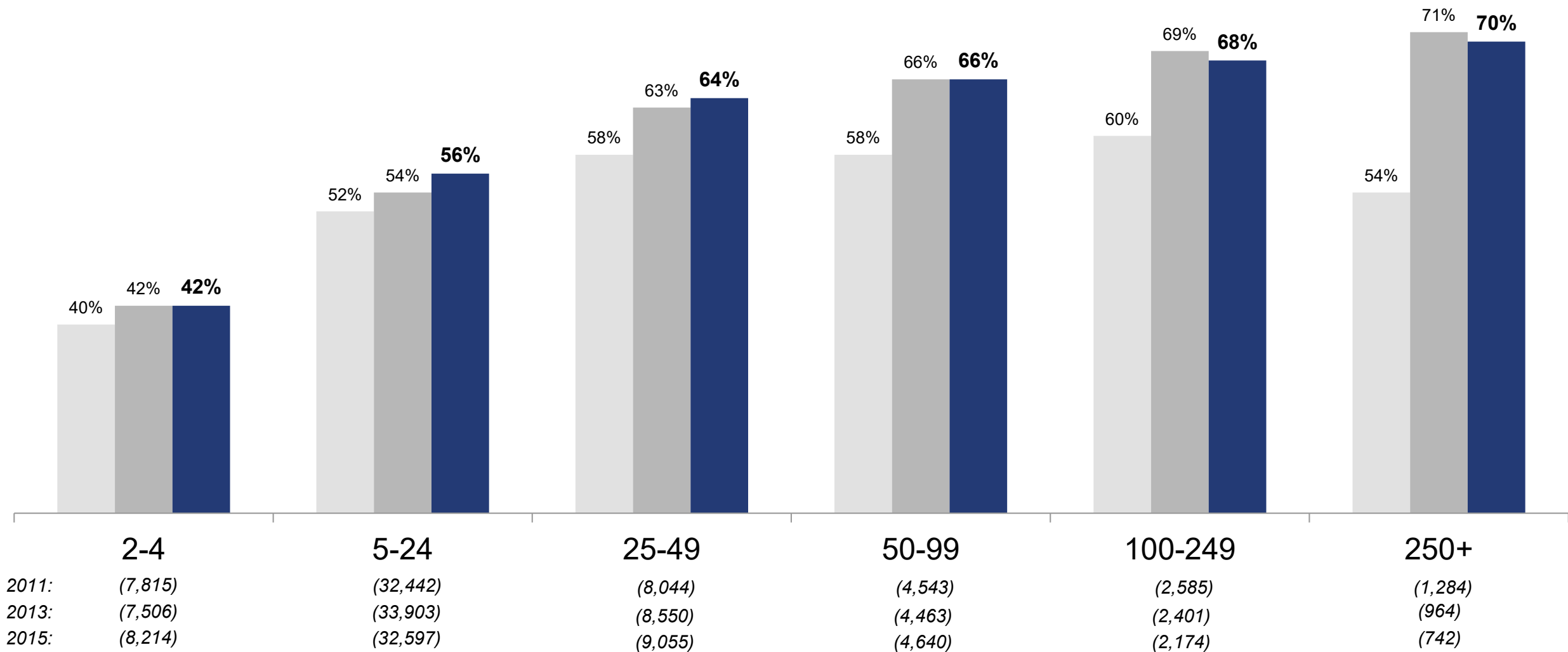
Number and proportion of staff trained by region



Base: All establishments (as shown)

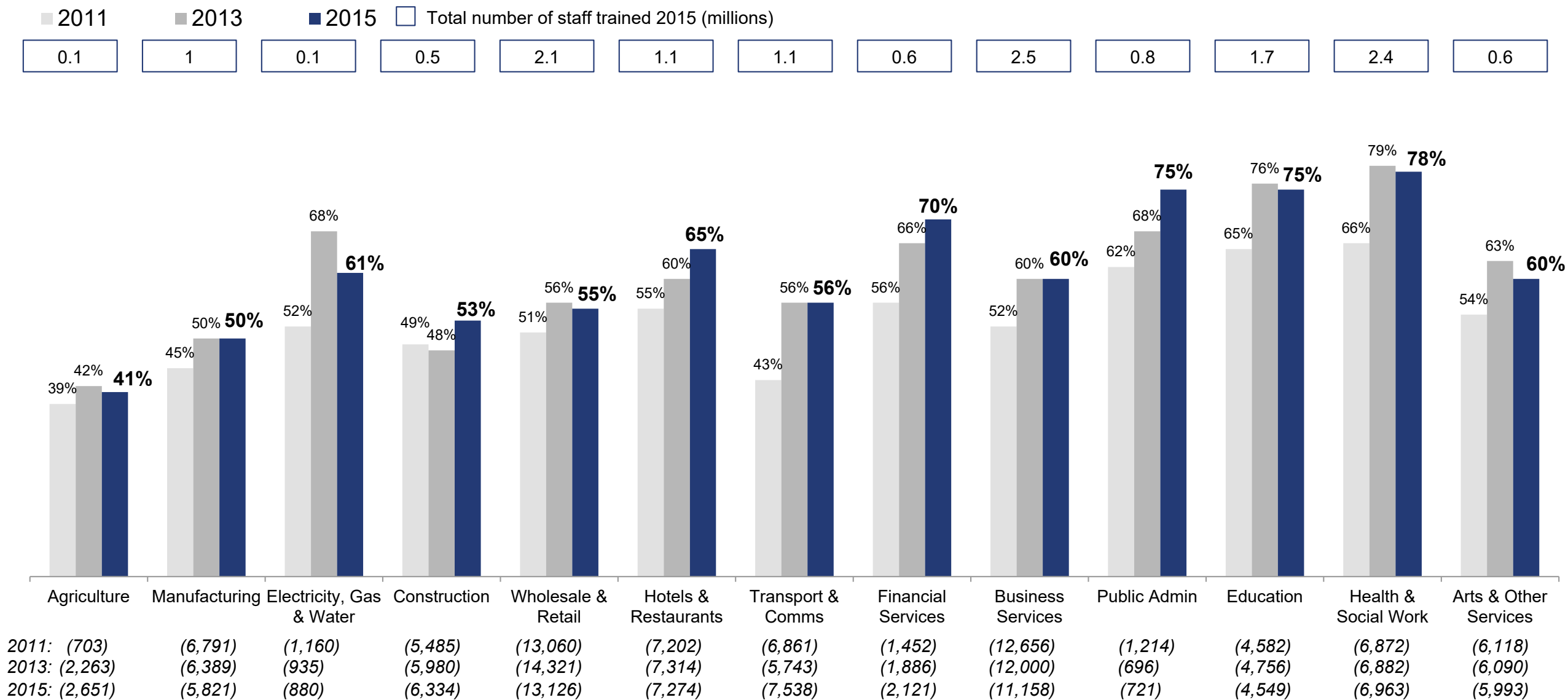
Proportion of staff trained by size

■ 2011 ■ 2013 ■ 2015



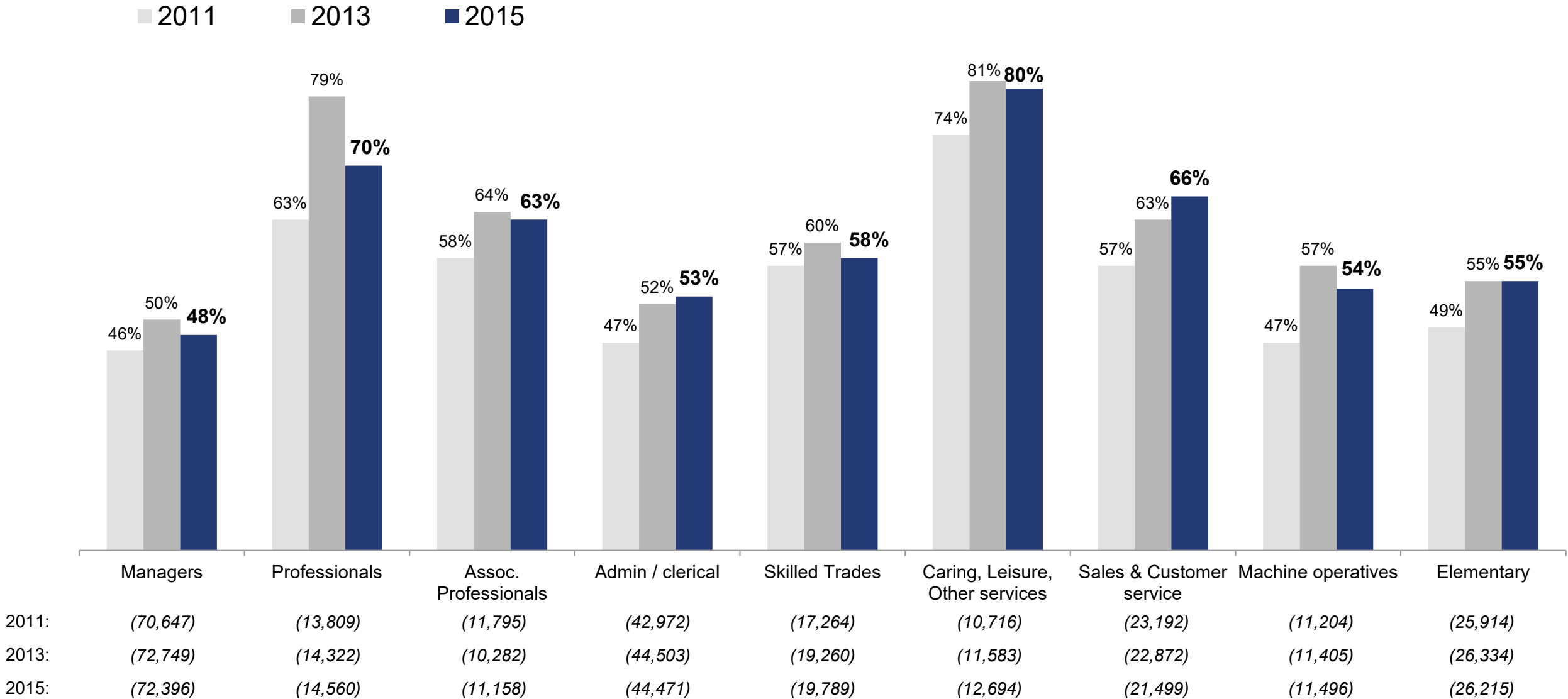
Base: All establishments (as shown)

Number and proportion of staff trained by sector



Base: All establishments (as shown)

Proportion of staff trained by occupation



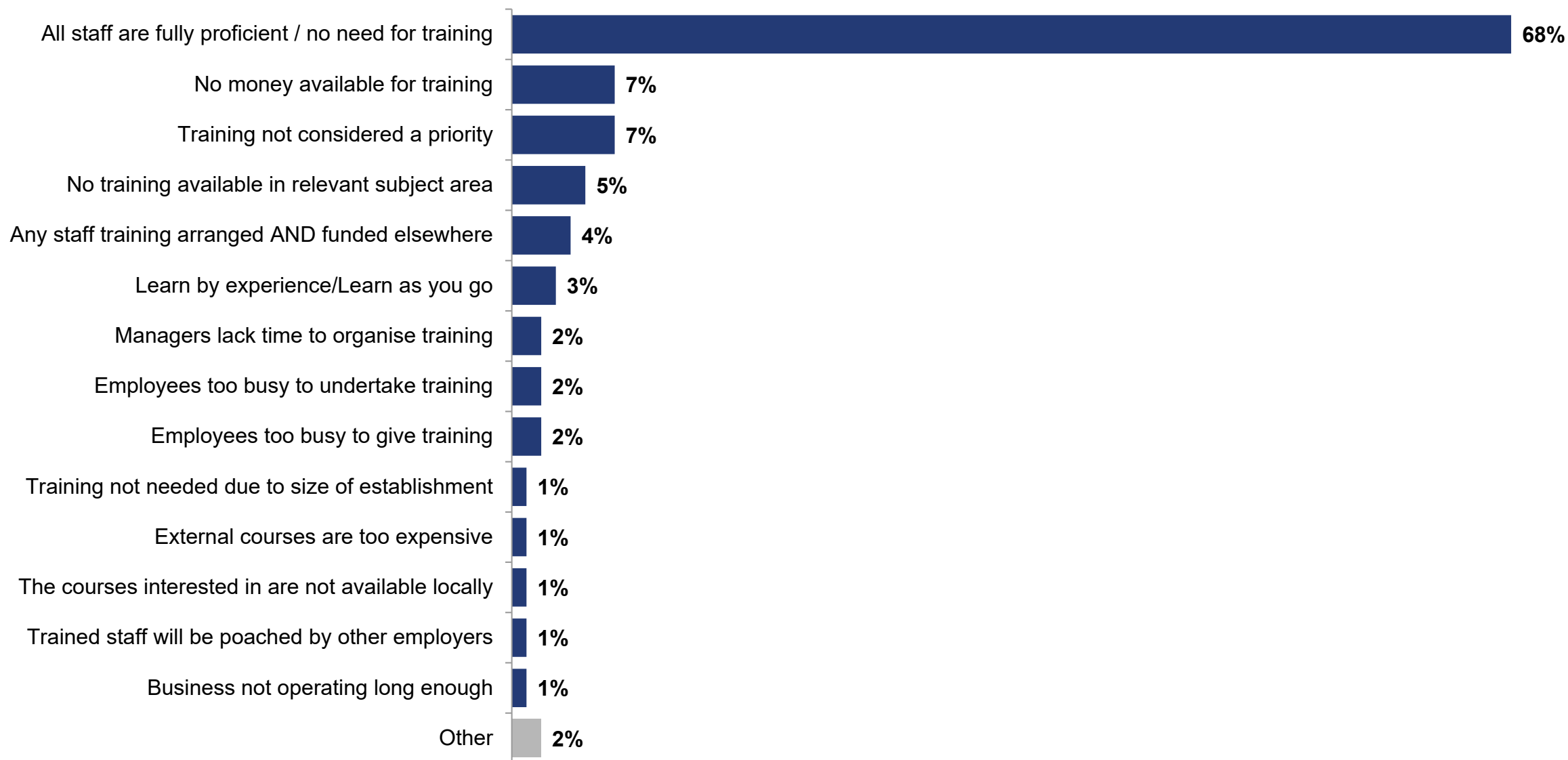
Base: All establishments with staff in each occupation (as shown)

Training Days

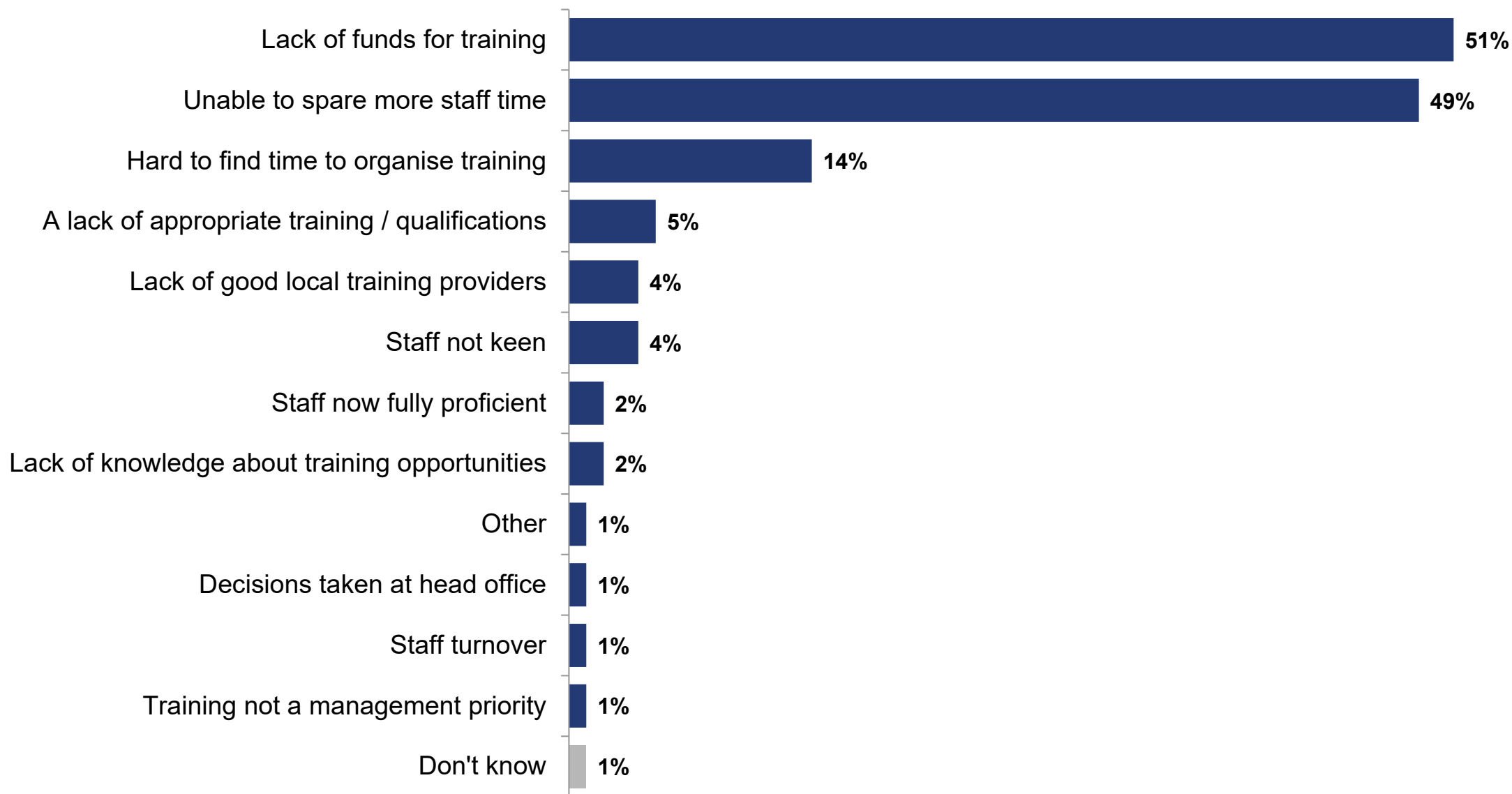
	Days per person trained			Total training days			
	2011	2013	2015	2011	2013	2015	<i>% increase from 2013</i>
England	7.9 <i>(56,713)</i>	6.7 <i>(57,787)</i>	6.8 <i>(57,422)</i>	97.1m	94.9m	99.9m	+5%
East Midlands	7.9 <i>(5,388)</i>	6.9 <i>(5,440)</i>	7.1 <i>(5,457)</i>	7.8m	8.5m	8.2m	-3.6%
East of England	7.0 <i>(6,571)</i>	6.6 <i>(6,658)</i>	6.3 <i>(6,405)</i>	9.1m	9.1m	10m	+9%
London	7.7 <i>(7,584)</i>	6.1 <i>(8,027)</i>	6.3 <i>(8,243)</i>	15.7m	15.7m	16.8m	+6.7%
North East	8.2 <i>(4,019)</i>	6.8 <i>(3,802)</i>	6.9 <i>(3,979)</i>	4.4m	4m	4.4m	+7.2%
North West	8.3 <i>(7,030)</i>	8.1 <i>(6,837)</i>	7.2 <i>(2,599)</i>	13.6m	14.5m	14.9m	+2.5%
South East	8.1 <i>(8,5589)</i>	6.3 <i>(8,611)</i>	6.3 <i>(8,522)</i>	16.5m	14.3	14.3m	+0.5%
South West	6.7 <i>(6,467)</i>	6.8 <i>(6,671)</i>	6.9 <i>(6,538)</i>	8.4m	9.9m	10.6m	+6.8%
West Midlands	8.7 <i>(5,263)</i>	7.1 <i>(5,981)</i>	7.5 <i>(6,003)</i>	10.6m	10m	10.8m	+7.4%
Yorkshire and The Humber	8.6 <i>(5,832)</i>	6.2 <i>(5,760)</i>	7.5 <i>(,692)</i>	11m	9m	9.9m	+9.6%

Base: All establishments providing training (as shown)

Reasons for not providing any training



Reasons for not providing further training



Base : All establishments who would have provided more training in the past 12 months if they could (27,152)

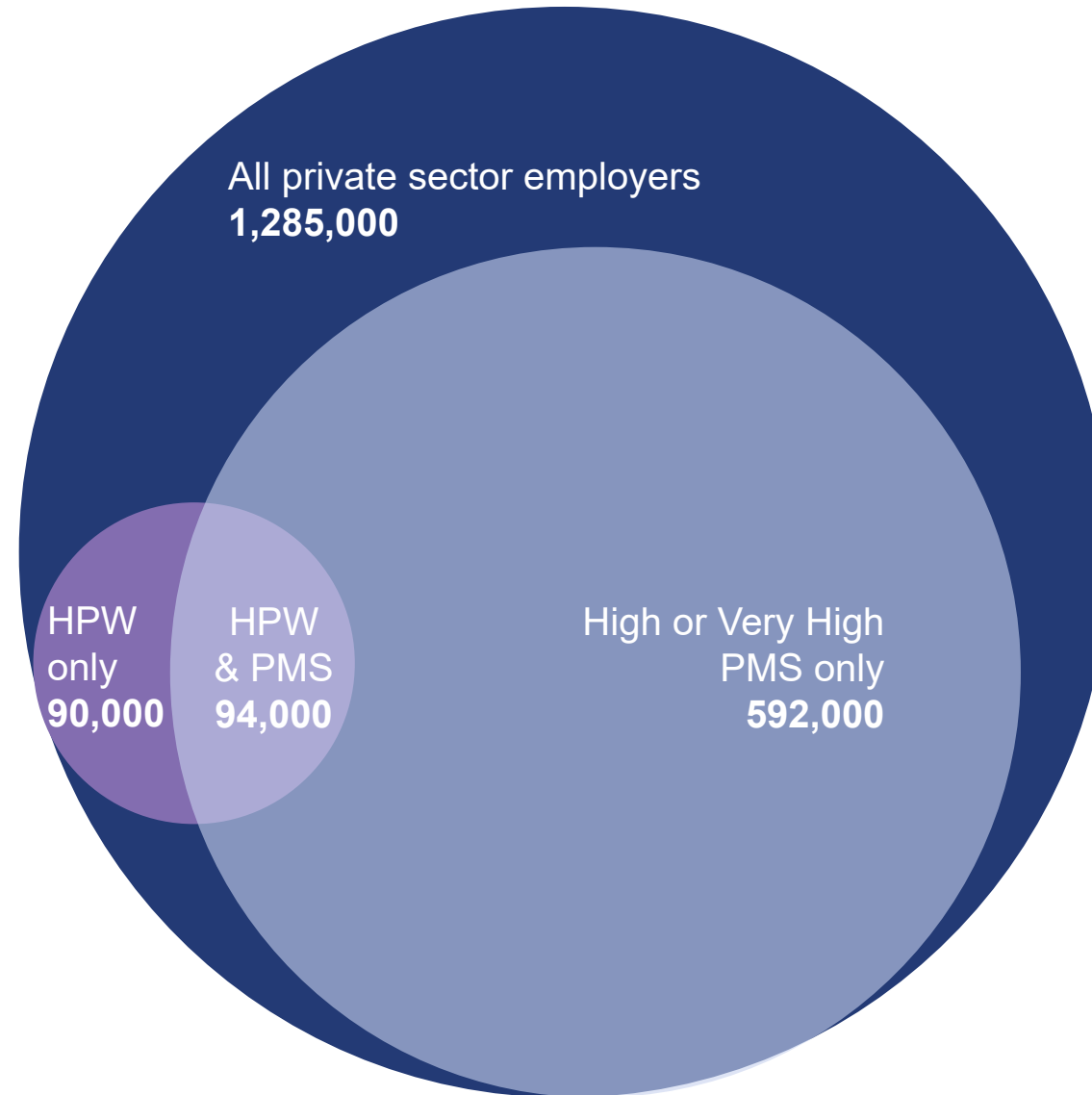
Training and Workforce Development - Summary

England figures	2011	2013	2015
% of employers that train	65%	66%	66%
% of employers that train off-the-job	46%	48%	48%
% that <i>only</i> train on-the-job	19%	17%	17%
% of staff trained over the last 12 months	54%	62%	63%
Days training per person trained	7.9 days	6.7 days	6.8 days
Total training days provided	97.1m	94.9m	99.9m

Base (2011/2013/2015): All establishments (74,156/ 75,255/ 75,129)

Section 6: High Performance Working practices and Product Market Strategies

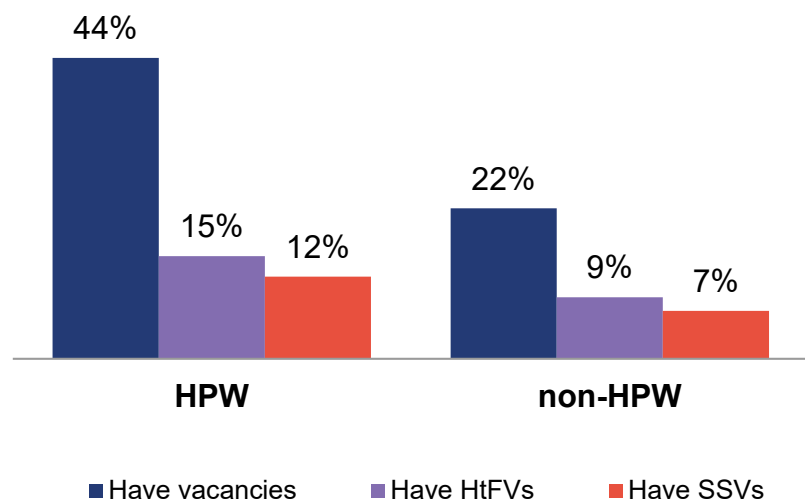
Overlap between High Performance Working employers and those that adopt High/Very High Product Market Strategies



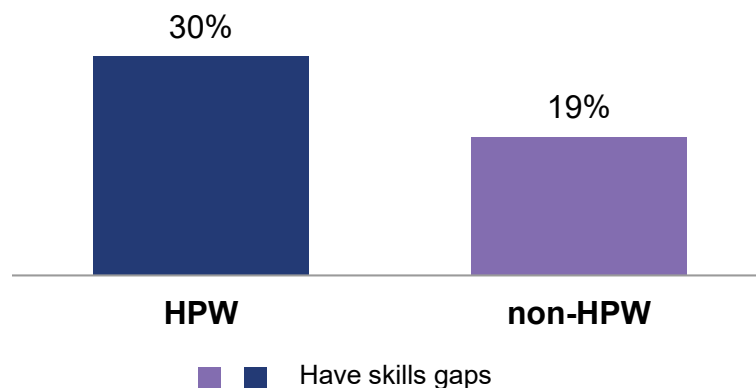
Base: All private sector establishments (62,934)

High Performance Working and skills challenges

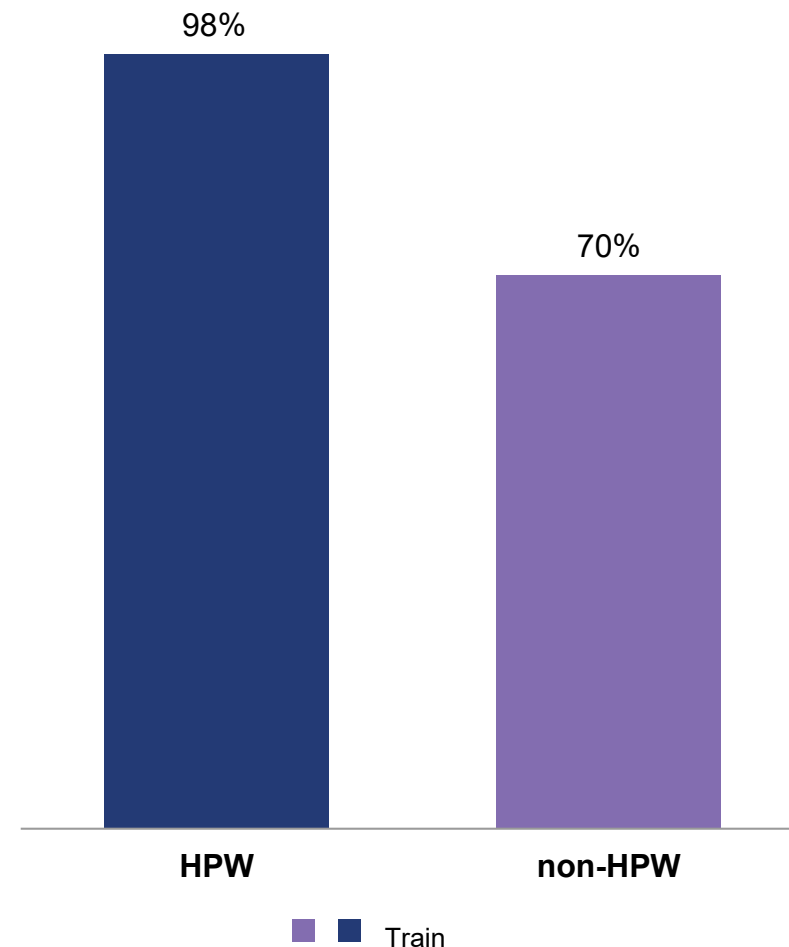
HPW employers are **more active in the recruitment market** and find it easier to **fill their vacancies...**



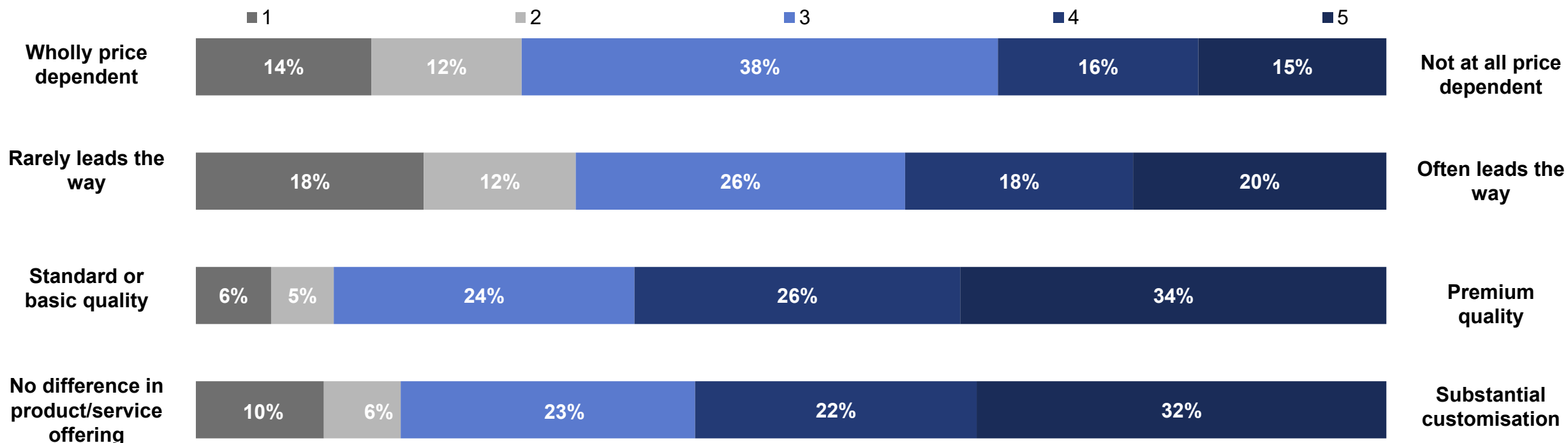
...yet are **more likely to have skills gaps** among their workforce...



...and are much **more likely to train their staff...**



Product Market Strategy

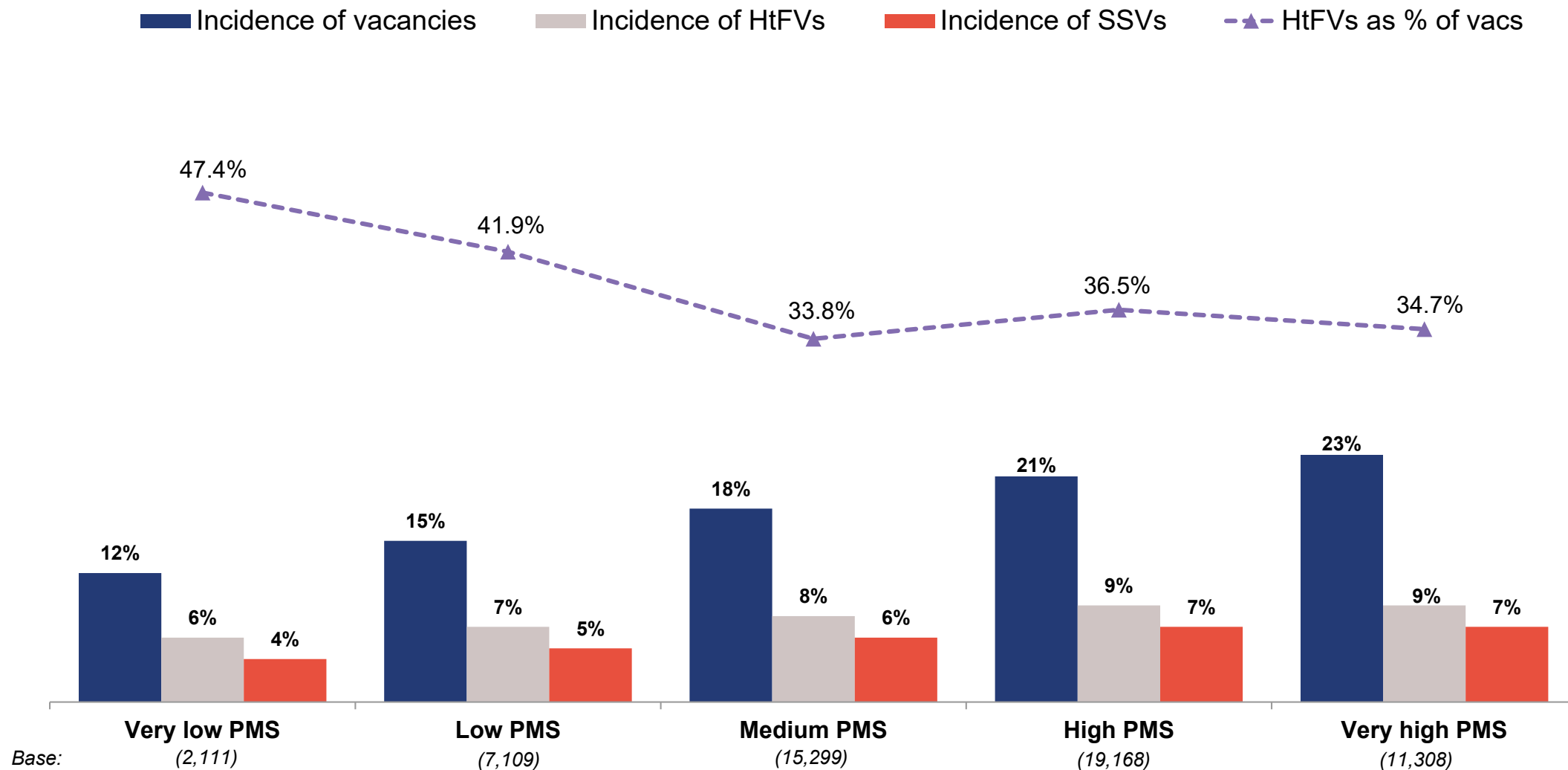


Overall composite Product Market Strategy scores

Aggregate PMS score	% of private sector establishments	% of private sector employment
Very low (1 to 7)	3%	1%
Low (8 to 10)	11%	6%
Medium (11 to 13)	21%	16%
High (14 to 16)	25%	23%
Very high (17 to 20)	15%	16%

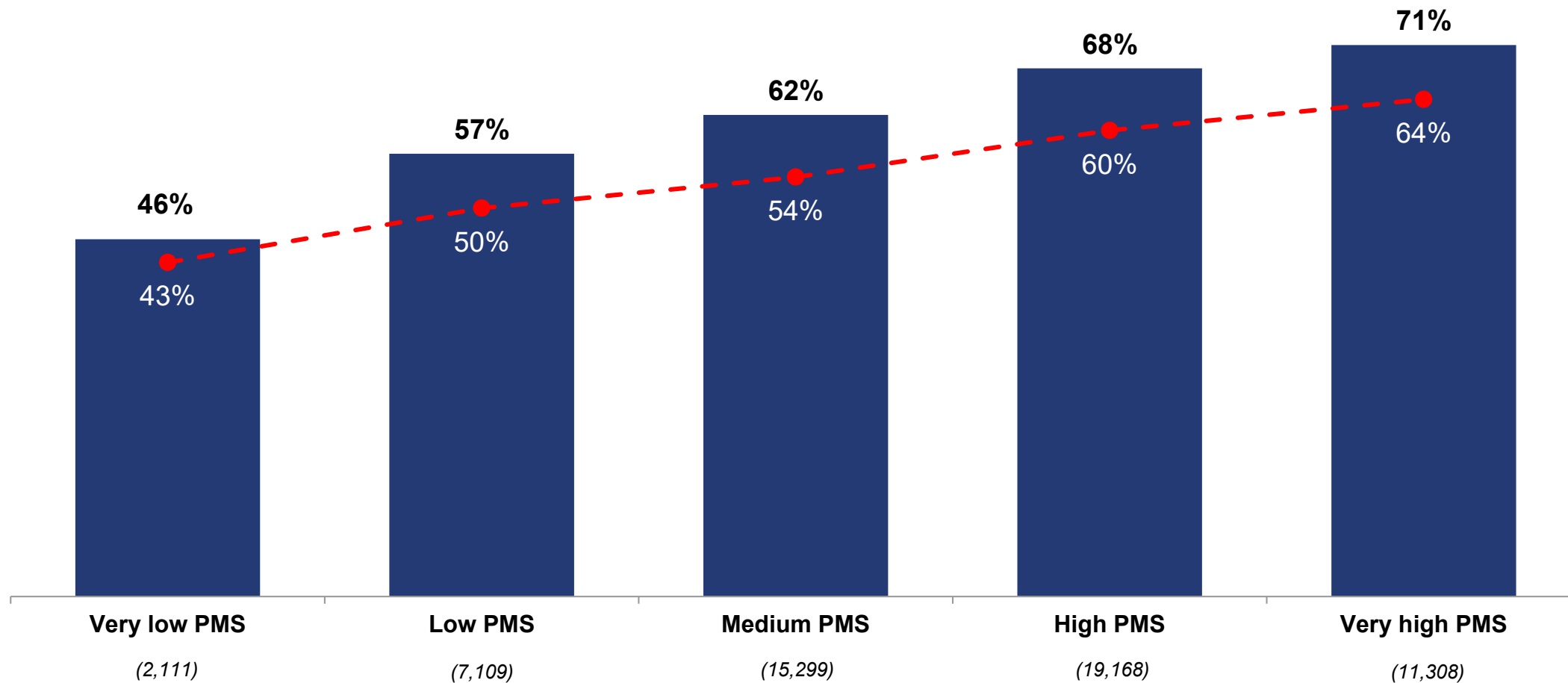
Base: All establishments in the private sector (62,934)

Characteristics of High PMS employers



Characteristics of High PMS employers

■ Incidence of training ● Proportion of staff trained



Base:

Base: All establishments in the private sector, in each PMS group

Section 7: Conclusions

Current state of skills in England

- There has been a **steep rise in vacancy levels** among employers - from 560 thousand vacancies at the time of the survey in 2013 to 797 thousand in 2015 – reflecting high demand for labour.
- Approaching a quarter (23%) of these vacancies were due to **applicants lacking the requisite skills**.
- The number of **skills gaps among existing staff has remained at the same level** at 1.2 million employees (5.1% of the total workforce).
- **Knowledge related to the organisation and its services** and **specialist skills for the role** were most likely to be viewed as lacking from applicants and among existing staff.
- The demand for **improved people and personal skills** was also apparent, with time management and prioritisation of tasks commonly lacking across the workforce.
- This points to the **growing complexity of job roles**, across all occupations, requiring individuals to juggle multiple strands of work and responsibility.
- Employers are responding through training, with **increased use of e-learning**, but there is clear demand for training that is geared more specifically to the requirements of an evolving workplace.

Impacts and Response

- Skills challenges impact both the short-term and long-term success of businesses, with notable **implications on businesses' productivity and growth** potential. Most commonly, employers acknowledge the increased workloads and pressure placed on some staff as a result of skills shortages within the market and the workplace (84% and 52%, respectively).
- Innovation is a key factor towards boosting productivity but the skills challenges employers faced, particularly around staff being **unable to solve complex problems** point to limitations here.
- Appropriate training can serve to mitigate such impacts, but **training levels have remained relatively static** since 2013 (66%), despite a more buoyant economy. Employer engagement in the development of future training is fundamental with regards the development of the training offer. Around half of employers already providing training exhibit a desire to offer more (46%), and cite lack of funds as the most prevalent barrier to doing so.
- Around 1.6 million were deemed to be over qualified and over skilled for their job role; this was most commonly attributed to a lack of jobs in desired higher level roles. **Employers need to capitalise on this available talent.**

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