



UK COMMISSION FOR
EMPLOYMENT AND SKILLS

UK Commission's Employer Skills Survey 2013: UK Results

Evidence Report 81
January 2014

Intelligence > Investment > Impact

The UK Commission's Employer Skills Survey 2013: UK Results

Winterbotham M., Vivian D., Shury J. and Davies B.

IFF Research

Genna Kik

Senior Research Manager

UK Commission for Employment and Skills

January 2014



Foreword

Employers in the UK today face many challenges, including on-going globalisation, technological change and changing consumer demands. After one of the harshest economic crises seen for a generation, UK productivity is still below the levels seen before the recession. Looking to the future, if we are to achieve sustained economic growth and global competitiveness, investment in the skills and talents of the UK workforce will be crucial.

The UK Commission's Employer Skills Survey gives us reliable, timely and valuable insight into the skills issues being faced by employers and the action they are taking to address these. The survey provides a wealth of data on these issues and, for the first time, we can investigate change over time on a consistent basis right across the UK labour market. The Commission is very grateful to the more than 91,000 businesses, across all sectors, who participated in the research.

So what do the findings tell us about how employers are behaving? In support of the economic turnaround, the survey highlights some positive trends. However, it also identifies some clear priorities for action.

Today too many organisations find it hard to recruit the skilled people they need; this poses serious risks to the health and survival of businesses and to their bottom line performance. The survey reveals a sharp rise in skills shortages which may be holding back the UK's economic recovery. This is not a new phenomenon. Such deficiencies have persisted over time in some sectors and occupations indicating that there is a need to take decisive action.

At the same time as a growing shortage of certain skills there is also evidence of a surplus and mismatch in other areas, with the survey finding that almost half of employers report having staff with skills and qualifications beyond those required for their current job. There are also indications of pressures on skills investment. For example, the amount spent on training has fallen by £2.5 billion since 2011. The survey also questions whether UK employers are being ambitious enough when it comes to both investing in their people and their broader business strategies.

At the UK Commission for Employment and Skills we will continue to work with and through our partners to develop solutions to the skills challenges highlighted in this survey. As a social partnership led by Commissioners from large and small employers, trade unions and the voluntary sector, our aim is to improve the future of workforce skills in the UK by providing access to investment, world-class research and expert insight.

I hope you find this report useful. It will be followed by evidence toolkits for each of the nations of the UK and local partners, as well as thematic reports exploring key issues within the survey.

We are keen to make the data and analysis in this report as accessible as possible and to assist with its interpretation in the commentary provided. We would also welcome feedback on how we could make our research even more relevant. If you have any queries or comments on this report, or would just like to know more about the Commission's work, please e-mail info@ukces.org.uk, quoting the report title.

Sir Charlie Mayfield,
Chairman, John Lewis Partnership
Chair, UK Commission for Employment and Skills

Acknowledgements

Many individuals and organisations have been involved in the design and execution of the UK Commission's Employer Skills Survey 2013. Particular thanks are given to the 91,000 businesses who responded to the questionnaire. As the lead contractor, we have been supported by the research agencies who conducted much of the fieldwork: BMG Research, GfK-NOP and Ipsos MORI.

The project was supported by the four UK governments; a steering group was established to guide the direction of the project. Members attending this group were: Robin Elliot-Marshall, Department for Business, Innovation and Skills (BIS); Dominic Rice, BIS; Vikki McCauley, BIS; Kate Murphy, BIS; Stuart King, Scottish Government; Joanne Corke, Welsh Government; James Carey, Welsh Government; Victor Dukelow; Department for Employment and Learning Northern Ireland (DELNI); Graham Belshaw, DELNI; Tracy Power, DELNI; Alastair Yeo, Department for Work and Pensions (DWP); Lewis Childs, DWP; Kate Lager, DWP; Ella Taylor, DWP; Anthony Clarke, Department for Education (DFE); Stuart Vickers, Skills Funding Agency; Carol Stanfield, UK Commission for Employment and Skills (UKCES); and Vicki Belt, UKCES.

Particular thanks are also due to staff at the UK Commission who supported the preparation of this report, including Vicki Belt, Rebecca Jones, Thomas Glynn, Charlotte McDonough, Angela Thompson, Marc Bayliss, and in particular to the project manager throughout the course of the survey, Genna Kik at the UK Commission.

Jan Shury

Joint Managing Director, IFF Research Ltd.

Table of Contents

Glossary.....	6
Key findings	8
Executive Summary.....	9
1 Introduction.....	15
1.1 The UK-wide employer skills survey	15
1.2 Methodological overview	16
1.2.1 Survey sampling	16
1.2.2 Survey questionnaire	17
1.2.3 Survey fieldwork	17
1.2.4 Data weighting	18
1.3 The nature of UK establishments: describing the survey population	18
1.4 Structure of this report.....	21
1.5 Reporting conventions.....	22
2 Employers' Experience of Skill Shortages.....	23
2.1 Chapter Summary	23
2.2 Introduction	24
2.3 Vacancies	25
2.4 Skill-shortage vacancies.....	27
2.4.1 The incidence, volume and density of skill-shortage vacancies.....	27
2.4.2 Skills lacking in the available labour market	31
2.4.3 The impact of skill-shortage vacancies on employers	33
2.5 Wider recruitment challenges and hard-to-fill vacancies.....	34
2.6 Conclusions	35
3 The Internal Skills Challenge.....	36
3.1 Summary.....	36
3.2 Introduction	37
3.2.1 The prevalence of skills gaps.....	38
3.2.2 The occupational distribution of skills gaps	40
3.3 The causes of skills gaps	43
3.4 Skills lacking internally	44
3.5 The impact of skills gaps	46
3.6 Employer response to skills gaps.....	47
3.7 Skills deficiencies among existing staff and when recruiting	49

3.8	Under-use of skills.....	49
3.8.1	The prevalence of under-use of skills	49
3.9	Upskilling.....	51
3.9.1	The prevalence of upskilling needs	51
3.9.2	Occupations most affected by the need for upskilling.....	53
3.9.3	Upskilling: skills that need improving or updating	54
3.10	Conclusions	55
4	Training and Workforce Development	56
4.1	Summary.....	56
4.2	Introduction	57
4.3	Incidence of training and workforce development.....	57
4.4	Other wider activity to aid the development of staff	59
4.5	Barriers and limits on training.....	60
4.6	Types of training provided.....	63
4.7	Numbers trained	64
4.8	Training days.....	66
4.9	Training to qualifications	69
4.10	Investment in Training	71
4.11	Conclusions	76
5	Recruitment of Young People	78
5.1	Summary.....	78
5.2	Introduction	79
5.3	Recruitment of education leavers	81
5.3.1	Recruitment from different stages of education	82
5.4	Perceived work readiness of education leavers.....	85
5.5	Skills and attributes lacking in education leavers	88
5.6	Recruitment of young people	89
5.7	Barriers to recruiting young people.....	90
5.8	Skills deficiencies and training among employers who recruit young people 92	
5.9	Conclusions	93
6	High Performance Working Practices and Product Market Strategies .	95
6.1	Chapter Summary	95
6.2	Introduction	96
6.3	High Performance Working	96
6.3.1	The relationship between HPW and skills shortages	98
6.3.2	The relationship between HPW and skills gaps	99

6.3.3	The relationship between HPW and training	100
6.4	Product market strategies	100
6.4.1	Deriving a composite Product Market Index.....	102
6.4.2	Profiling higher and lower composite PMS score employers.....	103
6.4.3	Relationship between PMS and skills shortages	104
6.4.4	The relationship between PMS and skills gaps.....	106
6.4.5	The relationship between PMS and training	107
6.5	Conclusions	108
7	Conclusions	110
	Annex A: Supplementary Tables	114
	Annex B: National Time Series Tables.....	167
	Annex C: Industry Coding.....	172
	Annex D: Occupational Coding	176
	Annex E: Sampling Error and Statistical Confidence.....	177
	Annex F: Weighted Base Sizes.....	179
	Annex G: Unweighted Base Sizes	180
	Annex H: A Note on Proficiency and Skills Gaps.....	181
	Annex I: Technical Appendix	182
	Employer Skills Survey: Wave 1.....	182
	Employer Skills Survey: Investment in Training follow-up	185
	Annex J: Effect of the 2+ Employment Reweight on 2011 Data.....	187
	Annex K: Bibliography	189
	Annex L: List of Previous Publications.....	190

Table of Graphs and Charts

Table 1.1 Survey response rates	18
Figure 1.1 Headline information on the profile of UK establishments and employment.....	20
Table 2.1 Incidence and density of vacancies by country	26
Table 2.2 Incidence and density of skill-shortage vacancies (SSVs) by country.....	27
Figure 2.1 Density and number of skill-shortage vacancies by occupation (2011 vs 2013)	29
Figure 2.2 Density of skill-shortage vacancies – occupation, occupation within sector, and by sector.....	30
Figure 2.3 Skills lacking among applicants (prompted).....	322
Figure 2.4 Impact of skill-shortage vacancies (prompted)	34
Table 3.1: Incidence, number and density of skills gaps by country (2011 vs. 2013).....	39
Table 3.2: Number and density of skills gaps by occupation (2011 vs. 2013)	40
Figure 3.1 Density of skills gaps by sector, occupation and occupation within sector	42
Table 3.3: Main causes of skills gaps (prompted), by nation	44
Table 3.4 Skills lacking among staff with skills gaps followed up, by nation.....	45
Table 3.5 Impact of skills gaps (prompted), by nation	47
Figure 3.2: Actions taken to overcome skills gaps (prompted)	48
Table 3.6 Incidence, number and density of staff who are both over-qualified and over-skilled by country (2011 vs. 2013)	50
Table 3.7: Whether expect employees will need to acquire new skills or knowledge in the next 12 months, and the reasons for this (prompted), by country	52
Figure 3.3 Single occupation most affected by the need for upskilling	53
Figure 3.4 Skills which need improving or updating in the next 12 months (prompted).....	54
Figure 4.1 Training provision over the last 12 months.....	58
Figure 4.2: Employer interest in undertaking more training over the last 12 months than they were able to provide	62
Figure 4.3 Types of training provided over the last 12 months by employers that train (prompted).....	63
Table 4.1 Number of staff trained over the last 12 months and the proportion of staff trained by establishment size and country	65
Figure 4.4 Proportion of staff trained over the last 12 months by occupation 2013 vs. 2011.....	66
Table 4.2 Total training and development days, and days per person trained and per employee (2011 vs. 2013)	68
Table 4.3 Training to nationally recognised qualifications over the previous 12 months....	70
Table 4.4 Total training expenditure and spend per person trained and per employee (2011 vs. 2013).....	72
Table 4.5 Total training expenditure broken down by individual components (2011 vs. 2013).....	74
Table 4.6: Training expenditure by country and size, the proportion spent on off-the-job elements, and the breakdown of total training expenditure (both on-the-job and off-the-job) by key elements.....	75
Figure 5.1 Employer recruitment of young people - summary.....	80

Table 5.1 Incidence of recruitment of education leavers into their first jobs by country (2011 vs. 2013)	82
Figure 5.2 Incidence of recruitment in the last 2-3 years of education leavers into their first jobs by size of establishment	83
Table 5.2 Sector patterns of recruitment of education leavers	84
Figure 5.3 Work-readiness of those recruited straight from education	86
Table 5.3 Skills and attributes lacking in education leavers	88
Figure 5.4 Reasons why some recruiting employers do not recruit young people	90
Table 5.4 Skills deficiencies and training activity among employers who recruit young people and education leavers	92
Figure 6.1 Employer adoption of High Performance Working Practices	97
Figure 6.2 Incidence and density of vacancies, hard-to-fill vacancies and skill-shortage vacancies by HPW classification and size	99
Table 6.1 Incidence, volume and density of skills gaps by HPW classification	99
Figure 6.3 Product Market Strategy positions	101
Table 6.2 Overall composite Product Market Strategy scores	102
Table 6.3 Overall composite Product Market Strategy scores by size	103
Figure 6.4 Incidence of vacancies, hard-to-fill vacancies and skill-shortage vacancies by Product Market Strategy classification	104
Figure 6.5 Proportion of all vacancies that were hard-to-fill and that were skill-shortage vacancies by Product Market Strategy classification	105
Table 6.4 Incidence, volume and density of skills gaps by Product Market Strategy classification	106
Table 6.5 Main causes of skills gaps (prompted), by Product Market Strategy	107
Figure 6.6 Incidence of training by Product Market Strategy classification	108

Glossary

This glossary gives a short guide to the key terms used in this report:

Establishment (also referred to as workplace, business, employer, site)	A single location of an organisation with people working at it.
Vacancy density	The number of vacancies as a proportion of all employment.
Hard-to-fill vacancies	Vacancies which are proving difficult to fill, as defined by the establishment (from question: “Are any of these vacancies proving hard-to-fill?”).
Hard-to-fill vacancy density	The number of hard-to-fill vacancies as a proportion of all vacancies.
Skill-shortage vacancies (SSVs)	Vacancies which are proving difficult to fill due to the establishment not being able to find applicants with the appropriate skills, qualifications or experience.
Skill-shortage vacancy density	The number of skill-shortage vacancies as a proportion of all vacancies
Skills gaps	A “skills gap” is where an employee is not fully proficient, i.e. is not able to do their job to the required level. See Annex H.

Skills gap density	The number of staff reported as being not fully proficient as a proportion of all employment.
Under-use of skills	An employee is “under-used” if the employer reports they have both more skills and more qualifications than are required to perform the job role they are currently in.
Upskilling	A need for employees to gain new skills, beyond the requirements of their current job role, in order to perform their role in future.
Product Market Strategy (PMS)	<p>An establishment’s PMS score is worked out from the combined answers of four questions:</p> <ul style="list-style-type: none"> • How customised their output is; • How price dependent their offering is; • How innovative the establishment is; • Whether outputs are premium or basic quality. <p>A high PMS score would indicate outputs are customised, not price-dependent, premium quality and the establishment often leads the way in product development.</p>
Level 4 and above qualifications	Qualifications at or above Level 4 on the National Qualifications Framework. Includes HNDs, HNCs, foundation degrees and degrees, postgraduate degrees, and some vocational and professional qualifications.
Sector	For definitions of the different sector groupings used in this report please refer to Annex C.
Occupations	For definitions of the occupational groups used in this report please refer to Annex D.

Key findings

	UKCESS 2011	UKCESS 2013
Vacancies and skill-shortage vacancies		
% of establishments with any vacancies	14%	15%
% of establishments with any hard-to-fill vacancies	4%	5%
% with SSVs	3%	4%
% of all vacancies which are SSVs	16%	22%
Number of vacancies	586,500	655,000
Number of skill-shortage vacancies	91,400	146,200
Skills gaps		
% of establishments with any staff not fully proficient	17%	15%
Number of skills gaps	1,485,500	1,409,900
Number of staff not fully proficient as a % of employment	6%	5%
Training		
% of establishments training staff over the last 12 months	65%	66%
% of establishments providing off-the-job training in the last 12 months	47%	49%
% of workforce trained	55%	62%
Total days training	115m	113m
Total training expenditure	£45.3bn	£42.9bn

Vacancies, skill-shortage vacancies and skills gaps rounded to the nearest 100.

2011 data has been reweighted to be comparable to 2013 data. For details see Annex J of this report, and the Technical Report that accompanies this volume.

Executive Summary

Executive Summary

The UK Commission's Employer Skills Survey is the definitive source of intelligence on employer investment in skills in the UK. The survey was first conducted at UK wide level in 2011, developing from a series of legacy surveys conducted in each of the countries of the UK during the 1990s and the 2000s. The 2013 survey represents the second edition in the combined UK series. It explores the skills challenges that employers face both within their existing workforces and in terms of bringing in new skilled labour, the levels and nature of training investment, recruitment of young people and education leavers and the relationship between skills challenges, training activity and business strategy.

Like its predecessor, the study reports on the experiences of employers at the establishment level, rather than at the enterprise level. Sole traders and establishments with just one employee and no working proprietors were excluded from the survey population.

The survey constitutes a powerful data source: this report presents an initial cut of findings. Accompanying the report are also data tabulations and a data file which can be found here: www.ukces.org.uk/ourwork/employer-skills-survey . Further reports looking at the survey in more depth from different perspectives will follow throughout 2014.

Skill shortages

The survey supports a picture of a UK economy which is moving towards recovery.

The number of employers reporting vacancies at the time of the survey (March to July 2013) was higher than at the equivalent time in 2011 (up from 14 per cent to 15 per cent), as was the number of vacancies that they reported (655,000 in 2013, a rise of 12% from 2011).

Within England vacancies are back to pre-recession levels, employers reported a total of 559,600 job vacancies, a rise of 45% per cent from 2009.

While the more recent macroeconomic data are more encouraging, signs of recovery were less clear in Northern Ireland, where the proportion of employers reporting vacancies has remained consistently behind the UK average (and unchanged at ten per cent in 2011 and 2013).

Economic growth and recovery may be constrained by skill shortages as the labour market responds to employer requirements. While in most cases demand for skills is met through successful recruitment, almost three in ten vacancies are reported to be hard-to-fill, and shortages in suitably skilled, qualified and/or experienced workers are the main reason for this. Overall, such skill-shortage vacancies represent more than one in five of all vacancies (22 per cent), up from one in six in 2011 (16 per cent).

The picture of skill shortages across the UK varies by country as does the change in available skills since 2011. The largest shortfall is reported in Scotland where a quarter of all vacancies are hard-to-fill because of a shortage in available skills, up from 15 per cent in 2011. Within England, the longer time series available shows the number of skill-shortages has nearly doubled since 2009, increasing from 63,100 to 124,800.

Skill shortages differ by occupation and pockets of shortages remain largely unchanged since 2011. Skilled Trades roles remain the most common occupation where skill shortages are likely to be encountered when employers recruit for these roles. In 2011, managerial roles were the next most challenged by shortages in available skills; since then, the challenge has shifted towards Professionals, Associate Professionals, Caring, Leisure and Other services staff and Machine Operatives.

There appears to have been an increased difficulty finding appropriate oral and written communication, literacy and numeracy skills. These core generic skills were all cited as lacking by greater proportions of employers reporting skill-shortage vacancies than in 2011.

Skill gaps

Most employers report that they have a proficient workforce with no skill gaps: 15 per cent report that some of their staff are not fully proficient, and these skills gaps represent only one in 20 employees (five per cent). This represents a slight fall in the proportion of workplaces with proficiency challenges since 2011 (when the figures stood at 17 per cent), but a broadly consistent picture in terms of the proportion of the workforce which is affected.

A larger proportion of employers face skills gaps in Scotland (19 per cent) than elsewhere in the UK, although this figure has fallen since 2011 when it stood at 21 per cent. Proficiency problems affect a slightly larger proportion of employees in Northern Ireland, Scotland and Wales than in 2011; in England a smaller proportion of the workforce has skills gaps than was the case in 2011, and skills gaps are now at their lowest level in a decade.

In most cases (three-quarters of all skills gaps), 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 both (predominantly) transient: that is to say one would expect skills gaps resulting from these causes to be eliminated once staff have settled into their new roles and/or existing training has been completed.

Job roles where (internal) skills gaps are most prominent tend to be ones in which there are relatively few (external) skill shortages. The occupations where skills gaps are most acute are Sales and Customer Services staff and Elementary staff, which are two of the occupations with the lowest density of skill shortages (alongside Administration roles). Conversely, the occupations in which skill shortages were the most acute, Associate Professionals and Machine Operatives, present average levels of skills gaps, while skills gaps are relatively uncommon among Professional and Caring, Leisure and Other Services staff. In the eyes of employers, skills gaps affect Managers less than other occupations.

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 one per cent of all employers experienced both skill-shortage vacancies and skills gaps. It is more commonly the case that employers are not fully utilising their workforces' skills.**

Half of UK employers (48 per cent) report skills under-use, and 4.3 million workers (16 per cent of the total UK workforce) are reported as being over-skilled and over-qualified for the jobs that they are currently doing. Employers in the devolved administrations were more likely than those in England to report that any of their staff were over-skilled and over-qualified. Employers in the Hotels and Restaurants sector were particularly likely to report this to be the case, and those in the Public Administration and Manufacturing sectors are least likely.

An even greater proportion of employers (71 per cent) predict that their skills requirements will change over the next 12 months. The occupational groups most likely to be affected are Professional occupations and Caring, Leisure and Other occupations; the skills of staff currently employed in these roles tend to stand up quite well against employer need (low density of skills gaps), but they are both occupations in which it is relatively more difficult to find suitably skilled candidates for new positions (high density of skill-shortage vacancies).

Training and Workforce Development

Most employers fund or arrange training for their staff: two-thirds had done so over the previous 12 months (66 per cent), a figure in line with 2011 (65 per cent). 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, over two-fifths of all employers (42 per cent, including non-trainers that had not delivered any) wanted to provide more training than they had been able to do. By far the most common reason that employers do not provide training is that they believe all their staff to be fully proficient in their roles.

There have been some notable changes since 2011 in the nature of training activity conducted. **There is evidence of more employers providing off-the-job training, and training being more widely offered across the workforce.** More employers have arranged any off-the-job training (49 per cent compared to 47 per cent in 2011) and fewer have only offered on-job training (17 per cent compared to 19 per cent in 2011); and the proportion of staff trained over the previous 12 months has risen substantially from 55 per cent to 62 per cent.

On the other hand, there is evidence of less training being provided on an individual basis. Each person trained received fewer days training over the last 12 months in 2013 than in 2011 (an average of 6.7 days compared with 7.8 days in 2011) meaning that the total number of training days employers had provided over the previous 12 months has decreased slightly since 2011 (from 115 million to 113 million days).

Moreover, **total employer investment in training decreased by five per cent in the period 2011 to 2013** (from £45.3bn to £42.9bn). Training investment per person trained fell by 17 per cent, from around £3,075 in 2011 to £2,550 in 2013 although this was in the context of a large increase in the number of staff being trained.

In the context of tightened economic circumstances, it is not unreasonable for employers to seek to invest more widely in training. Although training spend and the numbers of days spent training are slightly down across the UK as a whole, this has been achieved in combination with an increase in the number of staff trained, an increase in the ratio of off-the-job to on-the-job training (a crude measure of the quality of training) and an increase in the proportion of training that leads to a recognised qualification. This could suggest a more efficient allocation of resource to partially offset a relatively modest cut in the level of overall spend.

There is some variation in training activity by country: Employers in Scotland were the most likely to have funded or arranged any training in the previous 12 months (70 per cent) and those in Wales the least likely (62 per cent). Employers in Scotland also trained a greater proportion of their workforce (65 per cent) than employers elsewhere in the UK (as was the case in 2011 also); employers in Northern Ireland trained the lowest proportion of their workforce (59 per cent).

Recruitment of Young People

Most “recruiting employers” (by which we mean employers who recruited anyone over the previous two to three years) **recruited at least one young person**: overall 44 per cent of all employers recruited a young person in the two to three years preceding the survey.

Around a quarter of employers recruited at least one education leaver in that period. Around one in five employers only recruited young people not entering their first job out of education, and did not recruit any education leavers.

The main obstacle to (more) young people getting new jobs is competition in the market place. Half of recruiting employers who had not recruited young job applicants had opted instead for older candidates who were better placed; in this instance young people who applied for these jobs may have been suitable, but the recruiters opted for a candidate over the age of 25 to fill the role. Where young applicants were not considered to meet the requirements of the role, the main reasons cited were lack of skills and experience, and sometimes both. Three in five recruiting employers (61 per cent) who had not recruited a young person said they had had no applications from young people.

The reasons why some young people were not successful in their job applications mirrored the reasons why some employers were disappointed with the preparedness of recruits entering the job market in their first roles since leaving education. Most employers find the education leavers they take on to be well or very well prepared for work, although as many as four in ten employers taking on school leavers at 16 from schools in England, Northern Ireland or Wales described the recruits as poorly prepared (as do three in ten employers in Scotland taking new recruits from Scottish schools between the ages of 16 and 18).

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 – 12 per cent – who are “**HPW employers**” in the sense that they adopt a number of HPW practices.

Such employers are considerably more active in the recruitment market than average: twice as many have a vacancy as non-HPW employers (29 per cent compared to 13 per cent). The evidence suggests that they find it easier to fill the vacancies they have than non-HPW employers: under a quarter of HPW employers’ vacancies were proving hard-to-fill (22 per cent) compared to a third among non-HPW employers. Similarly a smaller proportion of HPW employers’ vacancies are skill-shortage vacancies (19 per cent, compared to 25 per cent among non-HPW employers).

HPW employers are also considerably more likely to experience skill gaps than non-HPW employers (23 per cent compared to 14 per cent), although the proportion of their workforce that lacks proficiency is in line with the national average (five per cent).

HPW employers are more likely to train and train a higher proportion of their workforce.

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 two in five private sector employers in the UK 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.

Employers with a higher composite PMS score are more likely to have a vacancy, hard-to-fill vacancy or skill-shortage vacancy than employers with a lower score. However, the evidence suggests that the recruitment challenge is greater for employers with a low composite PMS score in the sense that a greater proportion of their vacancies are reported to be hard-to-fill than is the case among employers with a high composite PMS.

Similarly, employers with a high composite PMS score are more likely to identify skill gaps than employers with a low score, but the proportion of their workforce that lacks proficiency is no higher.

In a similar vein, employers with a higher composite PMS score are more likely to fund or arrange training for their staff.

1 Introduction

1.1 The UK-wide employer skills survey

This report presents the headline findings from the UK Commission's Employer Skills Survey 2013 (UKCESS 2013), the latest in a series of research studies designed by the UK Commission to provide a definitive picture of the skills challenges faced by employers across the UK.

The 2013 survey represents the second in the UKCESS series, with 2011 the first year the UK-wide survey was run. Previously each nation of the UK conducted its own survey. These were similar in style but varied in the employer population they covered and the timescales in which they were conducted, meaning it was not possible to fully compare results across nations. The 2011 survey brought these separate entities together into one survey, which means that whilst time series data on the skills measures does not now go back further than 2011¹, we are able to look at the picture across the UK as a whole and have scope to compare between the constituent nations.

The Employer Skills Survey is designed to complement and supplement the UK Commission's Employer Perspectives Survey series (UKCEPS) which explores how employers go about meeting their skills needs, particularly looking at their recruitment processes, their use of external skills services, and their engagement with vocational qualifications. The latest edition of UKCEPS (UKCEPS 2012) presented evidence that showed that employers are more likely to use private sector training firms than public providers in further and higher education to deliver external training, raising questions about the availability / suitability of public training provision; UKCESS 2013 explores employers' training spend in these public sector markets to continue this line of investigation.

Based on over 91,000 interviews with employers in every sector, the UKCESS 2013 provides an opportunity to assess how skills deficiencies might be impacting on business performance. It measures the prevalence, nature and impact of skills challenges, and details the nature and extent of employer investment in skills.

This evidence report represents an initial overview of the survey's findings, in which we:

- Present findings across the UK, including time series analysis comparing 2013 results with 2011²;

¹ The lack of a longer time series relates to the UK as a whole: it is possible to trace valid time series data for employers in England going back to 1999.

² The population of employers in scope for the 2013 survey differed from the population included in 2011; as a result the figures quoted in this report as 2011 figures often differ from figures published at the time. Full details can be found in Annex J and the technical report that accompanies this volume [www.ukces.org.uk/ourwork/employer-skills-survey].

- Compare experiences and behaviours between employers across the countries of the UK both in 2013 and in terms of trends over time;
- Examine the interrelationship between the key UKCESS measures - skills gaps, skills shortages and workforce development activity.

As well as written commentary, the appendices to this report include abridged data tabulations detailing key survey measures.

Full UK data tabulations have also been published alongside this report and are available here: www.ukces.org.uk/ourwork/employer-skills-survey

1.2 Methodological overview

Like its predecessors, UKCESS 2013 was carried out in two parts: a core survey of UK employers, and a follow-up survey of workplaces which had funded or arranged training for employees in the 12 months preceding the survey, to look at the investment they had made in this training (the “Investment in Training Survey”); both surveys were conducted by telephone.

This section briefly summarises the key features of the methodology adopted across both surveys. Further detail can be found in the separate technical report which accompanies this report (www.ukces.org.uk/ourwork/employer-skills-survey).

1.2.1 Survey sampling

Sampling for the survey covered establishments (as opposed to enterprises) in the UK with at least two staff (including both employees and working proprietors). Sole traders and establishments with just one employee and no working proprietors were excluded from the survey population.

The survey encompasses establishments across the full geographical spread of the UK, in all sectors of the economy (across the commercial, public and charitable spheres). The profile of this population was established through the Office for National Statistics (ONS) based on data from the Inter-Departmental Business Register (IDBR) March 2012 statistics.

Contact details for employers were sourced from Experian’s commercial database of establishments, supplemented by some records supplied directly through the IDBR (in order to ensure full representation of establishments in certain non-commercial sectors in particular).

In addition to the geography, sector and size of establishments, the Investment in Training follow-up survey also ensures robust coverage by the nature of the training the establishment provides (whether it is on-the-job training only, off-the-job training only, or a combination of the two). All of the employers interviewed for the Investment in Training Survey had been interviewed as part of the core survey and had given their permission to be contacted for this follow-up research.

1.2.2 Survey questionnaire

The core survey questionnaire was based largely on that used in the 2011 survey. In order to minimise the burden placed on employers, a number of questions were dropped from the survey. On the other hand, a small number of new questions were introduced covering topics of particular policy interest. In overall terms, the average length of interview was reduced by two minutes, to 22 minutes.

The need to maintain comparability and address all the areas of interest whilst reducing the length from the 2011 survey placed considerable pressures on the questionnaire. In order to tackle these issues, as in 2011, a modularised questionnaire design was developed where certain sections were only asked of half of the respondents. The report makes clear where questions were split in this way; further details are provided in the Technical Report.

The questionnaire administered for the previous UK Investment in Training Survey in 2011 was used again in 2013, with two additional questions on the amount spent with different types of training providers.

1.2.3 Survey fieldwork

Fieldwork for the core survey was undertaken between March and July 2013, and involved over 91,000 interviews.

Fieldwork for the follow-up Investment in Training Survey was undertaken in May to July 2013, and involved more than 13,000 interviews with employers who had taken part in the first survey.

An overall response rate of 44 per cent was achieved for the core survey; this represents a slight improvement on the 2011 survey, which achieved an overall response rate of 39 per cent. Response in 2013 was highest in Scotland (51 per cent) and lowest in England (43 per cent).

For the Investment in Training follow-up, respondents were already engaged with the survey so a much higher response rate of 71 per cent was achieved; this ranged from 76 per cent in Northern Ireland to 65 per cent in Wales.

Table 1.1 Survey response rates

	UK	England	Northern Ireland	Scotland	Wales
Core survey					
Interviews	91,279	75,255	4,014	6,014	5,996
Response rate	44%	43%	47%	51%	45%
Investment in Training follow up					
Interviews	13,138	9,140	1,070	1,496	1,432
Response rate	71%	70%	76%	75%	65%

1.2.4 Data weighting

Findings from the core survey have been weighted and grossed up to accurately represent the total population of UK establishments in which at least two people work. This has been done on a size, sector and regional basis. Separate weights have been generated which allow findings to be presented (a) based on the number of workplaces reporting a particular experience, and (b) based on the number of employees and/or job roles affected by different challenges.

Findings from the Investment in Training survey have been weighted and grossed up to reflect the population of training employers as generated by the weighted Wave 1 findings.

1.3 The nature of UK establishments: describing the survey population

In order to give some context to the findings that are presented throughout this report, and to facilitate understanding of the differences in employers' experiences and practices, this section describes some of the key characteristics of the UK employer population.

It is important to note that the statistics presented in this section of the report are variously based on official counts of establishments provided by the Office of National Statistics (ONS) and on weighted survey findings; the footnotes on each table or chart detail the source.

ONS figures show there were around 1.7 million “in-scope” establishments in the UK in March 2012, with around 27 million people were working in them³ (see Table A.1.1 in Annex A).

Figure 1.1 summarises key information on the profile of establishments and employment across the UK, based on ONS data. This reveals that while most establishments (52 per cent) are small and employ fewer than five staff, these very small employers account for just nine per cent of all employment. In contrast, sites with 100 or more staff make up just two per cent of the employer population, but account for two-fifths (42 per cent) of total employment. Public sector employers are much larger than average: they account for four per cent of all establishments but 17 per cent of all employment (see Table A.1.2 in Annex A).

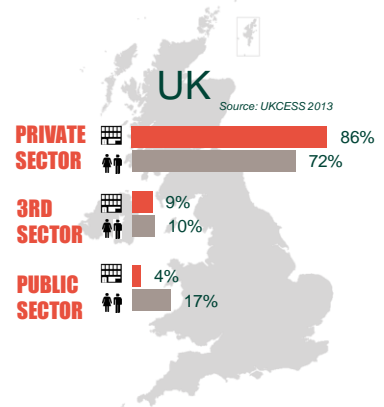
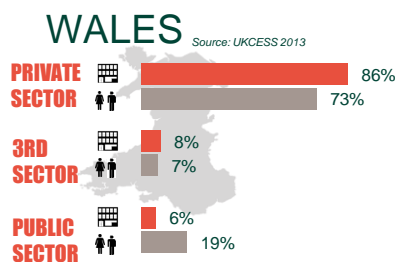
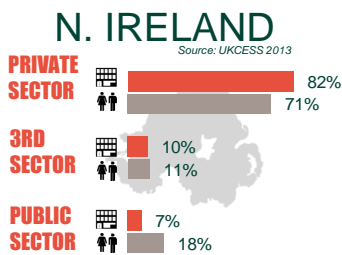
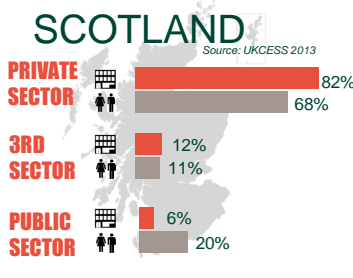
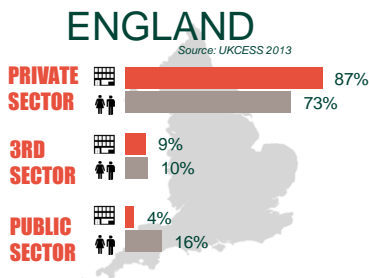
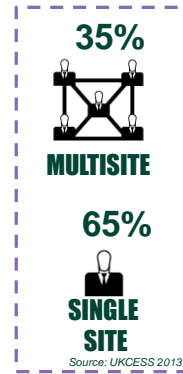
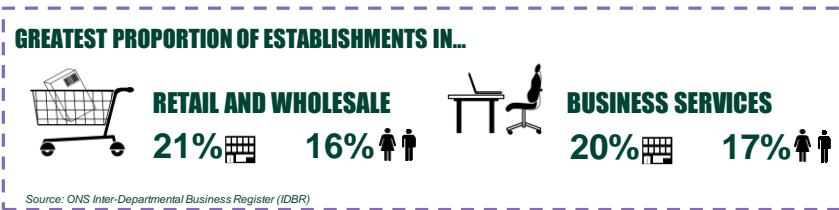
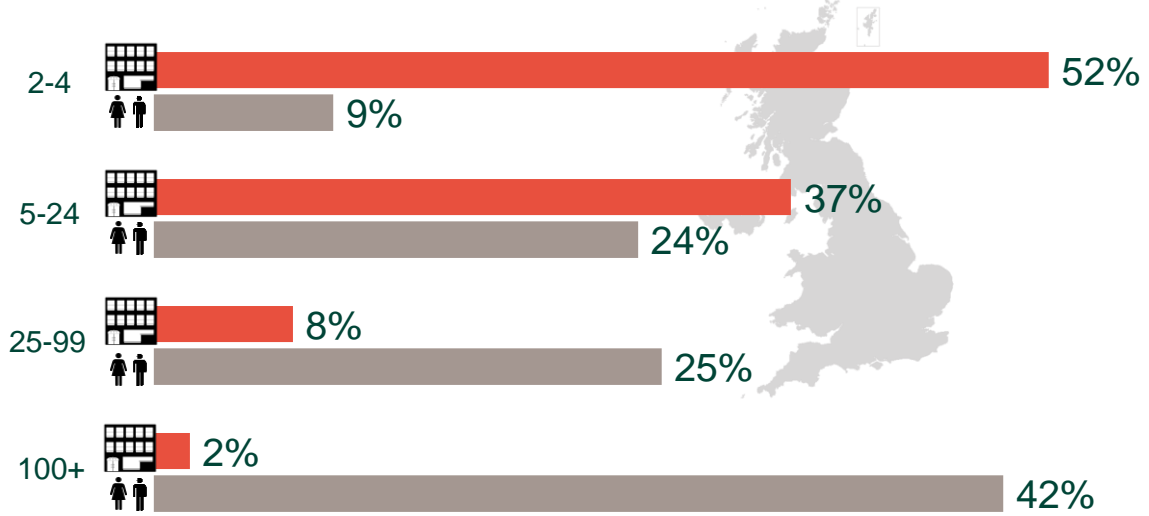
³ All establishments with two or more people working at them were in-scope for the survey. See Annex I for further details.

Figure 1.1 Headline information on the profile of UK establishments and employment

Employer Profile

ESTABLISHMENTS VS EMPLOYMENT

Source: ONS Inter-Departmental Business Register (IDBR)



1.4 Structure of this report

This report has been structured into five key sections followed by a chapter drawing out conclusions.

- Chapter 2: Employers' experience of skill shortages

This chapter looks at employer recruitment activity, measuring the extent, causes and impacts of recruitment difficulties, with a particular focus on skill shortages within the labour market and the impact such labour market failure has on establishments.

- Chapter 3: The internal skills challenge

This chapter explores the proficiency of establishments' existing workforces, and describes these skills gaps in detail, for example examining the skills lacking by occupation. It covers employers' predictions of the need for new skills among their staff ("upskilling") and also looks at the under-utilisation of skills where establishments report that employees have more skills and qualifications than required for their current job role.

- Chapter 4: Employer investment in training and skills

The fourth chapter explores in detail the extent and nature of employer training and workforce development, including the investment made in training. It examines the number of staff provided with training over the previous 12 months, the type and duration of this training, the extent to which employers would have liked to provide more training and development than they did, and the barriers that prevented increased training activity.

- Chapter 5: Recruitment of young people

This chapter looks at the recruitment of young people, including those recruited directly from education, and examines employer perceptions of how well prepared they are for work.

- Chapter 6: Working practices and product market strategies

Chapter six explores the working practices being adopted by employers in regard to how they manage, develop, engage with and incentivise their staff, and seeks to assess the prevalence of High Performance Working (HPW) practices.

It also explores the Product Market Strategies (PMS) of employers, and whether this impacts on their skill needs and training practices.

- Chapter 7: Conclusions

The final chapter revisits the key stories emerging from the different strands of the survey, bringing them together and considering their implications.

1.5 Reporting conventions

The survey was carried out at an establishment level. The terms “establishment”, “employer”, “workplace” and “business unit” are used for this interchangeably throughout this report to avoid excessive repetition and to aid reading.

Throughout the report unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures. These figures are always based on the number of *establishments* answering a question, as this is the information required to determine statistical reliability. This means, for example, that where percentages are based on “all vacancies” (such as the percentage of all vacancies which are hard-to-fill because of a lack of the required skills among applicants) the base figure quoted is the unweighted number of establishments with vacancies.

In tables, “zero” is denoted as a dash (“-“); and an asterisk is used (“*”) if the figure is larger than zero but smaller than 0.5 per cent.

Throughout the report, figures with a base size of fewer than 25 establishments are not reported (a double asterisk, “**”, is displayed instead), and figures with a base size of 25 to 49 are italicised and should be treated with caution.

The scale and scope of data collected by the UK Commission’s Employer Skills Survey 2013 means that it is a valuable research resource supporting detailed and complex statistical analysis of the inter-relationships between employer characteristics, and their practices and experiences. The findings presented in this report reflect a descriptive exploration of the data; however, it should be noted that in all cases where differences by nation are commented on they are statistically significant at the 95 per cent level. Further statistical information can be found in Annex E.

2 Employers' Experience of Skill Shortages

2.1 Chapter Summary

The survey supports a picture of a UK economy which is moving towards recovery.

The number of employers reporting vacancies at the time of the survey (March to July 2013) was higher than at the equivalent time in 2011 (up from 14 per cent to 15 per cent), as was the number of vacancies that they reported (655,000 in 2013, a rise of 12% from 2011).

Within England vacancies are back to pre-recession levels, employers reported a total of 559,600 job vacancies, a rise of 45% per cent from 2009. Signs of recovery were less clear in Northern Ireland, where the proportion of employers reporting vacancies has remained consistently behind the UK average (and unchanged at ten per cent of employers in both 2011 and 2013).

Economic growth and recovery may be constrained by skill shortages as the labour market responds to employer requirements. While in most cases demand for skills is met through successful recruitment, almost three in ten vacancies are reported to be hard-to-fill, and shortages in suitably skilled, qualified and/or experienced workers are the main reason for this. Overall, such skill-shortage vacancies represent more than one in five of all vacancies (22 per cent), up from one in six in 2011 (16 per cent).

The picture of skill shortages across the UK varies by country as does the change in available skills since 2011. The largest shortfall is reported in Scotland where a quarter of all vacancies are hard-to-fill because of a shortage in available skills, up from 15 per cent in 2011. Within England, the longer time series available shows the number of skill-shortages has nearly doubled since 2009, increasing from 63,100 to 124,800.

Skill shortages differ by occupation and pockets of shortages remain largely unchanged since 2011. Skilled Trades roles remain the most common occupation where skill shortages are likely to be encountered when employers recruit for these roles. In 2011, managerial roles were the next most challenged by shortages in available skills; since then, the challenge has shifted towards Professionals, Associate Professionals, Caring, Leisure and Other services staff and Machine Operatives.

There appears to have been an increased difficulty finding appropriate oral and written communication, literacy and numeracy skills. These core generic skills were all cited as lacking by greater proportions of employers reporting skill-shortage vacancies than in 2011.

2.2 Introduction

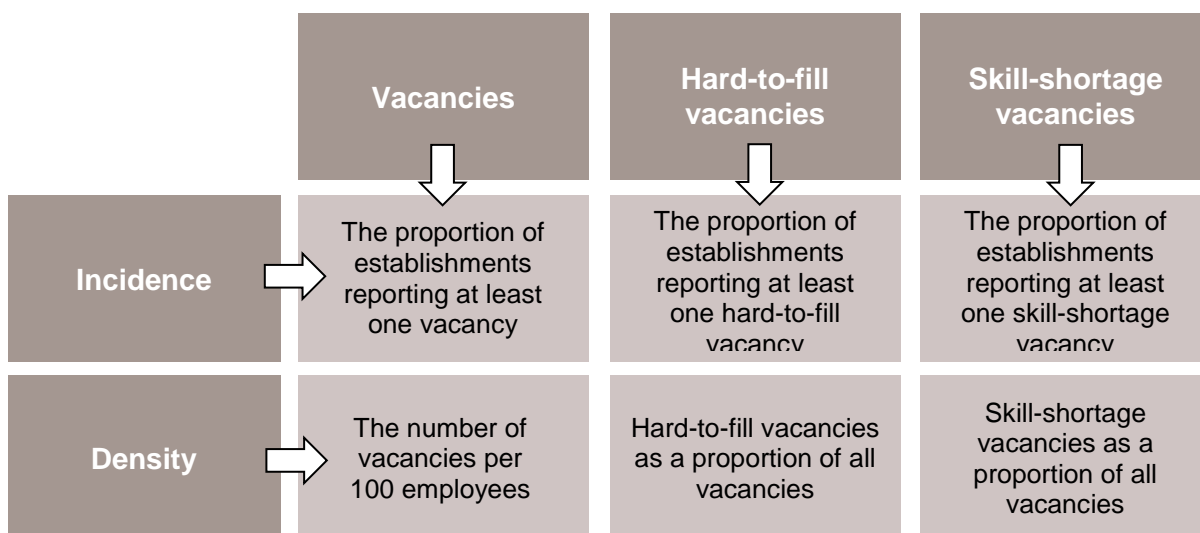
At a macro level recruitment tends to signify a healthy labour market and is an indicator of growth and a burgeoning economy. Indeed, in recent years, against a backdrop of economic uncertainty and difficulty, employer skills surveys have generally reported depressed levels of recruitment activity.

At an individual employer level there can be various reasons for having vacancies. Depending on the context, they can be a positive indicator of growth or more negative if they signify a loss of key personnel or high staff turnover levels.

The outcomes of having vacancies are less ambiguous. Either the labour market is able to meet employer requirements (the most common scenario) or it isn't. Typically where employers do struggle to fill their vacancies this is due to a lack of skills, qualifications or experience amongst applicants. Collectively these are known as "*skill-shortage vacancies*". Vacancies can also prove '*hard-to-fill*' for other, non skills-related reasons, principally a lack of applicants to the role, issues with applicants' attitude, personality or motivation, or specific issues related to the job role (e.g. poor terms and conditions or unsociable hours) or the organisation recruiting (e.g. remote location or poor transport links).

The UK Commission's Employer Skills Survey 2013 provides us with a detailed understanding of the level and nature of employer demand for new staff and the ability of the market to meet such demand. This sets the context for then exploring imbalances and mismatches in the labour market that result from a lack of skills.

The key measures used in this chapter are as follows:



Following a brief analysis of vacancies, this chapter focuses specifically on skill-shortage vacancies (those vacancies that employers find difficult to fill specifically as a result of a lack of applicants in the labour market with the required skills, qualifications and/or experience). The chapter examines their incidence, volume and profile, before exploring the specific skills that employers find lacking and the impact that this has. It closes with a brief discussion of the extent of wider recruitment challenges that employers face beyond skills deficiencies. Time series for the headline measures by country can be found in Annex B.

2.3 Vacancies

Most employers have recent experience of recruitment. The latest version of the UK Commission's Employer Perspectives Survey (UKCES, 2012b) reported that around half of employers had at least one vacancy over the 12 months prior to the survey, while almost two-thirds reported recruiting in the previous two to three years. However, at any one point in time, the majority of establishments are **not** looking to recruit new staff; 15 per cent had a *current* vacancy at the time of UKCESS 2013 fieldwork.

Although most employers reported having no current vacancies, there has been an increase in recruitment activity since the 2011 survey when 14 per cent of establishments reported having a vacancy. This is also an increase from when the previous skills surveys were conducted in the individual countries of the UK⁴.

In total, there were around 655,000 vacancies across the UK at the time of the survey (equivalent to 2.4 per cent of total employment). This is an increase of 12 per cent compared to 2011 when there were around 587,000 vacancies (equivalent of 2.2 per cent of total employment).

As shown in Table 2.1, evidence of a recovery in the labour market can be seen across England, Scotland and Wales, though not in Northern Ireland (although more recent macroeconomic data are suggesting that the recovery is taking root there too).

⁴ With the exception of Wales, although this was conducted much earlier in 2005 .

Table 2.1 Incidence and density of vacancies by country

	<i>Unweighted base</i>		% of establishments with a vacancy (incidence)		Vacancies as a % of employment (density)	
			2011	2013	2011	2013
	2011	2013	%	%	%	%
UK	86,522	91,279	14	15	2.2	2.4
Country						
England	74,156	75,255	14	15	2.2	2.5
Northern Ireland	3,921	4,014	10	10	2.4	2.1
Scotland	2,487	6,014	14	15	1.9	2.4
Wales	5,958	5,996	12	14	1.9	2.2

Base: All establishments

Percentages in the final two columns are shown as a proportion of all employment.

There is substantial variation in the extent and pattern of recruitment activity by size of establishment and by sector. Whilst the proportion of establishments reporting vacancies increases with the size of establishment, the density of vacancies is larger among the smaller establishments. By sector, the proportion of establishments reporting vacancies ranges from five per cent in Agriculture to 29 per cent in Education while density of vacancies ranges from 1.4 per cent of total employment in Agriculture to 3.7 per cent in Hotels and Restaurants and Community, Social & Personal Service Activities.

The survey also identifies the occupational groups and jobs where vacancies exist⁵. As in 2011, there is a particularly high level of demand for Associate Professional roles, with six vacancies for every 100 people working in these roles; this is also the occupation for which employers were most likely to report vacancies (19 per cent of employers with vacancies do so).

Tables A.2.1 and A.2.2 in Annex A provide a detailed breakdown of recruitment activity by country, size of establishment, sector and occupation.

⁵ For a definition of occupational groups, see Annex D

2.4 Skill-shortage vacancies

While recruitment activity has increased, the labour market typically appears able to meet employer requirements with approaching three-quarters of vacancies across the UK (71 per cent) reported as **not** difficult to fill⁶. However, the majority of vacancies that *are* difficult for employers to fill are, at least in part, a result of a lack of skills, qualifications or experience amongst applicants (77 per cent of all vacancies that are hard-to-fill)⁷. The rest of this section explores these *skill-shortage vacancies* in more detail.

2.4.1 The incidence, volume and density of skill-shortage vacancies

For the vast majority of establishments, demand for skills is met through successful recruitment (or through their current workforce, as will be explored in the next chapter). Only four per cent of establishments reported having vacancies at the time of the survey that they were having difficulties filling due to a lack of skills, qualifications or experience in applicants for the role.

While it is relatively uncommon for employers to report such skills shortages, this represents an increase from the three per cent reported in 2011, with employers across all countries more likely to report skill-shortage vacancies. Moreover, the proportion of all vacancies that employers found hard-to-fill at least in part due to a shortage of skills in the labour market (often referred to as skill-shortage vacancy *density*) has increased from 16 per cent to 22 per cent.

Table 2.2 Incidence and density of skill-shortage vacancies (SSVs) by country

	<i>Unwtd base</i>		% of establishments with an SSV (incidence)		% of vacancies which are SSVs (density)	
			2011	2013	2011	2013
	2011	2013	%	%	%	%
UK	86,522	91,279	3	4	16	22
Country						
England	74,156	75,255	3	4	15	22
Northern Ireland	3,921	4,014	2	3	21	18
Scotland	2,487	6,014	3	4	15	25
Wales	5,958	5,996	3	4	18	20

Base: Columns 1 and 2 All establishments; Columns 3 and 4 All establishments with vacancies

Percentages in Columns 3 and 4 are shown as a proportion of all vacancies.

⁶ Of course very recent vacancies may not be described as hard-to-fill but may become so over time.

⁷ During the survey, employers were first asked to give their reasons for not being able to fill vacancies spontaneously (i.e. without being presented with a list of possible reasons). Any employers not reporting skills-related issues were then prompted as to whether any of their hard-to-fill vacancies were proving hard-to-fill due to a lack of skills, experience or qualifications among applicants, and these responses combined to give an overall picture of the incidence and volume of skill-shortage vacancies in the market.

In volume terms there were around 146,000 skill-shortage vacancies reported in the UK at the time of the survey. This is an increase of 60 per cent compared to 2011 when there were just over 91,000; therefore growth in the number of skill-shortage vacancies has outpaced the 12 per cent growth in the number of vacancies over the same period.

It is in Scotland and England where the greatest proportion of vacancies were hard-to-fill due to lack of skills, qualifications or experience in applicants for the role. This reverses the pattern seen in 2011 where the density of skill-shortage vacancies was highest in Wales and Northern Ireland. Within England, the number of skill-shortage vacancies are higher than pre-recession levels seen in 2009 (see Annex B).

As in 2011, vacancies in smaller establishments were more likely to be hard-to-fill due to the difficulties in finding applicants with appropriate skills, qualifications or experience. Approaching a third of all vacancies in establishments with fewer than five staff were hard-to-fill as a result of a lack of skills, qualifications or experience compared to 15 per cent in the largest establishments. There has been an increase in skill-shortage vacancy density across all size bands since 2011.

By sector, the proportion of vacancies reported as hard-to-fill as a result of a lack of skills, qualifications or experience ranges from 10 per cent in Financial Services to 30 per cent in Manufacturing. In line with the increase seen in England and Scotland and across all size bands, most sectors have experienced an increase in skill-shortage vacancy density with Public Administration and Health and Social Work seeing their density more than double. It is in the Manufacturing and Agriculture sectors where skills deficiencies when recruiting are most concentrated and persistent - these sectors reported the highest skill-shortage vacancy density in both 2011 and 2013. However, other sectors are closing the gap and are now facing similar levels of skills deficiencies, in particular Business Services and Transport and Communication.

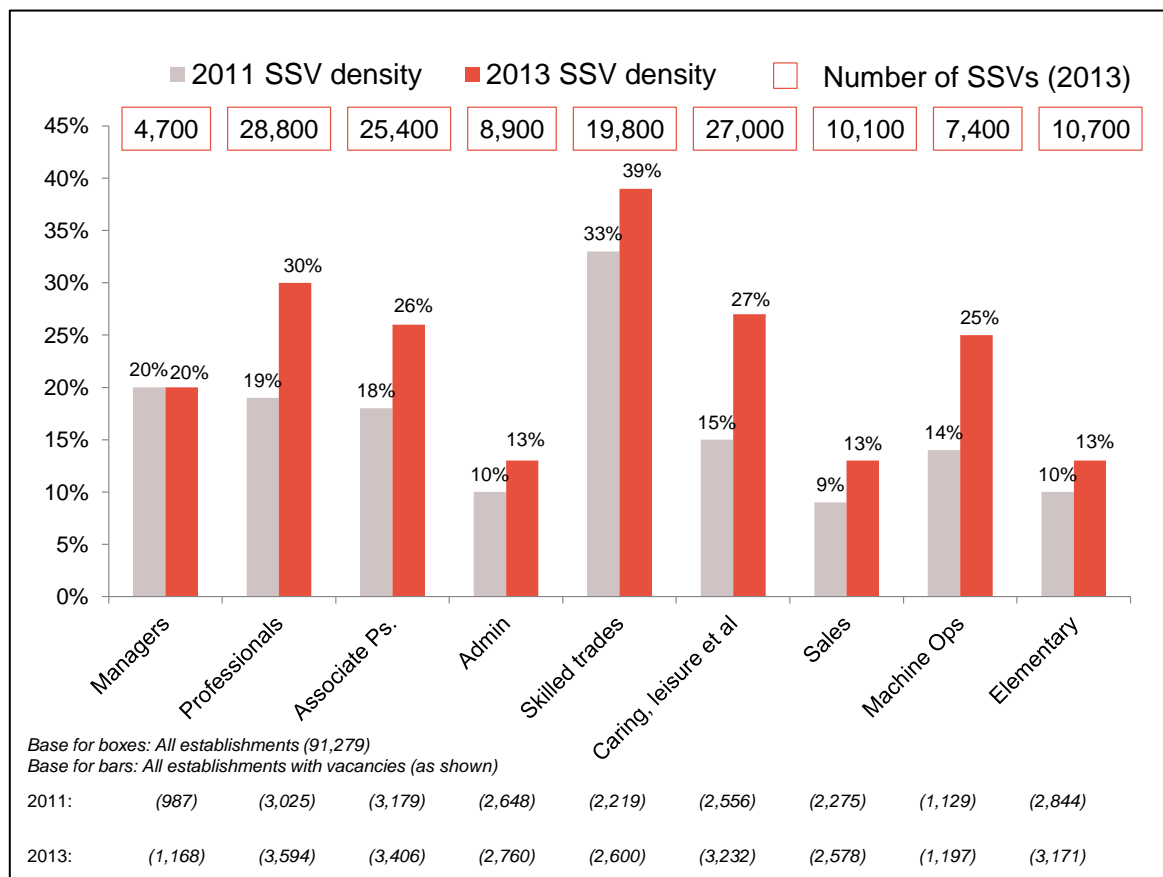
The Financial Services sector bucks the general trend with a reduction in density from 17 per cent to 10 per cent.

Tables A.2.3 and A.2.4 in Annex A provide a detailed breakdown of skill-shortage vacancies by country, size of establishment and sector.

As seen in 2011, as well as in all previous skills surveys conducted in the individual countries of the UK, it is amongst Skilled Trades where the greatest proportion of vacancies were hard-to-fill because of skills deficiencies in the available labour market (39 per cent). This compares to an average of 22 per cent across all occupations.

Since 2011, the density of skill-shortage vacancies has increased across all occupational groups with the exception of Managers (which had stayed at the same level). The pattern is broadly the same as 2011, although there has been a heightened challenge regarding recruiting suitably skilled Caring, Leisure and Other Services, Professionals, Associate Professionals and Machine Operative staff. Skill-shortage vacancies for Administrative, Sales and Elementary roles remain comparatively less pronounced.

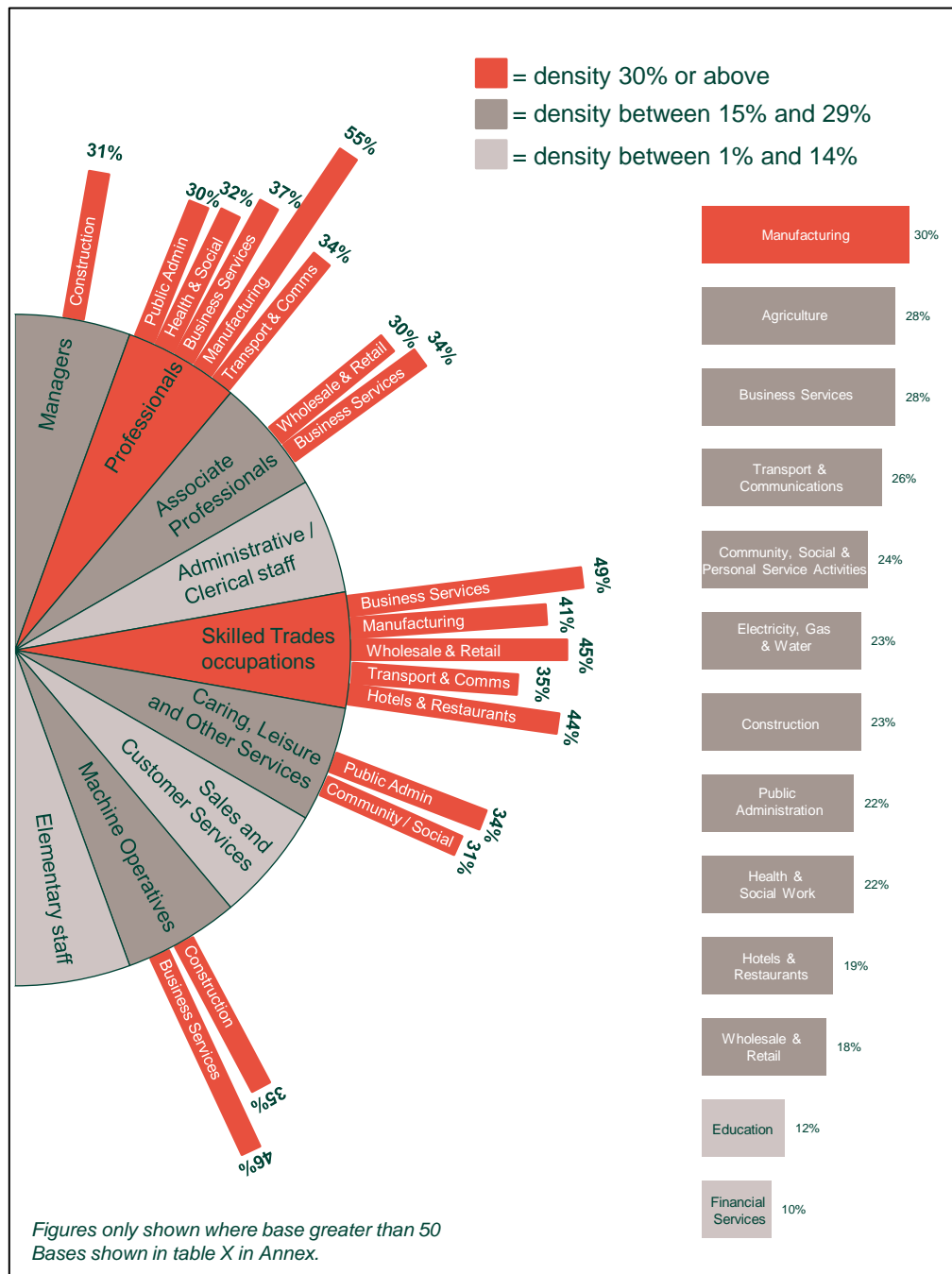
Figure 2.1 Density and number of skill-shortage vacancies by occupation (2011 vs 2013)



Although care should be taken to not over-extrapolate because of the small base sizes in places, exploring occupations *within* specific sectors where a large proportion of vacancies are proving hard-to-fill as a result of skills deficiencies in the labour market provides a more detailed and nuanced picture of employers' demand for skills and the ability of the market to meet these needs.

Figure 2.2 shows the pattern of skill-shortage vacancy density by occupation, sector and occupation within sectors. It highlights in orange those occupations, sectors and occupations within sector where skill-shortage vacancy density is at least 30 per cent.

Figure 2.2 Density of skill-shortage vacancies – occupation, occupation within sector, and by sector



A number of these pockets of deficiency have proved to be persistent over time. Certainly, the much higher than average density of skill-shortage vacancies for Skilled Trades occupations has been evident across a number of sectors for a number of years, while skill shortages have persistently hampered recruitment to Professionals roles in Manufacturing, Business Services and Public Administration.

However, there are also a number of emerging pockets of skills deficiency. These include:

- Professionals in Health and Social Work
- Associate Professionals in Business Services
- Machine Operatives in Business Services and Construction
- Caring, Leisure and Other Services roles in Public Administration

Conversely, while skill-shortage vacancy density has increased across all occupations (except Managers) and across most sectors, there are a handful of specific occupations *within* sectors where skills-related recruitment difficulties have eased. This includes Professionals in the Construction sector and Managers in the Health and Social Work sector.

Tables A.2.5 and A.2.5a in Annex A provide a full and detailed breakdown of skill-shortage vacancy density by occupation *within* sector.

2.4.2 Skills lacking in the available labour market

Employers who reported having vacancies that were difficult to fill because of skill shortages were read a list of types of skills and asked, for each occupation in which they reported skill-shortage vacancies, which skills were lacking. Figure 2.3 shows results based on the total number of skill-shortage vacancies (as opposed to establishments with skill-shortage vacancies).

Almost two-thirds of all skill-shortage vacancies were ascribed to a lack of technical, practical or job-specific skills.

Generic or “softer” skills such as planning and organisation, customer handling, problem solving and team working were each cited in connection with between one-third and two-fifths of skill-shortage vacancies.

This is a broadly similar pattern to 2011 although there has been an increase in the proportion of skill-shortage vacancies resulting from a lack of communication skills, particularly oral communication (41 per cent, up from 37 per cent in 2011), as well as a lack of literacy (34 per cent up from 28 per cent in 2011) and numeracy skills (26 per cent, up from 24 per cent)⁸.

⁸ There has also been a marked *decrease* in the proportion of skill-shortage vacancies attributed to a lack of technical, practical or job specific skills. However, it should be noted that in 2011 there were separate codes for “technical/practical skills” and “job-specific skills”. The extent to which the combining of these into one single “technical, practical or job specific skills” code has impacted on this decrease is difficult to tell.

Figure 2.3 Skills lacking among applicants (prompted)

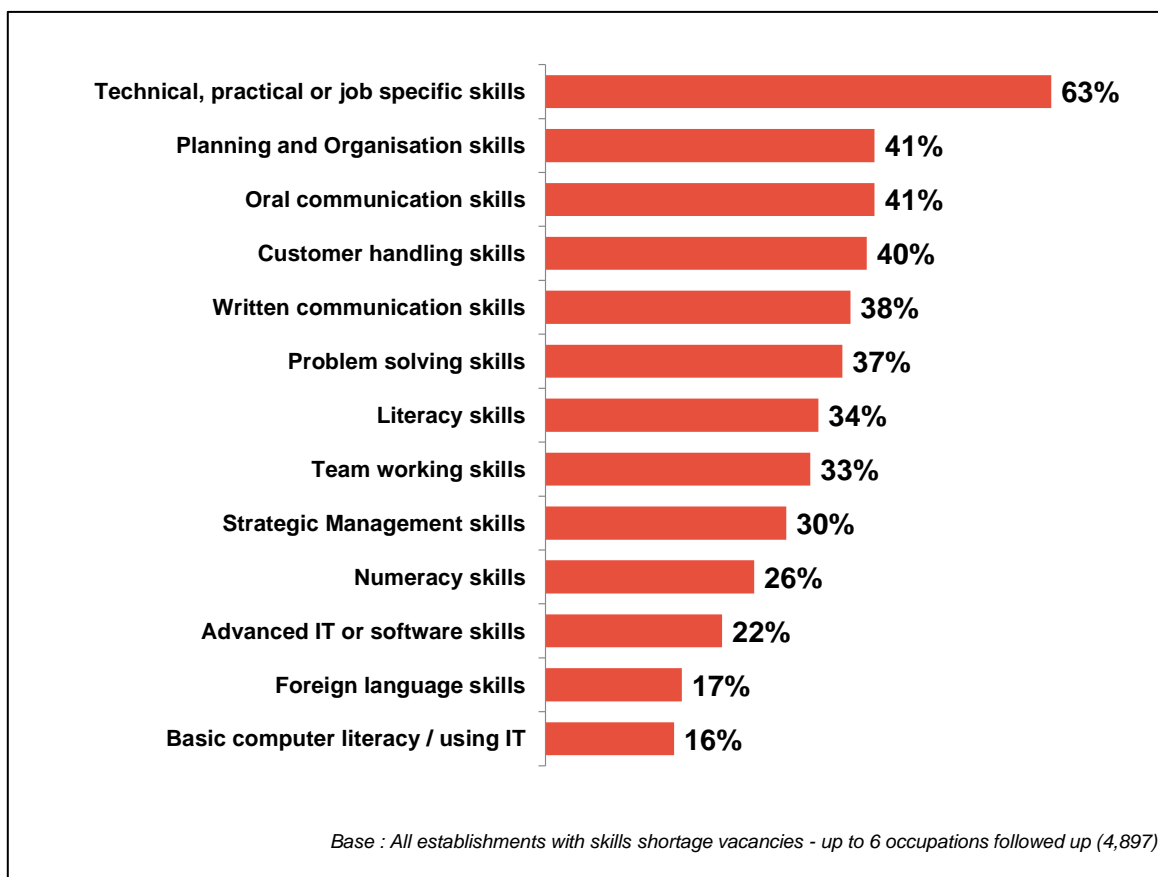


Table A.2.6 in Annex A provides a picture of the skills lacking in the available labour market in each of the countries. Although care should be taken when interpreting these findings due to the relative low base sizes outside England, a number of the softer skills (e.g. team working and problem solving) were reported as being particularly hard to find in Northern Ireland.

Table A.2.7 in Annex A provides a breakdown of skills lacking by occupation. A lack of technical, practical or job-specific skills was particularly likely to affect Skilled Trades, Associate Professionals, Professionals and Process, Plant and Machine Operative occupations. Softer skills were more frequently reported to be lacking among Sales and Customer Service, Administrative / Clerical and Elementary applicants.

2.4.3 The impact of skill-shortage vacancies on employers

Although skill-shortage vacancies are only reported by a small minority of employers (four per cent), for those that have them the impact can be significant. In total, 95 per cent of employers that had difficulty filling their vacancies *solely* as a result of skill shortages⁹ reported that these were having an impact on the establishment.

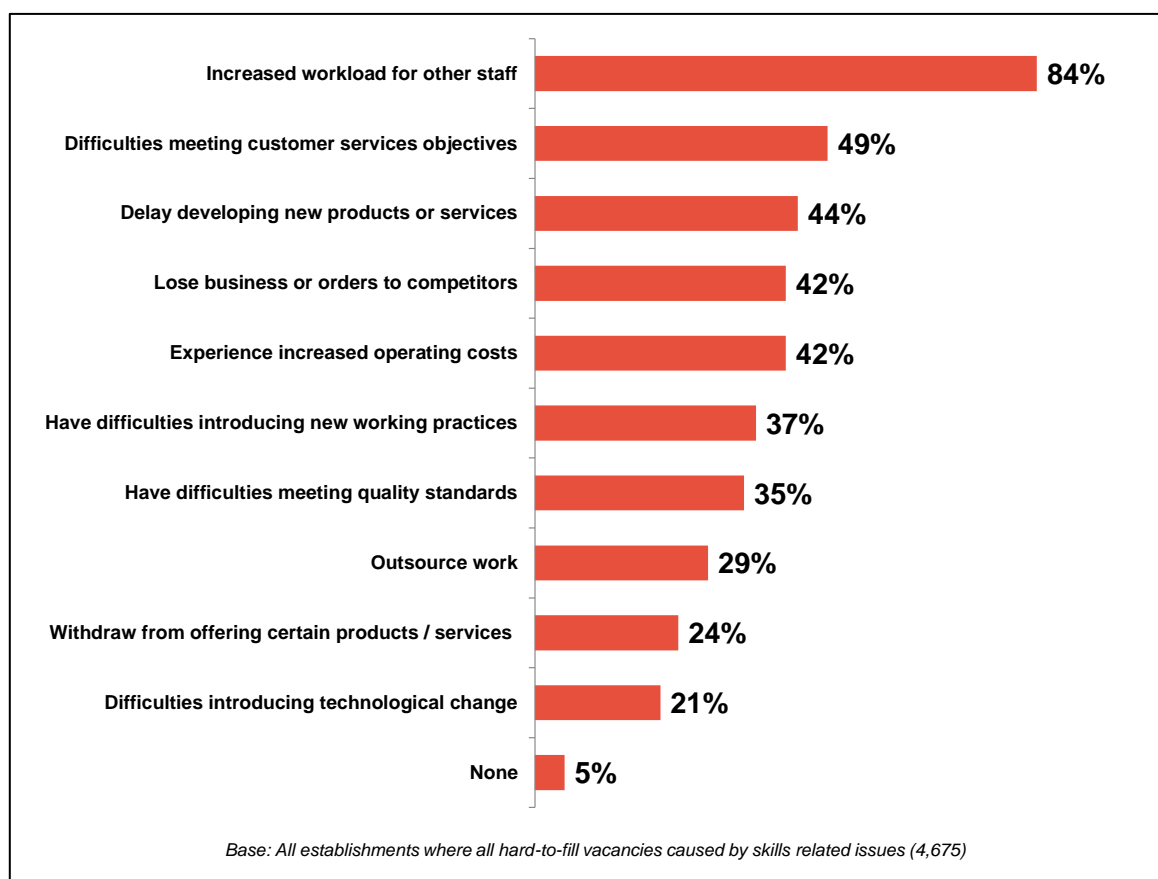
Most commonly the impact was felt on other staff with 84 per cent of these employers reporting that they result in an increased workload for other staff.

Approaching half of employers that had difficulty filling their vacancies *solely* as a result of skill shortages reported that they were having a more direct impact on the organisation in terms of causing difficulties in meeting customer service objectives (49 per cent), delays developing new products or services (44 per cent), a loss of business or orders to competitors (42 per cent) or increased operating costs (42 per cent).

The landscape has changed very little since 2011 in terms of the impact of skill-shortage vacancies and the relative prevalence of each of the impacts.

⁹ The survey does not measure the impact of skill-shortage vacancies on employers specifically (i.e. it does not ask employers with skill-shortage vacancies what the impacts of these are on the establishment, only the impact of vacancies that are proving difficult to fill *as a whole*). However, we can isolate the effect of skill deficiencies by exploring the impact of hard-to-fill vacancies in establishments where all the hard-to-fill vacancies were caused by skills-related issues. Given the majority of establishments with hard-to-fill vacancies fall into this group (76 per cent) – in part reflecting that the majority have just a single vacancy that proved difficult to fill - this is a suitable sample from which we can gain a robust measurement.

Figure 2.4 Impact of skill-shortage vacancies (prompted)



2.5 Wider recruitment challenges and hard-to-fill vacancies

As discussed earlier, while recruitment difficulties are most commonly a result of skill shortages in the available labour market, employers can face other recruitment challenges and have difficulty filling their vacancies for *non skills-related* reasons. These include a lack of applicants to the role, issues with the job role, terms, hours or location, or issues with applicants' attitude, personality or motivation. Often there can be a number of underlying factors and they can be inter-related (e.g. a lack of applicants as a result of the poor pay on offer).

The proportion of all vacancies that employers found hard-to-fill at least in part due to a shortage of skills in the labour market was 22 per cent, an increase from 16 per cent in 2011. A further seven per cent of vacancies have proved difficult to fill exclusively for reasons **not** related to skills, similar to the proportion reported in 2011.

Table A.2.8 in the annex provides further detail by country, size of establishment, sector and occupation on the ratio of skill-shortage vacancies compared to vacancies that employers are having difficulty filling for entirely non-skills related reasons. The very largest employers (those with 250 employees or more) and those in Manufacturing and Business Services sectors stand out as those where recruitment challenges are particularly centred on skills deficiencies.

2.6 Conclusions

Indicative of a move towards economic recovery, the survey findings reveal increased employer recruitment activity in 2013 compared with 2011. More employers had vacancies at the time of the interview, and the number of vacancies (as a proportion of the workforce) had increased.

While few establishments (four per cent) reported having skills-related recruitment difficulties at the time of the study, this is an increase compared with 2011. Moreover, the proportion of vacancies in the UK that employers found hard-to-fill due to skill shortages has increased markedly from 16 per cent in 2011 to 22 per cent in 2013; within England this is the first rise seen since 2005. This suggests increased employer competition and demand for skills, and highlights the potential for skill shortages in the labour market to act as a brake on economic recovery.

Continuing longer term trends, skill shortages in the labour market are concentrated in particular sectors and occupations, and are particularly likely to be found in Manufacturing, and where employers are recruiting for Skilled Trades and Professional roles. There have been noticeable increases in the difficulty recruiting suitably skilled Caring, Leisure and Other Services, Professionals, Associate Professionals and Machine Operative staff compared with 2011, suggesting these are areas where the labour market is facing growing challenges in meeting employer demand.

3 The Internal Skills Challenge

3.1 Summary

Most employers say they have a proficient workforce with no skills gaps: 15 per cent report that some of their staff are not fully proficient, and these skills gaps represent one in 20 employees (five per cent). This represents a slight fall in the proportion of workplaces with proficiency challenges since 2011 (when the figures stood at 17 per cent), but a broadly consistent picture in terms of the proportion of the workforce which is affected.

A larger proportion of employers face skills gaps in Scotland (19 per cent) than elsewhere in the UK, although this figure has fallen 2011 (21 per cent). Proficiency problems affect a slightly larger proportion of employees in Northern Ireland, Scotland and Wales than in 2011; in England a smaller proportion of the workforce has skills gaps than was the case in 2011, taking skills gaps to their lowest level in a decade.

In most cases (three-quarters of all skills gaps), 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 both (predominantly) transient: that is to say one would expect skills gaps resulting from these causes to be eliminated once staff have settled into their new roles and/or existing training has been completed.

Job roles where (internal) skills gaps are most prominent tend to be ones in which there are relatively few (external) skill shortages. The occupations where skills gaps are most acute are Sales and Customer Services staff and Elementary staff, which are two of the occupations with the lowest density of skill shortages (alongside Administration roles). Conversely, the occupations in which skill shortages were the most acute, Associate Professionals and Machine Operatives, present average levels of skills gaps, while skills gaps are relatively uncommon among Professional and Caring, Leisure and Other Services staff. In the eyes of employers, skills gaps affect Managers less than other occupations¹⁰.

¹⁰ This runs counter to the view expressed elsewhere that deficiencies in leadership skills are having a significantly detrimental effect on the UK economy (for example, Leadership and Management in the UK – the Key to Sustainable Growth, BIS 2012)

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 one per cent of all employers experienced both skill-shortage vacancies and skills gaps. It is more commonly the case that employers are not fully utilising their workforces' skills. Half of UK employers (48 per cent) report that they have staff whose skills are not being under used and who are over-qualified for their job role; some 4.3 million workers (16 per cent of the total UK workforce) are reported as being over-skilled and having skills that are under-used.

An even greater proportion of employers (71 per cent) predict that their skills requirements will change over the next 12 months. The occupational groups most likely to be affected are Professional occupations and Caring, Leisure and Other occupations; the skills of staff currently employed in these roles tend to stand up quite well against employer need, but they are both occupations in which it is relatively more difficult to find suitably skilled candidates for new positions.

3.2 Introduction

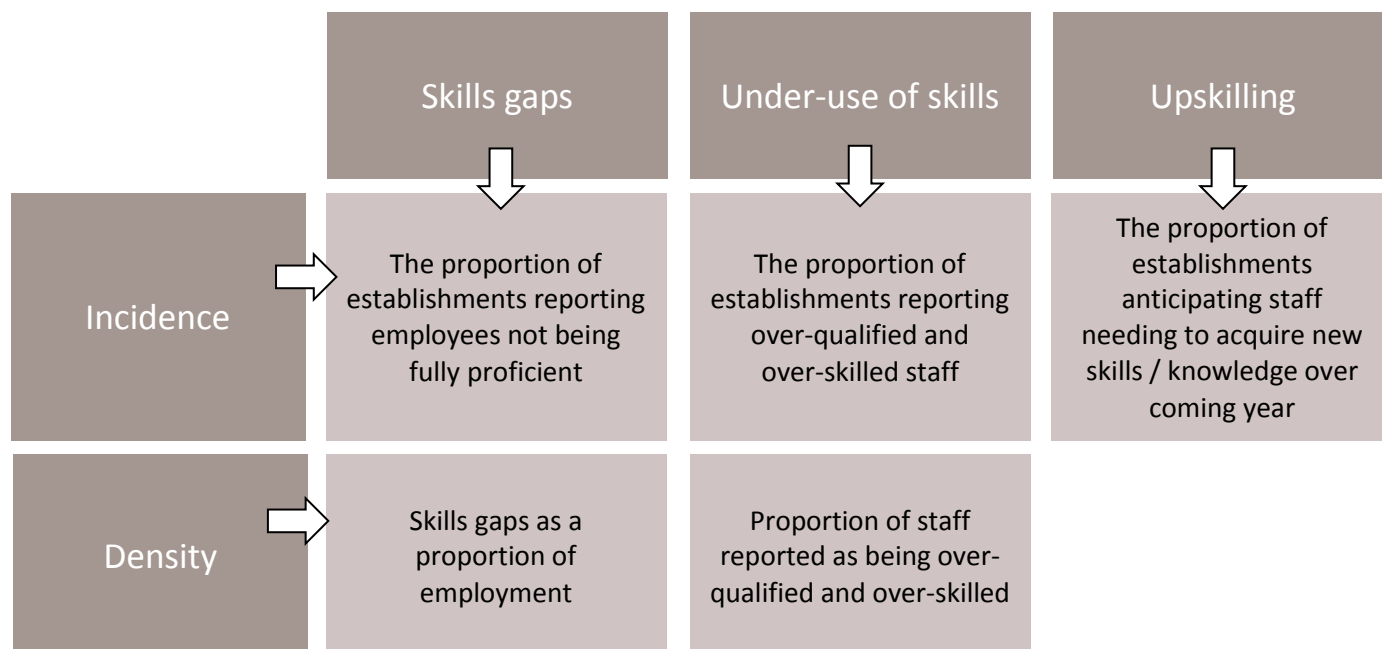
In the previous chapter we looked at the extent to which employers are challenged in sourcing the skilled labour that they require, and the impact that shortages in the available labour market can have on delivery or profitability (either directly or through the knock-on impact on the existing workforce). In this chapter we look at skills challenges from an internal perspective, identifying and describing workplaces and job roles within which there is a mismatch. A 'skills mismatch' can occur as a result of either under- or over-skilling: some employees lack the skills required to be fully proficient in their job roles (a "skills gap"), whereas others do not fully utilise their existing skill set. The former may hinder establishments' ability to function efficiently, which in turn may then impact negatively on productivity; the latter suggests a 'missed opportunity' for the employer to get the most out of their staff.

The chapter focuses predominantly on skills gaps, that is, where employees are regarded as lacking the requisite skills for their current job roles. It explores the prevalence, volume, profile and causes of such skills gaps, before considering the specific skills that employers report as lacking, the impact of these skills deficiencies and the actions taken in an attempt to overcome them.

The chapter then turns to the prevalence of skills under-use in the workplace.

Finally, the chapter explores the extent to which employers anticipate that staff will need to acquire new skills, the reasons underlying these upskilling needs, and the occupations where the need to upskill are likely to be most acutely felt.

The main measures used in this chapter are as follows:



Time series for skills gaps by country can be found in Annex B.

3.2.1 The prevalence of skills gaps

The vast majority of establishments (85 per cent) consider their entire workforce to be fully proficient. The remaining 15 per cent of employers identify at least some skills gaps amongst their employees: a total of 1.4 million employees are deemed *not* to be fully proficient in their job roles, equating to 5.2 per cent of the total UK workforce.

Since 2011, there has been a small fall in the proportion of employers reporting skills gaps across the UK (from 17 per cent to 15 per cent); the proportion of employees identified as *not* being fully proficient has remained broadly consistent, however in 2011, 5.5 per cent of the total UK workforce was identified as having skills gaps compared to 5.2 per cent in 2013.

This consistency across the UK masks considerable variation across the countries. Employers in England buck the UK trend in that they report a lower skill gap density than in 2011, and density is now at its lowest since 2003; employers in all the other nations of the UK report a considerably higher density of skill gaps than in 2011.

Table 3.1: Incidence, number and density of skills gaps by country (2011 vs. 2013)

Row percentages	Unwtd. base 2011	Unwtd. base 2013	% of establishments with any skills gap		Number of staff not fully proficient (skills gaps)		Number of staff with a skills gap as a percentage of employment	
			2011	2013	2011	2013	2011	2013
UK	86,522	91,279	17	15	1,485,500	1,409,900	5.5	5.2
Country								
England	74,156	75,255	17	15	1,276,400	1,169,700	5.6	5.1
Northern Ireland	3,921	4,014	13	14	34,100	37,700	4.4	5.2
Scotland	2,487	6,014	21	19	121,000	135,100	5.2	5.9
Wales	5,958	5,996	16	16	53,900	67,400	4.6	5.8

Base: All establishments

Percentages results are based on all employment, rather than all establishments; figures therefore show the number of skills gaps as a proportion of all employment in each country.

Note: The number of employees not fully proficient has been rounded to the nearest 100.

Larger employers are far more likely to experience skills gaps than smaller ones (from seven per cent of those with 2-4 employees to 48 per cent of those with 250 or more employees). This is more a reflection of the size of their workforce than of the quality / capability of their workforces per se; indeed, the proportion of staff described as having a skills gap is broadly consistent across sizebands, with the very smallest establishments being the only exception: just three per cent of the workforce employed by establishments with fewer than five staff were described as not being fully proficient (compared with five to six per cent for all other sizebands).

Sectoral patterns are largely similar to 2011. As previously, skills gaps are particularly prevalent in the Hotels and Restaurants industry (21 per cent of employers in this sector report skills gaps and nine per cent of staff are deemed not fully proficient), whilst those operating in the Agriculture sector are the least likely to face internal skills deficiencies (nine per cent of employers).

The sector where there has been the most notable change is the Financial Services sector, where the proportion of staff described as lacking proficiency has doubled from four per cent to eight per cent. At the same time, there has been a slight fall in the proportion of employers in this sector reporting skills gaps, from 21 per cent in 2011 to 19 per cent in 2013. As such, where Financial Services employers do now experience skills gaps, they are considerably more concentrated than previously.

Table A.3.1 in Annex A provides a detailed breakdown of the incidence, number and density of skills gaps by size of establishment and sector.

3.2.2 The occupational distribution of skills gaps

At an overall level, trends by occupation are very similar to in 2011, with skills gaps continuing to be concentrated in specific pockets. People employed in what are traditionally described as unskilled or semi-skilled occupations, namely those in Elementary and Sales and Customer Service positions, remain the most likely to have skills gaps. As shown in Table 3.2, eight per cent of staff in Sales and Customer Services occupations and seven per cent of those in Elementary positions are reported as lacking full proficiency (these patterns are in line with the findings in 2011)

Conversely, those in the most highly skilled occupations, namely Managers and Professionals, are the least likely to be described as having skills gaps (three per cent and almost four per cent respectively), again closely mirroring the occupational picture in 2011.

Table 3.2: Number and density of skills gaps by occupation (2011 vs. 2013)

			Number of staff not fully proficient (skills gaps)		% of staff reported as having skills gaps	
	Unwtd base 2011	Unwtd base 2013	2011	2013	2011 %	2013 %
<i>Row percentages</i>						
UK	86,522	91,279	1,485,500	1,409,900	5.5	5.2
Occupation						
Managers	82,426	87,946	161,300	146,200	3.2	3.0
Professionals	16,337	17,407	129,800	120,700	4.2	3.8
Associate Professionals	13,731	12,577	89,900	83,400	4.9	5.3
Administrative and Clerical	50,656	53,759	169,100	165,500	4.9	4.9
Skilled Trades	20,507	23,644	101,300	105,600	5.4	5.5
Caring, Leisure and Other services	12,712	14,017	124,500	133,300	5.4	4.8
Sales and Customer Service	26,739	27,417	289,500	283,000	8.3	7.8
Machine Operatives	13,369	14,059	115,500	99,600	6.0	5.4
Elementary occupations	30,609	32,192	304,500	272,600	7.6	7.3

Base: All establishments with staff in each occupation.

Percentages are based on all employment, rather than all establishments; figures therefore show the number of skills gaps as a proportion of all employment in each occupation.

Note: The number of employees not fully proficient has been rounded to the nearest 100.

Drilling down to occupations *within* specific sectors where a large proportion of skills gaps exist yields a more detailed picture of employers' experience of skills lacking.

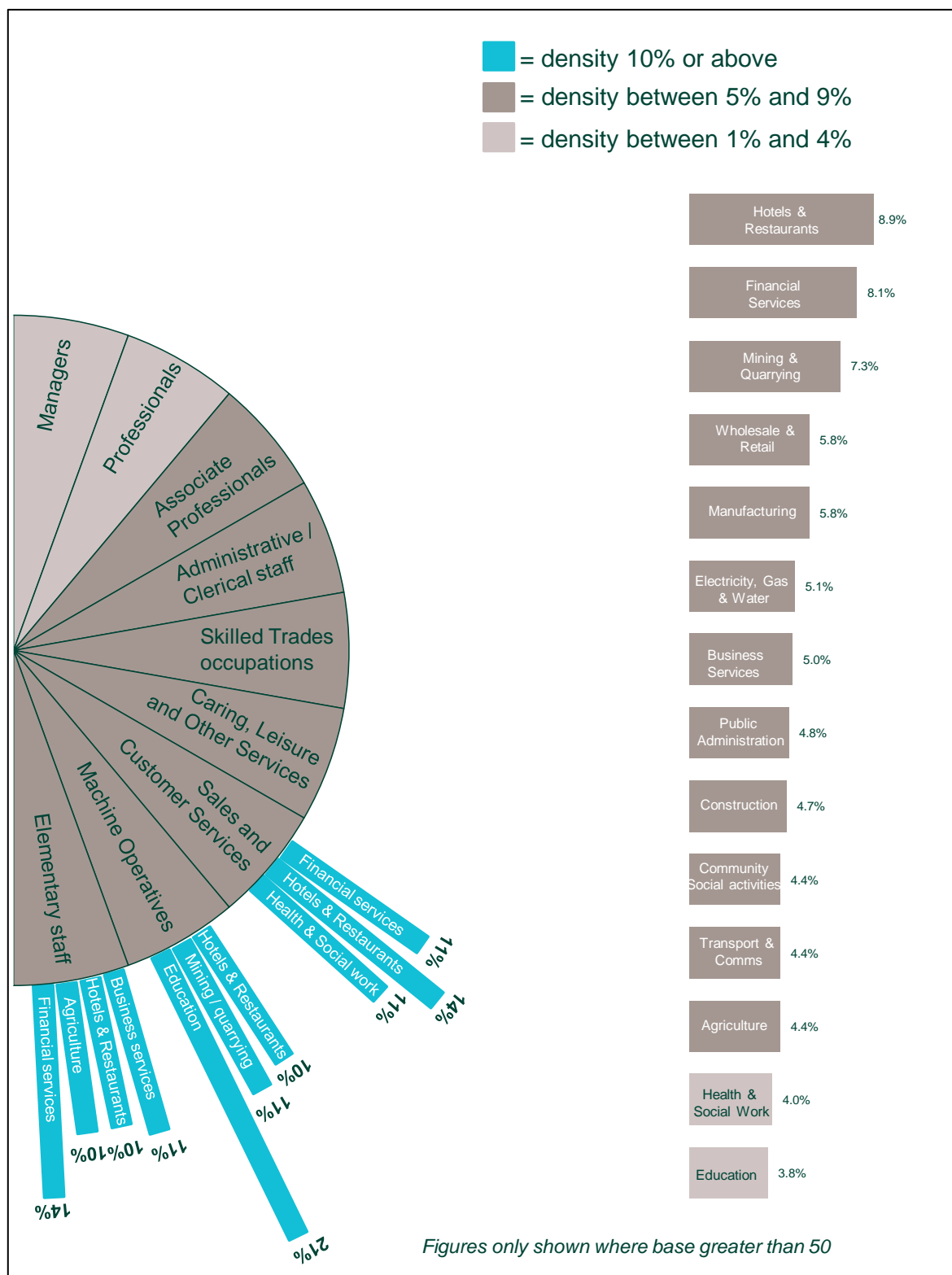
Figure 3.1 shows skills gap density by sector, occupation, and occupations *within* sectors. Highlighted in blue are occupations within a sector where skills gaps density is at least 10 per cent.

As witnessed previously, pockets of deficiency are most acute in "lower level" occupations.

Two sectors also stand out as experiencing high skills gap densities across multiple occupations, namely:

- Hotels and Restaurants: Sales and Customer Services, Machine Operatives and Elementary occupations; and
- Financial Services – Sales and Customer Services and Elementary occupations.

Figure 3.1 Density of skills gaps by sector, occupation and occupation within sector



Tables A.3.2 and A.3.3 in Annex A provide detailed breakdowns of skills gap density by occupation *within* country and sector respectively.

3.3 The causes of skills gaps

Skills gaps most commonly result from staff being new to the role (either because they have recently started the job or have been promoted to a higher level role) and, related to this, training only being partially completed. Respectively, 62 per cent and 57 per cent of all skills gaps are attributed, at least in part, to these reasons. These factors are both (predominantly) transient, that is to say you would expect skills gaps resulting from these causes to be eliminated once staff have settled into their new roles and/or existing training has been completed. Three-quarters (75 per cent) of all skills gaps are attributed, at least partially¹¹, to one of these causes; but only four per cent of employers with skill gaps report that all of these gaps are transient gaps, wholly and solely attributable to one of these factors.

Two other factors relating to training, namely training proving ineffective and staff not receiving the appropriate training, are also relatively common causes, attributed to 39 per cent and 29 per cent of skills gaps respectively.

A perceived lack of staff motivation is reported by employers to be an underlying factor for around two in five skills gaps (42 per cent), rising to 61 per cent in Northern Ireland and 52 per cent in Wales.

Around a quarter of skills gaps (26 per cent) result from an inability to recruit appropriately skilled individuals (rising to 31 per cent in Northern Ireland and 35 per cent in Wales), and approaching one in five (18 per cent) arise from retention difficulties (rising to 24 per cent in Wales). Table A.3.9 in Annex A details the proportion of employers who reported having either a skill-shortage vacancy or skills gaps amongst their present workforce.

The main causes of staff not being fully proficient by nation are presented in Table 3.3. The figures show what proportions of skills gaps are caused by the various factors reported by employers. Respondents could give more than one cause for skills gaps within each occupation.

¹¹ It should be noted that employers were able to give multiple responses to this question. As such, although 75 per cent of skills gaps were *at least in part* due to transient issues, this does not imply that just 25 per cent relate to longer-term issues.

Table 3.3: Main causes of skills gaps (prompted), by nation

	UK	England	Northern Ireland	Scotland	Wales
<i>Unweighted base</i>	20,228	16,563	733	1,713	1,219
	%	%	%	%	%
Staff are new to the role	62	62	64	60	63
Their training is currently only partially completed	57	58	49	56	47
Staff lack motivation	42	41	61	39	52
They have been on training but their performance has not improved sufficiently	39	38	54	39	47
The introduction of new working practices	32	31	48	34	29
Staff have not received the appropriate training	29	29	29	27	27
Unable to recruit staff with the required skills	26	25	31	27	35
The development of new products and services	21	20	30	22	21
The introduction of new technology	20	20	27	24	20
Problems retaining staff	18	17	17	17	24
<i>Summary: New to role and/or training incomplete</i>	75	75	78	76	74

Base: All establishments with skills gaps; up to two skills gaps followed up.

Percentages shown as a proportion of all skills gaps followed up rather than all establishments with skills gaps. Figures therefore show the proportion of skills gaps in each nation caused by each stated reason.

Table A.3.4 in Annex A provides a breakdown of skills gaps causes by occupation. Of particular note, skills gaps are most likely to be attributed to staff not receiving the appropriate training among Managers (34 per cent, compared with 22 to 27 per cent in all other occupations).

3.4 Skills lacking internally

Employers reporting skills gaps were read a list of types of skills and asked, for each occupation where they reported that some staff lacked full proficiency, which skills were lacking. Table 3.4 again shows results based on the total number of skills gaps (as opposed to establishments).

Close to three in five employees (58 per cent) described by their employers as not fully proficient were reported to be lacking the requisite technical, practical or job-specific skills. These were also the most commonly cited skills lacking in 2011.

Although the hierarchy of skills lacking is broadly similar to in 2011, it should be noted that the distance has narrowed between technical/practical/job-specific skills and a number of other key skills such as planning and organisation, team working and customer handling. Indeed, in Wales, for example, planning/organisation and team working skills are more likely to be reported as lacking (57 and 56 per cent respectively) than technical/practical/job-specific skills (48 per cent)¹².

Table 3.4 Skills lacking among staff with skills gaps followed up, by nation

	UK	England	Northern Ireland	Scotland	Wales
<i>Unweighted base</i>	20,228 %	16,563 %	733 %	1,713 %	1,219 %
Technical, practical or job-specific	58	57	64	63	48
Planning and organisation	57	57	52	60	57
Team working	54	53	65	51	56
Customer handling	50	52	46	48	38
Problem solving	49	49	50	47	51
Oral communication	47	48	39	46	40
Written communication	36	36	33	31	43
Basic computer literacy / using IT	26	25	30	28	36
Strategic Management	25	25	27	21	19
Literacy	25	24	25	21	35
Advanced IT or software	23	22	23	24	31
Numeracy	23	23	23	16	33
Foreign language	12	12	13	11	19
Oral Welsh language skills	n/a	n/a	n/a	n/a	28
Written Welsh Language Skills	n/a	n/a	n/a	n/a	27

Base: All establishments with skills gaps; up to two skills gaps followed up

Percentages shown as a proportion of all skills gaps followed up rather than all establishments with skills gaps. Figures therefore show the proportion of skills gaps in each nation caused by each stated reason.

Questions about Welsh Language skills were not asked in England, Northern Ireland or Scotland.

¹² It should be noted that for the 2011 study 'Technical or practical skills' and 'Job specific skills' were two discrete categories.

Table A.3.5 in Annex A provides an occupational breakdown of skills lacking among staff with skills gaps. The two skills most frequently cited as lacking are common across most occupational groups (technical/practical/job-specific and planning/organisation skills respectively affect 42 to 69 per cent and 44 to 63 per cent of non-proficient staff in each occupation). As would be expected though, certain other skills are more acutely associated with a single occupational group. One example is strategic management skills being a particular issue for Managers, lacking in 54 per cent of Managers that have skills gaps in contrast to between 15 and 29 per cent for other occupations. Another is, a lack of team working skills, which is most commonly attributed to Caring, Leisure and Other services staff and Elementary occupations (64 per cent and 60 per cent respectively, compared with 40 to 56 per cent across all other occupations).

3.5 The impact of skills gaps

Around two in five employers with skills gaps (37 per cent) report these having no tangible impact on the establishment's performance; a slightly lower proportion reported this being the case than in 2011 (39 per cent).

However, 16 per cent of employers with skills gaps said these have a *major* impact on performance, with approximately half (48 per cent) feeling it has a *minor* impact. These figures are also in line with 2011, when 15 per cent of employers with skills gaps reported that these had a *major* impact and 46 per cent a *minor* impact. Overall, 63 per cent of employers with skills gaps report these impacting upon performance (rising to 69 per cent in Northern Ireland). This equates to 10 per cent of *all* employers having skills gaps at the time of the interview which were negatively affecting their business performance.

The four per cent of employers with skill gaps who report having **solely** 'transient' skills gaps (i.e. skills gaps resulting from staff being new to the role and/or training only being partially completed) are significantly less likely to report that skills gaps have an impact on performance: two in five of them (41 per cent) state that these have an effect on how the establishment performs. In contrast, seven in ten employers (69 per cent) citing other reasons for skills gaps¹³ report that these impact on business performance.

Just as skill-shortage vacancies most commonly impact on other, existing staff, so do skills gaps. Approximately half of employers with skills gaps (53 per cent) report that these result in an increased workload for others in the workforce; this is a higher proportion than in 2011 (49 per cent). There is relatively little variation by nation (ranging from 52 to 56 per cent). This proportion falls to 30 per cent among those solely reporting transient skills gaps.

¹³ either exclusively or in addition to transient skills gaps

While it is sometimes possible for an increased workload to be absorbed by other staff, some employers will need to pay for overtime or bring in temporary staff to cover the work. Overall 26 per cent of employers with skills gaps reported that these had resulted in increased operating costs (broadly in line with the 28 per cent of employers reporting this in 2011).

Difficulties in meeting quality standards or introducing new working practices were each adverse consequences for around a quarter of employers reporting internal skills deficiencies (26 per cent and 25 per cent respectively). Around a fifth of those with skills gaps (21 per cent) reported that they had lost business or orders to competitors as a consequence of experiencing these skills gaps.

Table 3.5 Impact of skills gaps (prompted), by nation

	UK	England	Northern Ireland	Scotland	Wales
<i>Unweighted base</i>	20,228	16,563	733	1,713	1,219
	%	%	%	%	%
Increased workload for other staff	53	52	56	56	54
Have higher operating costs	26	26	28	27	28
Have difficulties meeting quality standards	26	26	29	27	25
Have difficulties introducing new working practices	25	24	30	25	28
Lose business or order to competitors	21	21	19	20	23
Delay developing new products or services	17	16	20	18	17
Outsource work	10	10	14	9	10
No impact	37	37	31	36	36
Any impact	63	63	69	64	64

Base: All establishments with skills gaps

3.6 Employer response to skills gaps

The majority of employers (86 per cent) identifying skills gaps among their workforce have taken measures to improve the proficiency of these employees, with a further six per cent planning to do so in the future. For around one in twelve (eight per cent), however, no action has been taken and no plans are in place to tackle these issues.

Encouragingly, since 2011, there has been a marked rise in the proportion of employers with skills gaps that have taken action to tackle the issue (86 per cent in 2013 in contrast to 76 per cent in 2011).

Approximately two-thirds of employers with skills gaps among their workforce have either increased the amount of training they provide or increased the amount they spend on training (68 per cent).

The next most common responses to skills gaps involve increasing supervision (60 per cent), reviews and/or mentoring (51 per cent), thereby broadly using the experience of existing staff to oversee and assist those lacking skills.

The hierarchy of actions taken remains the same as in 2011, though the proportion of employers undertaking each has increased and there is a suggestion that employers are looking to other responses than training to resolve skill gaps, perhaps reflecting pressures to constrain spending.

Figure 3.2: Actions taken to overcome skills gaps (prompted)

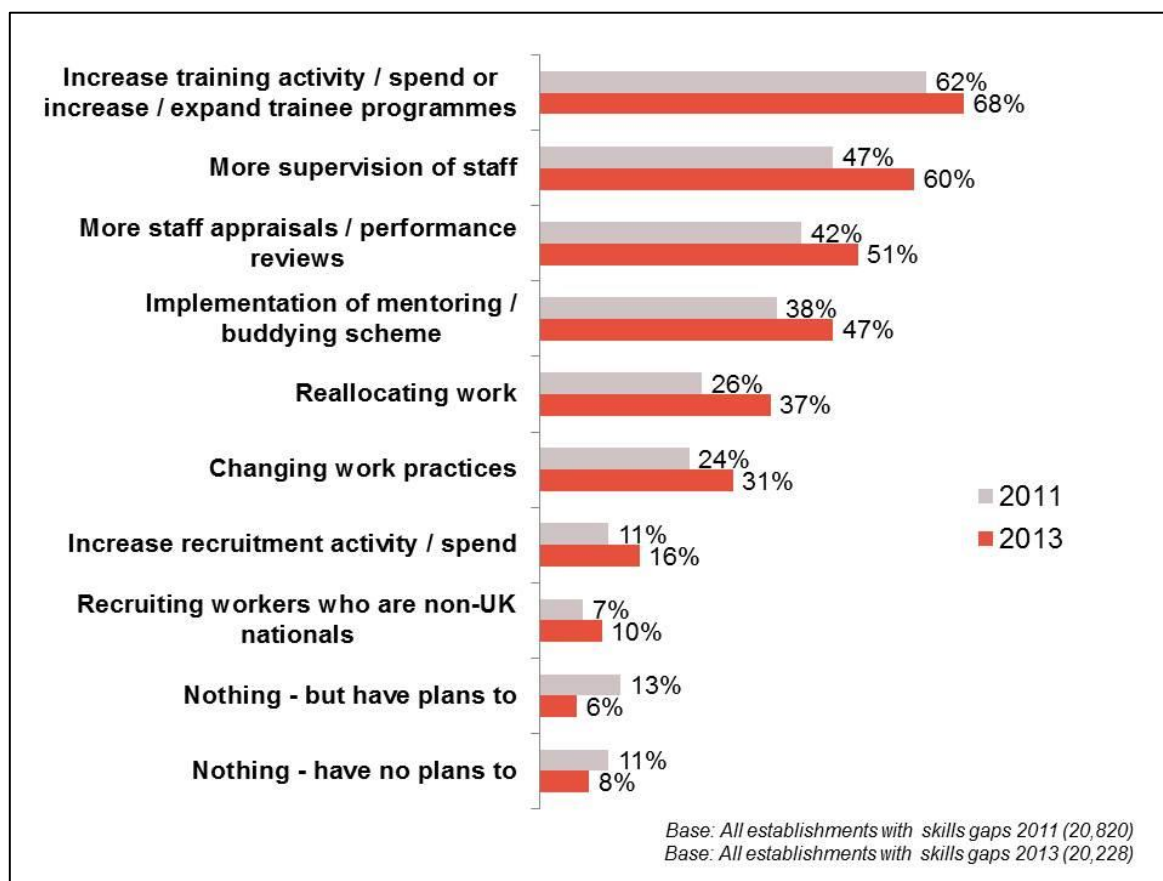


Table A.3.6 in Annex A provides a breakdown of actions taken to tackle skills gaps by country. Of particular note here is that employers in Northern Ireland with skills gaps are less likely to have taken any action, 77 per cent have done so in comparison with the UK average of 86 per cent. Employers in Northern Ireland are also considerably less likely to have increased training-related activities more specifically (58 per cent in contrast with the UK average of 68 per cent).

3.7 Skills deficiencies among existing staff and when recruiting

The previous chapter examined skill shortages encountered when recruiting and this one has explored skills gaps among the existing workforce.

The reality of the labour market is that there may be a good deal of substitution between these two measures of labour market deficiency. Some employers when faced with inadequate applicants will leave the vacancy unfilled, in which case the issue reveals itself as a skill-shortage vacancy, other employers may feel it is better to recruit someone who is not appropriately skilled; in which case the deficiency will reveal itself as a skills gap.

Overall, 18 per cent of establishments were suffering from *either* form of skills deficiency (compared with 19 per cent in 2011), including one per cent suffering from *both* (the same proportion as in 2011). As previously, establishments that experience both are more likely to be larger and reporting a larger number of vacancies.

3.8 Under-use of skills

As well as shortages of skills in the available labour market and/or among the existing workforce, employers can experience a skills imbalance when the skills held by individuals are not fully deployed in the workplace. We refer to this in this report as 'under-use of skills' (though the phenomenon is sometimes referred to elsewhere as 'over-skilling', 'over-qualification' and/or 'under-employment'). In UKCESS 2013, 'under-use of skills' was measured by asking employers how many staff, if any, had *both* qualifications *and* skills that are more advanced than required for their current job role.

3.8.1 The prevalence of under-use of skills

Across the UK, approaching half of all establishments (48 per cent) report having some employees with *both* qualifications *and* skills that are more advanced than required for their current job role. In volume terms, 4.3 million workers or 16 per cent of the workforce have under-utilised skills. That is to say, the under-use of skills affects a considerably larger proportion of employers and of the workforce than skills deficiencies do.

As Table 3.6 illustrates, these figures are virtually unchanged at the UK level since 2011 when 48 per cent of establishments reported skills under-use and there were 4.2 million workers with *both* qualifications *and* skills at a more advanced level than demanded by their job role (15 per cent of the workforce).

Employers in England are less likely to report that their employees skills are under-used than employers in the rest of the UK, and there was no change in the figures between 2011 and 2013.

Outside of England, among employers based in Northern Ireland, Wales and Scotland there has been considerable movement. In the former two nations, there has been a marked increase in both the proportion of employers reporting under-use of skills and in the proportion of the workforce which is underused. In Scotland, there has been a marked decrease in the proportion of employers reporting that some staff are under-used, although the proportion of the workforce affected has remained the same.

Table 3.6 Incidence, number and density of staff who are both over-qualified and over-skilled by country (2011 vs. 2013)

<i>Row percentages</i>	<i>Unwtd base 2011</i>	<i>Unwtd base 2013</i>	% of establishments reporting skills under-use		% of staff reported as being over-qualified and over-skilled	
			2011	2013	2011	2013
UK	86,522	45,644	48	48	15	16
Country						
England	74,156	37,559	47	47	15	15
Northern Ireland	3,921	2,015	44	49	15	18
Scotland	2,487	3,044	57	51	17	17
Wales	5,958	3,026	45	50	13	21

Base: Columns one and two all establishments; columns three and four all employment.

Reflecting patterns witnessed in 2011, the incidence of skills under-use is broadly consistent by establishment size. However, the proportion of staff described as being over-qualified and over-skilled is considerably higher amongst smaller establishments, notably those with 2-4 employees, where 30 per cent of staff are considered over-skilled and over-qualified. This is likely to reflect the more 'hands-on' roles that many senior staff take on in smaller establishments and fewer formal opportunities for progression and promotion, as well as a greater awareness of qualifications and skills levels in establishments with fewer staff.

On a sectoral basis, as in 2011, incidence and density of skills under-use are greatest in the Hotels and Restaurants sector (60 per cent and 24 per cent respectively), a sector typically characterised by lower skills requirements though employing relatively large numbers of people with higher-level qualifications.

Conversely, in the Public Administration and Manufacturing sectors, staff are considerably less likely to be considered over-skilled and over-qualified (nine per cent and 10 per cent respectively).

Table A.3.7 in Annex A provides a detailed breakdown of the incidence, number and density of staff who are both over-qualified and over-skilled by size of establishment and by sector.

3.9 Upskilling

Having considered the under-use of skills, this chapter now turns to the notion of 'upskilling', that is to say where employers anticipate that staff will need to acquire *new* skills over the coming year, as a result of a variety of internal and external factors¹⁴.

3.9.1 The prevalence of upskilling needs

Seven in ten employers (71 per cent) expect that at least some of their staff will need to acquire new skills or knowledge over the next twelve months.

Although in some cases this is likely to reflect a dynamic environment of fast-changing skills needs (i.e. while current skill levels may be sufficient, over the next 12 months these skills will become outdated), it is often likely to reflect that, for many employers, staff that they classify as proficient still have plenty of scope to add to their skill set.

The larger the establishment the more likely they are to anticipate an upskilling need over the next 12 months, rising from two-thirds (65 per cent) of those with fewer than five staff to nine in ten employers (90 per cent) of those with at least 250 employees.

Employers reporting current skills gaps are more likely than average to expect that some of their staff will need to acquire new skills or knowledge over the coming year (83 per cent), though still 69 per cent of those who report that all their staff are fully proficient anticipate an upskilling need.

Between two in five and half of all employers reported a need to upskill because of new legislative or regulatory requirements (46 per cent), the introduction of new technologies/equipment (44 per cent), the development of new products and services (43 per cent), and/or the introduction of new working practices (42 per cent). Approaching a third also felt that the need to upskill would arise as a result of competitive pressure (31 per cent).

As illustrated in Table 3.7, there are relatively few differences by country, though employers in Scotland and Wales are slightly more likely to attribute upskilling needs to new legislative or regulatory requirements (51 per cent in each case) than those in England and Northern Ireland (45 per cent and 47 per cent respectively).

¹⁴ Further information documenting UKCES' long term forecasts of labour market demands can be found in Working Futures <http://www.ukces.org.uk/ourwork/working-futures>

Table 3.7: Whether expect employees will need to acquire new skills or knowledge in the next 12 months, and the reasons for this (prompted), by country

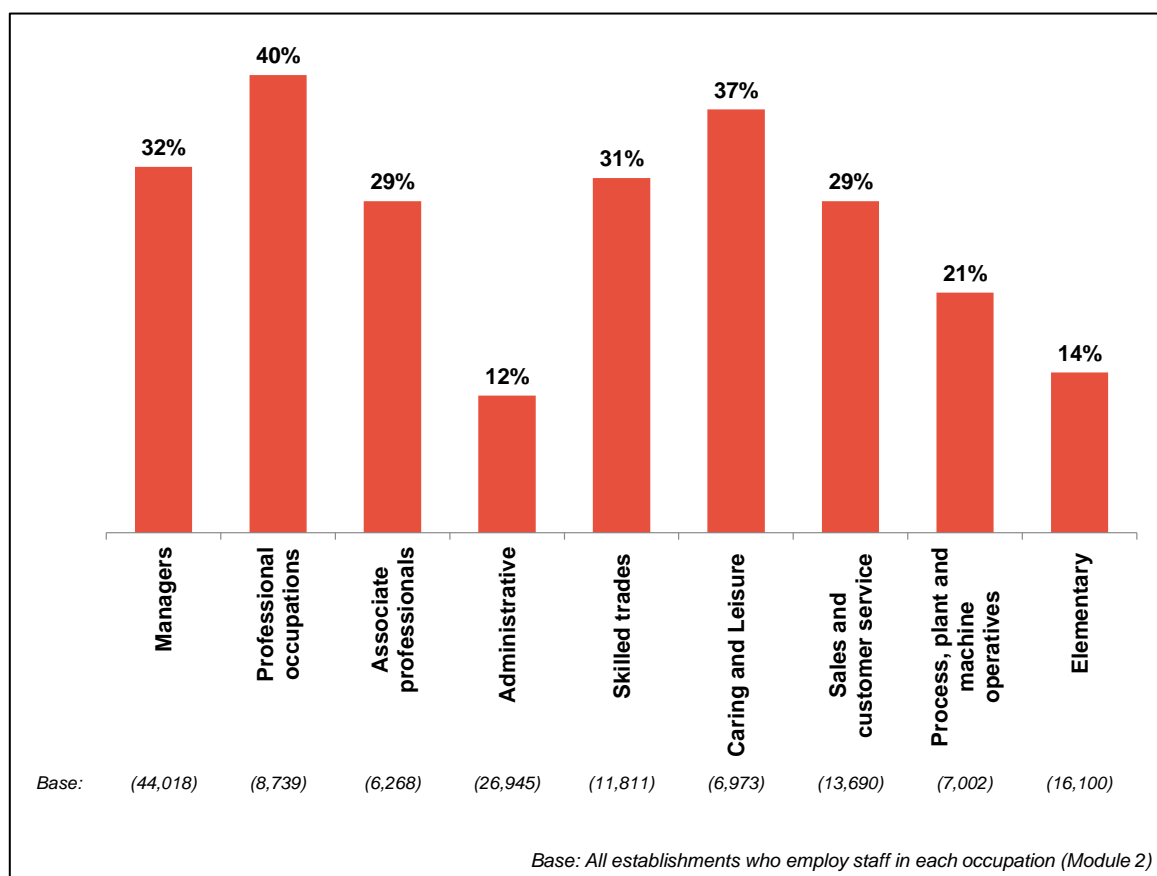
	UK	England	Northern Ireland	Scotland	Wales
<i>Unweighted base:</i>	45,644	37,559	2,015	3,044	3,026
	%	%	%	%	%
Expect employees to need to acquire new skills / knowledge	71	70	72	74	72
New legislative or regulatory requirements	46	45	47	51	51
The introduction of new technologies or equipment	44	44	47	46	46
The development of new products and services	43	43	40	44	45
The introduction of new working practices	42	42	43	45	45
Increased competitive pressure	31	31	32	30	31

Base: All establishments in Module 2

3.9.2 Occupations most affected by the need for upskilling

Employers anticipating the need for staff to acquire new skills or knowledge were asked which single occupation would be most affected. Four in ten establishments that employ staff in Professional occupations (40 per cent) anticipate these staff being their priority in terms of the need to acquire new skills in the next 12 months, and a similar proportion (37 per cent) anticipate the need for their Caring, Leisure and Other services staff to acquire new skills. In contrast, just 12 per cent of establishments employing Administrative and Clerical staff and 14 per cent employing Elementary staff foresee a priority need for these staff to acquire new skills or knowledge in the coming year. Tables A.3.10 and A.3.10a in Annex A provide a comparison of this measure by country.

Figure 3.3 Single occupation most affected by the need for upskilling



3.9.3 Upskilling: skills that need improving or updating

Across all occupational groups, the skills that are most likely to need improving or updating are technical, practical and job-specific skills: this was identified by 57 per cent of employers who said that they needed to upskill over the next 12 months.

Following technical, practical and job-specific skills, planning and organisation skills were reported by 44 per cent of employers needing to upskill staff over the coming year. A number of other skill areas were then mentioned by around a third: problem solving skills (35 per cent), advanced IT skills (34 per cent), team working skills (32 per cent) customer handling skills (31 per cent), and strategic management skills (31 per cent). Broadly speaking the order of the skills needing improving over the coming 12 months is similar to that for where employers report existing skill gaps (see Table 3.4). It is notably however that improving advanced IT skills appears a particular priority for the coming 12 months in the sense of it being one of the most commonly mentioned priorities for the coming year, but a relatively infrequently mentioned existing skills gap.

Figure 3.4 Skills which need improving or updating in the next 12 months (prompted)

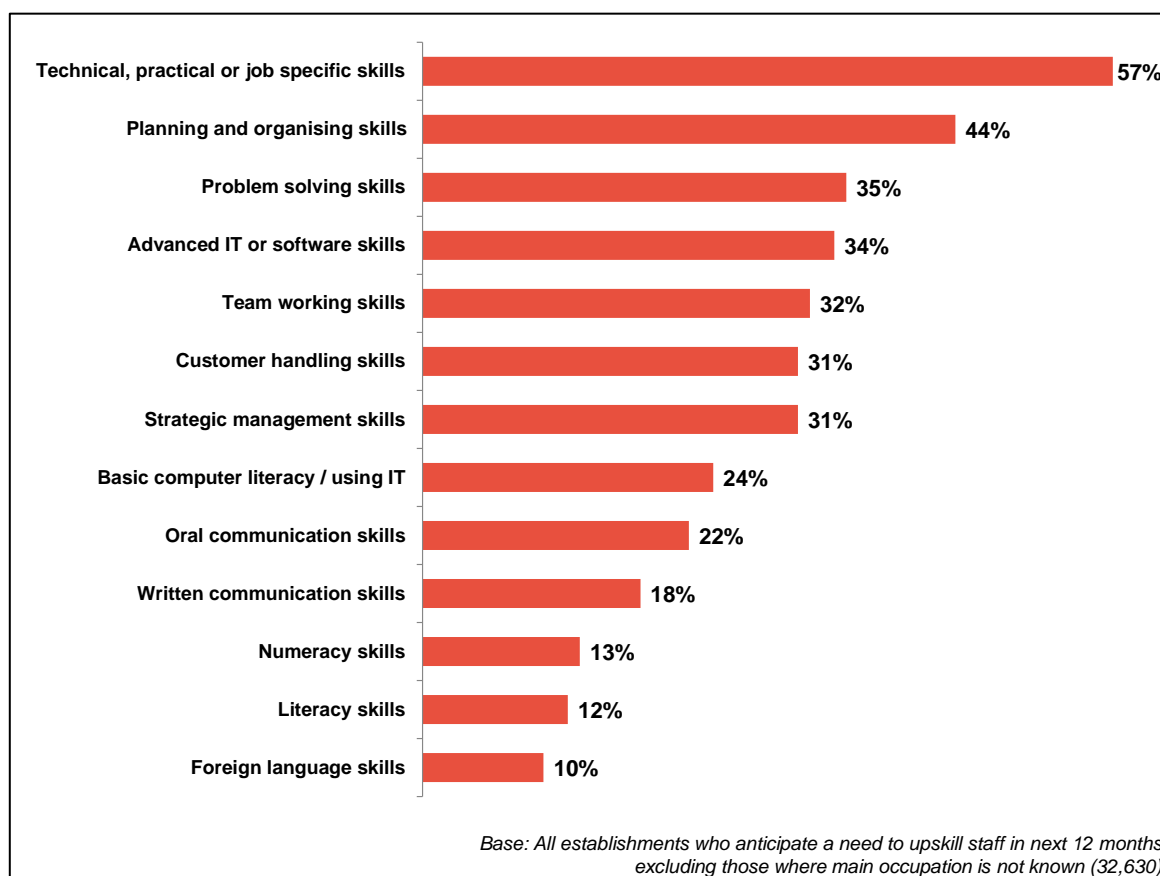


Table A.3.8 in Annex A provides an occupational breakdown of the skills cited in connection with upskilling needs.

3.10 Conclusions

Although the vast majority of establishments consider their entire workforce to be proficient, 1.4 million employees are nonetheless regarded as not being fully proficient in their job roles, equating to 5.2 per cent of the total UK workforce.

As with skill-shortage vacancies, skills gaps continue to be concentrated in certain pockets of the economy. People employed in what are traditionally described as unskilled or semi-skilled occupations – namely those in Elementary and Sales and Customer Service positions – remain the most likely to have skills gaps. Sectorally, skills gaps are particularly prevalent in the Hotels and Restaurants industry.

Encouragingly, since 2011, there has been a marked rise in the proportion of employers with skills gaps that have taken action to tackle them, though there is still scope for more widespread, targeted responses to address these issues.

At the same time, 4.3 million workers (16 per cent of the workforce) are reported as having *under-used* skills; harnessing these latent capabilities could clearly yield wide-ranging benefits for some employers.

Looking to future skills needs, establishments that employ staff in Professional and Caring and Leisure occupations anticipate these staff being their priority in terms of the need to acquire new skills. This presents a particular challenge, however, insofar as these are both occupations in which it is relatively more difficult for employers to find suitably skilled candidates for new positions. As such, this puts an onus on training to develop the skills of existing staff (rather than recruitment of new employees) as the most appropriate and effective solution.

4 Training and Workforce Development

4.1 Summary

Most employers fund or arrange training for their staff: two-thirds had done so over the previous 12 months (66 per cent), a figure in line with 2011 (65 per cent). 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, over two-fifths of all employers (42 per cent, including non-trainers that had not delivered any) wanted to provide more training than they had been able to do. By far the most common reason that some employers do not provide training is that they believe all their staff to be fully proficient in their roles.

There have been some notable changes since 2011 in the nature of training activity conducted. There is evidence of more employers providing off-the-job training, and training being more widely offered across the workforce. More employers have arranged any off-the-job training (49 per cent compared to 47 per cent in 2011) and fewer have only offered on-job training (17 per cent compared to 19 per cent in 2011); and the proportion of staff trained over the previous 12 months has risen substantially from 55 per cent to 62 per cent.

On the other hand, each person trained received fewer days training over the last 12 months in 2013 than in 2011 (an average of 6.7 days compared with 7.8 days in 2011), meaning that the total number of training days employers had provided over the previous 12 months has decreased slightly since 2011 (from 115 million to 113 million days).

Moreover, total employer investment in training decreased by around five per cent or just short of £2½ billion in the period 2011 to 2013 (from £45.3bn to £42.9bn). Training investment per person trained fell by 17 per cent from around £3,075 in 2011 to £2,550 in 2013, although this was in the context of a significant increase in the number of employees receiving training.

In the context of tightened economic circumstances, it is not unreasonable for employers to seek to invest more widely in training. Although training spend and the numbers of days spent training are slightly down across the UK as a whole, this has been achieved in combination with an increase in the number of staff trained, an increase in the ratio of off-the-job to on-the-job training (a crude measure of the quality of training) and an increase in the proportion of training that leads to a recognised qualification. This could suggest a more efficient allocation of resource to partially offset a relatively modest cut in the level of overall spend.

There is some variation in training activity by country: Employers in Scotland were the most likely to have funded or arranged any training in the previous 12 months (70 per cent) and those in Wales the least likely (62 per cent). Employers in Scotland also trained a greater proportion of their workforce (65 per cent) than employers elsewhere in the UK (this was the case in 2011 also); employers in Northern Ireland trained the lowest proportion of their workforce (59 per cent).

4.2 Introduction

Training is widely recognised as a key means to improving skills and thereby to maintaining and improving competitiveness and stimulating economic growth. Indeed in the previous chapter, we saw that increasing training activity was the most common employer response to attempt to tackle skill gaps among their workforce. This chapter examines trends in employer training activity since 2011. It examines which employers fund or arrange training and development for their employees, the types of training provided and which employees they provide it for. It also explores the reasons employers give for not providing training and development for their staff, and the barriers to employers providing more training than they currently do. The final section of the chapter looks at employer expenditure on training: results for this aspect of the research are derived from the Investment in Training follow-up study with a proportion of the UKCESS 2013 sample (see the accompanying Technical Report for details of the methodology).

Throughout the chapter we discuss the training or development provided by employers in terms of:

- **Off-the-job training or development:** training undertaken away from the individual's immediate work position, whether on the employer's premises or elsewhere;
- **On-the-job or informal training and development:** activities that would be recognised as training by staff, and not the sort of learning by experience which could take place all the time.

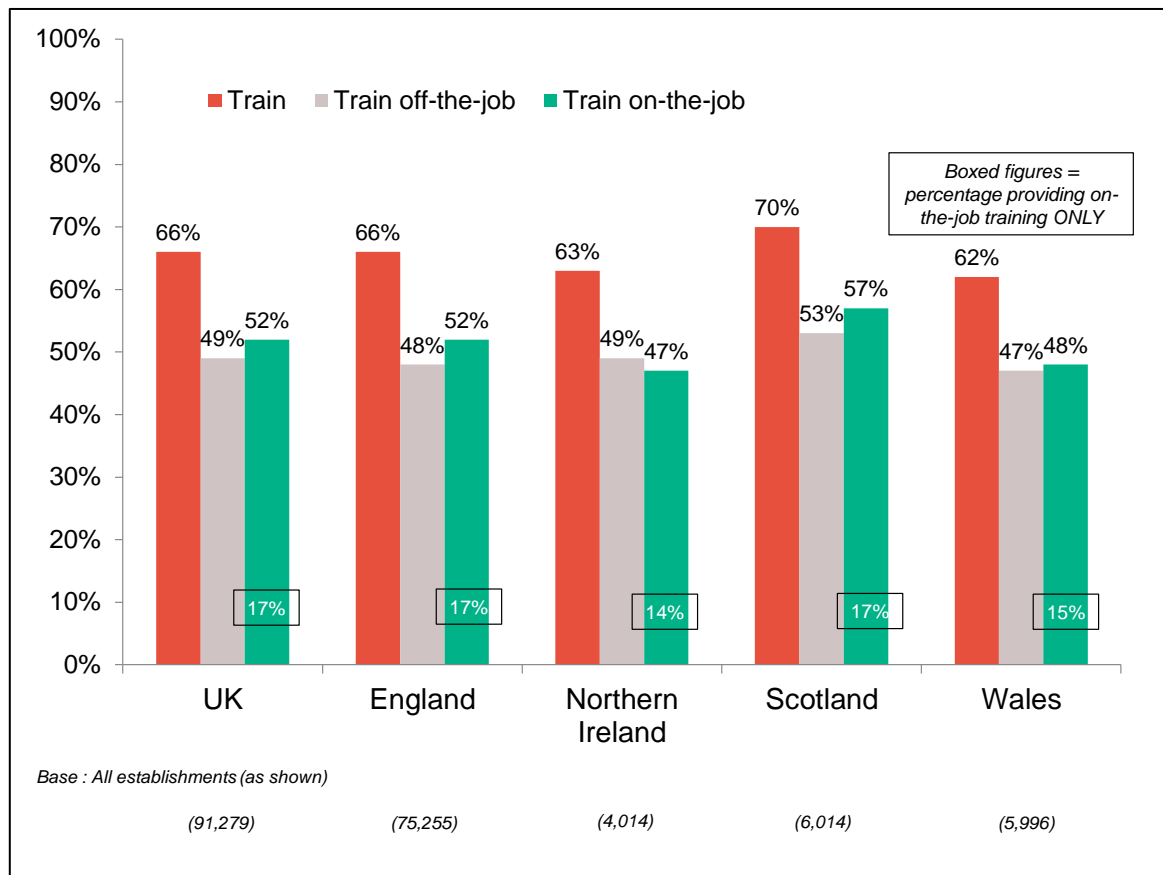
Time series for the headline training measures by country can be found in Annex B.

4.3 Incidence of training and workforce development

Two-thirds of employers (66 per cent) had arranged or funded off- or on-the-job training or development for any of their staff in the previous 12 months. Similar proportions had provided off-the-job as on-the-job training (49 per cent and 52 per cent respectively), with just over a third providing both (35 per cent of all employers).

While the proportion providing any training or development is in line with results in 2011 (65 per cent), there has been an increase in the proportion providing any off-the-job training over the previous 12 months (49 per cent from 47 per cent in 2011) and a fall in the proportion providing *any* on-the-job (52 per cent in 2013 compared with 53 per cent in 2011) and *only* providing on-the-job training (17 per cent from 19 per cent in 2011).

Figure 4.1 Training provision over the last 12 months



Employers in Scotland were the most likely to report having funded or arranged any training in the previous 12 months (70 per cent) and those in Wales and Northern Ireland the least likely (62 per cent and 63 per cent respectively). Despite employers in Scotland being the most likely to have provided training in the 2013 survey (as they were in 2011), the proportion providing training over the last 12 months was lower than in 2011 (73 per cent).

The likelihood of providing training increases with employer size, and is almost universal in establishments with 25 or more staff (93 per cent among those with 25-99 staff and 97 per cent among those with 100 or more employees). Among the very smallest sites employing 2-4 staff just over half had provided any training (52 per cent), rising to three-quarters (77 per cent) among those with 5 to 24 staff.

As in 2011, employers in Education, Public Administration, and Health and Social Work were the most likely to provide any training (92, 90 and 89 per cent respectively), and those in Agriculture the least likely (50 per cent).

More data on the incidence of training, and how this varies by country, size and sector, and between 2011 and 2013, can be found in Table A.4.1 in Annex A.

Among employers that funded or arranged any training over the last 12 months three-quarters (74 per cent) provided off-the-job training. While overall a quarter of employers that train provided only on-the-job training (26 per cent), this was much higher among the smallest employers (31 per cent of trainers with 2-4 staff), and those operating in Wholesale and Retail (34 per cent) and Hotels and Restaurants (37 per cent).

4.4 Other wider activity to aid the development of staff

In addition to 'formal' on- or off-the-job training, employers can develop their staff in more informal ways. Employers were asked whether they had undertaken three specific activities in the last 12 months to aid the development of employees: supervision to guide employees through their job role; providing staff with opportunities to spend time learning through watching others perform their role; and allowing staff to perform tasks that go beyond their strict job role and providing feedback on how well they have done.

The vast majority of employers (85 per cent) had provided at least one of these wider development opportunities for their staff in the last 12 months (markedly lower at 76 per cent among the smallest sites with fewer than five staff, but above nine in ten for all other size of employer). A majority of employers had undertaken each of the three development activities, indicating that employers generally use a suite of activities to meet their development needs. The likelihood of providing wider development activities closely matches the pattern for providing training and development, and is higher than average among employers in Scotland, larger employers, and those in Education, Public Administration and Health and Social Work. Data on how provision of wider development activities differs by country, sector and size of employer both in 2013 and 2011, and the nature of the development activity, is provided in Table A.4.2 in Annex A.

While most of the employers providing any of these wider development opportunities also deliver more formal training, almost a quarter of all employers (23 per cent) did not provide formal training but did provide some of these wider development opportunities. Overall almost nine in ten employers (89 per cent) either funded or arranged on- or off-the-job training or provided wider development opportunities.

One in nine employers (11 per cent) neither train nor offer any of the wider development opportunities discussed in the survey. The vast majority of these are small employers with fewer than five staff: among employers of this size 18 per cent neither train nor offer these development opportunities. Employers in Agriculture and Construction were also more likely than average to neither train nor offer these wider development opportunities (24 per cent and 18 per cent respectively).

Although there has been no change in the incidence of training in 2013 compared to 2011, the proportion offering any of the three wider development activities in 2013 (85 per cent) has increased compared to 2011 (82 per cent), particularly for supervision guiding employees through their job role over time (up five percentage points from 2011 to 2013).

4.5 Barriers and limits on training

Some employers choose not to provide any workforce development for their staff. This section explores the extent to which such decisions relate to demand (such as there being no perceived need) and the extent to which they reflect issues of supply (pricing, availability, accessibility etc.). From this perspective, employers who had not funded or arranged any training were asked why they had not done so.

By far the main reason for employers not providing any training over the previous 12 months is low perceived demand, particularly the view that all their staff are fully proficient (69 per cent). Low demand is also reflected in non-trainers saying training is not or has not been a priority for the organisation (seven per cent). Managers being too busy to organise training (three per cent), and employees being too busy to attend training (two per cent) or to deliver training (two per cent) were also responses indicative of low demand to the extent that training is clearly treated as a lower priority than more pressing day-to-day issues.

One in ten non-trainers said the reason for not training was their having no money available for training (10 per cent, rising to 17 per cent among non-trainers in the charity / voluntary sector).

Perceived poor supply of training was infrequently given as the reason for not training:

- Five per cent of non-trainers said training was not available in the subject area they wanted;
- Two per cent described training as too expensive;
- One per cent of non-trainers said the courses they were interested in were not available locally.

More data on the reasons for not providing training can be found in Table A.4.3 in Annex A.

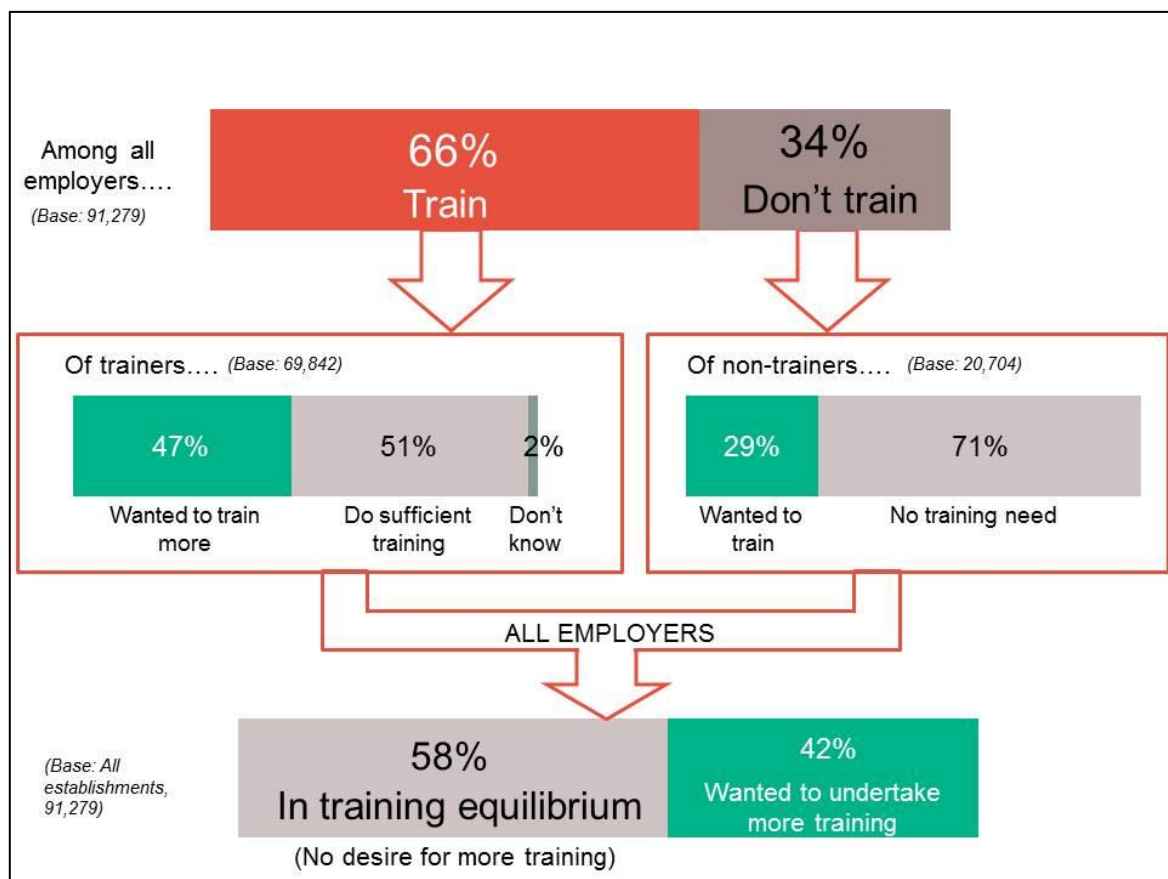
Approaching half of employers (47 per cent) that train would have liked to provide more training over the last 12 months than they were able to fund or arrange. The larger the size of the training employer, the more likely they were to have been limited in the amount of training that they were able to provide (57 per cent of trainers with 100 or more staff, compared with 44 per cent of those with fewer than five staff). Employers in Scotland, Northern Ireland and Wales that trained were more likely than average to have felt limited in the training they could provide (53, 52 and 50 per cent, respectively).

The reasons these employers give for being unable to deliver the amount of training they would have liked generally relate to internal issues, in particular not having the funds to provide more training (mentioned by 60 per cent of these employers) or not being able to spare the time for staff to have more time training (48 per cent, rising to 56 per cent among those in Scotland). Of course, both statements *could* be read as relating to the supply of training in the sense that less expensive, better value training or training requiring less time away from the workplace would lead to more training being undertaken. Issues explicitly relating to the supply of training were infrequently mentioned as barriers to further training. The most commonly mentioned were a difficulty finding training providers that can deliver training where or when they want it, and a lack of appropriate training / qualifications in the subject areas needed (each mentioned by four per cent of trainers that would have liked to deliver more training over the previous 12 months).

More data on the proportion of training employers that would have liked to provide more training over the previous 12 months, and the main barriers preventing them doing so, can be found in Table A.4.4 in Annex A.

Figure 4.2 summarises results on the proportion of all employers that would have liked to have undertaken more or, in the case of non-trainers any training, over the previous 12 months¹⁵ compared with the proportion that are in 'training equilibrium' (having no wish to have undertaken more training). Overall just over two-fifths of all employers (42 per cent) would have liked to have undertaken more training over the previous 12 months than they were able to provide. The likelihood of *not* being in 'training equilibrium' (i.e. wanting to have undertaken more training over the previous 12 months) increases with establishment size (from 36 per cent among those with 2-4 staff, to around half for those with 5 to 99 staff, to 60 per cent among those with 100 or more staff). It was also higher among employers in Scotland (47 per cent, compared with 42 per cent among employers in England, 43 per cent among those in Wales and 45 per cent among those in Northern Ireland).

Figure 4.2: Employer interest in undertaking more training over the last 12 months than they were able to provide



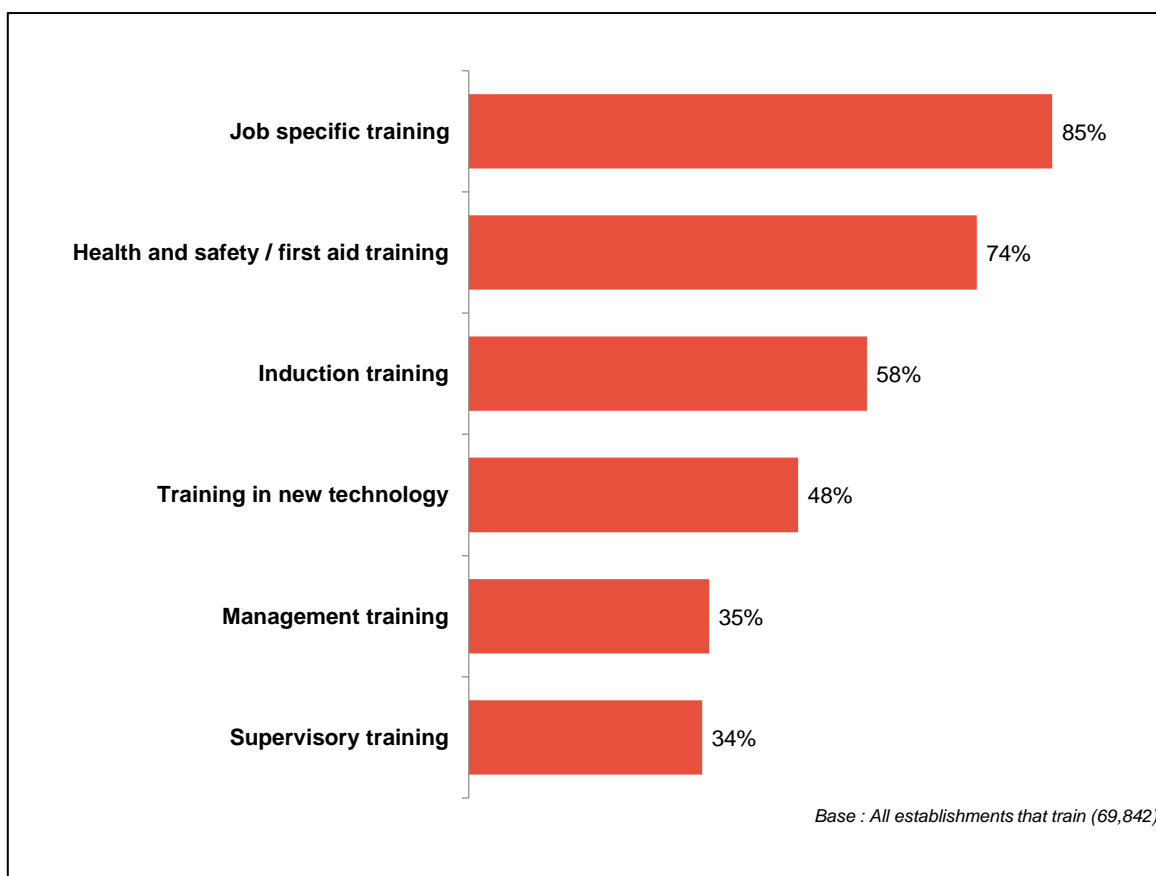
Base: all establishments 91,279; establishments that train 69,842; establishments not providing training over the last 12 months 21,437.

¹⁵ Results for non-trainers have been determined from their reasons for not training, rather than a direct question. Those answering that they had not provided any training because training was not considered to be a priority for their establishment, because all their staff were fully proficient or they had no need for training were regarded as being in skills equilibrium and having no perceived need to undertake training. Those not giving any of these reasons were classified as wanting to have undertaken training.

4.6 Types of training provided

Job-specific training aimed at developing the skills of a particular occupation or job role was the most common type of training provided by employers (arranged by 85 per cent of those that train). A majority of trainers had also funded or arranged health and safety training including first aid (74 per cent) and / or induction training (58 per cent). The types of training provided by employers for the 2013 survey were very similar to 2011 (all within one percentage point).

Figure 4.3 Types of training provided over the last 12 months by employers that train (prompted)



There was quite wide variation by sector in the types of training provided over the last 12 months. Among employers that provided training:

- Those in Education and Public Administration were more likely than average to have provided each type of training. In both these sectors the majority had provided each type of training other than supervisory training.
- There was particularly wide variation in the proportion providing management training.
 - It was higher in: Education (60 per cent), Public Administration (54 per cent), Health and Social Work (45 per cent), Mining and Quarrying (44 per cent), Financial Services (44 per cent), Wholesale and Retail (42 per cent), and Hotels and Restaurants (42 per cent).

- Provision of any management training in the last 12 months was far lower than average in Agriculture (14 per cent), Construction (22 per cent), Transport and Communications (26 per cent) and Manufacturing (26 per cent)..

More details of results by sector, as well as country and establishment size, are provided in Table A.4.5 in Annex A.

4.7 Numbers trained

Although the proportion of employers providing training was largely unchanged from 2011 to 2013, the number of staff receiving training has increased significantly. Around 16.8m staff were trained over the last 12 months, equivalent to 62 per cent of the workforce,¹⁶ up from 55 per cent in the 2011 survey.

Most of the increase in 2013 has come about through larger employers training more of their staff than they did in 2011. The change is particularly marked among employers with 250 or more employees: in 2011 the number of staff trained over the previous 12 months in these large establishments was equivalent to 54 per cent of the total workforce employed in this size of site. In 2013 this had increased to 71 per cent.

The increase across the UK from 2011 to 2013 in the proportion of staff trained over the previous 12 months has occurred across each country, though to a much lesser extent in Northern Ireland, as shown in Table 4.1. Staff in Scotland were more likely than elsewhere in the UK to have received any training in the previous 12 months (65 per cent). Looking further back over time in England, the share of the workforce trained (62%) is now higher than the pre-recession level seen in 2009 (56%), and back to similar levels seen in 2005 and 2007 (Annex B).

¹⁶ The figure involves an element of over counting in that employers are asked about the number of staff they trained over the last 12 months whether or not they still work at the site. Hence someone who was trained at a site in the last 12 months but who left to join another employer who provided that person with training would be counted twice (if both employers were interviewed for the survey).

Table 4.1 Number of staff trained over the last 12 months and the proportion of staff trained by establishment size and country

	2011			2013		
	<i>Unwtd Base</i>	Number trained	% of staff trained	<i>Unwtd Base</i>	Number trained	% of staff trained
UK	86,522	14.7m	55	91,279	16.8m	62
Country						
England	74,156	12.3m	54	75,255	14.1m	62
Northern Ireland	3,921	0.4m	56	4,014	0.4m	59
Scotland	2,487	1.4m	58	6,014	1.5m	65
Wales	5,958	0.7m	56	5,996	0.7m	62
Size						
2-4	17,905	1.0m	40	19,058	1.0m	41
5 to 24	47,770	3.4m	53	51,565	3.5m	54
25-49	9,416	2.0m	59	10,123	2.1m	63
50-99	5,416	2.0m	59	5,315	2.3m	66
100-249	3,270	2.4m	60	2,938	2.7m	68
250+	1,626	4.0m	54	1,187	5.2m	71

Base: All establishments.

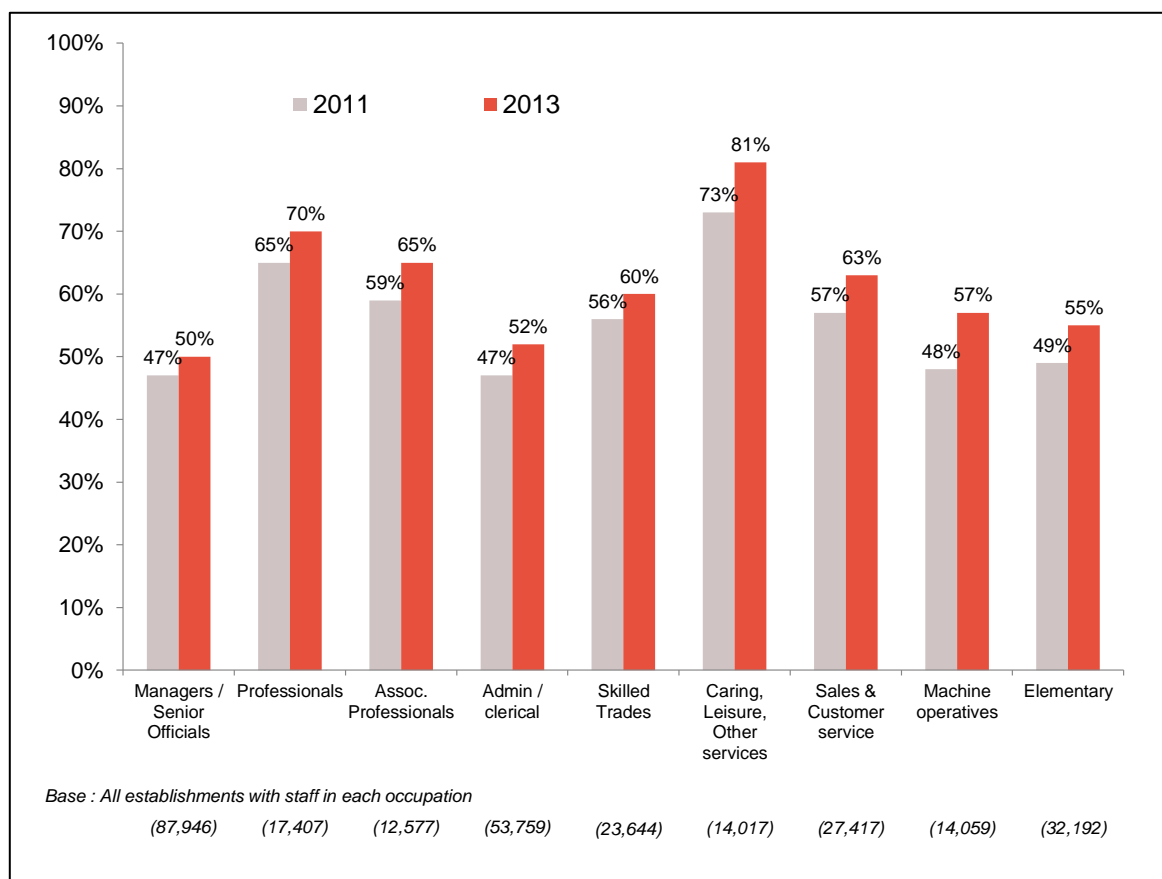
Percentages are based on all employment rather than all establishments, figures therefore show the proportion of all staff within each subgroup trained over the last 12 months.

There were wide differences in the proportion of staff trained by sector. Employers in Health and Social Work and Education trained the highest proportion of staff (80 per cent and 76 per cent respectively; these two sectors also trained the highest proportion of staff in 2011, although at much lower levels). Employers in Agriculture trained the lowest proportion (41 per cent; again this sector trained the lowest proportion in 2011). Results for the number and proportion of staff trained by sector, both in 2013 and 2011, are provided in Table A.4.6 in Annex A.

By occupation, staff in Caring, Leisure and Other Services roles were the most likely to receive training (81 per cent of all staff in these roles were trained in the last 12 months). The proportion was also higher than average among Professionals and Associate Professionals (70 per cent and 65 per cent respectively). Those employed as Managers and Senior Officials were the least likely occupational group to receive training in the previous 12 months (50 per cent).

We have seen that for the 2013 survey, more staff had been trained over the previous 12 months than was the case in 2011. As shown in Figure 4.4 this increase has occurred across all occupational groups, and was particularly marked for those employed in Caring, Leisure and Other Services roles and those working as Machine Operatives. As reported in chapter two, these were the two occupations with particularly large increases compared with 2011 in the density of skill-shortage vacancies. One hypothesis may be that difficulties in finding suitable recruits in these occupations have led to an increase in the training of existing staff in these roles.

Figure 4.4 Proportion of staff trained over the last 12 months by occupation 2013 vs. 2011



Percentages are based on all employment rather than all establishments, figures therefore show the proportion of all staff trained in each subgroup.

Note: The figures for the proportion of staff trained have been calculated excluding those respondents unsure of the exact number of people trained and who did not know the number trained by occupation.

4.8 Training days

Employers varied quite widely in terms of the average number of days training they provided. One in eight employers that trained (12 per cent) said on average each member of staff trained received one day or less training over the previous 12 months, while one in twelve (eight per cent) said the typical person trained received more than 20 days. Results are similar to those found in 2011, though with fewer in 2013 providing 11 or more days training for the average person trained (18 per cent compared with 20 per cent in 2011).

The average number of training days differed relatively little by country: the main variation of note was employers that train in Northern Ireland were less likely than average to have provided substantial training of 11 or more days on average per person trained (15 per cent compared with a UK average of 18 per cent).

There was a clear pattern by size of establishment: as in 2011, the larger the establishment the *less* likely they were to provide substantial training of 11 days or more on average per person trained. Among training establishments with fewer than five staff, 19 per cent said that on average each person trained received 11 days training or more, and the figure was similar for those with 5 to 24 staff (18 per cent); in comparison among those with 250 or more staff it fell to eight per cent.

Table A.4.7 in Annex A provides detailed findings on the range of days training provided by country, size and sector of employer.

Overall the average number of days training provided to each person trained has fallen from just under eight days in 2011 to just under seven days in 2013. This is shown in Table 4.2.

We have seen that a similar proportion of employers provided any training in 2013 as 2011, more staff in 2013 received training in the previous 12 months, but the average number of training days provided to each person trained has fallen. The net effect is that the overall number of training days reported by employers is slightly lower in 2013 than 2011: 113.2m training days compared with 114.6m in 2011.

There are some country-based nuances to this aggregate picture:

- In England the total number of training days has fallen compared with 2011 (from c. 97m to c. 95m, a 2.3 per cent fall). This is a result of fewer days training being provided to each person trained (6.7 days from 7.9 days in 2011) since the number of people trained actually increased (from 12.3m in 2011 to 14.1m in 2013).
- In Wales, there has been an increase in the total number of training days provided over the last 12 months by employers in 2013 compared with 2011 (5.6m days up from 4.9m in 2011).
- In Northern Ireland the total number of training days provided by employers has not changed since 2011, and as in 2011 those trained in Northern Ireland receive the fewest days training per annum (an average of 6.3 days, equivalent to 3.7 days per employee).

- In Scotland, the total number of training days is almost unchanged (10.0m days in 2013 compared with 9.9m in 2011), though there has been a fall in the number of days provided per person trained (from 7.3 in 2011 to 6.7 in 2013, a figure exactly matching the UK average).

Table 4.2 Total training and development days, and days per person trained and per employee (2011 vs. 2013)

	2011				2013			
	<i>Unwtd Base</i>	Total training days	Days per person trained	Days per employee	<i>Unwtd Base</i>	Total training days	Days per person trained	Days per employee
UK	66,439	114.6m	7.8	4.2	69,842	113.2m	6.7	4.2
Country								
England	56,713	97.1m	7.9	4.3	57,787	94.9m	6.7	4.2
Northern Ireland	2,903	2.7m	6.3	3.5	2,894	2.7m	6.3	3.7
Scotland	2,170	9.9m	7.3	4.2	4,884	10.0m	6.7	4.3
Wales	4,653	4.9m	7.5	4.2	4,277	5.6m	7.7	4.8
Size								
2-4	9,121	10.0m	10.5	4.2	9,580	10.6m	10.7	4.4
5-24	37,758	30.3m	9.0	4.7	40,801	29.1m	8.3	4.5
25-49	9,416	16.7m	8.4	4.9	10,123	15.2m	7.3	4.6
50-99	5,416	16.2m	8.1	4.8	5,315	15.1m	6.7	4.4
100-249	3,150	16.1m	6.6	4.0	2,864	17.4m	6.3	4.3
250+	1,578	25.3m	6.4	3.4	1,159	25.8m	5.0	3.5

Base: All establishments that train (though 'days per employee' is based upon employment across all establishments).

There is a distinctive pattern by size of establishment.

- The larger the site, the fewer days training are provided to each person trained;
- When total annual training days is converted to a 'days per employee' figure, this is lowest in the very largest sites with 250 or more employees (3.5 days), but similar for smaller size bands (4.3 to 4.5 days training per employee per annum).

Results by sector for the total number of training and development days, and days per person trained and per employee for 2013 and 2011 can be found in Table A.4.8 in Annex A. These reveal:

- A fall in the total number of training days provided in Manufacturing (6.2m from 8.9m in 2011) and in Public Administration (7.4m from 9.4m in 2011);
- An increase in the total number of training days provided among Business Services employers (19.2m, up from 15.2m in 2011).

- The number of days training provided to each person trained was highest, as in 2011, in the Hotels and Restaurants sector (an average of 9.1 days, though this is lower than the 11.4 days found in 2011).

It is worth noting that the fall from 2011 to 2013 in the number of days training per annum provided to each person trained echoes findings reported in 'Training in Recession: the impact of the 2008-2009 recession on training at work' (published in September 2013)¹⁷. This report presented data from the Quarterly Labour Force Survey showing that intensity of training (as measured by the hours of training in a given reference week among those that were trained) had fallen in the 2005 – 2010 period¹⁸, and that this was part of a longer term fall in training duration dating back to 1995.

4.9 Training to qualifications

As well as enabling an assessment of the quantity of training provided (the number receiving any training and the number of days provided), the survey also provides an assessment of the quality of the training being provided, in particular whether the training provided by employers is leading to nationally recognised qualifications.

Just under half of employers that trained over the last 12 months had funded or arranged any training intended to lead to a nationally recognised qualification (47 per cent, equivalent to 31 per cent of all employers). The figure is slightly higher than in 2011 (when 46 per cent of employers that trained had arranged any training leading to nationally recognised qualifications). As in 2011 trainers in Northern Ireland were the least likely to have trained any staff towards nationally recognised qualifications (45 per cent), while those in Wales were the most likely (53 per cent). Results are shown on Table 4.3.

Size is a key determinant of whether or not employers that train use nationally recognised qualifications. Just over a third of the smallest employers (with 2-4 staff) do so (36 per cent), rising to half among trainers with 5-24 staff (50 per cent), around two-thirds of those with 25-49 staff (63 per cent) or 50-99 staff (69 per cent) and three-quarters of those with 100 or more staff (76 per cent).

¹⁷ *Training in Recession: The impact of the 2008-2009 recession on training at work* (UKCES, 2013), <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-72-training-in-recession.pdf>

¹⁸ Note, the Labour Force Survey question changed in 2011, and hence longitudinal data only exists up to 2010.

Relatively few employers trained any staff to Level 1 qualifications over the last 12 months (nine per cent of those that train, equivalent to six per cent of all employers). In comparison, use of Level 2, 3 and 4 and above qualifications was more common (among employers that train 17 per cent, 18 per cent and 15 per cent respectively had used each, equivalent to 11, 12 and 10 per cent respectively of all employers). More employers in 2013 reported training to Level 4 qualifications or higher (10 per cent of all employers) than in 2011 (eight per cent).

Employers in Wales were more likely to have trained any staff to each individual Level than employers elsewhere in the UK, and more likely to have trained staff to any nationally recognised qualifications in the last 12 months (53 per cent compared with 47 per cent in England and Scotland, and 45 per cent among employers in Northern Ireland).

Table 4.3 Training to nationally recognised qualifications over the previous 12 months

	2011		2013		2013				
	All employers:		Employers that train:						
	UK	UK	UK	England	Northern Ireland	Scotland	Wales		
<i>Unweighted Base:</i>	86,522	91,279	69,842	57,787	2,894	4,884	4,277		
	%	%	%	%	%	%	%	%	%
Establishments training any staff to a qualification	30	31	47	47	45	47	53		
Trained any to Level 1	6	6	9	9	10	11	12		
Trained any to Level 2	10	11	17	18	15	11	21		
Trained any to Level 3	11	12	18	18	15	13	22		
Trained any to Level 4 or above	8	10	15	15	15	15	17		
Number trained to a qualification	3.3m	3.6m	3.6m	3.0m	0.1m	0.3m	0.2m		
Of staff trained, the % trained to a qualification over the last 12 months	22%	21%	21%	21%	18%	20%	30%		
Of all employees, % trained to a qualification over the last 12 months	12%	13%	13%	13%	10%	13%	18%		

Base: Columns 1 and 2 'All establishments', columns 3 to 7 'Establishments that train';

Note: The row 'number trained to a qualification' shows how many individuals were undertaking training leading to nationally recognised qualifications in the 12 months prior to interview, not how many staff had achieved these qualifications.

Note also in the final row the base for the number of employees is all employers not just employers that train.

Overall 3.6m staff benefited from training aimed at achieving a nationally recognised qualification over the last 12 months. This is slightly higher than in 2011 (3.3m). A fifth (21 per cent) of staff trained in 2012-13 received training intended to lead to a nationally recognised qualification, equivalent to 13 per cent of all employees. These percentages are within one percentage point of those found in 2011, and therefore suggest that the increase in the volume of training leading to qualifications is more to do with an increase in the number of staff being trained than any change in the proportion of those trained receiving this kind of training.

As on a number of training measures, results on training to nationally recognised qualifications were below the UK average in Northern Ireland, and above average in Wales. For example, 18 per cent of all employees in Wales were trained to a nationally recognised qualification in the last 12 months, compared with 10 per cent in Northern Ireland.

Findings on the incidence and extent of provision of training leading to qualifications by size and sector can be found in Table A.4.9 in Annex A. This shows that although larger employers that train were more likely to have trained any staff to a nationally recognised qualification over the previous 12 months, the proportion of all employees trained to a qualification varied relatively little by size of establishment. By sector, Health and Social Work employers that trained were the most likely to have trained any staff to a qualification (65 per cent), and trained the highest proportion of their workforce to nationally recognised qualifications (24 per cent, compared to the UK average of 13 per cent).

4.10 Investment in Training

Employer expenditure on training and development over the previous 12 months was £42.9bn, equivalent to around £2,550 per person trained and just under £1,600 per employee. (This expenditure includes the wages of staff while being trained, and of staff delivering training; Table 4.5 provides a breakdown of total expenditure into constituent parts.)

The pattern of training spend per person trained and per employee is inversely correlated with establishment size: the larger the employer the less is spent (Table 4.4). This appears to reflect economies of scale for larger employers. Although the smallest employers with fewer than five staff provide approximately twice as many training days per person trained as those with 100 or more employees (10.7 days per annum compared with 5.5 days respectively), they spend more than three and a half times as much per person trained per annum (£5,630 per person trained, compared with £1,570 among employers with 100 or more staff (£1,570)).

Results are shown on Table 4.4, with comparisons with 2011. It is worth noting that here, and throughout this chapter, training expenditure figures for 2011 were as reported at the time of the 2011 survey and have not been adjusted for inflation.

Table 4.4 Total training expenditure and spend per person trained and per employee (2011 vs. 2013)

	2011				2013			
	<i>Unwtd Base</i>	Total	Spend per person trained	Spend per employee	<i>Unwtd Base</i>	Total	Spend per person trained	Spend per employee
UK	11,027	£45.3bn	£3,080	£1,680	12,522	£42.9bn	£2,550	£1,590
Country								
England	7,872	£38.6bn	£3,140	£1,700	8,704	£36bn	£2,550	£1,580
Northern Ireland	990	£1.2bn	£2,810	£1,570	1,028	£1.1bn	£2,540	£1,490
Scotland	682	£4bn	£2,920	£1,690	1,429	£4.2bn	£2,800	£1,810
Wales	1,483	£1.5bn	£2,280	£1,280	1,361	£1.6bn	£2,200	£1,350
Size								
2-4	1,774	£5.5bn	£5,740	£2,310	2,317	£5.5bn	£5,630	£2,320
5-24	6,542	£11.9bn	£3,550	£1,860	6,953	£12.8bn	£3,650	£1,980
25-49	1,452	£5.6bn	£2,810	£1,650	1,722	£6.5bn	£3,080	£1,940
50-99	708	£5.9bn	£2,930	£1,730	928	£5.6bn	£2,480	£1,630
100+	551	£16.4bn	£2,560	£1,440	602	£12.5bn	£1,570	£1,100

Base: Establishments completing the Investment in Training study.

Note: The figures for spend per person trained and per employee have been rounded to the nearest £10.

There is evidence of **decreasing** employer financial investment in training since 2011 both in terms of total spend and spend per trainee¹⁹. In 2011 total employer investment in training among those with employment of two plus staff was £45.3bn²⁰. The fall in total training expenditure from 2011 to 2013 is driven mainly by a fall in expenditure among:

- Employers in England (from £38.6bn in 2011 to £36.0bn). In contrast expenditure has increased slightly in nominal terms in Scotland and Wales (by £0.2bn and £0.1bn respectively).
- Large employers with 100 or more staff (from £16.4bn in 2011 to £12.5bn).

¹⁹ Indeed the figure for spend per person trained and per employee in England 2013 is also unchanged from that reported in 2005 (<http://www.ukces.org.uk/assets/ukces/docs/research-data/2005nat-nationalemployersskillsurvey2005mainreport-re-june2006.pdf>), when the figures were £2,500 and £1,550 respectively.

²⁰ It is important to note that this figure for the 2011 survey is different (lower) to that quoted in the 2011 UK report (<http://www.ukces.org.uk/assets/ukces/docs/publications/ukces-employer-skills-survey-11.pdf>) for two reasons. First the UKCESS 2011 survey included some establishments that were not eligible for the 2013 survey, namely those with one employee and no working proprietors. Hence to make valid comparisons between 2011 and 2013, data from 2011 was re-run excluding these establishments, and the data re-weighted. This applies to all 2011 data in this report. Second, a figure on the Eurostat website used to derive the total employer investment in training figure from the survey responses was updated subsequent to the 2011 survey, and the data presented here uses this revised figure. The revision relates to the figure for wages and salaries as a percentage of total labour costs, which is used to upweight wage/salary responses to the full costs of employing labour either being trained or providing training. At the time of the 2011 survey Eurostat was showing this percentage for the UK as 80.51%, but this has subsequently been revised to 85.9%. This lowers the upweight factor and hence lowers the total investment in training figure.

- Employers in Public Administration (from £3.8bn to £2.2bn) and in Education (from £6.2bn to £5.3bn in 2013). This is likely to reflect tight budgetary constraints in the broadly defined public sector in recent years.

Data on total investment in training, spend per person trained and spend per employee by sector for both 2011 and 2013 can be found in Table A.4.10 of Annex A.

As shown in the Table 4.5, the fall in total training expenditure is also predominantly the result of lower expenditure on on-the-job training (from £23.6bn in 2011 to £21.6bn in 2013), while off-the-job spending has fallen only slightly since 2011 (£21.3bn from £21.7bn).

This has led to a slight change in the composition of overall training expenditure. In 2011, on-the-job training accounted for just over half of overall training expenditure (52 per cent). In 2013 there was an exactly even split in expenditure between on- and off-the-job training. The fact that off-the-job training accounts for a larger proportion of total investment in training in 2013 than in 2011 reflects the increase in the incidence of employers providing off-the-job training and a fall in the proportion providing on-the-job training discussed earlier in the chapter.

Table 4.5 Total training expenditure broken down by individual components (2011 vs. 2013)

	2011		2013	
	£bn	%	£bn	%
<i>Unweighted Base:</i>	11,027		12,522	
	£bn	%	£bn	%
Total training expenditure	£45.3bn	100	£42.9bn	100
<i>Off-the-job training: total</i>	<i>£21.7bn</i>	<i>48</i>	<i>£21.3bn</i>	<i>50</i>
<i>Off-the-job training: Course-related: total</i>	<i>£18.1bn</i>	<i>40</i>	<i>£17.9bn</i>	<i>42</i>
Trainee labour costs	£5.1bn	11	£5.2bn	12
Fees to external providers	£2.9bn	6	£2.4bn	6
On-site training centre	£2.8bn	6	£2.7bn	6
Off-site training centre (in the same company)	£0.6bn	1	£0.5bn	1
Training management	£6.1bn	13	£6.5bn	15
Non-training centre equipment and materials	£0.4bn	1	£0.4bn	1
Travel and subsistence	£0.4bn	1	£0.4bn	1
Levies minus grants	-£0.2bn	-1	-£0.2bn	-1
<i>Off-the-job training: other (seminars, workshops etc.): total</i>	<i>£3.6bn</i>	<i>8</i>	<i>£3.4bn</i>	<i>8</i>
Trainee labour costs	£2.5bn	6	£2.5bn	6
Fees to external providers	£1.1bn	2	£0.9bn	2
<i>On-the-job training: Total</i>	<i>£23.6bn</i>	<i>52</i>	<i>£21.6bn</i>	<i>50</i>
Trainee labour costs	£14.8bn	33	£13.9bn	32
Trainers' labour costs	£8.9bn	20	£7.7bn	18

Base: Establishments completing the Investment in Training study

A large component of the overall training expenditure figure presented in the table above is the wages of staff being trained; indeed this accounts for half (50 per cent) of all training expenditure (similar to the 49 per cent in 2011). The wages / salaries of those providing on-the-job training also account for around a fifth (18 per cent) of all training expenditure. In comparison relatively little is spent on payments to external training providers (eight per cent of total investment in training, similar to the nine per cent in 2011).

Table 4.6 summarises results by country and by size of establishment.

Table 4.6: Training expenditure by country and size, the proportion spent on off-the-job elements, and the breakdown of total training expenditure (both on-the-job and off-the-job) by key elements

<i>Row percentages</i>	<i>Unwtd Base</i>	Expenditure on training	% spent on off-the-job training		Wages of trainees	Wages of trainers	Fees to external providers	Other
UK	12,522	£42.9bn	50	%	50	18	8	24
Country								
England	8,704	£36.0bn	49	%	51	18	8	23
Northern Ireland	1,028	£1.1bn	53	%	49	17	7	29
Scotland	1,429	£4.2bn	50	%	49	18	7	25
Wales	1,361	£1.6bn	51	%	43	21	7	23
Size								
2-4	2,317	£5.5bn	55	%	38	21	9	25
5-24	6,953	£12.8bn	53	%	43	19	8	26
25-49	1,722	£6.5bn	50	%	50	18	6	26
50-99	928	£5.6bn	46	%	57	17	8	19
100+	602	£12.5bn	46	%	61	16	7	23

Base: Establishments completing the Investment in Training study.

The column 'other' includes such items as expenditure on training centres and on training management.

As the size of establishment increases the proportion of total training expenditure spent on off-the-job training decreases. Further, as the size of establishment increases so the proportion of spend towards the wages/salaries of people being trained increases, while that towards the labour costs of trainers falls.

The proportion of training expenditure spent on off-the-job training was higher in Northern Ireland than elsewhere in the UK (53 per cent). The proportion of training expenditure spent on off-the-job training also varies widely by sector, as follows:

- It was higher than average in Electricity, Gas and Water (63 per cent), Education (62 per cent), Health and Social Work (58 per cent), Agriculture (58 per cent) and Community, Social and Personal Services (55 per cent); and
- It was much lower than average in Hotels and Restaurants (36 per cent), Wholesale and Retail (41 per cent), Financial Services (43 per cent) and Manufacturing (43 per cent).

There is also wide variation by sector in the proportion of total training expenditure accounted for by the wages/salaries of people being trained. This was highest in Public Administration (59 per cent), and lowest in Electricity, Gas and Water (35 per cent) and in Agriculture (43 per cent).

Details of total training expenditure by sector and how this breaks down by individual key elements is shown in Table A.4.11 in Annex A.

The proportion of total training expenditure spent on fees to external training providers varied relatively little by establishment size, country and sector (see Table 4.6 and Table A.4.11). A new question for the 2013 survey asked respondents what proportion of their fees to external providers were paid to FE (Further Education) colleges or to Universities or other Higher Education institutions. Results suggest that around £0.4bn was spent by employers in the previous 12 months on fees to FE colleges and HEIs, equivalent to 13 per cent of total fees to external providers. Results differed relatively little by country and size. By sector, a higher than average proportion of fees to external providers was spent on FE colleges and HEIs in Manufacturing (17 per cent), Business Services (16 per cent) and Agriculture (16 per cent).

Details of fees paid to FE colleges or to Universities or other Higher Education institutions for training is shown in Table A.4.12 in Annex A.

4.11 Conclusions

Although the proportion of employers providing any training to staff over the last 12 months has changed little since 2011, with two-thirds doing so, there have been a number of quite marked changes in the extent and nature of training provision between 2011 and 2013. In particular:

- There has been a marked increase in the proportion of staff trained over the last 12 months;
- At the same time there has been a marked fall in the average number of training days provided to each person trained;
- The net effect is a slight fall compared against 2011 in the total number of training days funded or arranged by UK employers.

There has also been a fall in total training expenditure, driven mainly by a fall in expenditure:

- Among employers in England;
- Large employers with 100 or more staff;
- Employers in Public Administration and in Education; and
- In regard to on-the-job training.

These findings appear to support other research which suggests that the recession has led to employers 'training smarter' and 'doing more for less', with increased emphasis on in-house training, training employees as trainers, reduced use of external providers and enhanced use of e-learning²¹.

²¹ *Training in Recession: The impact of the 2008-2009 recession on training at work*, (UKCES, 2013), for example pages xiv and xv. <http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-72-training-in-recession.pdf>

5 Recruitment of Young People

5.1 Summary

Most “recruiting employers” (by which we mean employers who recruited anyone over the previous two to three years) recruited at least one young person during this time; overall, 44 per cent of all employers recruited a young person in the two to three years preceding the survey.

Around a quarter of employers (27 per cent) recruited at least one education leaver in that period. This represents a fall on 2011, when the figure stood at 29 per cent, despite there having been an increase in recruitment activity since 2011. Around one in five employers only recruited young people not entering their first job out of education, and did not recruit any education leavers.

Among employers hiring new staff, the main obstacle to (more) young people getting new jobs is competition in the labour market. Half of recruiting employers who had not recruited young job applicants had opted instead for older candidates who were seen to be better placed; in such cases, young people who applied for these jobs may have been suitable but the recruiters opted for a candidate over the age of 25 to fill the role. Where young applicants were not considered to meet the requirements of the role, the main reasons cited were lack of skills and experience, and sometimes both. Of recruiting employers who had not recruited a young person, three in five (61 per cent) said they had not received any applications from young people.

The reasons why some young people were not successful in their job applications mirrored the reasons why some employers were disappointed with the preparedness of recruits entering the job market in their first roles since leaving education. Most employers find the education leavers they take on to be either well or very well prepared for work, although around 36 per cent of employers taking on school leavers at 16 from schools in England, Northern Ireland or Wales described the recruits as poorly prepared (as do three in ten employers in Scotland taking new recruits from Scottish schools between the ages of 16 and 18). Perceptions of the preparedness of education leavers are very much in line with those reported in 2011 (see Table A.5.5 in Annex A).

5.2 Introduction

Youth unemployment is a major social and economic issue for the UK, and has been on the increase consistently over the last decade. It is widely considered that young adults have suffered disproportionately in the labour market as a result of the downturn (The Youth Employment Challenge, UKCES 2012b).

This report contributes to the understanding of the nature and scale of the youth unemployment challenge by measuring how many employers recruit young people and identifying key characteristics of these businesses; exploring how well prepared new labour market entrants are for the world of work; and investigating what barriers stand in the way of more employers recruiting young people.

Like its predecessor, UKCESS 2013 explores recruitment of young people into their first job as they leave education at specific points: at 16, at 17 or 18 (whether from a school or a Further Education college) and at the end of Higher Education²².

In a new area of investigation, it also looks separately at more general recruitment of young people (aged under 25) i.e. recruitment of young people for whom the position was not their first job on leaving school, college or university.

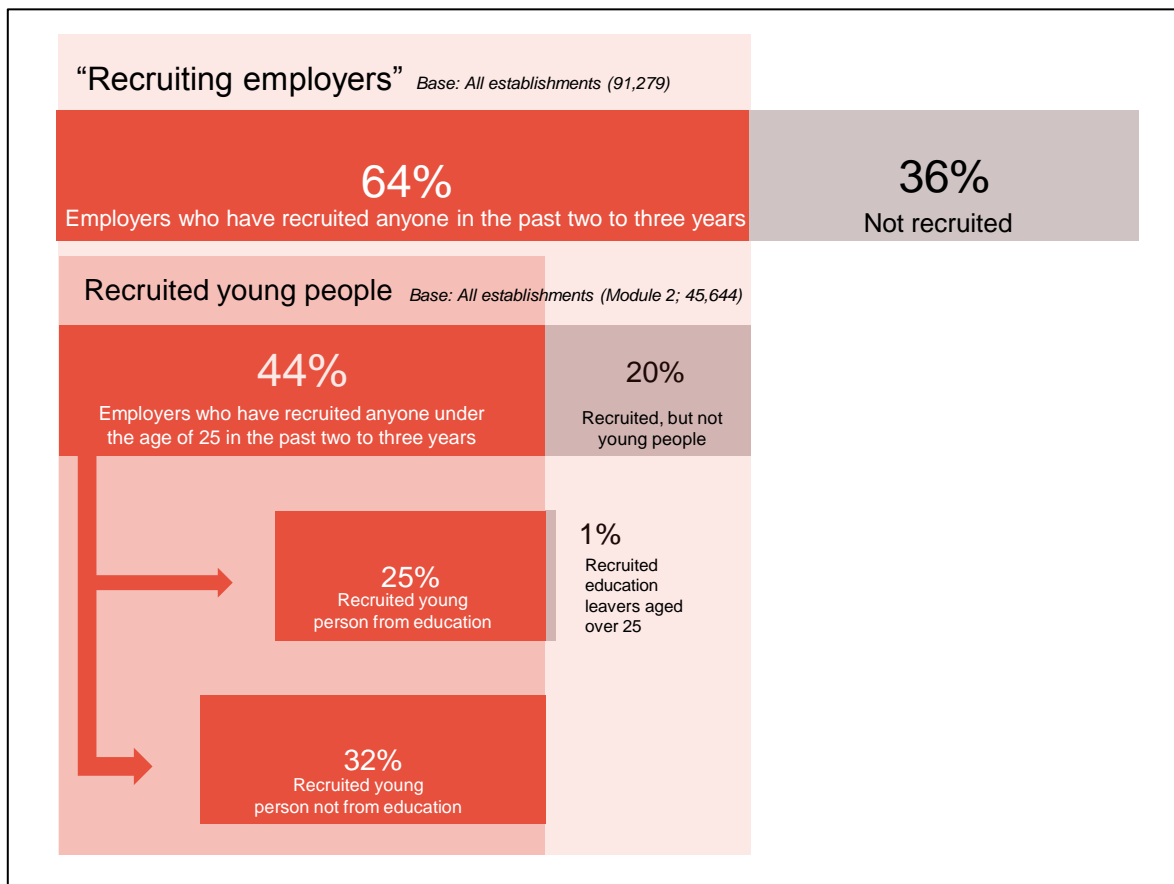
Figure 5.1 summarises recruitment of young people in these two groups across the UK. It shows that:

- **Most employers who have recruited in the last two to three years have recruited at least one young person aged under 25** (70 per cent of recruiting employers, equating to 44 per cent of all employers)
- **Most employers who have recruited a young person have recruited at least one education leaver:** 58 per cent of employers who have recruited young people in the last two to three years have recruited directly from education, equating to 25 per cent of all employers.

²² Employers in Scotland were asked slightly different questions to those in England, Northern Ireland and Wales. Scottish employers were not asked to distinguish between 16 and 17-18 year old school leavers, but simply asked about employment of school leavers per se. Scottish employers were also asked to focus on their employment of young people in their first jobs on leaving a Scottish educational establishment.

- While a quarter of establishments hired education-leavers under the age of 25, more employers recruit young people who are not entering their first job after leaving education (whether this be young people who are going into their second or third job, or young people who are still in education²³): in the last two to three years a third of employers (32 per cent) recruited young people under the age of 25 who were not entering their first job after education. Enhanced competition for jobs means employers are in a position to be able to select from a wider pool of candidates, including those education-leavers who have secured additional work experience.

Figure 5.1 Employer recruitment of young people - summary



²³ A recent report by the Institute of Public Policy Research (IPPR) based on recent employment figures from ONS has suggested a large decrease in the proportion of young people who are working at the same time as they are studying.

5.3 Recruitment of education leavers

Just over a quarter of establishments (27 per cent) had recruited someone directly into their first job after leaving education in the past 2-3 years. The vast majority of these (25 per cent) had recruited an education leaver aged under 25; a further one per cent had recruited an HEI leaver aged 25 or over²⁴.

By and large, patterns of recruitment of education leavers followed patterns of recruitment of young people more generally:

- Employers in Northern Ireland were less likely to recruit education leavers compared to elsewhere in the UK (22 per cent in Northern Ireland compared with 27 per cent in England and Wales and 29 per cent in Scotland).
- Larger employers were more likely to have recruited education leavers into their first job than smaller employers. Across all countries, the majority of employers with 25 or more employees have recruited an education leaver over the last two to three years, rising to over three-quarters of employers with 100 or more employees.
- Employers in the Education sector were by far the most likely to have recruited education leavers into their first job (50 per cent had done so), followed by 35 per cent in the Hotels and Restaurants. Employers in the Agriculture and the Construction sectors were by far the least likely (13 per cent and 18 per cent respectively).

In overall terms these figures represent a decrease in recruitment of education leavers since 2011, when 29 per cent of employers across the UK said they had recruited an education leaver in the previous two to three years. The reduction is particularly marked:

- **in Northern Ireland**, which previously recorded levels of recruitment of education leavers close to the UK average at 28 per cent
- **among the smallest employers**: in 2011, 17 per cent of employers with fewer than five employees had recruited an education leaver, falling to 13 per cent in 2013. Conversely, the proportion of medium sized and larger employers who recruited education leavers increased between 2011 to 2013.
- **within the Agriculture and Construction sectors**, where recruitment of education leavers fell, respectively, from 20 per cent to 13 per cent and from 25 per cent to 18 per cent. (Recruitment of young people fell across all sectors, although to a less marked extent elsewhere).

²⁴ These two figures (25 per cent and one per cent) combine to create the total figure for recruitment of education leavers of 27 per cent, with the apparent discrepancy being a result of rounding.

5.3.1 Recruitment from different stages of education

Young people leave education and enter the job market at a number of different stages and from different types of institution.

The survey asked employers in England, Northern Ireland and Wales whether they had recruited people: at age 16 from school, at age 17-18 from school, at age 17-18 from an FE college or from an HEI (at whatever age).

Employers in Scotland were asked a slightly different set of questions. They were asked about school leavers per se (rather than separating out those leaving at 16 from those leaving at 17 to 18) and they were asked about their recruitment of leavers from **Scottish** education institutions specifically. This was to ensure consistency with UKCESS 2011 and the historical Scottish Employer Skills Survey series.

Table 5.1 presents findings for both sets of questions and for employers across the UK, for 2011 as well as for 2013.

Table 5.1 Incidence of recruitment of education leavers into their first jobs by country (2011 vs. 2013)

	England		Northern Ireland		Wales		Scotland	
	2011	2013	2011	2013	2011	2013	2011	2013
<i>Unweighted base</i>	74,156	72,255	3,921	4,014	5,958	5,996	2,487	6,014
	%	%	%	%	%	%	%	%
Recruited any education leaver	29	27	28	22	28	27	28	29
Recruited any school leaver	16	14	15	11	14	15	17	17
16 year old school leaver	9	8	7	6	9	8	N/A	
17-18 year old school leaver	11	11	10	9	10	11		
Recruited college leaver	10	12	9	8	11	11	10	11
Recruited HEI leaver	12	14	13	12	12	13	11	12

Base: All establishments

NB: Employers in Scotland were responding to questions about their recruitment of people leaving Scottish educational establishments, whereas the location of the establishment was not referenced in the questions to English, Northern Irish or Welsh employers.

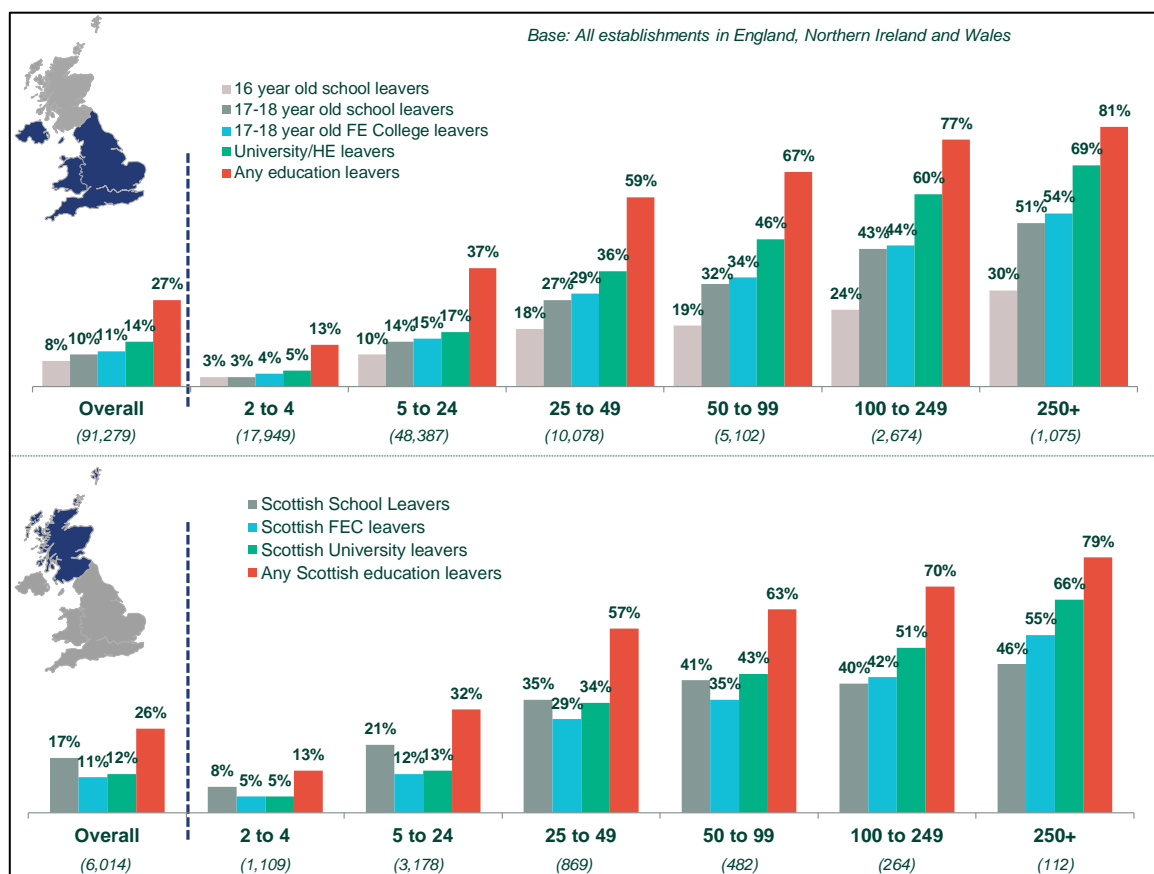
In England, Northern Ireland and Wales the patterns of recruitment from different phases of education are very similar: employers are least likely to recruit 16 year olds from school, and most likely to recruit graduates. Employers in Northern Ireland are less likely than their counterparts in England and Wales to recruit any of the groups of education leaver. See Table A.5.1 in Annex A for a breakdown by size and sector.

It is difficult to make firm comparison between employers in Scotland and those in the rest of the UK because the questions asked were slightly different, but the indications are that patterns are broadly similar, in particular in respect of recruitment of college and HEI leavers. See Table A.5.2 in Annex A for a breakdown by size and sector.

In the main, findings in 2013 are very similar to in 2011, with the notable exception of decreased recruitment of young people from schools in Northern Ireland.























As with recruitment activity in general, the larger the establishment the more likely they are to recruit an education leaver from each of the groups into their first job. Figure 5.2 shows that across all countries, the majority of employers with more than 100 employees recruited at least one graduate into their first job on leaving HE.

Figure 5.2 Incidence of recruitment in the last 2-3 years of education leavers into their first jobs by size of establishment



There is considerable variation in rates of recruitment of education leavers across the different sectors of the economy. Full detail is shown in Table A.5.3 in Annex A; Table 5.2 below picks out some of the most marked differences and patterns.

Table 5.2 Sector patterns of recruitment of education leavers

HIGH LEVELS OF RECRUITMENT	LOW LEVELS OF RECRUITMENT
Establishments that recruited from....	
SCHOOL	
 <p>Hotels & Restaurants 23%</p>	 <p>Agriculture, hunting, forestry and fishing 8%</p>
 <p>Wholesale and retail trade 18%</p>	 <p>Real estate, renting and business activities 9%</p>
 <p>Education 15%</p>	 <p>Financial services 10%</p>
	 <p>Transport storage and communications 10%</p>
Establishments that recruited from....	
FURTHER EDUCATION COLLEGES	
 <p>Hotels & Restaurants 19%</p>	 <p>Agriculture, hunting, forestry and fishing 5%</p>
 <p>Health and social work 17%</p>	 <p>Construction 6%</p>
 <p>Education 16%</p>	 <p>Real estate, renting and business activities 8%</p>
	 <p>Financial services 9%</p>
Establishments that recruited from....	
HIGHER EDUCATION INSTITUTIONS	
 <p>Education 38%</p>	 <p>Agriculture, hunting, forestry and fishing 3%</p>
 <p>Public admin and defence, compulsory social security 20%</p>	 <p>Construction 4%</p>
 <p>Financial services 18%</p>	 <p>Manufacturing 9%</p>
 <p>Health and social work 17%</p>	
 <p>Real estate, renting and business activities 17%</p>	
	<i>Base: All establishments</i>

Education employers have a high propensity to recruit education leavers at all levels; employers in Hotels and Restaurants are frequent recruiters of education leavers from schools or colleges; and employers in the Health and Social Work sector are frequent recruiters of college leavers and of graduates.

It is rare for employers in the Agriculture sector to recruit education leavers at any level; Construction employers are highly unlikely to recruit graduates or college leavers.

Financial Services employers and those in Business Services rarely recruit from school or college but are among the most likely to recruit graduates.

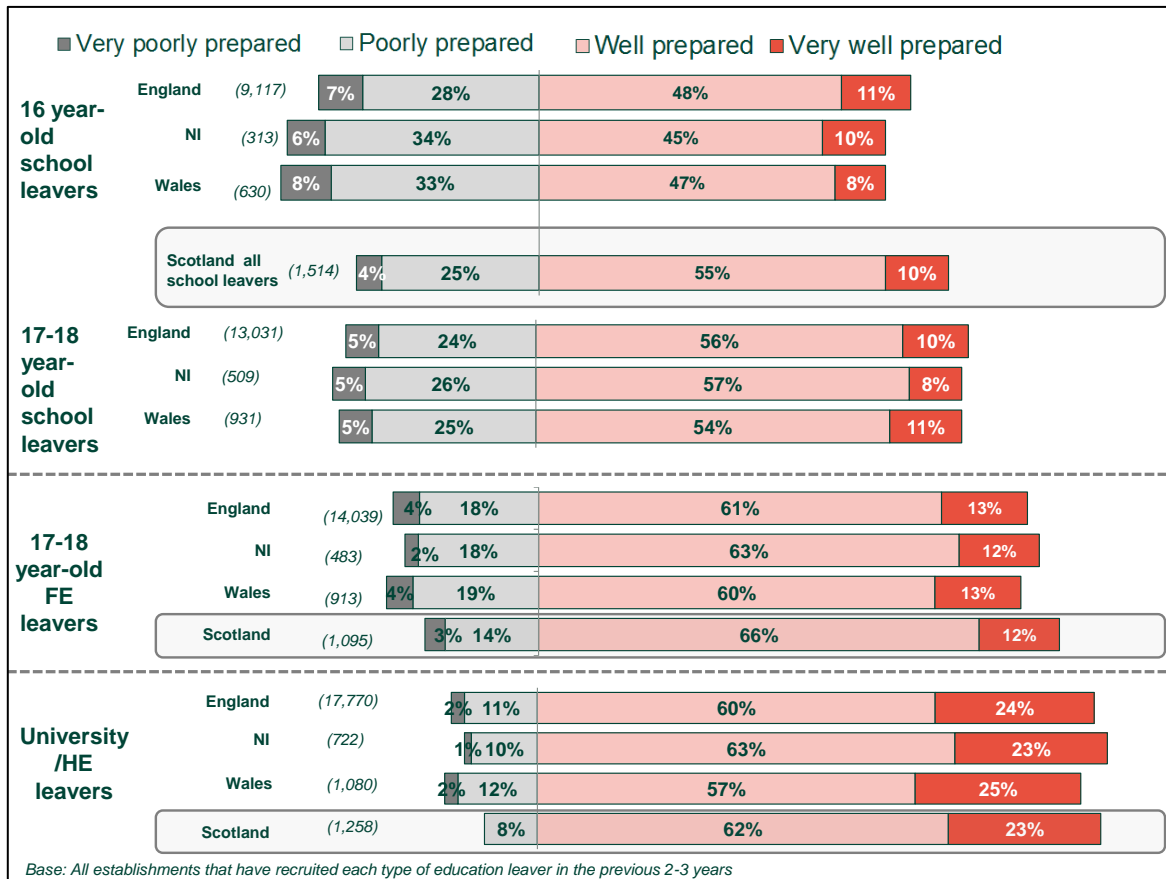
5.4 Perceived work readiness of education leavers

It is often argued that the UK's education system does not do enough to prepare young people for the world of work. UKCESS 2013 asked employers directly how well prepared for work they had found the young people they had recruited from education. In line with 2011 findings, the majority of employers found the majority of education leavers at each educational stage to be well prepared.

In England, Northern Ireland and Wales, 59 per cent of employers felt 16 year old school leavers they had recruited were very well or well prepared. Two-thirds (66 per cent) of employers felt that 17-18 year olds recruited from school were well / very well prepared and three-quarters (74 per cent) agreed that new recruits from FE colleges employed into their first jobs were very well or well prepared. The highest level was found among those taking on HE graduates where 83 per cent said their recruits were well / very well prepared. For Scottish employers who recruited education leavers a similar pattern emerges, with 65 per cent considering Scottish secondary school leavers to be prepared, rising to 78 per cent amongst those employing recruits from FE colleges and to 85 per cent for recruiters of Scottish HE graduates. Further detail is included in Tables A.5.4 and A.5.4(i) in Annex A.

These figures are consistent with the 2011 Employer Skills Survey and reflect that employers generally consider investment in education to pay off in delivering new recruits who are increasingly prepared for the world of work the further they have pursued education (see Table A.5.5 in Annex A).

Figure 5.3 Work-readiness of those recruited straight from education



In 2011 there was a clear pattern whereby smaller establishments were less likely to find education leavers at each level to be well prepared than larger establishments. Although less marked, this pattern persisted in 2013 in respect of HE leavers (75 per cent of employers with 2-4 employees said their recruits from HE were well or very well prepared but this figure rose to 86 per cent amongst employers with more than 250 staff). However, it was not replicated amongst school leavers where there was little difference in perceptions of preparedness by size band.

As detailed in Tables A.5.5(i) and A.5.5(ii) in Annex A, there were also some patterns evident by sector including amongst establishments in England, Wales and Northern Ireland in the proportions considering new recruits to be well prepared for work:

- Amongst employers who had recruited 16 year old school leavers, those in Wholesale and Retail and Agriculture were more likely to feel they were prepared well (63 per cent and 67 per cent respectively), with those in Financial Services (53 per cent) and Manufacturing (54 per cent) the least likely compared to the UK average (59 per cent);

- Wholesale and Retail and Education employers were highly likely to feel 17-18 school leavers were well prepared (both 71 per cent) whilst sectors where employers were less likely to report this included Manufacturing (59 per cent) and Electricity, Gas and Water (58 per cent) than the economy average (66 per cent);
- Among establishments taking on 17-18 year old FE College leavers, those in Wholesale and Retail (78 per cent) and Education (78 per cent) were the most likely to consider their recruits well prepared. Fewer employers in Transport and Communications (64 per cent) and Electricity, Gas and Water (62 per cent) felt new recruits were well prepared compared to the all-sector average (74 per cent);
- In terms of the graduate recruitment market, Education employers (again) were most likely to describe graduate recruits (91 per cent) as well prepared. Public Administration employers also reported higher figures (88 per cent) than average (83 per cent). Those in Business Services and Transport and Communications were the least likely to consider their HE recruits as well prepared (79 and 75 per cent).

5.5 Skills and attributes lacking in education leavers

Where establishments had signalled that their new recruits were poorly prepared for work, employers were asked to indicate what specific skills or attributes their education leavers were lacking. Findings are summarised for all nations in Table 5.3.

Table 5.3 Skills and attributes lacking in education leavers

<i>Row percentages</i>	<i>Unwtd base</i>		Lack of working world, life experience or maturity	Poor attitude, personality or lack of motivation	Lack of required skills or competencies	Lack of common sense	Literacy/numeracy skills	Poor educational attainment
UK								
School Leavers	19,597	%	22	18	10	5	4	3
FE College Leavers	16,530	%	13	10	7	3	2	1
University/HE Leavers	19,028	%	7	4	5	2	1	1
England								
School Leavers	16,301	%	22	18	10	6	4	3
FE College Leavers	14,039	%	14	11	7	3	2	1
University/HE Leavers	15,968	%	8	5	5	2	1	1
Northern Ireland								
School Leavers	608	%	22	16	14	6	3	2
FE College Leavers	483	%	13	9	7	2	2	1
University/HE Leavers	722	%	6	4	5	1	1	1
Wales								
School Leavers	1,174	%	23	20	11	5	4	3
FE College Leavers	913	%	13	11	9	3	3	1
University/HE Leavers	1,080	%	10	7	5	2	*	*
Scotland								
School Leavers	1,514	%	21	14	9	2	3	1
FE College Leavers	1,095	%	9	7	9	4	1	1
University/HE Leavers	1,258	%	6	3	4	*	*	*

Base: Establishments who had recruited each type of education leaver

*** denotes a figure larger than zero but smaller than 0.5%*

The most commonly cited reason for education leavers of all types being poorly prepared for work was that the new recruits lacked experience of the working world or experience of life in general. This was mentioned in higher proportions amongst those recruiting younger leavers (22 per cent of establishments who recruited school leavers) than older cohorts (seven per cent for those recruiting HE leavers). In England, Northern Ireland and Wales a distinction was made between 17-18 year old school leavers and FE College leavers; lack of experience of the working world and life in general was notably more likely to be cited by those recruiting school leavers of this age (18 per cent) compared to those taking on their counterparts from FE (14 per cent).

The second most common area employers highlighted when they described education leavers as poorly prepared was a lack of motivation and/or a poor attitude to work in general. This was the case for almost one in five employers who had recruited a school leaver (18 per cent) and for one in ten establishments who had recruited an FE College leaver; lack of motivation or poor attitude among HE graduates was reported among just five per cent of recruiting establishments.

Just under one in ten establishments who had recruited a school or college leaver of any age perceived their new recruits to lack the required skills or technical competencies necessary for the job. Only five per cent of those taking on HE graduates felt this way.

5.6 Recruitment of young people

Overall, 44 per cent of employers across the UK had recruited a young person under the age of 25 in the two to three years prior to their interview.

Employers in England, Scotland and Wales were equally likely to have recruited young people (45 per cent, 46 per cent and 45 per cent respectively); employers in Northern Ireland were considerably less likely to have done so (35 per cent). This pattern of lower rates of recruitment of young people in Northern Ireland than in the rest of the UK is in line with that reported in UKCEPS 2012 which measured recruitment of young people between Spring 2011 and Spring 2012.

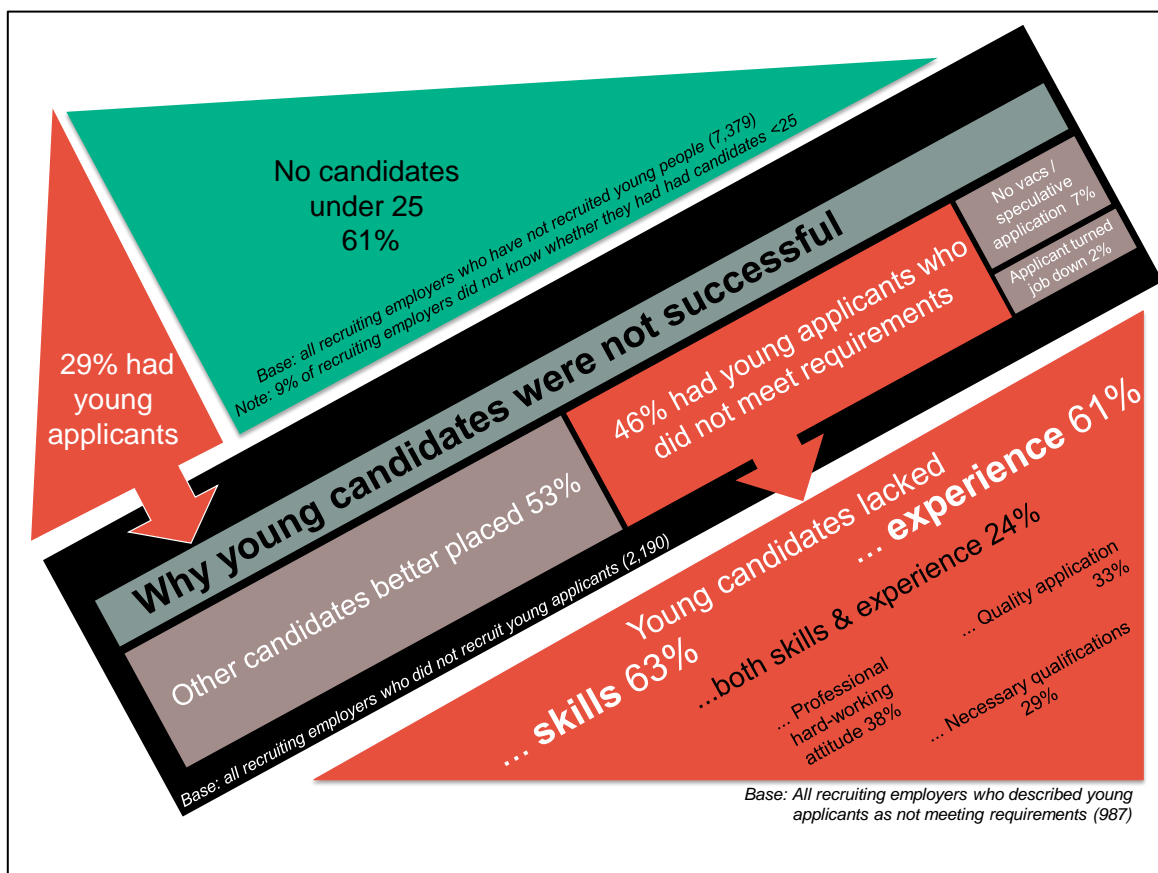
As one would expect, there is considerable variance by size of employer. A quarter of establishments with 2-4 employees (25 per cent) taking on staff have recruited a young person in the past 2 to 3 years, compared to 94 per cent of establishments with 250 or more employees. This reflects not only that larger employers are more likely to recruit, but also that they recruit in greater numbers (with an enhanced likelihood that some of their recruits are young people).

Rates of recruitment of young people vary considerably between sectors. On one hand, three in five establishments in the Education sector (62 per cent) and a similar proportion in the Hotels and Restaurants sector (59 per cent) had recruited a young person over the last 2 to 3 years. On the other hand, a minority of employers in the Agriculture and Construction sectors had recruited a young person in that time (23 per cent and 30 per cent respectively)

5.7 Barriers to recruiting young people

In a new question area developed for the 2013 survey, the 30 per cent of employers who recruited over the last two to three years but who had not taken on a young person (equivalent to 19 per cent of all employers) were asked why they had not done so. They were first asked whether it was because they had not received applications from young people or because they had made a choice not to recruit young applicants. In the latter case, employers were asked if this was simply a case of competition for jobs or if the young applicants exhibited shortcomings which stopped them being recruited. Figure 5.4 represents their responses.

Figure 5.4 Reasons why some recruiting employers do not recruit young people



In the majority of cases, no young people had been taken on for the simple reason that none had applied. Almost two-thirds of recruiting employers (61 per cent) who had not recruited young people reported this to be the case. This figure was higher in England and Northern Ireland (both 62 per cent) than in Scotland (58 per cent) and Wales (55 per cent).

Where employers had not taken on any young people who had applied, there were two main explanations. Most commonly, it was a case of competition with other (presumably older, more experienced) applicants being preferred over young applicant(s) who had the required skills and experience to do the job: 53 per cent of establishments who had not recruited any of their young applicants explained their choices in this way. A further small group of employers (seven per cent of those receiving, but not taking on any young applicants) said that the applications were speculative and that there were no vacant posts for the young person to take at the time they applied. In a very small proportion of cases (two per cent of employers who had not taken on young applicants) it was in fact the young person who had turned down the offer of the job, rather than the employer turning them down.

A large minority of employers (46 per cent) who had not taken on a young applicant(s) said that this was because the young applicant(s) did not meet their requirements.

Employers in Scotland were less likely to state this (38 per cent) than those in England (47 per cent) and Wales (45 per cent), although it was in Northern Ireland that this view was most commonly expressed (51 per cent). Employers in Transport and Communications (62 per cent) were particularly likely to have had this experience compared to the economy-wide average (46 per cent).

Where employers considered young applicants not to meet requirements, the majority (63 per cent) said they lacked the necessary skills and 61 per cent relevant work experience. Nearly a quarter (24 per cent) said they lacked both.

Employers in Northern Ireland who reported that young applicants did not meet requirements were particularly likely to question their skills levels: 75 per cent said that they lacked the necessary skills. A lack of work experience was particularly likely to be given as a reason for failing to employ young people by employers in the Health and Social Work, Financial Services and Transport and Communication sectors (71 per cent, 70 per cent and 72 per cent respectively).

Other less frequently mentioned reasons for not employing a young person included where the employers felt that candidates lacked a professional or hardworking attitude or the motivation that they typically look for (this was the case for 38 per cent of establishments where young applicants did not meet the employer's requirements). A third of employers (33 per cent) felt that the young person had not communicated their employability well enough either through their CV, covering letter, application form or at interview. Finally, slightly lower proportions (29 per cent) said the candidates lacked the necessary qualifications they look for in a suitable employee.

5.8 Skills deficiencies and training among employers who recruit young people

In this final section of the chapter we look briefly at the extent to which employers who recruit young people experience skills deficiencies and at the extent of their workforce development activity.

Table 5.4 highlights differences between employers who have recruited young people, those who have recruited education leavers, and recruiting employers who have not recruited a young person in terms of some of the key UKCESS measures: the prevalence of vacancies and skills gaps, and the extent of training activity.

Table 5.4 Skills deficiencies and training activity among employers who recruit young people and education leavers

	Recruited a Young Person	Recruited school leaver	Recruited FEC leaver	Recruited HE leaver	Recruited but not a Young Person
	%	%	%	%	%
<i>Unweighted base</i>	27,067	19,597	16,530	19,028	7,867
Have vacancies	24	28	31	34	14
Have skill-shortage vacancies	7	8	9	10	4
Skill-shortage vacancies as % of all vacancies	22	21	21	21	25
Skill-shortage vacancies as % of all hard-to-fill vacancies	78	78	80	82	76
Have skill gaps	27	34	33	31	14
Skills gap density	6	7	7	6	4
Train at all	81	85	87	88	74
% of staff trained	65	68	71	71	55

Base: Establishments who had recruited each type of individual(s)

This analysis evidences some quite substantial differences between employers who had recruited young people, including education leavers, and recruiting employers who had not recruited from these groups.

Employers who had recruited young people and/or education leavers over the past two to three years were around twice as likely to have vacancies, hard-to-fill vacancies and skill-shortage vacancies as recruiting employers who didn't recruit from these groups. This suggests that they continue to have a greater demand for (new) labour.

It was not the case, however, that a larger proportion of their vacancies were proving to be hard-to-fill, or indeed that a greater proportion of their hard-to-fill vacancies were skill-shortage vacancies. So although they have a greater demand for (new) labour, they do not appear to be more challenged in the labour market.

Employers who had recruited young people and/or education leavers over the past two to three years were considerably more likely to have staff who were not fully proficient than other recruiting employers, and a larger proportion of their workforce lacked proficiency. They were also much more likely to fund or arrange training for their staff than those that had not, and they funded and arranged training for a larger proportion of their workforce.

5.9 Conclusions

Although there has been an increase in recruitment activity since the 2011 survey, and although most recruiting employers have recruited at least one young person over the last two to three years, there has been a fall in the proportion of employers recruiting young people from education.

Around a quarter of employers recruited at least one education leaver in that period (27 per cent, down from 29 per cent in 2011). Most of them found these recruits to be well or very well prepared for work, although as many as four in ten employers taking on school leavers at 16 from schools in England, Northern Ireland or Wales described the recruits as poorly prepared (as do three in ten employers in Scotland taking new recruits from Scottish schools between the ages of 16 and 18).

The main obstacle to (more) young people getting new jobs is competition in the market place rather than perceptions that young applicants do not have the capability to perform in the job role. Where it was felt a young applicant did not meet requirements for the role, the main reasons cited were a lack of skills and experience, and sometimes both. Three in five recruiting employers (61 per cent) who had not recruited a young person said they had had no applications from young people.

Employers who had recruited young people and/or education leavers over the past two to three years appeared to have a greater demand for (new) labour than other employers, being around twice as likely to have vacancies. It was not the case, however, that a larger proportion of their vacancies were proving to be hard-to-fill, or indeed that a greater proportion of their hard-to-fill vacancies were skill-shortage vacancies. So although they have a greater demand for (new) labour, they do not appear to be more challenged in the labour market.

They are more challenged by skills in their existing workforce: they are more likely to have staff who were not fully proficient than other recruiting employers, and a larger proportion of their workforce lack proficiency. They are also more likely to train, and they fund and arrange training for a larger proportion of their workforce.

This raises a number of questions including:

- Whether these employers train more because they need to as a reflection of the make-up of their workforce (for example the very fact that they have taken on young people who need training); or whether their confidence in their training structures makes the recruitment of young people / education leavers a less risky choice for them;
- Whether they train more because they have more skills gaps or whether they recognise more skills gaps because they train more, and more assiduously;
- Whether these employers take on young people because that is the only way for them to satisfy their demand for labour, or whether their choice to recruit young people is a more positive one that reflects the nature of their business operations and the way in which they pursue them.

Further investigation will be required in order to develop answers to these questions.

6 High performance Working Practices and Product Market Strategies

6.1 Chapter Summary

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 – 12 per cent – who are “**High Performance Working employers**” in the sense that they adopt a number of specific work practices.

Such employers are considerably more active in the recruitment market than average: twice as many have a vacancy as non-HPW employers (29 per cent compared to 13 per cent). The evidence suggests that they find it easier to fill the vacancies they have than non-HPW employers do: under a quarter of HPW employers’ vacancies were proving hard-to-fill (22 per cent) compared to a third among non-HPW employers. Similarly a smaller proportion of HPW employers’ vacancies are skill-shortage vacancies (19 per cent, compared to 25 per cent among non-HPW employers).

HPW employers are also considerably more likely to experience skill gaps than non-HPW employers (23 per cent compared to 14 per cent), although the proportion of their workforce that lacks proficiency is in line with the national average (five per cent).

HPW employers are more likely to train and to train a higher proportion of their workforce.

Product Market Strategies (PMS) are defined within UKCESS 2013 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 two in five private sector employers in the UK 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.

The higher an employer's composite PMS score, the more likely it is that they will have a vacancy, hard-to-fill vacancy or skill-shortage vacancy. On the other hand, recruitment difficulties are broadly more pronounced among employers with a lower composite score than among those with a higher PMS score, in the sense that a greater proportion of their vacancies are hard-to-fill.

Similarly, employers with a high composite PMS score are more likely to identify skill gaps than employers with a low score, but the proportion of their workforce that lacks proficiency is no higher.

And in similar vein, employers with a higher composite PMS score are more likely to fund or arrange training for their staff.

6.2 Introduction

In previous chapters, this report has looked at employers' practice in funding and arranging training and at their experience of skills deficiencies (both skill shortages in the available labour market and gaps between the skills employers require and those which their employees currently possess), considering how these challenges affect employers in different parts of the UK, of different sizes and in different business sectors differently.

There are of course other ways of grouping employers to understand commonalities and differences between them; and in this chapter we use two categorisations based on combinations of responses to a number of survey questions to try to better understand what might underlie or influence employers' experiences of skill shortages and what drives them to fund and arrange training for their employees. These two categorisations are:

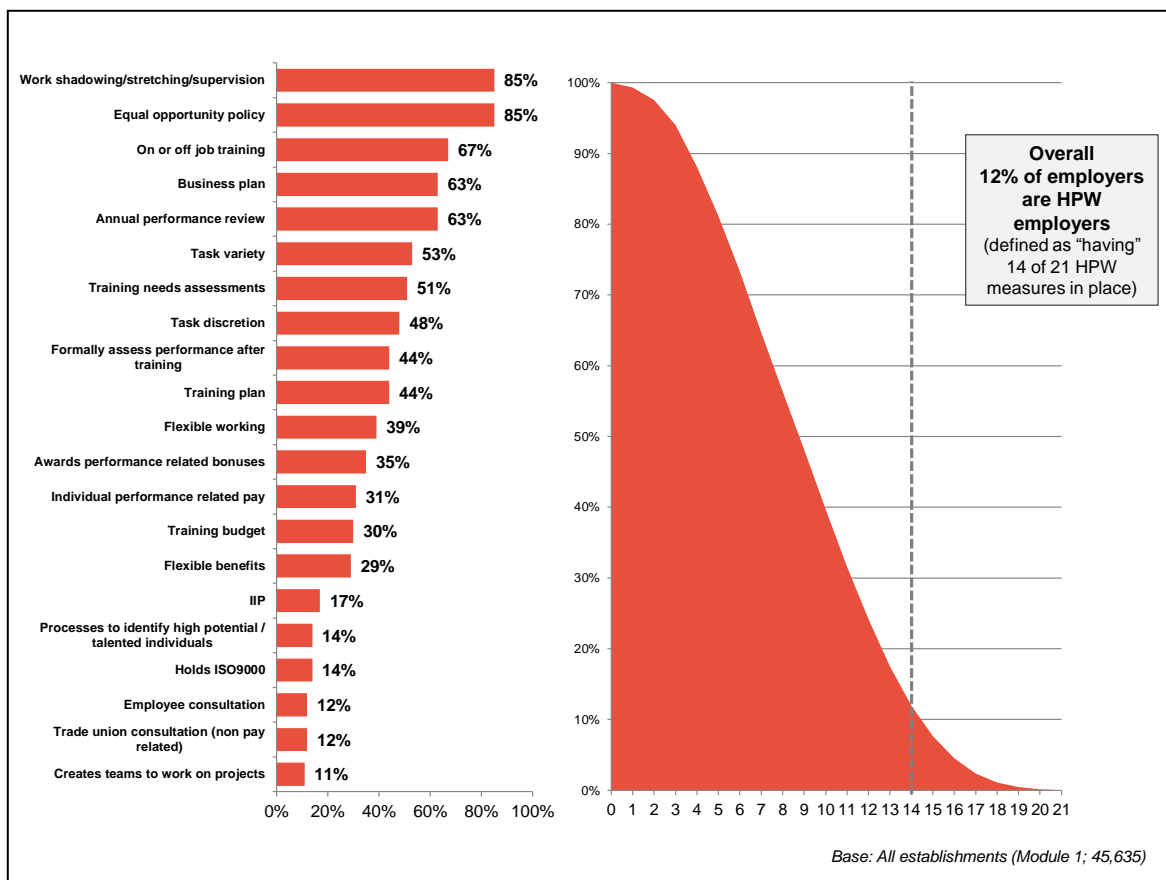
- Whether or not the employers are **High Performance Working (HPW) employers**
- The **Product Market Strategies (PMS)** that employers adopt

6.3 High Performance Working

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). There exists a considerable body of evidence showing that wider adoption of HPW practices can deliver improved business productivity and enhanced competitiveness; reflecting this evidence, the wider adoption of HPW practices has been encouraged by government and by labour market and business theorists as a means of augmenting economic growth (Stone et al., 2012).

UKCESS 2013 included a series of questions relating to a set of recognised HPW practices. These practices are illustrated in Figure 6.1 which shows the proportion of employers who adopt each practice (the bar chart on the left hand side of the graphic) and then the distribution of employers in terms of the total number of HPW practices they adopt (the area chart on the right hand side). This shows that 12 per cent of employers adopt 14 of the 21 High Performance Working practices that the survey covered; employers adopting 14 or above practices are classified here as Higher Performance Working employers (HPW employers).

Figure 6.1 Employer adoption of High Performance Working Practices



As one might expect there are considerable differences in the proportions of employers adopting each practice, and in the total number of HPW practices that different types of employers adopt. The key features are that:

- **larger employers are more likely to be HPW organisations than smaller employers**, although most HPW employers are nonetheless small. This is a function of the overall profile of employers, which is overwhelmingly geared towards smaller establishments. Around seven in ten HPW employers have 25 or fewer employees;
- there is considerable variation by sector: as many as 36 per cent of employers in the Public Administration, Education and Financial Services sectors are HPW employers, compared to one in 50 in Agriculture and one in 25 in Construction.

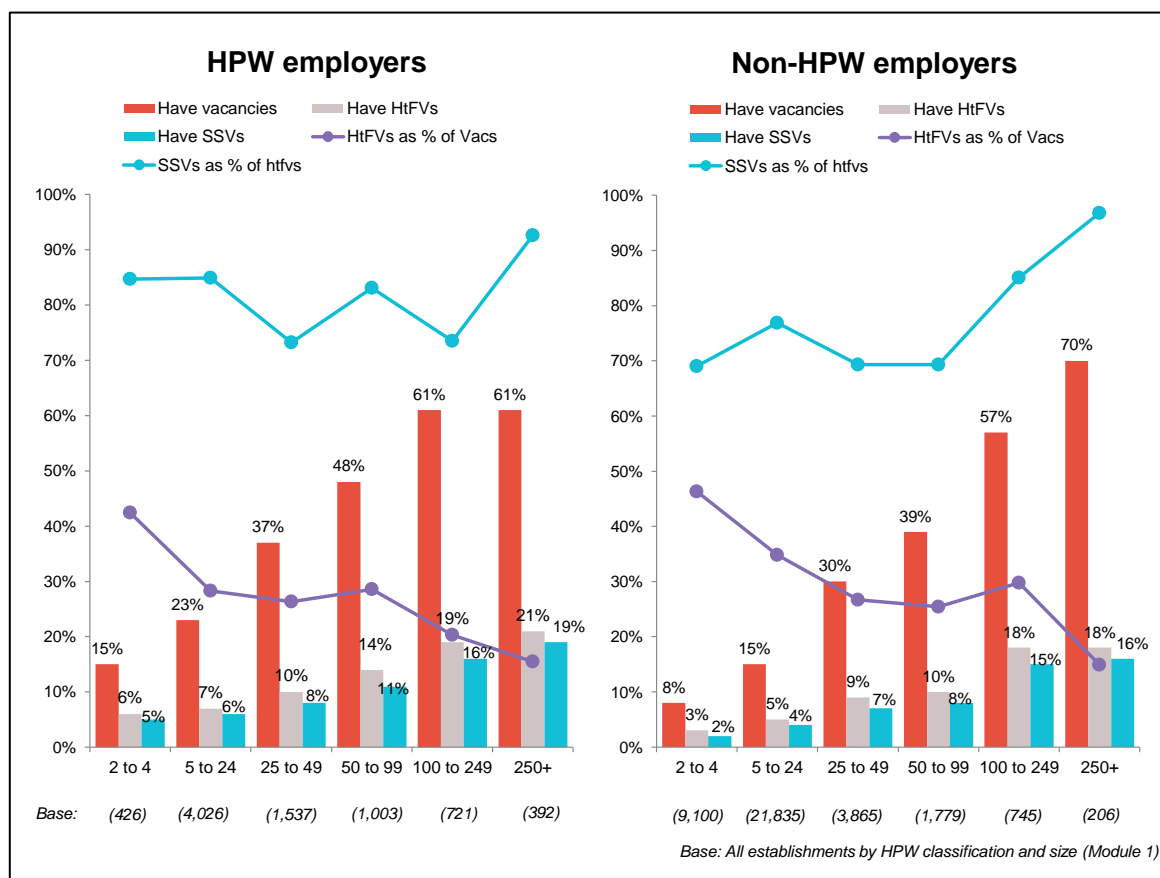
6.3.1 The relationship between HPW and skills shortages

It was reported in chapter two that 15 per cent of all establishments had at least one vacancy at the time of their interview (in Spring-Summer 2013). HPW employers are considerably more active in the recruitment market than average, with around twice as many of them having a vacancy (29 per cent) compared to non-HPW employers (13 per cent). In line with this greater propensity to recruit, HPW employers were also around twice as likely as non-HPW employers to have at least one hard-to-fill vacancy and at least one skill-shortage vacancy.

However, although HPW employers are more likely to experience at least one hard-to-fill and/or skill-shortage vacancy, in volume terms the evidence suggests that they actually find it easier to fill their vacancies. Under a quarter of all vacancies (22 per cent) reported by HPW employers were proving hard-to-fill, compared to a third (33 per cent) among non-HPW employers. Similarly, a smaller proportion of HPW employers' vacancies are considered skill-shortage vacancies (19 per cent, compared to 25 per cent among non-HPW employers).

These quite marked differences do not appear to be a function of differences between HPW and non-HPW employers in terms of their size (i.e. the fact that HPW employers tend to be larger, on average, than non-HPW employers). Among employers with fewer than 100 employees in particular, HPW employers are more likely to report vacancies, hard-to-fill vacancies and skill-shortage vacancies than their non-HPW counterparts, and – contrary to the overall trend - a higher proportion of their hard-to-fill vacancies are skill-shortage vacancies (see Figure 6.2). The patterns are less clear among larger employers. These data are also displayed in Table A.6.1 in Annex A.

Figure 6.2 Incidence and density of vacancies, hard-to-fill vacancies and skill-shortage vacancies by HPW classification and size



6.3.2 The relationship between HPW and skills gaps

HPW employers are also considerably more likely than other employers to experience skills gaps, although the same proportion of the workforce lacks proficiency across both types of employer (see Table 6.1). This could reflect that HPW employers are – by definition – more likely to engage in activities that are likely to leave them better placed to identify skill gaps (e.g. annual performance reviews, training needs assessments, formally assessing performance after training).

Table 6.1 Incidence, volume and density of skills gaps by HPW classification

	HPW employers	Non-HPW employers
<i>Unweighted Base</i>	8,105	37,530
	%	%
% of establishments with a skills gap	23	14
% of workforce with skills gaps	5	5

Base: All establishments in Module 1 by HPW classification.

Number of skills gaps rounded to nearest 100.

'Percentage of workforce with skills gaps' is shown as a proportion of all employment

It is very clear that this heightened experience of skill gaps **is not a function of establishment size**. The gap between HPW employers' experience of skill gaps and non-HPW employers' experience of skill gaps is consistent within all size bands; and across all size bands HPW employers and non-HPW employers report a similar proportion of their staff as lacking proficiency (see Table A.6.2 in Annex A).

6.3.3 The relationship between HPW and training

As previously shown in Figure 6.1, funding or arranging training is defined within this survey as a high performance working practice. It is unsurprising, therefore, that HPW employers are more likely to train than non-HPW employers (97 per cent do so, compared to 62 per cent of non-HPW employers). On average, HPW employers also train a much higher proportion of their workforce (75 per cent, compared to 56 per cent of non-HPW employers).

Again, these differences between HPW employers and non-HPW employers persist if one “controls” for other characteristics. For example, within different size bands HPW employers are more likely to train their employees and to train more of them; the story is the same in different sectors (see Table A.6.3 in Annex A).

6.4 Product market strategies

Product market strategies (PMS) describe the ways in which organisations choose to differentiate and position the products and services they provide within the markets in which they operate. It is thought that employers operating ‘higher’ product market strategies offer greater opportunity for sustainable business growth which should, in turn, place a greater demand on skills (see for example High Performance Working in the Employer Skills Surveys, UKCES 2013). The inter-relationship between PMS and workforce skills is a theme of key policy interest for government as the availability of workforce skills may have a bearing on the strategies that firms are able to pursue (and on their medium and long-term success).

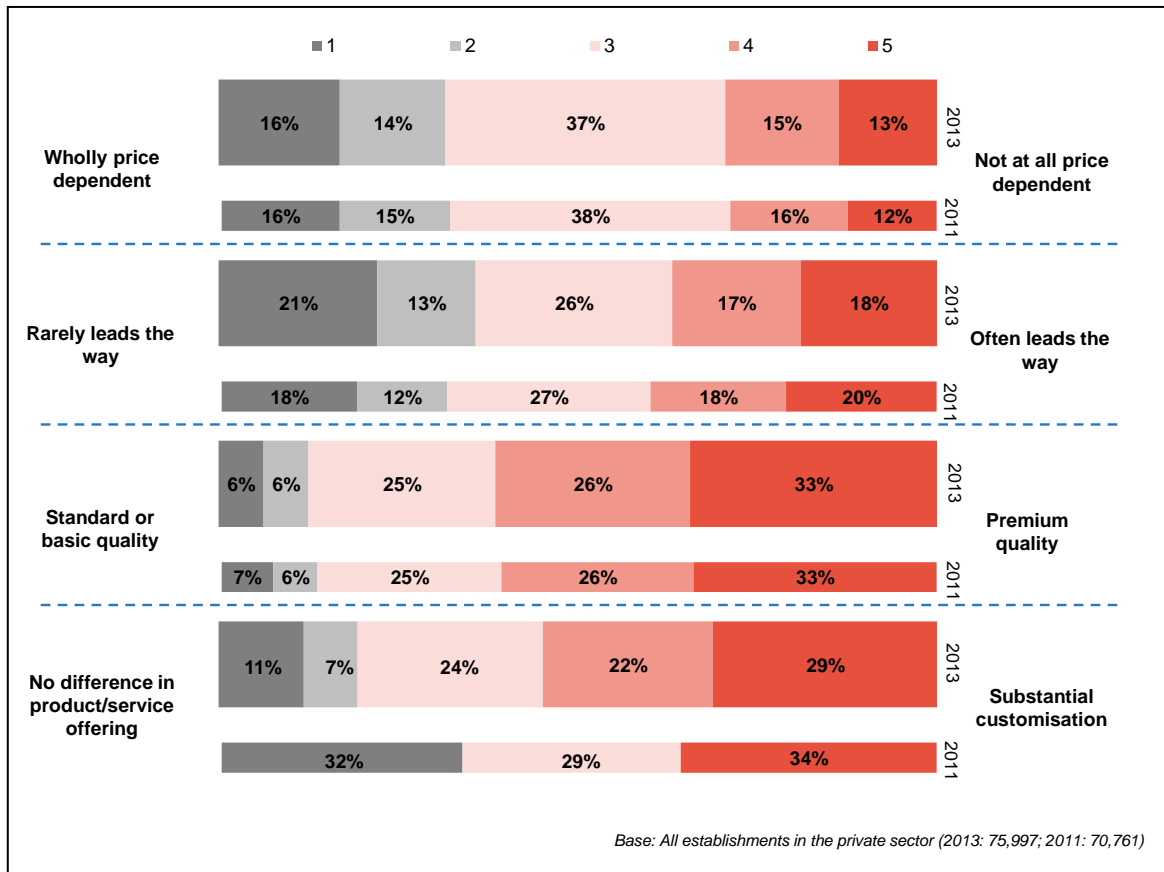
Within the survey, **private sector employers** were asked to rate their establishments on a five-point scale, compared to other establishments in the same industries, in terms of:

- the extent to which their competitive success depends on price;
- the extent to which the establishment tends to lead the way in their industry in terms of the development of new products, materials or techniques;
- the extent to which the establishment competes in a ‘premium quality’ or ‘standard or basic quality’ product market; and

- the extent to which they offer goods or services with a substantial amount of customisation according to customer requirements.²⁵

Figure 6.3 illustrates the overall responses to each of these individual product market ‘position statements’ in both 2013 (the broader bars) and in 2011 (the thinner bars), including the score attributed to each response.

Figure 6.3 Product Market Strategy positions



Employers’ responses to the first two product market ‘position statements’ – relating to price dependency and innovation – distributed more or less normatively across the five points of the scale as they did in 2011 (i.e. in both years, roughly equal numbers of employers said they rarely led the way as said they always did, and roughly equal numbers said their products / services were wholly price dependent as said they were not at all price dependent).

A larger proportion of employers described their offer as at the premium quality end of the scale than described their offer as “standard” or “basic” in quality. Again, responses very closely mirrored those recorded in 2011.

²⁵ Responses to the “no difference – substantial customisation” position statement were recorded on a 3 point scale in UKCESS 2011 and was switched to a 5 point scale in UKCESS 2013 in order to align it with the other ‘position statement’ questions.

Similarly, a greater proportion of employers described their product / service offering as allowing customisation than said it was standardised. Here things look different than they did in 2011. In part this is due to the question having previously been asked in a different way (in 2011, employers described the degree of customisation in their offer against a prompted three-point scale). An impact of this different scale appears to have been that a greater proportion of employers describe a degree of customisation in their offer than was previously the case.

6.4.1 Deriving a composite Product Market Index

In order to discern the overall Product Market Strategies of different establishments, the responses to the four product market 'position statements' were aggregated to derive a composite PMS 'score'. These composite scores were then converted to a fivefold classification ranging from 'very low' to 'very high', as detailed in Table 6.2. A high composite score indicates that the employer tends to lead the way in innovation in its sector, tends not to compete on price and/or tends to offer a premium and/or highly customised product or service. A low composite score indicates that the employer tends not to do any of these things.

Table 6.2 Overall composite Product Market Strategy scores

Aggregate PMS score		% of private sector UK establishments	% of private sector UK employment
1 to 7	Very low	4	2
8 to 10	Low	14	7
11 to 13	Medium	26	17
14 to 16	High	29	23
17 to 20	Very high	15	15

Base: All establishments in the private sector (75,997).

Overall, a greater proportion of establishments are classified as having a high PMS score than a low one with a sixth of establishments (16 per cent) categorised as having a 'low' or 'very low' product strategy compared to around two-fifths (38 per cent) categorised as having a 'high' or 'very high' product strategy.

It should be noted that due to the different ways in which the PMS questions were asked in 2011, the potential for accurate time series comparisons by PMS score is limited and has not been presented in this report.

6.4.2 Profiling higher and lower composite PMS score employers

Employers with a higher composite PMS score tend to be larger, on average, than those with a lower composite PMS score, although the differences are marginal, reflecting that the overwhelming majority of all establishments are small establishments with fewer than 25 employees (see Table 6.3). When one is talking about employers with a high composite PMS rating, one is predominately talking about smaller establishments and if we pick up on differences between PMS groupings, it is unlikely that these will be driven (solely) by size.

Table 6.3 Overall composite Product Market Strategy scores by size

	Very Low	Low	Medium	High	Very High
<i>Unweighted Base:</i>	2,818	9,507	19,333	23,106	12,729
	%	%	%	%	%
Size					
2-4	68	61	55	50	47
5-24	28	34	37	40	41
25-49	2	3	4	6	7
50-99	1	1	2	3	3
100-249	*	1	1	2	2
250+	*	*	*	1	1

Base: All establishments in the private sector (75,997).

*** denotes a figure larger than zero but smaller than 0.5.*

Table A.6.4 in Annex A provides further detail on the characteristics of employers in each PMS category in terms of country and sector. In short:

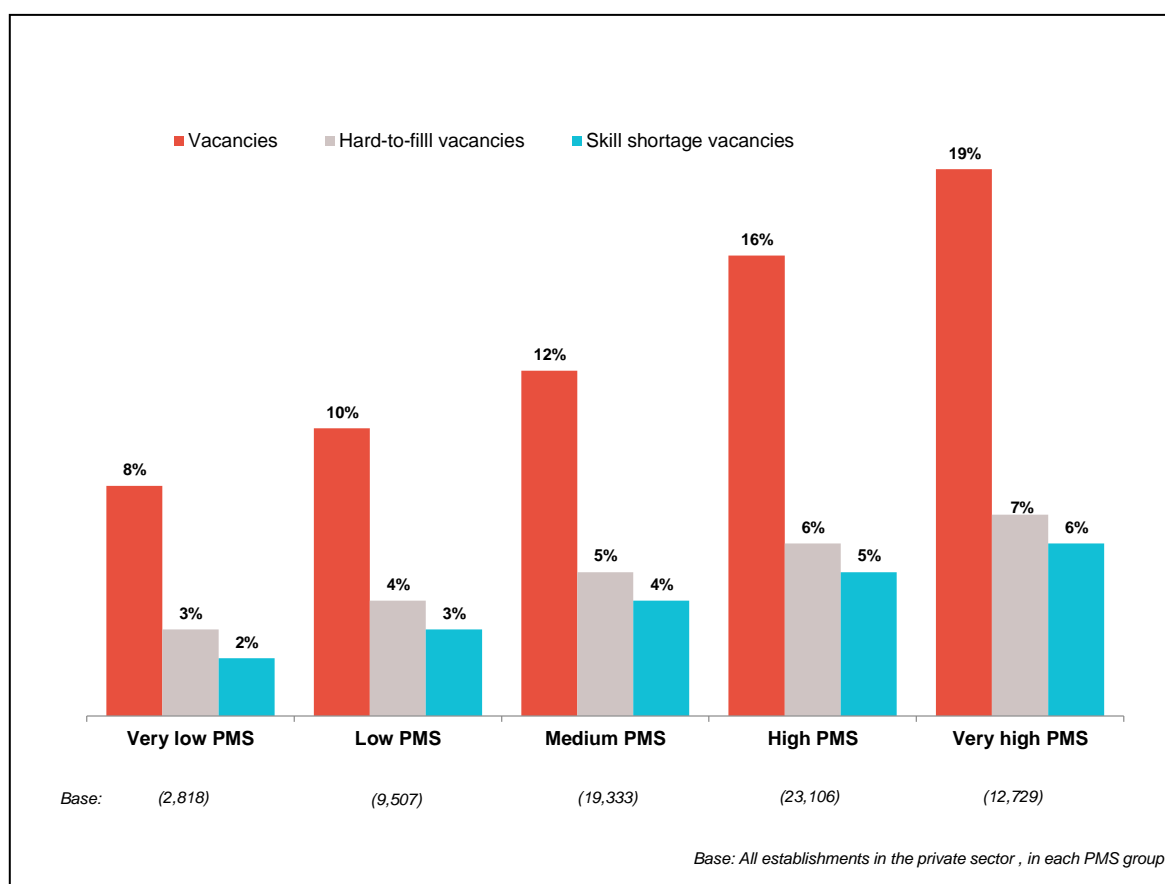
- Establishments with a ‘very high’ PMS score are disproportionately likely to operate in the Business Services and Wholesale and Retail services sectors (combined, these two sectors account for 46 per cent of all ‘very high’ PMS employers, compared to 41 per cent of all establishments).
- At the other end of the scale, employers with a ‘very low’ PMS score are disproportionately likely to be based in Wales (nine per cent, compared to five per cent of all establishments) and to be engaged in Agriculture (16 per cent compared to five per cent) or Construction (15 per cent compared to nine per cent).

6.4.3 Relationship between PMS and skills shortages

As discussed in chapter two, 15 per cent of all establishments have at least one vacancy, a figure that falls to 14 per cent if one considers only those operating in the private sphere. When differentiating these establishments based on their product market strategies it is clear that employers with a higher PMS score are more active in the recruitment market: 19 per cent of those with a very high score had a vacancy at the time of interview, compared with only eight per cent of establishments with a 'very low' score.

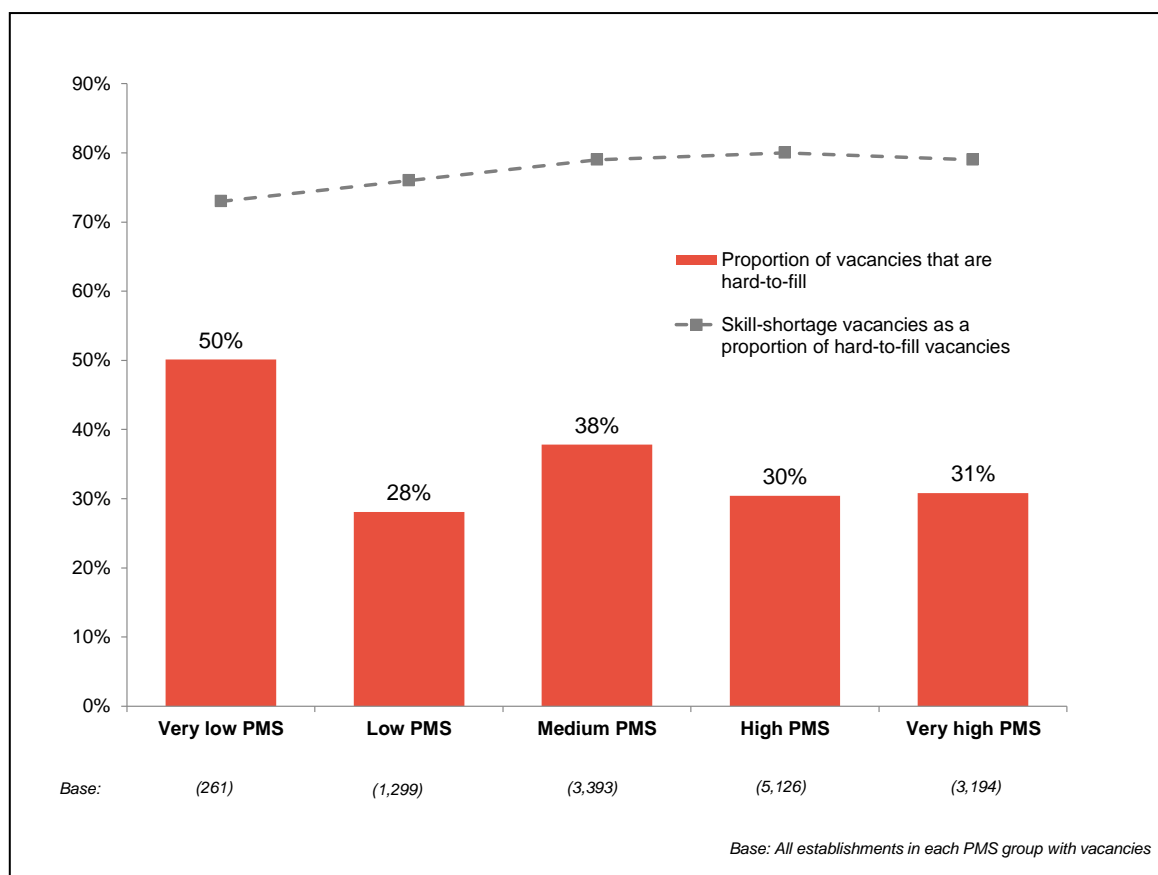
In line with this, establishments at the higher end of the PMS scale were also more likely to report both hard-to-fill vacancies and skill-shortage vacancies compared to those at the lower end of the scale (see Figure 6.4).

Figure 6.4 Incidence of vacancies, hard-to-fill vacancies and skill-shortage vacancies by Product Market Strategy classification



However, if one focuses on the proportion of all vacancies which are hard-to-fill and the proportion of hard-to-fill vacancies where skill shortages were reported, a different picture emerges. Recruitment difficulties are broadly more pronounced among employers with a lower composite PMS score than among those with a higher PMS score, in the sense that a greater proportion of their vacancies are hard-to-fill – although the relationship is not linear. On the other hand, the role that skill shortages play in this difficulty is slightly more marked among employers with a high composite PMS score – where a greater proportion of hard-to-fill vacancies are attributed to a lack of skills among job applicants (see Figure 6.5).

Figure 6.5 Proportion of all vacancies that were hard-to-fill and that were skill-shortage vacancies by Product Market Strategy classification



There are notable differences in the types of occupations where employers experience hard-to-fill and skill-shortage vacancies depending on their product market strategies. As detailed in Table A.6.5 and Table A.6.6 in Annex A, employers at the lower end of the PMS index experience greater difficulty in recruiting among the Skilled Trades, Sales and Customer Service and Machine Operatives occupations. On the other hand, employers at the higher end of the PMS index experience most difficulty in recruiting Professionals and Associate Professionals.

6.4.4 The relationship between PMS and skills gaps

It was detailed in chapter three that 15 per cent of all employers identify at least some skills gaps amongst their employees: this figure was consistent across both public and private sector establishments. This section examines the incidence and prevalence of skills gaps among private sector establishments with differing Product Market Strategies.

As detailed in Table 6.4, the relationship between an establishment's product market positioning and the incidence of skills gaps is not entirely linear, though employers at the higher end of the PMS index are more likely to have skills gaps among their staff than those at the lower end. However, the proportion of the workforce that is affected by skills gaps is fairly consistent across the differing categories of the PMS index. It does appear likely that the differing size profiles of employers with a high composite PMS score and those with a low composite PMS score drives this difference (see Table A.6.7 in Annex A).

Table 6.4 Incidence, volume and density of skills gaps by Product Market Strategy classification

	Very low	Low	Medium	High	Very high
<i>Unweighted Base</i>	2,818	9,507	19,333	23,106	12,729
	%	%	%	%	%
% of establishments with a skills gap	12	14	16	17	16
% of workforce with skills gaps	5	7	6	6	5

Base: All private sector establishments in each PMS classification.

Number of skills gaps rounded to nearest 100.

'Percentage of workforce with skills gaps' is shown as a proportion of all private sector employment

When considering the causes of skills gaps, there is a clear trend for establishments with a higher product market positioning to attribute their skills gaps to staff being new to the role and, related to this, training only being partially complete (see Table 6.5). This perhaps reflects the fact that employers at the higher end of the PMS index were more likely to be active in the recruitment market than those with a lower PMS rating. It can take time for new staff to reach full proficiency and so it could be that the skills gaps within higher PMS establishments are more transient than those in the lower PMS categories.

Table 6.5 Main causes of skills gaps (prompted), by Product Market Strategy

	Very low	Low	Medium	High	Very high
<i>Unweighted Base</i>	504	2066	4743	5638	2801
	%	%	%	%	%
Staff are new to the role	47	56	58	61	63
Their training is currently only partially completed	48	59	60	61	63
Staff lack motivation	39	36	36	33	30
They have been on training but their performance has not improved sufficiently	26	30	32	32	29
The introduction of new working practices	25	25	27	26	27
Staff have not received the appropriate training	28	29	29	27	25
Unable to recruit staff with the required skills	24	25	24	23	23
The introduction of new technology	21	20	19	20	21
The development of new products and service	16	17	20	21	23
Problems retaining staff	11	11	11	11	10
<i>Summary: New to role and/or training incomplete</i>	64	74	75	77	78

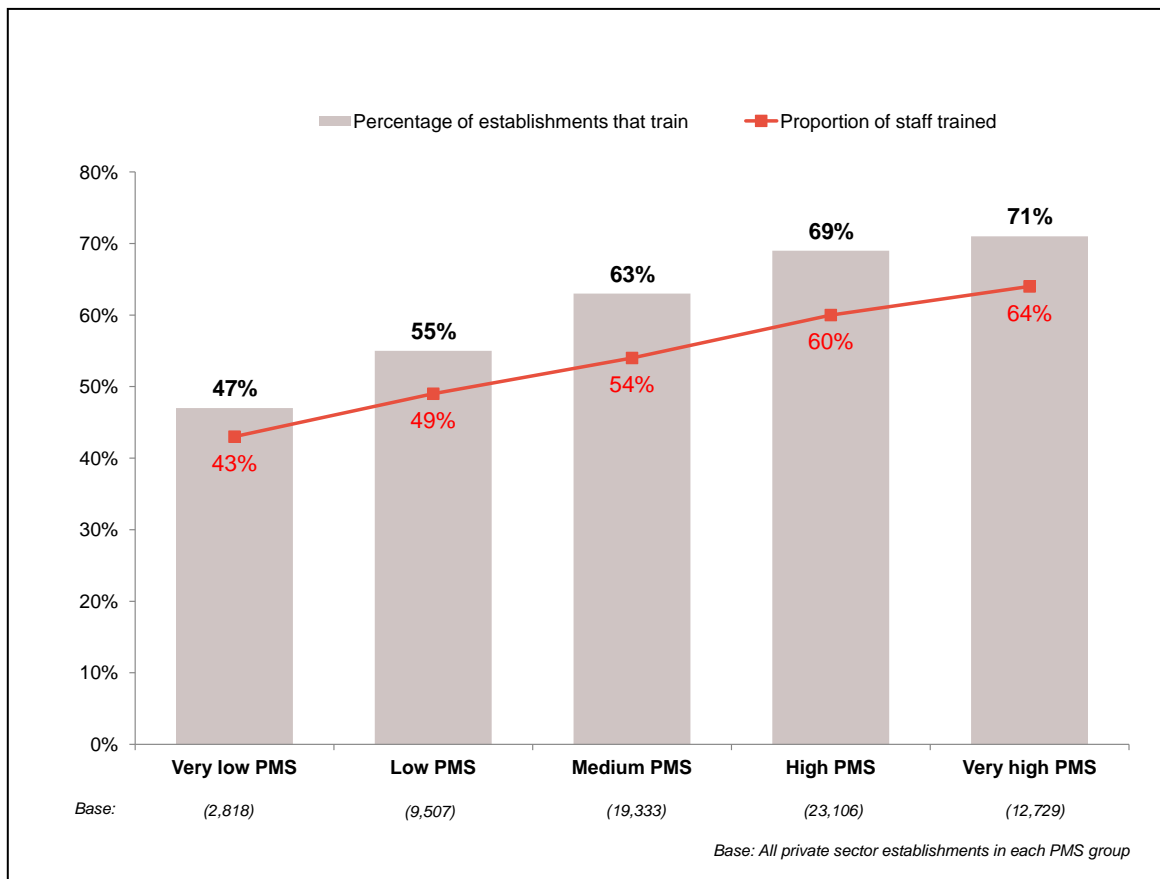
Base: All establishments in the private sector with skills gaps; up to two skills gaps followed up.

Percentages shown as a proportion of all skills gaps followed up.

6.4.5 The relationship between PMS and training

Figure 6.6 illustrates a linear relationship between an establishment's product market strategies and their level of training activity. As the PMS index increases the proportion of establishments that train also increases (from 47 per cent in establishments in the 'very low' group to 71 per cent in the 'very high' group) as well as the proportion of staff that are trained within each establishment (from 43 per cent in establishments in the 'very low' group to 64 per cent in the 'very high' group).

Figure 6.6 Incidence of training by Product Market Strategy classification



This pattern of increasing proportions of employers training and an increasing proportion of the workforce being trained as one moves through the composite PMS score groupings mirrors the pattern of training activity by size of establishment that was presented in chapter four. However, the pattern here does appear to be driven by PMS position rather than by establishment size or by other characteristics. If one looks at employers with different composite PMS scores within each size band it is invariably the employers with the higher PMS score who are most likely to train. Similarly, within size band the proportion of staff trained is greater for those operating at the higher end of the PMS index (see Table A.6.8 in Annex A). So, like for like, employers operating higher product market strategies appear to identify a greater need for skill development among their staff.

6.5 Conclusions

In previous chapters of the report we have observed how employers of different sizes operating in different sectors in different parts of the UK experience skill deficiencies and training differently.

This chapter has looked at employers from a different perspective, focusing on business and management strategy rather than firmographics. It has grouped employers according to whether or not they pursue High Performance Working practices and according to the nature of their Product Market Strategies.

The interest is in particular on employers with a high PMS as these are employers with the potential to deliver sustainable business growth. Similarly, evidence suggests that employers who adopt High Performance Working practices are more productive and profitable than those who don't. Therefore, if these employers are unable to access the skills they require (from the external labour market and/or from their existing workforce) and/or the training services that will develop these skills, then the potential impact on the UK economy is great.

The evidence of this chapter by and large works to allay these fears of high value employers being constrained in their operations. It has painted a picture of HPW employers and employers with a high composite PMS score who – while generally more active in the recruitment market than other employers – typically find it easier to fill their vacancies. They are generally more likely to report skill gaps – but the proportion of their workforce implicated is no greater than for other employers. And they are more likely to fund or arrange training for their employees (which will work to reduce these gaps).

Nonetheless it has also suggested some pockets where HPW employers and employers with a high composite PMS score are challenged by skills deficiencies. There will be value in exploring these pockets more closely to understand how the market can work to meet their challenges.

7 Conclusions

This survey has painted a picture which supports indications that **the country is emerging from the recession and economic downturn**, with increased employer recruitment activity in 2013 compared with 2011. More employers had vacancies at the time of the interviews, and the number of vacancies (as a proportion of the workforce) had increased.

There is potential, however, for skill shortages in the labour market to act as a brake on economic recovery, or at least as an impediment to some employers reaching their full growth and productivity potential.

Although only a very small minority of establishments (four per cent) are affected by skill-shortage vacancies, in total **more than one in five vacancies (22 per cent) across the country are hard-to-fill due to skill shortages in the available labour pool**.

These skill shortages are concentrated in particular sectors and occupations, and are particularly likely to be found among Manufacturers, and where employers are recruiting for Skilled Trades and Professional roles. There have also been notable increases in the difficulty of recruiting suitably skilled Caring, Leisure and Other Services, Professionals, Associate Professionals and Machine Operative staff compared with 2011, suggesting these are areas where the labour market is facing growing challenges in meeting employer demand.

In addition, some 1.4 million employees are regarded as not being fully proficient in their job roles, equating to 5.2 per cent of the total UK workforce.

As with skill-shortage vacancies, skills gaps continue to be concentrated in certain pockets of the economy. People employed in what are traditionally described as unskilled or semi-skilled occupations – namely those in Elementary and Sales and Customer Service positions – remain the most likely to have skills gaps. From a sector perspective, skills gaps are particularly prevalent in the Hotels and Restaurants industry.

The existence of skill gaps may not necessarily indicate potential performance issues. In a relatively large proportion of cases the employees in question are new to their job role and/or are trainees, with the suggestion that their proficiency problems are temporary. In other cases, skill gaps could be an indication of employer awareness of skills issues, or higher expectations/ambitions. It is certainly the case that employers pursuing a strategy of High Performance Working and employers recording a high Product Market Strategy “score” (indicating that they are innovators, offering premium products or services) are more likely to report skill gaps (although the proportion of the workforce employed by this kind of progressive organisation that is lacking proficiency is no greater than the proportion of the general workforce with a skills gap).

The most common response to having a skill gap is to provide (more) training. Overall, around two-thirds of employers arrange or fund at least some training for at least some of their workforce, a figure that has changed little since 2011. There have, however, been a number of quite marked changes in the extent and nature of training provision between 2011 and 2013. In particular:

- **There has been a marked increase in the proportion of staff trained since 2011;**
- At the same time there has been **a reduction in the amount of training individuals receive, with a marked fall in the average number of training days provided to each person trained;**
- The net effect of these trends is a slight fall compared against 2011 in the total number of training days funded or arranged by UK employers.

There has also been a fall in total training expenditure, driven mainly by a fall in expenditure:

- Among employers in England;
- Large employers with 100 or more staff;
- Employers in Public Administration and in Education; and
- In regard to on-the-job training.

In this regard, **the survey findings provide support for theories that the recession has led to employers ‘training smarter’ and ‘doing more for less’**, with increased emphasis on in-house training, training employees as trainers, reduced use of external providers and enhanced use of e-learning²⁶.

²⁶ See Training in Recession: The impact of the 2008-2009 recession on training at work (UKCES 2013)

However, the survey also finds evidence of skills under-use: **4.3 million workers (16 per cent of the workforce) are reported by employers to have skills and qualifications that are more advanced than are required in their current job role.** Better harnessing these latent capabilities might potentially yield wide-ranging benefits for some employers, and there is a need for further research to better understand the nature of skills under-use, which employees are most affected by it, as well as its impact on both business performance and career progression.

The survey also sheds some light on the issue of progression opportunities by paying particular attention to the recruitment of young people, an area in which there is significant current public and policy interest. Although the findings here suggest that there has been an increase in recruitment activity since the 2011 survey, and although most recruiting employers have recruited at least one young person over the last two to three years, **there has been a fall in the proportion of employers recruiting young people from education across the UK as a whole.**

Around a quarter of employers recruited at least one education leaver in that period (27 per cent, down from 29 per cent in 2011). Most of them found these recruits to be well or very well prepared for work. However, as many as four in ten employers taking on school leavers at 16 from schools in England, Northern Ireland or Wales described the recruits as poorly prepared (as do three in ten employers in Scotland taking new recruits from Scottish schools between the ages of 16 and 18). This highlights that employer views and experiences with young people differ depending on age and stage of education.

However, the main obstacle to (more) young people getting new jobs is competition in the market place, rather than perceptions that young applicants do not have the capability to perform in the job role. Where the choice not to recruit a young applicant was motivated by a belief that the young person did not have the capabilities to do the job the main things lacking were skills and experience, and sometimes both. Three in five recruiting employers (61 per cent) who had not recruited a young person said they had had no applications from young people.

Employers who had recruited young people and/or education leavers over the past two to three years appeared to have a greater demand for (new) labour than other employers, being around twice as likely to have vacancies. They do not, however, appear to be more challenged in the labour market than other employers: their recruitment challenges are no more or less acute. These employers are though more challenged by skills in their existing workforce: they are more likely to have staff who were not fully proficient than other recruiting employers, and a larger proportion of their workforce lack proficiency. They are also more likely to train, and to fund and arrange training for a larger proportion of their workforce. These differences between those employers that had recruited young people and those that hadn't are also worthy of further investigation to aid understanding of how to improve employment and progression opportunities for this group.

Overall, the findings from the UK Commission's Employer Skills Survey 2013 make an important contribution to larger debates about skills and the labour market in the UK. The survey provides valuable insights into the range of skills issues employers are facing and their investment behaviour, and raises questions for further research. The findings highlight some positive developments that support indications of economic recovery, but they also identify some more concerning trends and priorities for action that need to be addressed if UK businesses are to realise their full potential. Whilst the survey findings show that skills shortages and skills gaps affect different employers in varied ways, looking to the future, the survey also finds that the majority of employers expect their staff to need to acquire new skills or knowledge over the next year. If the UK is to remain competitive in the global context it is vital to ensure that employers across the board are able to make full use of the skills and talents of their people to drive business performance and growth.

Annex A: Supplementary Tables

Chapter 1: Introduction

Table A.1.1 Profile of UK establishments and employment by sector

	Number of establishments	% of establishments	Number of staff	% of employment
UK	1,743,847	100	26,959,038	100
Country				
England	1,465,963	84	22,754,437	84
Northern Ireland	55,603	3	726,311	3
Scotland	140,948	8	2,308,322	9
Wales	81,333	5	1,169,968	4
Size				
2-4	907,729	52	2,393,653	9
5-24	651,910	37	6,454,303	24
25-49	96,839	6	3,332,905	12
50-99	49,784	3	3,434,575	13
100-249	26,105	1	4,021,603	15
250+	11,480	1	7,321,998	27
Sector				
Agriculture	94,386	5	382,834	1
Mining and Quarrying	1,712	*	55,941	*
Manufacturing	99,955	6	2,307,610	9
Electricity, Gas and Water	9,339	1	282,213	1
Construction	162,801	9	1,251,352	5
Wholesale and Retail	372,433	21	4,424,002	16
Hotels and Restaurants	155,283	9	1,799,551	7
Transport and Communications	121,484	7	2,125,843	8
Financial Services	40,030	2	1,033,880	4
Business Services	348,735	20	4,468,096	17
Public Administration	21,408	1	1,432,573	5
Education	57,523	3	2,570,118	10
Health and Social Work	130,010	7	3,597,950	13
Community, Social & Personal Service Activities	128,748	7	1,227,074	5

* denotes a figure larger than zero but smaller than 0.5

Table A.1.2 Profile of UK establishments and employment

<i>Row percentages</i>	<i>Unwtd Base:</i>		Private Sector	Third Sector	Public Sector	Single site	Multi-site
UK	91,279	%	86	9	4	65	35
Country							
England	75,255	%	87	9	4	66	34
Northern Ireland	4,014	%	82	10	7	70	30
Scotland	6,014	%	82	12	6	57	43
Wales	5,996	%	86	8	6	65	35
Size							
2-4	19,058	%	89	9	1	76	24
5-24	51,565	%	86	9	5	58	42
25-49	10,947	%	75	9	15	43	57
50-99	5,584	%	70	10	19	38	62
100-249	2,938	%	68	13	18	32	68
250+	1,187	%	67	10	23	24	76
Sector							
Agriculture	3,407	%	99	1	*	93	7
Mining and Quarrying	138	%	99	0	1	31	69
Manufacturing	7,422	%	99	*	*	76	24
Electricity, Gas and Water	1,148	%	94	4	2	65	35
Construction	7,202	%	100	*	*	88	12
Wholesale and Retail	17,287	%	91	9	*	46	54
Hotels and Restaurants	8,888	%	94	5	*	64	36
Transport and Communications	6,890	%	96	2	2	73	27
Financial Services	2,330	%	95	3	*	46	54
Business Services	14,011	%	95	4	1	69	31
Public Administration	942	%	29	9	61	39	61
Education	5,796	%	31	22	47	67	33
Health and Social Work	8,460	%	46	43	11	52	48
Community, Social & Personal Service Activities	7,358	%	63	26	10	68	32

*** denotes a figure larger than zero but smaller than 0.5*

Chapter 2: Employers' Experience of Skill Shortages

Table A.2.1 Incidence, number and density of vacancies by size and sector

	Base	% of establishments with a vacancy (incidence)	Number of vacancies	Vacancies as a % of employment (density)	Average (mean) vacancies per establishment with vacancies
		%	Rounded to nearest 100	%	
UK	91,279	15	655,000	2.4	2.5
Country					
England	75,255	15	559,600	2.5	2.6
Northern Ireland	4,014	10	15,200	2.1	2.6
Scotland	6,014	15	54,500	2.4	2.5
Wales	5,996	14	25,700	2.2	2.3
Size					
2-4	19,058	8	106,300	4.4	1.5
5-24	51,565	17	178,200	2.8	1.7
25-49	10,947	33	79,200	2.4	2.5
50-99	5,584	43	79,400	2.3	3.7
100-249	2,938	58	92,000	2.3	6.1
250+	1,187	64	119,900	1.6	16.2
Sector					
Agriculture	3,407	5	5,500	1.4	1.3
Mining and Quarrying	138	13	1,700	3.0	7.3
Manufacturing	7,422	15	36,800	1.6	2.5
Electricity, Gas and Water	1,148	17	5,900	2.1	3.8
Construction	7,202	7	21,900	1.8	1.8
Wholesale and Retail	17,287	12	84,300	1.9	1.8
Hotels and Restaurants	8,888	18	66,300	3.7	2.3
Transport and Communications	6,890	14	49,100	2.3	2.9
Financial Services	2,330	17	27,000	2.6	3.9
Business Services	14,011	15	143,500	3.2	2.7
Public Administration	942	27	34,100	2.4	5.8
Education	5,796	29	47,200	1.8	2.8
Health and Social Work	8,460	23	86,600	2.4	2.9
Community, Social & Personal Service Activities	7,358	16	45,100	3.7	2.1

Base: All establishments

Percentages in Column 3 are shown as a proportion of all employment.

Number of vacancies rounded to the nearest 100.

Table A.2.2 Incidence, number and density of vacancies by occupation (2011 vs 2013)

	% of establishments with vacancies who have a vacancy in occupation	Number of vacancies	Vacancy density	
			Base:	%
2011	<i>Unwtd Base:</i> 17,093	Rounded to nearest 100		
Managers	6	19,300	987	0.4
Professionals	14	81,900	3,025	2.6
Associate Professionals	19	96,500	3,179	5.3
Administrative and Clerical	16	57,300	2,648	1.6
Skilled Trades	14	51,900	2,219	2.8
Caring, Leisure and Other services	13	70,000	2,556	3.0
Sales and Customer Service	14	79,300	2,275	2.3
Machine Operatives	6	35,600	1,129	1.8
Elementary occupations	15	80,500	2,844	2.0
TOTAL		586,500		2.2
2013	18,959			
Managers	6	24,000	1,168	0.5
Professionals	16	97,400	3,594	3.1
Associate Professionals	19	98,500	3,406	6.3
Administrative and Clerical	15	67,100	2,760	2.0
Skilled Trades	13	50,800	2,600	2.7
Caring, Leisure and Other services	15	100,500	3,232	3.6
Sales and Customer Service	14	76,200	2,578	2.1
Machine Operatives	6	30,100	1,197	1.6
Elementary occupations	15	79,400	3,171	2.1
TOTAL		655,000		2.4

Base: Column 1: all establishments with vacancies; Column 2: all establishments; Column 3: all establishments with vacancies in each occupation.

Column 4 percentages are based on all employment, rather than all establishments; figures therefore show the number of vacancies as a proportion of all employment in each occupation

Note: Vacancies are rounded to the nearest 100. Vacancy total is higher than the sum of vacancies by occupation as only six occupations per establishment were followed up.

Table A.2.3 Incidence, number and density of skill-shortage vacancies (SSVs) by country, size and sector

	% of establishments with a skill-shortage vacancy		Number of skill-shortage vacancies Rounded to nearest 100	% of vacancies which are SSVs	
	Base:	%		Base:	%
UK	91,279	4	146,200	18,959	22
Country					
England	75,255	4	124,800	15,894	22
Northern Ireland	4,014	3	2,900	550	19
Scotland	6,014	4	13,400	1,499	25
Wales	5,996	4	5,100	1,016	20
Size					
2-4	19,058	2	32,200	1,403	30
5-24	51,565	5	46,900	8,969	26
25-49	10,947	8	16,300	3,653	21
50-99	5,584	10	15,200	2,435	19
100-249	2,938	15	17,500	1,737	19
250+	1,187	18	18,100	762	15
Sector					
Agriculture	3,407	1	1,600	167	28
Mining and Quarrying	138	3	300	22	**
Manufacturing	7,422	5	11,200	1,347	30
Electricity, Gas and Water	1,148	5	1,300	185	23
Construction	7,202	2	5,000	706	23
Wholesale and Retail	17,287	3	15,400	2,983	18
Hotels and Restaurants	8,888	5	12,400	2,447	19
Transport and Communications	6,890	5	12,900	1,232	26
Financial Services	2,330	4	2,800	398	10
Business Services	14,011	5	40,300	3,147	28
Public Administration	942	6	7,400	283	22
Education	5,796	6	5,700	2,062	12
Health and Social Work	8,460	5	19,200	2,375	22
Community, Social & Personal Service Activities	7,358	4	10,800	1,605	24

Base: Column 1 and 2: all establishments; Column 3: all establishments with vacancies

Percentages in Column 3 are based on all vacancies, rather than all establishments with vacancies; figures therefore show the proportion of vacancies caused by skill shortages

Notes: The number of skill-shortage vacancies has been rounded to the nearest 100

Table A.2.4 Density of skill-shortage vacancies by country, size and sector (2011 vs 2013)

	% of vacancies which are SSVs			
	2011		2013	
	<i>Base:</i>	%	<i>Base:</i>	%
UK	17,093	16	18,959	22
Country				
England	14,749	15	15,894	22
Northern Ireland	520	21	550	19
Scotland	729	15	1,499	25
Wales	1,095	18	1,016	20
Size				
2-4	1,389	21	1,403	30
5-24	7,869	17	8,969	26
25-49	2,972	18	3,653	21
50-99	2,241	11	2,435	19
100-249	1,698	14	1,737	19
250+	924	8	762	15
Sector				
Agriculture	87	26	167	28
Mining and Quarrying	36	17	22	**
Manufacturing	1,424	24	1,347	30
Electricity, Gas and Water	205	13	185	23
Construction	575	18	706	23
Wholesale and Retail	2,549	14	2,983	18
Hotels and Restaurants	2,078	15	2,447	19
Transport and Communications	1,404	14	1,232	26
Financial Services	331	17	398	10
Business Services	2,945	17	3,147	28
Public Administration	402	10	283	22
Education	1,487	10	2,062	12
Health and Social Work	1,992	10	2,375	22
Community, Social & Personal Service Activities	1,578	21	1,605	24

Base: all establishments with vacancies

Percentages are based on all vacancies, rather than all establishments with vacancies; figures therefore show the proportion of vacancies caused by skill shortages

Notes: The number of skill-shortage vacancies has been rounded to the nearest 100

*“***” denotes figure not shown because of a low base (fewer than 25 respondents); Figures in italics show base is below 50 and figures should be treated with caution.*

Table A.2.5 Density of skill-shortage vacancies by occupation and sector

	Managers	Professionals	Associate Professionals	Administrative / Clerical staff	Skilled Trades occupations	Caring, Leisure and Other Services	Sales and Customer Services	Machine Operatives	Elementary staff
UK	20	30	26	13	39	27	13	25	13
Agriculture	**	**	**	**	37	**	**	**	23
Mining and Quarrying	**	**	**	**	**	**	**	**	**
Manufacturing	26	55	28	14	41	**	18	17	4
Electricity, Gas and Water		49	41	9	24	**		17	5
Construction	31	16	19	11	29	**	7	35	9
Wholesale and Retail	22	16	30	15	45	**	13	15	14
Hotels and Restaurants	25		15	19	44	16	15	14	14
Transport and Communications	12	34	27	12	35	**	26	28	29
Financial Services	6	12	15	8	**	**	9	**	**
Business Services	25	37	34	23	49	21	12	46	13
Public Administration	**	30	13	5	**	34	**	**	**
Education	14	13	15	6	27	12	**	**	9
Health and Social Work	16	32	10	7	20	28	2	**	7
Community, Social and Personal Services	15	20	23	11	20	31	10	31	3

Base: All establishments with vacancies within each occupation by sector

Densities are based on skill-shortage vacancies as a proportion of all vacancies within each occupation by sector, rather than the number of establishments with vacancies.

*** Figure not shown because of a low base (fewer than 25 establishments with vacancies)

Where base between 25 and 49 establishments with vacancies, figures are shown in italics

- X = density 30% or above
- X = density between 15% and 29%
- X = density between 1% and 14%

Table A.2.5a Bases for previous table (Table A.2.5)

	Managers	Professionals	Associate Professionals	Administrative / Clerical staff	Skilled Trades occupations	Caring, Leisure and Other Services	Sales and Customer Services	Machine Operatives	Elementary staff
UK	1,168	3,594	3,406	2,760	2,600	3,232	2,578	1,197	3,171
<i>Agriculture</i>					27				95
<i>Mining and Quarrying</i>									
<i>Manufacturing</i>	86	187	319	177	445		113	316	98
<i>Electricity, Gas and Water</i>	13	30	29	33	33			56	32
<i>Construction</i>	50	83	97	103	312		32	73	67
<i>Wholesale and Retail</i>	257	93	264	263	381		1,750	199	283
<i>Hotels and Restaurants</i>	177		60	224	711	129	117	96	1,741
<i>Transport and Communications</i>	54	369	335	182	150	14	121	219	79
<i>Financial Services</i>	25	32	133	189			74		
<i>Business Services</i>	177	839	1,120	649	317	158	209	141	252
<i>Public Administration</i>		69	86	97		82			
<i>Education</i>	43	1,227	258	268	41	678			172
<i>Health and Social Work</i>	145	551	356	272	86	1363	33		162
<i>Community, Social and Personal Services</i>	110	106	344	292	87	776	77	25	165

Table A.2.6 Skills lacking in applicants by country

	UK	England	Northern Ireland	Scotland	Wales
<i>Base</i>	4,897 %	4,057 %	144 %	427 %	269 %
Technical, practical or job specific skills	63	62	69	72	69
Oral communication skills	41	42	45	32	42
Planning and organisational skills	41	41	60	35	44
Customer handling skills	40	41	37	36	38
Written communication skills	38	38	40	31	33
Problem solving skills	37	37	56	33	37
Literacy skills	34	35	35	29	28
Team working skills	33	33	49	23	31
Strategic Management skills	30	30	44	32	26
Numeracy skills	26	26	27	28	33
Advanced IT or software skills	22	22	21	20	18
Foreign language skills	17	17	34	13	9
Basic computer literacy / using IT	16	16	27	15	18
Written Welsh language skills	n/a	n/a	n/a	n/a	15
Oral Welsh language skills	n/a	n/a	n/a	n/a	13

Base: All establishments with skill-shortage vacancies

Percentages are based on all skill-shortage vacancies, rather than all establishments with skill-shortage vacancies; proportions therefore show the percentage of skill-shortage vacancies within each country caused by lack of each skill.

Table A.2.7 Skills lacking overall and by occupation (prompted)

	Overall	Managers	Professionals	Associate Professionals	Administrative / Clerical staff	Skilled Trades occupations	Caring, Leisure and Other Services	Sales and Customer Services	Machine Operatives	Elementary staff
<i>Base</i>	4,869	269	1,030	860	374	1,026	664	407	294	452
	%	%	%	%	%	%	%	%	%	%
Technical, practical or job specific skills	63	59	67	72	65	72	46	56	69	51
Oral communication skills	41	33	29	43	46	35	43	57	28	65
Planning and Organisation skills	41	53	26	43	58	41	39	56	30	56
Customer handling skills	40	40	27	44	49	30	44	62	41	52
Written communication skills	38	31	25	40	49	37	45	46	32	36
Problem solving skills	37	47	23	34	51	40	39	50	31	43
Literacy skills	34	21	23	31	46	35	42	42	33	40
Team working skills	33	34	22	31	40	29	37	44	30	52
Strategic Management skills	30	48	35	33	44	28	21	34	24	22
Numeracy skills	26	26	14	25	45	28	28	36	33	31
Advanced IT or software skills	22	32	31	22	39	18	14	19	12	7
Foreign language skills	17	19	14	17	16	19	18	21	15	22
Basic computer literacy / using IT	16	22	10	15	23	17	19	26	19	13
No skills difficulty reported	4	1	4	3	2	3	9	2	6	4
Wales only										
<i>Base:</i>	269	10	47	33	26	80	22	23	21	30
Written Welsh language skills	15	**	27	30	12	8	**	**	**	5
Oral Welsh language skills	13	**	24	28	12	10	**	**	**	12

Base: All establishments with skill-shortage vacancies

Percentages are based on all skill-shortage vacancies, rather than all establishments with skill-shortage vacancies; proportions therefore show the percentage of skill-shortage vacancies within each occupation caused by lack of each skill.

Note: Column percentages exceed 100 per cent because of multiple responses; skill-shortage vacancies unable to be coded to an occupational group have been included in the "Overall" figures, though have not been included in the more detailed breakdown

**** denotes figure not shown because of a low base (fewer than 25 respondents); Figures in italics denote base size smaller than 50: figures should be treated with caution*

Table A.2.8 Ratio of skill-shortage vacancies to vacancies that are hard-to-fill for other non skills-related reasons by nation, size and sector

	<i>Base</i>	Number of skill-shortage vacancies Rounded to nearest 100	Number of 'other' hard-to-fill vacancies Rounded to nearest 100	% of hard-to-fill vacancies that are a result of skill shortages %
UK	6,133	146,200	43,100	77
Country				
England	5,073	124,800	35,200	78
Northern Ireland	181	2,900	1,100	73
Scotland	538	13,400	4,800	74
Wales	341	5,100	2,100	71
Size				
2-4	536	32,200	13,300	71
5-24	3,033	46,900	12,500	79
25-49	1,115	16,300	6,200	72
50-99	697	15,200	5,100	75
100-249	528	17,500	4,900	78
250+	224	18,100	1,200	94
Sector				
Agriculture	74	1,600	600	71
Mining and Quarrying	5	**	**	**
Manufacturing	530	11,200	1,600	87
Electricity, Gas and Water	65	1,300	200	90
Construction	249	5,000	2,400	67
Wholesale and Retail	802	15,400	6,100	72
Hotels and Restaurants	841	12,400	6,500	66
Transport and Communications	499	12,900	3,200	80
Financial Services	121	2,800	500	85
Business Services	1,158	40,300	4,900	89
Public Administration	83	7,400	2,800	73
Education	480	5,700	2,100	73
Health and Social Work	736	19,200	6,900	74
Community, Social & Personal Service Activities	490	10,800	5,100	68

Base: Establishments with hard-to-fill vacancies.

Percentages are based on all hard-to-fill vacancies, rather than all establishments with hard-to-fill vacancies; proportions therefore show the percentage of hard-to-fill vacancies within each occupation caused by skill shortages.

**** denotes figure not shown because of a low base (fewer than 25 respondents)*

Table A.2.9 – Impact of SSV’s by nation

	UK	England	Northern Ireland	Scotland	Wales
<i>Base</i>	4,675	3,879	136	407	253
	%	%	%	%	%
Increase workload for other staff	84	83	90	91	90
Have difficulties meeting customer service objectives	49	48	51	57	49
Delay developing new products or services	44	43	52	43	47
Lose business or orders to competitors	42	42	42	41	45
Experience increased operating costs	42	42	39	39	43
Have difficulties introducing new working practices	37	36	49	44	38
Have difficulties meeting quality standards	35	34	35	41	37
Outsource work	29	29	35	26	32
Withdraw from offering certain products or services	24	24	33	24	23
Have difficulties introducing technological change	21	20	27	28	24
None of the above	5	5	3	4	3
Don't Know	*	*	-	-	-
ANY IMPACT	95	95	97	96	97

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

*'-' denotes a figure of zero * indicates a figure of greater than 0 but less than 0.5*

Table A.2.10 Profile of hard-to-fill vacancies

	<i>Unwtd base</i>	Total number of hard-to-fill vacancies for those with vacancies	% of vacancies hard-to-fill	Average number of hard-to-fill vacancies for those with hard-to-fill vacancies	Average number of hard-to-fill vacancies for those with vacancies
UK	18,959	189,300	29	2.1	0.7
Country					
England	15,894	16,000	29	2.1	0.7
Northern Ireland	550	4,000	26	2.0	0.7
Scotland	1,499	18,200	33	2.2	0.8
Wales	1,016	7,200	28	1.9	0.7
Size					
2-4	1,403	45,400	43	1.7	0.7
5-24	8,969	59,400	33	1.6	0.6
25-49	3,653	22,500	28	2.2	0.7
50-99	2,435	20,300	26	3.0	0.9
100-249	1,737	22,400	24	4.2	1.4
250+	762	19,300	16	7.2	2.2
Sector					
Agriculture	167	2,200	40	1.2	0.5
Mining and Quarrying	22	300	20	4.5	1.1
Manufacturing	1,347	12,800	35	2.2	0.9
Electricity, Gas and Water	185	1,500	25	2.2	0.8
Construction	706	7,400	34	1.8	0.6
Wholesale and Retail	2,983	21,500	26	1.7	0.5
Hotels and Restaurants	2,447	19,000	29	1.9	0.7
Transport and Communications	1,232	16,100	33	2.1	0.9
Financial Services	398	3,300	12	1.6	0.4
Business Services	3,147	45,200	32	2.1	0.8
Public Administration	283	10,200	30	5.3	1.6
Education	2,062	7,800	17	1.8	0.5
Health and Social Work	2,375	26,200	30	2.6	0.9
Community, Social & Personal Service Activities	1,605	15,900	35	2.3	0.8

Base: All establishments with vacancies

Notes: The number of hard-to-fill vacancies has been rounded to the nearest 100

Table A.2.11 Main causes of hard-to-fill vacancies

	Country					Size Band					
	UK	England	Northern Ireland	Scotland	Wales	2-4	5-24	25-49	25-99	100-249	250+
	%	%	%	%	%	%	%	%	%	%	%
<i>Base:</i>	6,133	5,073	181	538	341	536	3,033	1,115	697	528	224
Low number of applicants with the required skills	40	41	39	40	36	38	40	38	34	42	54
Lack of work experience the company demands	25	26	32	21	24	25	24	26	16	30	35
Not enough people interested in doing this type of job	18	18	26	15	20	19	18	18	19	18	15
Low number of applicants with the required attitude, motivation or personality	18	18	15	13	18	21	20	16	23	9	10
Lack of qualifications the company demands	18	18	22	17	9	16	18	14	11	14	34
Poor terms and conditions (e.g. pay) offered for post	13	13	11	16	16	16	11	13	14	21	7
Low number of applicants generally	13	13	13	13	17	11	13	14	16	14	15
Job entails shift work/unsociable hours	10	9	9	10	21	7	11	11	9	14	10
Too much competition from other employers	9	8	13	12	6	5	5	7	16	12	20
Remote location/poor public transport	8	7	9	17	19	6	8	11	9	12	5
Poor career progression / lack of prospects	3	3	3	1	4	5	2	2	2	1	2

Base: All establishments with hard-to-fill vacancies

Percentages are based on all hard-to-fill vacancies.

Reasons mentioned in more than one per cent of cases shown.

Chapter 3: The Internal Skills Challenge

Table A.3.1 Incidence, number and density of skills gaps by size and sector (2013 vs. 2011)

	2011				2013			
	<i>Unwtd Base</i>	% of establishments with any skills gaps	Number of staff not fully proficient (skills gaps)	% of staff reported as having skills gaps	<i>Unwtd Base</i>	% of establishments with any skills gaps	Number of staff not fully proficient (skills gaps)	% of staff reported as having skills gaps
UK	86,522	17	1,485,500	5.5	91,279	15	1,409,900	5.2
Size								
2-4	17,905	8	85,600	3.6	19,058	7	69,900	2.9
5-24	47,770	23	352,800	5.5	51,565	21	315,600	4.9
25-49	10,239	35	185,200	5.5	10,947	32	169,500	5.1
50-99	5,712	39	186,900	5.5	5,584	36	178,100	5.2
100-249	3,270	44	235,800	5.8	2,938	44	221,100	5.5
250 +	1,626	47	439,100	6.0	1,187	48	455,700	6.2
Sector								
Agriculture	921	11	17,200	4.6	3,407	9	16,700	4.4
Mining and Quarrying	185	14	1,800	3.1	138	14	4,100	7.3
Manufacturing	7,653	20	145,100	6.0	7,422	18	134,800	5.8
Electricity, Gas and Water	1,406	19	15,400	5.6	1,148	18	14,400	5.1
Construction	6,576	13	64,900	4.8	7,202	11	59,100	4.7
Wholesale and Retail	15,163	19	293,500	6.6	17,287	17	254,400	5.8
Hotels and Restaurants	8,421	23	155,600	9.0	8,888	21	159,400	8.9
Transport and Communications	7,810	15	99,300	4.6	6,890	13	94,500	4.4
Financial Services	1,853	21	46,000	4.4	2,330	19	83,800	8.1
Business Services	14,297	13	220,900	5.1	14,011	13	224,100	5.0
Public Administration	1,584	23	83,000	5.3	942	20	69,000	4.8
Education	5,422	22	94,900	3.8	5,796	18	97,700	3.8
Health and Social Work	8,067	20	180,200	5.2	8,460	19	143,600	4.0
Community, Social and Personal Services activities	7,164	16	67,800	5.6	7,358	14	54,200	4.4

Base: Columns one and four all establishments; remainder all employment.

Note: The number of employees not fully proficient has been rounded to the nearest 100.

Percentages are based on all employment, rather than all establishments; proportions therefore show the percentage of staff with a skills gap.

Table A.3.2 Proportion of each occupation lacking full proficiency within country

	UK	England	Northern Ireland	Scotland	Wales
	%	%	%	%	%
Managers	3	3	2	3	3
Professionals	4	4	2	5	3
Associate Professionals	5	5	2	5	4
Administrative / clerical staff	5	5	5	5	5
Skilled trades occupations	6	5	7	7	6
Caring, leisure and other services	5	4	5	6	9
Sales and customer services staff	8	8	10	7	7
Machine operatives	5	5	7	7	7
Elementary staff	7	7	6	8	9

Base: All establishments with staff in each occupation

Percentages are based on all employment, rather than all establishments; proportions therefore show the percentage of staff with a skills gap.

Table A.3.3 Density of skills gaps by occupation and sector

	Managers	Professionals	Associate Professionals	Administrative and Clerical	Skilled Trades	Caring, Leisure and Other Services	Sales and Customer Service	Machine Operatives	Elementary occupations
UK	3	4	5	5	6	5	8	5	7
Agriculture	1	3	4	2	4	**	4	6	10
Mining and Quarrying	5	**	**	7	9	**	**	11	2
Manufacturing	3	5	7	5	6	5	6	7	6
Electricity, Gas and Water	3	4	4	4	5	**	3	7	8
Construction	4	5	7	4	5	**	4	3	7
Wholesale and Retail	3	4	8	4	5	4	7	5	6
Hotels and Restaurants	4	3	7	5	8	6	14	10	10
Transport and Communications	3	5	5	4	6	2	8	3	3
Financial Services	7	9	4	7	**	**	11	**	14
Business Services	2	4	5	6	4	4	7	5	11
Public Administration	4	5	6	6	3	5	4	*	3
Education	3	4	7	4	4	4	4	21	5
Health and Social Work	2	2	3	4	3	5	11	3	4
Community, Social and Personal Services	2	2	3	4	6	5	6	6	7

Base: All establishments employing each occupation by sector

Densities are based on skills gaps as a proportion of all employment within each occupation by sector, rather than the number of establishments with skills gaps.

*** Figure not shown because of a low base (fewer than 25 establishments employing occupation)

'-' denotes a figure of zero * indicates a figure of greater than 0 but less than 0.5

Where base between 25 and 49 establishments with vacancies, figures are shown in italics

- X = density 10% or above
- X = density between 5% and 9%
- X = density between 1% and 4%

Table A.3.4 Causes of Skills Gaps, by occupation

	Managers	Professionals	Associate Professionals	Administrative and Clerical	Skilled Trades	Caring, Leisure and Other services	Sales and Customer Service	Machine Operatives	Elementary occupations
	%	%	%	%	%	%	%	%	%
<i>Base:</i>	3,673	1,568	1,369	3,909	3,032	2,340	4,840	1,488	4,630
New to the role	44	58	59	54	52	62	60	53	54
Training only partially completed	45	61	66	54	67	63	54	54	53
Staff lack motivation	31	28	23	27	26	34	36	33	41
Been on training but performance not improved sufficiently	26	29	24	26	24	31	35	27	34
Introduction of new working practices	33	26	26	30	21	31	25	22	21
Not received appropriate training	34	23	24	27	26	27	22	23	22
Unable to recruit staff with required skills	20	21	20	16	26	22	19	27	22
Development of new products and services	20	19	22	19	17	17	21	13	13
Introduction of new technology	23	20	20	25	19	15	17	20	12
Problems retaining staff	10	9	8	6	8	11	11	8	13
Summary: New to role / training not complete (transient factors)	60	76	78	68	78	79	72	68	69

Base: All establishments with skills gaps in each occupation – up to two occupations followed up

Percentages are based on all skills gaps, rather than all establishments with skills gaps; proportions therefore show the percentage of skills gaps attributed to each cause.

Table A.3.5 Skills lacking among staff with skills gaps followed up, by occupation

	Managers	Professionals	Associate Professionals	Administrative and Clerical	Skilled Trades	Caring, Leisure and Other services	Sales and Customer Service	Machine Operatives	Elementary occupations
	%	%	%	%	%	%	%	%	%
<i>Base:</i>	3,673	1,568	1,369	3,909	3,032	2,340	4,840	1,488	4,630
Technical, practical or job-specific	37	59	55	66	68	56	56	68	58
Planning and organisation	70	61	55	67	51	62	55	42	51
Team working	56	46	44	53	40	64	52	53	60
Customer handling	34	36	35	57	34	54	71	23	58
Problem solving	52	45	40	53	47	51	49	52	47
Oral communication	45	40	35	45	35	50	51	48	54
Written communication	32	35	33	48	30	58	25	39	34
Basic computer literacy / using IT	21	18	17	38	18	41	23	35	23
Strategic Management	65	42	29	20	21	15	20	12	16
Literacy	13	16	16	27	23	48	18	39	24
Advanced IT or software	33	33	26	44	17	24	16	15	11
Numeracy	13	14	11	28	19	36	23	31	22
Foreign language	8	11	7	7	9	21	12	13	16

Base: All establishments with skills gaps in each occupation – up to two occupations followed up

Percentages are based on all skills gaps, rather than all establishments with skills gaps; proportions therefore show the percentage of skills gaps attributed to each cause.

Table A.3.6 Actions taken to overcome skills gaps (prompted), by country

	UK	England	Northern Ireland	Scotland	Wales
	%	%	%	%	%
<i>Base:</i>	20,228	16,563	733	1,713	1,219
Increased training activity / spend or increase / expand trainee programmes	68	68	58	71	65
More supervision of staff	60	59	57	64	61
More staff appraisals / performance reviews	51	51	49	52	49
Implementation of mentoring / buddying scheme	47	47	40	48	49
Reallocating work	37	36	38	42	39
Changing working practices	31	31	30	33	31
Increasing recruitment activity / spend	16	16	13	15	15
Recruiting workers who are non-UK nationals	10	11	9	8	8
Any action taken	86	85	77	90	86

Base: All establishments with skills gaps

Table A.3.7 Incidence, number and density of staff who are both over-qualified and over-skilled by size and sector (2011 vs. 2013)

	2011				2013			
		% of establishments reporting skills under-use	Number of over-qualified and over-skilled staff	% of staff reported as being over-qualified and over-skilled		% of establishments reporting skills under-use	Number of over-qualified and over-skilled staff	% of staff reported as being over-qualified and over-skilled
<i>Row percentages</i>	<i>Base</i>				<i>Base</i>			
UK	86,522	48	4,168,000	15	45,644	48	4,283,000	16
Size								
2-4	17,905	47	714,000	30	9,532	47	728,000	30
5-24	47,770	48	1,205,000	19	25,704	48	1,208,000	19
25-49	10,239	50	453,000	13	5,545	51	490,000	15
50-99	5,712	50	407,000	12	2,802	51	445,000	13
100-249	3,270	49	467,000	12	1,472	50	479,000	12
250+	1,626	48	922,000	13	589	48	934,000	13
Sector								
Agriculture	921	38	70,000	19	1,725	38	73,000	19
Mining and Quarrying	185	44	15,000	26	76	41	4,000	6
Manufacturing	7,653	41	234,000	10	3,763	39	233,000	10
Electricity, Gas and Water	1,406	42	27,000	10	571	45	36,000	13
Construction	6,576	41	226,000	17	3,623	40	181,000	14
Wholesale and Retail	15,163	51	760,000	17	8,731	50	762,000	17
Hotels and Restaurants	8,421	61	438,000	25	4,359	60	426,000	24
Transport and Communications	7,810	45	297,000	14	3,427	44	321,000	15
Financial Services	1,853	51	165,000	16	1,169	50	125,000	12
Business Services	14,297	45	659,000	15	6,939	44	704,000	16
Public Administration	1,584	53	216,000	14	480	53	135,000	9
Education	5,422	53	337,000	13	2,907	54	321,000	12
Health and Social Work	8,067	50	475,000	14	4,221	53	701,000	19
Community, Social and Personal Services activities	7,164	52	250,000	21	3,653	52	260,000	21

Base: All establishments in Module 2

Percentages are based on all employment, rather than all establishments; proportions therefore show the percentage of staff who are over-qualified and over-skilled

Note: The number of employees reported as being over-qualified and over-skilled has been rounded to the nearest 1,000.

Table A.3.8 Skills which need improving or updating in the next 12 months, by the single occupation most affected by upskilling need

	Managers	Professionals	Associate Professionals	Administrative and Clerical	Skilled Trades	Caring, Leisure and Other services	Sales and Customer Service	Machine Operatives	Elementary occupations
	%	%	%	%	%	%	%	%	%
<i>Base:</i>	11,552	3,369	1,666	2,602	3,423	2,562	3,966	1,469	2,021
Technical, practical or job specific skills	49	70	75	55	71	61	55	70	59
Planning and organising skills	44	43	43	41	38	53	50	34	47
Problem solving skills	32	32	35	34	35	41	44	31	44
Advanced IT or software skills	36	48	51	49	23	20	26	17	14
Team working skills	28	30	28	27	28	53	43	30	50
Customer handling skills	25	24	31	31	26	43	56	21	51
Strategic management skills	39	32	27	27	18	24	27	12	20
Basic computer literacy / using IT	24	18	17	29	23	32	28	24	25
Oral communication skills	18	17	18	22	18	35	34	20	38
Written communication skills	15	17	19	20	16	36	21	15	23
Numeracy skills	11	11	7	16	10	18	14	11	23
Literacy skills	10	11	8	15	11	23	15	10	18
Foreign language skills	11	10	8	10	5	10	12	5	11

Base: All establishments who anticipate an upskilling need in next twelve months (Module 2)

Table A.3.9 Skills gaps and skill-shortage vacancies

	<i>Unwtd Base</i>	% of establishments with any skills gaps	% of establishments with a skill- shortage vacancy	% of establishments with either
<i>Row percentages</i>				
UK	91,279	15	4	18
Country				
England	75,255	15	4	18
Northern Ireland	4,014	14	3	16
Scotland	6,014	19	4	21
Wales	5,996	16	4	18
Size				
2-4	19,058	7	2	9
5-24	51,565	21	5	24
25-49	10,947	32	8	36
50-99	5,584	36	10	40
100-249	2,938	44	15	50
250 +	1,187	48	18	56
Sector				
Agriculture	3,407	9	1	10
Mining and Quarrying	138	14	3	15
Manufacturing	7,422	18	5	20
Electricity, Gas and Water	1,148	18	5	21
Construction	7,202	11	2	12
Wholesale and Retail	17,287	17	3	19
Hotels and Restaurants	8,888	21	5	23
Transport and Communications	6,890	13	5	17
Financial Services	2,330	19	4	21
Business Services	14,011	13	5	17
Public Administration	942	20	6	23
Education	5,796	18	6	22
Health and Social Work	8,460	19	5	22
Community, Social and Personal Services activities	7,358	14	4	17

Base: All establishments

Table A.3.10 Single occupation most affected by the need for upskilling

	UK	England	Northern Ireland	Scotland	Wales
	%	%	%	%	%
Managers	32	32	33	31	34
Professionals	40	38	43	47	43
Associate Professionals	29	29	31	31	26
Administrative and Clerical	12	12	13	13	13
Skilled Trades	31	31	34	32	34
Caring, Leisure and Other services	37	37	38	42	39
Sales and Customer Service	29	30	27	29	28
Machine Operatives	21	22	24	18	21
Elementary Occupations	14	14	15	15	13

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

Table A.3.10a – Base sizes for previous table

	UK	England	Northern Ireland	Scotland	Wales
	%	%	%	%	%
Managers	44,018	36,342	1,915	2,884	2,877
Professionals	8,739	7,135	374	698	532
Associate Professionals	6,268	5,118	261	550	339
Administrative and Clerical	26,945	22,249	1,176	1,958	1,562
Skilled Trades	11,811	9,638	434	965	774
Caring, Leisure and Other services	6,973	5,746	290	523	414
Sales and Customer Service	13,690	11,380	603	919	788
Machine Operatives	7,002	5,704	271	605	422
Elementary Occupations	16,100	13,117	661	1,296	1,026

Chapter 4: Training and Workforce Development

Table A.4.1 Incidence of training 2011 vs 2013

	2011				2013			
	<i>Unwtd Base</i>	Any Training %	Any off-job training %	Any on-job training %	<i>Unwtd Base</i>	Any Training %	Any off-job training %	Any on-job training %
UK	86,522	65	47	53	91,279	66	49	52
Country								
England	74,156	65	46	52	75,255	66	48	52
Northern Ireland	3,921	65	48	50	4,014	63	49	47
Scotland	2,487	73	53	60	6,014	70	53	57
Wales	5,958	63	47	50	5,996	62	47	48
Size								
2-4	17,905	51	34	38	19,058	52	36	37
5-24	47,770	77	56	64	51,565	77	58	63
25-49	10,239	92	75	83	10,947	93	77	83
50-99	5,712	95	82	87	5,584	95	83	88
100-249	3,270	96	84	91	2,938	97	87	92
250+	1,626	97	87	94	1,187	97	89	93
Sector								
Agriculture	921	52	37	36	3,407	50	40	30
Mining & Quarrying	185	76	61	65	138	69	62	58
Manufacturing	7,653	61	43	48	7,422	59	43	45
Electricity, Gas & Water	1,406	76	60	61	1,148	75	60	59
Construction	6,576	58	46	38	7,202	56	45	37
Wholesale & Retail	15,163	60	36	50	17,287	61	40	50
Hotels & Restaurants	8,421	61	38	50	8,888	62	39	51
Transport & Comms.	7,810	61	42	48	6,890	63	46	48
Financial Services	1,853	76	52	67	2,330	77	54	66
Business Services	14,297	67	50	52	14,011	67	51	52
Public Administration	1,584	90	73	81	942	90	73	79
Education	5,422	91	80	81	5,796	92	80	82
Health & Social Work	8,067	89	73	78	8,460	89	75	77
Community, Social & Personal Services	7,164	69	50	56	7,358	69	52	56

Base: All establishments

Table A.4.2 Incidence of wider development activities (2013 and 2011)

			2013			Any 2013	Any 2011	
	2013 Unwtd Base	2011 Unwtd Base	Supervision guiding employees through their job role	Opportunities for staff to watch others carry out their roles	Allowed to perform tasks beyond their job roles			
<i>Row percentages</i>								
UK	91,279	86,522	%	74	69	66	85	82
Country								
England	75,255	74,156	%	75	69	67	85	82
Northern Ireland	4,014	3,921	%	70	65	60	81	83
Scotland	6,014	2,487	%	77	72	67	86	84
Wales	5,996	5,958	%	71	66	62	81	79
Size								
2-4	19,058	17,905	%	63	58	58	76	73
5-24	51,565	47,770	%	85	80	74	93	91
25-49	10,947	10,239	%	92	89	79	98	96
50-99	5,584	5,712	%	94	90	79	98	97
100-249	2,938	3,270	%	96	91	83	99	98
250+	1,187	1,626	%	96	90	84	99	99
Sector								
Agriculture	3,407	921	%	52	50	44	66	69
Mining & Quarrying	138	185	%	83	66	65	90	87
Manufacturing	7,422	7,653	%	70	65	60	81	79
Electricity, Gas & Water	1,148	1,406	%	77	70	63	86	85
Construction	7,202	6,576	%	63	55	53	74	72
Wholesale & Retail	17,287	15,163	%	76	73	70	87	83
Hotels & Restaurants	8,888	8,421	%	81	73	69	88	85
Transport & Comms.	6,890	7,810	%	69	64	63	82	80
Financial Services	2,330	1,853	%	85	79	75	91	90
Business Services	14,011	14,297	%	73	67	67	84	81
Public Administration	942	1,584	%	89	83	78	96	95
Education	5,796	5,422	%	88	86	78	96	94
Health & Social Work	8,460	8,067	%	90	83	76	95	94
Community, Social & Personal Services	7,358	7,164	%	79	73	70	88	86

Base: All establishments

Table A.4.3 Reasons for not funding or arranging training over the last 12 months (unprompted)

	2011	2013				
	UK	UK	England	Northern Ireland	Scotland	Wales
<i>Unweighted Base</i>	19,363	20,704	16,850	1,095	1,081	1,678
	%	%	%	%	%	%
All our staff are fully proficient / no need for training	64	69	69	64	69	68
No money available for training	11	10	10	13	10	10
Training is not a priority for the establishment	9	7	7	11	8	10
No training available in relevant subject area	7	5	5	6	4	5
Managers have lacked the time to organise training	3	3	3	4	4	3
Employees are too busy to undertake training	2	2	2	3	4	3
Employees are too busy to give training	1	2	2	3	3	3
External courses are too expensive	2	2	2	3	2	1
Learn by experience/as you go	3	2	2	2	1	1
Business not operating long enough/New business	1	1	1	1	2	1
Small firm/training not needed due to size of establishment	1	1	1	2	1	1
Trained staff will be poached by other employers	1	1	1	1	1	1
Courses interested in not available	1	1	*	1	1	1
No new staff (only train new staff)	*	1	1	*	*	*
No particular reason	5	5	5	4	4	3

Base: establishments that had not funded or arranged training or development in the previous 12 months.

Note: responses are only shown if given by one per cent or more of respondents in 2013.

*** denotes a figure larger than zero but smaller than 0.5*

Table A.4.4 Whether trainers would have liked to provide more training, and if so the main barriers (prompted)

	<i>Unwtd Base</i>	% would have liked to provide more training	<i>Unwtd Base</i>	Main barriers among those wanting to provide more training					
				%	Lack of funds/ training expensive	Can't spare time for employees to be training	Difficulty finding provider to deliver where and when we want	Lack appropriate training / qualifications in the subjects we need	Not a management priority
<i>Row percentages</i>									
UK 2013	69,842	47	34,140	%	60	48	4	4	4
Country									
England	57,787	46	27,735	%	60	47	4	4	4
Northern Ireland	2,894	52	1,545	%	64	50	6	5	3
Scotland	4,884	53	2,684	%	61	56	8	4	3
Wales	4,277	50	2,176	%	62	51	6	4	3
Size									
2-4	9,580	44	4,154	%	61	45	5	5	5
5-24	40,801	49	19,849	%	59	50	4	4	4
25-49	10,123	50	5,084	%	62	52	3	4	4
50-99	5,315	51	2,771	%	63	51	4	2	3
100-249	2,864	56	1,606	%	66	51	4	3	3
250+	1,159	59	676	%	69	54	3	2	4
Sector									
Agriculture	1,710	35	602	%	45	49	7	7	4
Mining & Quarrying	103	48	44	%	34	58	2	3	1
Manufacturing	5,128	45	2,313	%	63	49	4	6	3
Electricity, Gas & Water	878	42	371	%	66	46	4	4	3
Construction	4,777	43	2,091	%	70	44	3	4	4
Wholesale & Retail	12,425	46	6,039	%	48	52	3	4	6
Hotels & Restaurants	6,761	50	3,619	%	53	44	3	2	6
Transport & Comms.	4,939	48	2,311	%	61	47	4	5	6
Financial Services	1,824	43	780	%	40	55	4	4	6
Business Services	11,127	44	4,944	%	62	51	4	4	3
Public Administration	861	51	436	%	63	46	6	3	3
Education	5,568	54	2,977	%	75	46	4	5	2
Health & Social Work	7,935	55	4,400	%	69	48	6	6	2
Community, Social & Personal Services	5,806	55	3,213	%	71	44	5	4	3

Base: Column 1: Establishments who had funded or arranged any training in the previous 12 months; Columns 2-6 Establishments that had not funded or arranged training in the previous 12 months.

Note: responses are only shown if given by one per cent or more of respondents in 2013.

Figures in italics denote base size smaller than 50: figures should be treated with caution

Table A.4.5 Types of training provided over the last 12 months (prompted)

<i>Row percentages</i>	<i>Unwtd Base</i>		Job specific	Health & Safety	Induction	New technology	Management	Supervisory
UK 2011	66,439	%	85	75	57	47	35	35
UK 2013	69,842	%	85	74	58	48	35	34
Country								
England	57,787	%	85	73	58	48	36	34
Northern Ireland	2,894	%	81	75	54	48	35	34
Scotland	4,884	%	87	74	58	51	33	34
Wales	4,277	%	87	76	58	49	37	38
Size								
2-4	9,580	%	80	60	40	46	23	22
5-24	40,801	%	86	79	64	46	36	36
25-49	10,123	%	92	92	83	53	57	53
50-99	5,315	%	94	95	88	61	66	62
100-249	2,864	%	97	97	92	70	76	73
250+	1,159	%	97	97	93	80	89	85
Sector								
Agriculture	1,710	%	79	67	26	46	14	13
Mining & Quarrying	103	%	82	90	60	38	44	46
Manufacturing	5,128	%	82	79	57	46	26	29
Electricity, Gas & Water	878	%	87	87	67	41	40	40
Construction	4,777	%	77	79	50	35	22	28
Wholesale & Retail	12,425	%	84	76	62	52	42	41
Hotels & Restaurants	6,761	%	84	84	69	31	42	49
Transport & Comms.	4,939	%	84	60	46	60	26	23
Financial Services	1,824	%	92	63	59	58	44	38
Business Services	11,127	%	86	59	51	54	29	25
Public Administration	861	%	92	81	67	53	54	49
Education	5,568	%	92	90	73	60	60	43
Health & Social Work	7,935	%	90	86	71	40	45	45
Community, Social & Personal Services	5,806	%	85	74	56	43	31	31

Base: Establishments that had funded or arranged training in the previous 12 months.

Table A.4.6 Number employed and trained over the last 12 months by sector, and the proportion of the workforce trained

	2011		2013		
	<i>Base</i>	% of staff trained	Number employed (000s)	Number trained (000s)	% of staff trained
Agriculture	1,710	39	382	158	41
Mining & Quarrying	103	46	56	30	53
Manufacturing	5,128	46	2,308	1,160	50
Electricity, Gas & Water	878	55	282	191	68
Construction	4,777	49	1,251	604	48
Wholesale & Retail	12,425	52	4,424	2,449	55
Hotels & Restaurants	6,761	55	1,800	1,063	59
Transport & Comms.	4,939	44	2,126	1,186	56
Financial Services	1,824	59	1,034	697	67
Business Services	11,127	52	4,468	2,701	60
Public Administration	861	61	1,433	962	67
Education	5,568	65	2,570	1,953	76
Health & Social Work	7,935	66	3,598	2,870	80
Community, Social & Personal Services	5,806	55	1,227	769	63

Base: Establishments that had funded or arranged training in the previous 12 months.

Note: 'the percentage of staff trained' refers to the number of staff trained over the last 12 months (whether or not they still work at the establishment) as a percentage of the number of staff currently employed.

Table A.4.7 Average training days over the last 12 months per person trained

<i>Row percentages</i>	<i>Unwtd Base</i>	Average days training per person trained						
		1 day or less	2	3-4	5-6	7-10	11+	
UK	69,842	%	12	15	20	18	18	18
Country								
England	57,787	%	12	15	20	18	18	18
Northern Ireland	2,894	%	12	16	22	17	18	15
Scotland	4,884	%	11	17	20	17	17	18
Wales	4,277	%	11	14	21	19	18	17
Size								
2-4	9,580	%	13	14	20	17	17	19
5-24	40,801	%	11	16	21	17	18	18
25-49	10,123	%	11	16	21	19	18	16
50-99	5,315	%	12	17	20	22	16	13
100-249	2,864	%	14	18	21	22	14	11
250+	1,159	%	16	17	23	27	11	8
Sector								
Agriculture	1,710	%	18	22	26	20	7	7
Mining & Quarrying	103	%	8	15	19	27	17	15
Manufacturing	5,128	%	15	19	19	17	17	15
Electricity, Gas & Water	878	%	12	15	22	18	17	14
Construction	4,777	%	12	16	21	19	16	16
Wholesale & Retail	12,425	%	12	14	19	15	19	20
Hotels & Restaurants	6,761	%	16	15	17	12	18	21
Transport & Comms.	4,939	%	13	17	20	17	17	16
Financial Services	1,824	%	7	13	19	16	18	27
Business Services	11,127	%	11	15	21	18	18	17
Public Administration	861	%	7	15	22	23	16	18
Education	5,568	%	10	15	24	29	12	11
Health & Social Work	7,935	%	7	12	22	20	21	17
Community, Social & Personal Services	5,806	%	12	15	20	17	18	19

Base: Establishments that had funded or arranged training in the previous 12 months.

Table A.4.8 Total training and development days, and days per person trained and per employee by sector 2013 vs. 2011

	2011				2013			
	<i>Unwtd Base</i>	Total training days	Days per person trained	Days per employee	<i>Unwtd Base</i>	Total training days	Days per person trained	Days per employee
UK	66,439	115m	7.8	4.2	69,842	113m	6.7	4.2
Sector								
Agriculture	548	1.0m	7.2	2.8	1,710	0.9m	5.7	2.4
Mining & Quarrying	142	0.09m	3.5	1.6	103	0.1m	4.2	2.2
Manufacturing	5,308	8.9m	7.9	3.6	5,128	6.2m	5.4	2.7
Electricity, Gas & Water	1,070	1.3m	8.6	4.7	878	1.7m	9.0	6.0
Construction	4,399	4.6m	6.9	3.4	4,777	3.7m	6.2	3.0
Wholesale & Retail	11,001	20.0m	8.7	4.5	12,425	19.3m	7.9	4.4
Hotels & Restaurants	6,185	10.7m	11.4	6.2	6,761	9.6m	9.1	5.3
Transport & Comms.	5,430	6.1m	6.5	2.9	4,939	6.8m	5.8	3.2
Financial Services	1,460	4.1m	6.6	3.9	1,824	3.4m	4.9	3.3
Business Services	11,268	15.2m	6.7	3.5	11,127	19.2m	7.1	4.3
Public Administration	1,444	9.4m	9.9	6.0	861	7.4m	7.7	5.2
Education	5,117	9.0m	5.5	3.6	5,568	9.6m	4.9	3.8
Health & Social Work	7,484	18.2m	7.9	5.2	7,935	19.0m	6.6	5.3
Community, Social & Personal Services	5,583	6.0m	8.9	4.9	5,806	5.9m	7.7	4.8

Base: Establishments that had funded or arranged training in the previous 12 months.

'Days per employee' is based upon employment across all establishments.

Table A.4.9 Training to nationally recognised qualifications in the last 12 months among employers that train

<i>Row percentages</i>	<i>Unwtd Base</i>	Any staff trained to a qualification	Number trained to a qualification	% of those trained to a qualification	% of all employees trained to a qualification
UK	69,842	47	3.6m	21	13
Size					
2-4	9,580	36	0.3m	27	11
5-24	40,801	50	0.9m	26	14
25-49	10,123	63	0.5m	24	15
50-99	5,315	69	0.5m	23	15
100-249	2,864	75	0.5m	19	13
250+	1,159	79	0.8m	16	11
Sector					
Agriculture	1,710	40	*	26	11
Mining & Quarrying	103	57	*	23	12
Manufacturing	5,128	44	0.2m	18	9
Electricity, Gas & Water	878	54	*	21	14
Construction	4,777	51	0.2m	33	16
Wholesale & Retail	12,425	39	0.4m	15	8
Hotels & Restaurants	6,761	52	0.2m	22	13
Transport & Comms.	4,939	39	0.3m	23	13
Financial Services	1,824	42	0.1m	15	10
Business Services	11,127	40	0.5m	20	12
Public Administration	861	61	0.2m	19	13
Education	5,568	64	0.3m	15	11
Health & Social Work	7,935	65	0.9m	30	24
Community, Social & Personal Services	5,806	52	0.2m	29	18

Base: establishments that had funded or arranged training in the previous 12 months.

Note the final column shows the proportion of all employees in that size band or sector that were trained to a qualification (not the proportion of employees within establishments that train).

*Note: * refers to a figure of less than 50,000*

Table A.4.10 Total training expenditure and training spend per person trained and per employee by sector (2011 vs. 2013)

	2011				2013			
	<i>Base</i>	Total	Spend per person trained	Spend per employee	<i>Base</i>	Total	Spend per person trained	Spend per employee
UK	11,027	£45.3bn	£3,080	£1,680	12,522	£42.9bn	£2,550	£1,590
Sector								
Agriculture	87	£1.0bn	£7,210	£2,810	297	£0.4bn	£2,600	£1,080
Mining & Quarrying	29	£0.07bn	£2,570	£1,190	21	**	**	**
Manufacturing	816	£3.2bn	£2,850	£1,320	846	£2.5bn	£2,190	£1,100
Electricity, Gas & Water	137	£0.3bn	£2,000	£1,100	163	£0.3bn	£1,530	£1,030
Construction	655	£2.5bn	£3,710	£1,840	893	£2.5bn	£4,060	£1,960
Wholesale & Retail	1,815	£5.0bn	£2,160	£1,120	1,945	£6.4bn	£2,600	£1,440
Hotels & Restaurants	1,055	£3.3bn	£3,530	£1,930	1,091	£2.7bn	£2,500	£1,470
Transport & Comms.	862	£2.9bn	£3,140	£1,380	954	£3.3bn	£2,750	£1,530
Financial Services	220	£1.4bn	£2,330	£1,380	369	£1.3bn	£1,880	£1,270
Business Services	2,036	£8.2bn	£3,660	£1,890	2,337	£8.6bn	£3,170	£1,920
Public Administration	231	£3.8bn	£3,980	£2,410	213	£2.2bn	£2,280	£1,530
Education	558	£6.2bn	£3,780	£2,440	621	£5.3bn	£2,730	£2,070
Health & Social Work	1,515	£5.1bn	£2,190	£1,450	1,540	£5.1bn	£1,790	£1,420
Community, Social & Personal Services	1,011	£2.2bn	£3,340	£1,840	1,232	£2.3bn	£2,990	£1,880

Base: Establishments completing the Investment in Training study.

Note: The figures for spend per person trained and per employee have been rounded to the nearest £10.

**** denotes figure not shown because of a low base (fewer than 25 respondents); Figures in italics denote base size smaller than 50: figures should be treated with caution*

Table A.4.11 Training expenditure by sector, the proportion spent on off-the-job elements, and the breakdown of total training spend (both on-the job and off-the job training) by key elements

<i>Row percentages</i>	<i>Base</i>	Expenditure on training	% spent on off-the-job training		Labour costs of trainees	Wages of trainers	Fees to external providers	Other
UK	12,522	£42.9bn	50	%	50	18	8	24
Sector								
Agriculture	297	£0.4bn	58	%	43	16	10	30
Mining & Quarrying	21	**	46	%	**	**	**	**
Manufacturing	846	£2.5bn	43	%	54	19	9	18
Electricity, Gas & Water	163	£0.3bn	63	%	35	17	11	37
Construction	893	£2.5bn	51	%	47	20	9	24
Wholesale & Retail	1,945	£6.4bn	41	%	49	23	7	21
Hotels & Restaurants	1,091	£2.7bn	36	%	56	23	4	18
Transport & Comms.	954	£3.3bn	45	%	55	15	8	21
Financial Services	369	£1.3bn	43	%	48	26	9	17
Business Services	2,337	£8.6bn	50	%	49	19	10	22
Public Administration	213	£2.2bn	49	%	59	15	6	20
Education	621	£5.3bn	62	%	48	12	6	34
Health & Social Work	1,540	£5.1bn	58	%	51	15	6	28
Community, Social & Personal Services	1,232	£2.3bn	55	%	47	16	8	30

Base: establishments completing the Investment in Training study.

**** denotes figure not shown because of a low base (fewer than 25 respondents).*

The column 'other' includes such items as expenditure on training centres and on training management.

Table A.4.12 Training expenditure spent on Further Education colleges, Universities or other Higher Education institutions, and the proportion of the total fees to external providers that this represents

<i>Row percentages</i>	<i>Base</i>	Total fees to external providers	Total fees to FE/HE providers		% of fees to external providers paid to FE/HE providers
UK	12,522	£3.3bn	£440m	%	13
Country					
England	8,704	£2.8bn	£371m	%	13
Northern Ireland	1,028	£0.1bn	£10m	%	13
Scotland	1,429	£0.3bn	£44m	%	15
Wales	1,361	£0.1bn	£15m	%	14
Size					
2 to 4	2,317	£0.5bn	£59m	%	12
5 to 24	6,953	£1.0bn	£161m	%	16
25 to 49	1,722	£0.4bn	£38m	%	9
50 to 99	928	£0.4bn	£49m	%	11
100 to 249	452	£0.5bn	£83m	%	16
250+	150	£0.4bn	£49m	%	13
Sector					
Agriculture	297	£0.04bn	£7m	%	16
Mining & Quarrying	21	**	**	%	**
Manufacturing	846	£0.2bn	£39m	%	17
Electricity, Gas & Water	163	£0.03bn	£1m	%	3
Construction	893	£0.2bn	£30m	%	14
Wholesale & Retail	1,945	£0.4bn	£43m	%	10
Hotels & Restaurants	1,091	£0.1bn	£13m	%	12
Transport & Comms.	954	£0.3bn	£16m	%	6
Financial Services	369	£0.1bn	£10m	%	9
Business Services	2,337	£0.9bn	£141m	%	16
Public Administration	213	£0.1bn	£17m	%	14
Education	621	£0.3bn	£47m	%	14
Health & Social Work	1,540	£0.3bn	£52m	%	16
Community, Social & Personal Services	1,232	£0.2bn	£24m	%	14

Base: establishments completing the Investment in Training study.

First column rounded to the nearest £0.01bn; second column to the nearest £1m

**** denotes figure not shown because of a low base (fewer than 25 respondents).*

Chapter 5: Recruitment of Young People

Table A.5.1 Recruitment of education leaver in past 2-3 years – by size and sector in England, Northern Ireland and Wales

<i>Row percentages</i>	<i>Unwtd Base</i>	Any education leaver	16 year old school leaver	17-18 year old school leaver	17-18 year old FEC leaver	University / HE graduate
		%	%	%	%	
England/NI/Wales	85,265	27	8	10	11	14
Size						
2-4	17,949	13	3	3	4	5
5-24	48,387	37	10	14	15	17
25-49	10,078	59	18	27	29	36
50-99	5,102	67	19	32	34	46
100-249	2,674	77	24	43	44	60
250+	1,075	81	30	51	54	69
Sector						
Agriculture	2,888	13	5	3	5	3
Mining & Quarrying	117	18	6	8	6	8
Manufacturing	7,013	25	8	10	10	9
Electricity, Gas & Water	1,062	27	6	11	9	11
Construction	6,706	18	7	6	7	4
Wholesale & Retail	16,296	28	11	14	14	12
Hotels & Restaurants	8,317	35	14	20	20	17
Transport & Comms.	6,444	24	5	7	8	13
Financial Services	2,125	27	3	9	9	18
Business Services	13,227	25	4	7	8	17
Public admin	818	30	5	12	14	21
Education	5,442	50	6	13	16	39
Health & Social Work	7,892	33	5	12	17	17
Community, Social & Personal Services	6,918	31	13	12	14	12

Base: All establishments in England, Wales and Northern Ireland

Table A.5.2 Recruitment of education leaver in past 2-3 years – by size and sector in Scotland

<i>Row percentages</i>	<i>Base</i>	Any Scottish education leaver %	Scottish School Leaver %	Scottish FE Leaver %	Scottish HE Leaver %
Scotland	6,014	26	17	11	12
Size					
2-4	1,109	13	8	5	5
5-24	3,178	32	21	12	13
25-49	869	57	35	29	34
50-99	482	63	41	35	43
100-249	264	70	40	42	51
250+	112	79	46	55	66
Sector					
Agriculture	519	15	10	5	2
Mining & Quarrying	21	**	**	**	**
Manufacturing	409	29	22	10	9
Electricity, Gas & Water	86	29	19	10	10
Construction	496	24	19	4	5
Wholesale & Retail	991	28	20	12	11
Hotels & Restaurants	571	30	22	17	17
Transport & Comms.	446	17	9	6	7
Financial Services	205	21	10	5	13
Business Services	784	24	11	8	17
Public admin	124	26	9	11	18
Education	354	35	14	16	25
Health & Social Work	568	37	20	18	18
Community, Social & Personal Services	440	30	20	15	11

Base: All establishments in Scotland

**** denotes figure not shown because of a low base (fewer than 25 respondents); Figures in italics denote base size smaller than 50: figures should be treated with caution*

Table A.5.3 Recruitment of young people and education leavers, by nation

			Any recruitment	Any education leaver		Any young person	Recruited young person from education only	Recruited young person but not from education	Recruited young people both from education and not
Row percentages	Unwtd Base	%			Unwtd Base				
UK	91,279	%	64	27	45,644	44	12	20	13
Country									
England	75,255	%	64	27	37,559	45	12	20	13
Northern Ireland	4,014	%	54	22	2,015	35	10	17	9
Scotland	6,014	%	67	29	3,044	46	12	21	13
Wales	5,996	%	61	27	3,026	45	13	19	13
Size									
2-4	19,058	%	45	13	9,532	25	8	13	4
5-24	51,565	%	81	36	25,704	60	17	27	16
25-49	10,947	%	95	59	5,545	82	19	28	35
50-99	5,584	%	97	67	2,802	87	18	26	43
100-249	2,938	%	98	77	1,472	93	15	21	57
250+	1,187	%	99	81	589	94	11	16	67
Sector									
Agriculture	3,407	%	34	13	1,725	23	12	20	13
Mining & Quarrying	138	%	58	20	76	41	9	11	3
Manufacturing	7,422	%	62	26	3,763	42	12	21	7
Electricity, Gas & Water	1,148	%	70	27	571	48	12	21	10
Construction	7,202	%	48	18	3,623	30	8	26	14
Wholesale & Retail	17,287	%	66	28	8,731	47	10	15	6
Hotels & Restaurants	8,888	%	69	35	4,359	59	13	21	13
Transport & Comms.	6,890	%	60	24	3,427	39	10	28	21
Financial Services	2,330	%	70	27	1,169	49	11	17	11
Business Services	14,011	%	64	25	6,939	41	11	25	14
Public Administration	942	%	78	30	480	49	12	18	11
Education	5,796	%	84	49	2,907	62	10	23	16
Health & Social Work	8,460	%	81	33	4,221	53	21	20	22
Community, Social & Personal Services	7,358	%	67	32	3,653	48	11	24	18

Base: Columns one and two all establishments; remainder all establishments in Module 2.

Table A.5.4 Preparedness of education leavers recruited in past 2-3 years, by type of leaver and size in England, Northern Ireland and Wales

England/Wales/NI		All	2 to 4	5 to 24	25 to 49	50 to 99	100 to 249	250+
<i>Unwtd base</i>		<i>10,060</i>	<i>634</i>	<i>5,416</i>	<i>1,864</i>	<i>1,080</i>	<i>700</i>	<i>366</i>
16 year old school leavers	Very well prepared	11	15	10	8	7	7	4
	Well prepared	48	41	48	53	53	55	52
	Poorly Prepared	29	28	29	28	30	27	30
	Very poorly prepared	7	12	7	5	3	2	3
		<i>14,471</i>	<i>602</i>	<i>7,477</i>	<i>2,831</i>	<i>1,796</i>	<i>1,179</i>	<i>586</i>
17-18 year old school leavers	Very well prepared	10	15	10	9	8	7	5
	Well prepared	56	48	56	60	61	60	60
	Poorly Prepared	24	23	25	24	24	22	23
	Very poorly prepared	5	11	5	4	2	1	2
		<i>15,435</i>	<i>754</i>	<i>7,981</i>	<i>2,994</i>	<i>1,876</i>	<i>1,217</i>	<i>613</i>
17-18 FE College leavers	Very well prepared	13	16	13	13	11	11	7
	Well prepared	61	52	61	65	68	65	70
	Poorly Prepared	18	21	18	17	14	15	12
	Very poorly prepared	4	8	3	2	1	1	1
		<i>17,770</i>	<i>782</i>	<i>8,588</i>	<i>3,647</i>	<i>2,368</i>	<i>1,629</i>	<i>756</i>
University/HE leavers	Very well prepared	24	22	23	27	25	24	21
	Well prepared	60	53	60	62	63	64	66
	Poorly Prepared	11	16	11	7	7	6	5
	Very poorly prepared	2	5	2	1	*	*	-

Base: Establishments in England, Northern Ireland and Wales who had taken on each type of education leaver

*'-' denotes zero; '**' denotes a figure larger than zero but smaller than 0.5*

Figures in italics denote base size smaller than 50: figures should be treated with caution

Table A.5.4(i) Preparedness of education leavers recruited in past 2-3 years, by type of leaver and size in Scotland

Scotland		All	2 to 4	5 to 24	25 to 49	50 to 99	100 to 249	250+
		<i>1,514</i>	<i>90</i>	<i>724</i>	<i>312</i>	<i>214</i>	<i>114</i>	<i>60</i>
Scottish Secondary School leavers	Very well prepared	10	12	11	5	5	7	4
	Well prepared	55	53	51	61	63	62	72
	Poorly Prepared	25	22	28	23	22	22	16
	Very poorly prepared	4	8	4	3	4	1	-
		<i>1,095</i>	<i>46</i>	<i>426</i>	<i>257</i>	<i>183</i>	<i>118</i>	<i>65</i>
Scottish FE College Leavers	Very well prepared	12	20	11	10	8	8	10
	Well prepared	66	49	65	78	76	73	74
	Poorly Prepared	14	19	16	10	10	9	10
	Very poorly prepared	3	7	3	1	-	1	-
		<i>1,258</i>	<i>37</i>	<i>485</i>	<i>299</i>	<i>226</i>	<i>143</i>	<i>68</i>
Scottish HE Leavers	Very well prepared	23	28	22	23	21	24	17
	Well prepared	62	53	62	66	69	65	78
	Poorly Prepared	8	10	8	7	9	5	1
	Very poorly prepared	*	-	1	-	-	-	-

Base: Establishments in Scotland who had taken on each type of education leaver

'-' denotes zero; '' denotes a figure larger than zero but smaller than 0.5*

Figures in italics denote base size smaller than 50: figures should be treated with caution

Table A.5.5 Preparedness of education leavers recruited in past 2-3 years, by type of leaver 2013 v 2011

England/Wales/NI		2011	2013
<i>Unwtd base</i>		10,962	10,060
16 year old school leavers	Very well prepared	11	11
	Well prepared	48	48
	Poorly Prepared	28	29
	Very poorly prepared	9	7
		13,871	14,471
17-18 year old school leavers	Very well prepared	10	10
	Well prepared	56	56
	Poorly Prepared	24	24
	Very poorly prepared	6	5
		13,008	15,435
17-18 FE College leavers	Very well prepared	13	13
	Well prepared	61	61
	Poorly Prepared	18	18
	Very poorly prepared	4	4
		15,680	17,770
University/HE leavers	Very well prepared	24	24
	Well prepared	59	60
	Poorly Prepared	11	11
	Very poorly prepared	2	2
Scotland			
		743	1,514
Scottish Secondary School leavers	Very well prepared	10	10
	Well prepared	59	55
	Poorly Prepared	24	25
	Very poorly prepared	5	4
		552	1,095
Scottish FE College Leavers	Very well prepared	16	12
	Well prepared	64	66
	Poorly Prepared	14	14
	Very poorly prepared	2	3
		636	1,258
Scottish HE Leavers	Very well prepared	28	23
	Well prepared	58	62
	Poorly Prepared	8	8
	Very poorly prepared	1	*

Base: Establishments who had taken on each type of education leaver

*** denotes a figure larger than zero but smaller than 0.5*

Table A.5.5 (i) Preparedness of education leavers recruited in past 2-3 years, by sector (i)

England/Wales/NI		All	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale & Retail	Hotels and Restaurants
<i>Unwtd base</i>		10,060	160	8	754	68	706	2,865	1,925
16 year old school leavers	Very well prepared	11	24	**	10	14	10	10	9
	Well prepared	48	44	**	44	42	48	53	46
	Poorly Prepared	29	22	**	35	31	26	26	32
	Very poorly prepared	7	6	**	8	10	11	5	6
		14,471	107	12	927	109	681	3,869	2,777
17-18 year old school leavers	Very well prepared	10	9	**	9	11	10	10	10
	Well prepared	56	47	**	50	47	53	61	55
	Poorly Prepared	24	32	**	30	29	23	22	24
	Very poorly prepared	5	9	**	6	5	9	3	5
		15,435	153	11	989	97	683	3,707	2,762
17-18 FE College leavers	Very well prepared	13	20	**	14	14	15	13	12
	Well prepared	61	57	**	60	48	59	65	62
	Poorly Prepared	18	16	**	19	26	17	15	18
	Very poorly prepared	4	5	**	3	8	7	3	3
		17,770	100	15	849	116	394	3,092	2,508
University/HE leavers	Very well prepared	24	25	**	23	22	24	25	20
	Well prepared	60	50	**	58	62	60	61	67
	Poorly Prepared	11	17	**	12	10	8	10	8
	Very poorly prepared	2	5	**	3	2	3	1	1
Scotland									
		1,514	50	4	128	19	124	348	224
Scottish Secondary School leavers	Very well prepared	10	13	**	10	**	10	7	12
	Well prepared	55	54	**	55	**	55	57	50
	Poorly Prepared	25	30	**	26	**	25	22	30
	Very poorly prepared	4	-	**	4	**	7	8	3
		1,095	29	6	77	11	37	220	185
Scottish FE College Leavers	Very well prepared	12	27	**	6	**	14	9	8
	Well prepared	66	51	**	73	**	59	69	71
	Poorly Prepared	14	12	**	15	**	26	15	12
	Very poorly prepared	3	9	**	1	**	-	4	4
		1,258	16	6	71	8	34	214	183
Scottish HE Leavers	Very well prepared	23	**	**	24	**	28	27	21
	Well prepared	62	**	**	64	**	66	62	52
	Poorly Prepared	8	**	**	9	**	3	3	19
	Very poorly prepared	*	**	**	-	**	3	-	2

Table A.5.5 (ii) Preparedness of education leavers recruited in past 2-3 years, by sector (ii)

England/ Wales/NI		All	Transport and Comms	Financial Services	Business Services	Public Admin	Education	Health and Social Work	Community, Social and Personal Ser.
<i>Unwtd base</i>		10,060	433	65	869	38	389	571	1,209
16 year old school leavers	Very well prepared	11	13	6	11	5	11	10	11
	Well prepared	48	45	47	46	59	49	47	44
	Poorly Prepared	29	27	34	30	28	28	29	31
	Very poorly prepared	7	12	10	8	-	6	8	10
		14,471	606	189	1,546	105	837	1,378	1,328
17-18 year old school leavers	Very well prepared	10	12	10	10	10	12	10	12
	Well prepared	56	50	57	54	59	60	54	55
	Poorly Prepared	24	25	25	24	20	19	29	25
	Very poorly prepared	5	8	5	8	2	4	3	5
		15,435	721	204	1,700	126	1,019	1,852	1,411
17-18 FE College leavers	Very well prepared	13	12	8	13	11	15	14	15
	Well prepared	61	52	63	57	59	64	61	57
	Poorly Prepared	18	25	21	22	18	14	18	19
	Very poorly prepared	4	5	3	5	1	3	2	4
		17,770	1,106	395	3,385	184	2,555	1,765	1,306
University/ HE leavers	Very well prepared	24	21	19	21	23	36	23	27
	Well prepared	60	54	65	58	65	55	61	57
	Poorly Prepared	11	14	11	15	5	5	10	10
	Very poorly prepared	2	4	1	2	*	*	2	2
Scotland									
		1,514	71	23	151	14	72	148	138
Scottish Secondary School leavers	Very well prepared	10	19	**	4	**	12	6	22
	Well prepared	55	42	**	58	**	61	55	47
	Poorly Prepared	25	30	**	29	**	15	32	20
	Very poorly prepared	4	2	**	1	**	6	2	5
		1,095	41	11	118	16	83	162	99
Scottish FE College Leavers	Very well prepared	12	11	**	5	**	18	21	20
	Well prepared	66	69	**	73	**	73	66	40
	Poorly Prepared	14	12	**	9	**	9	8	29
	Very poorly prepared	3	-	**	1	**	-	1	10
		1,258	62	24	229	26	141	144	100
Scottish HE Leavers	Very well prepared	23	28	**	22	**	40	15	20
	Well prepared	62	60	**	58	**	53	75	70
	Poorly Prepared	8	8	**	10	**	5	5	5
	Very poorly prepared	*	-	**	-	**	-	1	-

*Base: Establishments who had taken on each type of education leaver' -' denotes zero; '**' denotes a figure larger than zero but smaller than 0.5 Figures in italics denote base size smaller than 50: figures should be treated with caution*

Table A.5.7 Recruitment of education leavers in the past 2-3 years – by size and sector in England, Northern Ireland and Wales (2011 vs. 2013)

Row percentages	2011					2013				
	Unwtd Base	16 year old school leaver	17-18 year old school leaver	17-18 year old FEC leaver	University/HE graduate	Unwtd Base	16 year old school leaver	17-18 year old school leaver	17-18 year old FEC leaver	University HE leaver
Eng/NI/Wal	84,035	9	11	10	12	85,265	8	10	11	14
Size										
2-4	17,608	5	5	5	5	17,949	3	3	4	5
5-24	46,875	12	14	13	15	48,387	10	14	15	17
25-49	9,837	17	25	23	29	10,078	18	27	29	36
50-99	5,299	20	29	27	39	5,102	19	32	34	46
100-249	2,947	21	35	31	50	2,674	24	43	44	60
250+	1,469	33	47	44	60	1,075	30	51	54	69
Sector										
Agriculture	836	7	6	6	3	2,888	5	3	5	3
Mining & Quarrying	161	8	11	3	8	117	6	8	6	8
Manufacturing	7,477	9	10	9	8	7,013	8	10	10	9
Electricity, Gas & Water	1,324	7	9	9	10	1,062	6	11	9	11
Construction	6,347	11	8	8	4	6,706	7	6	7	4
Wholesale & Retail	14,846	12	14	12	10	16,296	11	14	14	12
Hotels & Restaurants	8,202	13	18	16	14	8,317	14	20	20	17
Transport & Comms.	7,586	6	7	7	12	6,444	5	7	8	13
Financial Services	1,762	4	10	9	18	2,125	3	9	9	18
Business Services	13,954	4	7	7	15	13,227	4	7	8	17
Public admin	1,448	5	10	10	18	818	5	12	14	21
Education	5,258	7	12	14	38	5,442	6	13	16	39
Health & Social Work	7,860	5	11	13	15	7,892	5	12	17	17
Community, Social & Personal Services	6,974	14	12	13	11	6,918	13	12	14	12

Base: All establishments in England, Northern Ireland and Wales

Table A.5.8 Recruitment of education leaver in past 2-3 years – by size and sector in Scotland (2011 vs. 2013)

<i>Row percentages</i>	2011				2013			
	<i>Unwtd Base</i>	Scottish School Leaver	Scottish FE Leaver	Scottish HE Leaver	<i>Unwtd Base</i>	Scottish School Leaver	Scottish FE Leaver	Scottish HE Leaver
Scotland	2,487	17	10	11	6,014	17	11	12
Size								
2-4	297	9	4	3	1,109	8	5	5
5-24	895	21	12	13	3,178	21	12	13
25-49	402	35	26	29	869	35	29	34
50-99	413	36	30	35	482	41	35	43
100-249	323	41	37	53	264	40	42	51
250+	157	57	56	56	112	46	55	66
Sector								
Agriculture	85	15	10	2	519	10	5	2
Mining & Quarrying	24	**	**	**	21	**	**	**
Manufacturing	176	21	12	11	409	22	10	9
Electricity, Gas & Water	82	15	7	10	86	19	10	10
Construction	229	22	6	4	496	19	4	5
Wholesale & Retail	317	21	11	11	991	20	12	11
Hotels & Restaurants	219	23	17	12	571	22	17	17
Transport & Comms.	224	13	4	11	446	9	6	7
Financial Services	91	20	10	16	205	10	5	13
Business Services	343	10	8	12	784	11	8	17
Public admin	136	8	9	16	124	9	11	18
Education	164	12	20	24	354	14	16	25
Health & Social Work	207	11	12	16	568	20	18	18
Community, Social & Personal Services	190	20	6	6	440	20	15	11

Base: All establishments in Scotland

**** denotes figure not shown because of a low base (fewer than 25 respondents).*

Chapter 6: High Performance Working

Table A.6.1 Summary of skills shortages by HPW classification and size

		Have vacancies	Have HtFVs	Have SSVs	HtFVs / vacs	SSVs / vacs	SSVs / HtFVs
<i>Row percentages</i>	<i>Unwtd Base</i>	%	%	%	%	%	%
HPW employers							
2-4	426	15	6	5	42	36	85
5-24	4,026	23	7	6	28	24	85
25-49	1,537	37	10	8	26	19	73
50-99	1,003	48	14	11	29	24	83
100-249	721	61	19	16	20	15	73
250+	392	61	21	19	16	14	93
Non-HPW Employers							
2-4	9,100	8	3	2	46	32	69
5-24	21,835	15	5	4	35	27	77
25-49	3,865	30	9	7	27	19	69
50-99	1,779	39	10	8	25	18	69
100-249	745	57	18	15	30	25	85
250+	206	70	18	16	15	14	97

Base: All establishments by HPW classification and size.

'HtFVs / vacs' is shown as all hard-to-fill vacancies as a proportion of all private sector vacancies; 'SSVs / vacs' is shown as all skill-shortage vacancies as a proportion of all private sector vacancies; 'SSVs / HtFVs' is shown as all skill-shortage vacancies as a proportion of all hard-to-fill private sector vacancies.

Table A.6.2 Incidence, number and density of skills gaps among HPW employers and non-HPW employers, by size band

<i>Row percentages</i>	<i>Unwtd Base</i>	% of establishments with any skills gaps	Number of staff not fully proficient (skills gaps)	% of staff reported as having skills gaps
HPW employers				
2-4	426	6	3,500	2.6
5-24	4,026	22	53,800	4.8
25-49	1,537	33	50,600	5.3
50-99	1,003	37	71,700	5.9
100-249	721	44	103,900	5.1
250+	392	48	270,900	5.4
Non-HPW employers				
2-4	9,100	7	64,100	2.8
5-24	21,835	21	261,500	4.9
25-49	3,865	32	115,400	5.0
50-99	1,779	35	108,100	4.9
100-249	745	41	106,100	5.3
250+	206	51	180,300	7.8

Base: Column one all establishments in Module 1 by HPW classification and size; remainder all employment in Module 1 by HPW classification and size.

Note: The number of employees not fully proficient has been rounded to the nearest 100.

Table A.6.3 Training activity among HPW employers and non-HPW employers by size band and sector

<i>Row percentages</i>	<i>Unwtd Base</i>	Any training	Proportion of staff trained
		%	%
Size			
HPW employers			
2-4	426	95	88
5-24	4,026	98	77
25-49	1,537	98	73
50-99	1,003	99	75
100-249	721	99	74
250+	392	99	74
Non-HPW employers			
2-4	9,100	50	40
5-24	21,835	75	51
25-49	3,865	91	60
50-99	1,779	93	63
100-249	745	97	65
250+	206	93	63
Sector			
HPW employers			
Agriculture	31	100	76
Mining and Quarrying	13	**	**
Manufacturing	428	99	67
Electricity, Gas and Water	97	99	64
Construction	239	97	70
Wholesale and Retail	1,797	97	73
Hotels and Restaurants	929	95	78
Transport and Communications	380	93	61
Financial Services	265	96	81
Business Services	1,242	98	76
Public Administration	182	98	68
Education	872	100	80
Health and Social Work	1,008	99	83
Community, Social & Personal Service Activities	622	98	77
Non-HPW employers			
Agriculture	1,651	49	42
Mining and Quarrying	49	53	41
Manufacturing	3,231	58	42
Electricity, Gas and Water	480	70	64
Construction	3,340	54	45
Wholesale and Retail	6,759	57	46
Hotels and Restaurants	3,600	58	54
Transport and Communications	3,083	62	49
Financial Services	896	74	65
Business Services	5,830	63	51
Public Administration	280	86	72
Education	2,017	91	73
Health and Social Work	3,231	88	78
Community, Social & Personal Service Activities	3,083	64	59

Base: All establishments in Module 1 by HPW classification.

Table A.6.4 Profile of private sector employers in each Product Market Strategy classification by country and sector

	Very Low	Low	Medium	High	Very High
Base	2,818	9,507	19,333	23,106	12,729
	%	%	%	%	%
Country					
England	80	82	84	86	86
Northern Ireland	4	4	3	3	2
Scotland	9	8	8	7	7
Wales	7	5	5	4	4
Sector					
Agriculture	16	10	6	3	2
Mining and Quarrying	-	-	-	-	-
Manufacturing	5	6	7	7	8
Electricity, Gas and Water	1	1	1	1	1
Construction	15	14	12	9	7
Wholesale and Retail	22	22	23	23	22
Hotels and Restaurants	11	11	10	9	10
Transport and Communications	9	8	7	8	8
Financial Services	2	2	3	3	3
Business Services	14	18	22	25	24
Public Administration	-	-	-	1	1
Education	1	-	1	1	2
Health and Social Work	1	2	3	5	5
Community, Social & Personal Service Activities	3	5	5	6	7

Base: All private sector establishments in each PMS classification by country and sector.

'-' denotes a figure of zero.

Table A.6.5 Profile of hard-to-fill vacancies at 1- digit SOC level by Product Market Strategy

	% of hard-to-fill vacancies				
	Very low	Low	Medium	High	Very high
<i>Base</i>	204	966	2,657	3,924	2,885
<i>Column %</i>	%	%	%	%	%
Occupation					
Managers	4	4	4	3	3
Professionals	9	10	11	18	17
Associate professionals	4	12	14	17	23
Administrative / clerical staff	4	4	7	8	4
Skilled trades occupations	29	23	14	14	12
Caring, leisure and other services staff	14	11	21	17	18
Sales and customer service staff	17	10	9	7	7
Machine operatives	11	9	8	5	5
Elementary staff	9	18	12	10	7

Base: All private sector hard-to-fill vacancies; up to six occupations followed up

Table A.6.6 Profile of skill-shortage fill vacancies at 1-digit SOC level by Product Market Strategy

	% of skill-shortage vacancies				
	Very low	Low	Medium	High	Very high
<i>Base</i>	137	742	2,086	3,056	2,244
<i>Column %</i>	%	%	%	%	%
Occupation					
Managers	1	4	4	3	3
Professionals	11	12	10	20	20
Associate professionals	4	14	15	19	24
Administrative / clerical staff	5	3	7	9	3
Skilled trades occupations	37	25	16	15	13
Caring, leisure and other services staff	15	10	20	15	17
Sales and customer service staff	11	9	10	7	5
Machine operatives	9	9	5	5	6
Elementary staff	7	13	11	7	6

Base: All private sector skill-shortage vacancies; up to six occupations followed up

Table A.6.7 Incidence and density of skills gaps by Product Market Strategy and size

<i>Row percentages</i>	<i>Unwtd Base</i>	% of establishments with a skills gap	% of workforce with skills gaps
Very low PMS			
2-4	1,100	6	3
5-24	1,451	21	5
25-49	170	48	9
50-99	68	42	7
100-249	21	**	**
250+	8	**	**
Low PMS			
2-4	2,889	7	3
5-24	5,407	24	6
25-49	754	38	6
50-99	289	49	9
100-249	120	57	8
250+	48	55	10
Medium PMS			
2-4	4,603	7	3
5-24	11,370	24	6
25-49	1,989	41	7
50-99	835	45	7
100-249	381	51	7
250+	155	62	9
High PMS			
2-4	4,400	8	3
5-24	13,627	23	5
25-49	2,688	35	6
50-99	1,415	41	6
100-249	719	50	6
250+	257	51	8
Very high PMS			
2-4	2,088	8	3
5-24	7,469	20	4
25-49	1,674	31	4
50-99	856	35	5
100-249	459	42	6
250+	183	52	8

Base: All private sector establishments in each PMS classification by country and size

**** denotes figures not shown due to low base (<25 responses)*

Table A.6.8 Training provision over the last 12 months by Product Market Strategy and size

<i>Row percentages</i>	<i>Unwtd Base</i>	Any training	Proportion of staff trained
		%	%
Very low PMS			
2-4	1,100	39	29
5-24	1,451	63	39
25-49	170	82	51
50-99	68	80	43
100-249	21	**	**
250+	8	**	**
Low PMS			
2-4	2,889	44	32
5-24	5,407	70	44
25-49	754	90	52
50-99	289	95	59
100-249	120	93	60
250+	48	97	68
Medium PMS			
2-4	4,603	50	37
5-24	11,370	76	50
25-49	1989	90	56
50-99	835	95	62
100-249	381	97	64
250+	155	96	62
High PMS			
2-4	4,400	55	44
5-24	13,627	79	54
25-49	2,688	93	60
50-99	1,415	94	63
100-249	719	98	66
250+	257	98	69
Very high PMS			
2-4	2,088	56	46
5-24	7,469	80	58
25-49	1,674	93	61
50-99	856	95	63
100-249	459	99	68
250+	183	99	72

Base: All private sector establishments in each PMS classification by size.

'Proportion of staff trained' is shown as a proportion of all private sector employment

**** denotes figure not shown because of a low base (fewer than 25 respondents); Figures in italics denote base size smaller than 50: figures should be treated with caution*

Annex B: National Time Series Tables

The UK Commission's Employer Skills Survey 2011 and 2013 was designed in such a way as to preserve key time series measures from the previous surveys carried out previously by the individual nations where possible.

The eligible employer population and weighting strategy 2013 survey was different to that used in 2011 (see the accompanying Technical Report for details); therefore the 2011 data has been reweighted to give comparable time series data.

For the constituent nations of the UK, the degree to which we can track time series prior to 2011 depends on the approach the nation took to their predecessor skills survey.

England: England carried out the National Employer Skills Survey (NESS) biennially from 2005, and annually from 2001 prior to this. The population used in NESS matches that used in UKCESS 2013 (2+ employment), therefore we can make some comparisons over a longer time period. It should be noted that the weighting strategy of the NESS surveys was based on SSC sectors rather than the 14 broad SIC sectors used in 2011 and 2013, therefore some caution needs to be exercised when making comparisons with data prior to 2011.

Northern Ireland: The Northern Ireland Skills Monitoring Survey (NISMS) was conducted in 2005 and 2008 on a 1+employee population. This does not match the population used in UKCESS 2013, therefore no time series comparisons can be drawn prior to 2011.

Scotland: The Scottish Employer Skills Survey (SESS) ran annually from 2006 to 2010. The surveys were conducted using a 1+employee population which does not match the population used in UKCESS 2013, therefore no time series comparisons can be drawn prior to 2011.

Wales: Future Skills Wales (FSW) was conducted in 2005 on a 2+ employment population. This gives some scope to make comparisons with this point in time, however it should be noted that the weighting strategy employed in 2005 used different sector and sizeband definitions to those used in 2011 and 2013, therefore some caution needs to be exercised when making comparisons with the 2005 data.

England Time Series: Key Figures

	NESS 03	NESS 05	NESS 07	NESS 09	UKCESS 2011	UKCESS 2013
Vacancies and skill-shortage vacancies						
% of establishments with any vacancies	17%	17%	18%	12%	14%	15%
% of establishments with any hard-to-fill vacancies	8%	7%	7%	3%	5%	5%
% with SSVs	n/a	5%	5%	3%	3%	4%
% of all vacancies which are SSVs	n/a	25%	21%	16%	15%	22%
Number of vacancies	679,000	573,900	619,700	385,700	501,200	559,600
Number of hard-to-fill vacancies	271,000	203,600	183,500	85,400	107,100	160,000
Number of skill-shortage vacancies	135,000	143,100	130,000	63,100	76,900	124,800
Skills gaps						
% of establishments with any staff not fully proficient	22%	16%	15%	19%	17%	15%
Number of skills gaps	2.4m	1.26m	1.36m	1.70m	1.28m	1.17m
Number of staff not fully proficient as a % of employment	11%	6%	6%	7%	6%	5%
Training						
% of establishments training staff over the last 12 months	59%	65%	67%	68%	65%	66%
% of establishments providing off-the-job training in the last 12 months	n/a	46%	46%	51%	47%	48%
% of workforce trained	53%	61%	63%	56%	54%	62%
Total number of training days	n/a	n/a	n/a	109m	97m	95m
Total training expenditure	**	**	**	**	£38.6bn	£36.0bn

***Eurostat data used for calculating total training spend was subject to an adjustment in 2013, therefore no data is available prior to 2011 that is directly comparable with 2011 and 2013 data.*

Northern Ireland Time Series: Key Figures

	UKCESS 2011	UKCESS 2013
Vacancies and skill-shortage vacancies		
% of establishments with any vacancies	10%	10%
% of establishments with any hard-to-fill vacancies	3%	3%
% with SSVs	2%	3%
% of all vacancies which are SSVs	21%	19%
Number of vacancies	18,400	15,200
Number of hard-to-fill vacancies	5,000	4,000
Number of skill-shortage vacancies	3,900	2,900
Skills gaps		
% of establishments with any staff not fully proficient	13%	14%
Number of skills gaps	34,100	37,700
Number of staff not fully proficient as a % of employment	4%	5%
Training		
% of establishments training staff over the last 12 months	65%	63%
% of establishments providing off-the-job training in the last 12 months	48%	49%
% of workforce trained	56%	59%
Total number of training days	2.71m	2.69m
Total training expenditure	£1.2bn	£1.1bn

Scotland Legacy Time Series: Key Figures

	UKCESS 2011	UKCESS 2013
Vacancies and skill-shortage vacancies		
% of establishments with any vacancies	14%	15%
% of establishments with any hard-to-fill vacancies	4%	6%
% with SSVs	3%	4%
% of all vacancies which are SSVs	15%	25%
Number of vacancies	44,500	54,500
Number of hard-to-fill vacancies	9,100	18,200
Number of skill-shortage vacancies	6,700	13,400
Skills gaps		
% of establishments with any staff not fully proficient	21%	19%
Number of skills gaps	121,000	135,100
Number of staff not fully proficient as a % of employment	5%	6%
Training		
% of establishments training staff over the last 12 months	73%	70%
% of establishments providing off-the-job training in the last 12 months	53%	53%
% of workforce trained	58%	65%
Total number of training days	9.8m	10.0m
Total training expenditure	£4bn	£4.2bn

Wales Legacy Time Series: Key Figures

	FSW 05	UKCESS 2011	UKCESS 2013
Vacancies and skill-shortage vacancies			
% of establishments with any vacancies	21%	12%	14%
% of establishments with any hard-to-fill vacancies	10%	4%	5%
% with SSVs	4%	3%	4%
% of all vacancies which are SSVs	14%	18%	20%
Number of vacancies	37,900	22,500	25,700
Number of hard-to-fill vacancies	13,200	6,600	7,200
Number of skill-shortage vacancies	5,400	4,000	5,100
Skills gaps			
% of establishments with any staff not fully proficient	18%	16%	16%
Number of skills gaps	63,800	53,900	67,400
Number of staff not fully proficient as a % of employment	6%	5%	6%
Training			
% of establishments training staff over the last 12 months	n/a	63%	62%
% of establishments providing off-the-job training in the last 12 months	n/a	47%	47%
% of workforce trained	n/a	56%	62%
Total number of training days	n/a	4.93m	5.56m
Total training expenditure	n/a	£1.5bn	£1.6bn

n/a: question not asked or not asked in a comparable manner in previous years' surveys

Annex C: Industry Coding

Each establishment was allocated to one of 14 sectors, based on their Standard Industrial Classification (SIC). SIC 2007 was used to classify establishments using the following method. Using the four-digit Standard Industrial Classification (SIC) supplied for each record from the Experian database, a description of business activity was read out to each respondent. If they agreed that this description matched the main activity undertaken at the establishment, then the SIC on Experian's database was assumed to be correct. If however the respondent felt the description did not correspond to their main business activity at the site (which about a quarter did), a verbatim response was collected to find out what they do (see question A7 on the survey; questionnaire shown in the accompanying Technical Report). At the analysis stage this was coded to a four-digit SIC which was then used as the basis for allocation into sector.

The table below shows the 14 sectors and their corresponding SIC 2007 definitions.

Sector	SIC 2007
1. Agriculture	A - Agriculture, forestry and fishing (01-03) Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture
2. Mining & Quarrying	B - Mining and quarrying (05-09) Including mining of coal, metals, sand/stone/clay, and extraction of crude petroleum and natural gas
3. Manufacturing	C - Manufacturing (10-33) Including manufacture of food and beverage, textiles, chemicals and chemical products, basic pharmaceutical products, other mineral products, manufacture of metals and metal products, machinery, computer and electronic products and equipment, motor vehicles and other transport equipment, furniture, and repair and installation of machinery and equipment
4. Electricity, Gas and Water	D - Electricity, gas, steam and air conditioning supply (35) E - Water supply, sewerage, waste management and remediation activities (36-39) Including electric power generation, transmission and distribution, manufacture of gas and distribution of gaseous fuels, steam and air conditioning supply, water collection, treatment and supply, sewerage and waste collection, treatment and disposal activities and materials recovery

Sector	SIC 2007
5. Construction	<p>F - Construction (41-43)</p> <p>Including the construction of buildings, civil engineering (constructing roads, railways and other utility projects), demolition, and specialised activities such as electrical installation, roofing and scaffold erection</p>
6. Wholesale and Retail	<p>G - Wholesale and retail trade; repair of motor vehicles and motor cycles (45-47)</p> <p>Including sale, maintenance and repair of motor vehicles, parts and accessories, non-vehicle wholesale (for example agriculture, food, household goods), and the retail trade of all products whether in stores, stalls, markets, mail order or online</p>
7. Hotels and Restaurants	<p>I - Accommodation and food service activities (55-56)</p> <p>Including hotels, campsites, youth hostels, holiday centres, villages and other short stay accommodation, restaurants and takeaways, event catering and licensed clubs, pubs and bars</p>
8. Transport and Communications	<p>H - Transport and storage (49-53)</p> <p>J - Information and communication (58-63)</p> <p>Including land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities, publishing (books, journals, newspapers etc and software/computer games), television, film and music production, broadcasting, telecommunications, computer programming and consultancy, information service activities (e.g. data processing and hosting)</p>
9. Financial Services	<p>K - Financial and insurance activities (64-66)</p> <p>Including banks and building societies, activities of holding companies, trusts, funds and similar financial entities, credit granting, pensions, insurance and reinsurance</p>

Sector	SIC 2007
10. Business services	<p>L - Real estate activities (68)</p> <p>M - Professional, scientific and technical activities (69-75)</p> <p>N - Administrative and support service activities (77-82)</p> <p>Including the buying, selling and renting of real estate, legal activities, accounting, bookkeeping and auditing, management consultancy, architectural and engineering activities, scientific research and development, advertising and market research, specialist design, photographic activities, translation and interpretation, veterinary activities, renting and leasing of tangible goods (motors, household, machinery), employment agencies, travel agencies and tour operations, security and investigation activities, office administration and business support</p>
11. Public Administration	<p>O - Public administration and defence; compulsory social security (84)</p> <p>Including administration of the State and economic and social policy of the community, provision of services to the community as a whole such as defence activities, foreign affairs, justice and judicial activities, fire service and compulsory social security activities</p>
12. Education	<p>P - Education (85)</p> <p>Including pre-primary, primary, secondary and higher education, other education (such as sports, driving schools, cultural education), educational support activities</p>
13. Health and Social work	<p>Q - Human health and social work activities (86-88)</p> <p>Including Hospitals, medical and dental practices, residential care, social work activities</p>
14. Other Community, Social and Personal Services	<p>R - Arts, entertainment and recreation (90-93)</p> <p>S - Other service activities (94-96)</p> <p>Including performing arts, libraries and museums, gambling and betting, sports facilities, amusement and recreation activities, activities of membership organisations (religious, political, trade union, professional), personal services (hairdressing, beauty, textile cleaning, well-being activities, funeral activities)</p>

Sector	SIC 2007
	T - Activities of households as employers; undifferentiated goods and services producing activities of households for own use (97-98)
<i>NOT COVERED IN SURVEY</i>	U - Activities of extraterritorial organisations and bodies (99) Including households as employers of domestic personnel, private households producing goods for own use

Annex D: Occupational Coding

The occupational data collected in the survey were collected both pre-coded and verbatim. The former included the occupational breakdown of employment (question D5 to D8) where respondents were asked how many of their workforce fell into each of the nine major (one-digit) Standard Occupation Classification (SOC) 2010 categories (Managers, Directors and Senior Officials through to Elementary Occupations). However, on vacancy measures (for example the occupations in which vacancies exist – question C2) this information was collected verbatim. This was then coded at the analysis stage, where possible to a four-digit level SOC, if not three, two- or one-digit level.

Examples of what might fall into each occupational band are as follows:

Occupational group	Primary sectors (Agriculture, manufacturing, construction etc)	Service sectors (retail, business, finance, transport etc)	Public sector (Public Admin, Health, Education etc)
Managers, Directors and Senior Officials	Site managers, Department Heads, Shift Managers (not supervisors)	Directors, Managers / Branch/site managers, shift managers (not supervisors)	Police inspectors and above, department heads, Head teachers, Senior Officials
Professionals	Professional engineers, software and IT professionals, accountants, chemists, scientific researchers	Solicitors, lawyers, accountants, IT professionals, economists, architects, actuaries	Doctors, nurses, midwives, teachers, social workers, librarians
Associate Professionals	Science and engineering technicians, lab technicians, IT technicians, accounting technicians	Insurance underwriters, finance/investment analysts and advisers, writers/journalists, buyers, estate agents	Junior police/fire/prison officers, therapists, paramedics, community workers, H&S officers, housing officers
Administrative staff	Secretaries, receptionists, PAs, telephonists, bookkeepers	Secretaries, receptionists, PAs, communication operators, market research interviewers, clerks	Secretaries, receptionists, PAs, local government officers and assistants, office assistants, library and database assistants
Skilled Trades	Farmers, electricians, machine setters / tool makers, carpenters, plasterers	Motor mechanics, printers, TV engineers, butchers	Chefs
Caring, Leisure and Other Service Occupations	Care assistants, nursery nurses	Travel agents, travel assistants, hairdressers, housekeepers	Care assistants, home carers, nursery nurses, ambulance staff, pest control, dental nurses, caretakers
Sales and customer service occupations	Customer facing roles: sales staff and call centre agents	Sales assistants and retail cashiers, telesales, call centre agents	Customer care operations
Process, plant and machine operatives	Routine operatives, drivers, machine operators, sorters and assemblers	HGV, van, fork-lift, bus and taxi drivers	Drivers, vehicle inspectors
Elementary occupations	Labourers, packers, goods handling and storage staff	Bar staff, shelf fillers, catering assistants, waiters/waitresses, cleaners	Labourers, cleaners, road sweepers, traffic wardens, security guards

Annex E: Sampling Error and Statistical Confidence

Sampling errors for the survey results overall and for key sub-groups are presented in the table below. Figures have been based on a survey result of 50 per cent (the ‘worst’ case in terms of statistical reliability), and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of +/- 0.32 per cent, this should be interpreted as follows: ‘for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 49.68 per cent to 50.32 per cent’.

As a note, the calculation of sampling error has taken into account the finite population correction factor to account for cases where we are measuring a significant portion of the population universe (i.e. even if two sample sizes are the same, the sampling error will be lower if in one case a far higher proportion of the population was covered).

These confidence intervals are based on the assumption of a normal distribution of responses.

Sampling error (at the confidence 95 per cent level) associated with findings of 50 per cent

	Population	Number of interviews	(Maximum) Sampling Error
Overall	1,743,847	91,279	+/-0.32
By country			
England	1,465,963	75,255	+/-0.36
Northern Ireland	55,603	4,014	+/-1.55
Scotland	140,948	6,014	+/-1.26
Wales	81,333	5,996	+/-1.27
By size of establishment			
2-4	907,729	19,058	+/-0.71
5-24	651,910	51,565	+/-0.43
25-99	146,623	16,531	+/-0.76
100-249	26,105	2,938	+/-1.81
250+	11,480	1,187	+/-2.84

	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	94,386	3,407	+/-1.68
Mining & Quarrying	1,712	138	+/-8.34
Manufacturing	99,955	7,422	+/-1.14
Electricity, Gas and Water	9,339	1,148	+/-2.89
Construction	162,801	7,202	+/-1.15
Wholesale and Retail	372,433	17,287	+/-0.75
Hotels & Restaurants	155,283	8,888	+/-1.04
Transport and Communications	121,484	6,890	+/-1.18
Financial Services	40,030	2,330	+/-2.03
Business Services	348,735	14,011	+/-0.83
Public Administration	21,408	942	+/-3.19
Education	57,523	5,796	+/-1.29
Health and Social Work	130,010	8,460	+/-1.07
Community, Social and Personal Services	128,748	7,358	+/-1.14

Annex F: Weighted Base Sizes

Number of employers...	UK	England	NI	Scotland	Wales
Overall	1,743,847	1,465,963	55,603	140,948	81,333
Chapter 2: Employers' experience of skill shortages					
With a vacancy	257,161	218,432	5,749	21,733	11,247
With a hard-to-fill vacancy	89,732	75,908	1,917	7,946	3,961
With a skill-shortage vacancy	70,504	60,073	1,453	5,947	3,032
Chapter 3: The Internal Skills Challenge					
With at least one skills gap	268,208	220,359	7,954	26,966	12,929
With at least one employee with more qualifications and skills than job role requires	829,376	687,975	28,145	73,039	40,217
Chapter 4: Employer Investment in Training and Skills					
Providing any training	1,147,751	963,751	35,005	98,426	50,569
On-the-job training only	296,972	253,325	7,507	24,030	12,110
Off-the-job training only	240,648	202,275	8742	18,250	11,380
Both on- and off-the-job training	610,132	508,151	18,755	56,146	27,080
Providing no training for staff	596,096	502,212	20,598	42,522	30,764
Providing training towards nationally recognised qualifications	538,226	449,450	15,588	46,332	26,856
Chapter 5: Work-readiness of those leaving education					
Taking on leavers from education in the last 2-3 years	435,444	400,847	12,309	37,185	22,288
16-year-olds from school	122,710	113,086	3,290	n/a	6,334
17-18-year-olds from school	168,069	154,100	4,874	n/a	9,095
17-18-year-olds from FE College	183,516	169,650	4,704	n/a	9,162
From university	216,893	199,126	6,943	n/a	10,824
From Scottish secondary school	n/a	n/a	n/a	23,308	n/a
From Scottish FE College	n/a	n/a	n/a	15,284	n/a
From Scottish university	n/a	n/a	n/a	17,283	n/a

Base: All establishments

Annex G: Unweighted Base Sizes

	Overall	Vacancies	Establishments with...		Skills gaps	Estab's that train
			Hard-to-fill vacancies	Skill-shortage vacancies		
UK	91,279	18,959	6,133	4,987	20,228	69,842
Country						
England	75,255	15,894	5,073	4,057	16,563	57,787
Northern Ireland	4,014	550	181	144	733	2,894
Scotland	6,014	1,499	538	427	1,713	4,884
Wales	5,996	1,016	341	269	1,219	4,277
Size						
2-4	19,058	1,403	536	405	1,348	9,580
5-24	51,565	8,969	3,033	2,439	11,409	40,801
25-99	16,531	6,088	1,812	1,419	5,625	15,438
100-249	2,938	1,737	528	434	1,274	2,864
250+	1,187	762	224	200	572	1,159
Sector						
Agriculture	3,407	167	74	52	303	1,710
Mining and Quarrying	138	22	5	5	21	103
Manufacturing	7,422	1347	530	471	1,750	5,128
Electricity, Gas and Water	1,148	185	65	54	208	878
Construction	7,202	706	249	198	1,122	4,777
Wholesale and Retail	17,287	2,983	802	641	4,392	12,425
Hotels and Restaurants	8,888	2,447	841	643	2,964	6,761
Transport and Communications	6,890	1,232	499	424	1,271	4,939
Financial Services	2,330	398	121	103	437	1,824
Business Services	14,011	3,147	1158	990	2,842	11,127
Public Administration	942	283	83	58	203	861
Education	5,796	2,062	480	374	1,296	5,568
Health and Social Work	8,460	2,375	736	536	1,955	7,935
Community, Social and Personal Service activities	7,358	1,605	490	348	1,464	5,806
Occupation						
Managers	87,946	18,597	6,004	4,802	19,802	67,964
Professionals	17,407	5,796	1,814	1,513	4,430	15,816
Associate Professionals	12,577	4,041	1,349	1,176	3,568	11,070
Administrative/ Clerical staff	53,759	12,944	4,158	3,388	12,831	43,952
Skilled Trades occupations	23,644	5,460	2,084	1,718	6,601	18,732
Caring, Leisure and Other services	14,017	4,588	1,403	1,024	3,504	13,194
Sales and Customer services	27,417	6,808	2,094	1,750	8,015	21,833
Machine Operatives	14,059	2,962	1,025	845	3,693	11,018
Elementary staff	32,192	8,474	2,678	2,082	9,410	26,420

Annex H: A Note on Proficiency and Skills Gaps

To ascertain the number of staff with skills gaps, respondents were asked, for each major (one-digit SOC 2010) occupation where they employed staff, how many of those they employed were fully proficient. If respondents asked for clarification, then a proficient employee was described as 'someone who is able to do their job to the required level'. 'Proficient employee', however, is clearly a subjective and relative term to the extent that:

- different managers in an organisation may have different views on whether an individual member of staff is able to do the job to the required level. Indeed they may have different views on what the required level is that the organisation is looking for within an occupational category
- an employee could be regarded as fully proficient but if the requirements of the job change (for example, some new machinery or technology is introduced) then they could be regarded as not being able to do their job to the required level, despite the fact that their skills were unchanged
- the same is true if a person were to be promoted to a more demanding position – the company might go from having no skills gaps to saying that this newly promoted member of staff was not fully proficient in the new job, despite having the same proficiency as before
- different companies may be more demanding and 'critical' of their staff than others: an individual considered fully proficient by one company might be seen as having a skills gap if performing the same role to the same standard in another company.

A final point to note is that the survey categorises all staff as either fully proficient or not: it takes no account of the range that can clearly exist between those who are very nearly proficient and those who significantly lack the skills that employers require. While from a policy perspective, therefore, there is clearly interest in raising the skill levels of the workforce, survey data can only identify changes year on year in the proportion of staff reported as fully proficient, not cases where skills levels have been raised but where staff still remain below full proficiency.

Annex I: Technical Annex

A full Technical Report accompanies this document and can be downloaded from the UKCES website or obtained by contacting UKCES directly. This annex provides brief details on the key areas of sampling, fieldwork and analysis.

The survey comprised two facets:

- Wave 1: the main skills survey, covering business strategy, retention, recruitment, skills gaps and high performance working;
- Wave 2: covering the financial investment establishments make in training their staff.

Employer Skills Survey: Wave 1

Sampling

The most appropriate survey population for UKCESS for 2013 and beyond was re-evaluated as the survey transitioned from a set of discrete country-based surveys into a common UK-wide survey. As result of these considerations UKCESS 2013 moved to a 2+ employment population (i.e. establishments were eligible if they had two or more people working at them, regardless of whether or not they owned the organisation), whereas UKCESS 2011 had covered all establishments except those with one working proprietor and no employees (to facilitate time-series analysis in each of the four home nations).

The sample design was based on a three-dimensional grid, crossing sizeband (defined by employment) by 14 broad SIC-based sectors (see Annex C for definitions) within region (9 English GOR regions, Northern Ireland, Scotland and Wales). Quotas were set on this basis, proportioned to give a robust base size in each subgroup of the overall sample. In addition non-interlocking targets were set for the 151 English LEAs, and sub-regions in Wales and Northern Ireland. The sample was drawn from Experian's business database.

91,279 interviews were carried out in total:

Country	Number of interviews
England	75,255
Northern Ireland	4,014
Scotland	6,014
Wales	5,996

Fieldwork

A total of 91,279 interviews were conducted by telephone using computer-assisted telephone interviewing (CATI) technology. Fieldwork across the regions was undertaken by three research agencies, as follows:

Agency	Regions
BMG	East Midlands South West West Midlands Yorkshire and Humberside
GfK-NOP	South East
IFF Research	London North West Northern Ireland Wales Large multisites
Ipsos MORI	East of England North East Scotland

Interviews were conducted with the most senior person at the site with responsibility for recruitment, human resources and workplace skills. Fieldwork took place from March to July 2013.

Response rate

The overall response rate for the survey was 44 per cent, calculated as a proportion of all completed contacts. A detailed breakdown of survey outcomes is shown below:

Outcome	Number of contacts	% of all sample	% of complete contacts
Total sample	687,439	100%	
Ineligible	53,914	8%	
'Live' / not available during fieldwork / out of quota	288,276	42%	
Unobtainable number	136,914	20%	
Total complete contacts	208,108	30%	100%
Achieved interviews	91,279	13%	44%
Respondent refusal	74,789	11%	36%
Quits during interview	10,923	2%	5%
Company policy refusal	31,117	5%	15%

Questionnaire design

The questionnaire design aimed to build on the success of the 2011 UKCESS questionnaire that had harmonised the legacy surveys. As a result, UKCESS 2013 did not require extensive redevelopment, with the core questionnaire remaining the same. However, a considerable period of questionnaire review did take place at the outset of the survey with a particular emphasis on:

1. Reviewing all questions included in the 2011 survey, identifying questions which brought less value and/or which were anticipated to have less value to the new survey.
2. Considering whether other questions should be further developed or take added prominence.
3. Integrating the skills equilibrium questions which were asked as a separate, online follow-up survey in 2011.
4. Developing any learnings and or findings from the UK Commission's Employer Perspectives Survey 2012.

A task and finish group chaired by the UK Commission and including IFF Research, and representatives from each of the four nations, was set up to drive this process.

The questionnaire is available in the full Technical Report.

Weighting / Grossing up

Data for the survey was weighted and grossed up to population estimates of establishments and to the population of employees, as derived from the 2012 Inter-Departmental Business Register (IDBR).

The grossing-up procedure on which this report has been based was undertaken at a regional level; within each region grossing up took place on a 14 sector and eight size band interlocking grid (i.e. 112 cells). In instances where no interviews had been completed in a cell but the IDBR indicated establishments existed, and in instances where a low number of interviews were conducted in relation to the population of that cell, cells were merged primarily within sizeband (i.e. across industries) but where necessary across sizeband as well.

Employer Skills Survey: Investment in Training follow-up

A separate Investment in Training study was conducted by IFF Research to provide detailed estimates of employer expenditure on training. The approach replicated that of previous Cost of Training studies in England and Northern Ireland.

Sampling

At the end of the UKCESS Wave 1 questionnaire those respondents who had arranged or funded training for their staff in the previous 12 months were asked if they would be willing to take part in a follow up study on training expenditure. Those agreeing to participate formed the sample for this follow-up survey.

Quotas were set on the basis of training type by size within region. Due to limited sample a census approach was taken in the devolved administrations.

Fieldwork

Employers who had indicated agreement to take part were called by an IFF interviewer to confirm participation and contact details. They were then sent a datasheet via email or fax containing the questions that were to be asked in the full interview (a copy of which can be seen below). Sending this datasheet in advance allowed the respondent time to collect the relevant information and increase the accuracy of responses. A few days after sending, an interviewer called back to conduct the full interview.

In total, information on training expenditure was collected from 13,138 establishments, though 616 were rejected because of incompleteness (a large number of 'don't know'); hence analysis is based on data from 12,522 establishments.

Fieldwork was undertaken by IFF Research from 2nd May to 6th August 2013.

Weighting/grossing up

In order to weight the Investment in Training study, population figures were calculated from weighted UKCESS Wave 1 data which had in turn been weighted using the IDBR figures used for the main survey analysis. Data was weighted on the basis of interlocking grids on size by sector by the type of training they carried out, with a regional rim weight.

Data modelling

In order to calculate overall training expenditure, each record in the dataset needed to have a response to each question (even if it is a zero in relation to types of training the establishments does not supply). As expected, not every respondent was able to supply every piece of information. In order to 'fill in' the missing data, averages were drawn from those respondents who were able to answer each question and applied to those cases with missing data.

Full details of how this modelling was carried out can be found in the Technical Report.

As outlined in further detail in the UK Commission's Employer Skills Survey 2013 Technical Report, a couple of key methodological changes have been implemented since the last survey was conducted in 2011:

- As a result of moving to a 2+ employment population, the 2011 survey has been re-weighted based on the 2013 population in order to facilitate direct comparisons with UKCES 2013. This means that 2011 figures that appear in the 2013 report will not necessarily match those published in the 2011 report itself;
- For practical purposes in both 2013 and 2011 employers were asked to report total employees' salaries rather than the total cost of employing them. These figures were then up-weighted to take account of National Insurance, employer pension contributions, overtime and other additional elements to produce a figure for total cost. The figure used to derive the total cost of employment was taken from Labour Cost Index (LCI) data appearing on the Eurostat website where, to ensure accuracy, revisions are frequent and can go back several years²⁷. Amendments to the data have been made since 2011 and as such the UK figure for the total wages and salaries as a percentage of total labour costs that were the most up to date in 2011 is different to the figures now appearing for the same time period.

²⁷ (http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_cost_index_-_recent_trends)

Annex J: Effect of the 2+ Employment Reweight on 2011 Data

The 2013 survey population covers all establishments with two or more people working at them (whether or not these people are working proprietors). The 2011 survey also covered this population, and in addition included establishments with one employee who was not a working proprietor. Therefore in order to compare 2013 data with 2011 data, it has been necessary to reweight the 2011 data to the 2+ employment population.

Whilst the establishments removed from the data do not differ significantly from other micro establishments in terms of the amount they recruit or train staff, removing them from the data has a considerable impact on survey results because of the difference it makes to the population. In the original data reported from the 2011 survey, the smallest sizeband (one to four staff) accounted for 64 per cent of the population. If we remove establishments with just one employee on site this reduces to 52 per cent. It is this change in the population weighted to that has the largest impact on the data.

The tables in this annex show the key incidence and volume figures reported in the UKCESS 2011 survey, and how they were affected by the reweight. A full set of reweighted tables from the 2011 survey accompany the 2013 survey outputs in order to facilitate the time-series comparison.

	2011 reported figure (including 1 employee group)	2011 reweighted figure (excluding 1 employee group; comparable to 2013)
Size profile	%	%
1-4 / 2-4	64	52
5-24	28	37
25-99	6	8
100-249	1	1
250+	1	1
Vacancy		
% of estabs with a vacancy	12	14
Number of vacancies	635,900	586,500
% of estabs with a hard-to-fill vacancy	4	4
% of estabs with a skill-shortage vacancy	3	3
Number of skill-shortage vacancies	103,500	91,400
Internal Skills Mismatch		
% of estabs with a skills gap	13	17
Number of skills gaps	1,489,500	1,485,500

	2011 reported figure (including 1 employee group)	2011 reweighted figure (excluding 1 employee group; comparable to 2013)
Training		
% doing any training	59	65
% doing off-the-job training	42	47
Number of staff trained	14,972,000	14,733,000
Days training per trainee	7.8	7.8
Days training per employee	4.3	4.2

Vacancy figures rounded to nearest 100, skills gaps and staff trained rounded to nearest 1,000.

Annex K: Bibliography

BIS (2012) *Leadership & Management in the UK – The Key to Sustainable Growth*. Department for Business, Innovation and Skills, London.

Inter Departmental Business Register (March 2012). ONS.

Labour Force Survey, UK, October-December 1993 and 2010. ONS.

Stone, I., Braidford, P., Housten, M. and Bolger, F. (2012) *Promoting High Performance Working*. Department for Business, Innovation and Skills, London.

UKCES (2009) *High Performance Working: A Synthesis of Key Literature*. UKCES Evidence Report 4, UK Commission for Employment and Skills, Wath-upon-Deerne.

UKCES (2010) *National Employer Skills Survey for England 2009: Key findings report*. UKCES Evidence Report 23, UK Commission for Employment and Skills, London.

UKCES (2012a) *UK Employer Skills Survey 2011*, UKCES Evidence Report 45, UK Commission for Employment and Skills, London.

UKCES (2012b) *The Youth Employment Challenge*. UK Commission for Employment and Skills, Wath-upon-Deerne.

UKCES (2012c) *UK Commission's Employer Perspectives Survey 2012*. UKCES Evidence report 64, UK Commission for Employment and Skills, London.

UKCES (2013) *Training in the Recession: The impact of the 2008-2009 recession on training at work*. UKCES Evidence Report 72, UK Commission for Employment and Skills, London.

Winterbotham, M., Shury, J., Carter, K. and Schäfer, S. (2008) *National Employer Skills Survey 2007: Main Report*. Learning and Skills Council, Coventry.

Young, V., and Morrell, J. (2006) *Future Skills Wales 2005: Sector Skills Survey Main Report*. Future Skills Wales, Caerphilly.

Annex L: List of Previous Publications

Executive summaries and full versions of all these reports are available from www.ukces.org.uk

Evidence Report 1

Skills for the Workplace: Employer Perspectives

Evidence Report 2

Working Futures 2007-2017

Evidence Report 3

Employee Demand for Skills: A Review of Evidence & Policy

Evidence Report 4

High Performance Working: A Synthesis of Key Literature

Evidence Report 5

High Performance Working: Developing a Survey Tool

Evidence Report 6

Review of Employer Collective Measures: A Conceptual Review from a Public Policy Perspective

Evidence Report 7

Review of Employer Collective Measures: Empirical Review

Evidence Report 8

Review of Employer Collective Measures: Policy Review

Evidence Report 9

Review of Employer Collective Measures: Policy Prioritisation

Evidence Report 10

Review of Employer Collective Measures: Final Report

Evidence Report 11

The Economic Value of Intermediate Vocational Education and Qualifications

Evidence Report 12

UK Employment and Skills Almanac 2009

Evidence Report 13

National Employer Skills Survey 2009: Key Findings

Evidence Report 14

Strategic Skills Needs in the Biomedical Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 15

Strategic Skills Needs in the Financial Services Sector: A Report for the National Strategic Skills Audit for England, 2010

Evidence Report 16

Strategic Skills Needs in the Low carbon Energy generation Sector: A Report for the National Strategic Skills Audit for England, 2010

- Evidence Report 17
Horizon Scanning and Scenario Building: Scenarios for Skills 2020
- Evidence Report 18
High Performance Working: A Policy Review
- Evidence Report 19
High Performance Working: Employer Case Studies
- Evidence Report 20
A Theoretical Review of Skill Shortages and Skill Needs
- Evidence Report 21
High Performance Working: Case Studies Analytical Report
- Evidence Report 22
The Value of Skills: An Evidence Review
- Evidence Report 23
National Employer Skills Survey for England 2009: Main Report
- Evidence Report 24
Perspectives and Performance of Investors in People: A Literature Review
- Evidence Report 25
UK Employer Perspectives Survey 2010
- Evidence Report 26
UK Employment and Skills Almanac 2010
- Evidence Report 27
Exploring Employer Behaviour in relation to Investors in People
- Evidence Report 28
Investors in People - Research on the New Choices Approach
- Evidence Report 29
Defining and Measuring Training Activity
- Evidence Report 30
Product strategies, skills shortages and skill updating needs in England: New evidence from the National Employer Skills Survey, 2009
- Evidence Report 31
Skills for Self-employment
- Evidence Report 32
The impact of student and migrant employment on opportunities for low skilled people
- Evidence Report 33
Rebalancing the Economy Sectorally and Spatially: An Evidence Review
- Evidence Report 34
Maximising Employment and Skills in the Offshore Wind Supply Chain
- Evidence Report 35
The Role of Career Adaptability in Skills Supply

Evidence Report 36
The Impact of Higher Education for Part-Time Students

Evidence Report 37
International approaches to high performance working

Evidence Report 38
The Role of Skills from Worklessness to Sustainable Employment with Progression

Evidence Report 39
Skills and Economic Performance: The Impact of Intangible Assets on UK Productivity Growth

Evidence Report 40
A Review of Occupational Regulation and its Impact

Evidence Report 41
Working Futures 2010-2020

Evidence Report 42
International Approaches to the Development of Intermediate Level Skills and Apprenticeships

Evidence Report 43
Engaging low skilled employees in workplace learning

Evidence Report 44
Developing Occupational Skills Profiles for the UK

Evidence Report 45
UK Commission's Employer Skills Survey 2011: UK Results

Evidence Report 46
UK Commission's Employer Skills Survey 2011: England Results

Evidence Report 47
Understanding Training Levies

Evidence Report 48
Sector Skills Insights: Advanced Manufacturing

Evidence Report 49
Sector Skills Insights: Digital and Creative

Evidence Report 50
Sector Skills Insights: Construction

Evidence Report 51
Sector Skills Insights: Energy

Evidence Report 52
Sector Skills Insights: Health and Social Care

Evidence Report 53
Sector Skills Insights: Retail

Evidence Report 54
Research to support the evaluation of Investors in People: Employer Survey

Evidence Report 55
Sector Skills Insights: Tourism

Evidence Report 56
Sector Skills Insights: Professional and Business Services

Evidence Report 57
Sector Skills Insights: Education

Evidence Report 58
Evaluation of Investors in People: Employer Case Studies

Evidence Report 59
An Initial Formative Evaluation of Best Market Solutions

Evidence Report 60
UK Commission's Employer Skills Survey 2011: Northern Ireland National Report

Evidence Report 61
UK Skill levels and international competitiveness

Evidence Report 62
UK Commission's Employer Skills Survey 2011: Wales Results

Evidence Report 63
UK Commission's Employer Skills Survey 2011: Technical Report

Evidence Report 64
The UK Commission's Employer Perspectives Survey 2012

Evidence Report 65
UK Commission's Employer Skills Survey 2011: Scotland Results

Evidence Report 66
Understanding Employer Networks

Evidence Report 67
Understanding Occupational Regulation

Evidence Report 68
Research to support the Evaluation of Investors in People: Employer Survey (Year 2)

Evidence Report 69
Qualitative Evaluation of the Employer Investment Fund Phase 1

Evidence Report 70
Research to support the evaluation of Investors in People: employer case studies (Year 2)

Evidence Report 71
High Performance Working in the Employer Skills Surveys

Evidence Report 72
Training in Recession: The impact of the 2008-2009 recession on training at work

Evidence Report 73
Technology and skills in the Digital Industries

Evidence Report 74
Technology and skills in the Construction Industry

Evidence Report 75
Secondary analysis of employer surveys: Urban/rural differences in access and barriers to jobs and training

Evidence Report 76
Technology and Skills in the Aerospace and Automotive Industries

Evidence Report 77
Supply of and demand for High-Level STEM skills

Evidence Report 78
A Qualitative Evaluation of Demand-led Skills Solutions: Growth and Innovation Fund and Employer Investment Fund

Evidence Report 79
A Qualitative Evaluation of Demand-led Skills Solutions: standards and frameworks

Evidence Report 80
Forecasting the Benefits of the UK Commission's Programme of Investments

Evidence Report 81
UK Commission's Employer Skills Survey 2013: UK Results

Evidence Report 82
UK Commission's Employer Skills Survey 2013: Technical Report

Evidence Reports present detailed findings of the research produced by the UK Commission for Employment and Skills. The reports contribute to the accumulation of knowledge and intelligence on skills and employment issues through the review of existing evidence or through primary research.

All of the outputs of the UK Commission can be accessed on our website at www.ukces.org.uk

UKCES
Renaissance House
Adwick Park
Wath-upon-Deerne
Rotherham
S63 5NB
T +44 (0)1709 774 800
F +44 (0)1709 774 801

UKCES
Sanctuary Buildings
Great Smith St.
Westminster
London
SW1P 3BT
T +44 (0)20 7227 7800

This document is available at
www.ukces.org.uk
under "Publications"

ISBN 978-1-908418-61-6
© UKCES 1st Ed/12.12