

Employer Skills Survey 2015

Northern Ireland Slide Pack

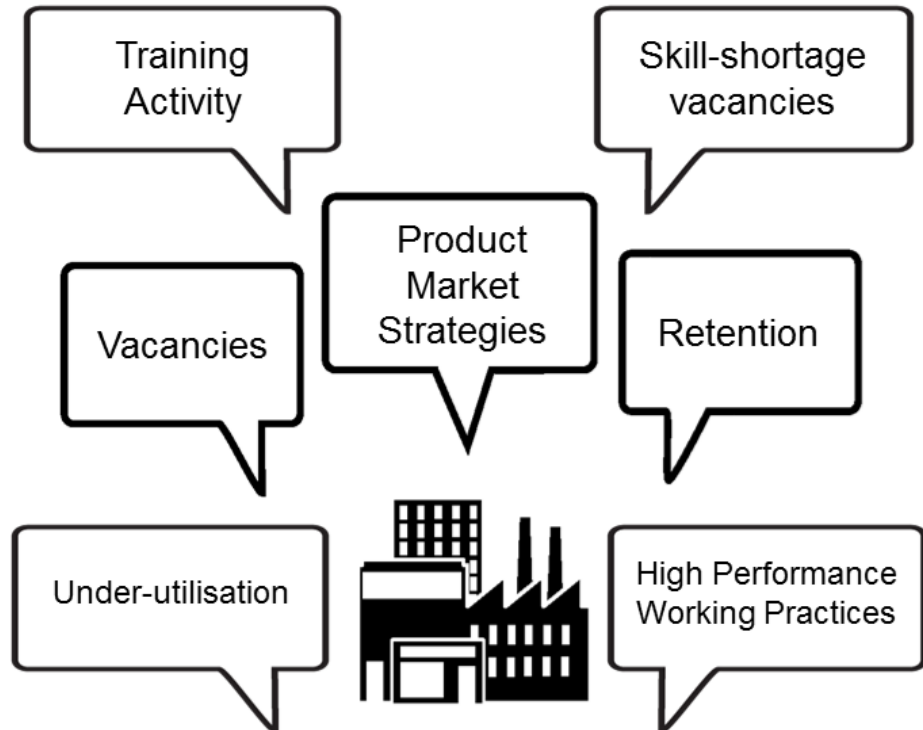
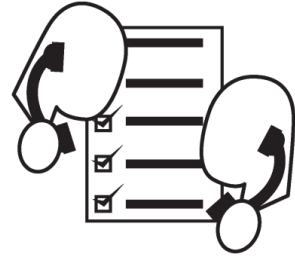
May 2016

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ESS 2015 – overview

4,019 telephone interviews with establishments in Northern Ireland
669 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

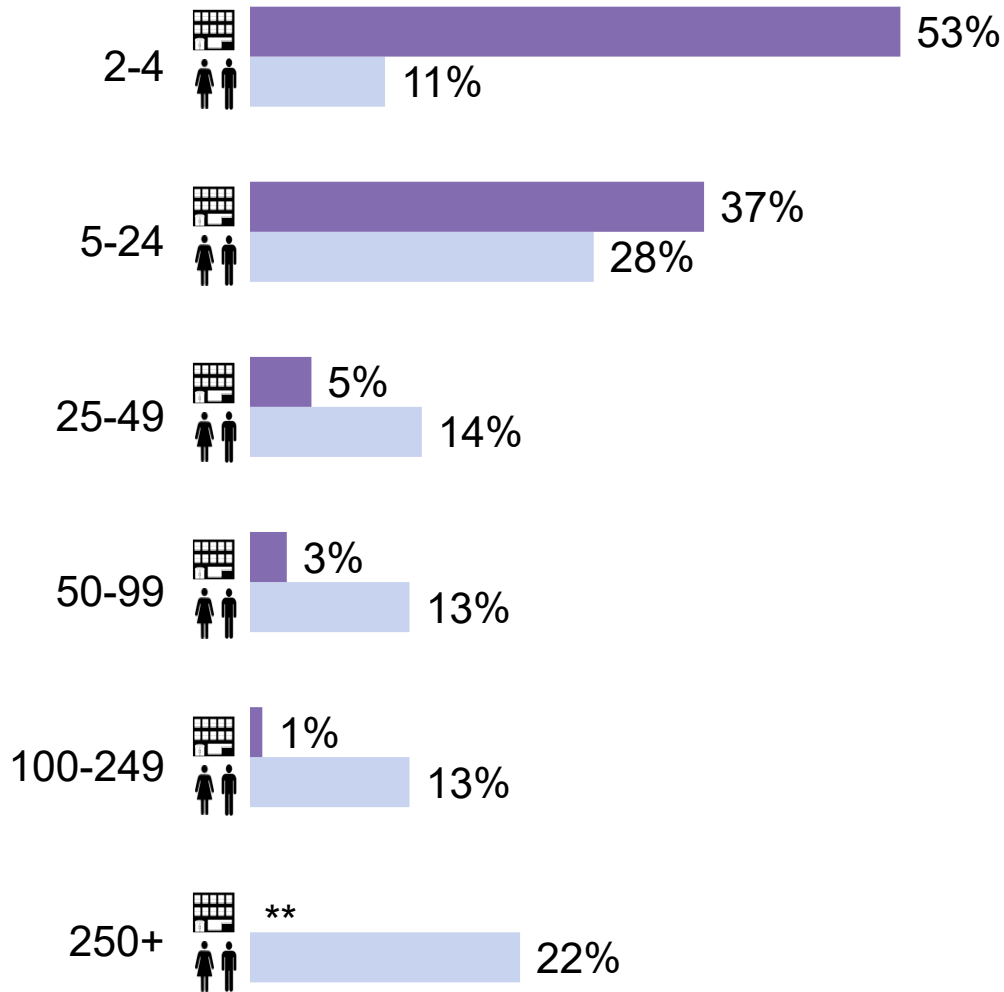
‘For a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 48.45% to 51.55%’

	Population	Number of interviews	(Maximum) Sampling Error
Northern Ireland	54,518	4,019	+/-1.55
By region			
Belfast	10,607	790	+/-3.49
Northern	12,531	925	+/-3.22
North West	4,813	355	+/-5.20
Southern	9,458	702	+/-3.70
South Eastern	8,872	661	+/-3.81
South West	8,237	586	+/-4.05
By size of establishment			
2-4	29,112	1,168	+/-2.87
5-24	20,203	2,236	+/-2.07
25-49	2,946	321	+/-5.47
50-99	1,384	191	+/-7.09
100-249	606	72	+/-11.55
250+	267	31	+/-17.60

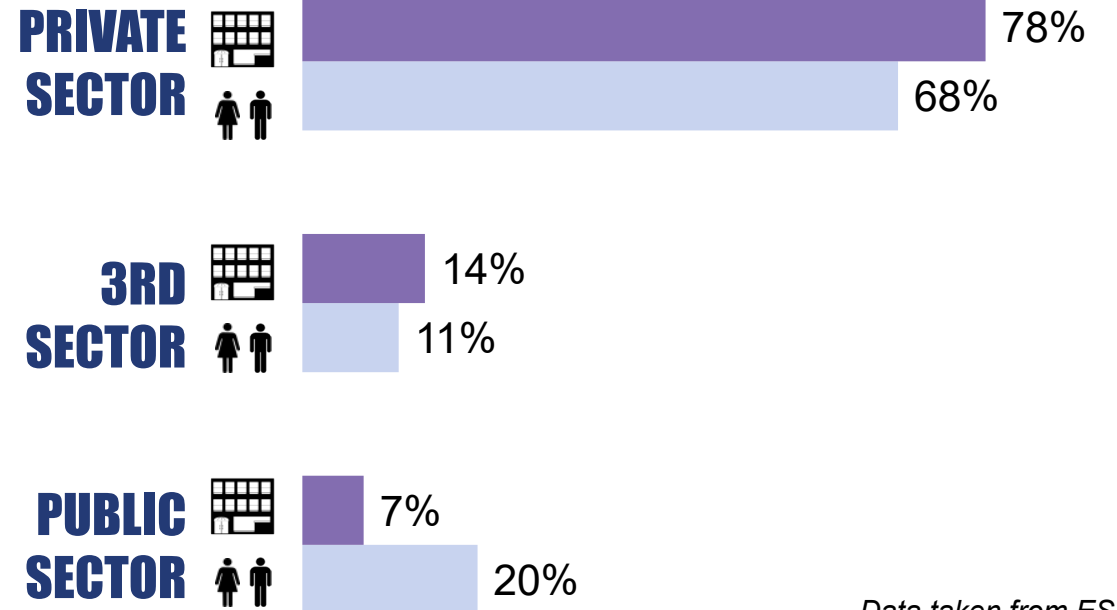
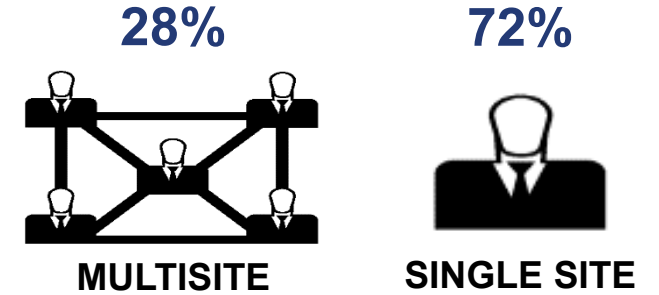
	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	7,015	84	+/-10.69
Manufacturing	3,178	339	+/-5.32
Electricity, Gas and Water	368	29	+/-18.20
Construction	5,715	246	+/-6.25
Wholesale and Retail	11,766	859	+/-3.34
Hotels & Restaurants	4,063	415	+/-4.81
Transport and Communications	2,489	289	+/-5.76
Financial Services	1,112	93	+/-10.16
Business Services	6,152	507	+/-4.35
Public Administration	788	49	+/-14.00
Education	3,094	267	+/-6.00
Health and Social Work	4,464	382	+/-5.01
Arts and Other Services	4,314	460	+/-4.57

Profile of survey population

Establishments vs. Employment – Northern Ireland



Data based on IDBR March 2014 counts



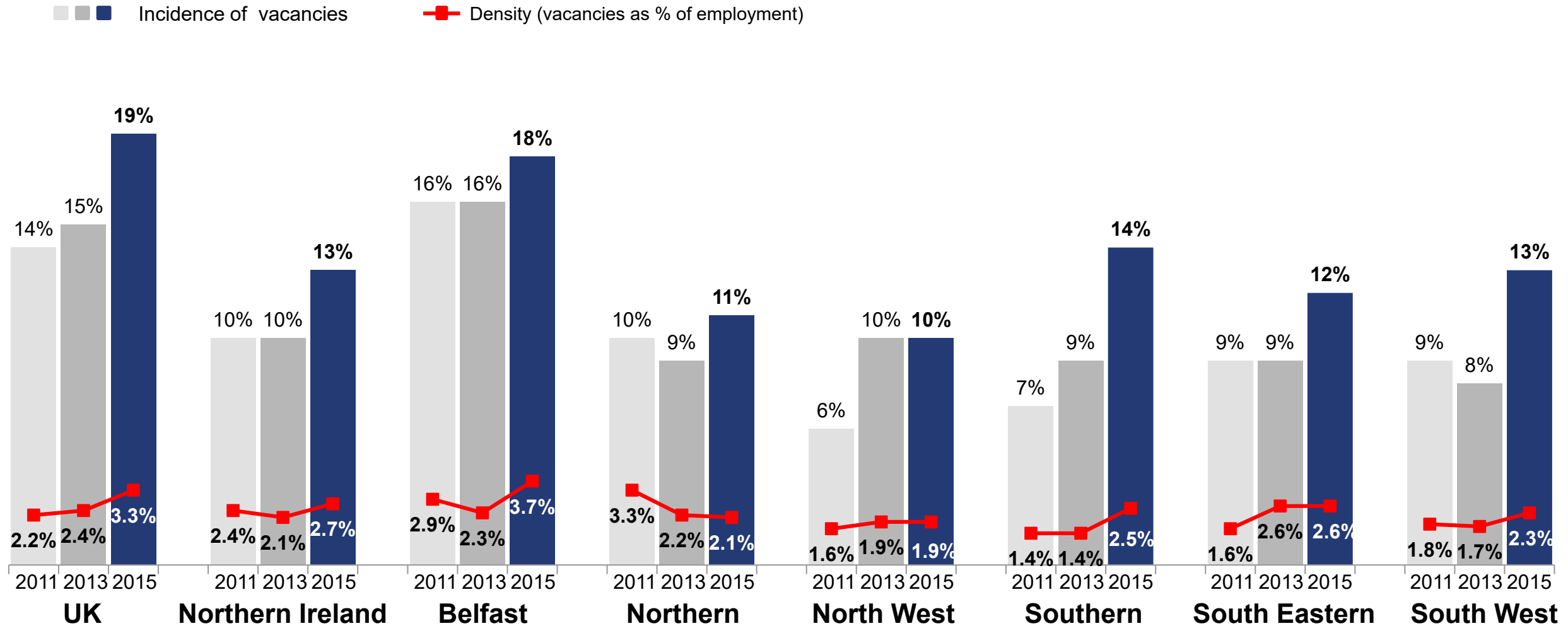
Data taken from ESS 2015
Base: All establishments (4,019)

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

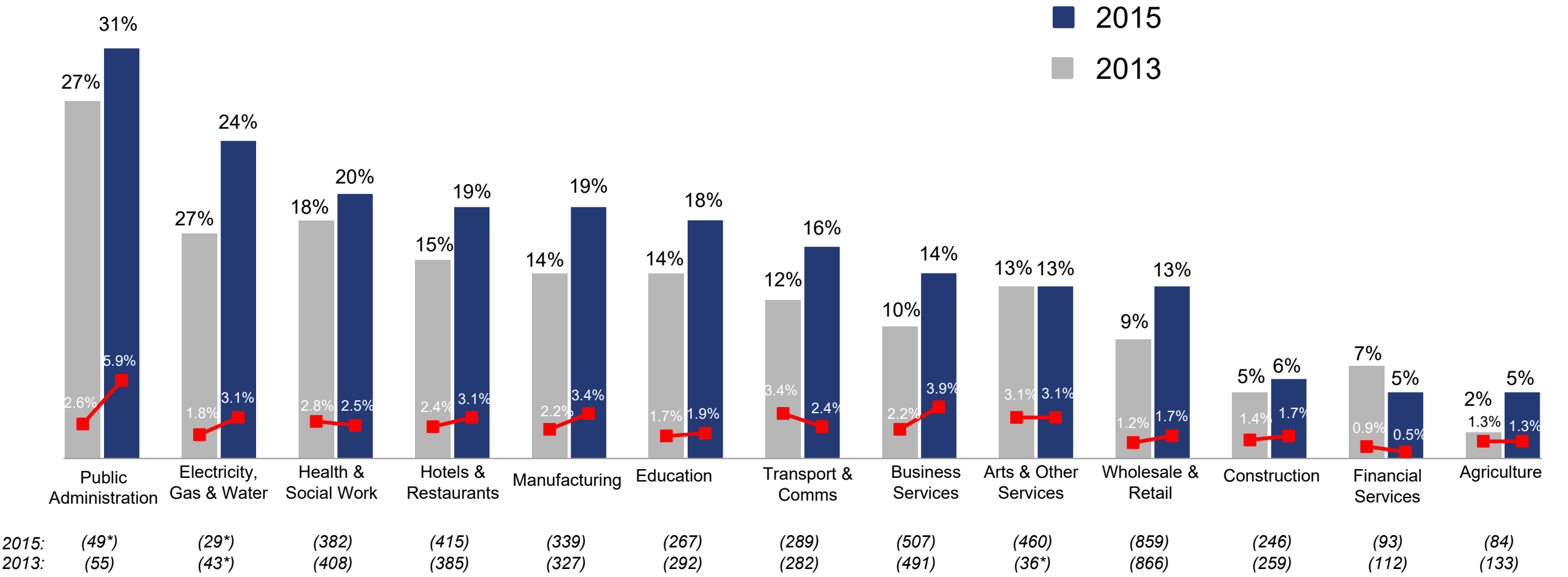
Incidence and density of vacancies by region



Base: All establishments (2011: UK: 86,522; Northern Ireland: 3,912; Belfast: 907; Northern: 862; North West: 383; Southern: 650; South Eastern: 667; South West: 452
 2013: UK: 91,279; Northern Ireland: 4,014; Belfast: 918; Northern: 878; North West: 377; Southern: 644; South Eastern: 688; South West: 509
 2015: UK: 91,210; Northern Ireland: 4,019; Belfast: 790; Northern: 925; North West: 355; Southern: 702; South Eastern: 661; South West: 586).

Incidence and density of vacancies by sector

■ Incidence of vacancies	■ Density (vacancies as % of employment)	□ Employers with at least one vacancy (2015)										
200	100	900	800	600	600	400	800	600	1,500	400	100	300

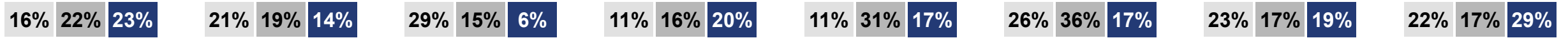


Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

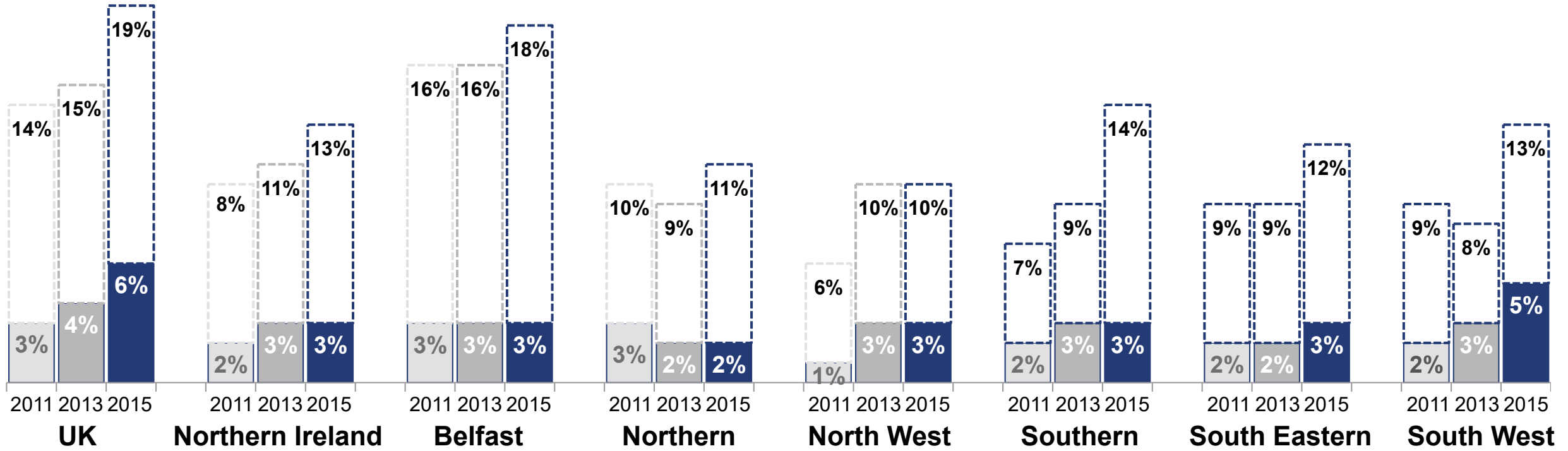
Incidence and density of skill-shortage vacancies by region

SSV Density (SSVs as % of Vacs)



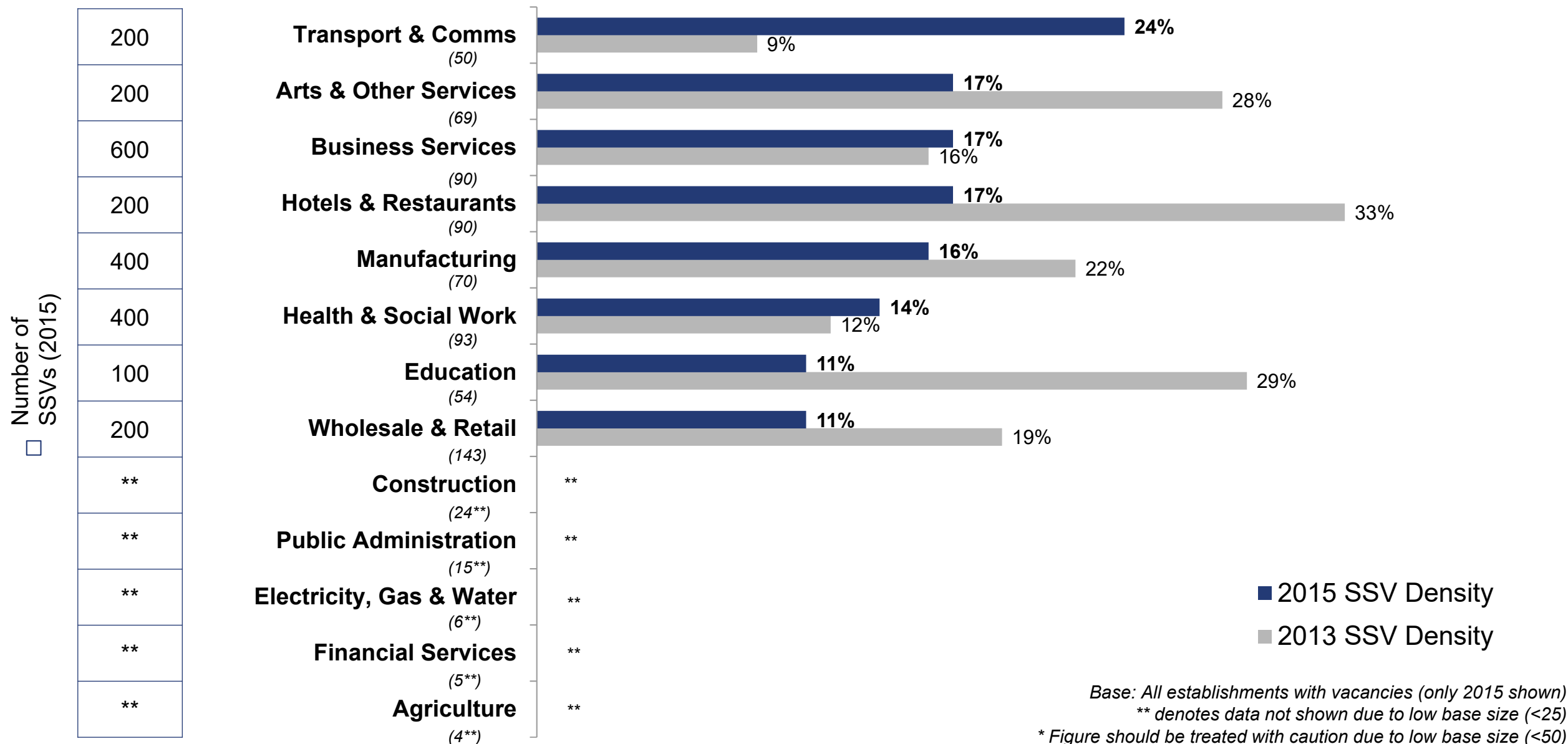
Incidence of establishments with vacancies

Incidence of establishments with skill-shortage vacancies



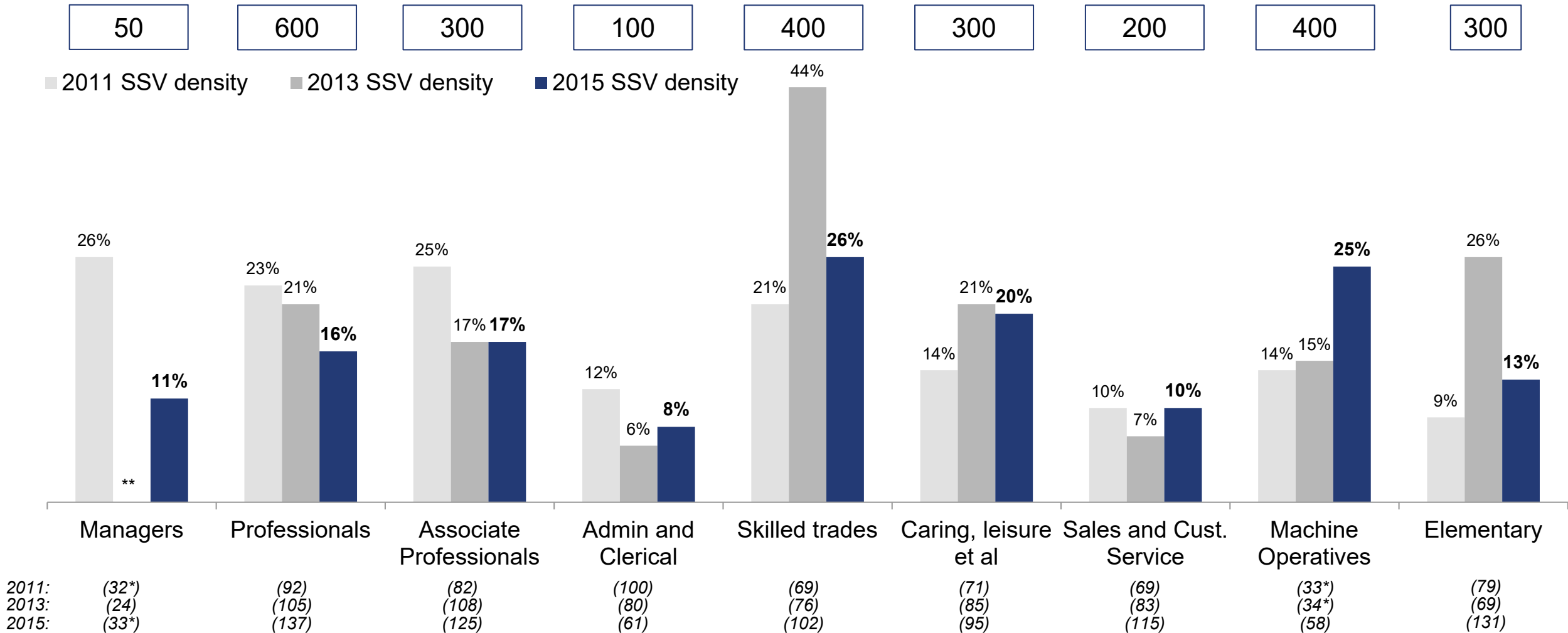
Base: All establishments (2011: UK: 86,522; Northern Ireland: 3,912; Belfast: 907; Northern: 862; North West: 383; Southern: 650; South Eastern: 667; South West: 452
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 2015: UK: 91,210; Northern Ireland: 4,019; Belfast: 790; Northern: 925; North West: 355; Southern: 702; South Eastern: 661; South West: 586).

Density of skill-shortage vacancies by sector



Density of skill-shortage vacancies by occupation

Number of SSVs (2015)

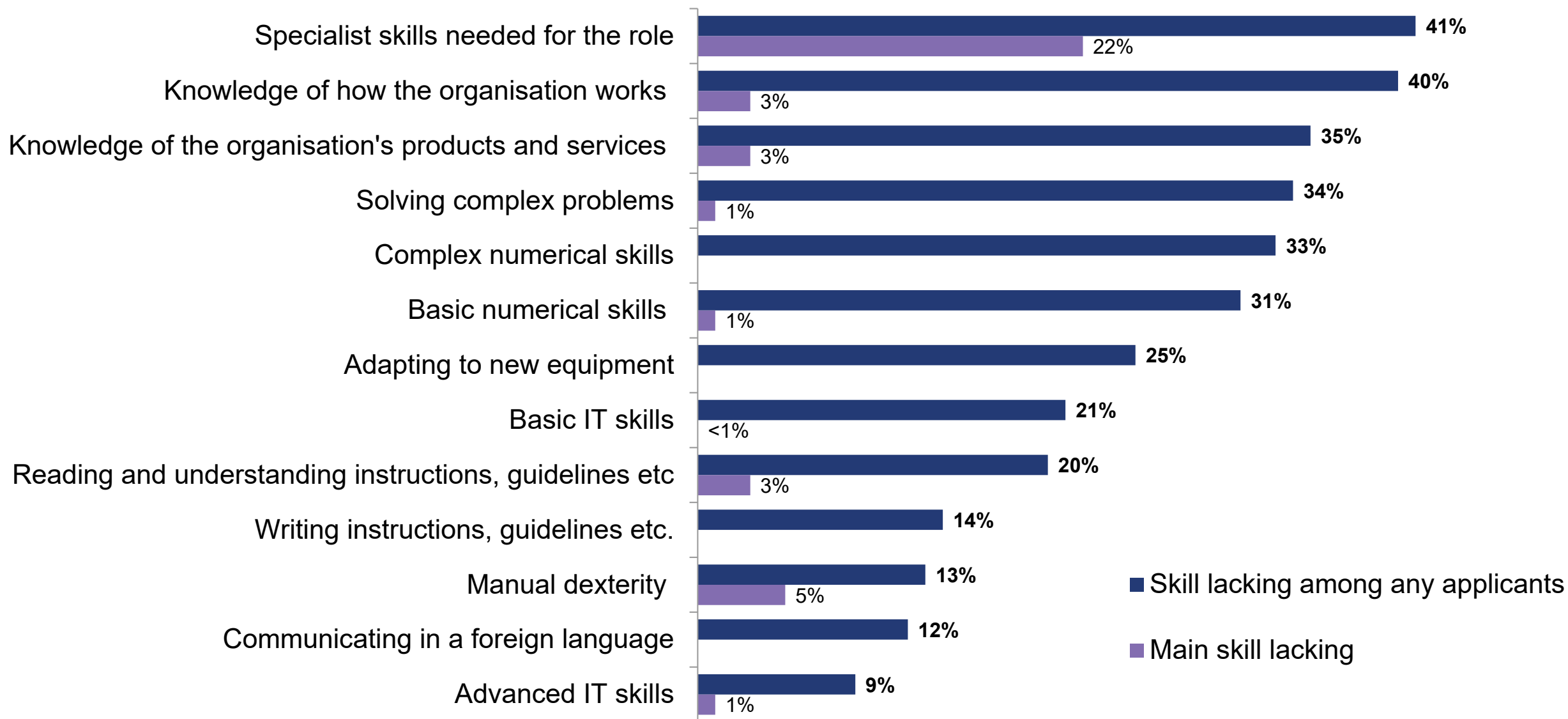


Base: All establishments with vacancies in each occupation (as shown)

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

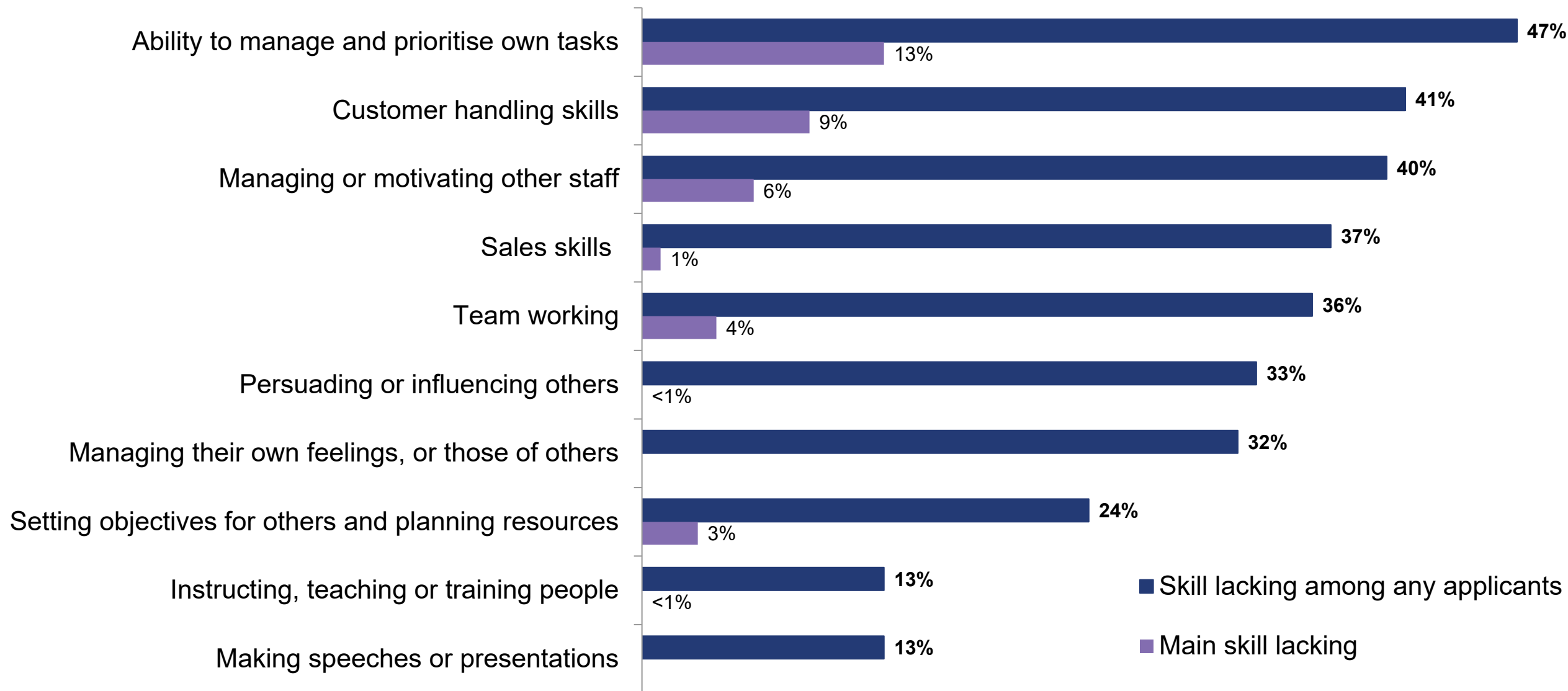
* Figure should be treated with caution due to low base size (<50)

Technical and practical skills lacking among applicants



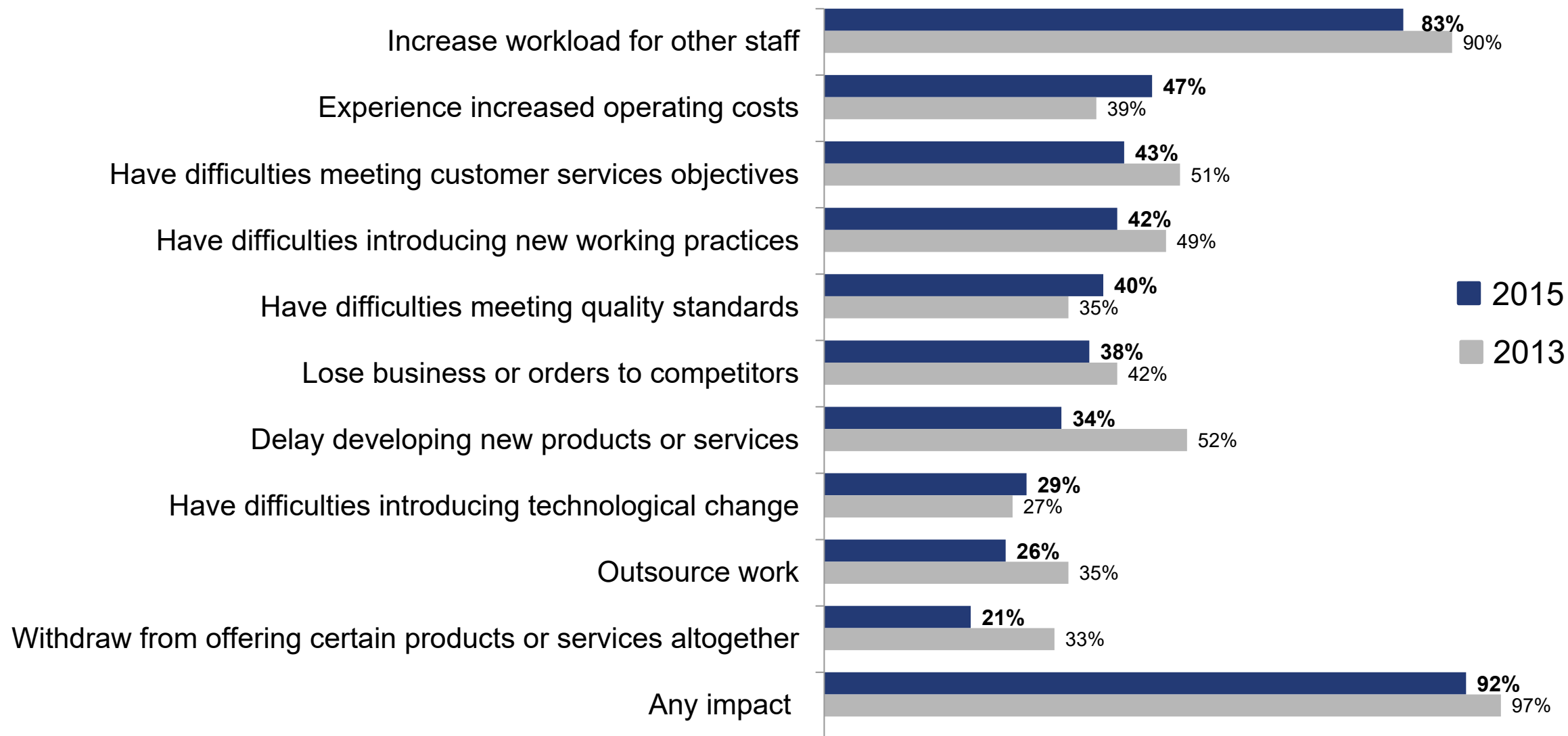
Base: All with skill-shortage vacancies that received the new lists of skills descriptors (78)

People skills lacking among applicants



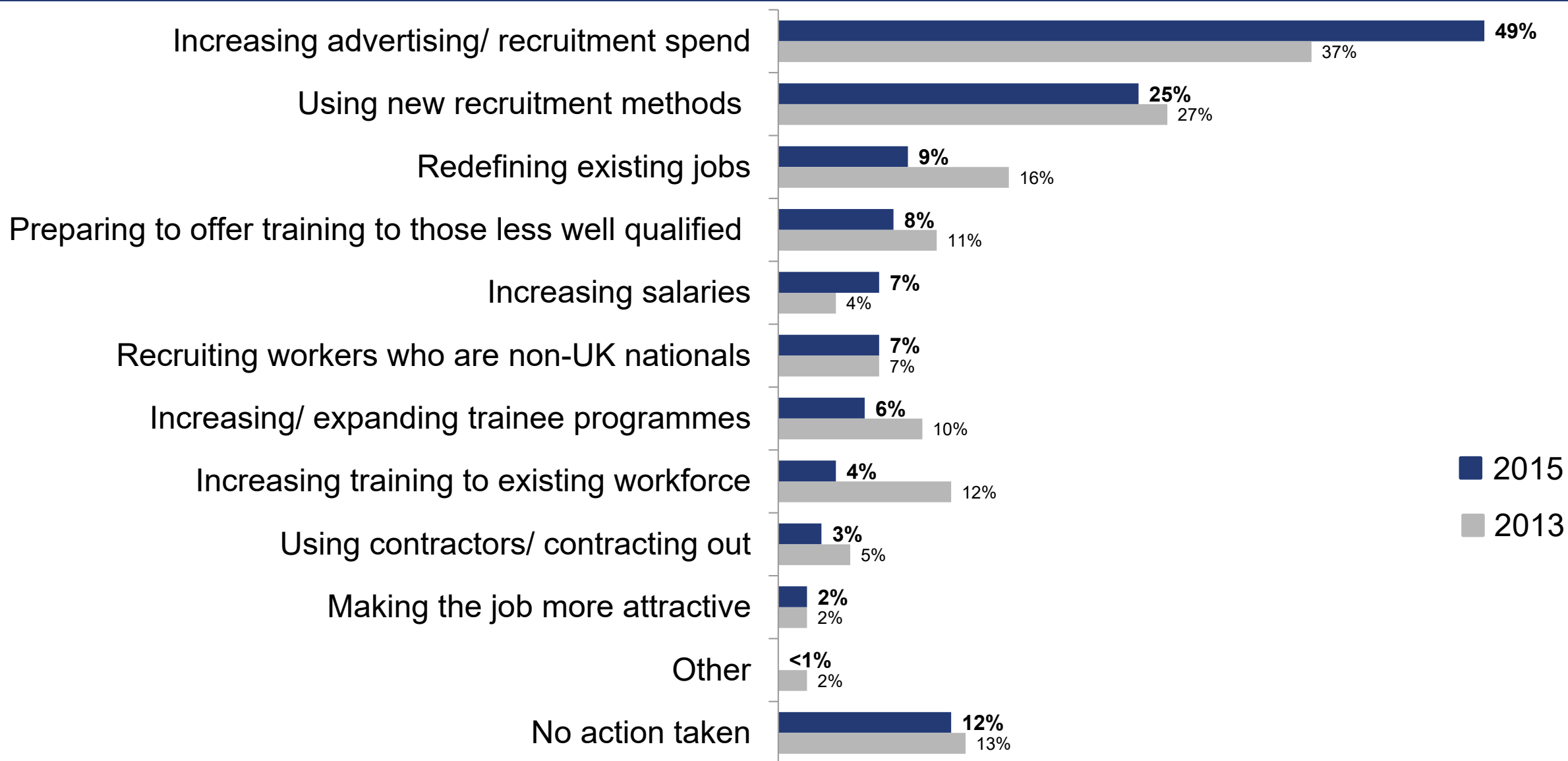
Base: All with skill-shortage vacancies that received the new lists of skills descriptors (78)

Impact of skill-shortage vacancies



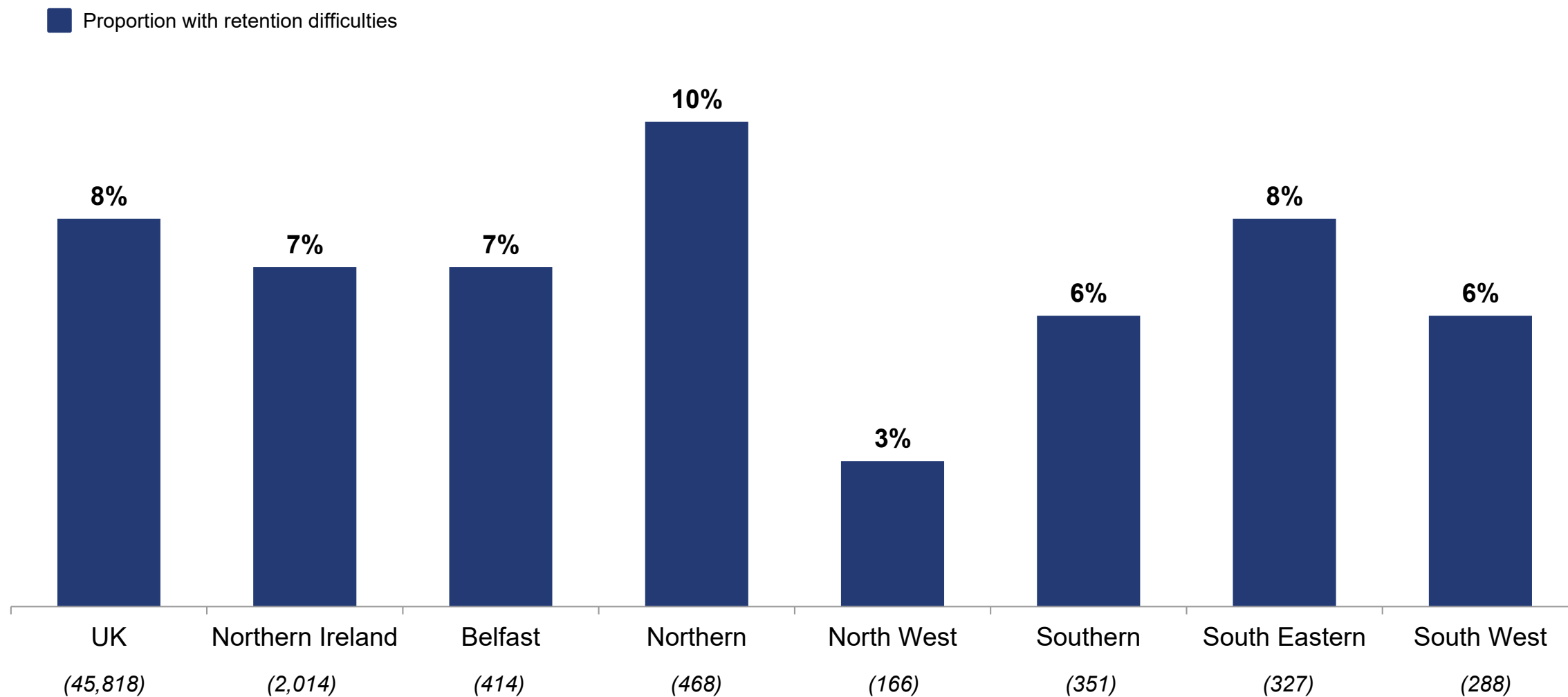
Base (2013/2015): All establishments with hard-to-fill vacancies that are all as a result of skill shortages (136/ 162)

Action taken to fill skill-shortage vacancies



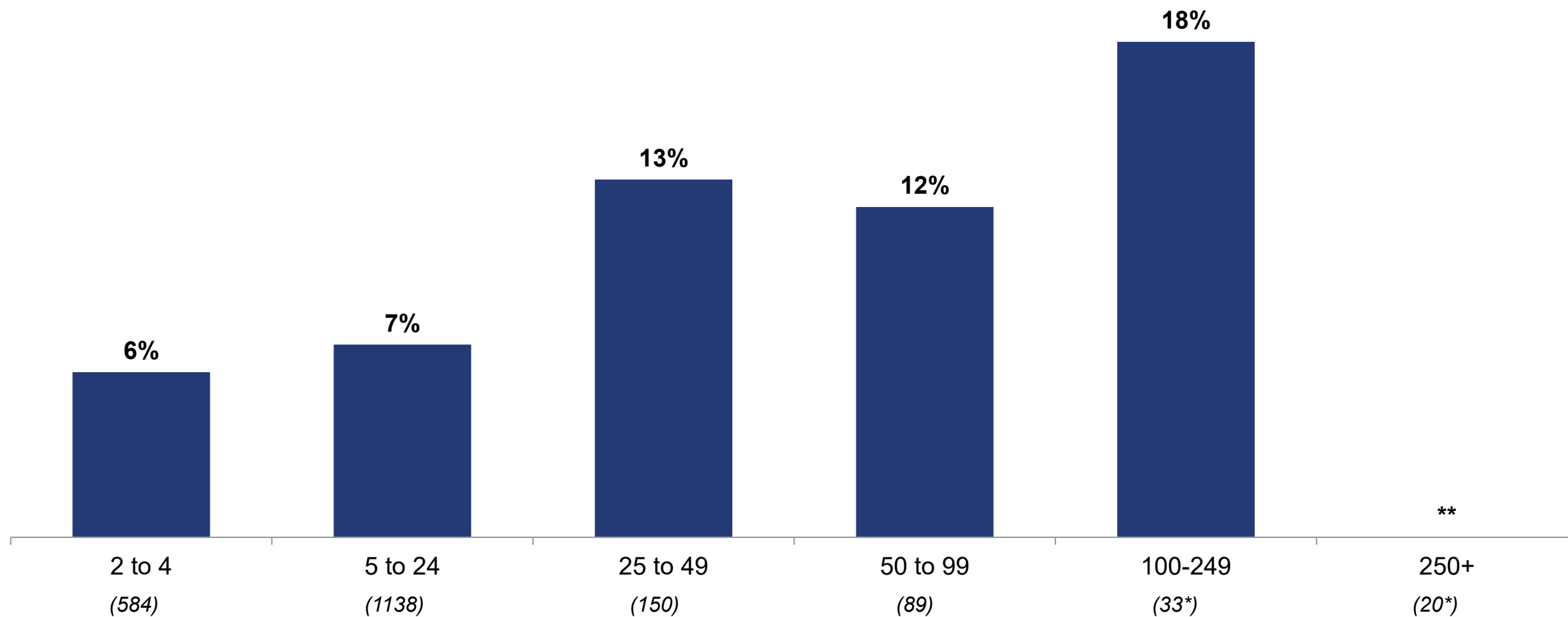
Section 2: Retention difficulties

Incidence of retention difficulties - by region



Incidence of retention difficulties - by establishment size

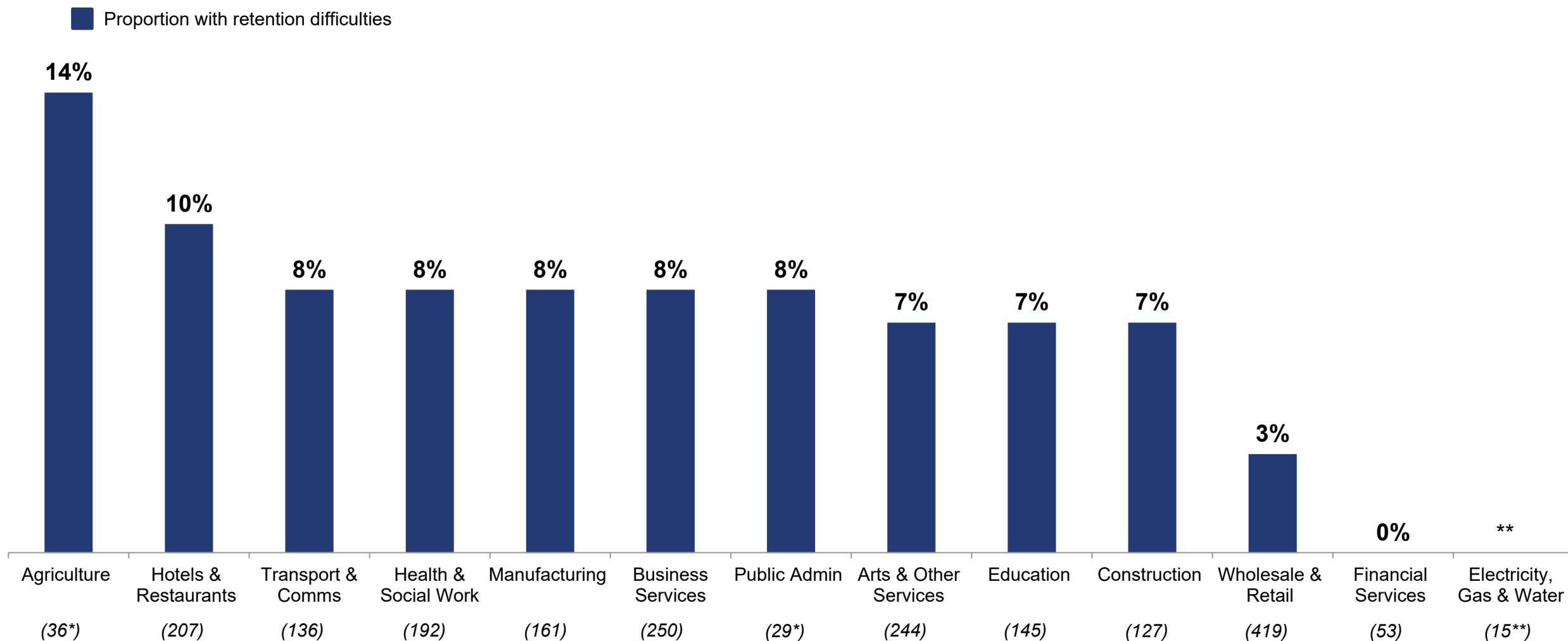
■ Proportion with retention difficulties



Base: All establishments in Module 2 (as shown)

* Figure should be treated with caution due to low base size (<50)

Incidence of retention difficulties by sector



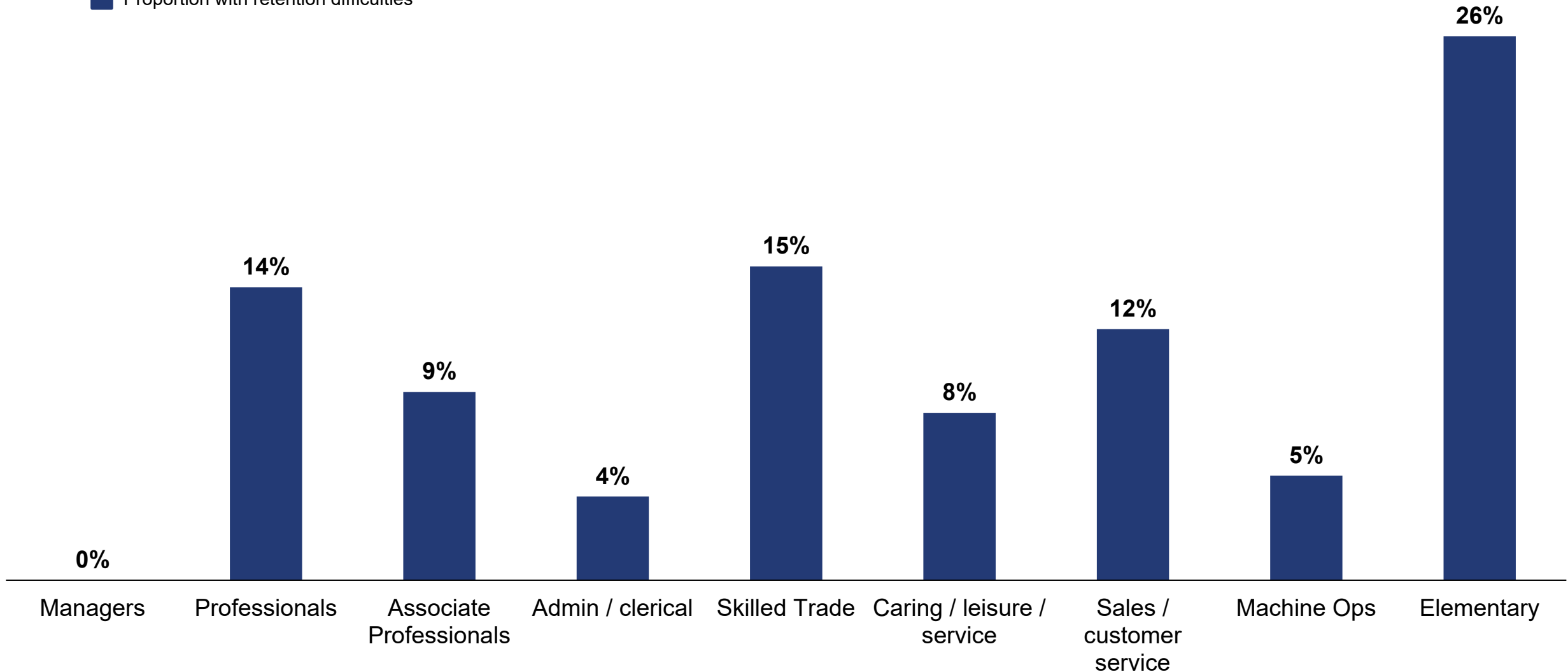
Base: All establishments in Module 2 (as shown)

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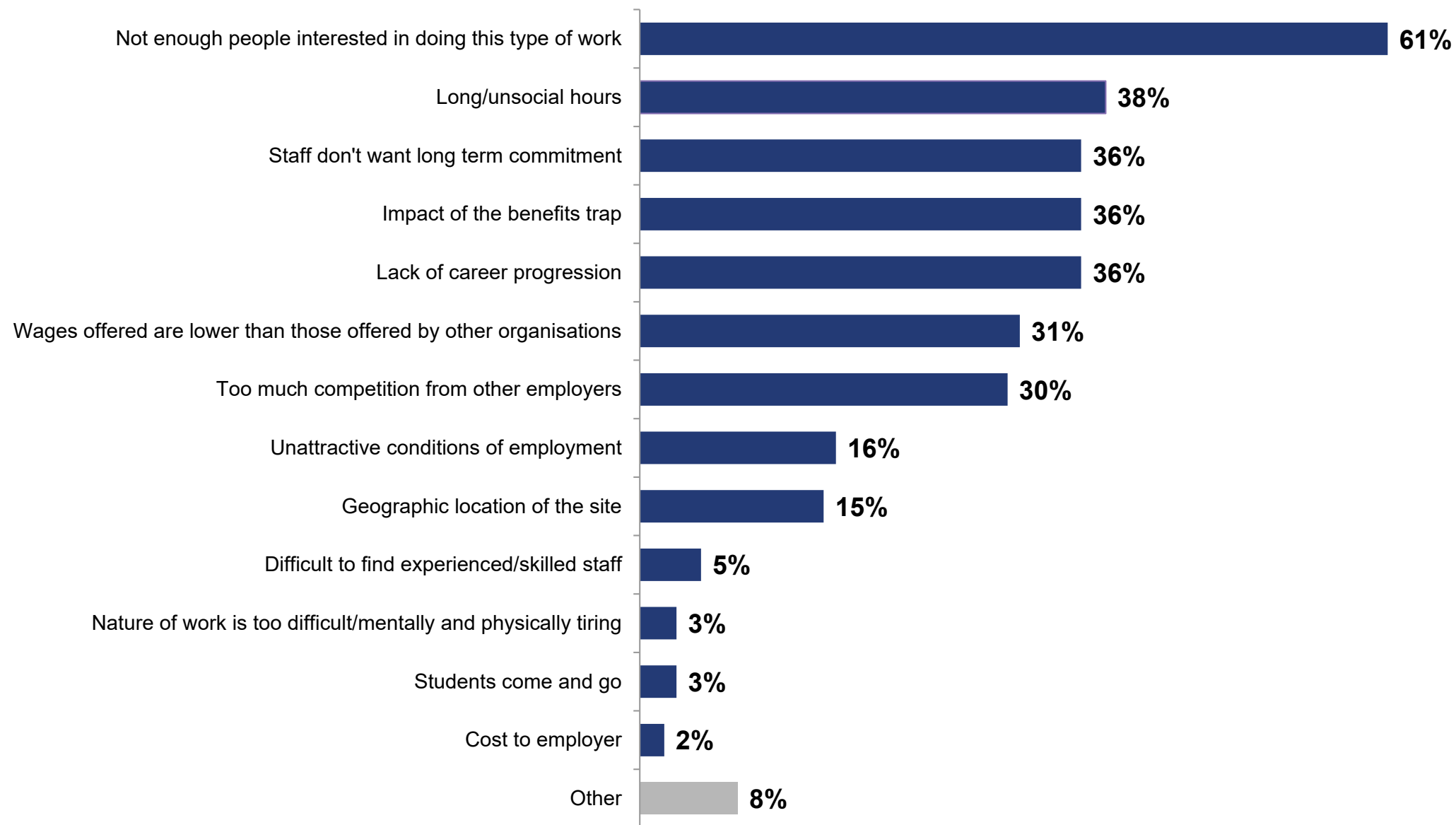
Occupation most affected by retention difficulties

■ Proportion with retention difficulties



Base: All establishments with retention difficulties (Module 2: 148)

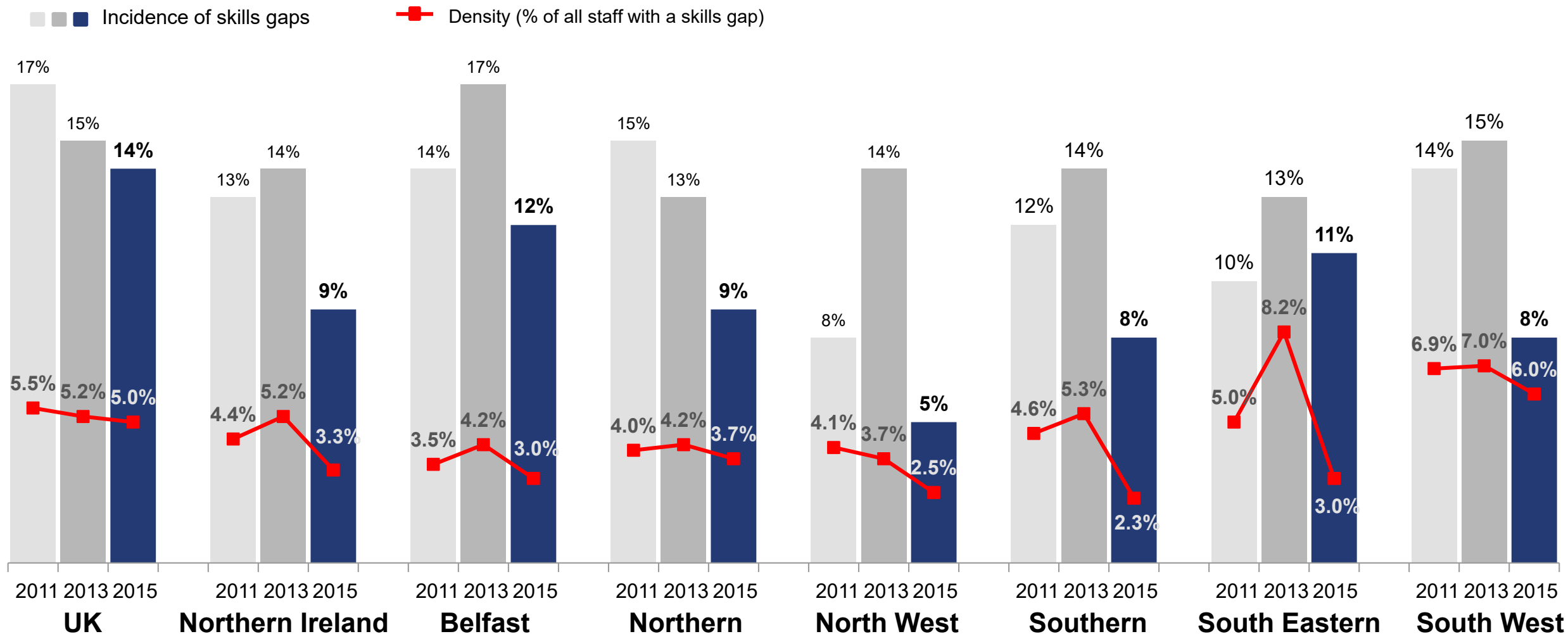
Reasons why it is difficult to retain staff



Base: All establishments experiencing retention difficulties (Module 2: 148)

Section 3: The internal skills challenge

Incidence and density of skills gaps by region



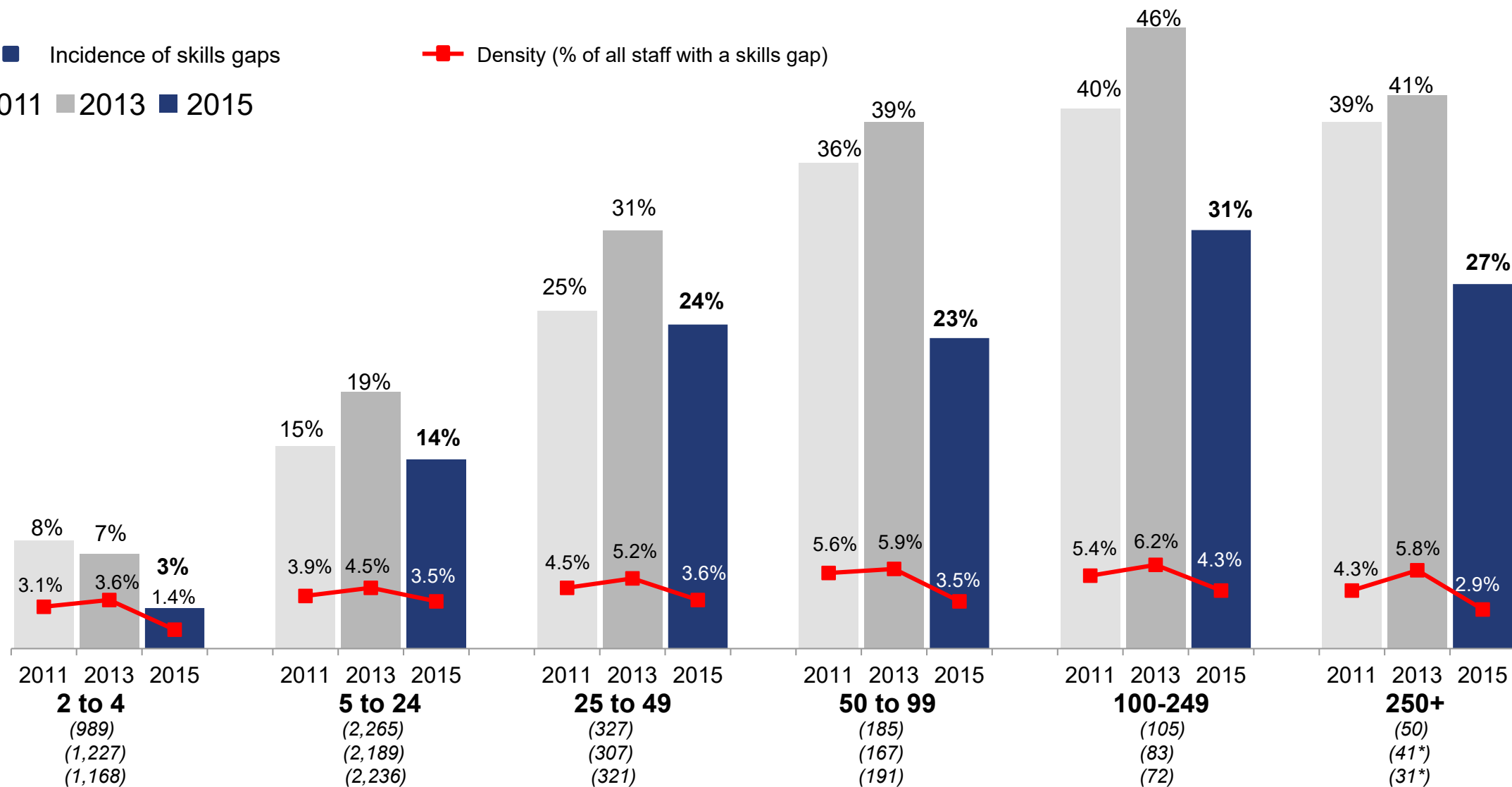
Base: All establishments (2011: UK: 86,522; Northern Ireland: 3,912; Belfast: 907; Northern: 862; North West: 383; Southern: 650; South Eastern: 667; South West: 452
 2013: UK: 91,279; Northern Ireland: 4,014; Belfast: 918; Northern: 878; North West: 377; Southern: 644; South Eastern: 688; South West: 509
 2015: UK: 91,210; Northern Ireland: 4,019; Belfast: 790; Northern: 925; North West: 355; Southern: 702; South Eastern: 661; South West: 586).

Incidence and density of skills gaps by establishment size

Incidence of skills gaps

Density (% of all staff with a skills gap)

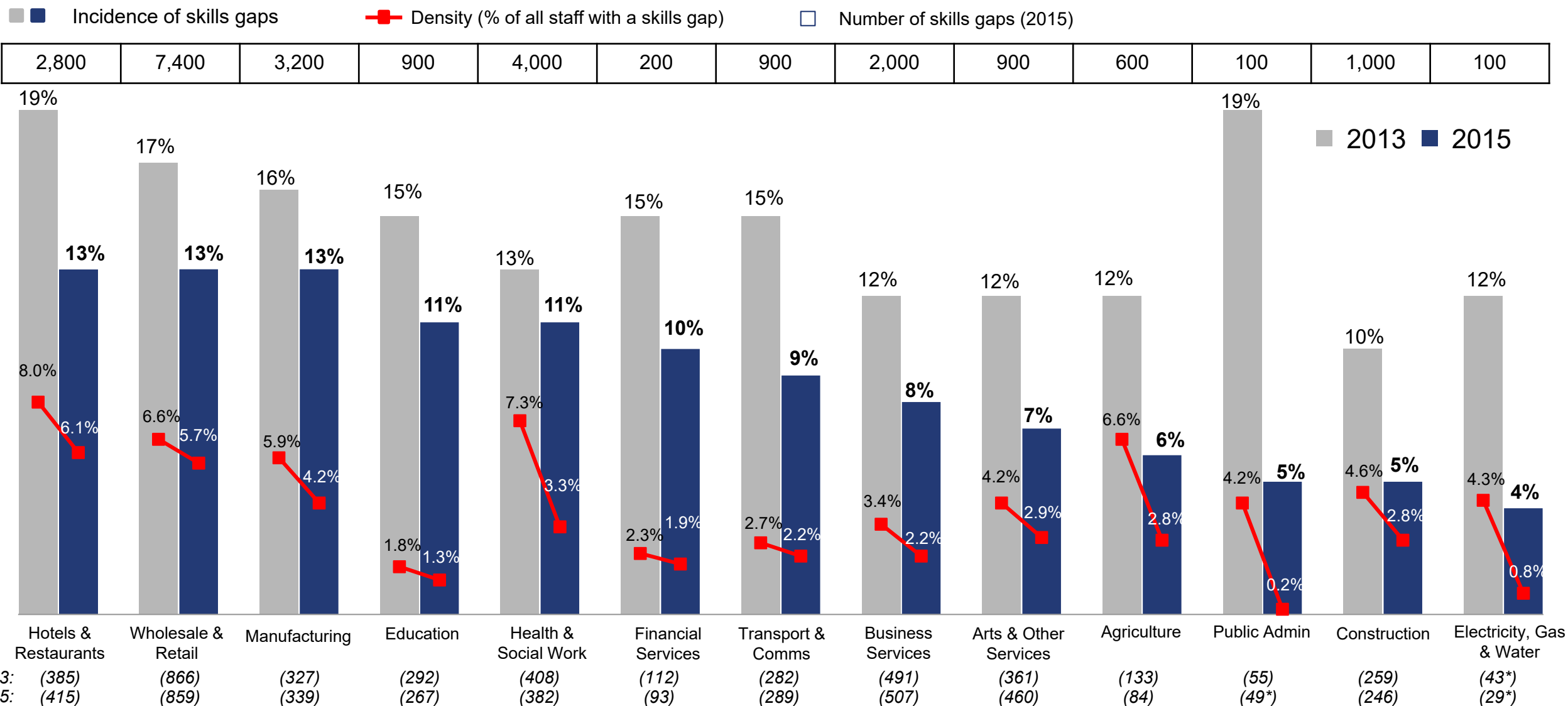
2011 2013 2015



Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

Incidence and density of skills gaps by sector



Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

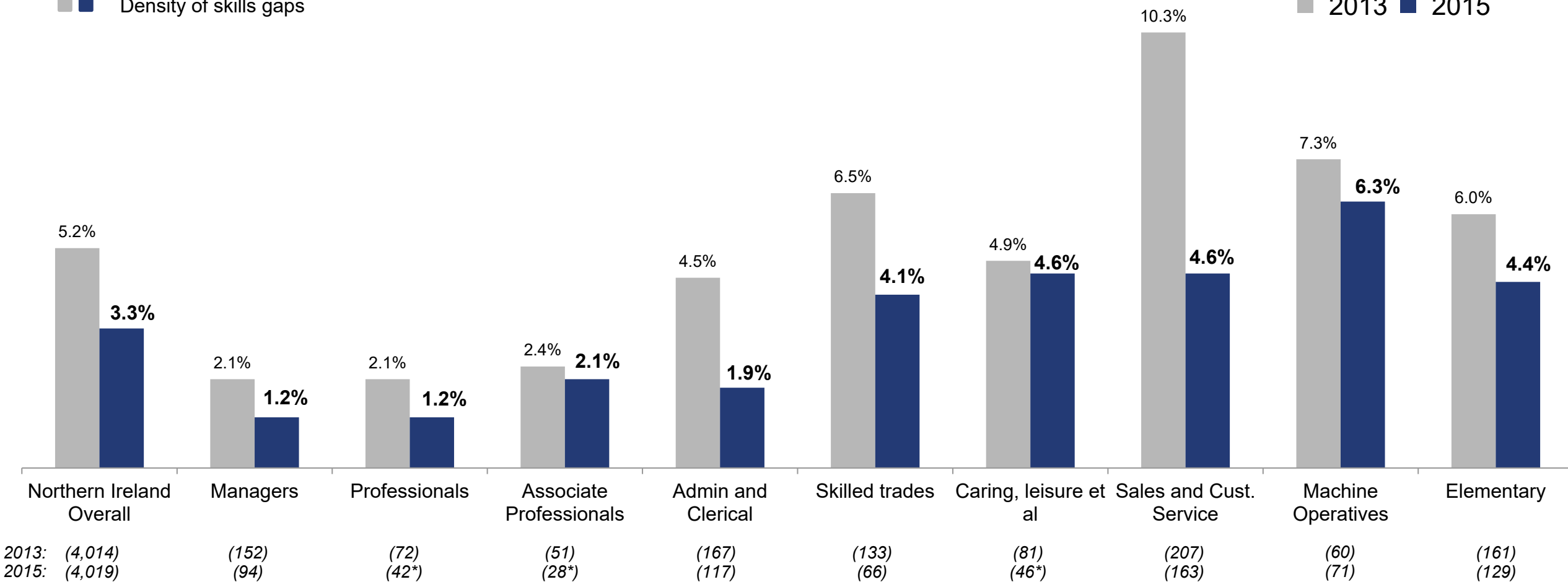
Skills gaps density by occupation

□ Number of skills gaps (2015)

24,000	1,500	1,000	700	1,700	1,700	4,100	4,900	4,700	3,800
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■ Density of skills gaps

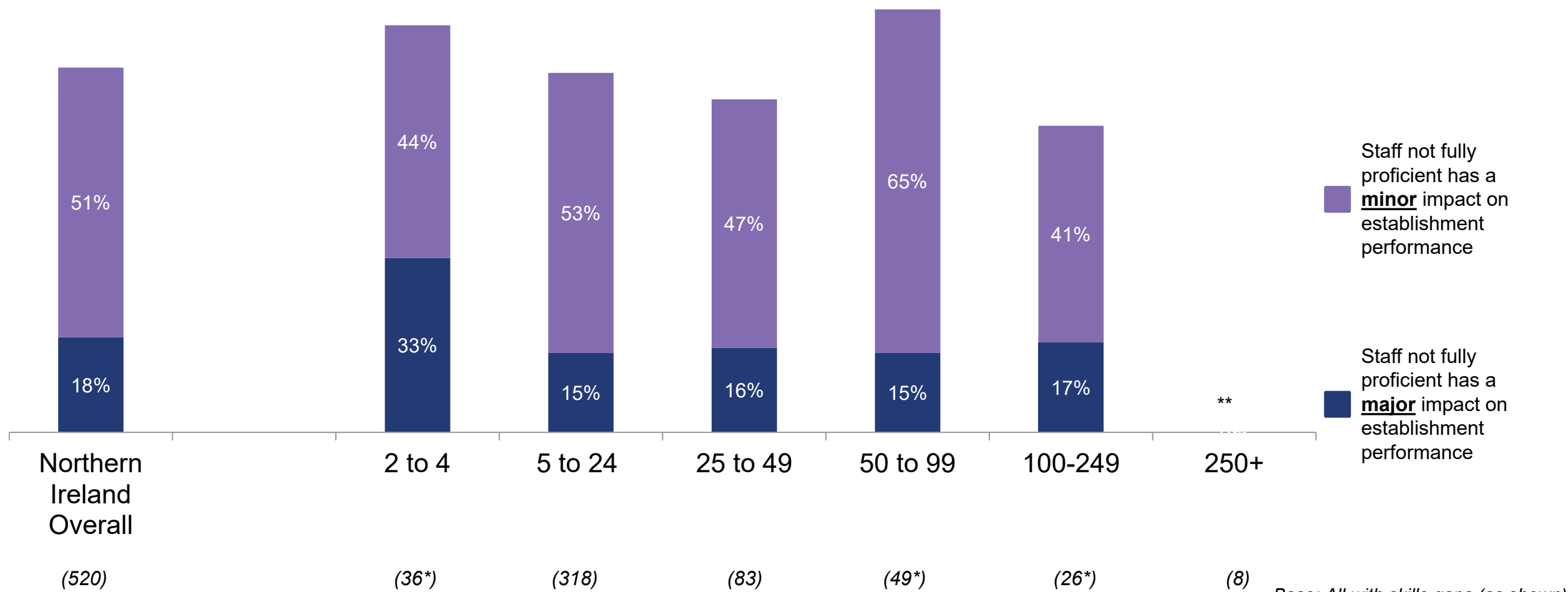
■ 2013 ■ 2015



Base: All employment (as shown)

* Figure should be treated with caution due to low base size (<50)

Impact of skills gaps by establishment size

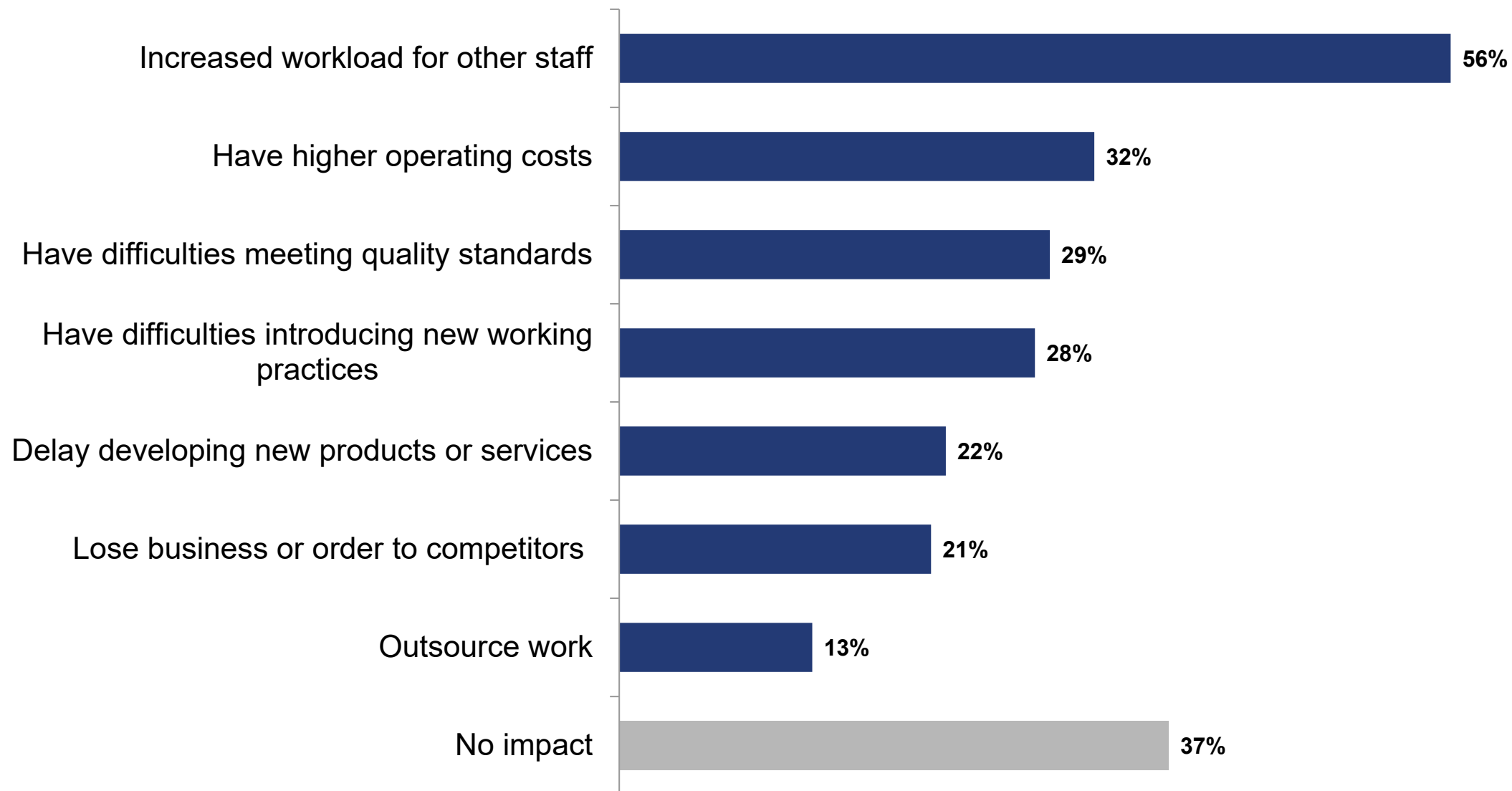


Base: All with skills gaps (as shown)

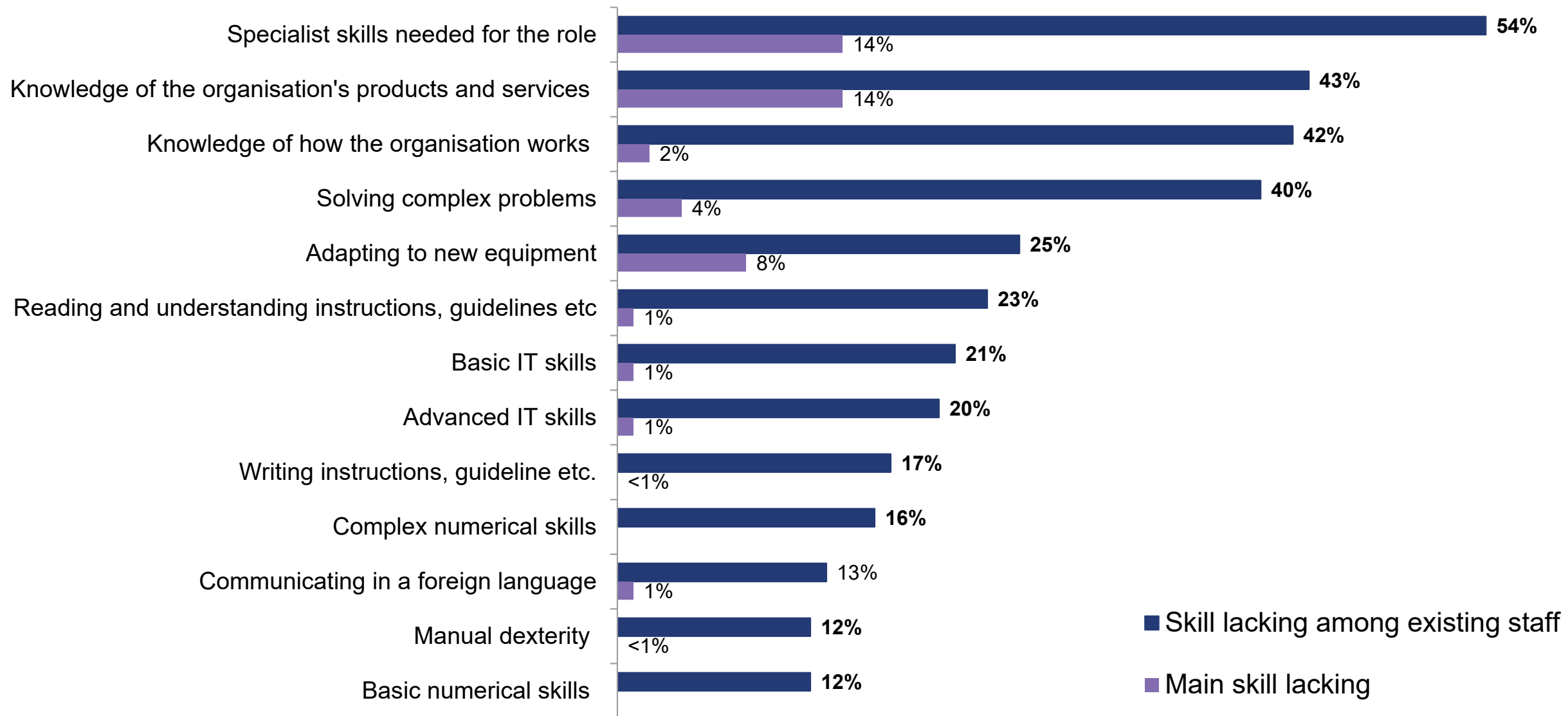
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Impact of skills gaps

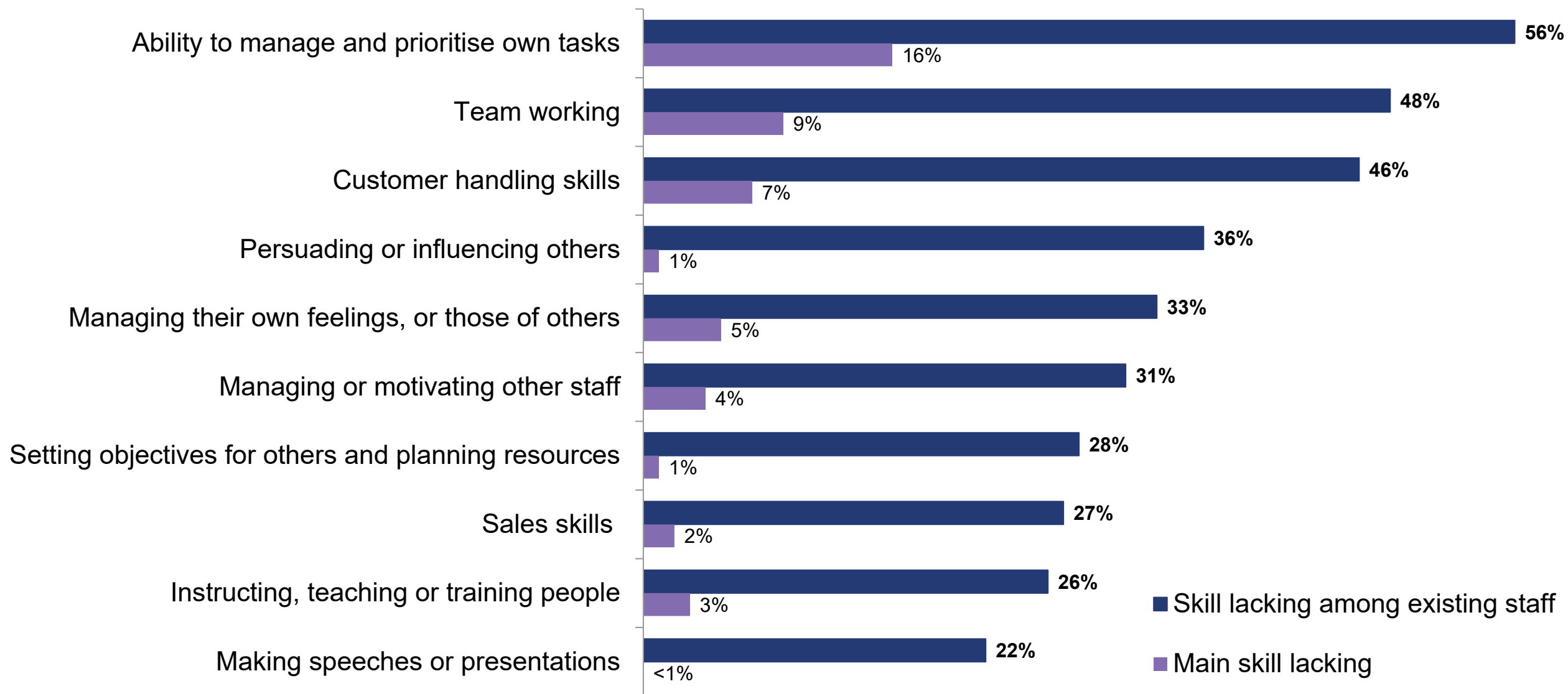


Technical and practical skills that need improving among staff with 30 skills gaps

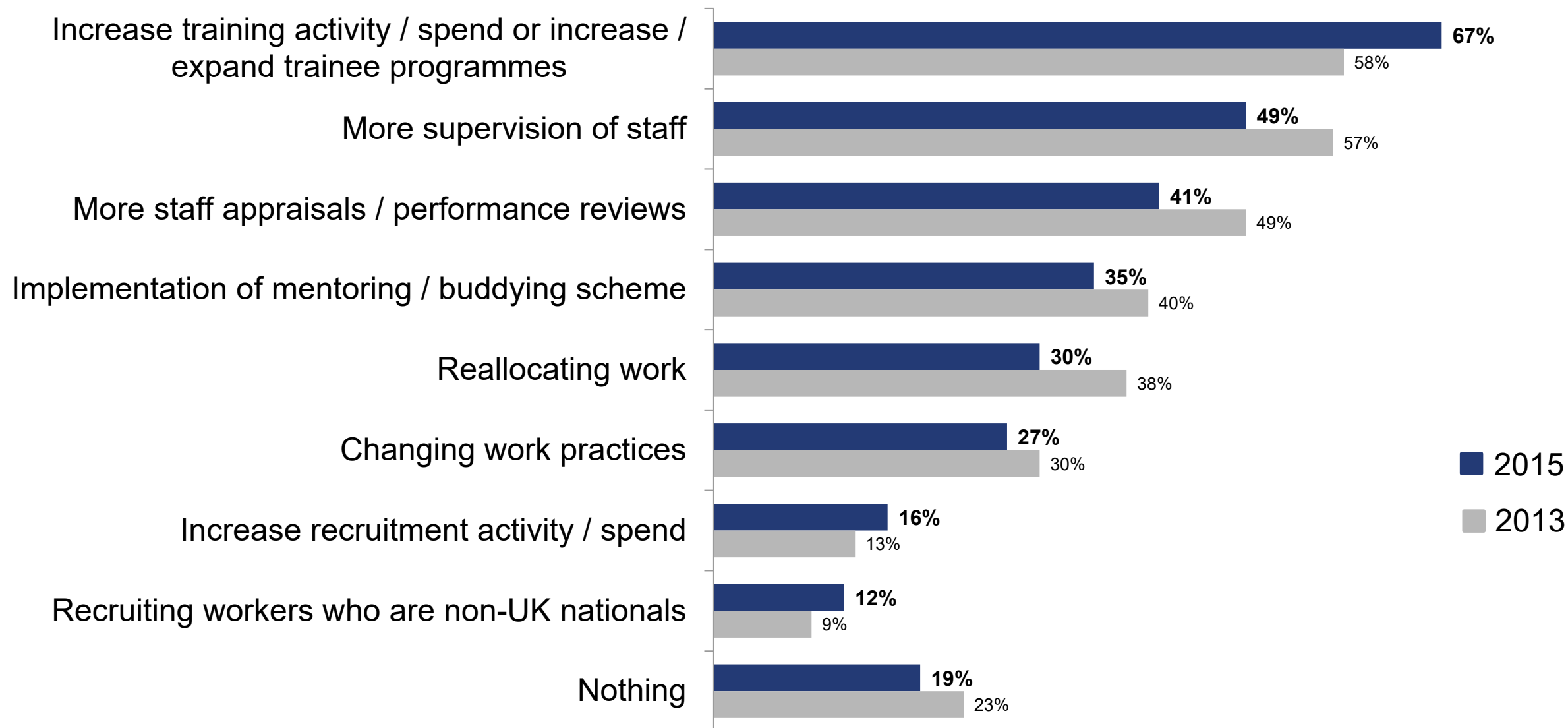


Base: All with skills gaps followed up with the new lists of skills descriptors (271)

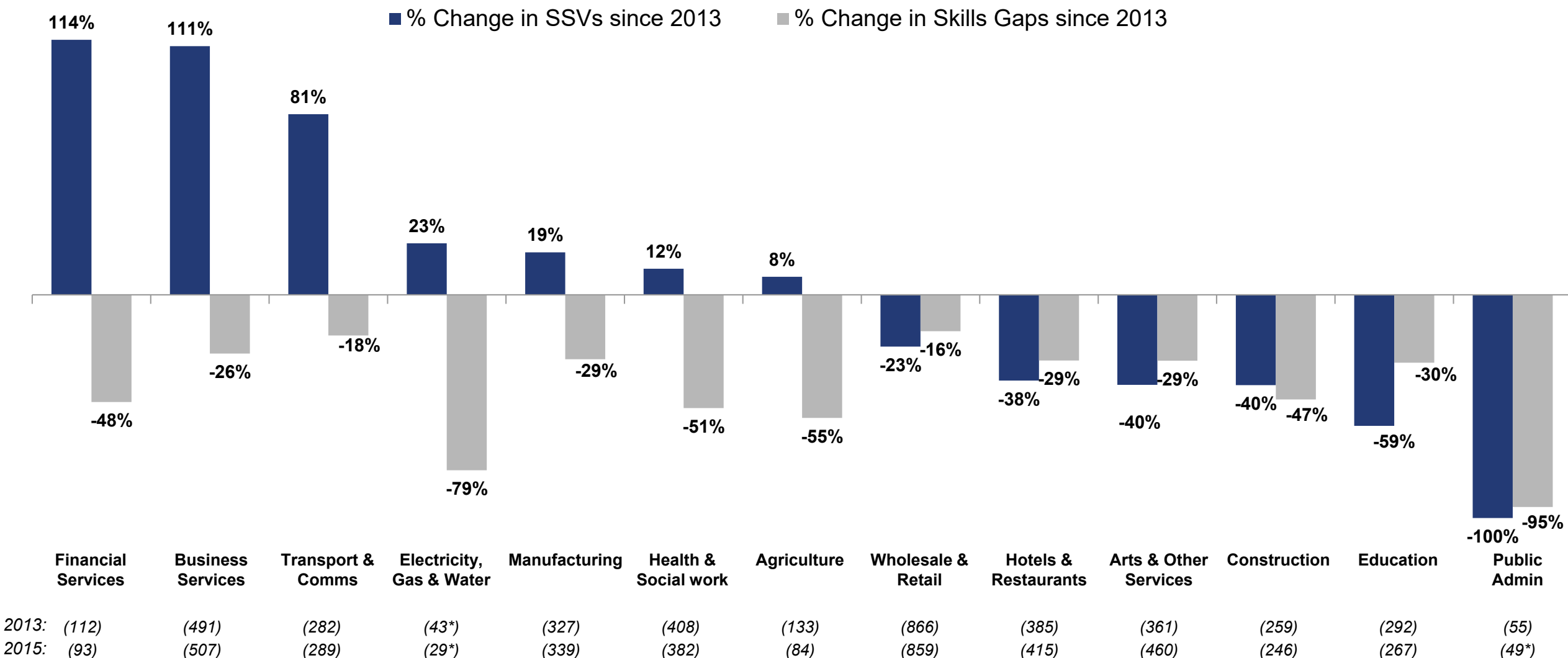
People and personal skills that need improving among staff with skills gaps



Action taken to overcome skills gaps



Changes in the number of SSVs and skills gaps over time

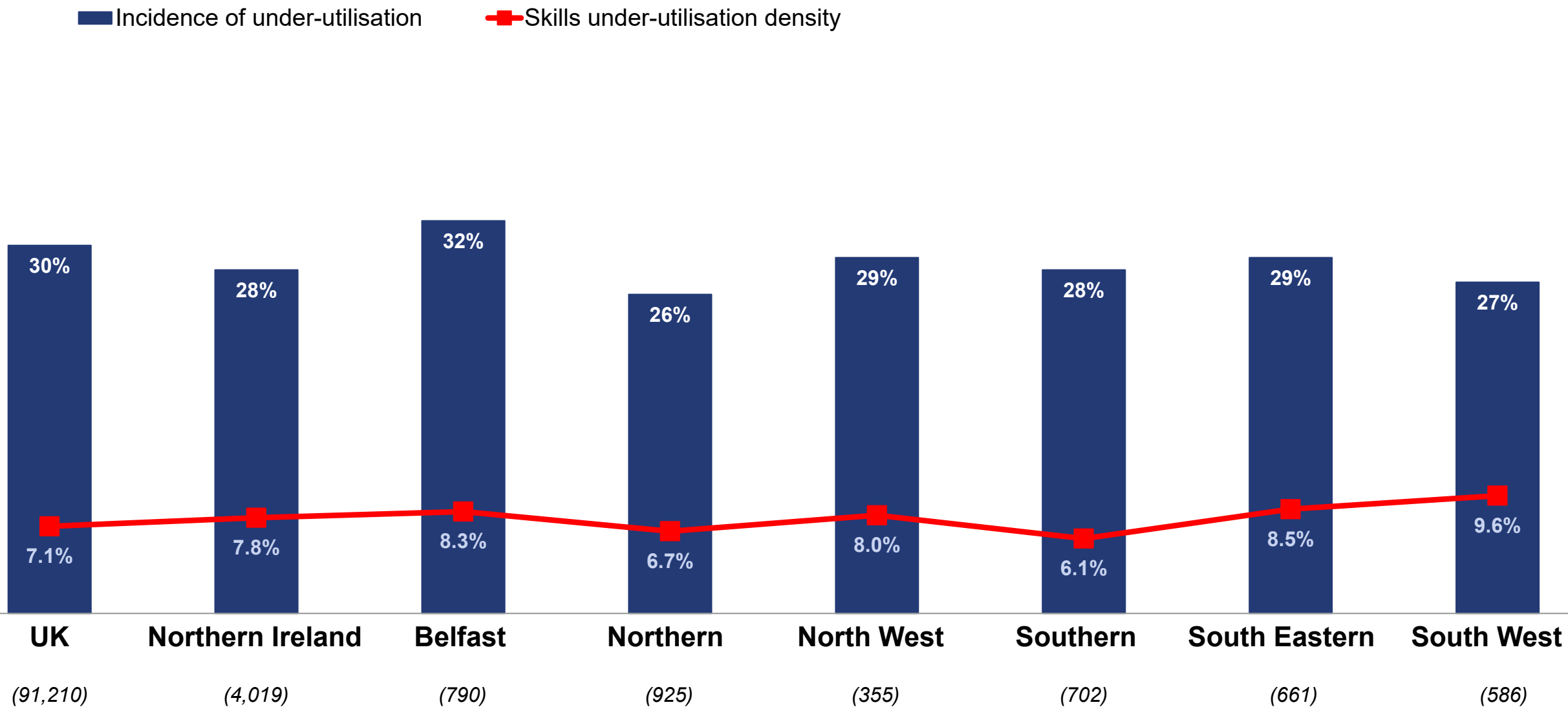


Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

Section 4: Under-utilisation

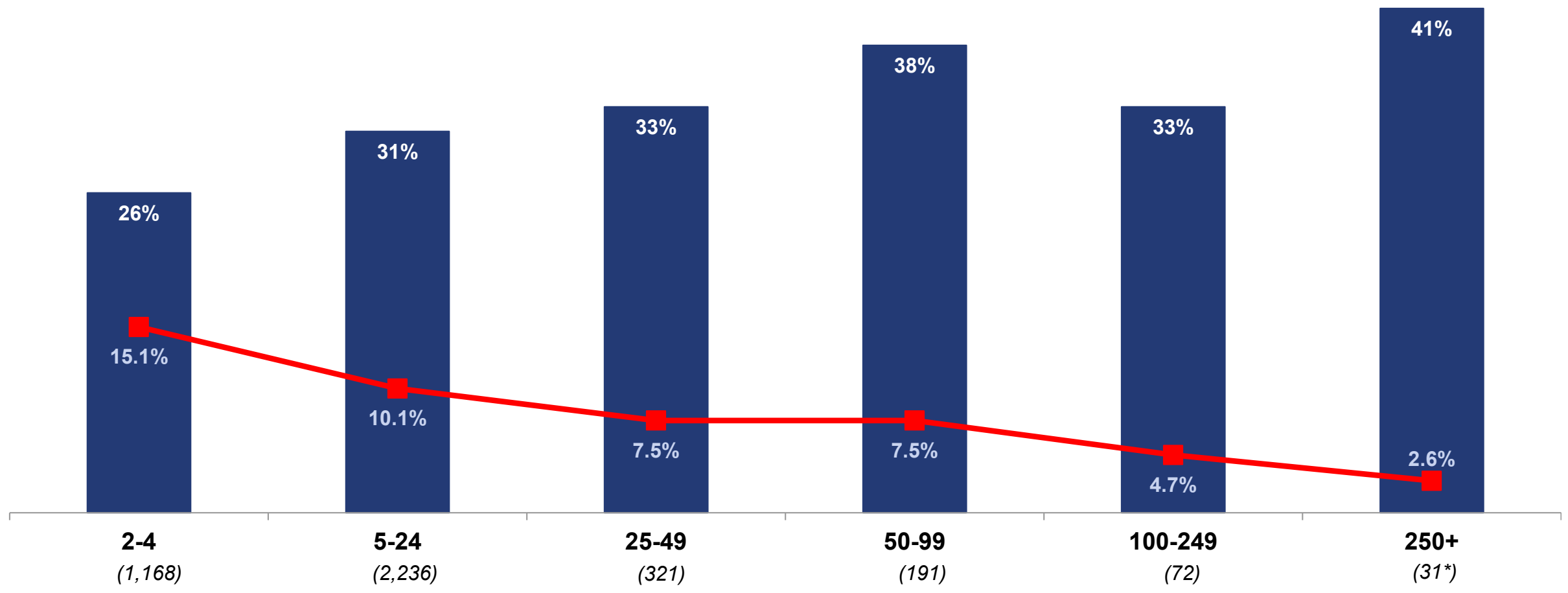
Incidence and density of skills under-utilisation by region



Base: All establishments (as shown)

Incidence and density of skills under-utilisation by establishment size

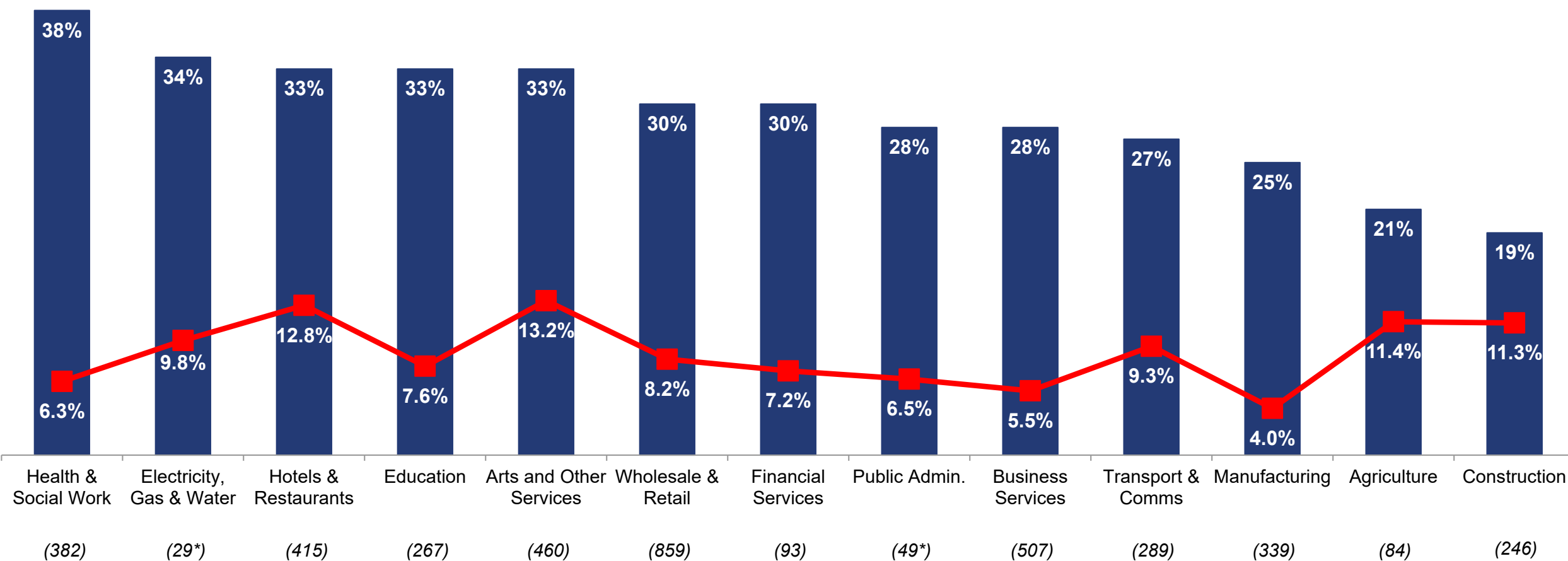
■ Incidence of under-utilisation ■ Skills under-utilisation density



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

Incidence and density of skills under-utilisation by sector

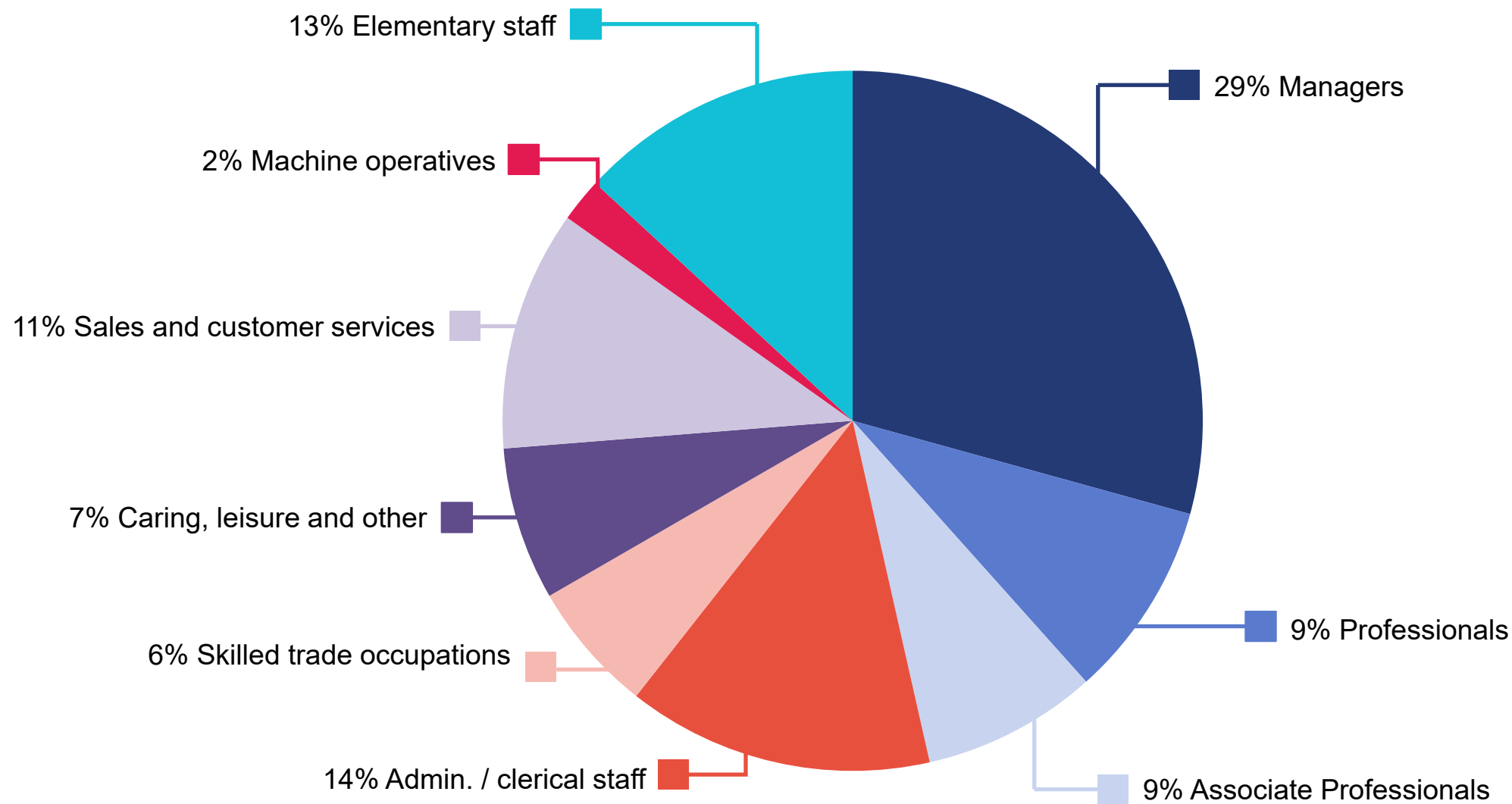
■ Incidence of under-utilisation ■ Skills under-utilisation density



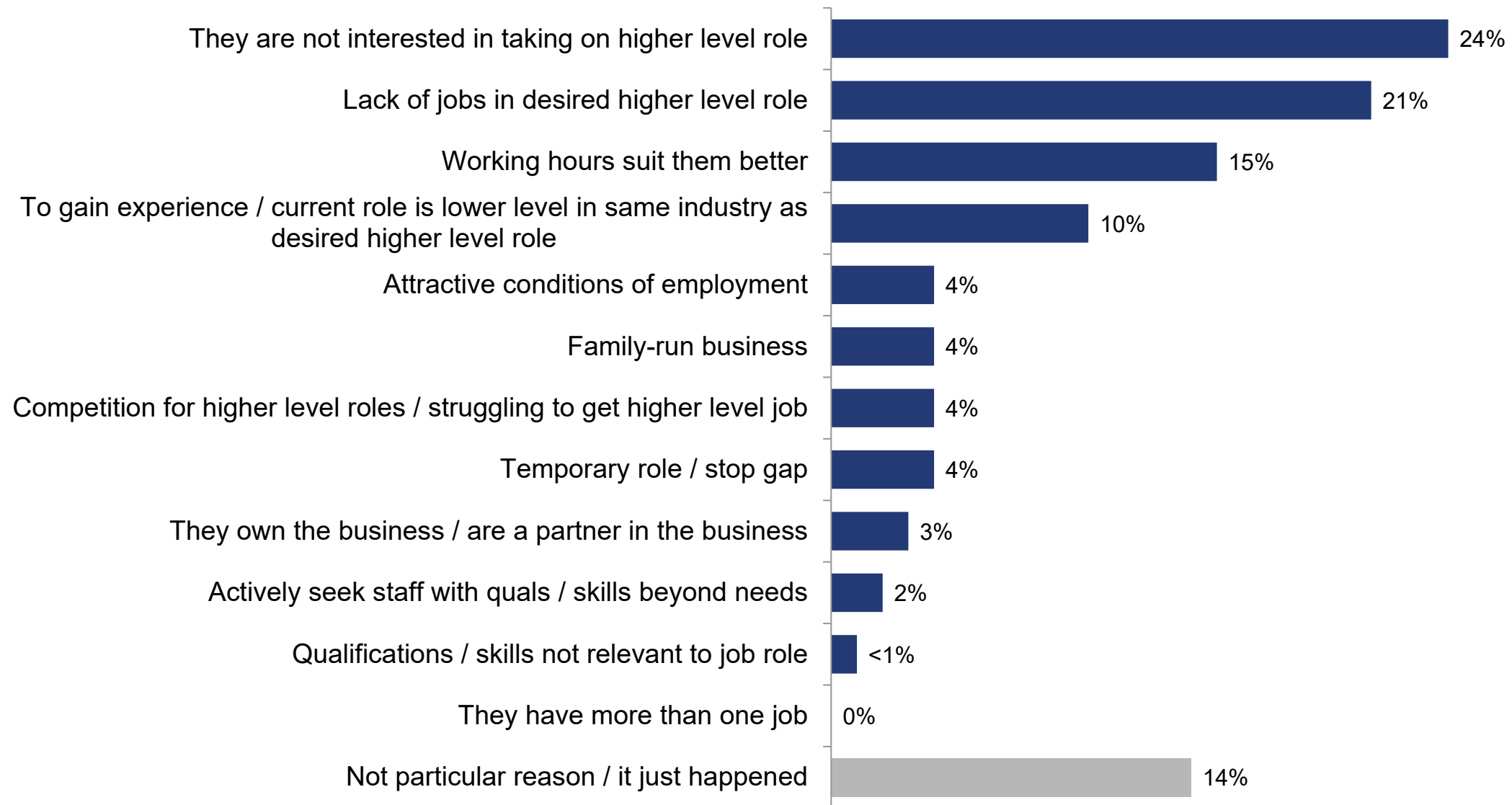
Base: All establishments (as shown)

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Occupations where under-utilisation is most prevalent



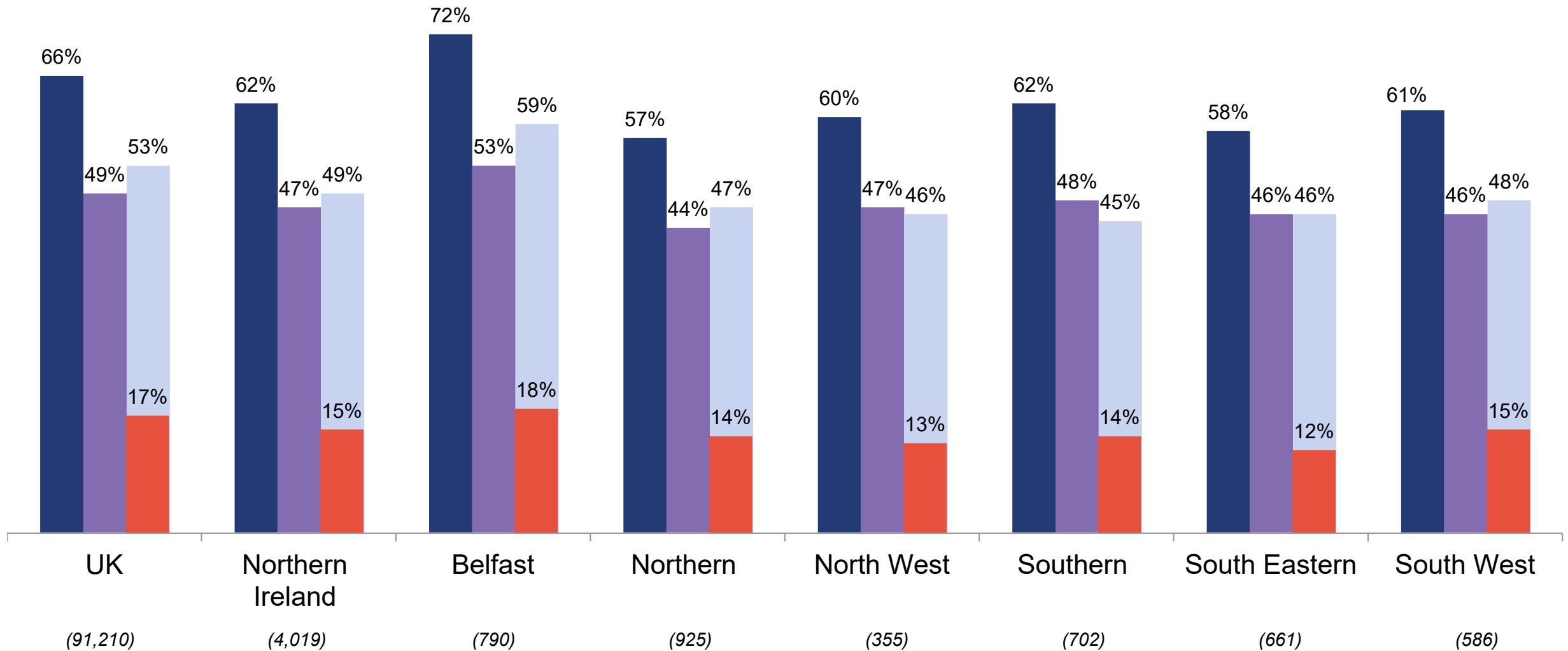
Reasons why staff are working in roles for which they have excess qualifications and skills ³⁹



Section 5: Employer investment in training and skills

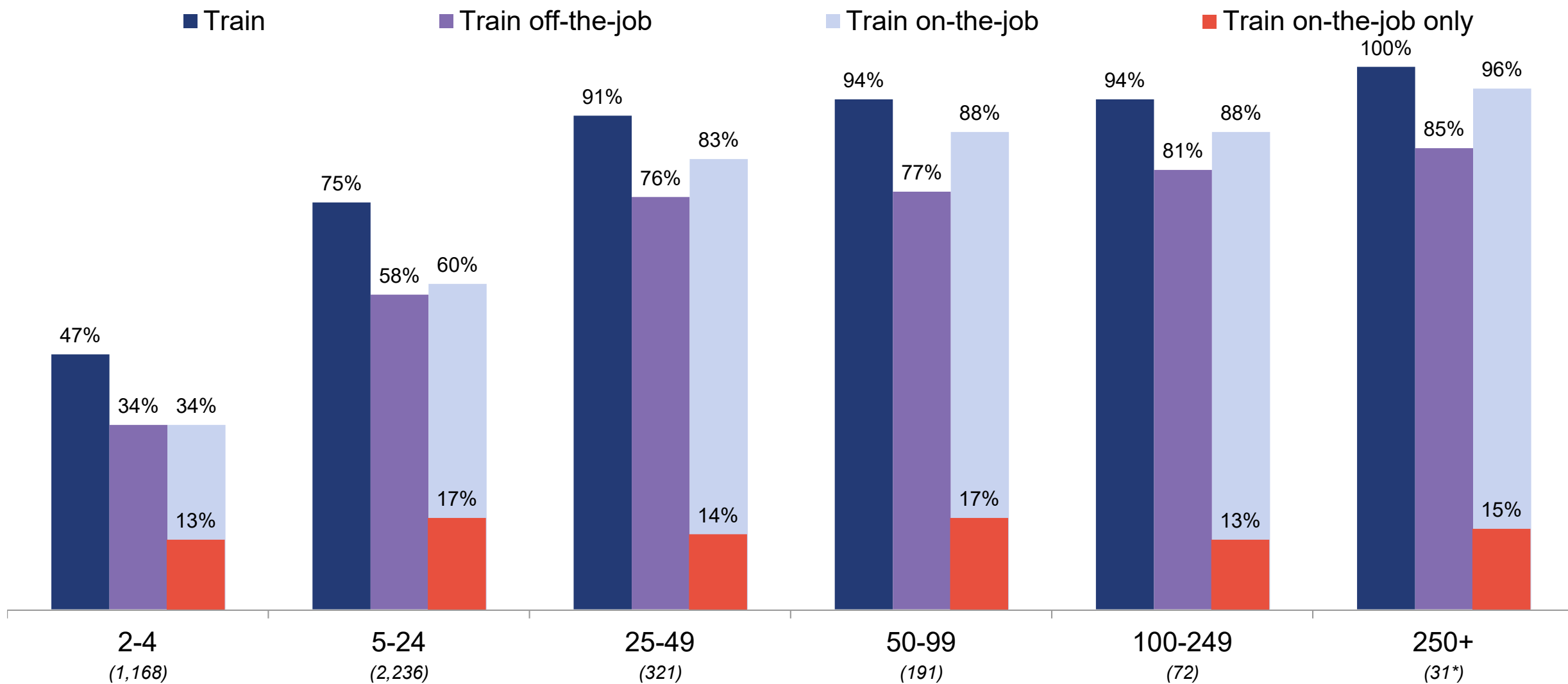
Proportion of employers providing training in the last 12 months by region

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



Base: All establishments (as shown)

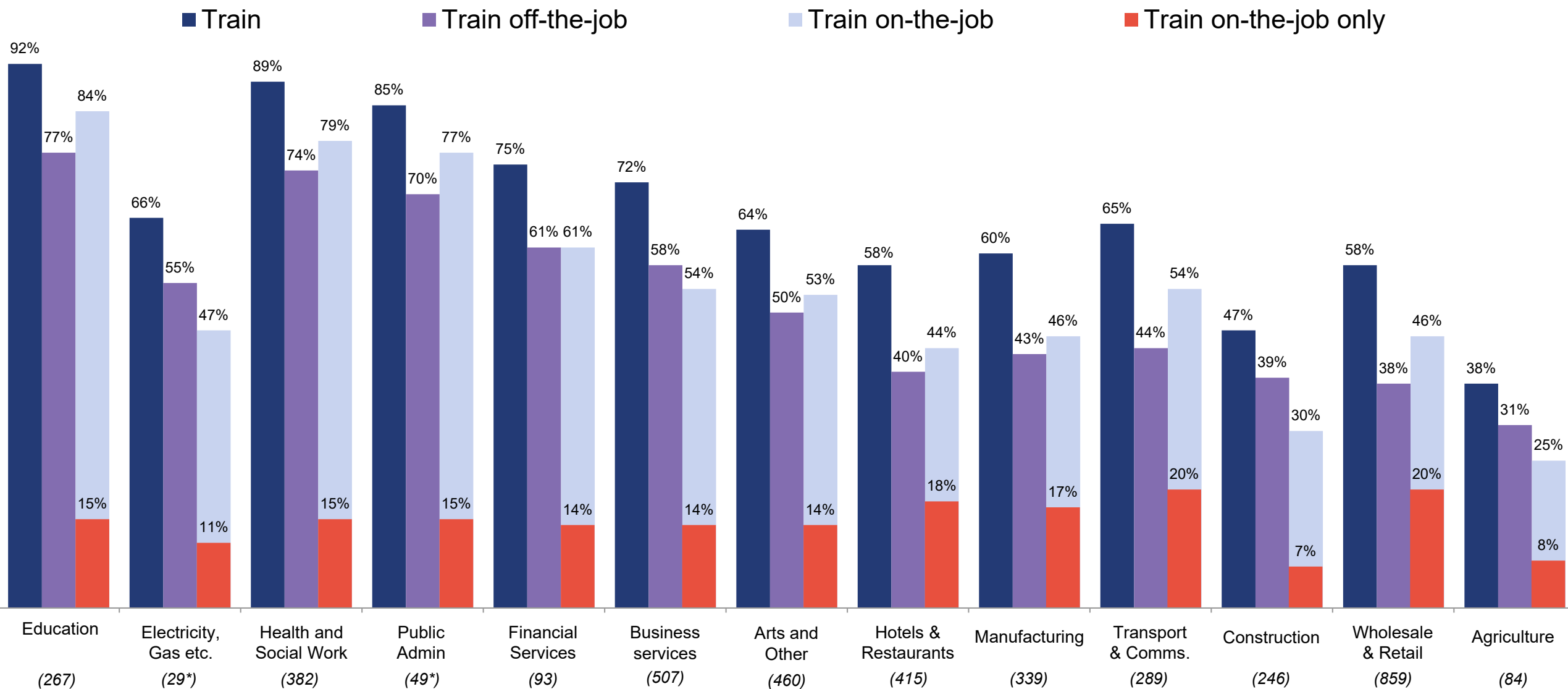
Proportion of employers providing training in the last 12 months by size



Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

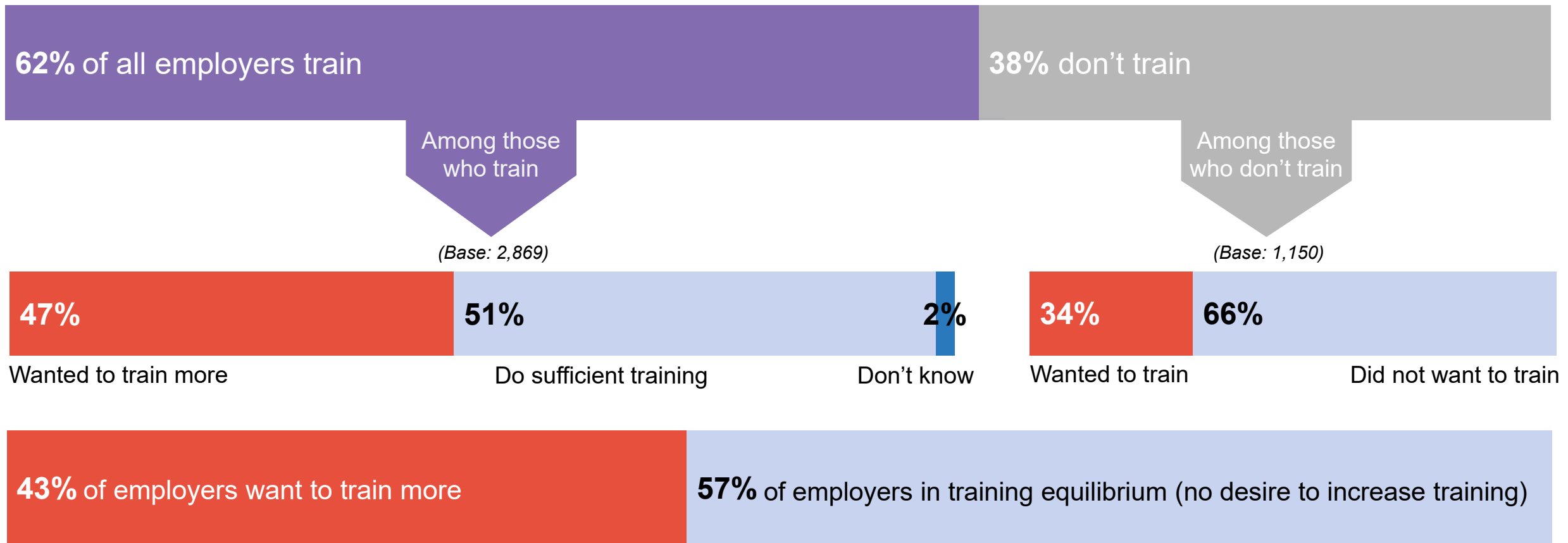
Proportion of employers providing training in the last 12 months by sector



Base: All establishments (as shown)

* Figure should be treated with caution due to low base size (<50)

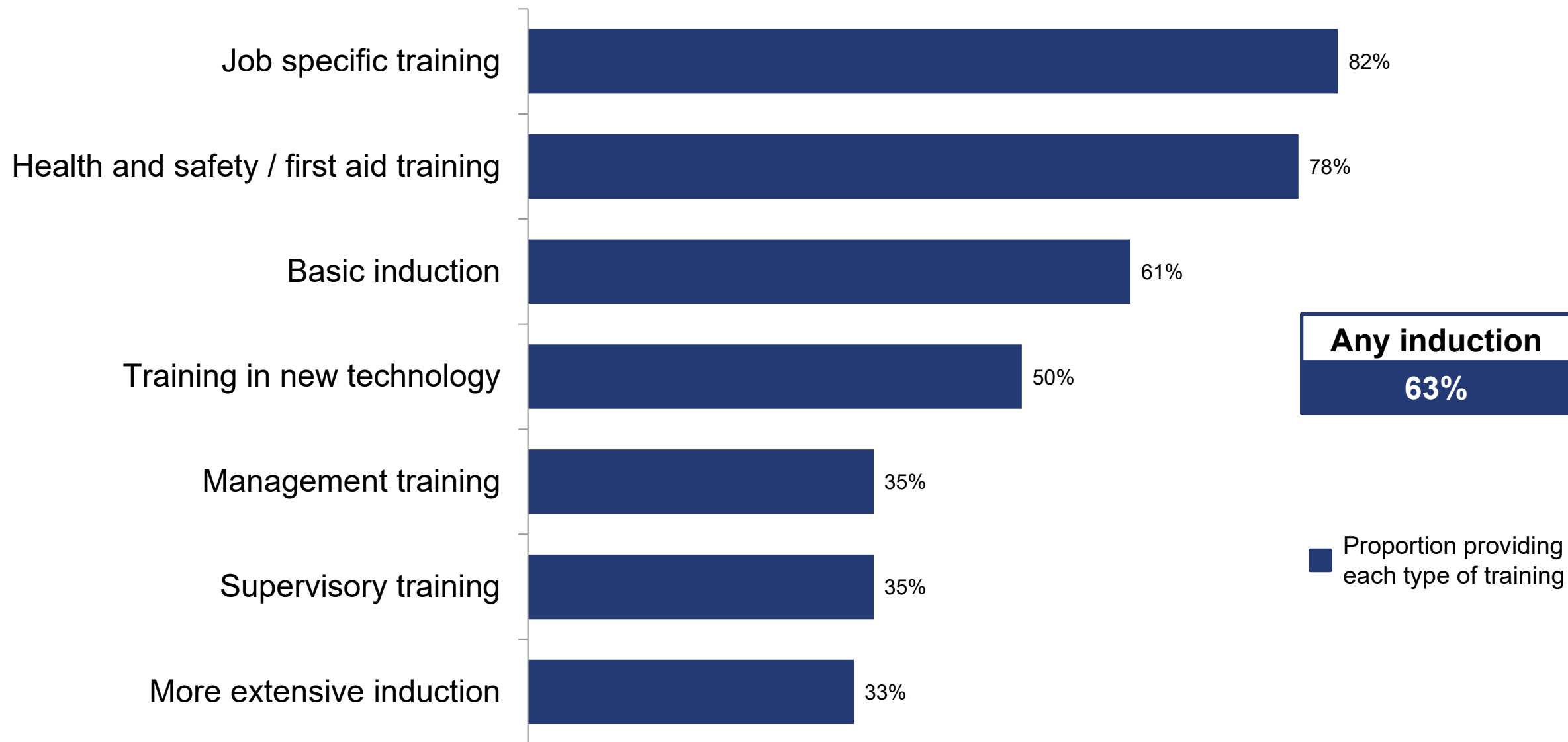
Training Equilibrium: employers' interest in providing more training 44 than they were able to



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

Base: All establishments (4,019)

Types of Training and Workforce Development provided



Number and proportion of staff trained by region

Total number of staff trained (thousands)

2011

2013

2015

14.7m 16.8m 17.4m

433 426 463

142 146 150

92 85 107

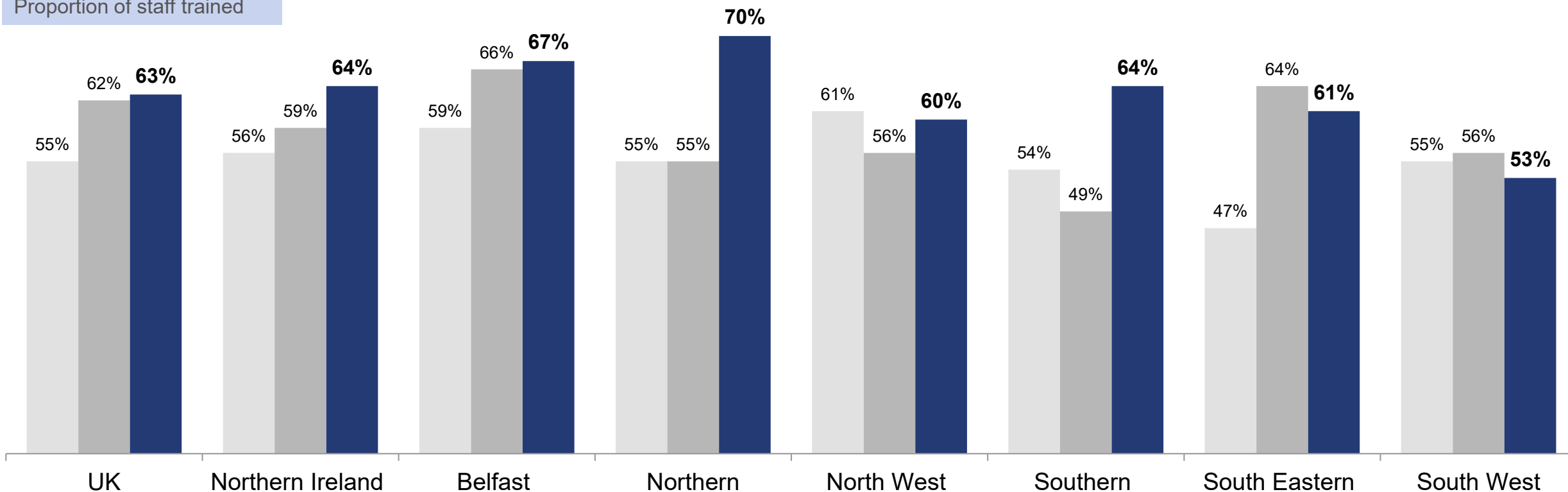
40 34 36

62 51 68

51 66 60

46 44 42

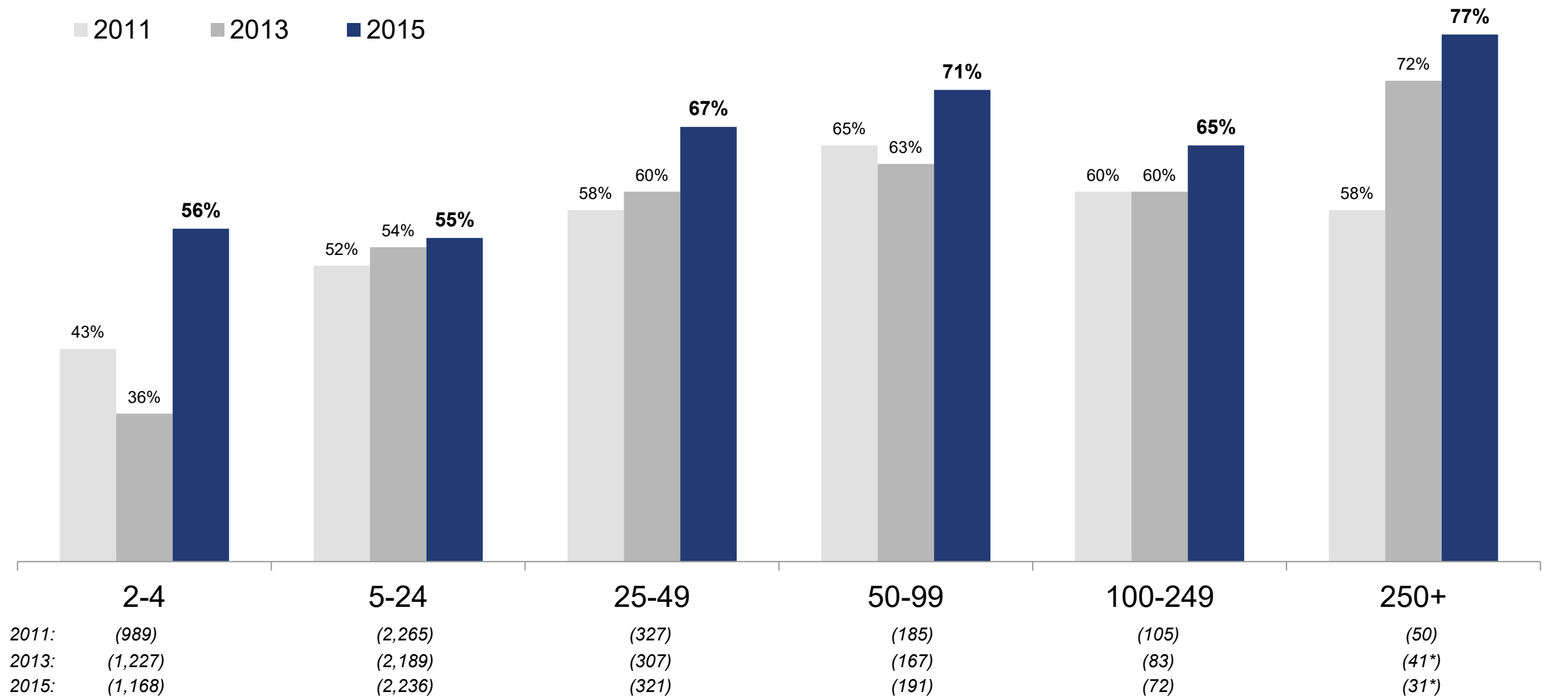
Proportion of staff trained



2011:	(86,522)	(3,912)	(907)	(862)	(383)	(650)	(667)	(452)
2013:	(91,279)	(4,014)	(918)	(878)	(377)	(644)	(688)	(509)
2015:	(91,210)	(4,019)	(790)	(925)	(355)	(702)	(661)	(586)

Base: All establishments (as shown)

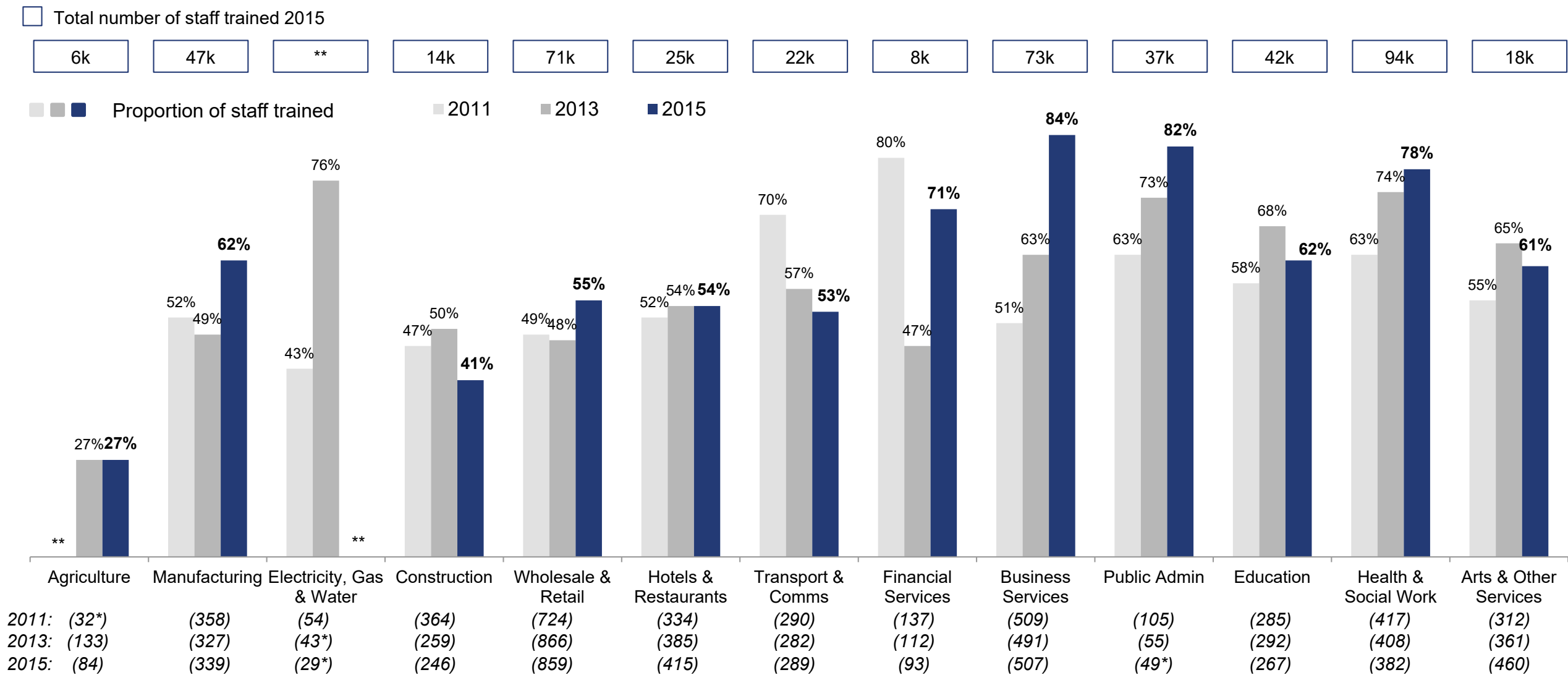
Proportion of staff trained by size



Base: All establishments (as shown)

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Number and proportion of staff trained by sector



Base: All establishments (as shown)

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

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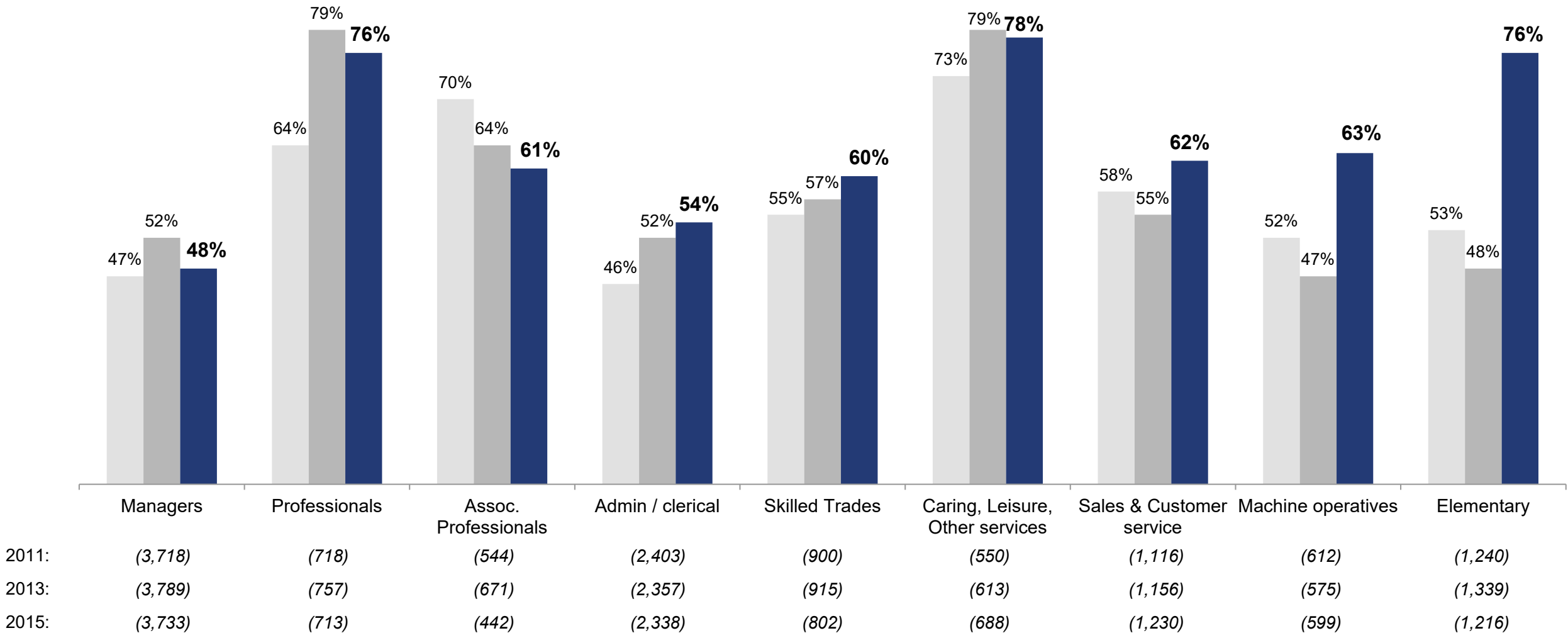
Proportion of staff trained by occupation

■ ■ ■ Proportion of staff trained

■ 2011

■ 2013

■ 2015



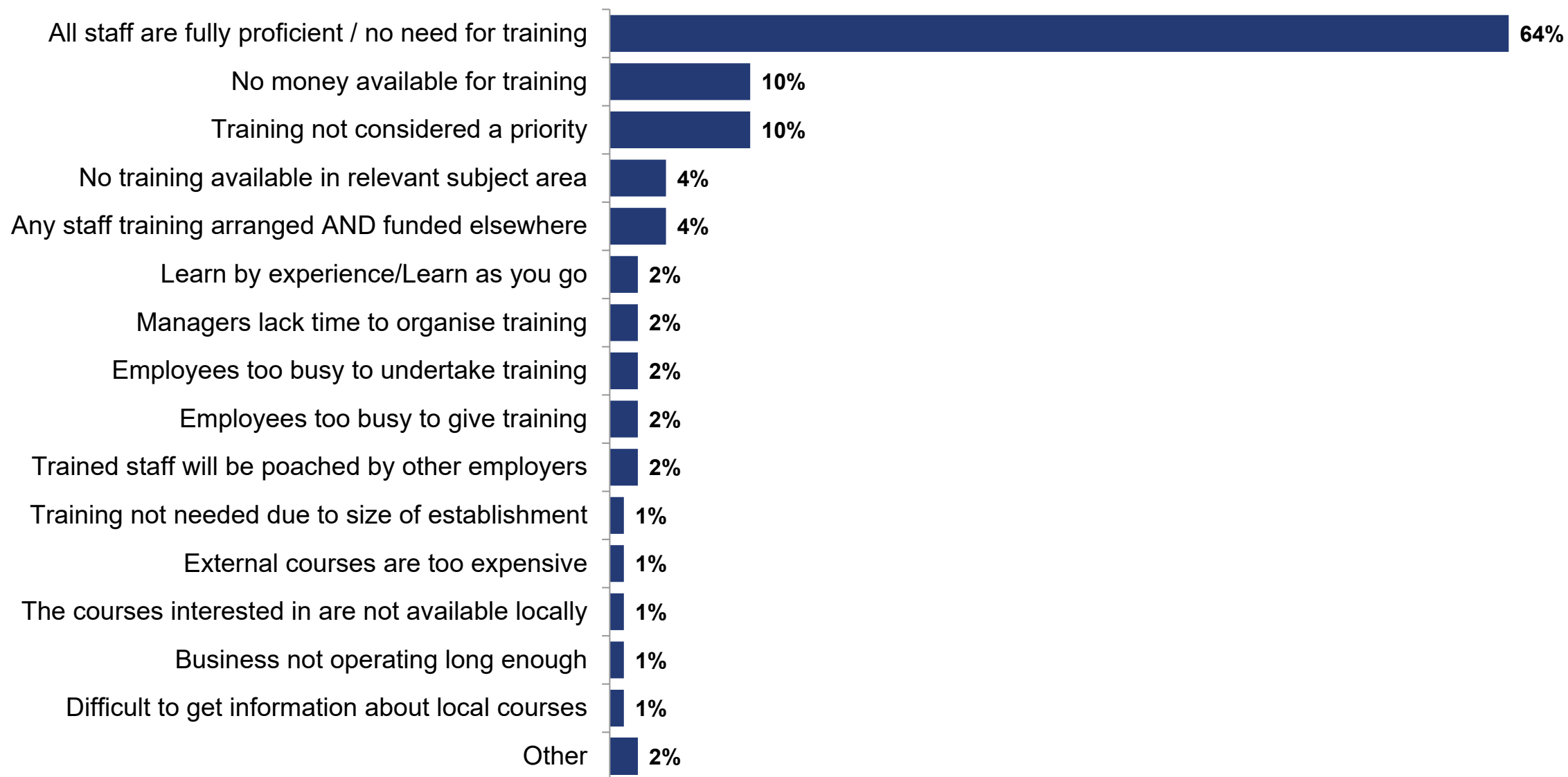
Base: All establishments with staff in each occupation (as shown)

Training Days

	Days per person trained			Total training days			
	2011	2013	2015	2011	2013	2015	% increase from 2013
UK	7.8 (66,916)	6.7 (69,842)	6.8 (69,541)	115m	113m	118m	+4%
Northern Ireland	6.3 (2,903)	6.3 (2,894)	5.6 (2,869)	2.7m	2.7m	2.6m	-4%
Belfast	6.0 (721)	5.3 (705)	4.9 (606)	0.8m	0.8m	0.7m	-5%
Northern	7.3 (628)	6.9 (621)	5.0 (654)	0.7m	0.6m	0.5m	-8%
North West	5.6 (289)	6.5 (275)	5.3 (256)	0.2m	0.2m	0.2m	-15%
Southern	5.3 (481)	5.5 (435)	6.5 (494)	0.3m	0.3m	0.4m	+58%
South Eastern	7.3 (462)	6.1 (500)	5.4 (448)	0.4m	0.4m	0.3m	-24%
South West	5.9 (322)	9.7 (358)	8.7 (411)	0.3m	0.4m	0.4m	-9%

Base: All establishments providing training (as shown)

Reasons for not providing any training



Reasons for not providing further training



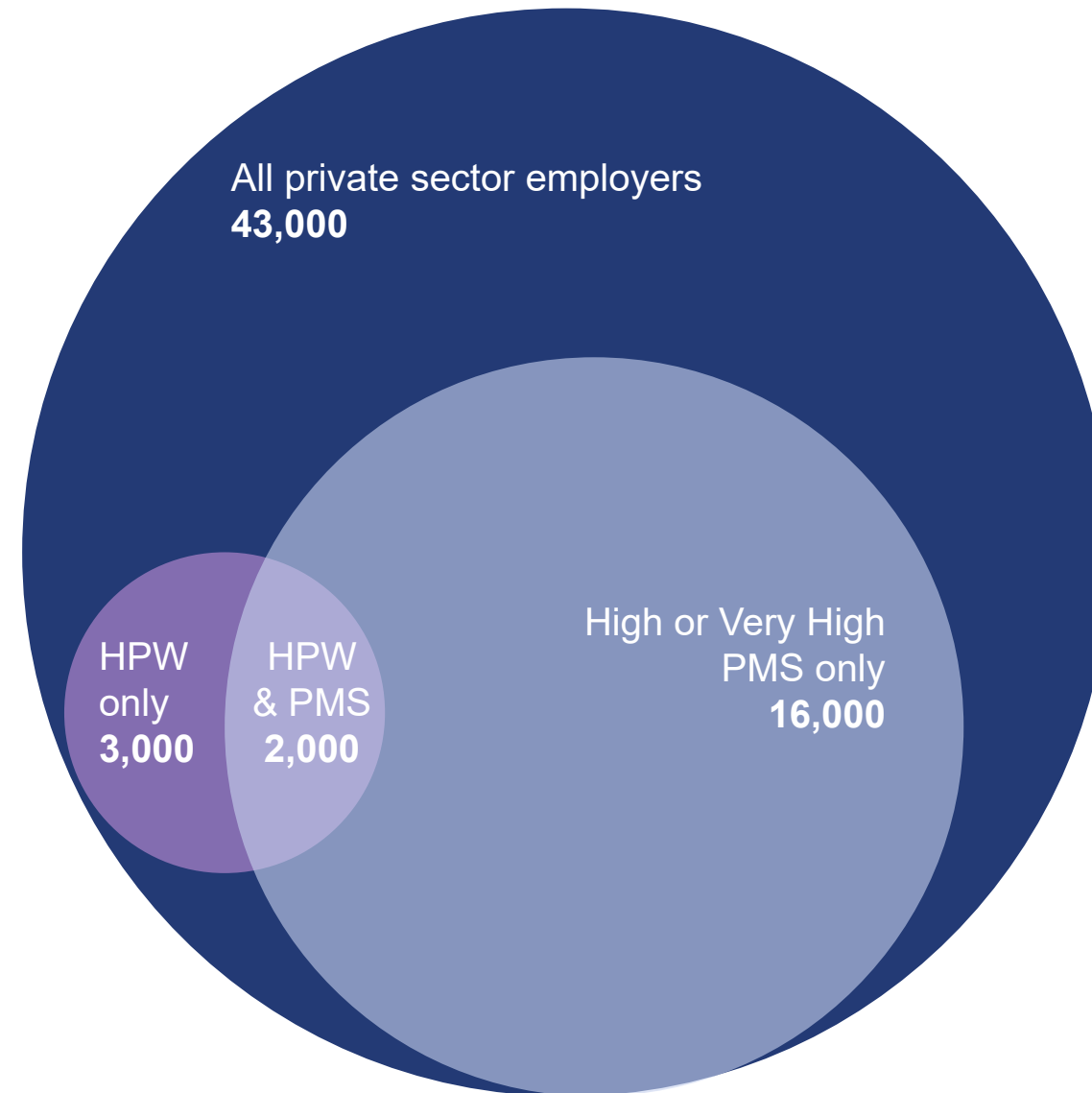
Base : All establishments who would have provided more training in the past 12 months if they could (1,406)

Training and Workforce Development - Summary

Northern Ireland figures	2011	2013	2015
% of employers that train	65%	63%	62%
% of employers that train off-the-job	48%	49%	47%
% that <i>only</i> train on-the-job	17%	14%	15%
% of staff trained over the last 12 months	56%	59%	64%
Days training per person trained	6.3 days	6.3 days	5.6 days
Total training days provided	2.7m	2.7m	2.6m

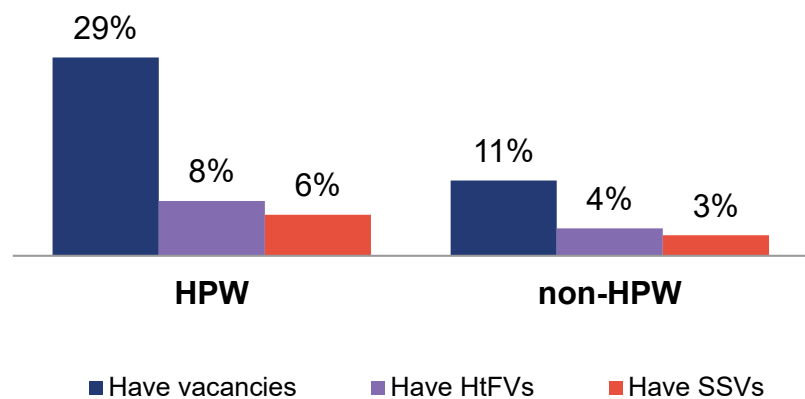
Section 6: High Performance Working practices and Product Market Strategies

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

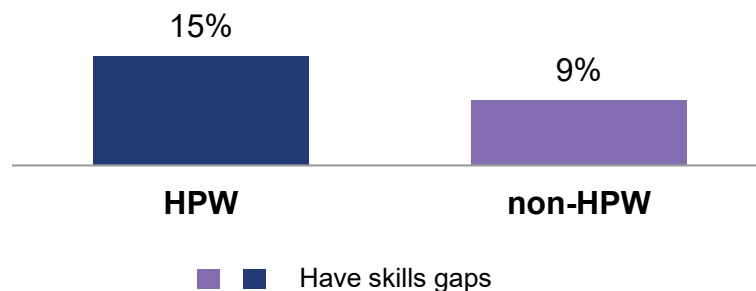


High Performance Working and skills challenges

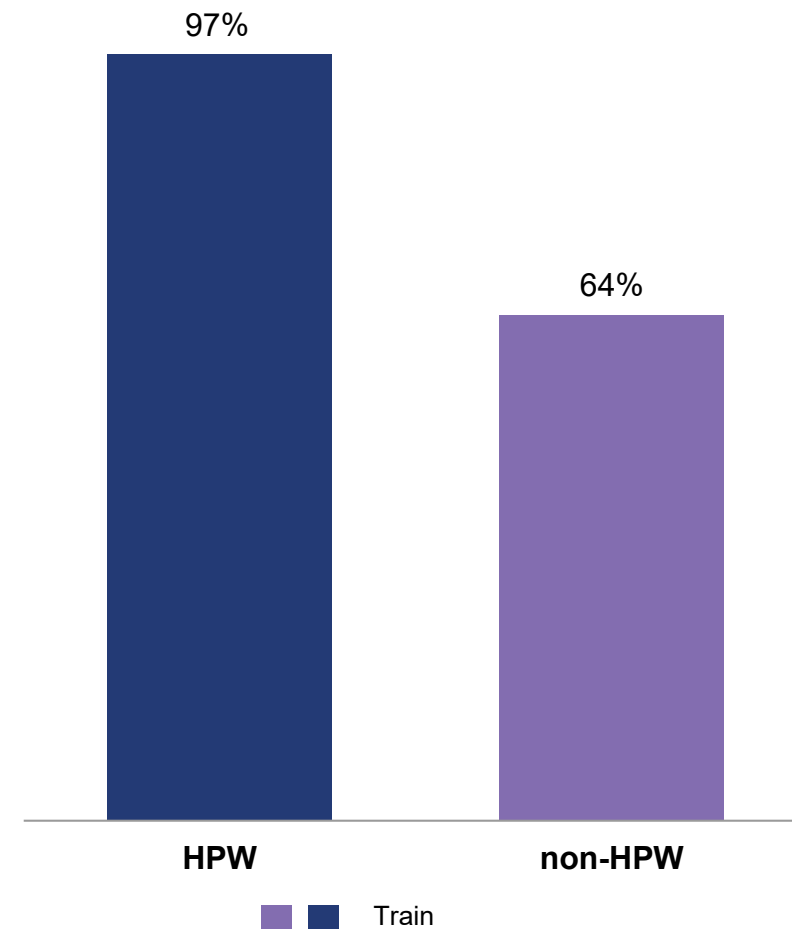
HPW employers are **more active in the recruitment market** and find it easier to **fill their vacancies...**



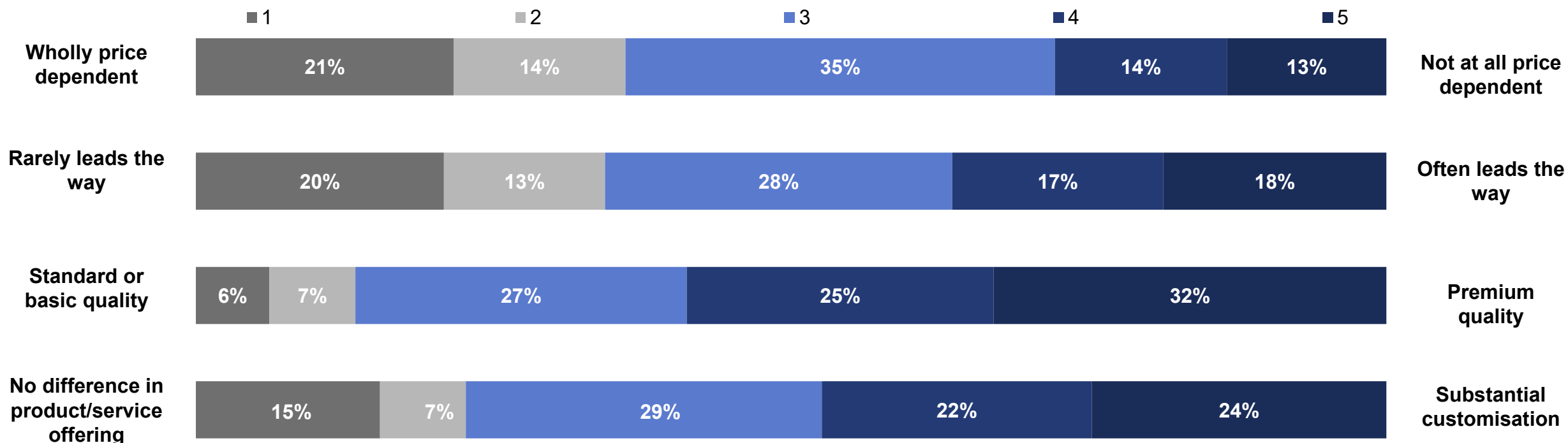
...yet are **more likely to have skills gaps** among their workforce...



...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)	7%	3%
Low (8 to 10)	16%	12%
Medium (11 to 13)	28%	22%
High (14 to 16)	27%	33%
Very high (17 to 20)	14%	21%

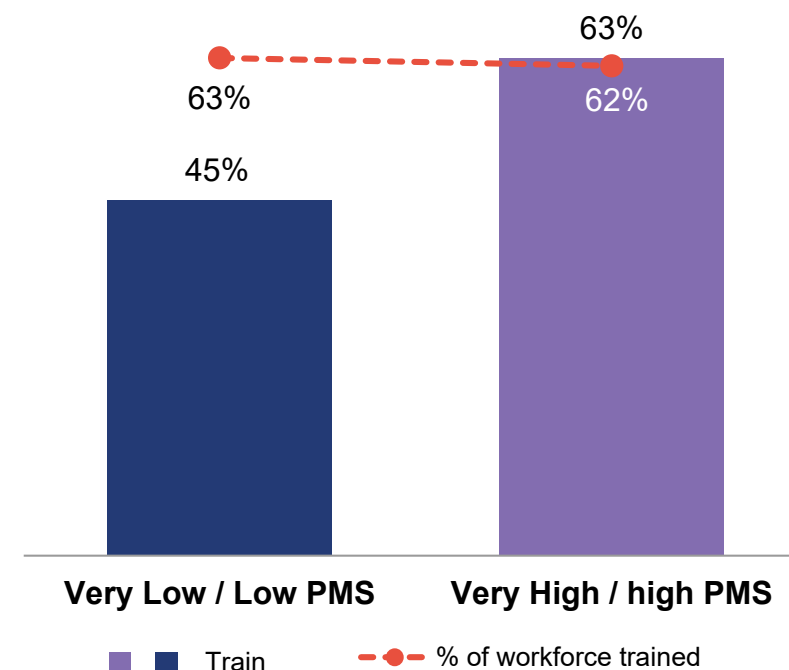
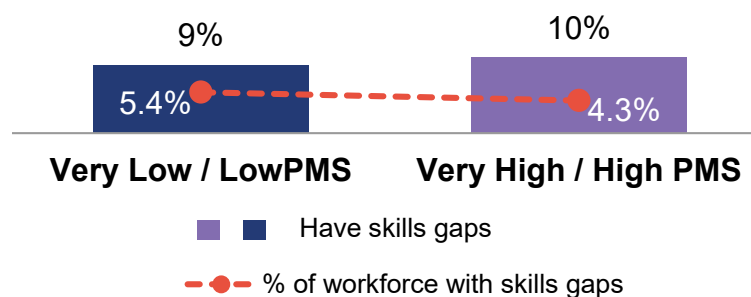
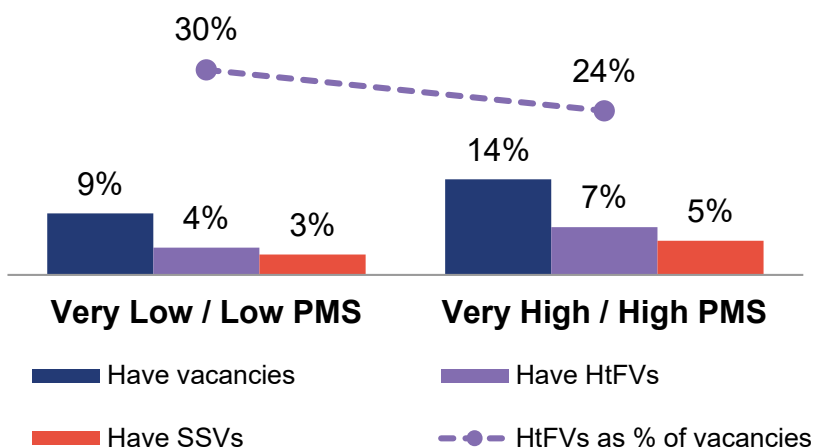
Base: All establishments in the private sector (3,004)

Characteristics of High PMS employers

'Very high' PMS employers are **less likely to find vacancies hard-to-fill for skills related** reasons...

...are **slightly more likely to experience skills gaps**, though the proportion of their workforce with skills gaps is lower than employers at the 'very low' end...

...and are **more likely to train** their staff, although the proportion of staff trained is comparable ...



Section 7: Conclusions

Current state of skills in Northern Ireland

- There has been a **steep rise in vacancy levels** among employers - from 15 thousand vacancies at the time of the survey in 2013 to 20 thousand in 2015 – reflecting high demand for labour.
- The number of **skills gaps among existing staff has decreased slightly** to 24 thousand employees (3.3% 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.

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 (83% and 56%, 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 (62%), 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 (47%), and cite lack of funds as the most prevalent barrier to doing so.
- Around 56 thousand 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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