

Employer Skills Survey 2017

Scotland slide pack



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Introduction



Questionnaire Coverage

- **This is the fourth survey in this biennial series.**
- **The study focused on the following areas:**
 - Recruitment and skill-shortage vacancies
 - Skills gaps in the existing workforce
 - Skills underutilisation
 - Upskilling - the need for staff to acquire new skills or knowledge
 - Training and workforce development
 - High Performance Working practices

Achieved interviews

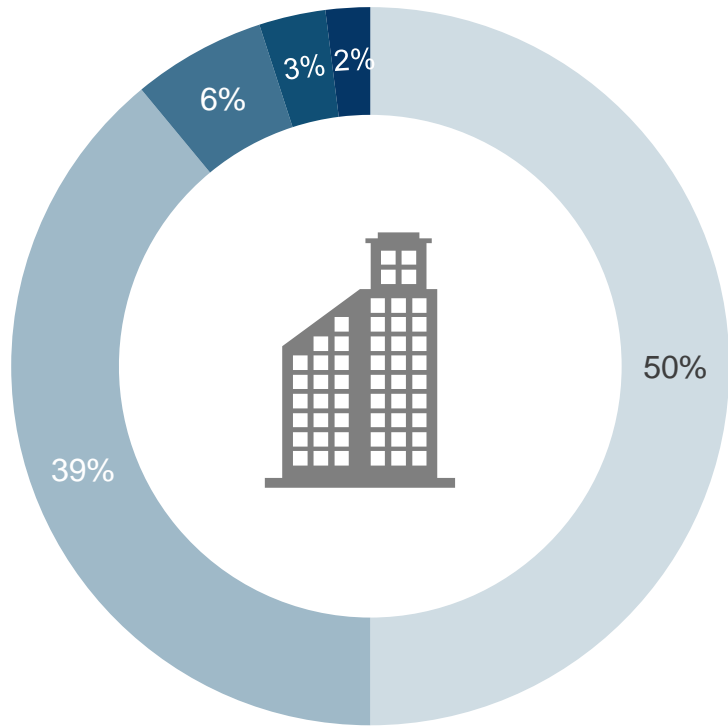
	Population	Number of interviews
Scotland	151,000	6,017
By region		
Aberdeen and Aberdeenshire	18,000	865
Ayrshire	9,000	291
Borders	4,000	183
Dumfries and Galloway	6,000	267
Edinburgh and Lothians	19,000	834
Fife	8,000	257
Forth Valley	8,000	336
Glasgow	21,000	824
Highlands and Islands	19,000	817
Lanarkshire	17,000	509
Tayside	12,000	498
West	9,000	284
West Lothian	4,000	167

By sector	Population	Number of interviews
Primary Sector & Utilities	13,000	445
Manufacturing	7,000	409
Construction	13,000	424
Wholesale & Retail	29,000	933
Hotels & restaurants	16,000	580
Transport & Storage	5,000	329
Information & Communications	4,000	255
Financial Services	3,000	207
Business Services	30,000	838
Public Administration	2,000	158
Education	5,000	379
Health & social work	11,000	573
Arts & Other Services	13,000	487

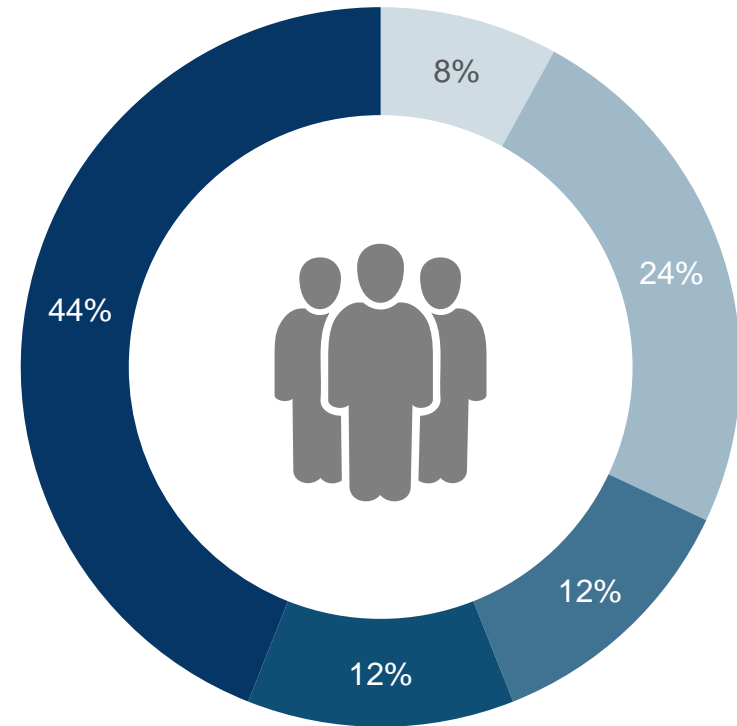
All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is less than one percentage point at the overall level and typically between one and three percentage points across the region and sector sub-groups.

Survey population: size of establishment

% of all establishments

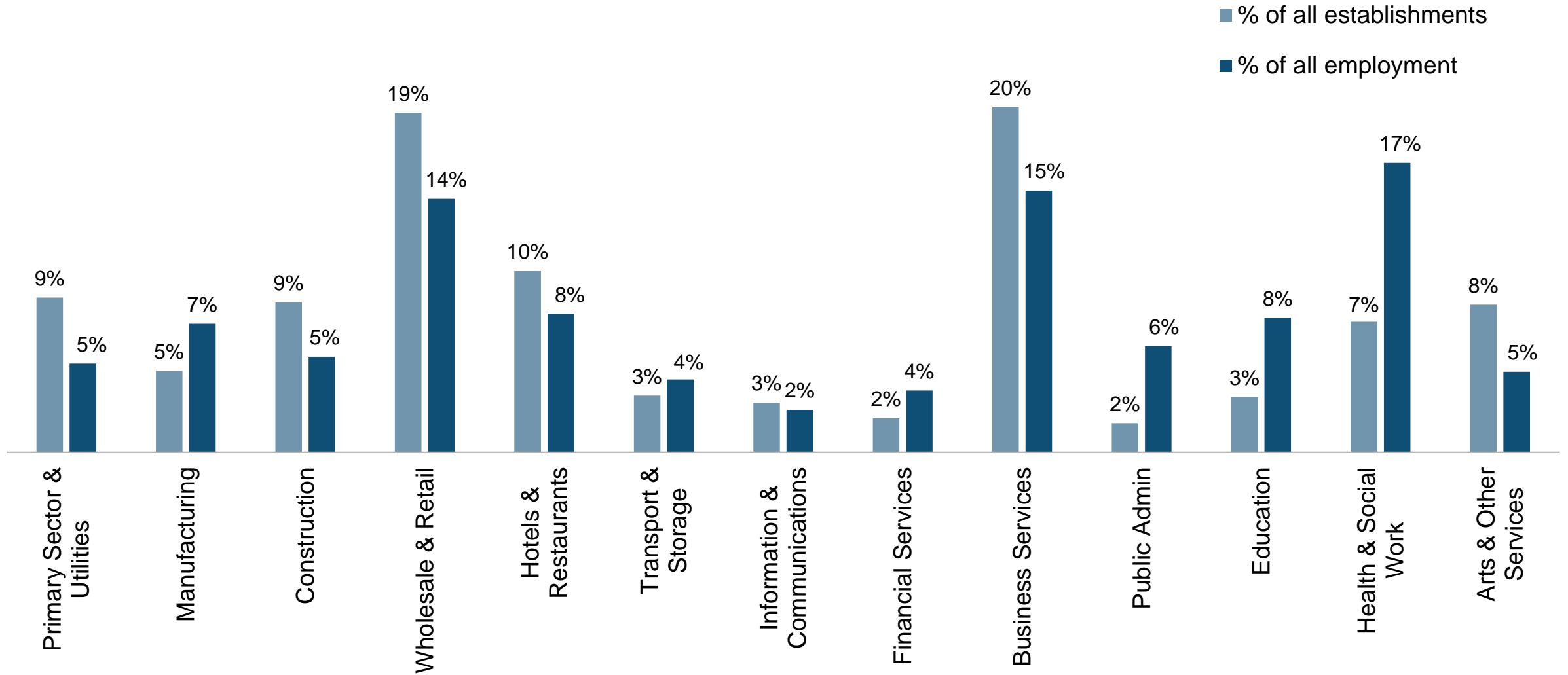


% of all employment



■ 2 to 4 employees ■ 5 to 24 ■ 25 to 49 ■ 50 to 99 ■ 100+

Survey population: sector



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
(i.e. vacancies which are reported to be hard-to-fill because applicants lack relevant skills, qualifications or experience)

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

Recruitment and skill-shortage vacancies

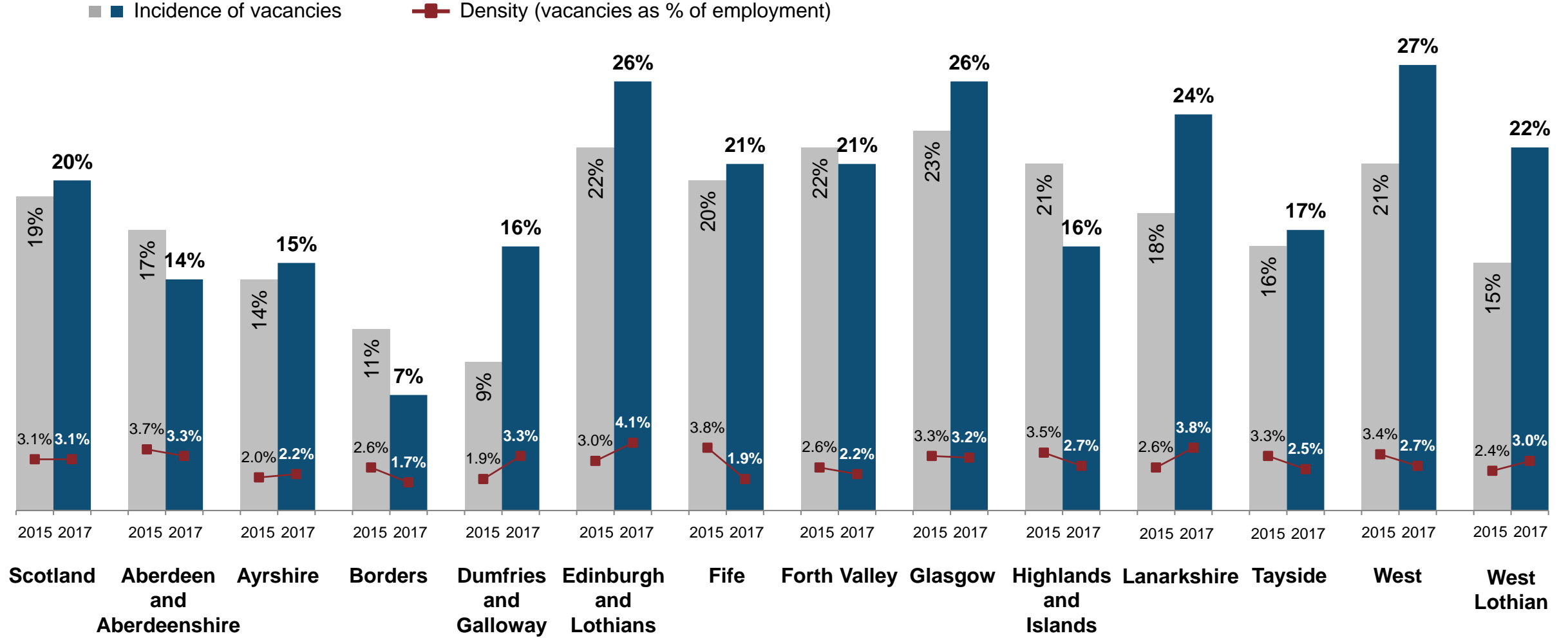


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Incidence and density of vacancies by region

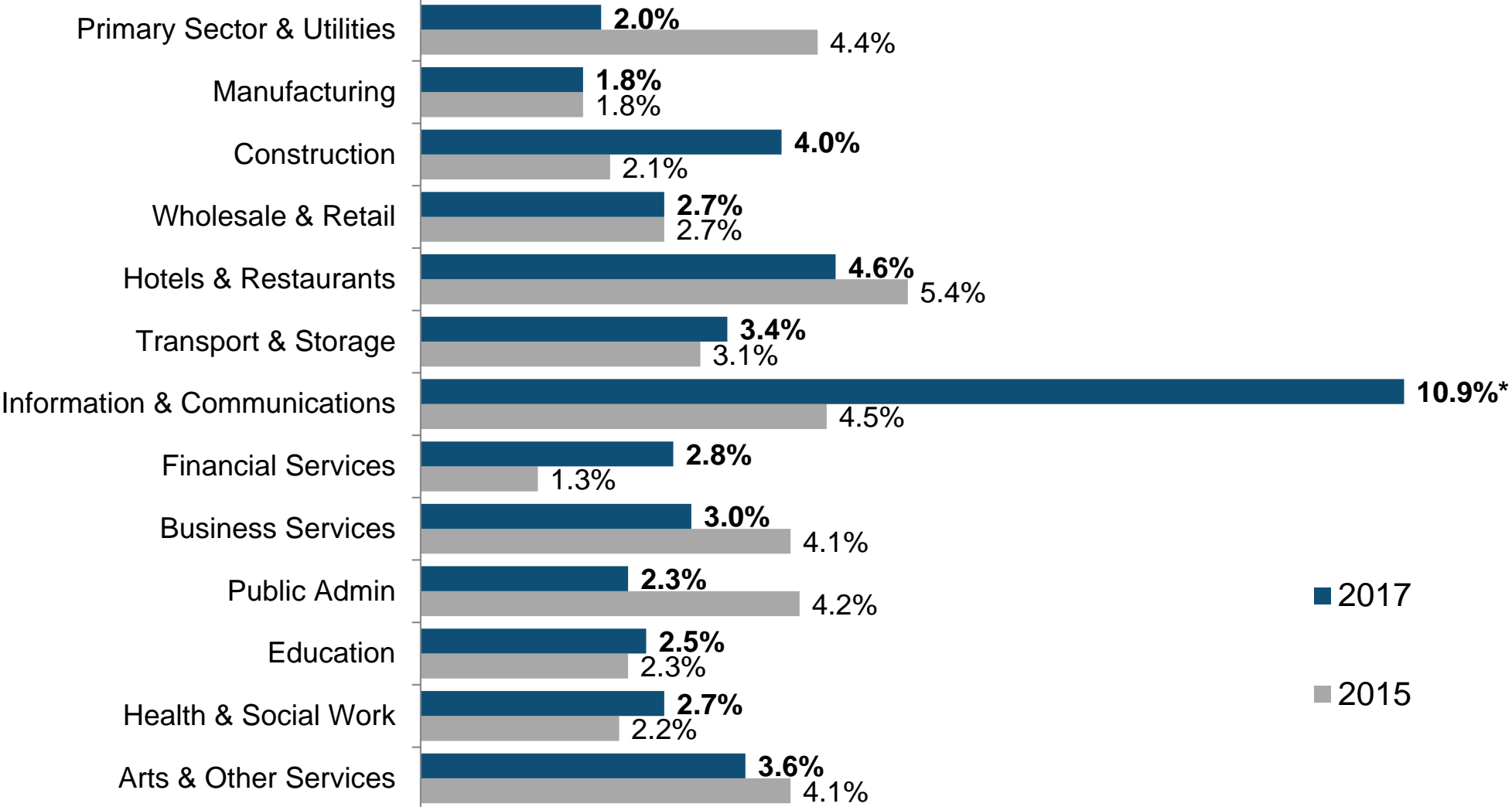
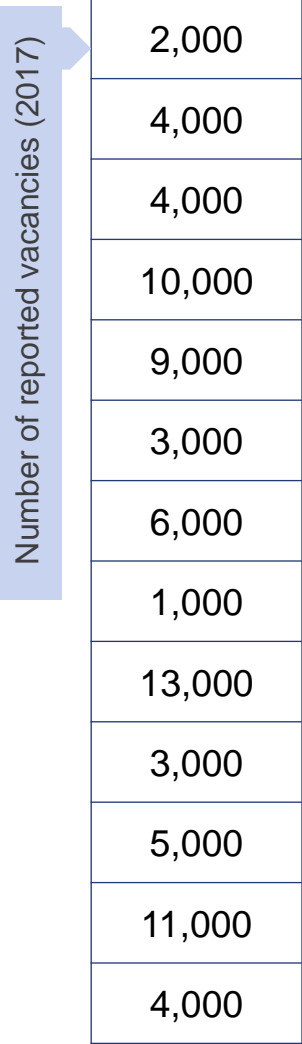


75,000	10,000	3,000	1,000	2,000	15,000	3,000	3,000	14,000	6,000	10,000	4,000	4,000	2,000
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Number of reported vacancies (2017)

Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

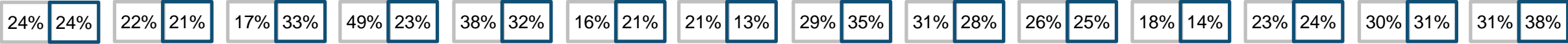
Density of vacancies by sector



Base: All establishments (2017 base sizes range from 158 in Public Admin. to 933 in Wholesale and Retail)

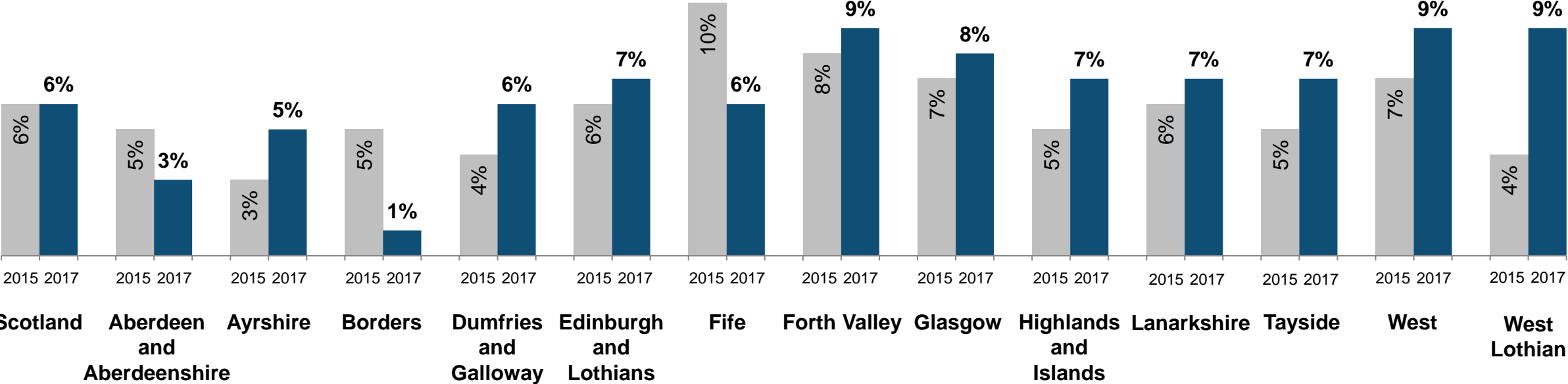
*Whilst the data for the Information & Communications sector are based on a robust number of establishments (255), it should be noted that the number of establishments with vacancies is relatively small (56). When base sizes are relatively small the volumetric (and density) measures are particularly volatile to being influenced by a few establishments with a large number of vacancies. Caution should be taken when interpreting these results.

Incidence and density of skill-shortage vacancies by region



Density of SSVs (as a proportion of vacancies)

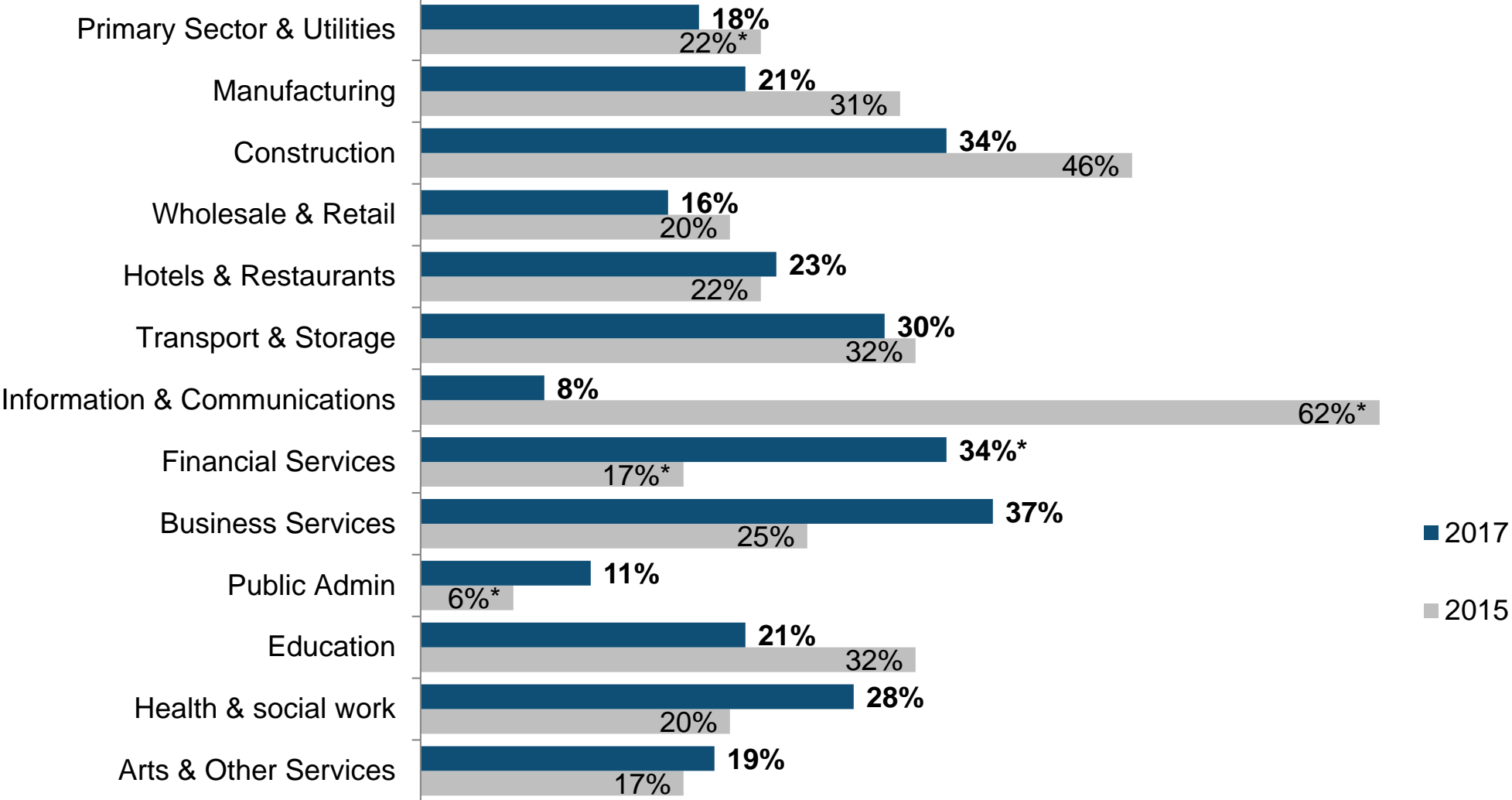
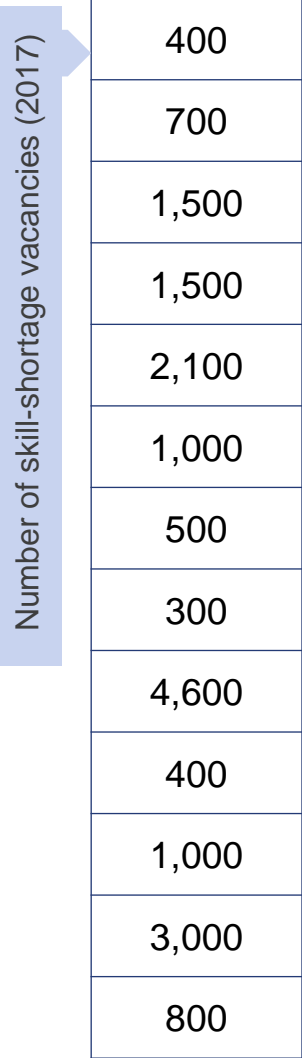
■ Incidence of skill-shortage vacancies (SSVs)



Number of skill-shortage vacancies (2017)

Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

Density of skill-shortage vacancies by sector

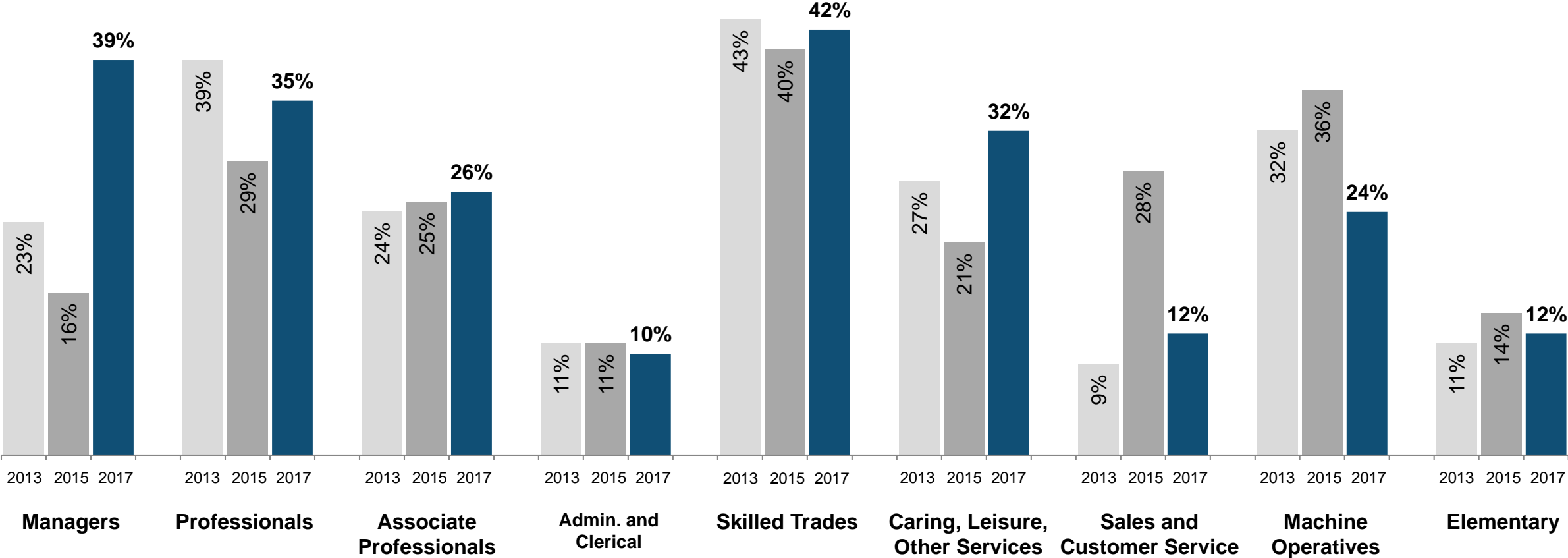


Base: All establishments with vacancies (base sizes range from 36 in Financial Services to 249 in Wholesale & Retail)

**Where base sizes are between 30-49, an asterisk has been included next to the data label. When base sizes are relatively small the volumetric (and density) measures are particularly volatile to being influenced by a few establishments with a large number of vacancies. Caution should be taken when interpreting these results.

Density of skill-shortage vacancies by occupation

■ ■ ■ Density of skill-shortage vacancies (SSVs)

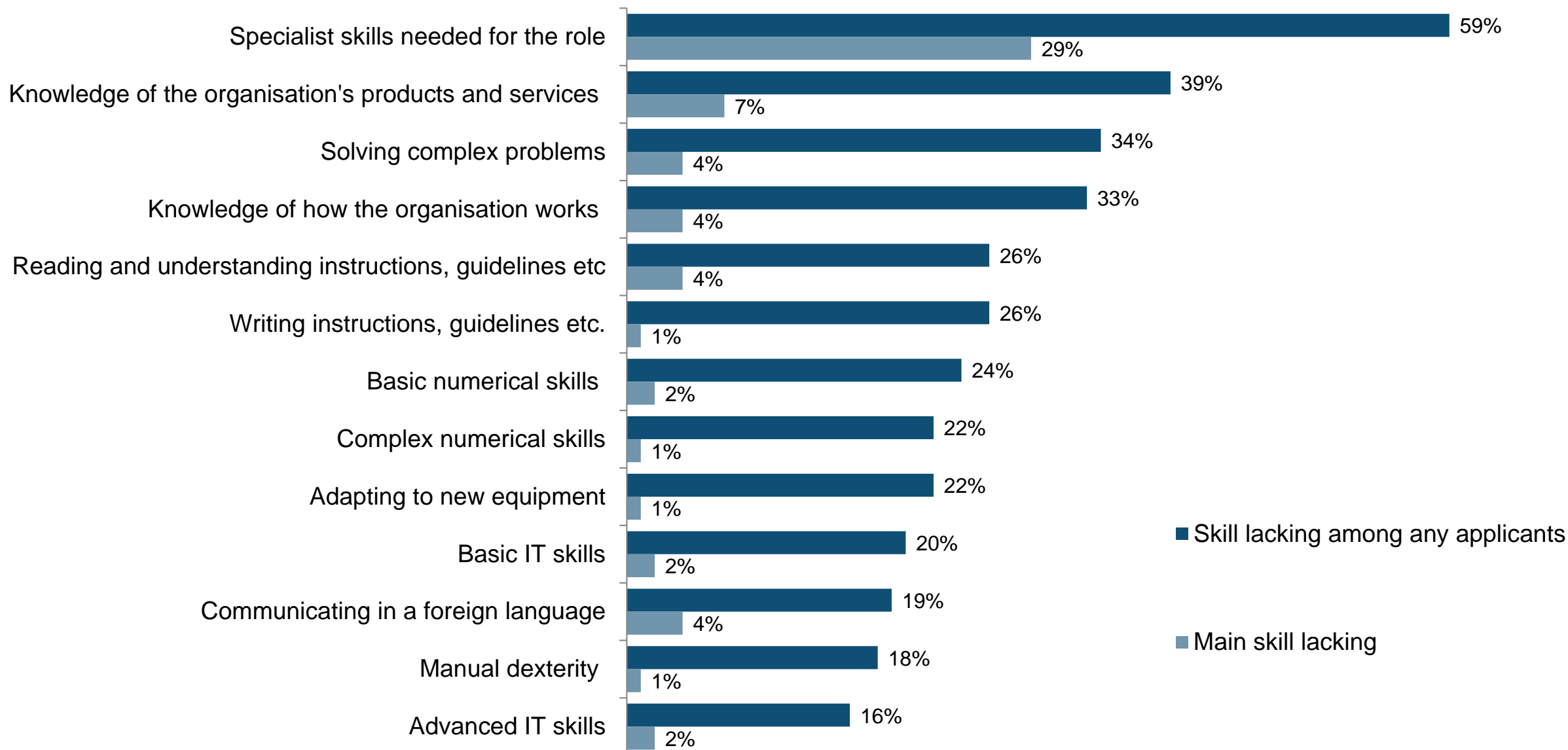


1,000	3,000	2,000	1,000	3,000	3,000	1,000	2,000	1,000
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Number of skill-shortage vacancies (2017)

Base: All establishments with vacancies in the given occupations (2017 base sizes range from 110 for Managers to 363 for Elementary)

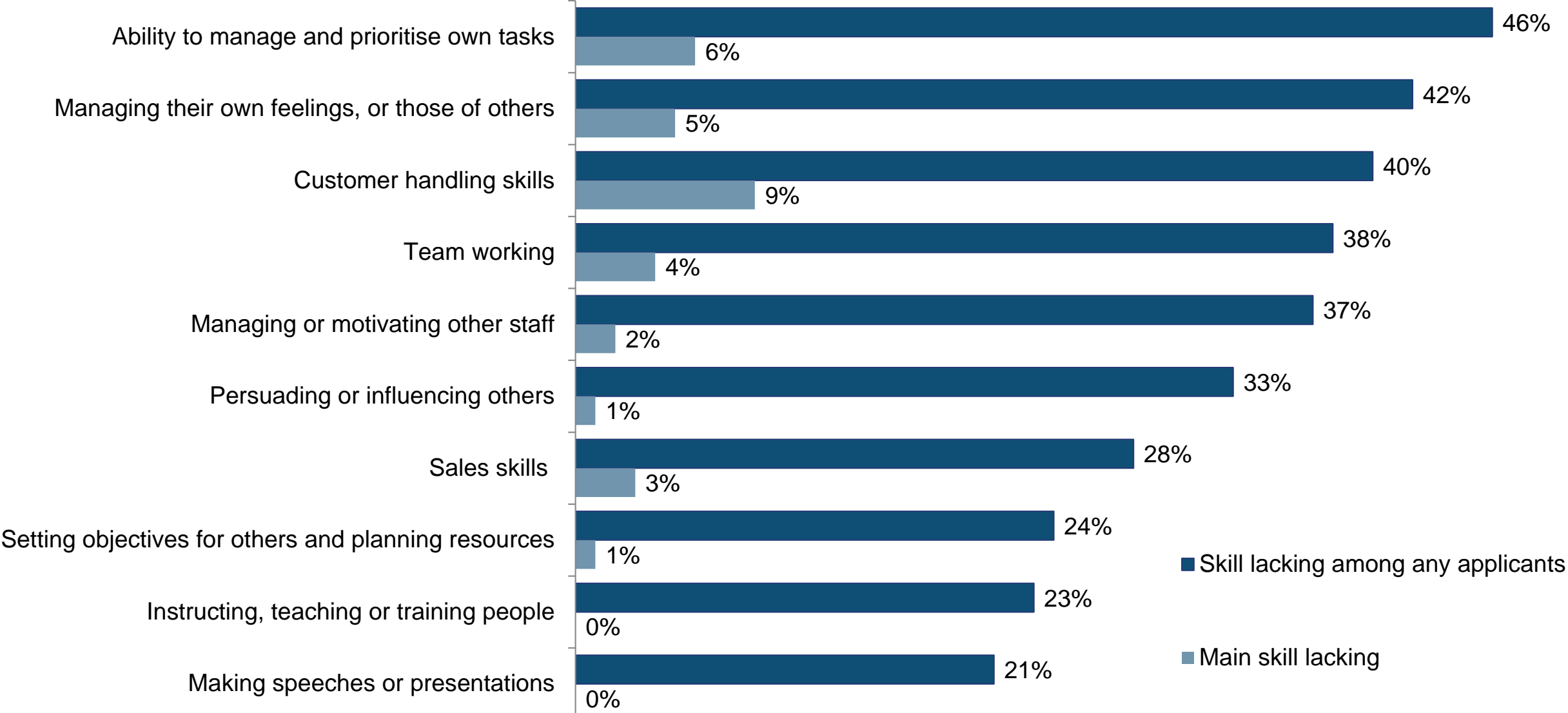
Technical and practical skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (552)

Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

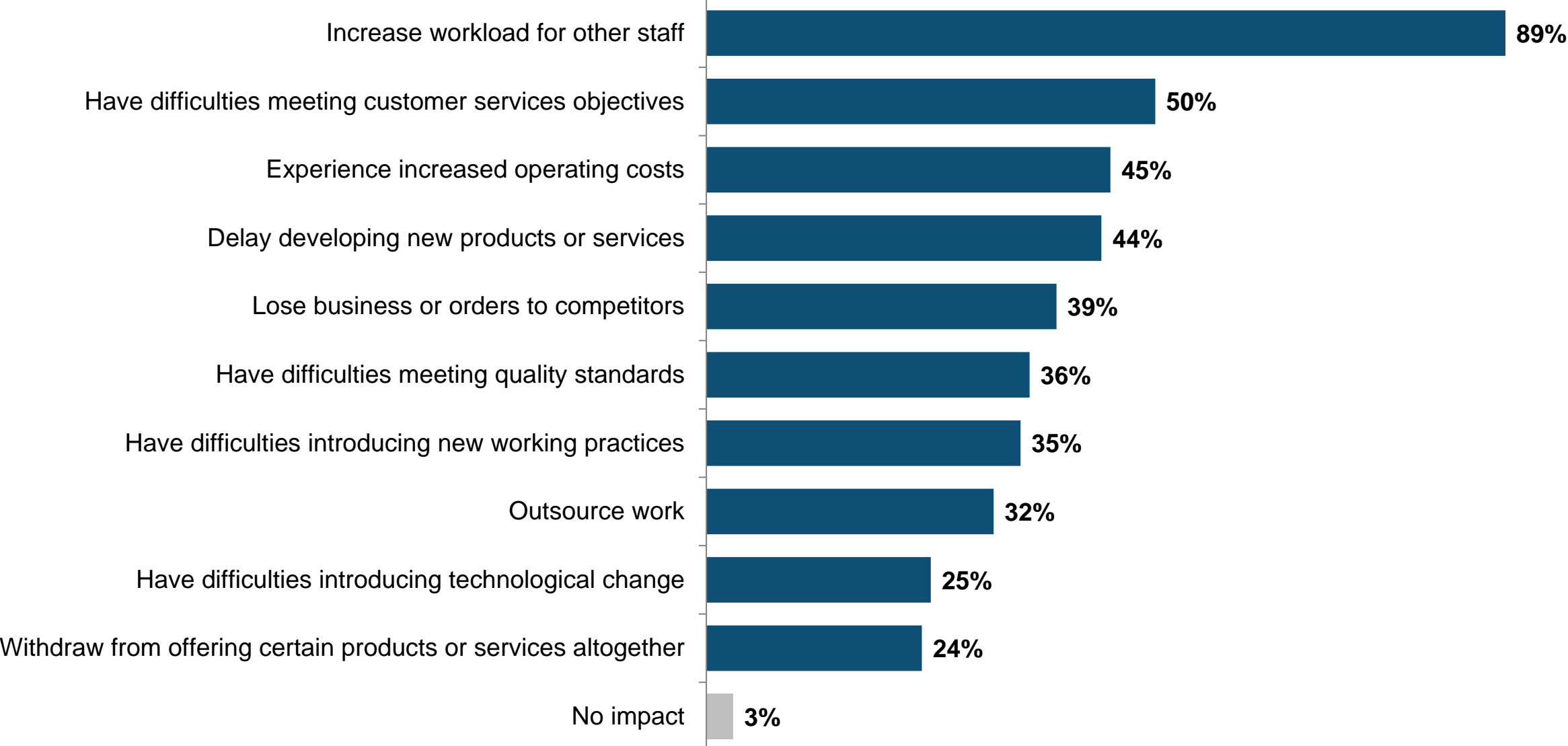
People and personal skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (552)

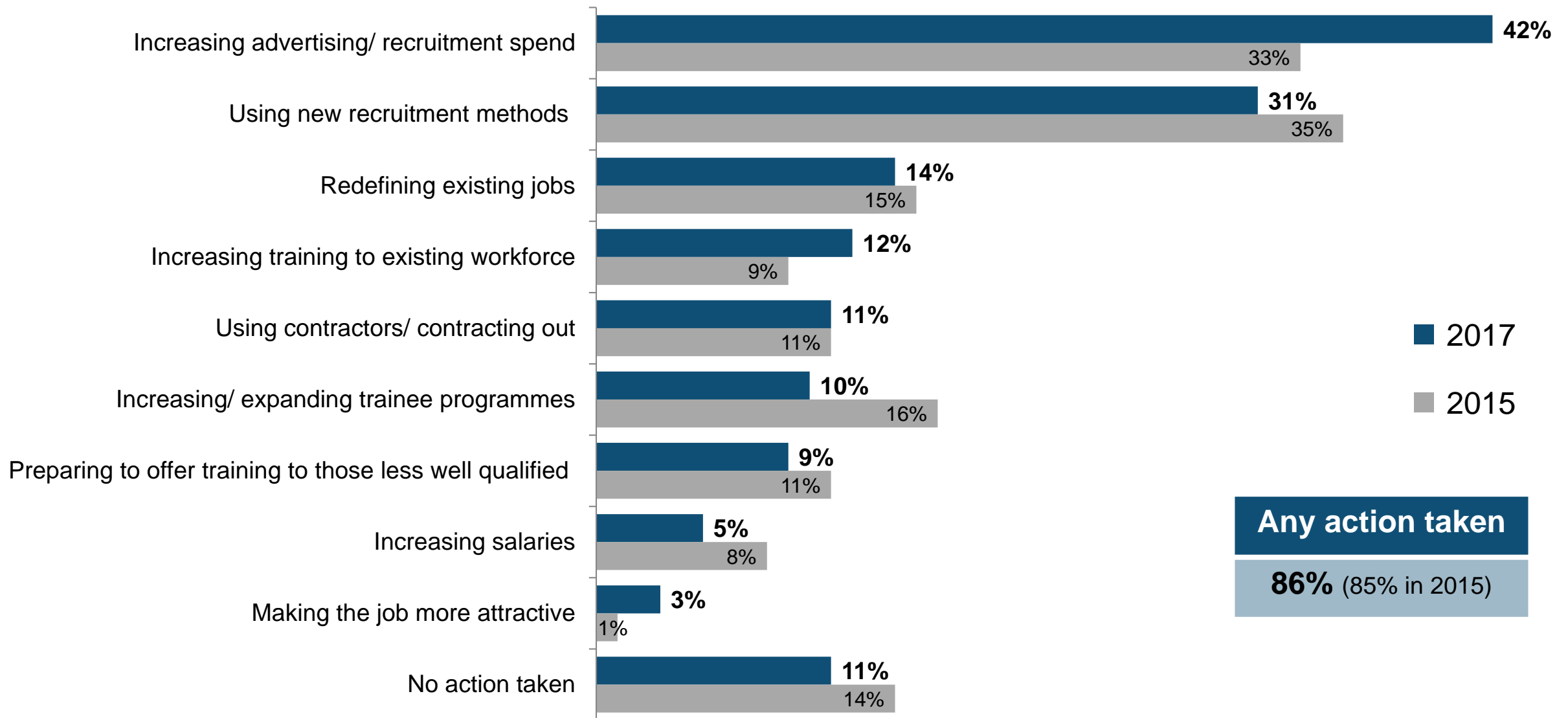
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

Impact of skill-shortage vacancies



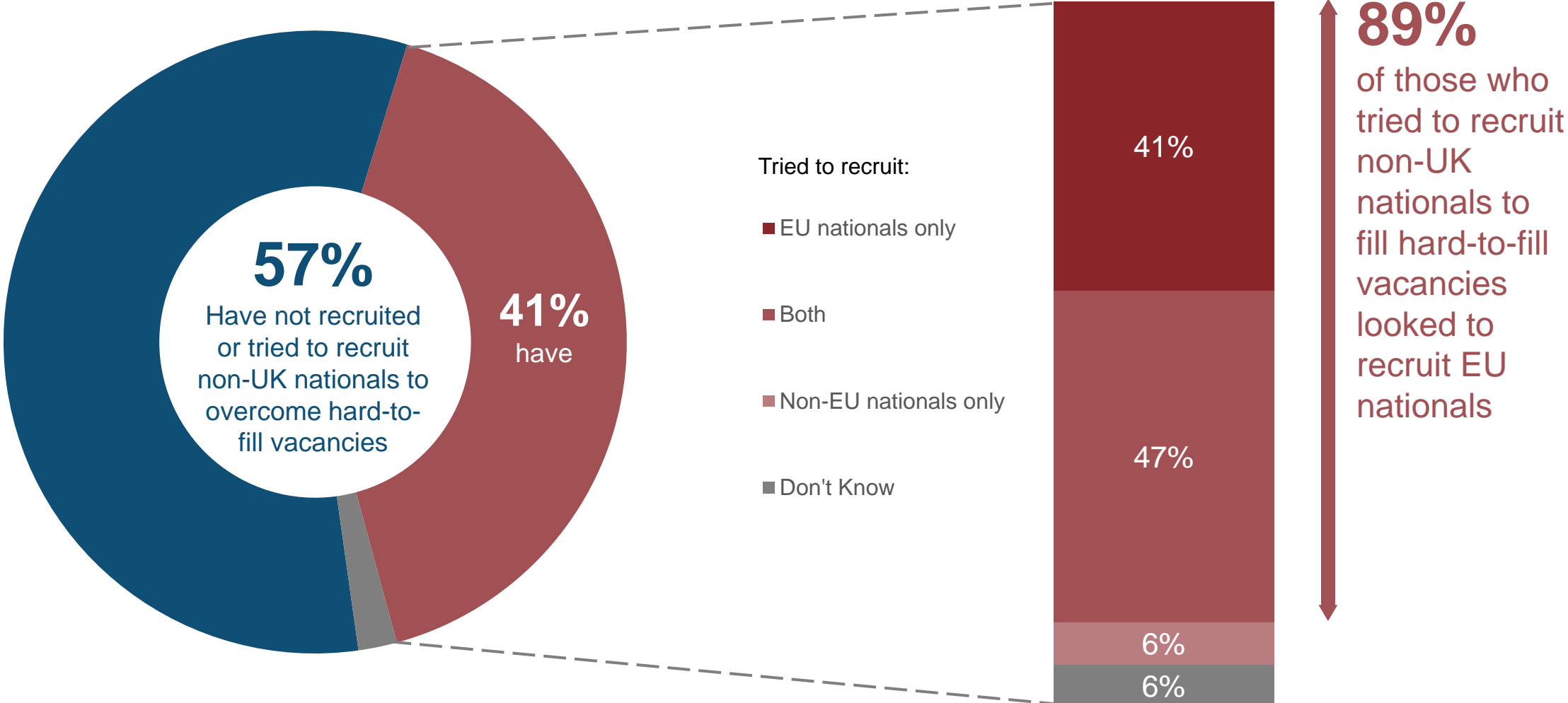
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (505)

Action taken to overcome skill-shortage vacancies



Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (2015: 432; 2017: 505)

Recruitment of EU nationals to fill hard-to-fill vacancies



Base for pie: All establishments with hard-to-fill vacancies (735)

Base for column: All that had recruited or tried to recruit non-UK nationals in response to having hard-to-fill vacancies (328)

*Combined figures do not total to 89% due to rounding

Skills gaps in the existing workforce



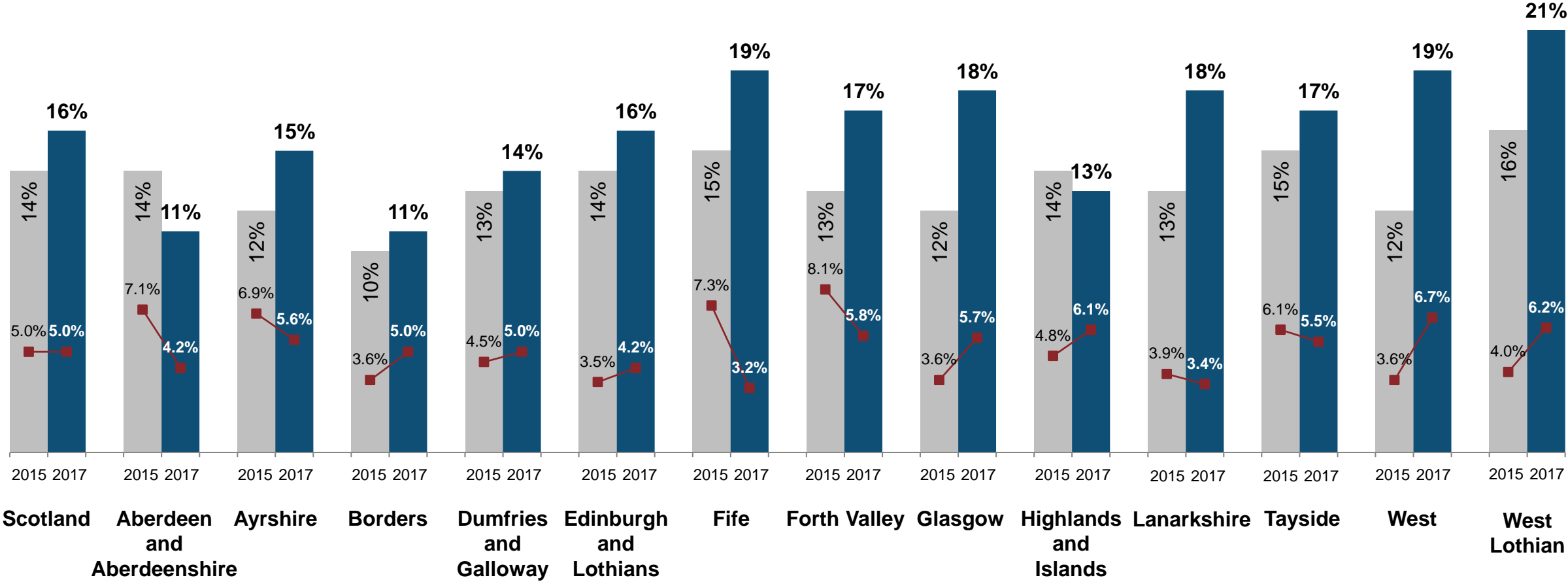
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Incidence and density of skills gaps by region

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

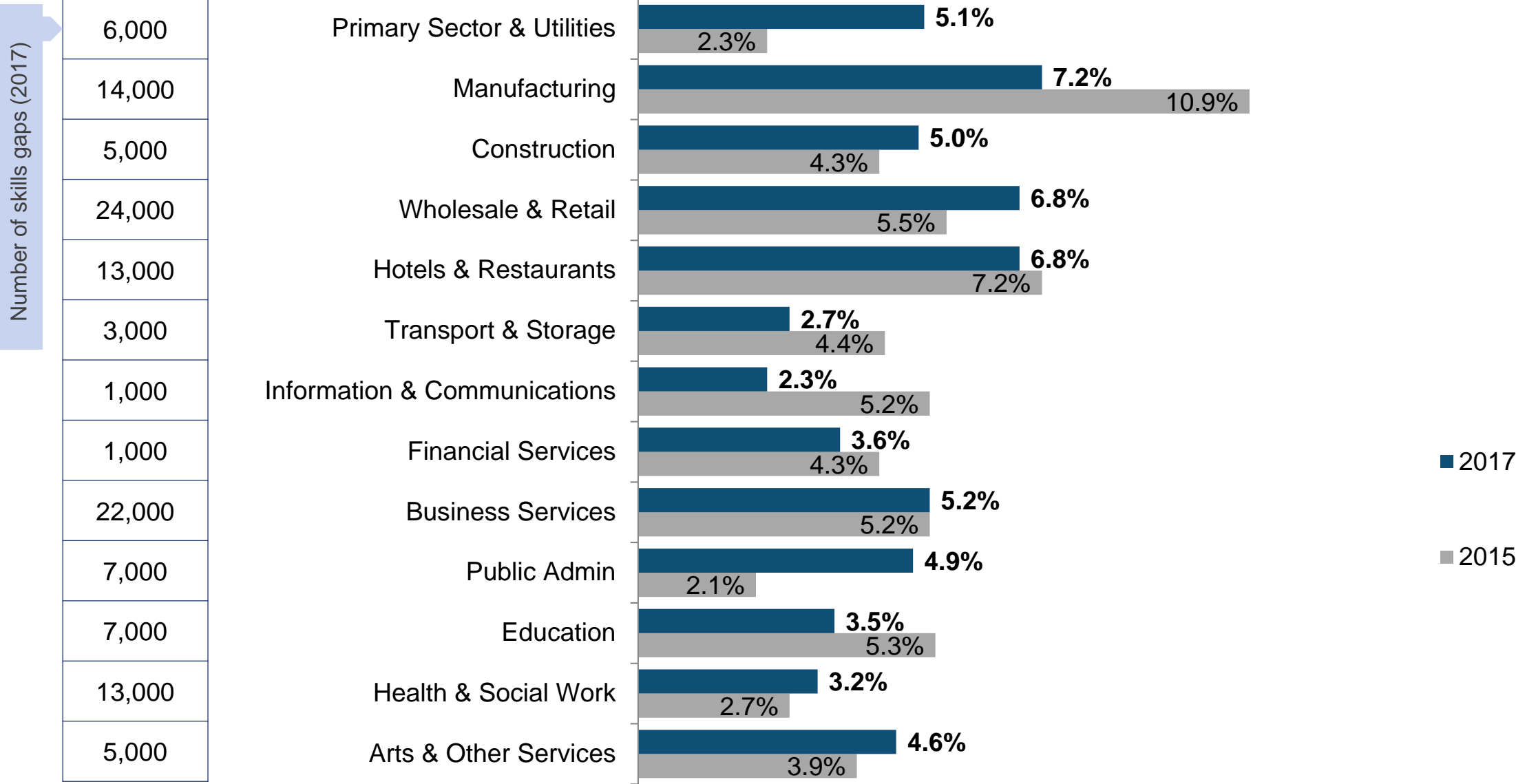


122,000	12,000	7,000	2,000	3,000	16,000	4,000	7,000	25,000	13,000	9,000	10,000	11,000	5,000
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Number of skills gaps (2017)

Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

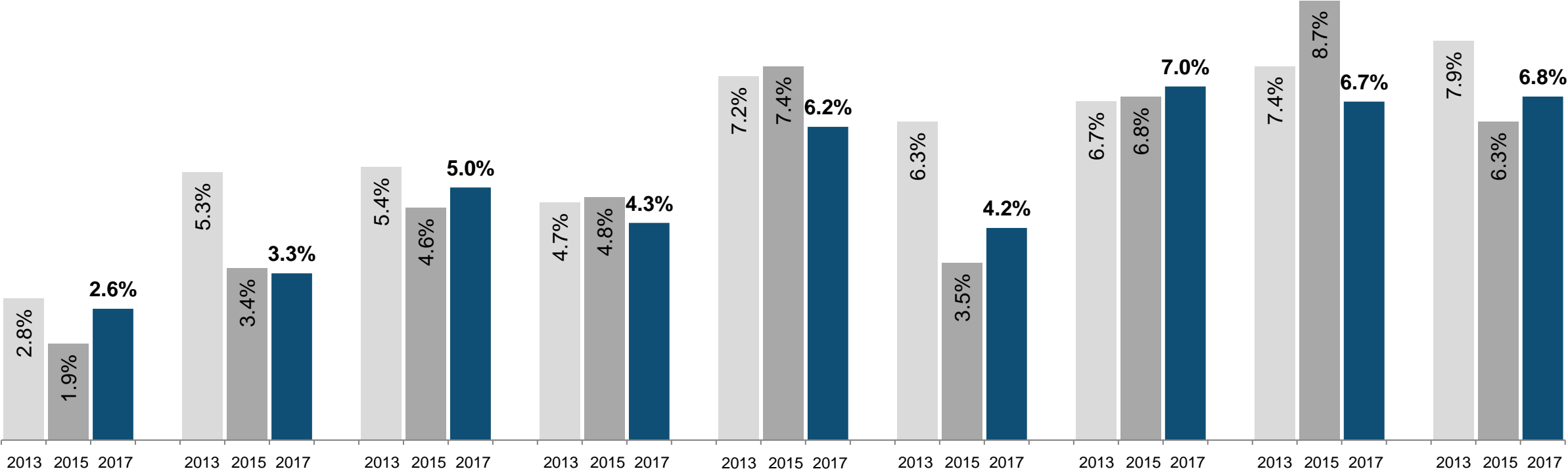
Density of skills gaps by sector



Base: All establishments (2017 base sizes range from 158 in Public Admin. to 933 in Wholesale and Retail)

Density of skills gaps by occupation

■ ■ ■ Density of skills gaps



Managers

Professionals

Associate Professionals

Admin. and Clerical

Skilled Trades

Caring, Leisure, Other Services

Sales and Customer Service

Machine Operatives

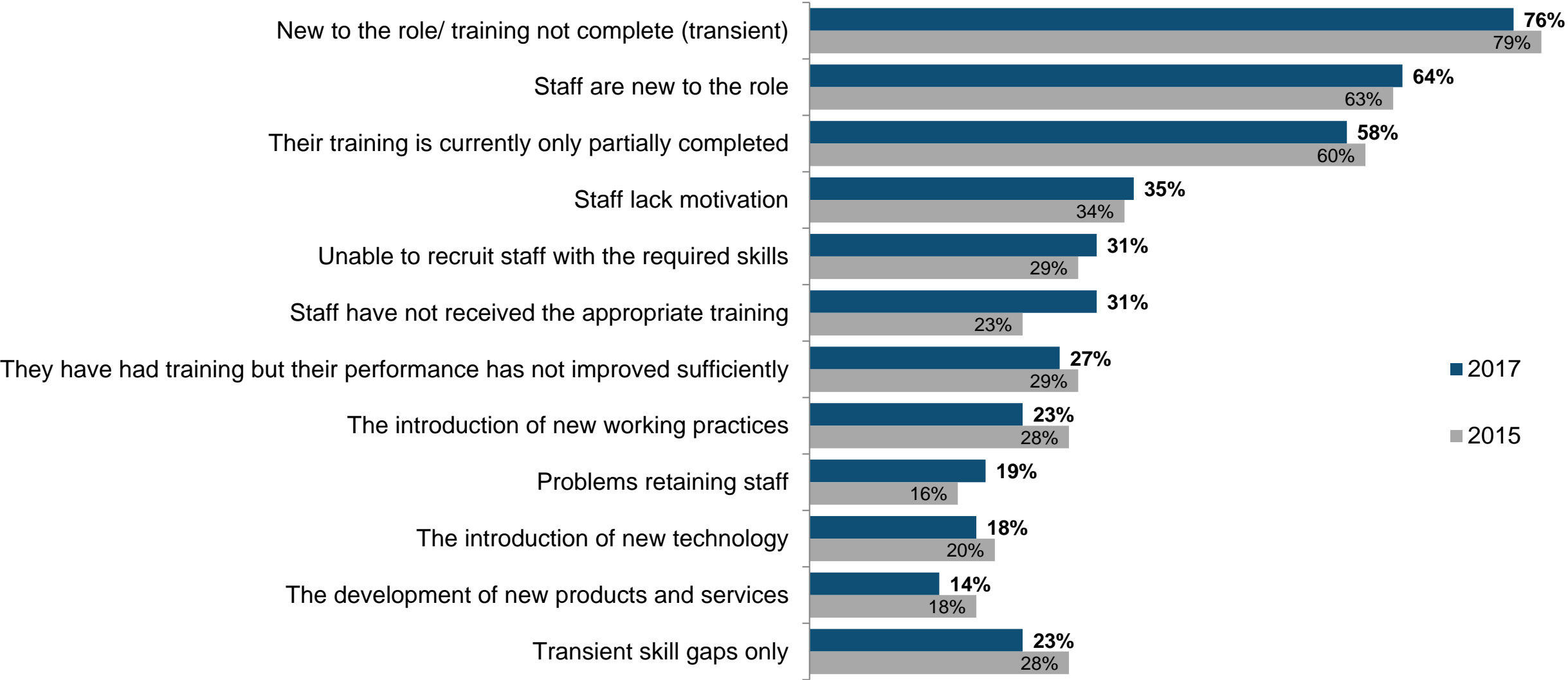
Elementary

10,000	9,000	9,000	13,000	14,000	11,000	19,000	13,000	25,000
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Number of skills gaps (2017)

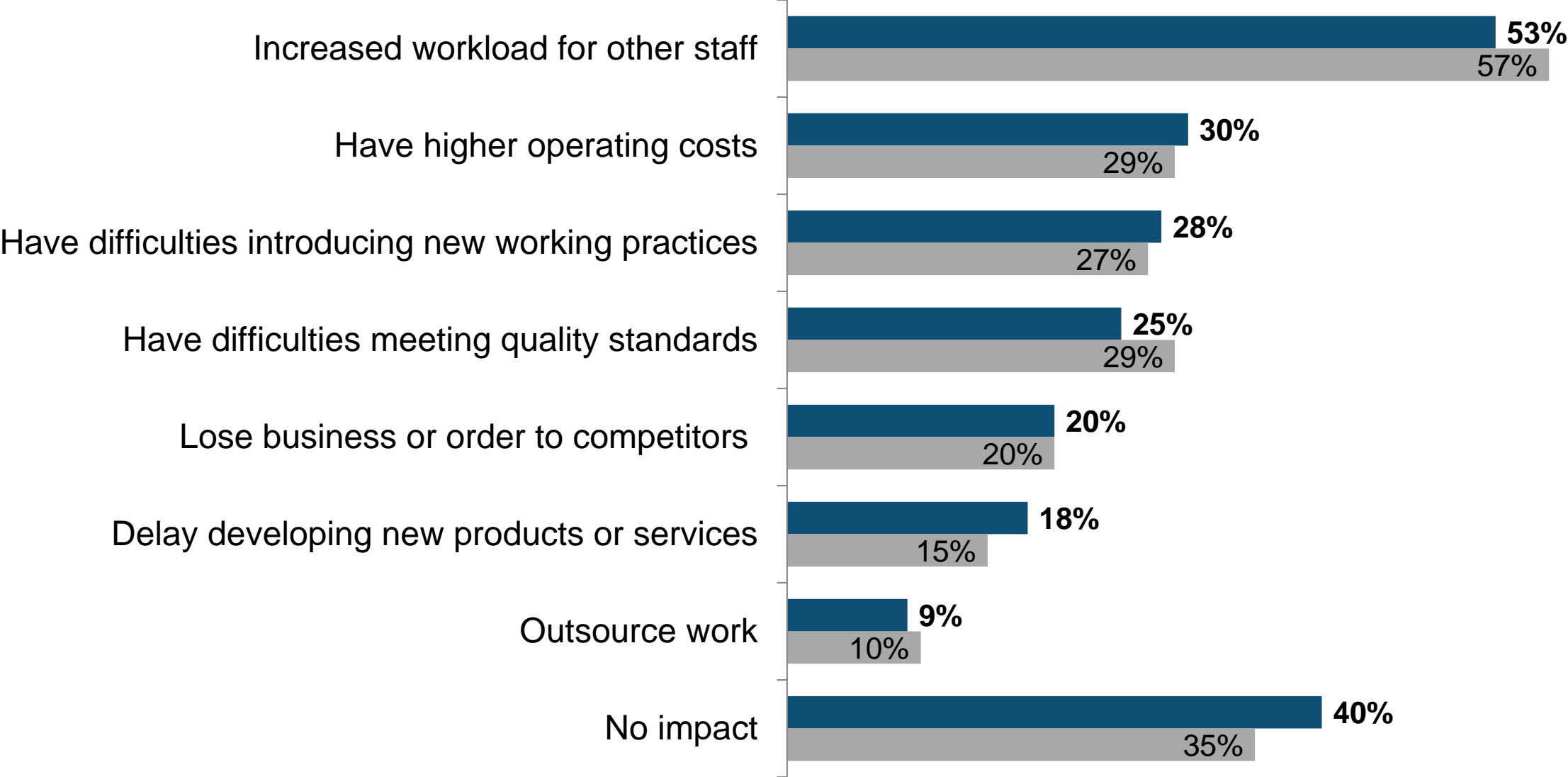
Base: All establishments with staff in the given occupations (2017 base sizes range from 957 for Caring, Leisure and Other Services to 5,743 for Managers)

Main causes of skills gaps



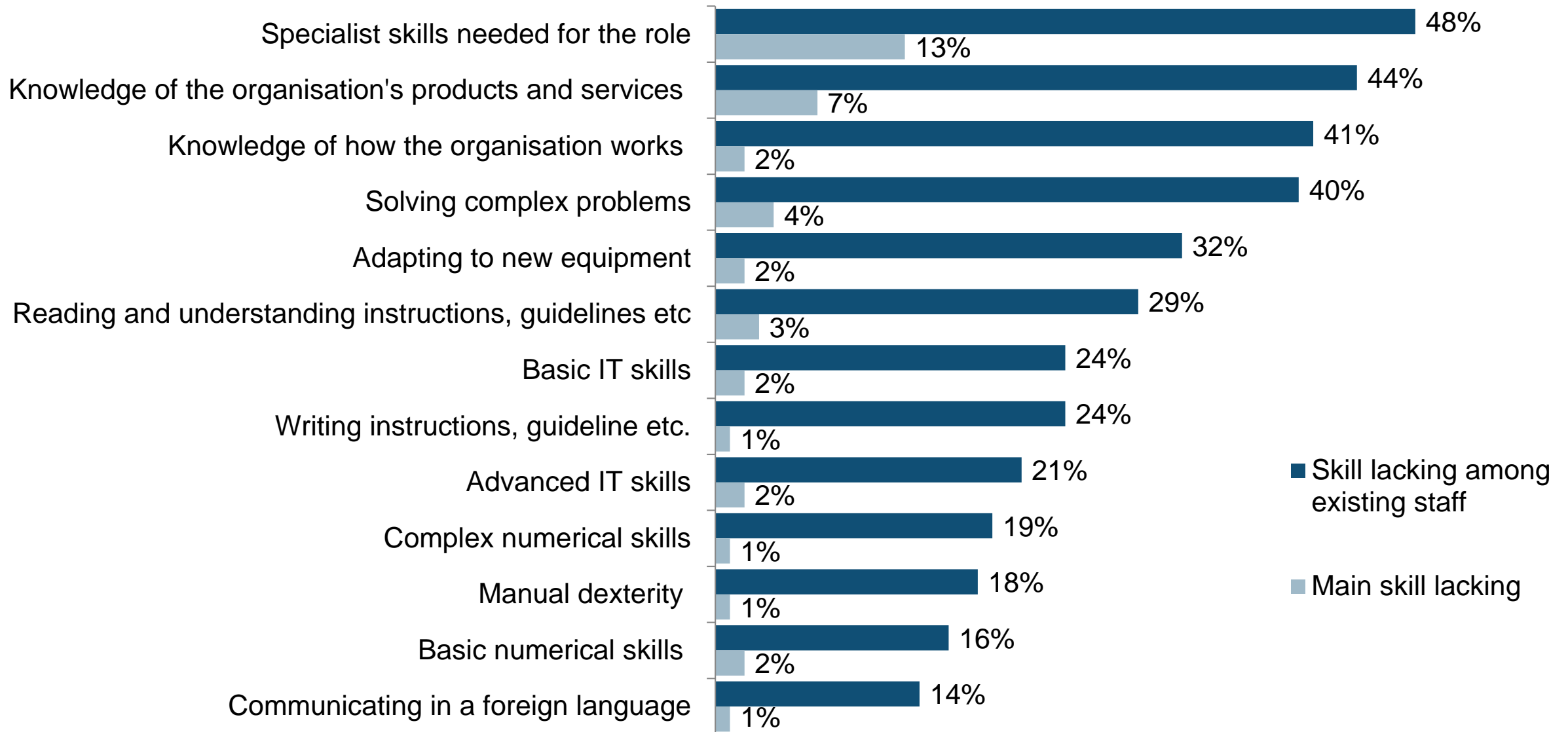
Base: All establishments with skills gaps - up to 2 occupations followed up (2015: 1,236; 2017:1,502)
 Figures are shown as a percentage of all skills gaps (not a percentage of all establishments)

Impact of skills gaps



Base: All establishments with skills gaps (1,502)

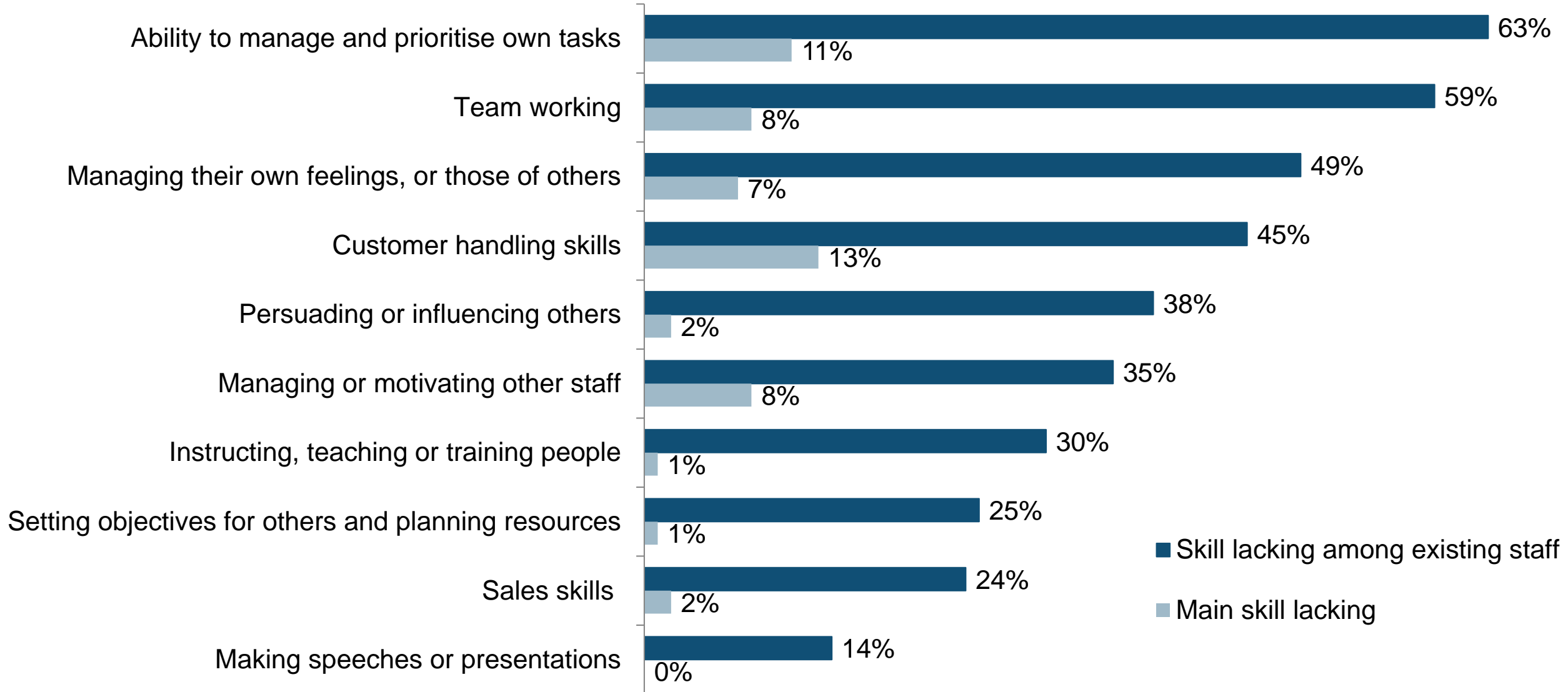
Technical and practical skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (1,502)

Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

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



Base: All establishments with skills gaps (1,502)

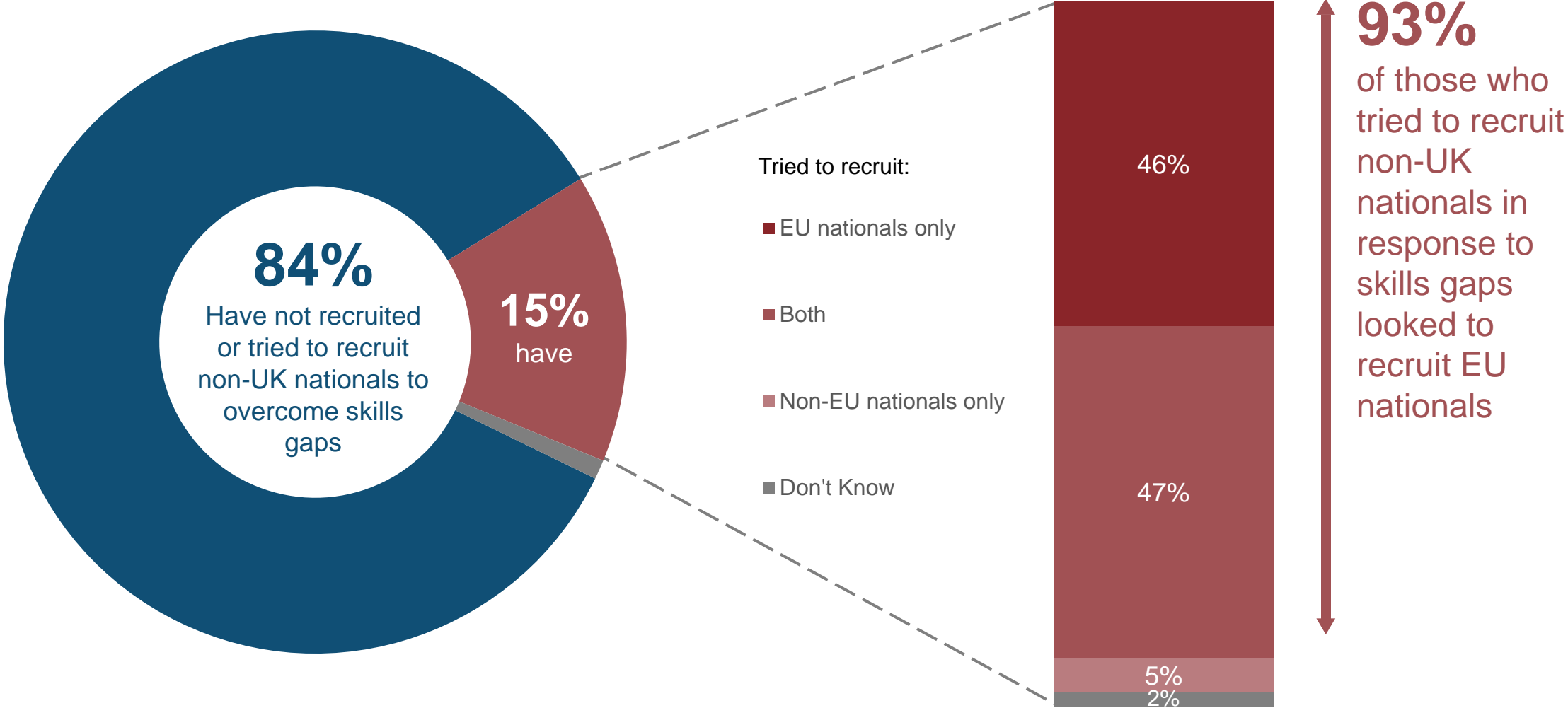
Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

Action taken to overcome skills gaps



Base: All establishments with skills gaps (2015: 1,236; 2017: 1,502)

Recruitment of EU nationals to overcome skills gaps



Base for pie: All establishments with skills gaps (1,502)

Base for column: All that had recruited or tried to recruit non-UK nationals in response to skills gaps (259)

Skills under-utilisation



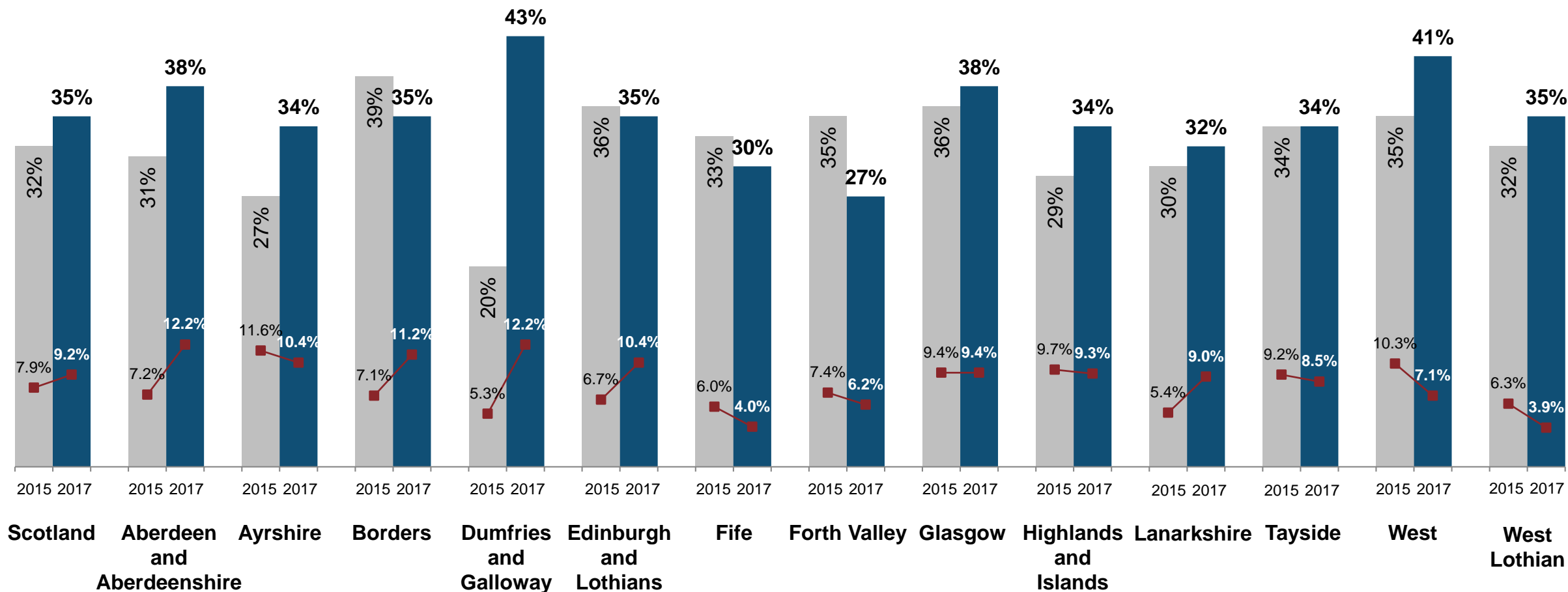
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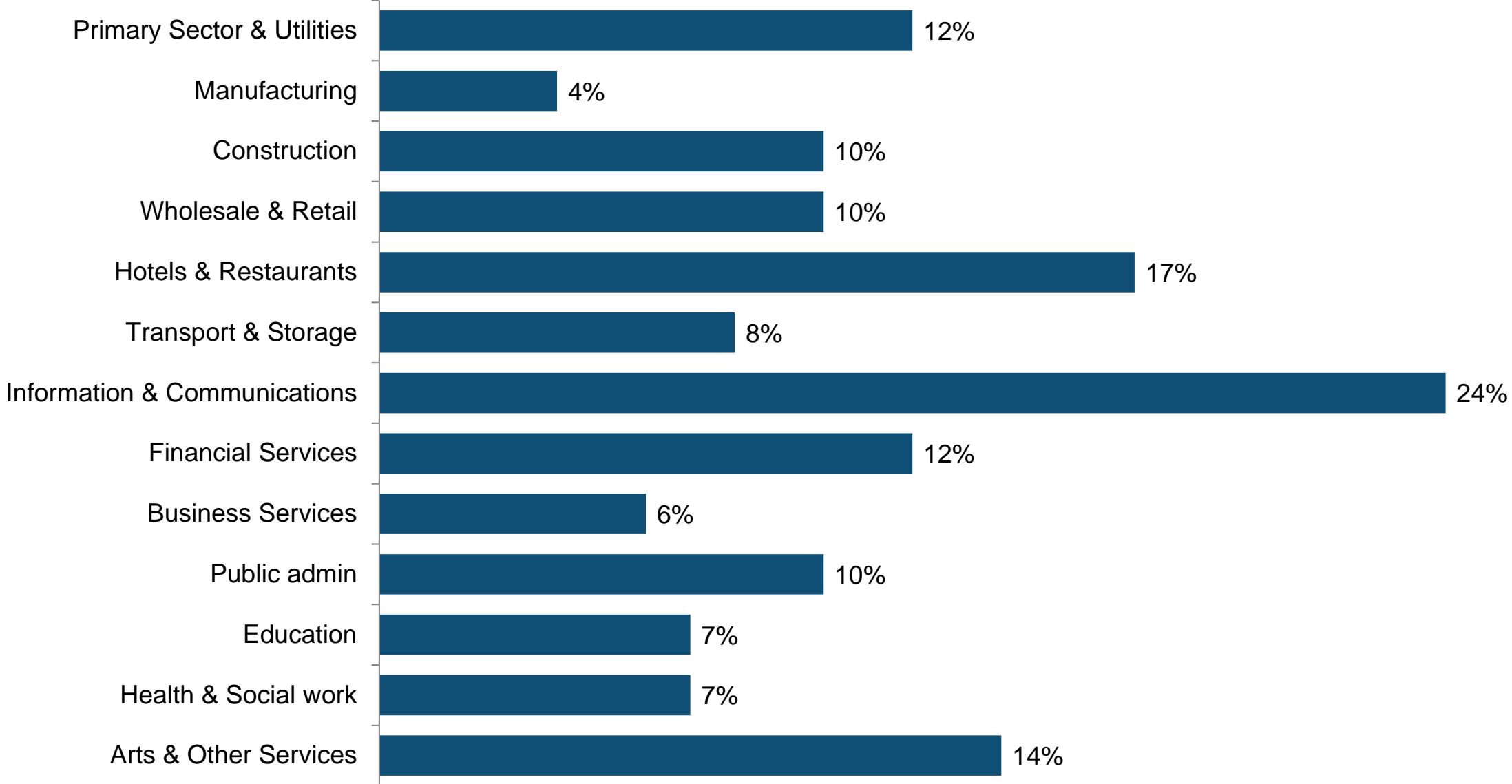
Incidence and density of skills under-utilisation by region

■ Incidence of under-utilisation ■ Proportion of staff considered to be under-utilised



Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

Density of skills under-utilisation by sector



Base: All establishments (base sizes range from 158 in Public Admin. to 933 in Wholesale & Retail)

Upskilling

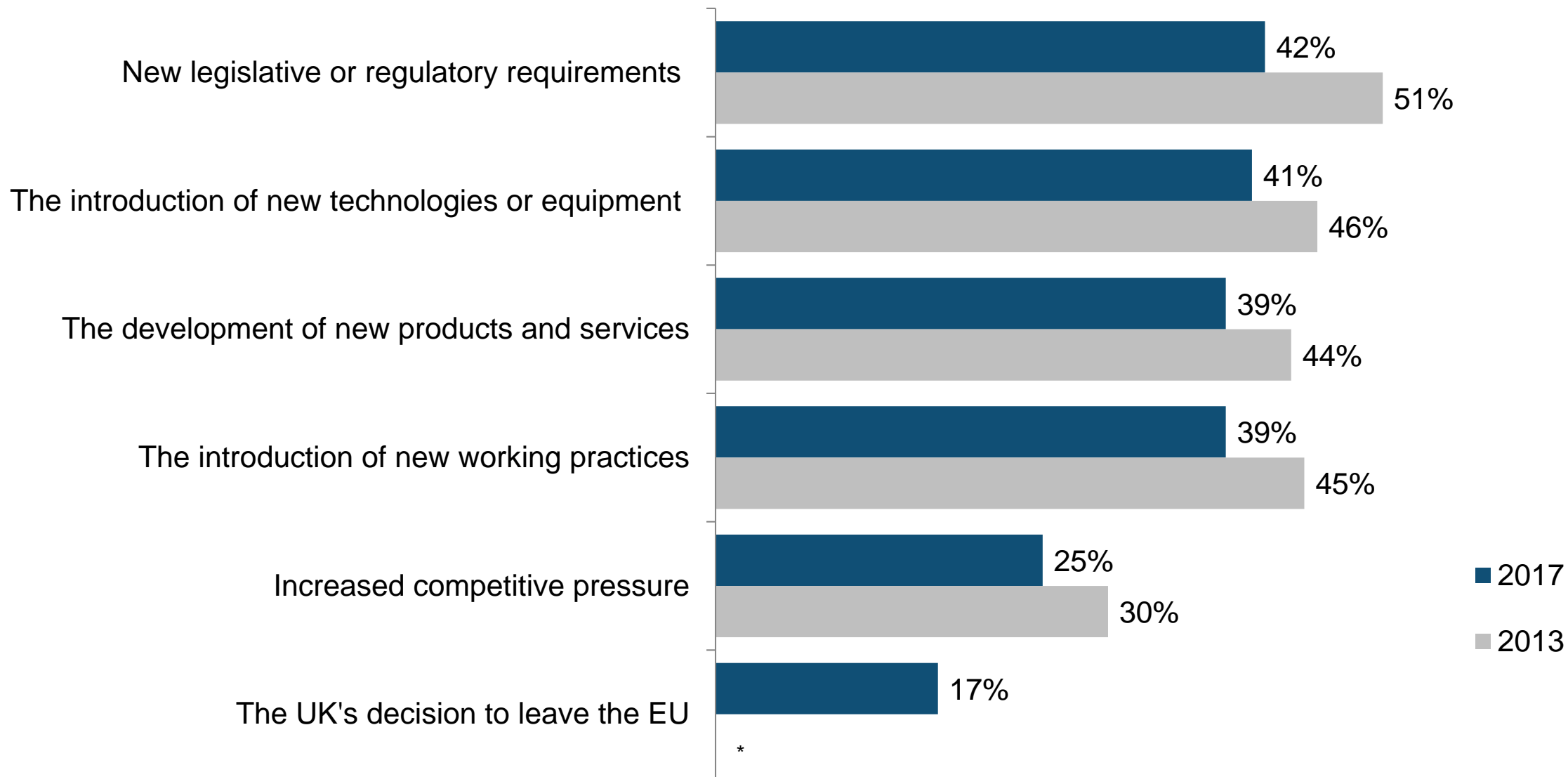


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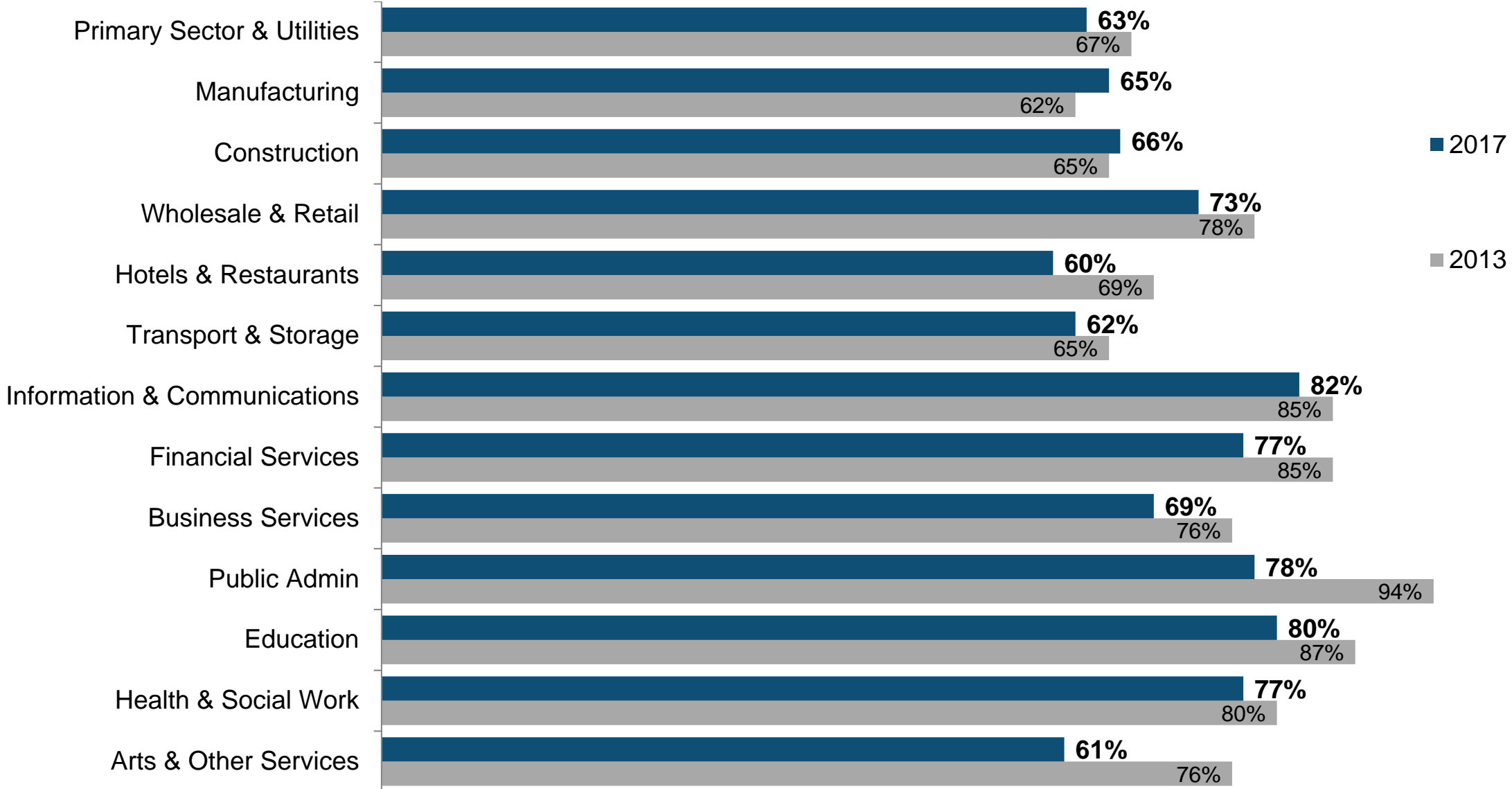
Reasons for staff requiring upskilling



Base: All establishments in Module 2 (2013: 3,044; 2017: 3,064)

* Code not asked in 2013

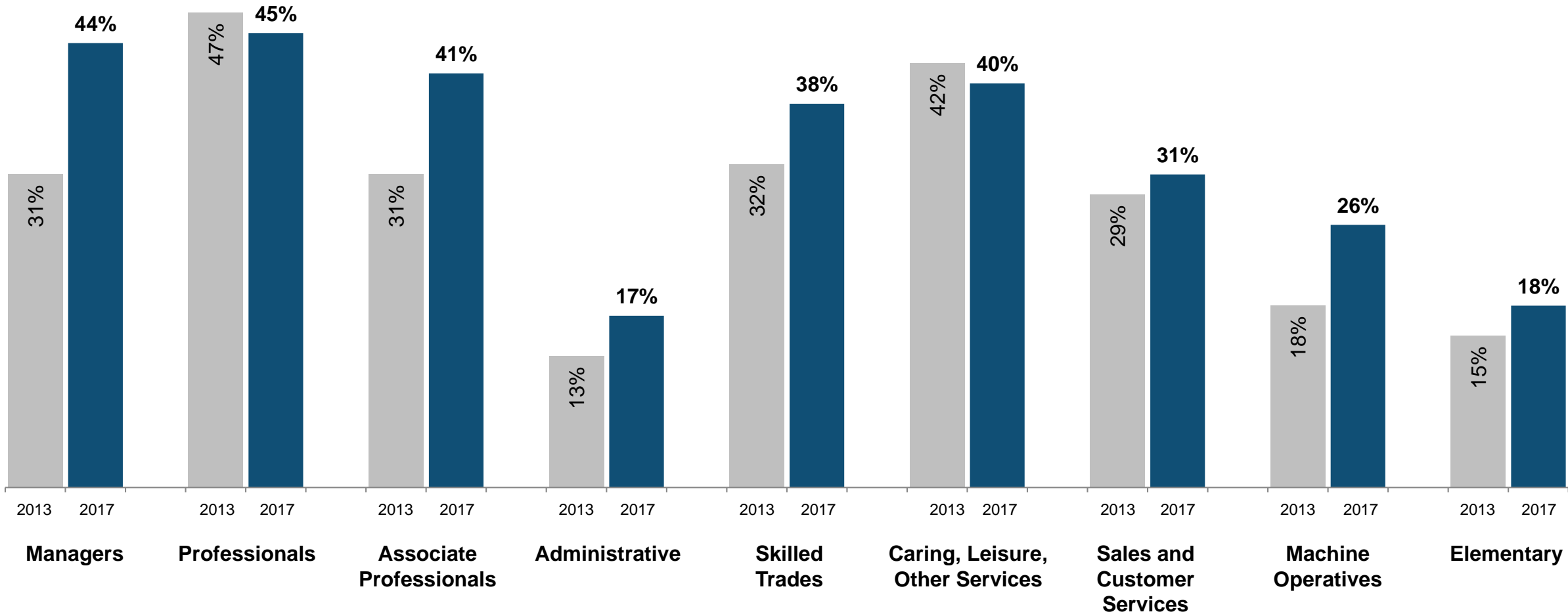
Prevalence of a need for upskilling by sector



Base: All establishments in Module 2 (2017 base sizes range from 75 in Public Admin. to 463 in Wholesale and Retail)

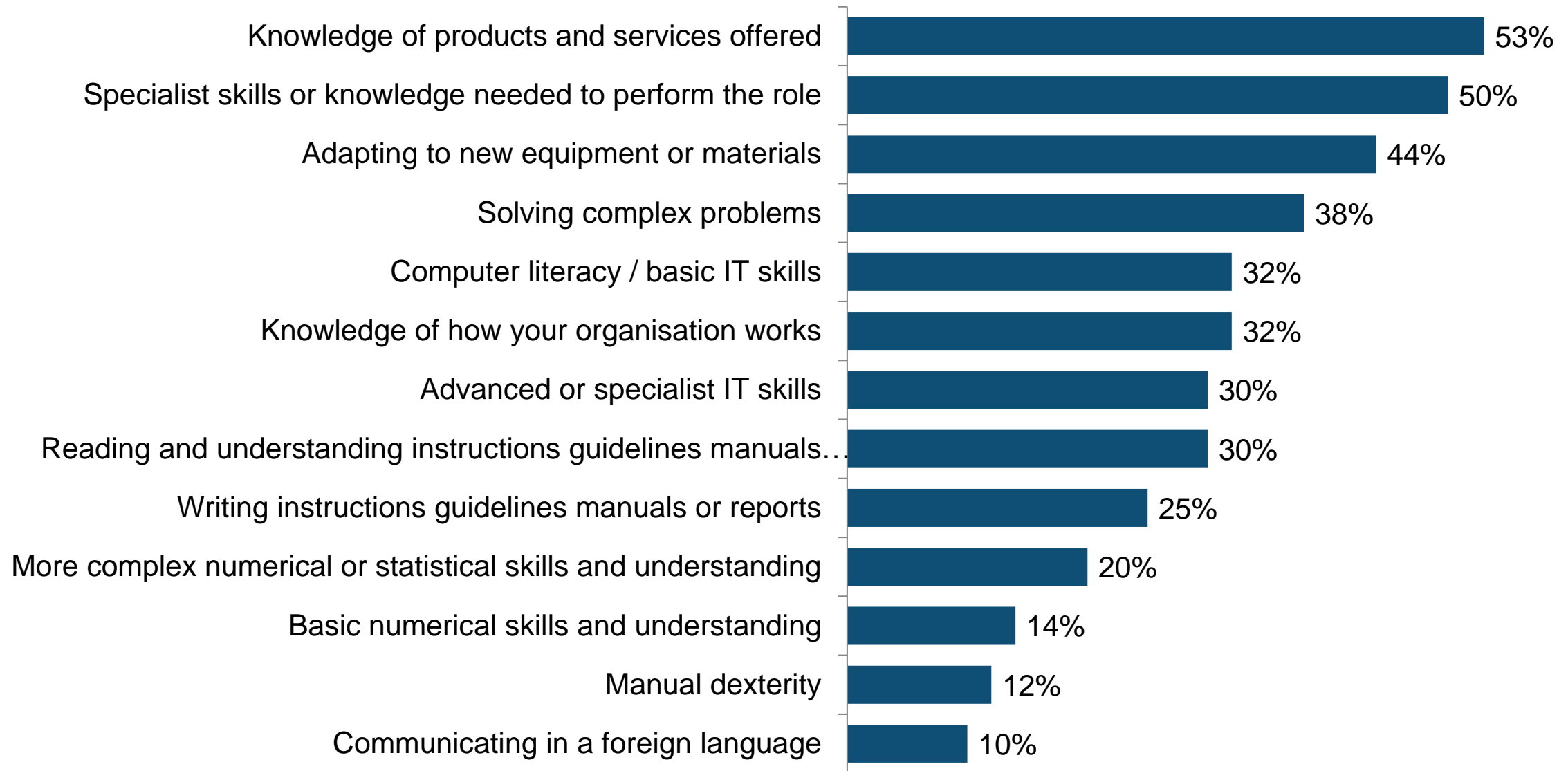
Occupations affected by a need for upskilling

■ Incidence of need for upskilling



Base: All establishments in Module 2 with staff in the given occupations (2017 base sizes range from 486 for Caring Leisure and Other Services to 2,929 for Managers)

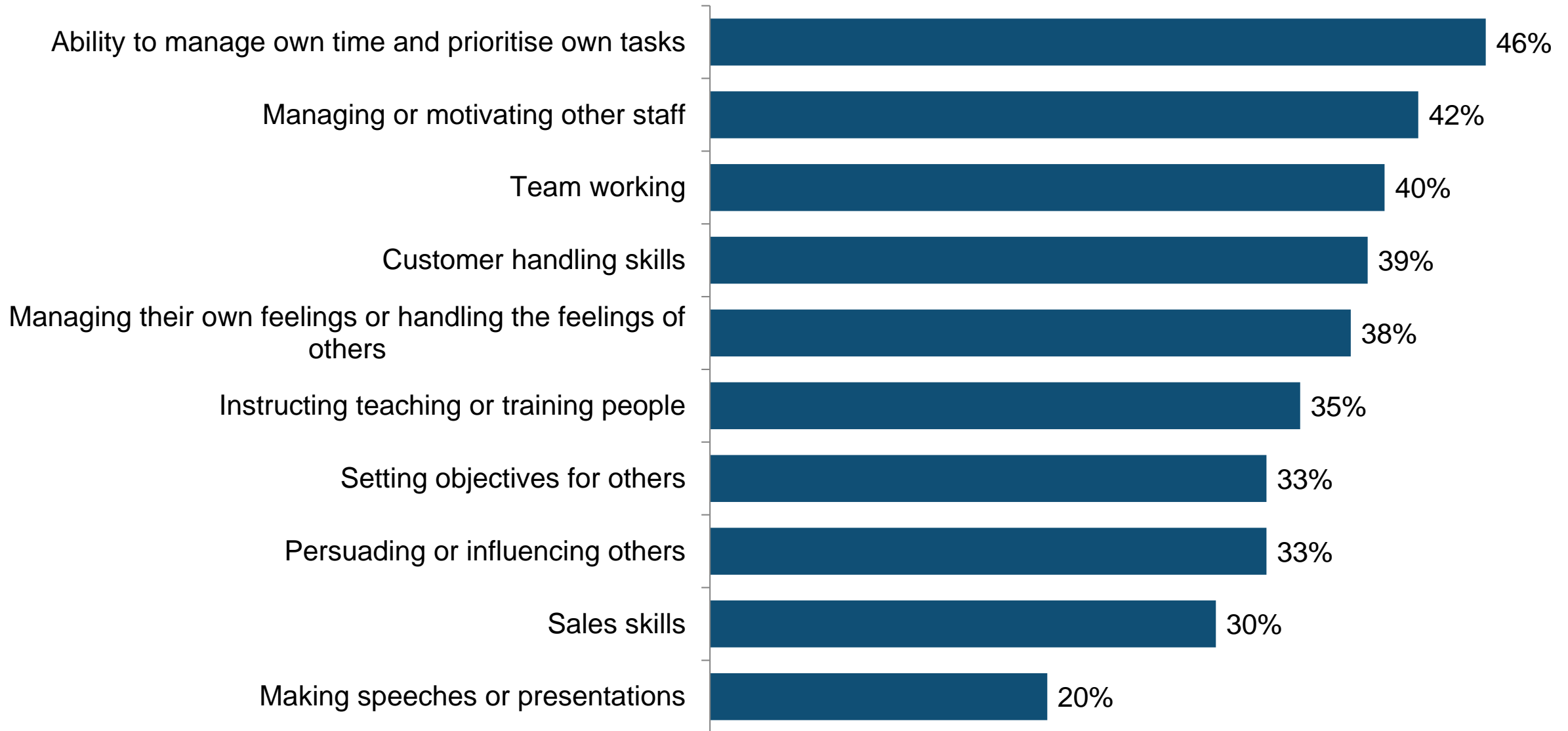
Technical and practical skills that need improving in the next 12 months



Base: All establishments who anticipate a need for new skills in next 12 months (2,082)

Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

People and personal skills that need improving in the next 12 months



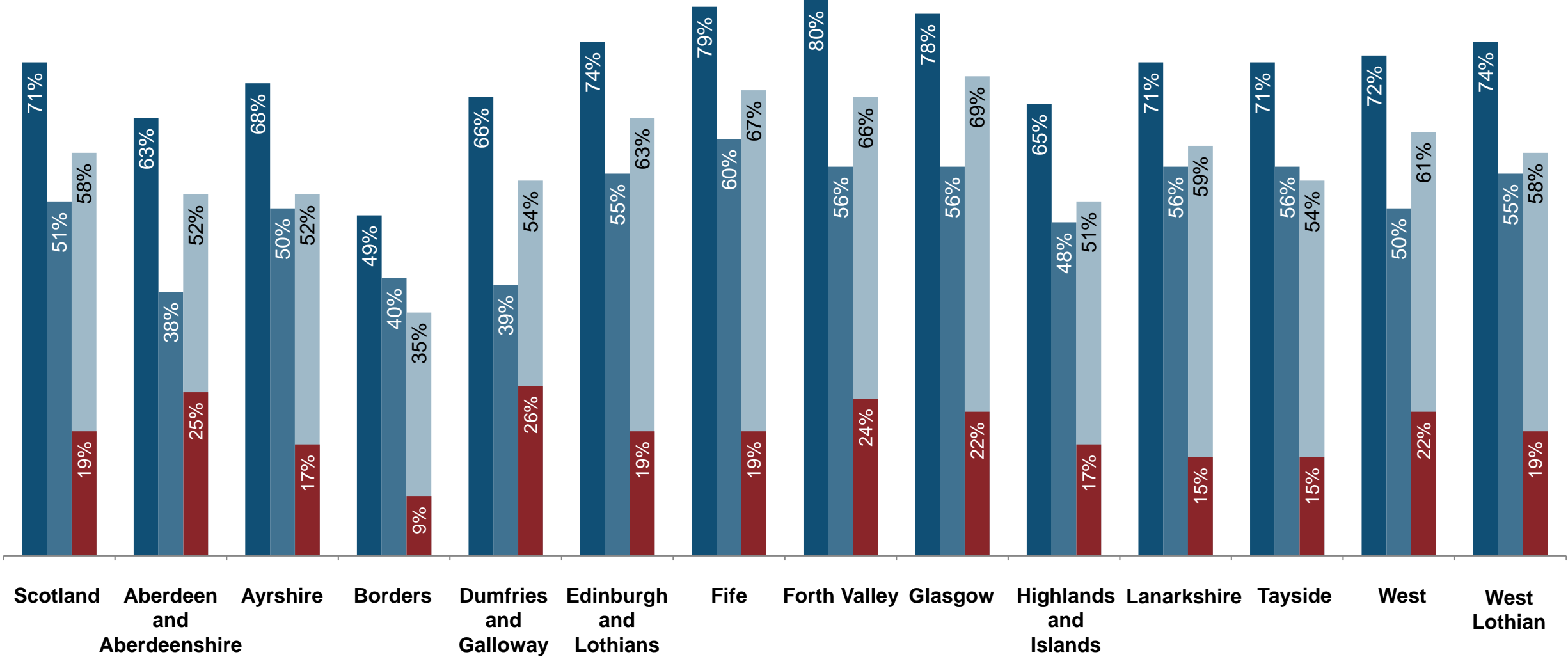
Base: All establishments who anticipate a need for new skills in next 12 months (2,082)

Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

Training and workforce development

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

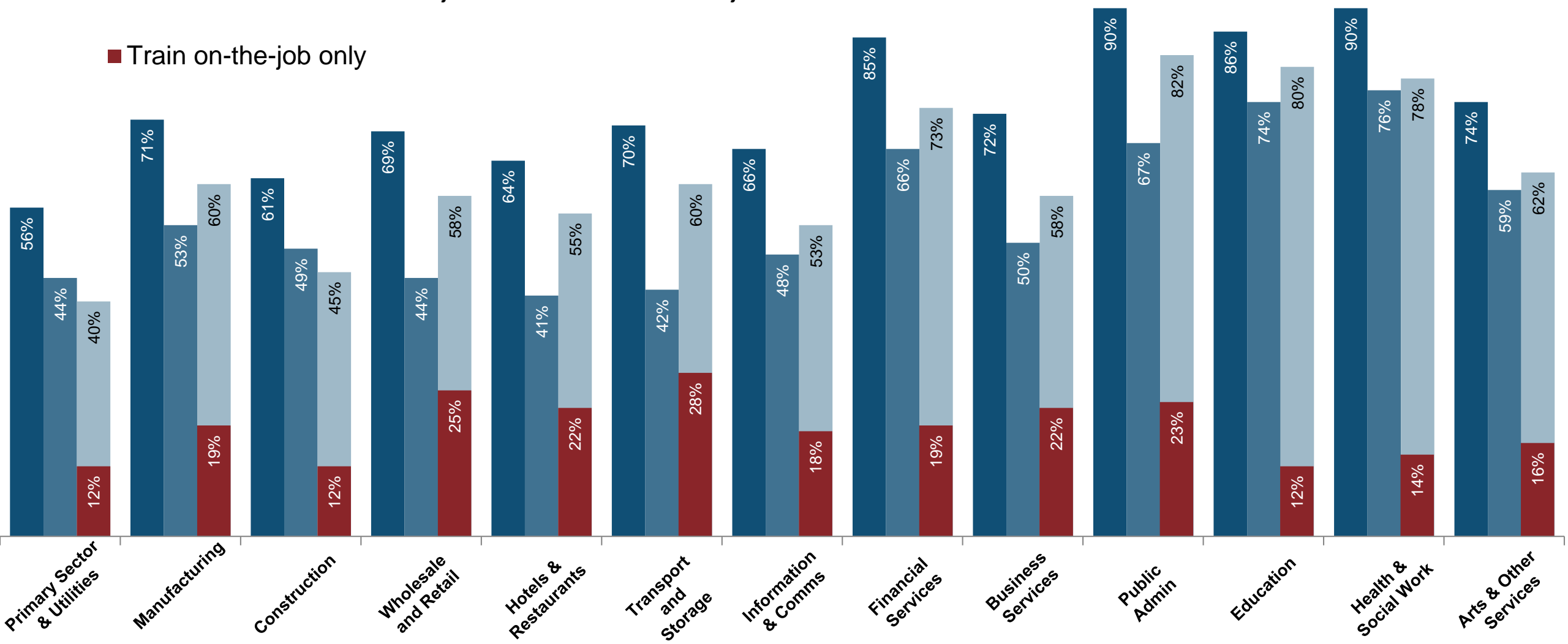
■ Train ■ Train off-the-job ■ Train on-the-job ■ Train on-the-job only



Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

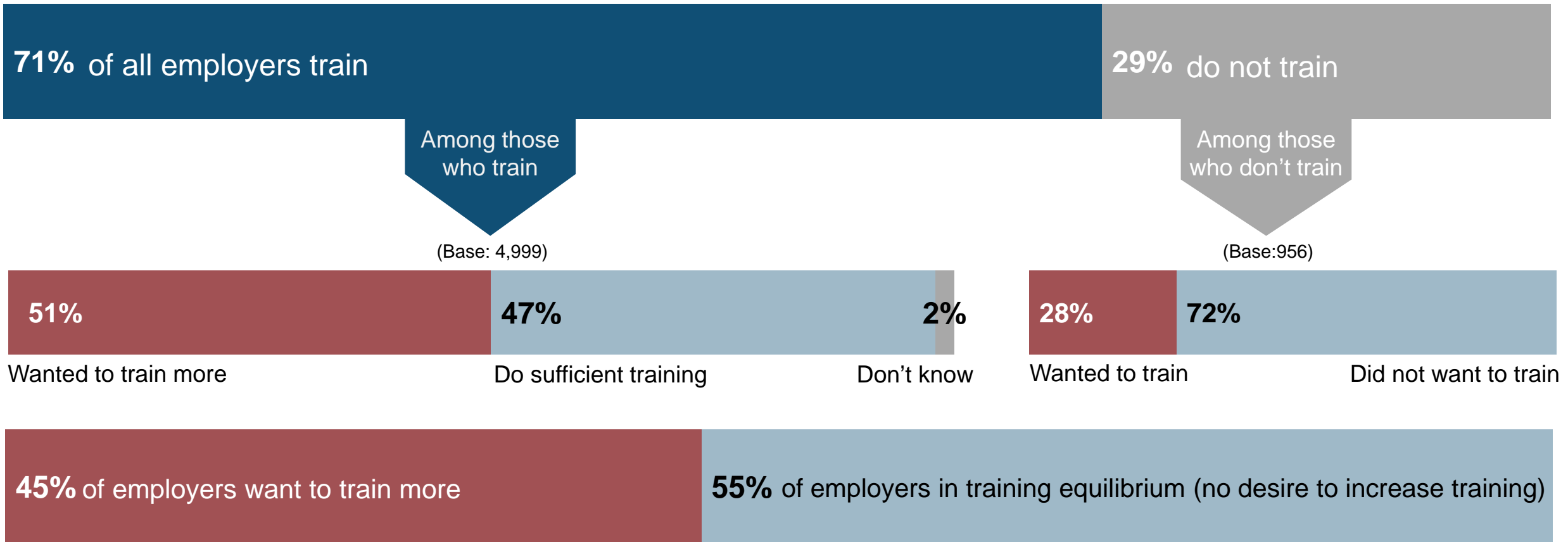
Proportion of employers providing training in the last 12 months by sector

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



Base: All establishments (2017 base sizes range from 158 in Public Admin. to 933 in Wholesale and Retail)

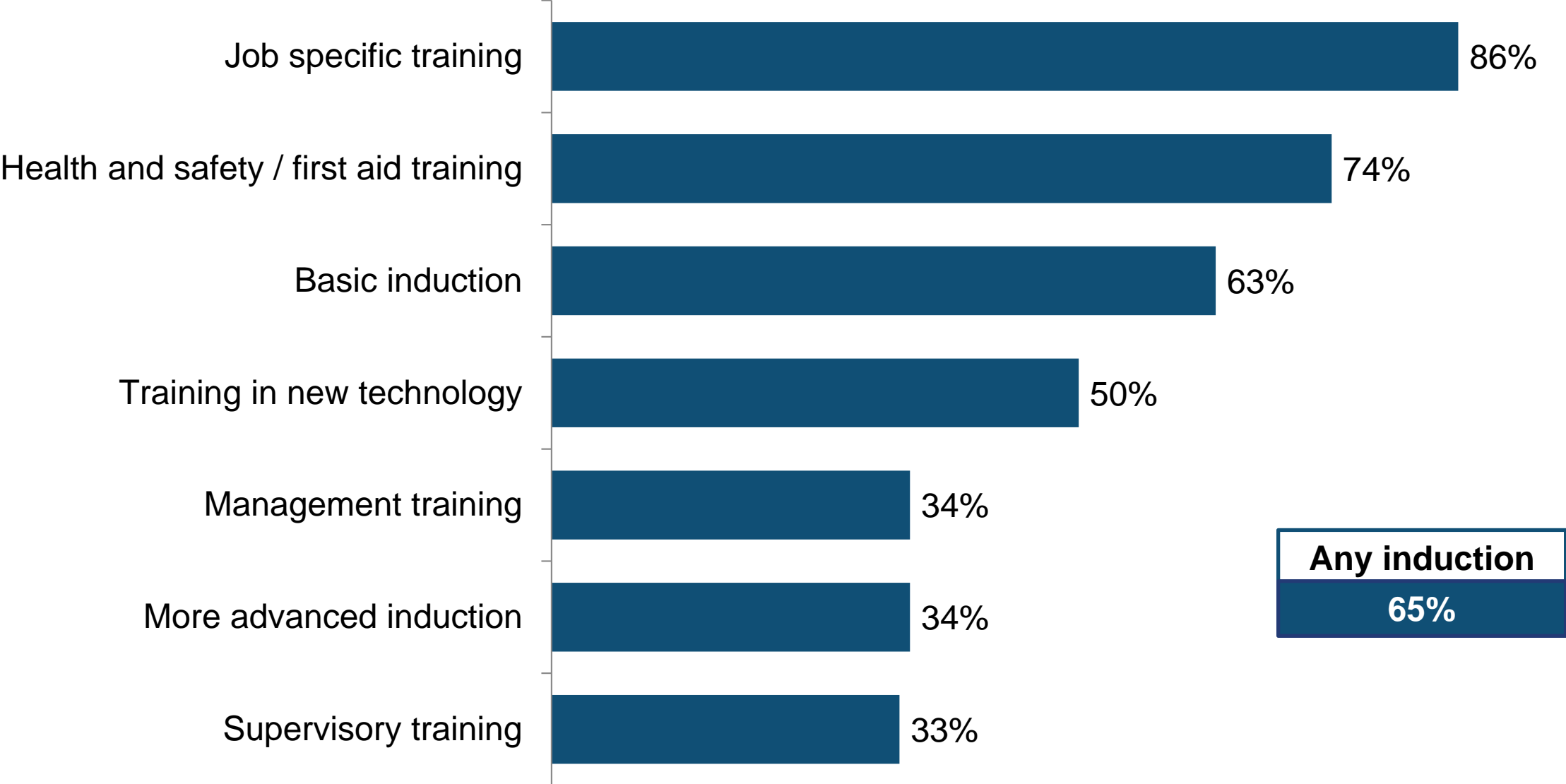
Training Equilibrium: employers' interest in providing more training than they were able to



*Note training employers responding 'Don't know' (2%) have been included in the group 'Wanted to undertake more training' on final measure

Base: All establishments (6,017)

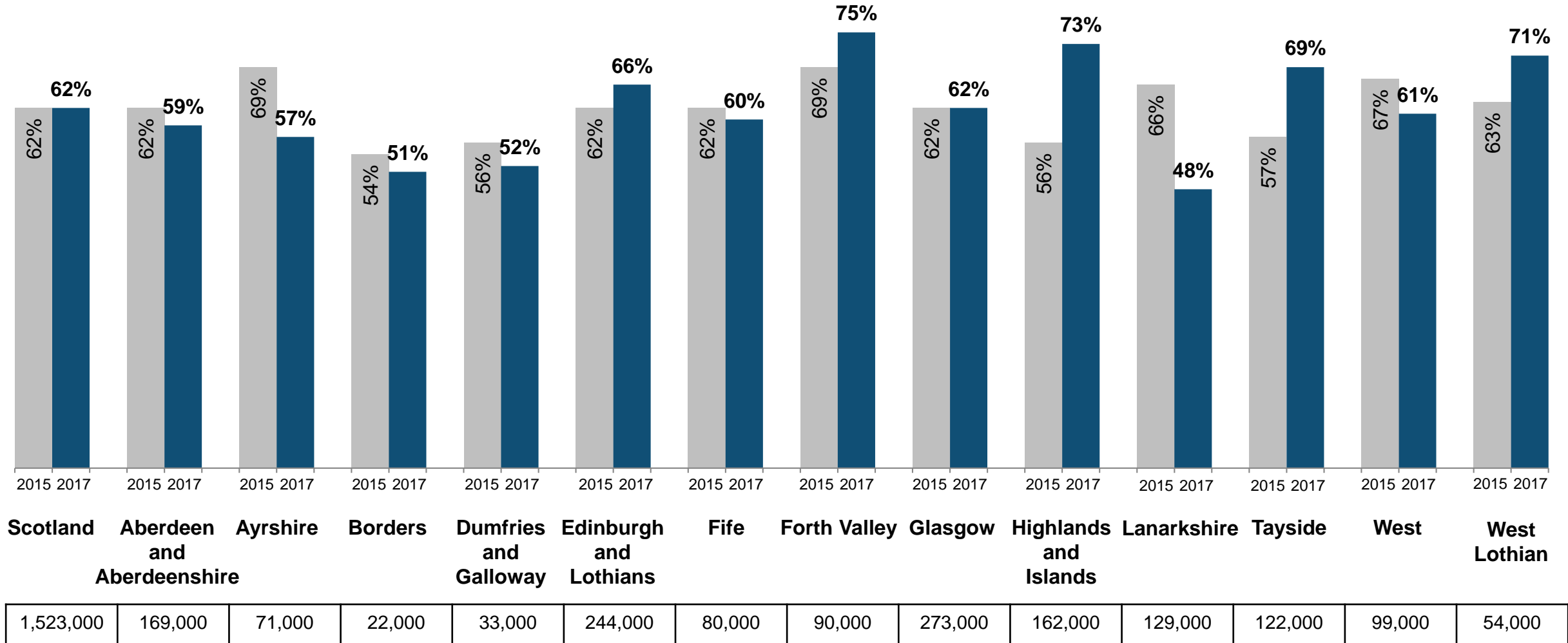
Types of training provided



Base: All establishments that train (4,999)

Number and proportion of staff trained by region

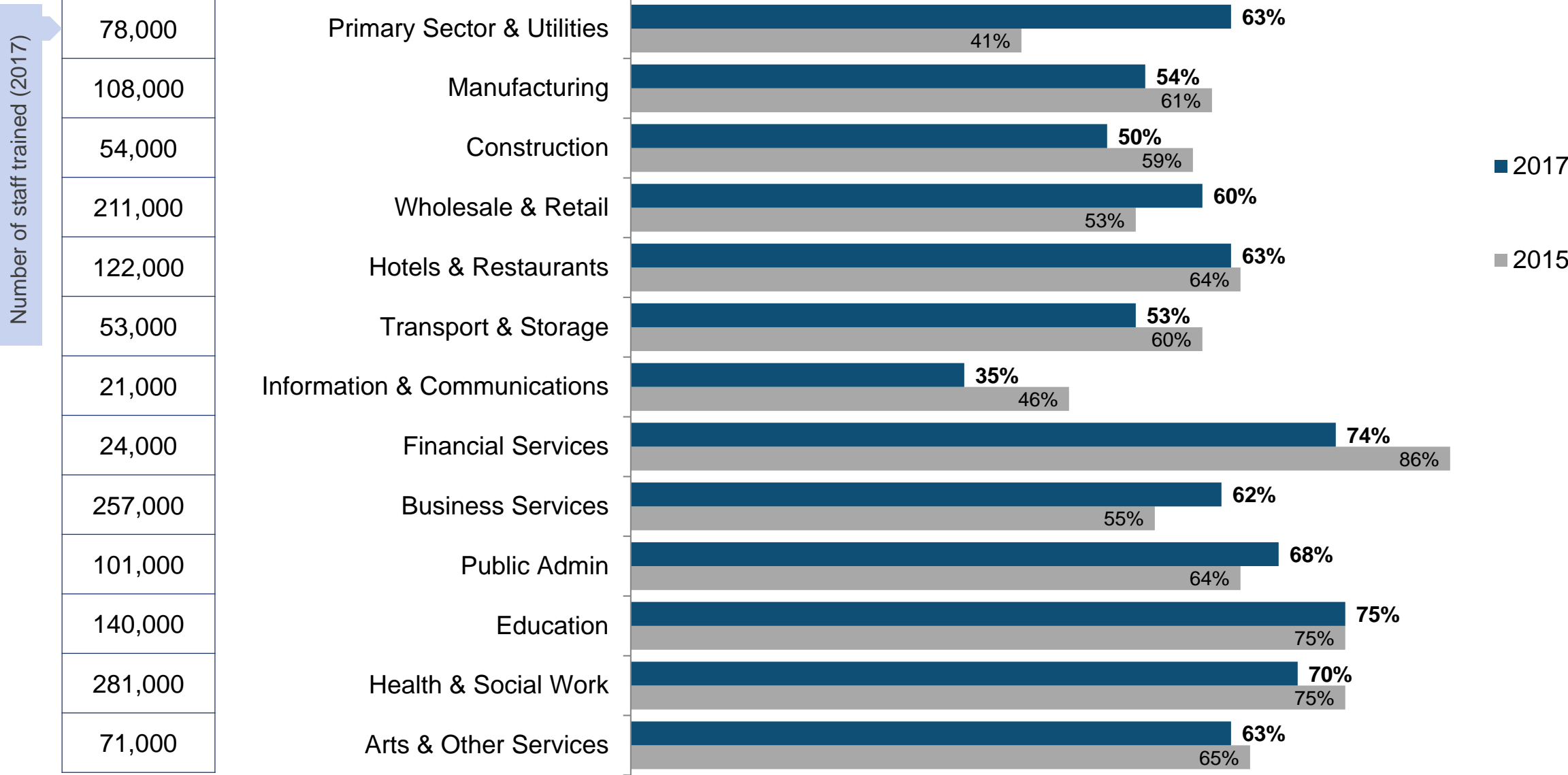
■ Proportion of staff trained over last 12 months



Number of staff trained (2017)

Base: All establishments (2017 Scotland: 6,017; regional base sizes range from 167 in West Lothian to 865 in Aberdeen and Aberdeenshire)

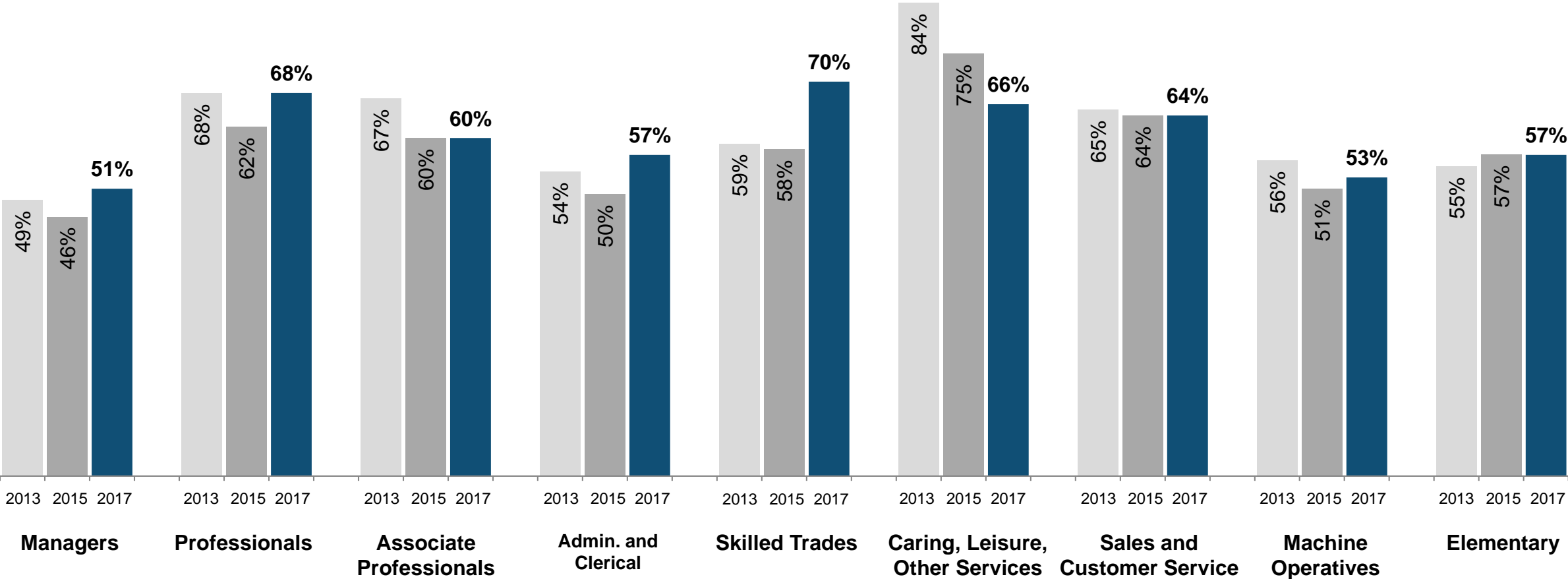
Number and proportion of staff trained by sector



Base: All establishments (base sizes range from 158 in Public Admin. to 933 in Wholesale & Retail)

Proportion of staff trained by occupation

■ ■ ■ Proportion of staff trained



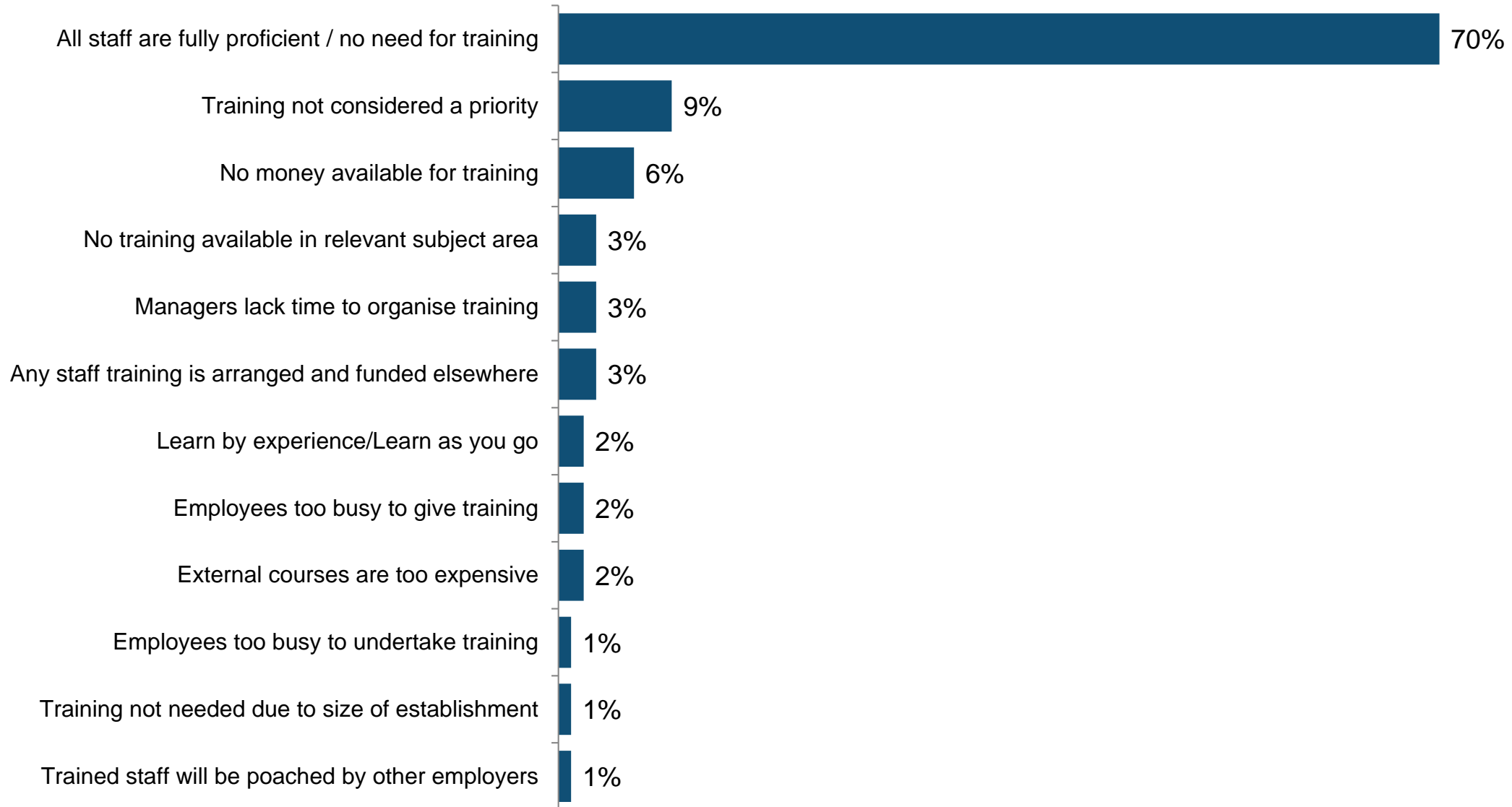
Base: All establishments with staff in the given occupations (2017 base sizes range from 957 for Caring, Leisure and Other Services to 5,743 for Managers)

Training days

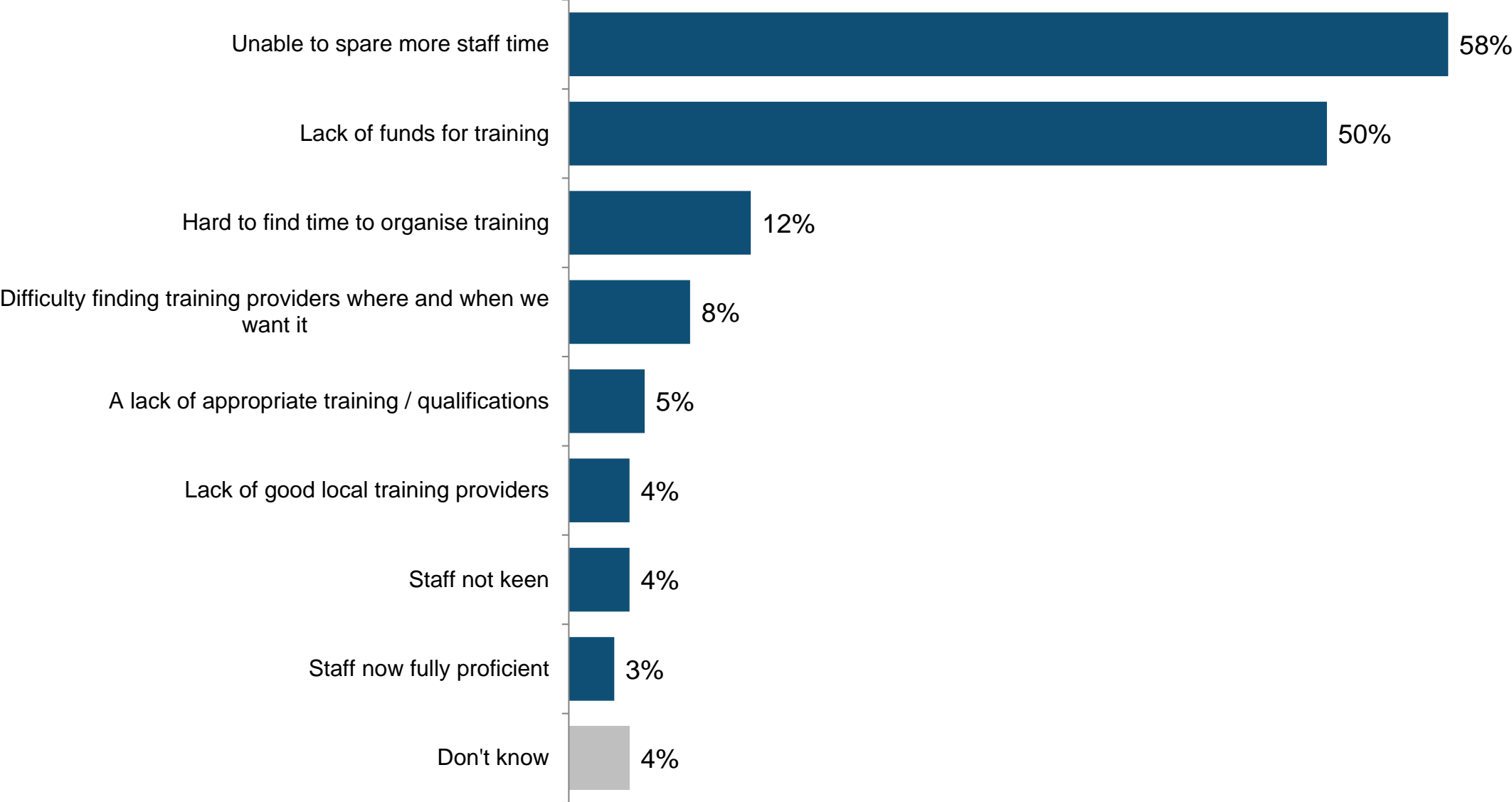
	Days per person trained	Total days training
	2017	2017
Scotland	6.5	10.0m
Aberdeen and Aberdeenshire	2.8	0.5m
Ayrshire	6.4	0.5m
Borders	3.7	0.1m
Dumfries and Galloway	7.5	0.2m
Edinburgh and Lothians	4.6	1.1m
Fife	19.5*	1.6m*
Forth Valley	4.5	0.4m
Glasgow	6.4	1.8m
Highlands and Islands	5.1	0.8m
Lanarkshire	12.4	1.6m
Tayside	4.2	0.5m
West	7.7	0.8m
West Lothian	7.0	0.4m

*Figures should be treated with caution due to outliers having undue influence on figures

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 (2,598)

Training and workforce development - summary

	2011	2013	2015	2017
% of employers that train	73%	70%	71%	71%
% of employers that train off-the-job	53%	53%	52%	51%
% that <i>only</i> train on-the-job	20%	15%	20%	19%
% of staff trained over the last 12 months	58%	65%	62%	62%
Days training per person trained	7.3	6.7	6.7	6.5
Total training days provided	9.8m	10.0m	9.9m	10.0m

High Performance Working practices

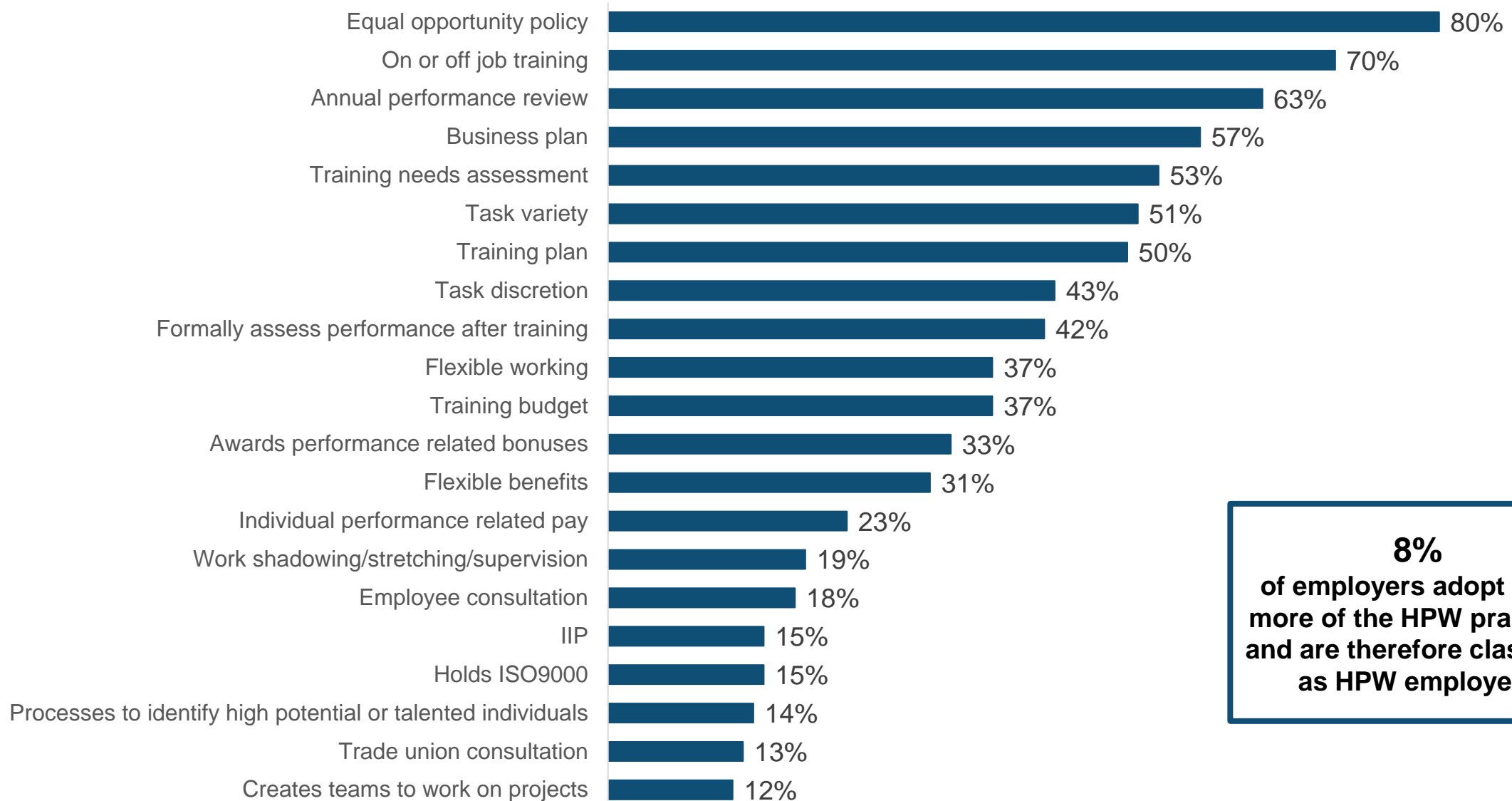


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High Performance Working practices



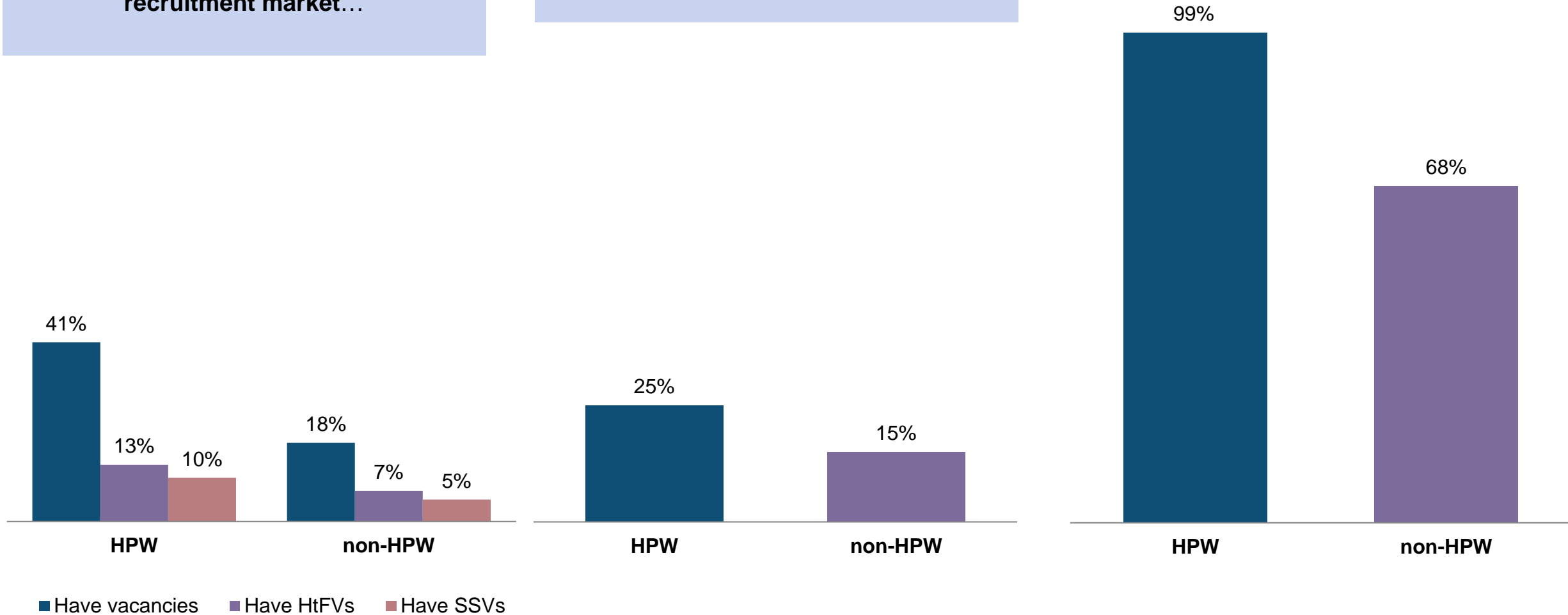
8%
of employers adopt 14 or more of the HPW practices and are therefore classified as HPW employers

High Performance Working and skills challenges

HPW employers are **more active in the recruitment market...**

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

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



Conclusions

Current state of skills in Scotland

- **Levels of recruitment activity have remained in line with those reported in 2015**, with 20% of employers reporting having at least one vacancy and the density of vacancies (as a proportion of employment), remaining static at 3.1%.
- Around a quarter (24%) of these vacancies were proving hard-to-fill due to **applicants lacking the necessary skills, qualifications or experience (i.e. skill-shortage vacancies)**, unchanged from 2015.
- The number of **skills gaps among the existing workforce has remained at the same level at 122,000**; representing 5.0% of the total workforce in 2017 (similar to 2015).
- **Specialist skills needed for the role** and **ability to manage and prioritise own tasks** were the main technical and practical, and people and personal skills lacking among both applicants and existing staff.
- **A third of employers (35%) reported having under-utilised staff**, that is staff with qualifications and skills beyond those required for the role (up from 32% in 2015).

Impacts and response

- The impact on **businesses' productivity and growth potential** are key impacts of skills challenges, with potential to restrict both aspects in the short and long term. The impact of skills challenges were felt most notably on current staff with employers reporting **increased workloads for other staff** as an impact of skill-shortage vacancies (89%) and as an impact of skills gaps among existing staff (53%).
- Despite persistent skills challenges, **the proportion of employers that train has remained consistent over time** (71%), as has the number of days training per trainee.
- Whilst 45% of employers wanted to provide more training, the main barriers preventing them from doing so centred on a **lack of funds for training** (58%) and **lack of staff time** to spare (50%).
- When looking ahead to the next 12 months, **a smaller proportion anticipated a need for staff to acquire new skills than they did in 2013** (69% compared with 74%).