Department for Education

Employer Skills Survey 2022

Research report

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Glossary

Vacancy density

The number of vacancies as a proportion of all employment.

Hard-to-fill vacancies

Vacancies that employers struggle to fill.

Skill-shortage vacancy (SSV)

A specific type of hard-to-fill vacancy that occurs when an employer cannot find applicants with the required skills, qualification, or experience to do a job.

SSV density

The number of SSVs as a proportion of all vacancies.

Skills gaps

Skills gaps exists when an employer thinks a worker does not have enough skills to perform their job with full proficiency. Skill gaps apply to existing employees.

Skills gaps density

The number of employees that lack full proficiency as a proportion of all employment.

Off-the-job training

Training beyond that which takes place on-the-job or as part of an individual's normal work duties. This can be undertaken at an employer's premises, at a provider, at home or elsewhere.[1]

On-the-job training

Training that the employer funds or arranges that takes place where the employee normally works (for example, at their desk). This would be activities recognised as training by staff rather than the sort of learning by experience which could take place all the time.

Training equilibrium

Employers that are in 'training equilibrium' had no desire to undertake more training than they had delivered in the previous 12 months (or in the case of non-training employers, no desire for any training).

[1] Prior to 2022, the definition for 'off-the-job training' was 'training away from the individual's immediate work position, whether on the employer's premises or elsewhere'. This should be noted when comparing 2022/23 results to previous waves.

Results for training employers are derived from a survey question which explicitly asked if they would like to have provided more training than they were able to over the past 12 months.

Results for non-training providing establishments are determined from their reasons for not training, rather than a direct question. Those answering that they had not provided any training because it 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 training equilibrium and having no perceived need to undertake training. Those not giving any of these reasons were classified as wanting to have undertaken training (i.e., not in training equilibrium). Additionally, training employers that answered ‘don’t know’ when asked if they would have liked to train more were classified as not being in training equilibrium.

Key findings across the ESS series (2015 – 2022) at UK level

Vacancies and skill-shortage vacancies (SSVs)	**2015**	**2017**	**2022**
% of establishments with any vacancies	19%	20%	23%
% of establishments with any hard-to-fill vacancies	8%	8%	15%
% of establishments with SSVs	6%	6%	10%
% of all vacancies that are SSVs	23%	22%	36%
Number of vacancies	927,000	1,007,000	1,495,000
Number of skill-shortage vacancies	209,000	226,000	531,000
Skills gaps	**2015**	**2017**	**2022**
% of establishments with any staff not fully proficient	14%	13%	15%
Number of staff not fully proficient	1,380,000	1,267,000	1,724,000
Number of staff not fully proficient as a % of employment	5.0%	4.4%	5.7%
Under-utilisation	**2015**	**2017**	**2022**
% of establishments reporting staff under-utilisation	30%	35%	35%
% of staff reported as being both over-qualified and over-skilled	7.1%	8.7%	8.1%
Training	**2015**	**2017**	**2022**
% of establishments training any staff over the last 12 months	66%	66%	60%
% of establishments providing off-the-job training in the last 12 months	49%	48%	39%
% of workforce trained	63%	62%	60%
Total days training	118 million	114 million	108 million
Training days per employee	4.2	4.0	3.6
Total training expenditure†	£56.4 billion	£58.1 billion	£53.6 billion
Training expenditure per employee†	£2,000	£2,000	£1,800

Figures have been rounded to the nearest 1,000.

†Training spend data has been adjusted for inflation and are at 2022 prices.

Key findings of ESS 2022 by nation

Vacancies and skill-shortage vacancies (SSVs)	England	Northern Ireland	Wales	Scotland
% of establishments with any vacancies	23%	21%	22%	25%
% of establishments with any hard-to-fill vacancies	15%	15%	15%	16%
% of establishments with SSVs	10%	9%	10%	10%
% of all vacancies that are SSVs	36%	35%	35%	31%
Number of vacancies	1,278,000	40,000	59,000	118,000
Number of skill-shortage vacancies	460,000	14,000	21,000	37,000
Skills gaps	**England**	**Northern Ireland**	**Wales**	**Scotland**
% of establishments with any staff not fully proficient	15%	11%	14%	15%
Number of staff not fully proficient	1,516,000	37,000	52,000	119,000
Number of staff not fully proficient as a % of employment	5.9%	4.6%	4.1%	4.8%
Under-utilisation	**England**	**Northern Ireland**	**Wales**	**Scotland**
% of establishments reporting staff under-utilisation	35%	37%	38%	37%
% of staff reported as being both over-qualified and over-skilled	8.0%	8.3%	8.8%	8.8%
Training	**England**	**Northern Ireland**	**Wales**	**Scotland**
% of establishments training any staff over the last 12 months	60%	58%	60%	64%
% of establishments providing off-the-job training in the last 12 months	39%	35%	36%	40%
% of workforce trained	60%	64%	63%	59%
Total days training	90 million	3 million	5 million	10 million
Training days per employee	3.5	3.7	4.2	3.9
Total training expenditure†	£45.8 billion	£1.3 billion	£2.3 billion	£4.1 billion
Training expenditure per employee†	£1,800	£1,700	£1,800	£1,700

Figures have been rounded to the nearest 1,000.

†Training spend data has been adjusted for inflation and are at 2022 prices.

Executive summary

Introduction

The Employer Skills Survey (ESS) is a key source of intelligence for understanding the skills challenges faced by employers, both within their existing workforce and when recruiting. The survey gives insights into how they respond to these challenges through investment in training and workforce development. Over 72,000 UK employers participated in the 2022 wave.

ESS has been run as a UK-level survey since 2011, with the exception of 2019, when only establishments in England, Wales and Northern Ireland were involved. Between 2010 and 2017 the ESS was run in parallel with the Employer Perspectives Survey (EPS), which focused on drivers of recruitment and people development, as well as involvement in specific programmes, such as apprenticeships. Those elements were included in the ESS from 2019. A separate Scottish EPS was run in 2019 and 2021, and a separate Scottish ESS in 2020. Findings from the Scottish ESS 2020 and EPS 2021 are not included in this report as these surveys took place within the context of the COVID-19 pandemic with findings reflecting a challenging period for employers. ESS 2017 and EPS 2017 are used as the last point of UK comparison with ESS 2022 results. However, for measures by nation, data from ESS 2019 has been included for England, Northern Ireland and Wales, and for traditional EPS measures it is possible to compare to the Scottish EPS 2019 for Scotland's time series.

The study reports the experiences of employers at establishment level, with interviews conducted with the most senior person at each site with responsibility for human resources and workplace skills. All employers with at least two people in their workforce were in scope for the survey.

Skills challenges when recruiting

Employers were asked about their recruitment activity and its challenges. Overall, results showed an increase in the percentage of establishments with vacancies (23%, compared to 20% in 2017), as well as an increase in the overall number of vacancies, up from 1,007,500 in 2017 to 1,495,000 in 2022.

In line with the overall increase, there was an increase in the proportion of vacancies that were proving hard-to-fill due to applicants lacking the relevant skills, qualifications or experience. These vacancies, defined as skill-shortage vacancies (SSVs), comprised 36% of all vacancies in 2022, substantially higher than in 2017 (22%). Overall, there were 531,200 SSVs in the UK in 2022. This is more than twice the number that was recorded in 2017 (226,500).

The proportion of SSVs over the total number of vacancies (SSV density) was highest among establishments with 2 to 4 employees (42%). However, the largest increase in SSVs density was among employers with 250 or more employees, from 16% in 2017 to 35% in 2022.

Recruitment practices

Employers were also asked which factors they deemed important when looking for new recruits. The most common was relevant work experience (62%), followed by Maths & English GCSE A* - C (equivalent to Scottish Nationals level) (47%) and vocational qualifications (43%).

When asked whether they had recruited an education leaver in the last 2 to 3 years, 30% confirmed they had, in line with 2016 (31%) and 2014 (31%). When it came to the recruitment of different age groups, 27% of employers had recruited anyone aged 16 to 18, 55% had recruited anyone aged 19 to 24, 74% anyone aged 25 to 49, and 33% anyone aged 50 or over. The most common recruitment methods were word of mouth or personal recommendations (70%), followed by adverts placed on social media (56%), and adverts placed on the company's own website (51%).

The internal skills challenge

Having covered the skills challenges connected to recruitment, employers were asked about the skills challenges within their workforce. Overall, 15% of employers reported at least one member of staff not fully proficient at their job, an increase from 13% in 2017. The overall proportion of employees not considered fully proficient (skills gap density) also increased (from 4.4% in 2017 to 5.2% in 2022). This marks the first time since the UK-wide ESS began in 2011 that results for both measures increased, after a steady decline in both measures from 2011 to 2017. This was equivalent to 1.72 million employees lacking full proficiency, compared with 1.27 million in 2017.

Skills gaps had an impact on most employers experiencing them (65%, similar to the 66% in 2017). Establishments with 2 to 4 employees were more likely to say their skills gaps had a major impact on them (17%). The most common consequence of skills gaps remained increased workloads for other members of staff.

Nurturing the skills pipeline

30% of employers had provided work experience in the last 12 months (a decrease from 38% in 2016). This was most often placements for those in school, college or university (21%), followed by adult placements or placements aimed at the unemployed (13%). When asked for the reasons why they had not offered work placements or work

inspiration activities, the most common themes among employers were that there were no suitable roles in their organisation (29%) and that they did not have the time or resource to manage it (19%).

Employers in England were asked about their awareness of Higher Technical Qualifications (HTQs) and awareness of T Levels. Around one in six employers (16%) had heard of HTQs, but only 7% had at least some knowledge of what they involve. Similarly, nearly a third of employers (32%) were aware of T Levels, but only 15% had at least some knowledge of what they involve. Employers were asked how interested they would be in providing work placements to T Level students; 33% indicated they would be interested, lower than in 2019 (36%).

Training and workforce development

Employers were asked about the training and development they provide to their workforce. Overall, there was a marked decrease: 60% of employers had provided training for their staff over the previous 12 months, compared to consistent levels of 65% to 66% between 2011 and 2017. This was mainly driven by a reduction in off-the-job training (39% vs. 48%), though the proportion of employers offering on-the-job training also decreased (49% vs. 53%).

While the number of staff trained increased from 17.9 million in 2017 to 18.2 million in 2022, this represented a decrease in the proportion of staff trained relative to the size of the overall workforce, from 62% in 2017 to 60% in 2022. The total number of training days also decreased from 114 million in 2017, to 108 million in 2022. Consequently, on average each person trained received fewer training days in the last 12 months (6.0 days, vs. 6.4 days in 2017).

Close to three-fifths (57%) of employers were in training equilibrium, having delivered over the previous 12 months the amount of training they wanted to. More than two-fifths (43%) would have liked to provide more training for their staff, but 45% of them were not able to spare staff time for training, and 40% of them lacked the funds.

The total UK employer expenditure on training and development over the previous 12 months was £53.6 billion, a 7.7% decrease in real terms on the 2017 figure of £58.1 billion (taking into account inflation).[2] Training expenditure decreased across all nations

[2] Where Investment in Training figures for previous years are presented in the 2022 report, they may differ from those presented in earlier reports due to a change in the methodology used for calculating the labour cost up-weight and due to figures being presented in '2022 prices'. We have adjusted 2019, 2017, 2015, 2013 and 2011 training expenditure figures to reflect inflation, so that in effect they are presented in '2022 prices.' The adjustments used were an uplift of 12.9% for the original 2019 data collected, 17.7% for 2017, 21.7% for 2015, 23.6% for 2013 and 30.3% for 2011. Source: ONS, *Consumer price inflation tables 2023* (2023), Table 20a. Please see Chapter 3 of the accompanying technical report for further detail.

compared with 2017. The total investment in training was equivalent to around £2,950 per person trained and £1,780 per person employed.

Apprenticeships

Following the questions about training, employers were asked about apprenticeships. One in five (19%) offered apprenticeships at the time of interview (similar to 18% in 2016). This included 11% who employed apprentices at the time of interview.

The likelihood of offering apprenticeships increased with employer size, from 10% among those with 2 to 4 staff to 68% among employers with 250 or more staff. By sector, establishments in the Education, Health and Social Work and Construction sectors (39%, 30% and 25% respectively) were more likely to offer apprenticeships, while those in the Primary Sector and Utilities (10%) were the least likely sector group to offer apprenticeships.

Employers that had recently started offering apprenticeships were most commonly motivated by reasons related to acquiring talent (50%), while the most common reasons for not offering apprenticeships were structural in nature (61%), including specifically them not being suitable due to the size of the establishment (15%) or the employer not looking to recruit more generally (14%).

Approaching two-fifths (38%) of all establishments reported that they planned to offer apprenticeships in the future, an increase from 30% in 2016. A quarter (25%) of those that were not currently offering apprenticeships planned to offer apprenticeships in future, increasing from 18% in 2016. Nearly two-fifths (37%) of employers who have apprentices and plan to continue offering them expect apprentice numbers to increase in the next 2 years, an increase from 2016 levels (30%).

Future skills needs

Looking at possible future scenarios, 62% of employers anticipated the need to develop the skills of any of their workforce in the next 12 months, a similar proportion to in 2017 (63%). The most common reasons for needing to upskill the workforce were the response to new legislative or regulatory requirements (39%), the introduction of new technologies or equipment (39%), the development of new products and services (35%) and the introduction of new working practices (35%). These proportions were all in line with 2017.

1. Introduction

Background

The Employer Skills Survey (ESS) 2022 is a large-scale telephone survey of 72,918 employers across the UK, providing labour market information on the skills challenges faced by employers. ESS 2022 was commissioned by the Department for Education (DfE), with funding from DfE, the Welsh Government, the Department for Economy in Northern Ireland, and the Scottish Government.

ESS ran biennially between 2011 and 2019, and a smaller scale 'Pulse Survey' covering related topics to the earlier series was conducted in 2021. From 2010 to 2017, ESS sat alongside the Employer Perspectives Survey (EPS) to produce insights that complemented each other, with the two surveys run in alternate years (EPS was last conducted UK-wide in 2016). The focus of the EPS was primarily outward looking, covering provision of and engagement with the wider skills system, whereas ESS had a more inward-looking focus assessing the current skills position and skills needs of employers. The two surveys were merged in 2019 and have been run as one single survey in this 2022 iteration as well.

The survey was run at a UK-level in all waves except 2019, when it only included England, Wales and Northern Ireland. The smaller scale 'Pulse Survey' in 2021 only included England. A separate Scottish EPS was run in 2019 and 2021, and a Scottish ESS in 2020, during the COVID-19 pandemic. For this reason, ESS 2017 and EPS 2016 are used the last point of UK comparison for overall figures in this report. For measures by nation, data from ESS 2019 has been included for England, Northern Ireland and Wales. Findings from the Scottish ESS 2020 and EPS 2021 are not included in this report as the surveys took place within the context of the COVID-19 pandemic with findings reflecting a challenging period for employers. However, for traditional EPS measures it is possible to compare to the Scottish EPS 2019 for Scotland's time series.

Throughout the report we report findings across a number of key sub-groups (e.g., nation, employer size and sector). There were some nation-specific questions asked in the survey, however with the exception of England-only questions, these are covered in the separate national reports for Scotland, Northern Ireland and Wales rather than in this report.

Research background

Accurate and up-to-date labour market information is crucial for informing policies aimed at addressing the skills and productivity challenges in the UK. This is particularly important during a time of substantial change after the UK's departure from the European

Union, coupled with the rapid advancements in technology (e.g., advancements in Artificial Intelligence (AI)) and in 2019 signing into law a commitment for the UK the reduce emissions to Net Zero by 2050. ESS provides valuable insights into the impact of skills deficiencies on employers at various levels, including the national, local, and sectoral level. Additionally, it assesses the nature and extent of employer investment in skills and training.

The ESS 2022 report offers an overview of the survey's findings, complementing the Official Statistics release, focusing on the following objectives:

1. **Findings across the UK:** The report presents findings across England, Scotland, Northern Ireland, and Wales, shedding light on national variations in skills challenges and investment in skills and training. It includes a time series analysis comparing the results to those observed in 2017 and 2019, allowing for a comparison of trends over time.
2. **Analysis by workplace size and sector:** The report analyses the overall UK picture by variables such as workplace size and sector. It explores how skills challenges and workforce development activities differ based on these factors. Furthermore, where possible, the report examines these differences by occupation.
3. **Interrelationship of key measures:** The report also explores the interrelationship between the key measures obtained from the ESS. This includes analysing the linkages between skills gaps, skill shortages, and workforce development activities.

In addition to the written commentary, alongside the report full sets of data tables that break down the findings by nation, workplace size, sector, and other classifications (e.g., public or private sector) are available. These data tables are published alongside the report on the gov.uk website, allowing those interested to explore the survey's results in more detail. Alternatively, headline level figures can be found in the Official Statistics Report.

Methodology

Sampling

The population covered by the survey comprised UK employers at the establishment level (rather than at an organisational level)[3] with at least two staff on the payroll. Sole traders with a single person on the payroll were excluded. This mirrored the

[3] i.e., multiple sites (or premises) of a larger organisation were in scope for the research and were thus counted separately for sampling purposes. This was in recognition of the influence that local labour markets have on skill issues and the fact that skills issues are felt most acutely at the site level.

establishment-based approach adopted in previous UK Employer Skills Surveys and the UK Employer Perspectives Surveys, as well as the legacy skills surveys in each nation.

The survey encompassed establishments across the whole of the UK, covering all sectors of the economy (the commercial, public and charitable spheres). The profile of this population for sampling was established through Office for National Statistics (ONS) data from the March 2021 Inter-Departmental Business Register (IDBR), the most up to date business population figures available at the time of the survey. For weighting, the 2022 IDBR figures were used as the most up to date figures available.

The sample of establishments was primarily sourced from the commercial data supplier, Market Location, as in previous years. This was supplemented by records supplied directly through the IDBR to improve coverage of establishments in specific sectors and parts of sectors that are underrepresented in Market Location's database.

The 2022 UK Employer Skills Survey was the first in the series to adopt a random probability sampling (RPS) approach, following a trial of RPS in the West Midlands region in ESS 2019. From ESS 2011 to 2019 (including Scottish 2019 and 2021 EPS, and Scottish 2020 ESS), the survey used a quota sampling approach, aiming to achieve interviews with a certain size, sector and geographic profile. While this approach has various benefits, it can lead to inefficient use of sample, where sample is abandoned, once targets are hit, which in turn introduces potential non-response bias effects.

In contrast, under a random probability sampling (RPS) approach, all sample issued is processed according to agreed protocols until all leads are exhausted. There are no quotas or caps on achieved interviews. In theory, it means that units sampled from a given population cells have an equal and known probability of being sampled. The various advantages and disadvantages to this sampling approach as well as the rules established for contacting respondents are outlined further in the technical report.

Since the RPS approach did not involve setting quotas, notional 'ideal' targets were set in order to achieve a representative sample. Targets were set by geography, size and sector using interlocked size and sector targets within Northern Ireland, Scotland, Wales and each English region. More information on this process can be found in the published technical report.

Questionnaire

Overall, the content of the 2022 questionnaire largely mirrored that of the newly merged 2019 ESS, in order to maximise comparability and retain the time series for the survey. However, some changes were made for the following reasons:

- To reintegrate Scotland into the survey,

- To ensure topical issues are covered in outcome codes (e.g., relating to COVID-19).
- To cover new areas of policy interest (e.g., Higher Technical Qualifications) and Net Zero.

More detail of the changes and additions to the questionnaire since 2019 can be found in the technical report.

Fieldwork

A total of 72,918 interviews were conducted by telephone using computer-assisted telephone interviewing (CATI) systems. Fieldwork was conducted by three research agencies (IFF Research, BMG Research and Ipsos). The number of interviews completed by nation were:

- England: 59,486
- Northern Ireland: 3,400
- Scotland: 5,207
- Wales: 4,825

Fieldwork took place from June 2022 to March 2023, following an extension of three months to account for challenges encountered during fieldwork. These challenges included increasing difficulties contacting the required respondent at employer sites due to an increase in people working from home, having to undertake a special approach to certain large multisite businesses and banks, and resourcing challenges.

As is common with employer surveys, it was particularly difficult to achieve interviews in the smaller sized establishments in sectors such as Construction and Agriculture which are typically site/outdoor based rather than office based. To mitigate the effect of this, fieldwork contractors also called these establishments outside of normal business hours.

The overall response rate for the survey was 53%, calculated as ‘achieved interviews’ as a proportion of all respondents who were eligible to take part and reached a final outcome (including those who refused, or who quit during the interview). This compared to a response rate of 41% in 2019 using a quota sampling approach, and 50% in the West Midlands RPS trial. To be eligible to take part, establishments had to have at least 2 employees on the payroll (i.e., were not a sole trader). Table 1-1 provides a detailed breakdown of survey outcomes.

Table 1-1 Sample outcomes and response rate

Outcome	Number of contacts	% of all sample	% of complete contacts
Total sample	**477,069**	**100%**	
Ineligible establishments (e.g., just 1 working proprietor at site)	14,033	3%	
'Live'[4]	18,235	4%	
Unobtainable / invalid numbers	74,957	16%	
Withdrawn after completing RPS protocol	231,515	49%	
Total complete contacts	**138,329**	**29%**	**100%**
Achieved interviews	72,918	15%	53%
Respondent refusal	61,948	13%	45%
Quits during interview	3,463	1%	3%

Weighting

The survey weighting was updated this wave in line with the transition to a random probability sample (RPS) for all regions. Instead of cell weighting to population targets as per previous years, the best practice for RPS sample weighting was followed. The process of weight creation is cumulative[5] with each stage falling into one of the following two categories:

1. **Selection weighting**, to correct for the different probabilities of business units being in the 'issued' sample / specific modules / and specific question sets. Its purpose is to ensure that the profile of selected cases closely match that of the population.
2. **Non-response weighting**, to correct for different probabilities of business units completing an interview. Its purpose is to ensure that the profile of completed interviews closely matches that of the 'selection weighted' sample.
3. **Other adjustments,** to ensure that estimates obtained accurately represent the profile of the known population. The adjustments made for employment and selective use of Random Iterative Method (RIM) weighting fall into this category.

[4] This row includes sample which was 'live' at the end of fieldwork – i.e., records for which a final outcome (refusal, completed interview etc.) was not reached.
[5] In that each new stage of weighting builds and further weights previous stages, using the previous stage as an input weight.

Survey data were weighted and grossed up to the total population of establishments and total population of employees, according to the 2022 IDBR – the latest available business population statistics published by ONS at the time that weighting was carried out.

Given that the ESS data are intended to be used in a variety of ways (from a combined UK unit and employment-based level, to similar measures at a regional and local level), a number of different weights were produced:

- **Core weights**, used to weight the combined UK dataset and used for the majority of analysis. This weighting set is the default to use.
- **Modular weights**, to be used when analysing data from questions within one of the four modules business units were allocated to.
- **Local weights** for use analysing England data by Upper Tier Local Authority (UTLA) and Local Enterprise Partnership (LEP).
- **Two-digit** SIC weights for use when analysing at two-digit SIC level.

Weights were created in pairs: a **'unit-based'** weight and an **'employment-based'** weight. The unit-based weight was designed for analyses of number or proportion of establishments; the employment-based weight was designed for analyses of number or proportion of employees (including volume measures of vacancies, skills gaps and numbers trained). Data dictionary files were created listing each variable with notes and guidance on the correct weight to use.

Findings from the Investment in Training survey have been weighted and grossed up to reflect the population of training establishments. These population figures were generated from the weighted findings of the core survey.

More detail about the methodology and weighting process can be found in the technical report.

Size and sector profile of establishments

The profile of UK establishments and employment in 2022, compared to 2017, by sector and by size is presented in Table 1-2 below. These are taken from the latest ONS Inter-Departmental Register (IDBR) data available at the time the findings were reported and are not survey findings. At an overall level, the number of establishments increased by 5% between 2017 and 2022. The biggest increase in the number of establishments was in the Construction sector, which had a 22% increase since 2017. Other larger changes included increases in the Transport and Storage sector (19%), Hotels and Restaurants (12%) and Business Services (8%).

There were increases in the number of establishments compared with 2017 across all size bands, though the largest increase was in the number of those employing 2 to 4 staff (a 7% increase).

Overall employment figures increased by 5% since 2017 as well. Sector employment growth was highest overall in the Information and Communications sector (16%), Transport and Storage (12%) and Construction (12%). Meanwhile, the Arts and Other Services and Wholesale and Retail sectors shrunk by 4% and 3% respectively. Employment also grew among all size bands, but particularly among employers with over 250 staff (8%) and with 2 to 4 staff (7%).

Table 1-2 Profile of UK establishments and employment for 2017 and 2022 by size and sector

	Establishment			Employment		
	2017	2022	% change	2017	2022	% change
Total	**1,895,800**	**1,998,000**	**+5%**	**28,862,000**	**30,163,000**	**+5%**
2 to 4	1,017,000	1,090,000	+7%	2,645,000	2,829,000	+7%
5 to 9	399,000	416,000	+4%	2,608,000	2,723,000	+4%
10 to 24	284,000	291,000	+2%	4,236,000	4,349,000	+3%
25 to 49	104,000	107,000	+3%	3,573,000	3,674,000	+3%
50 to 99	52,000	53,000	+3%	3,560,000	3,647,000	+2%
100 to 249	28,000	28,000	+1%	4,203,000	4,240,000	+1%
250+	12,000	12,000	+2%	8,035,000	8,700,000	+8%
Primary Sector and Utilities	111,000	110,000	-1%	785,000	824,000	+5%
Manufacturing	101,000	102,000	+1%	2,357,000	2,338,000	-1%
Construction	173,000	210,000	+22%	1,250,000	1,400,000	+12%
Wholesale and Retail	377,000	378,000	0%	4,572,000	4,442,000	-3%
Hotels and Restaurants	175,000	197,000	+12%	2,138,000	2,341,000	+9%
Transport and Storage	57,000	68,000	+19%	1,286,000	1,442,000	+12%
Information and Communications	85,000	87,000	+3%	1,050,000	1,217,000	+16%
Financial Services	40,000	37,000	-6%	1,000,000	991,000	-1%
Business Services	421,000	454,000	+8%	5,307,000	5,692,000	+7%
Public Administration	18,000	17,000	-4%	1,290,000	1,394,000	+8%
Education	59,000	61,000	+3%	2,593,000	2,623,000	+1%
Health and Social Work	135,000	130,000	-3%	3,878,000	4,154,000	+7%
Arts and Other Services	145,000	144,000	-1%	1,356,000	1,304,000	-4%

Structure of the report

The report follows the structure outlined below:

- Chapter 2: Skills challenges when recruiting

  This chapter discusses the incidence and density of vacancies that employers across the UK had at the time of the interview. It also captures skill-shortage vacancies (i.e., vacancies that were proving hard-to-fill due to applicants lacking the relevant skills, qualifications or experience), the difficulties encountered by employers in filling those vacancies, the skills lacking in the available labour market, and the impact of skill-shortage vacancies on employers.

- Chapter 3: Recruitment practices

  This chapter looks at what employers with skill-shortage vacancies look for when recruiting, practices around recruiting new entrants to the job market as well as different age groups, and it includes the recruitment methods used by employers over time.

- Chapter 4: The internal skills challenge

  This chapter covers the incidence, volume and density of skills gaps within the current workforce (employees considered not fully proficient at their role), and how these affect different occupations, the causes and impact of these skills gaps, and the way employers respond to them. The chapter then explores the under-use of skills and qualifications.

- Chapter 5: Nurturing the skills pipeline

  Chapter 5 looks into employers' engagement with work placements and with work inspiration activities as well as the barriers they face to offering these. It also covers employers' interest in offering placements for T Levels students and perceptions of how difficult offering such placements would be.

- Chapter 6: Training and workforce development

  This chapter explores in detail employers' training and development activities for their employees, including the amount and the types of training provided, employers' expenditure on training, and barriers to providing (more) training.

- Chapter 7: Apprenticeships

  This chapter covers the extent of provision of apprenticeships among employers, reasons for offering them and routes into apprenticeships, before looking at the barriers to offering apprenticeships and the future demand for them.

- Chapter 8: Future skills needs

Chapter 8 analyses employers' predictions for needing to upskill their workforce in the next 12 months, the reasons for this and the skills that will need upskilling, be their technical, people or digital skills.

- Chapter 9: Conclusions

The final chapter summarises the key themes emerging from the survey and considers their implications.

Reporting conventions

The terms "establishment", "employer" and "workplace" are used interchangeably throughout this report to avoid excessive repetition.

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) the base figure quoted is the unweighted number of establishments with vacancies.

Usually, survey data on occupations are discussed at one-digit standard occupational classification (SOC) level. However, on occasion to aid analysis, the report discusses occupations at a broader classification of high-skill, middle-skill, service-intensive and labour-intensive roles, as shown in Table 1-3.

Table 1-3 Broad occupational groups

Specific occupation	Broad occupational group
Managers Professionals Associate Professionals	High-skill
Administrative and Secretarial Skilled Trades	Middle-skill
Caring, Leisure and Other Services Sales and Customer Services	Service-intensive
Machine Operatives Elementary Occupations	Labour-intensive

In tables, "zero" is denoted as a dash ("-"); and an asterisk is used ("*") if the figure is larger than zero but less than 0.5%.

Throughout the report, figures with a base size of fewer than 30 establishments are not reported (a double asterisk, “**”, is displayed instead), and figures with a base size of 30 to 49 are italicised and should be treated with caution.

Differences between percentages are not to be take at face value, as they might be affected by rounding. Taking 4.4% and 5.5% as an example, when rounded they would be 4% and 6% respectively. It might then be inferred that the difference between the two is 2%, when in reality is 1.1% (which would be rounded to 1%).

The scale and scope of data collected in ESS 2022 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. All differences referred to in the text are statistically significant at the 95% level of confidence. Significance testing on employer measures use the unweighted respondent base, while employment measures, and density measures such as the proportion of the workforce with skills gaps and skill-shortage vacancy density, have been calculated on the basis of the unweighted employment (or vacancy) base. Further statistical information can be found in Appendix B: Sampling error and statistical confidence (summary)

2. Skills challenges when recruiting

Chapter summary

Results indicate increased recruitment activity at the time of the survey in 2022 compared with 2017: the percentage of establishments with vacancies was higher (23%, compared to 20% in 2017), as was the overall number of vacancies, up from 1,007,500 in 2017 to 1,495,000 in 2022. The increase occurred across all four nations, with incidence of vacancies ranging from 21% in Northern Ireland to 25% in Scotland.

Matching the overall increase in vacancies, there was notable increase in the proportion of vacancies that were proving hard-to-fill due to applicants lacking the relevant skills, qualifications or experience employers require. These skill-shortage vacancies (SSVs) comprised 36% of all vacancies in 2022, higher than in 2017 (22%). Overall, there were 531,200 SSVs in the UK in 2022. This is more than twice the number that was recorded in 2017 (226,500).

The proportion of vacancies that were hard-to-fill due to skill shortages (SSV density) was highest among establishments with 2 to 4 employees (42%), followed by establishments with 5 to 24 employees (37%). This was also the case in 2017. However, the largest increase in SSV density was found among employers with 250 or more employees, from 16% in 2017 to 35% in 2022. As in 2017, the highest density of SSVs was in the Construction sector (52%). This was followed in 2022 by the Information and Communications sector (43%) and the Manufacturing sector (42%).

Looking at occupations, SSV density increased across the board in 2022 compared to 2017 and 2015. Skilled Trades remained the role with the highest density of SSVs (52%), but the biggest increase was seen for Administrative occupations, with SSVs density increasing from 15% in 2017 to 37% in 2022.

A wide range of skills were lacking among applicants. Close to nine in ten skill-shortage vacancies (87%) were caused, at least in part, by the lack of technical and practical skills (in line with the percentage in 2017 (88%), including a lack of specialist skills or knowledge (a factor in 63% of SSVs), and a lack of knowledge of products and services offered (40%). In addition, seven in ten (70%) skill-shortage vacancies were caused, at least in part, by a lack of people and personal skills. This represents a decrease compared to 2017 (74%). The people and personal skills that were difficult to obtain were broadly similar to 2017, with managing time and task prioritisation the skill most often lacking (for 48% of SSVs), followed by applicants being able to manage their own feelings and handling those of others (38%).

Introduction

ESS provides a detailed picture of the level and nature of employer demand for new staff and the ability of the labour market to meet this demand, particularly in relation to applicants having the skills and qualifications employers require. The key measures used in this section are as follows:

- **Incidence of vacancies**: the proportion of establishments reporting at least one vacancy
- **Incidence of skill-shortage vacancies**: the proportion of establishments reporting at least one skill-shortage vacancy
- **Vacancy density**: vacancies as a proportion of all employment
- **Skill-shortage vacancy density**: skill-shortage vacancies as a proportion of all vacancies

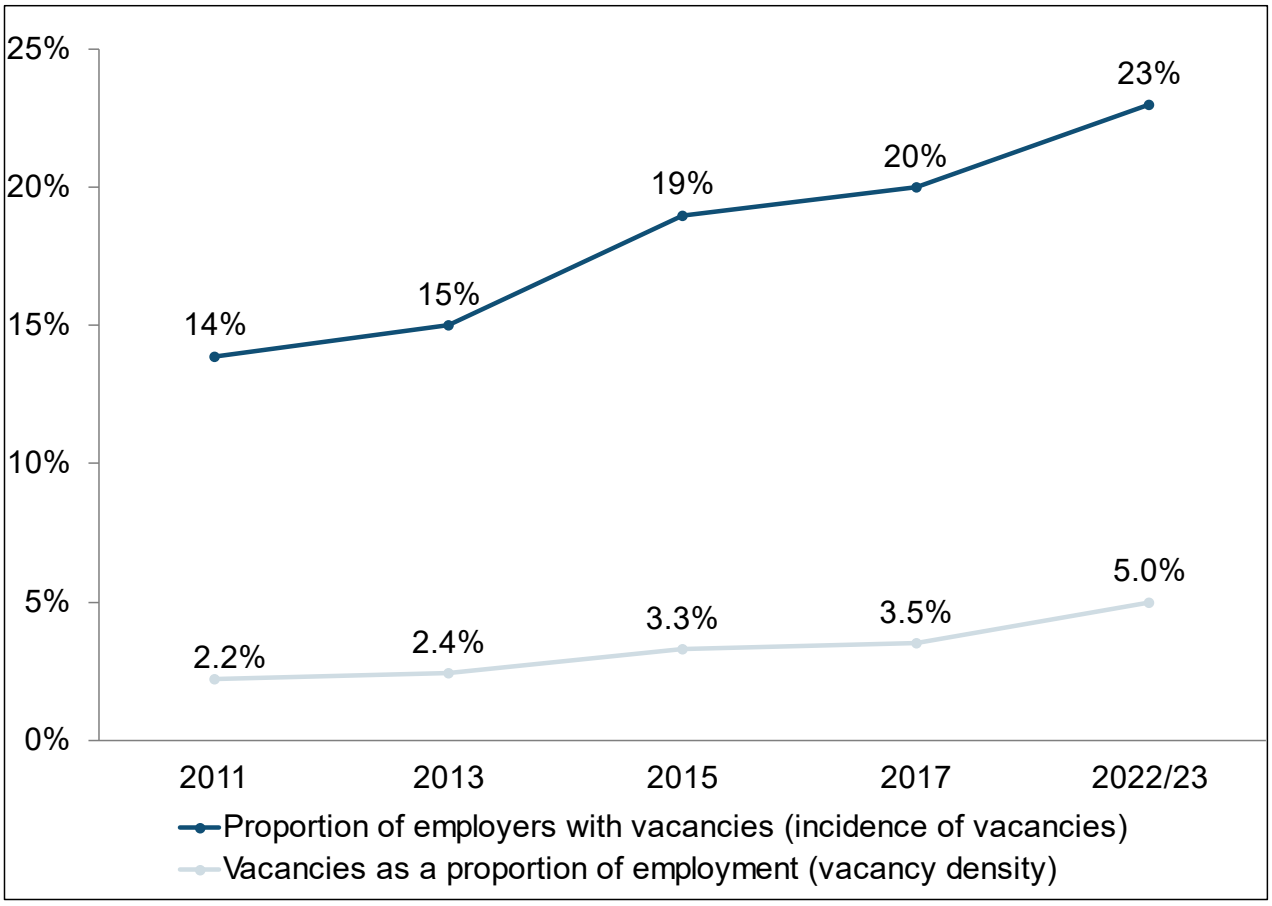
Incidence of recruitment over the past 12 months

Before focusing on employers' experiences of vacancies at the time of the survey, employers were asked whether they had recruited any new members of staff over the previous 12 months. Overall, close to half of employers (49%) had recruited over the previous 12 months. This was in line with 2017 (50%) and 2015 (51%). Employers in Scotland were more likely to have recruited in the previous 12 months (52%) than employers in England (49%), Wales (48%) and Northern Ireland (43%). Compared to 2017, establishments in England were less likely to have recruited (49% in 2022 vs. 51% in 2017). Conversely, establishments in Wales were more likely to have recruited (48% in 2022 vs. 46% in 2017). The incidence of recruitment over the previous 12 months was highest among public sector organisations (78%); this compares with 62% in the charity and voluntary sector and 47% in the private sector. The incidence also increased with establishment size, ranging from around a quarter (26%) of establishments with 2 to 4 employees to close to three quarters (72%) of those with 5 to 24 employees and nearly all those with 25 or more employees (96%).

Vacancies

Just under a quarter (23%) of employers had at least one vacancy at the time of the survey. This represents an increase compared with 2017 (20%). In volume terms there were 1,495,000 vacancies, equivalent to 5% of total employment. The vacancy total and density represent an increase compared to 2017, when there were 1,007,500 vacancies (3.5% of total employment). As seen in Figure 2-1, vacancy incidence, density, and volume have continued on a rising trajectory – with all measures at the highest levels over the period studied (from 2011).

Figure 2-1 Incidence and density of vacancies at UK level, 2011-2022



Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

Table 2-1 Volume of UK vacancies, 2011-2022

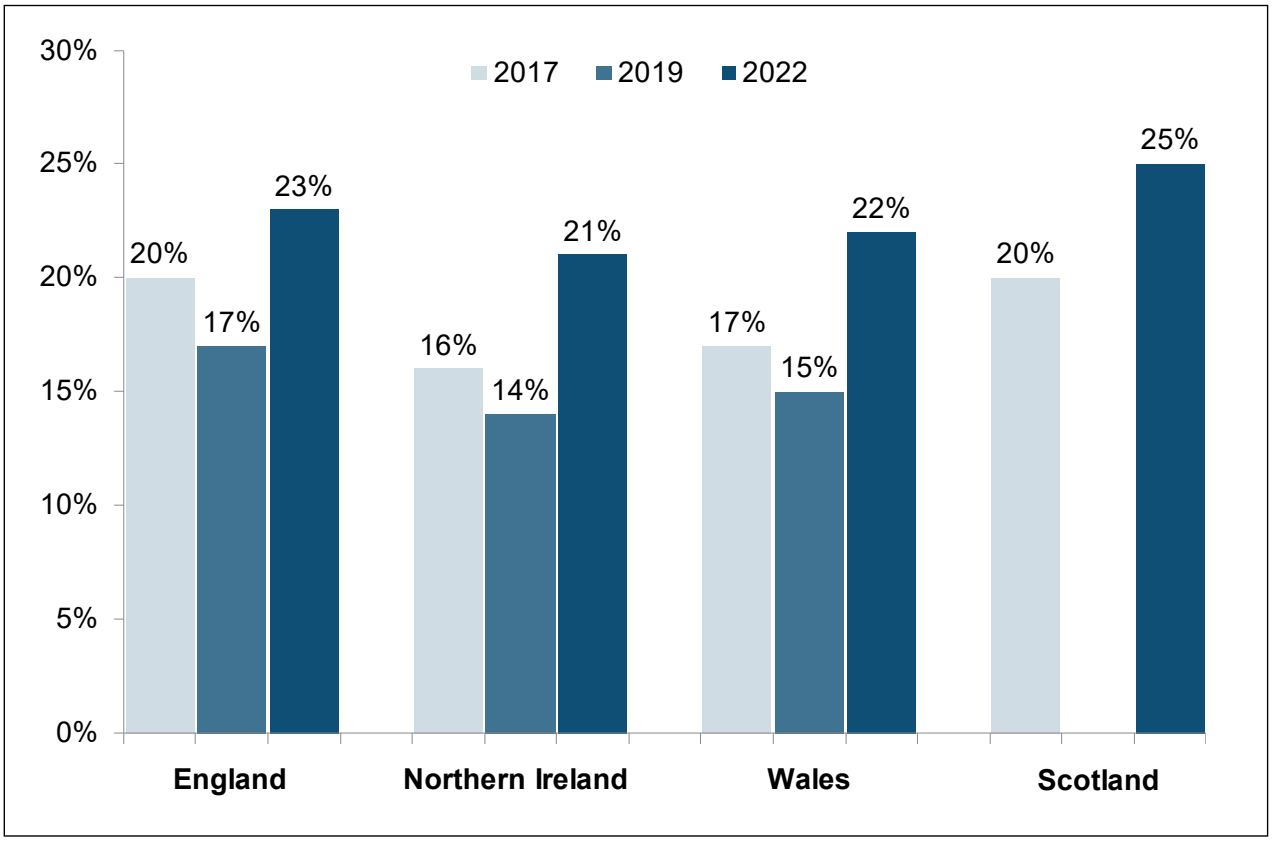
Year	2011	2013	2015	2017	2022
Volume of vacancies	586,500	655,000	927,200	1,007,500	1,495,000

Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

By nation, employers in Scotland were the most likely to report vacancies (25%), followed by those in England (23%), Wales (22%) and Northern Ireland (21%). These figures represent an increase in the incidence of vacancies in each nation, with this most pronounced in Northern Ireland (from 14% in 2019 to 21% in 2022) and Wales (15% vs. 22%). Results are summarised in Figure 2-2.

The density of vacancies (i.e., vacancies as a proportion of employment) also increased in all nations compared to 2017 and 2019.The density is now very similar across nations: 5.0% in England and Northern Ireland; 4.8% in Scotland; and 4.7% in Wales. The largest increase in vacancy density occurred in Northern Ireland, increasing from 3.1% in 2019 to 5.0% in 2022.

Figure 2-2 Proportion of establishments with vacancies (incidence), by nation



Base: All establishments (2017: England: 71,527, NI: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England: 70,217, NI: 4,023, Wales: 6,773; 2022: England: 59,486, NI: 3,400, Wales: 4,825, Scotland: 5,207)
Scotland was not included in 2019

Table 2-2 Vacancies as a proportion of employment (vacancy density) by nation, 2017-2022

Year	2017	2019	2022
Nation	%	%	%
England	3.6	3.2	5.0
Northern Ireland	3.1	3.1	5.0
Wales	3.0	3.2	4.7
Scotland	3.1	n/a	4.8

Base: All establishments (2017: England: 71,527, NI: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England: 70,217, Northern Ireland: 4,023, Wales: 6,773; 2022: England: 59,486, Northern Ireland: 3,400, Wales: 4,825, Scotland: 5,207)
Scotland was not included in 2019

There was variation in the extent and pattern of vacancies by size of establishment and by sector. As in previous years, the proportion of establishments reporting vacancies at the time of the survey increased with size, ranging from 12% of establishments with 2 to 4 employees to 80% of those with 100 or more. The density of vacancies was higher among the smaller establishments, ranging from 4.3% for those with 100 or more employees to 6.3% for those with 2 to 4.

The sectors with the highest proportion of establishments with vacancies were Health & Social Work (41%) and Education (40%). The lowest proportions were seen in Primary Sector and Utilities (12%) and Construction (16%). The sectors with the highest density of vacancies were Hotels and Restaurants (7.7%) and Health and Social Work (6.6%), followed by Construction, Financial Services, and Arts and Other Services, each at 5.2%. Conversely, the lowest densities were experienced by the Education (3.0%) and Manufacturing (3.8%) sectors. In Education, while more establishments than average reported having at least one vacancy, the number of vacancies reported was relatively low and hence vacancy density was below average.

Public sector employers (42%) were more likely to have vacancies than those among the third (27%) or private (22%) sectors. However, density of vacancies was highest in the private sector (5.2%), followed by the third sector (4.8%), and public sector (3.9%).

The survey also identified the occupational groups where vacancies exist. The pattern of vacancy density by occupation was largely unchanged from previous years, and – as has been the case in all previous versions of the ESS series – the occupation with the highest number of vacancies as a proportion of employment (vacancy density) was Associate Professionals (at 9.3%). Other occupations with a high vacancy density included Caring, Leisure and Other Services occupations (8.6%) and Skilled Trades (7.8%).

Skill-shortage vacancies (SSVs)

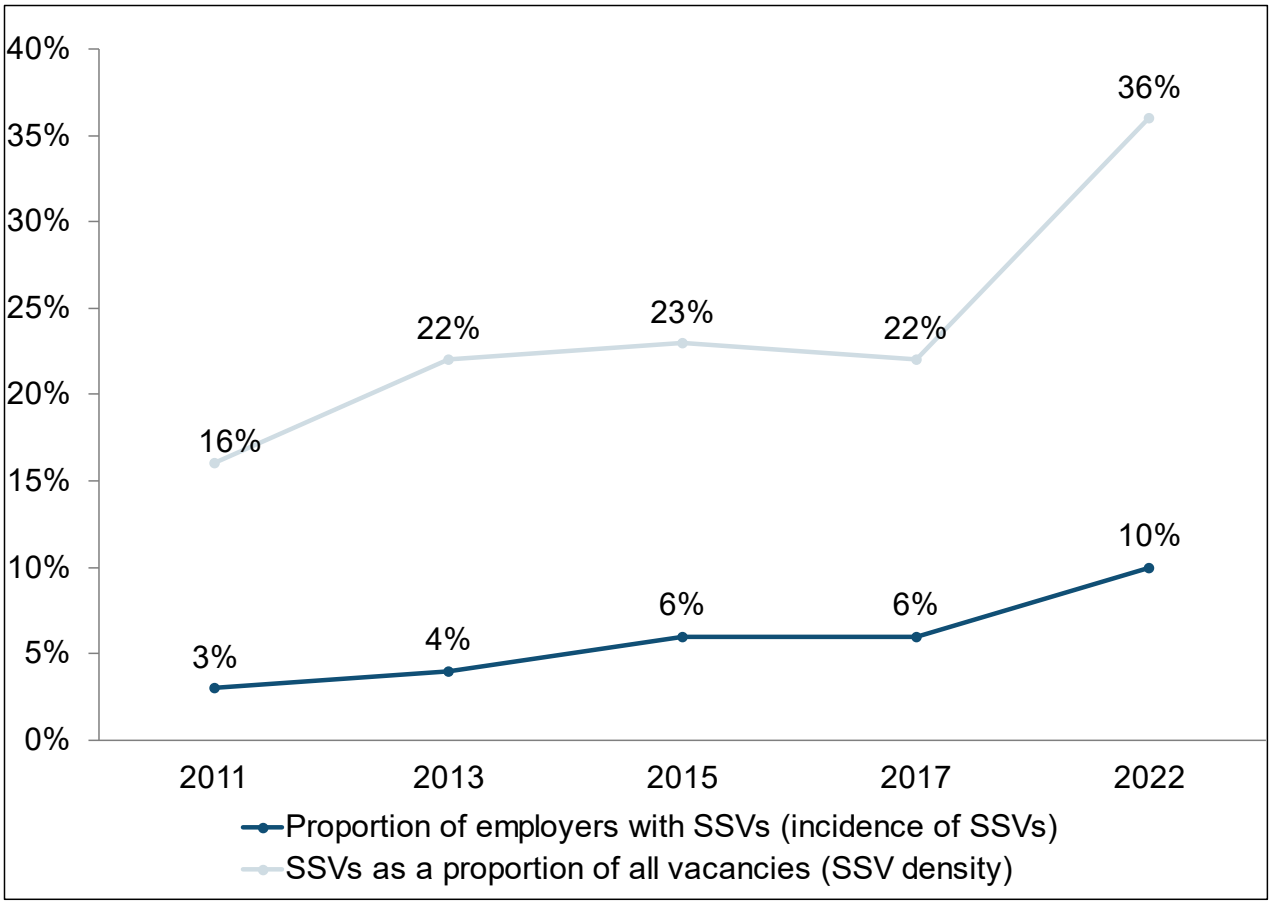
Employers that indicated that they had vacancies at the time of the interview were asked whether any of those had proved hard-to-fill and, if so, whether it was due to a lack of skills, experience or qualifications among applicants. The information provided is summarised in the skill-shortage vacancies measure (SSVs). It is worth noting that this measure only takes into consideration employers' direct experiences of applicants lacking suitable skills and does not include hard-to-fill vacancies that received no applicants even if this absence of applicants was caused by a shortage of the required skills or qualifications. It is also worth noting that a high incidence of SSVs does not necessarily imply those skills are lacking in the local labour market, since it may simply

be that those with the requisite skills are not interested in applying due to the unattractiveness of the role (aspects such as the pay or conditions).

Overall, there were 531,200 SSVs reported in the UK in 2022. This is more than twice the number recorded in 2017 (226,500). Although this represents a sharper increase than found in the previous ESS, SSVs have been increasing in each ESS since 2011, as shown in Table 2-3.

One in ten establishments (10%) had at least one SSV in 2022. This is an increase compared to the 2017 figure of 6%. As shown in Figure 2-3 this follows a small but steady increase from 3% in 2011 to 6% 2017. The density of SSVs (i.e., the number of skill-shortage vacancies as a proportion of the total number of vacancies) was 36% in 2022, higher than the 22% reported in 2017. This increase is in contrast with a steady trend that was seen between 2013 and 2017, when SSV density remained stable at just under a quarter of all vacancies (22% in 2013, 23% in 2015 and 22% in 2017).

Figure 2-3 Incidence and density of skill-shortage vacancies at UK level, 2011-2022



Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

Table 2-3 Volume of UK skill-shortage vacancies, 2011-2022

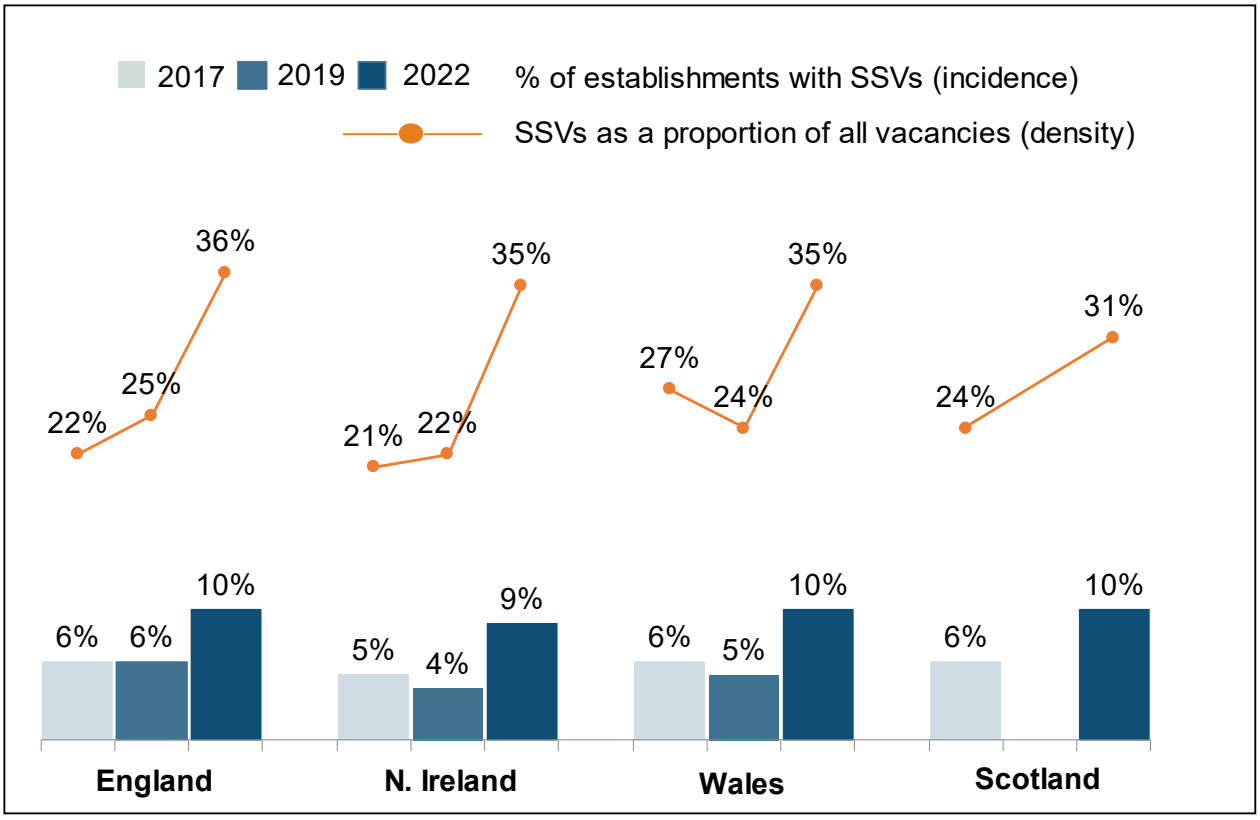
Year	2011	2013	2015	2017	2022
Volume of skill-shortage vacancies	91,500	146,200	209,500	226,500	531,200

Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

The percentage of establishments with SSVs was very similar across all nations (10% for England, Wales and Scotland, and 9% for Northern Ireland). When looking at trends compared to the previous time points surveyed, the incidence of SSVs in 2022 increased for all nations in comparison to 2017, as shown in Figure 2-4.

Density of SSVs was comparable in England (36%), Northern Ireland (35%) and Wales (35%), while it was lower in Scotland (31%). Looking at historical trends, the density increased markedly in 2022 for all nations compared to figures from the previous time point; the largest change was seen in Northern Ireland, increasing from 22% in 2019 to 35% in 2022.

Figure 2-4 Incidence and density of skill-shortage vacancies by nation



Base: All establishments (2017: England: 71,527, NI: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England: 70,217, NI: 4,023, Wales: 6,773; 2022: England: 59,486, NI: 3,400, Wales: 4,825, Scotland: 5,207)
Scotland was not included in 2019

Considering Upper Tier Local Authorities (UTLAs) in England, Wigan had the highest density of SSVs (87.5%), followed by Bracknell Forest (69.6%) and St. Helens (64.1%). Conversely, the UTLAs with the lowest density of SSVs were Knowsley (6.9%), Newham (8.9%), and South Tyneside (10.1%).

Table 2-4 Upper Tier Local Authorities with the highest and lowest density of skill-shortage vacancies

UTLAs with the highest density of SSVs	Density (%)	UTLAs with the lowest density of SSVs	Density (%)
Wigan	87.5	Knowsley	6.9
Bracknell Forest	69.6	Newham	8.9
St. Helens	64.1	South Tyneside	10.1
North Tyneside	60.0	Hartlepool	13.8
Essex	58.7	City of London	14.6

Base: All establishments: (Wigan: 217; Bracknell Forest: 78; St. Helens: 121; North Tyneside: 316, Essex: 1,627; Knowsley: 84; Newham: 129; South Tyneside: 193; Hartlepool: 114; City of London: 268)

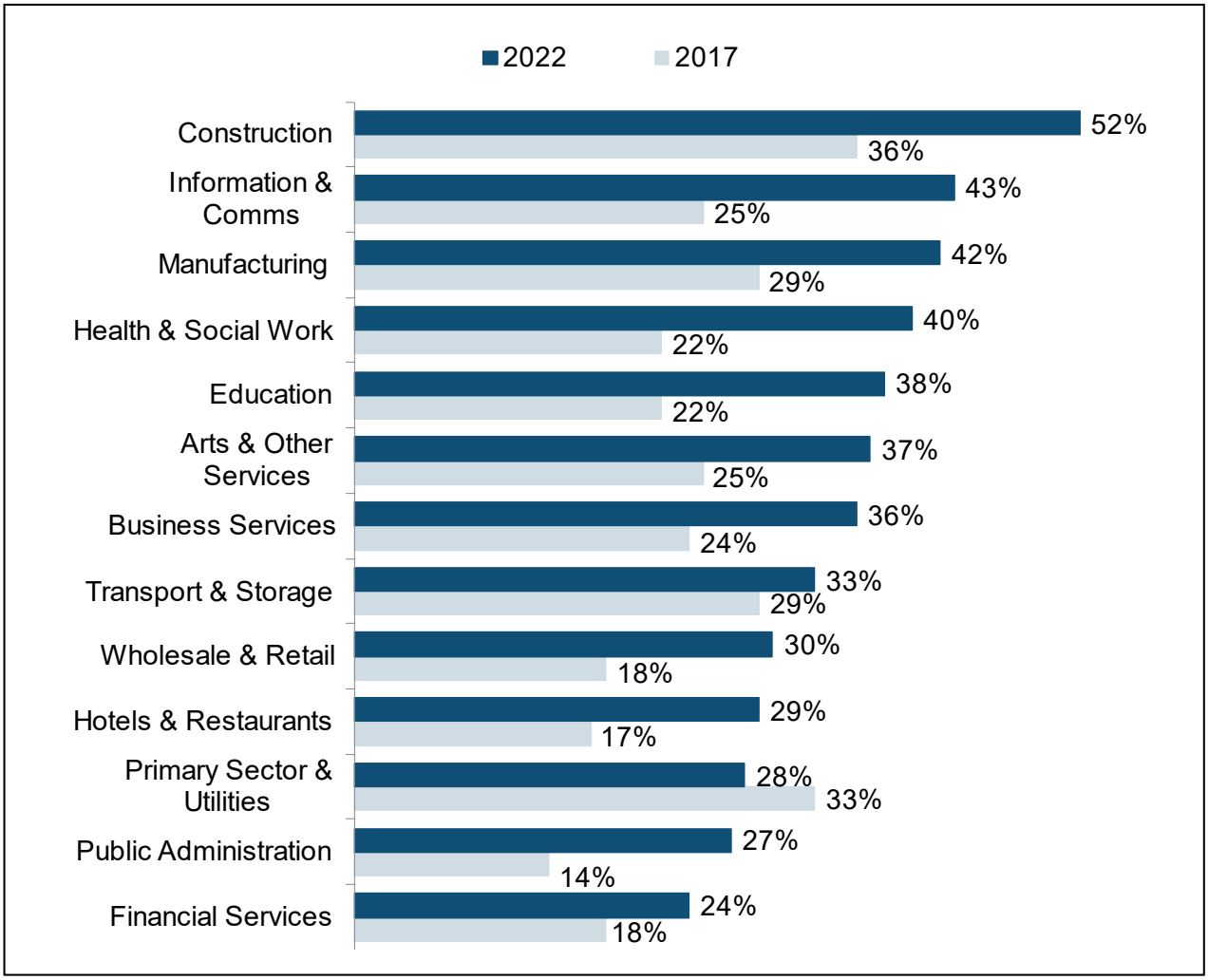
By employer size, the density of SSVs was highest among establishments with 2 to 4 employees (42%), followed by establishments with 5 to 24 employees (37%). This was also the case in 2017. However, the largest increase in SSV density was found among employers with 250 or more employees, from 16% in 2017 to 35% in 2022.

Broadly in line with the relative size of the sectors, the Health and Social Work and Business Services sectors had the highest number of SSVs (110,200 and 103,100 respectively). Similarly, the Financial Services sector, the smallest in terms of overall number of employees, also had the lowest number of SSVs (9,400), closely followed by the Primary Sector and Utilities (9,600).

As in 2017, the highest density of SSVs was found in the Construction sector (52%), just over half of vacancies in this sector were proving hard to fill because of skill shortages among applicants. This was followed by the Information and Communications sector (43%) and the Manufacturing sector (42%). There were large increases in most sectors in the SSV density measures compared with 2017, with this most marked in the Information and Communications sector (from 25% in 2017 to 43% in 2022) and the Health and Social Work sector (from 22% to 40%).

Table 18 in the published Data Tables provides a detailed breakdown of skill-shortage vacancies by nation, size of establishment and sector.

Figure 2-5 Skill-shortage vacancies as a proportion of all vacancies (SSV density) at UK level, by sector



Base: All establishments with vacancies (2022 range: Public Administration 244 to Wholesale and Retail 4,211; 2017 range: Public Administration 360 to Business Services 3,911)

Table 2-5 Volume of skill-shortage vacancies at UK level, by sector

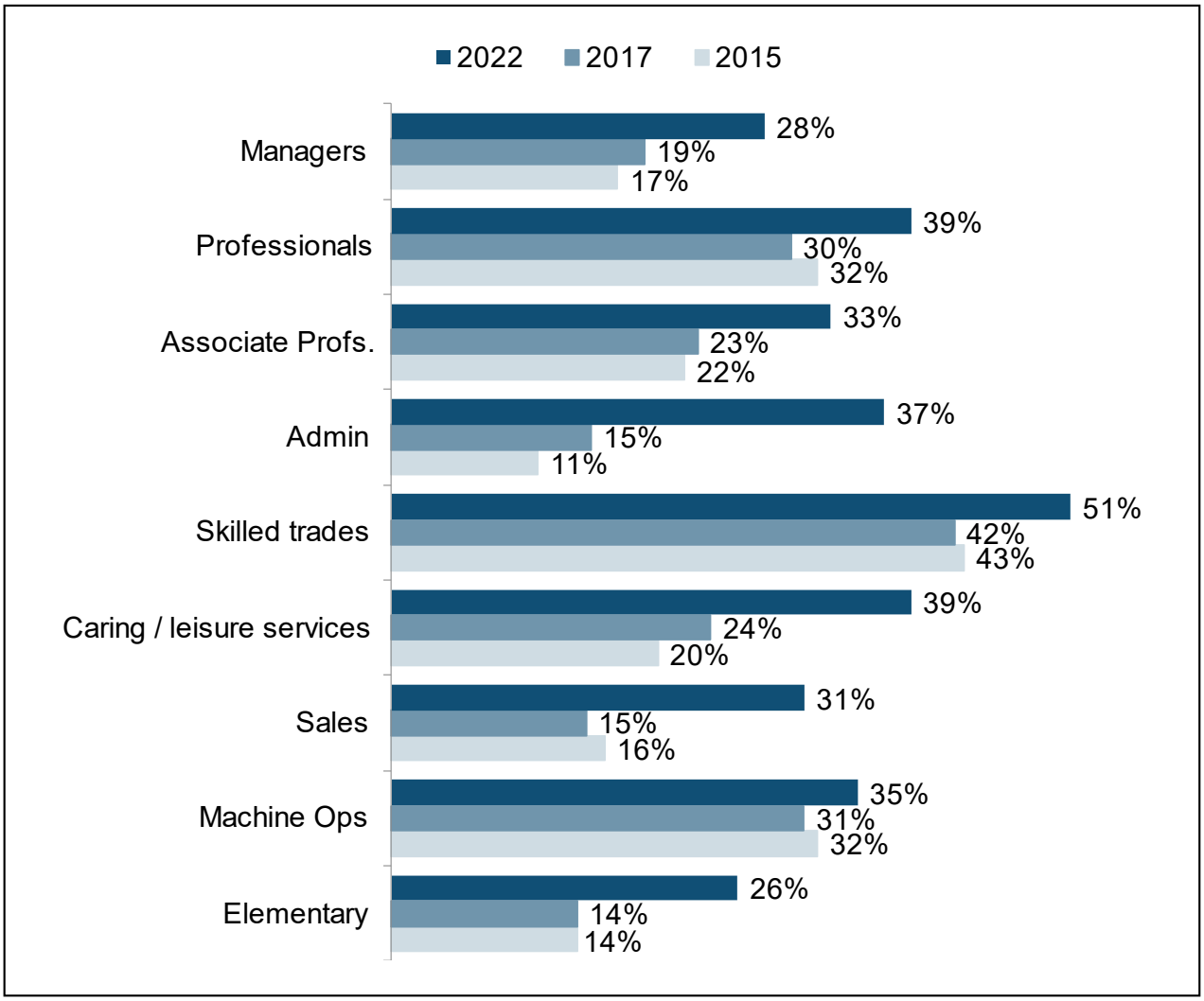
Sector	Volume
Construction	36,100
Information and Communications	20,500
Manufacturing	38,500
Health and Social Work	110,200
Education	30,500
Arts and Other Services	24,900
Business Services	102,400
Transport and Storage	23,600
Wholesale and Retail	56,000
Hotels and Restaurants	52,200
Primary Sector and Utilities	9,600
Public Administration	17,400
Financial Services	9,400

Base: All establishments with vacancies (2022 range: Public Administration 244 to Wholesale and Retail 4,211)

Looking at occupations, employers were most likely to have experienced skills-related difficulties when recruiting for Skilled Trades positions (51% of all vacancies in this occupation were SSVs). Two other occupations with a high density of SSVs were Professional occupations and Caring, Leisure and Other Services occupations (39% for both). The latter occupation had the highest number of SSVs (102,000) and was also the occupation with the highest number of vacancies. The Skilled Trades category, while the second smallest of the nine occupational groupings in terms of number of employees, was the fourth largest for number of vacancies and the second largest for number of SSVs (94,700).

Occupations have maintained a similar ranking of SSVs density in comparison to 2017 and 2015, albeit it at a higher level in 2022, with Skilled Trades being the occupation with the highest density across the three time points (51% in 2022, 42% in 2017 and 43% in 2015). The largest increase in SSV density was among Administrative occupations, from 14% in 2017 to 37% in 2022. Conversely, the smallest increase was among Machine Operatives, from 31% to 35%.

Figure 2-6 Density of skill-shortage vacancies (SSVs) at UK level, by occupation



Base: All establishments with vacancies in each type of occupation (2022 range: Managers 1,551 to Caring, Leisure and Other Services 5,312; 2017 range: Managers 1,426 to Elementary occupations 4,864; 2015 range: Managers 1,335 to Elementary occupations 4,491)

Table 2-6 Volume of skill-shortage vacancies at UK level, by occupation

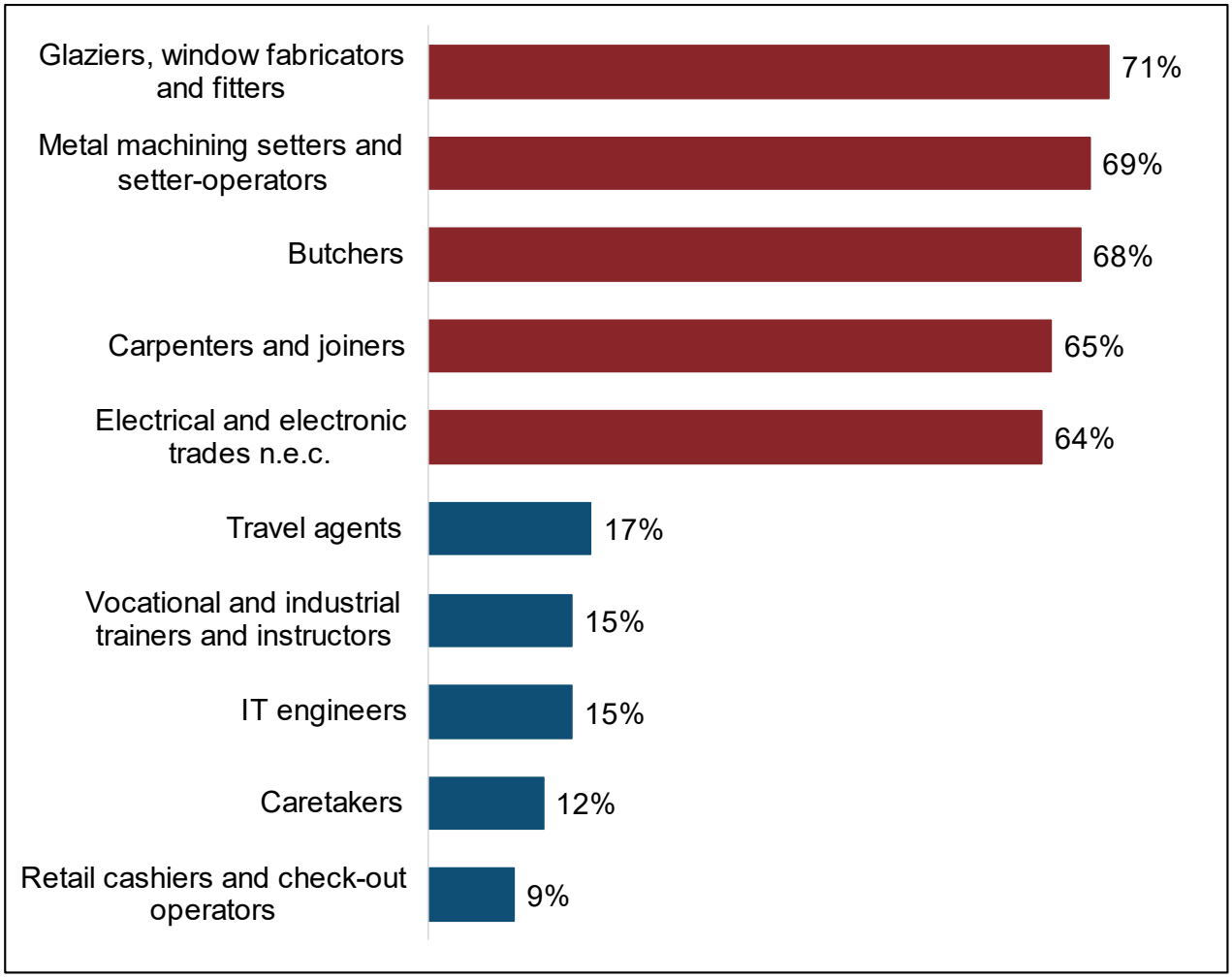
Sector	Volume
Managers, Directors and Senior Officials	12,500
Professionals	72,100
Associate Professionals	52,400
Administrative occupations	47,000
Skilled Trades	94,700
Caring, Leisure and Other Services	102,000
Sales and Customer Services	43,000
Machine Operatives	44,300
Elementary occupations	62,400

Base: All establishments with vacancies in each type of occupation (range: Managers 1,551 to Caring, Leisure and Other Services 5,312)

Looking into greater detail at specific job roles, glaziers, window fabricators and fitters was the role with the highest SSVs density (71%), followed by metal machining setters and setter-operators (69%) and butchers (68%). Conversely, the job role with the lowest SSVs density was retail cashiers and check-out operators (9%). Figure 2-7 shows the five job roles with the highest and lowest SSVs densities.[6] All five job roles with the highest SSVs density, are part of the broad occupational group Skilled Trades, the occupation with the highest SSVs density overall (52%).

[6] The job roles that are provided in Figure 2-7 only include those for which we had a base size of 50.

Figure 2-7 Job roles with highest and lowest skill-shortage vacancy densities, at UK level



Base: All establishments with vacancies in each SOC code (range: Travel agents 53 to Carpenters and joiners 224)

Having looked at differences in the density of SSVs between sectors and between occupations, Table 2-7 presents the density of SSVs by occupation *within* sector to provide a more detailed picture of where employers struggle to recruit the skills they need. Care should be taken with the findings, as some of the cells have relatively small base sizes, as explained in the note at the bottom of Table 2-7.

The highest density overall was found among Sales and Customer Service occupations in the Health and Social Work sector, with more the nine in ten vacancies (93%) experiencing skill shortages. The second highest SSVs density (72%) was among Skilled Trades within the Information and Communications sector. This was followed by Skilled Trades in the Construction sector and Administrative occupations in the Health and Social Work sector (61% for both).

While the Health and Social Work sector had two of the four pockets with the highest density, the SSVs density for the remaining occupations was fairly low, ranging from 13%

for Elementary occupations to 38% for Caring, Leisure and Other Services occupations. Conversely, Manufacturing had a relatively high density across all occupations, ranging from 32% for Machine Operatives to 56% for Professionals. The Construction sector had a similar spread, with a density higher than 35% for all occupations but one (Administrative occupations with 25% SSVs density).

Table 2-7 Density of skill-shortage vacancies at UK level, by occupation within sector

Density 46% plus

Density 36% to less than 46%

Density 26% to less than 36%

Density less than 26%

Survey group	Total	Skilled Trades	Caring, Leisure and Other Services	Professionals	Administrative occupations	Machine Operatives	Associate Professionals	Sales and Customer Services	Managers	Elementary occupations
Total	36%	52%	39%	39%	37%	35%	33%	31%	28%	26%
Construction	52%	61%	**	52%	25%	52%	35%	43%*	39%	48%
Information and Communications	43%	72%	**	46%	15%	**	42%	38%	**	**
Manufacturing	42%	55%	**	56%	35%	32%	41%	54%	40%	33%
Health and Social Work	40%	27%	38%	35%	61%	25%*	29%	93%	33%	13%
Education	38%	36%	48%	32%	27%	47%*	36%	**	31%	18%
Arts and Other Services	37%	49%	44%	46%	19%	33%*	36%	30%	25%	31%
Business Services	36%	48%	29%	44%	37%	42%	31%	45%	32%	31%
Transport and Storage	33%	48%	**	**	30%	40%	31%	40%	6%*	14%
Wholesale and Retail	30%	60%	**	38%	24%	30%	43%	21%	24%	23%
Hotels and Restaurants	29%	44%	30%	**	35%	10%	36%	23%	42%	25%
Primary Sector and Utilities	28%	37%	19%*	31%*	24%	21%	42%	**	21%*	31%
Public Administration	27%	**	**	41%	31%	**	17%	**	**	**
Financial Services	24%	**	**	**	48%	**	44%	16%*	**	**

Base: All establishments employing each occupation, by sector (ranging from 31 Transport and Storage with Manager vacancies to 2,731 Health and Social work with Caring, Leisure and Other Services vacancies). Full set of base sizes can be found in Table 36 in the published data tables.

*** Denotes a figure not shown because of a low base size (fewer than 30 establishments)*

** Denotes a base size between 30 and 49 establishments*

Skills lacking in the available labour market

Employers with skill-shortage vacancies were read a list of skills and asked, for each occupation in which they reported skill-shortage vacancies,[7] which skills were lacking. Those skills lacking among candidates have been grouped into two categories:

Technical and practical skills: specific skills required to perform the specific functions of a job role. Within this, those who mentioned lacking IT skills were also asked (unprompted) which digital skills were lacking.

People and personal skills: 'softer', less tangible skills required to manage oneself and interact with others in the workplace

Figure 2-8 and Figure 2-9 summarise the specific skills lacking in those two categories, with data based on the total number of skill-shortage vacancies, as opposed to establishments with skill-shortages vacancies.

Technical and practical skills

Close to nine in ten skill-shortage vacancies (87%) were caused, at least in part, by a lack of technical and practical skills. This was in line with 2017 findings, when 88% of SSVs were caused by the lack of technical and practical skills. As shown in Figure 2-8, the profile of the specific skills lacking was also broadly similar to 2017, with a lack of specialist skills or knowledge the most mentioned at both time points (64% in 2017 and 63% in 2022). However, there were some small changes, in particular:

- An increase in a lack of knowledge of how the employer's organisation works (from 31% in 2017 to 36% in 2022).
- An increase in a lack of knowledge of products and services offered by the organisation (from 36% in 2017 to 40% in 2022).
- A decrease in a lack of advanced or specialist IT skills (from being a factor for 20% of SSVs in 2017 to 16% in 2022).

Some of the specific skills found difficult to obtain from applicants have been grouped into broader categories for analysis purposes, as defined in Table D-1 in Appendix D. This shows that a lower proportion of SSVs in 2022 were reported as being caused by a lack of 'complex analytical skills' (43%, down from 47% in 2017). Conversely, more SSVs were caused by a lack of broad 'operational skills', covering knowledge of products and services offered and the knowledge of how the organisation works (48%, up from 43% in 2017). In line with 2017, the two broad skills areas just mentioned were also the most prevalent, in comparison to 'basic skills' (38% in 2017 and 40% in 2022) and 'digital skills' (32% at both time points).

[7] Up to a maximum of two occupations chosen at random.

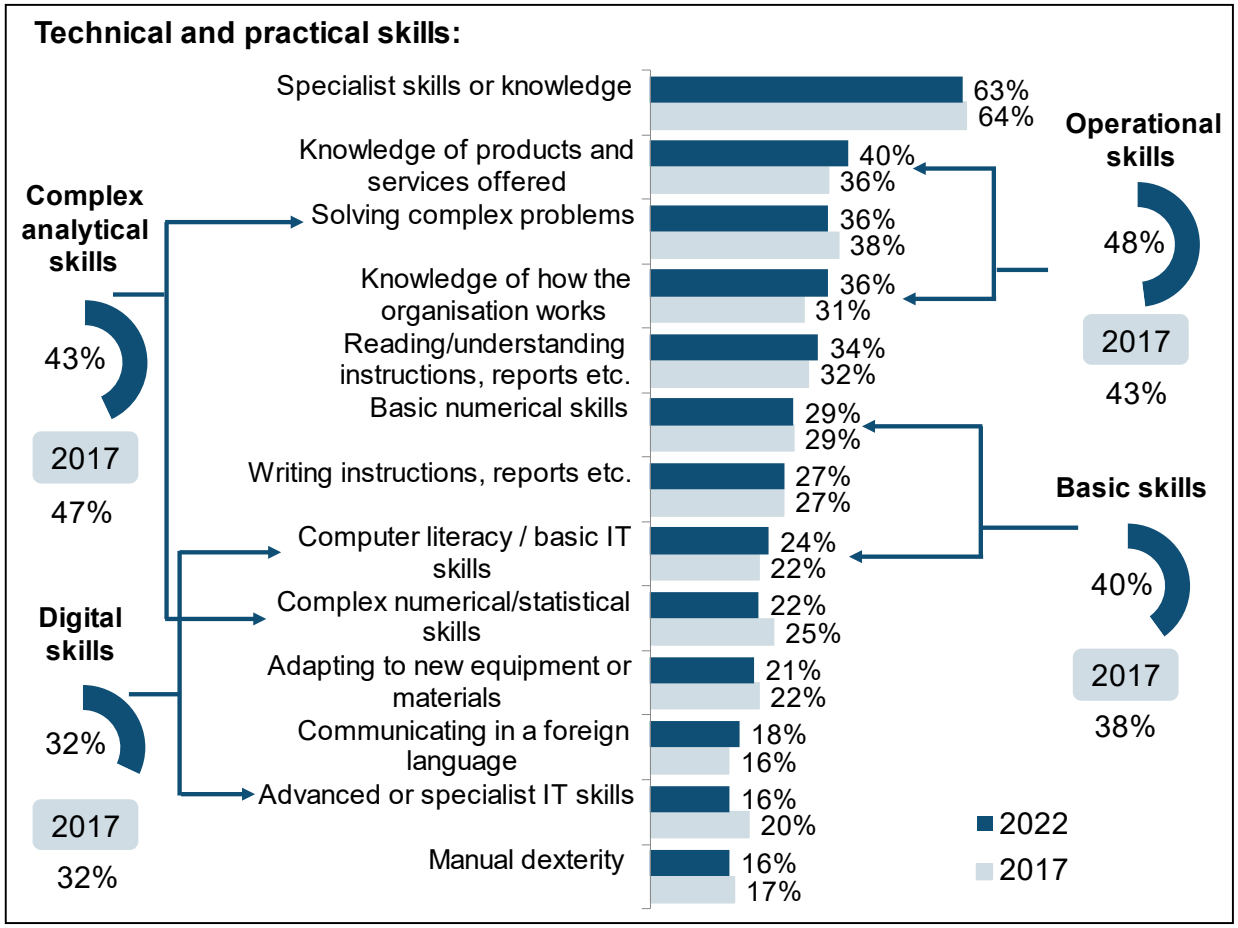
By nation, a lack of ‘complex analytical skills’ was highest in Scotland (a factor in 46% of SSVs) compared to England, Northern Ireland and Wales (43%, 40% and 43% respectively). Lacking ‘digital skills’ was least prevalent in Wales (28%) compared to the other three nations (32% in England, 32% in Northern Ireland and 33% Scotland). Looking at individual technical and practical skills, the lack of advanced or specialist IT skills was higher in Scotland (19%) than in the other nations (16% for all of them), while the lack of ability to communicate in a foreign language was more prevalent in England (19%) compared to the other nations (14% in Northern Ireland, 12% in Scotland and 8% in Wales).

Looking at differences by establishment size, a lack of ‘complex analytical skills’ was more common among smaller establishments (explaining 50% of SSVs in establishments with 2 to 4 employees compared to 35% for establishments with 250 or more employees). Similarly, ‘operational skills’ were more difficult to obtain for establishments with 2 to 4 employees (54% of their SSVs) than for the large establishments with 250 or more employees (42%). The opposite pattern was true for digital skills, which were lacking in 36% of SSVs in establishments with 50 to 99 and 100 to 249 employees, compared to 30% for establishments with 2 to 4 employees.

By sector, ‘complex analytical skills’ were particularly difficult for Financial Services employers to find among applicants (58% of SSVs compared to 43% overall). In line with the 2017 results, a lack of ‘digital skills’ was highest in the Information and Communications sector (52% compared to 32% overall), while the lack of ‘basic skills’ was most prevalent in the Health and Social Work sector (58% compared to 40% overall).

Figure 2-8 Technical and practical skills found difficult to obtain from applicants at UK level (prompted)[8]

[8] Please note that the percentages represent the number of skill-shortage vacancies lacking the specific skill over the total number of SSVs. Employers could cite more than one skill lacking among applicants for each of their SSVs, thus the percentages sum to greater than 100%.



Base: All establishments with SSVs – up to two occupations followed up (2022: 9,888; 2017: 7,229)

Digital skills

Employers that reported difficulties in finding applicants with the necessary digital skills were asked about the specific IT skills they found lacking for those applicants. Basic Microsoft Office applications skills were the skillset most often lacking (in 32% of cases where IT skills were lacking in applicants, referred to as digital SSVs from now on), followed by foundation digital skills, such as turning on devices, typing, changing passwords and connecting to the internet (22%), and specialist software or hardware and internal system skills (18%). Overall, nearly half (48%) of the digital SSVs were lacking basic digital skills.

The lack of 'basic digital skills' was most prominent in Scotland (56% of digital SSVs) compared to England (48%), Northern Ireland (44%) and Wales (50%). The lack of advanced Microsoft Office skills, on the other hand, was lowest in Scotland (6%) compared to the other three nations (11% for England and Wales, and 10% for Northern Ireland). Looking back at 2019 for England, Northern Ireland and Wales, the lack of 'basic digital skills' was marginally higher in England (51% vs. 48% in 2022), much higher in Northern Ireland (80% vs. 44% in 2022), but lower in Wales (38% vs. 50% in 2022). The trends are similar when looking at the lack of advanced Microsoft Office skills.

Differences are not statistically significant for England and Wales, but for Northern Ireland the percentage was higher in 2019 (37%) compared 2022 (10%).

Looking at the different establishment size groups, those with 250 or more employees were lacking a number of digital skills more than all the other groups, including basic Microsoft Office applications skills (40% of digital SSVs compared to 32% overall) and data analysis, analytics and data science skills (14% compared to 7% overall).

The lack of specific digital skills was in some cases connected to the nature of the specific sector. For example, the lack of ability to use EPOS[9] and till systems was highest in the Hotels and Restaurants sector (14% of digital SSVs compared to 2% overall). Among the more general IT skills not connected to the nature of a specific sector, the lack of basic Microsoft Office applications skills was highest in the Health and Social Work sector (52% compared to 32% overall), the lack of specialist software or hardware and internal systems was highest in the Financial Services sector (56% compared to 18% overall), and the lack of advanced Microsoft Office skills was highest in the Transport and Storage and Business Services sectors (24% and 22% respectively, compared to 11% overall).

People and personal skills

Turning to people and personal skills, 70% of skill-shortage vacancies were caused, at least in part, by a lack of people and personal skills. This is a slight decrease compared to 2017, when 74% of SSVs were caused by people and personal skill shortages. As for practical and technical skills, the specific skills that were difficult to obtain were broadly similar to 2017, with staff being able to manage their time and task prioritisation the skill most lacking (50% in 2017 and 48% in 2022). However, there have been some changes between the two time points. People and personal skills where fewer shortages were reported include:

- Sales skills (a factor in 26% of SSVs in 2017 to 17% in 2022)
- Persuading or influencing others (from 32% in 2017 to 24% in 2022)
- Setting objectives for others and planning resources (from 24% in 2017 to 20% in 2022).

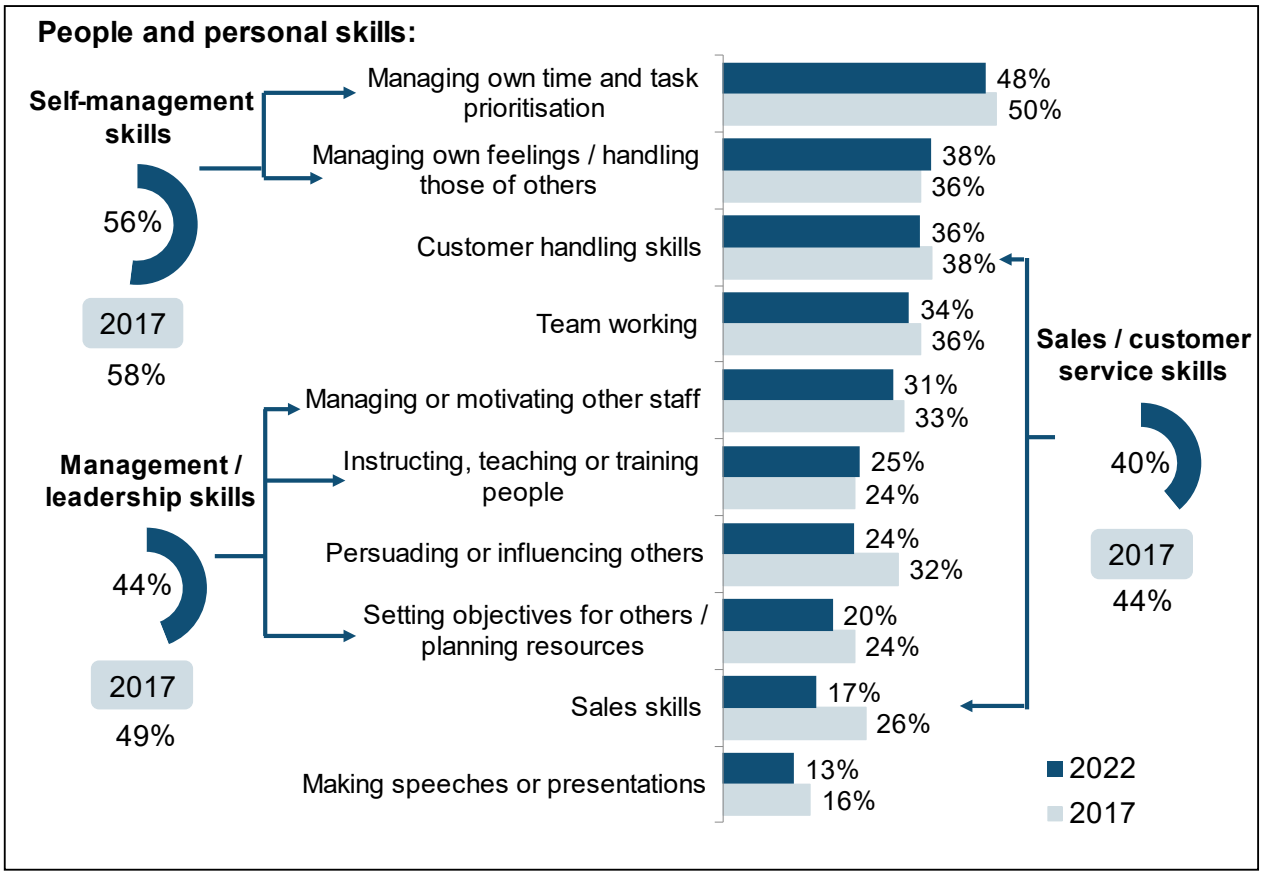
Conversely, there was a small increase in prevalence of shortages for staff managing their own feelings and handling those of others (from 36% in 2017 to 38% in 2022).

As for technical and practical skills, the people and personal skills that employers were struggling to find have been grouped into broader skills groupings for analysis purposes, as defined in Table D-2 in Appendix D: Definitions for skills and causes of skills gaps groupings. As shown in Figure 2-9 all these grouped categories saw a decrease

[9] EPOS: Electric Point Of Sale (a system used to process customer sales)

compared with 2017 (i.e., were less likely to be a factor explaining SSVs), in line with the overall trend. The largest decrease was for 'management and leadership skills', which went from being difficult to find for 49% of SSVs in 2017 to 44% in 2022.

Figure 2-9 People and personal skills found difficult to obtain from applicants at UK level (prompted)[10]



Base: All establishments with SSVs – up to two occupations followed up (2022: 9,888; 2017: 7,229)

Overall, difficulty obtaining people and personal skills was lower in Northern Ireland (64%), compared to England (70%), Scotland (72%) and Wales (69%). Looking at specific people and personal skills, the lack of ability to manage their own time and prioritise tasks was more common in England and Scotland (48% for both) compared to Northern Ireland and Wales (43% for both). Similarly, for Northern Ireland lack of ability of applicants to manage their own feelings and handle the feelings of others was lower (28%) compared to England, Scotland and Wales (38%, 37% and 35% respectively). This was reflected in the trend for broader 'self-management skills'. For 'sales and customer skills', these skills were less difficult to find in Northern Ireland (31%) compared to the other three nations (40% for each). A lack of 'management and leadership skills',

[10] Please note that the percentages represent the number of skill-shortage vacancies lacking the specific skill over the total number of SSVs. Employers could cite more than one skill lacking among applicants for each of their SSVs, thus the percentages sum to greater than 100%.

was highest in England (45%) followed by Scotland (42%) and Wales and Northern Ireland (38% and 35% respectively).

By establishment size, ‘management and leadership skills’ shortages were similar among size groups. A lack of ‘sales and customer skills’ were most common for SSVs among establishments with 2 to 4 employees (46%), and least common among establishments with 25 to 49 and 50 to 99 employees (34% and 32% respectively). Conversely, lack of ‘self-management skills’ was most common for SSVs among establishments with 250 or more employees (64%), compared to an overall average of 56%.

Overall, difficulty obtaining people and personal skills was more prominent in certain sectors, in particular the Hotels and Restaurants (a factor for 78% of SSVs), Public Administration (77%) and Health and Social Work (75%) sectors, compared to 70% overall. ‘Self-management skills’ were more likely than average to be lacking in the Public Administration sector (for 74% of their SSVs compared to 56% overall).

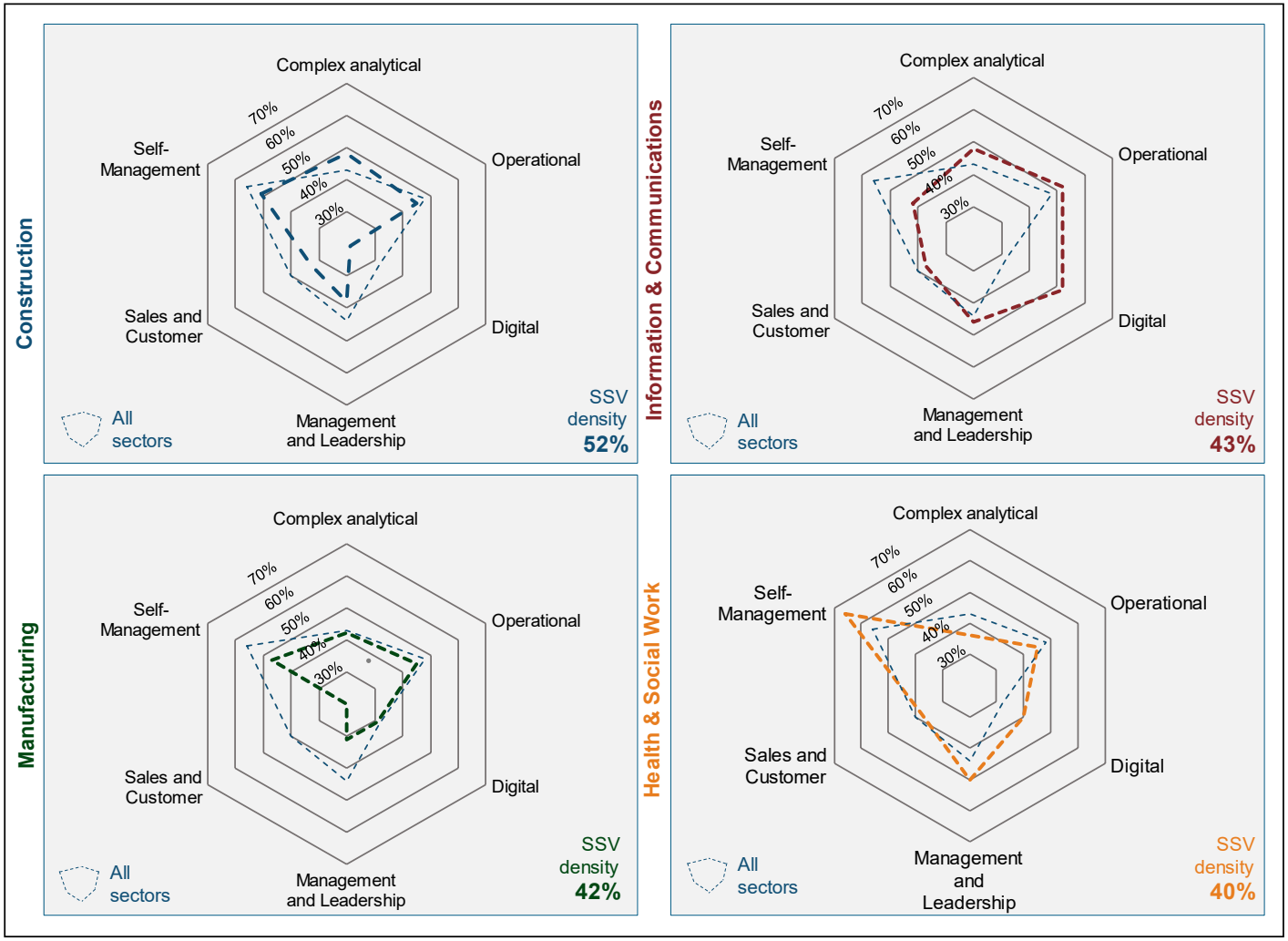
Types of skills lacking among applicants by sector

As discussed earlier in the chapter, the four sectors with the highest density of skill-shortage vacancies were Construction, Information and Communications, Manufacturing and Health and Social Work. The broad skills lacking most among the applicants for those sectors are shown in Figure 2-10, in comparison with the average across all sectors. The skills groupings used throughout this section are detailed in Table D-1 and Table D-2 in Appendix D: Definitions for skills and causes of skills gaps groupings.

In the Construction industry most of the broad skills areas were less likely to be lacking among applicants compared to the average across all sectors. In particular, ‘digital skills’ were an issue for only for one in five SSVs (21%), compared to a third overall (32%). The only exception was ‘complex analytical skills’, lacking for 48% SSVs, compared to 43% overall. The Manufacturing sector had a similar situation in terms of broad skills, with all of them being equally or less likely to be lacking among applicants than the overall average. In particular, ‘sales and customer service skills’ were lacking for 20% of SSVs compared to 40% overall.

In the Information and Communications sector, a lack of ‘digital skills’ was more common than average (for 52% of SSVs compared to 32% overall) and the highest across all sectors, as one might expect given its focus. Conversely, a lack of ‘self-management skills’ was less likely in the sector compared to most others (42% compared to 56% overall). In the Health and Social Work sector, on the other hand, a lack of ‘self-management skills’ was more common than average (66% vs. 56% overall), and this was also the case for ‘digital skills’ (40% vs. 32% overall).

Figure 2-10 Types of skills lacking across sectors with the highest density of skill-shortage vacancies (SSVs) (prompted)



Base: All establishments with SSVs for the given occupations – up to two occupations followed up (All: 9,888, Construction: 600, Information and Communications: 244, Manufacturing: 928, Health and Social Work: 1,365)

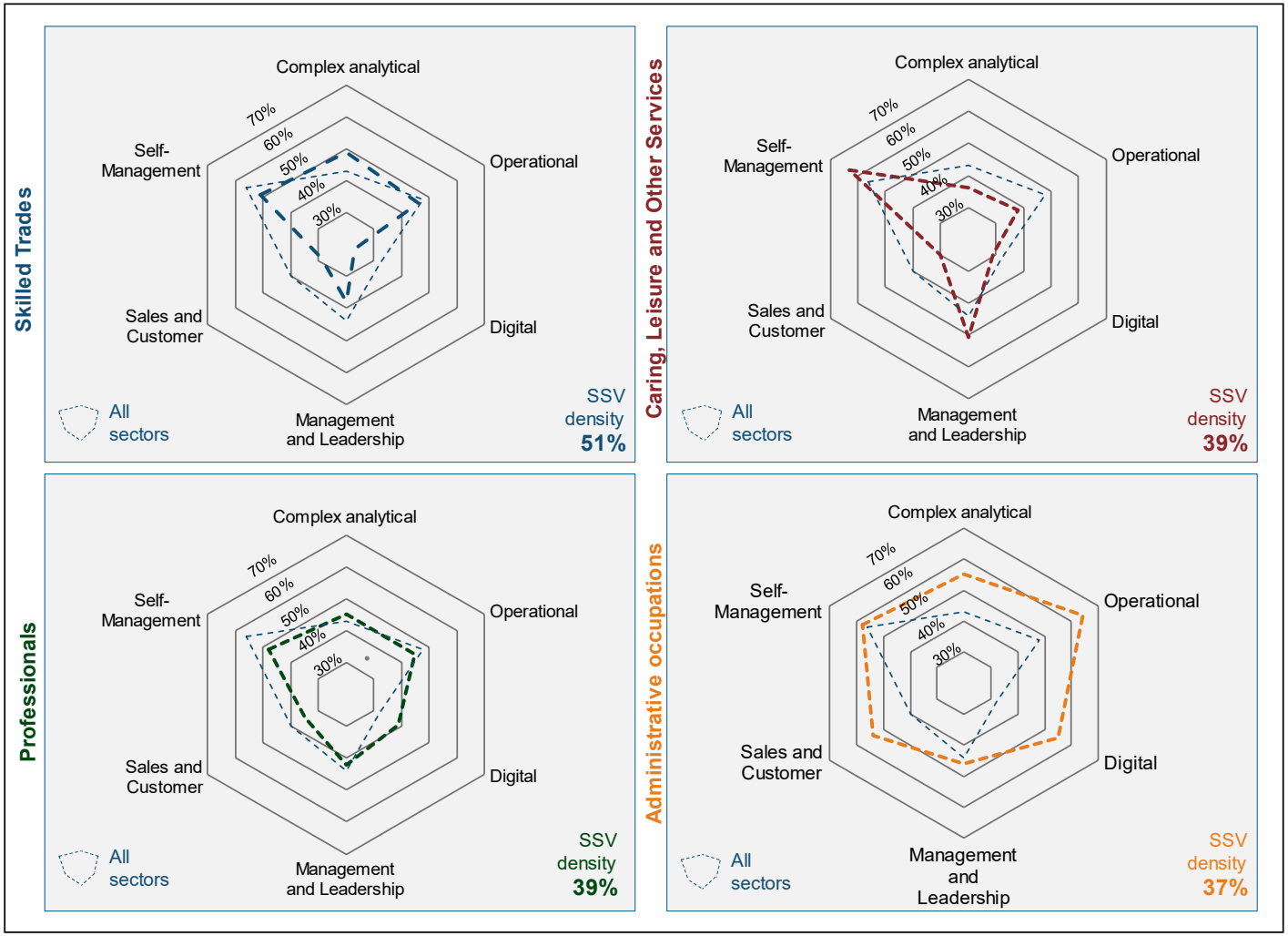
Types of skills lacking among applicants by occupation

As discussed earlier in the chapter, the occupations with the highest density of skill-shortage vacancies were Skilled Trades, Caring, Leisure and Other Services, Professionals and Administrative occupations. The broad skills lacking among applicants for those occupations, relative to the average across all occupations, is illustrated in Figure 2-11. The skills groupings used throughout this section are detailed in Table D-1 and Table D-2 in Appendix D: Definitions for skills and causes of skills gaps groupings.

For Skilled Trades, the occupation with the highest density of SSVs, the proportion of SSVs caused by a lack of these broad skills was lower than average for all but one category. ‘Digital skills’ were less likely to be lacking compared to the average (23% of Skilled Trade SSVs vs. 32% of SSVs on average), as were ‘sales and customer skills’ (29% vs. 40%). The one category that was more likely to be lacking were ‘complex analytical skills’ (49% vs. 43% on average). For Professionals, on the other hand, the types of skills lacking followed similar pattern to the overall average. The only notable difference was that SSVs for those occupations were more likely than average to be associated with lacking necessary ‘digital skills’ (39% vs. 32%).

Skill-shortage vacancies for Caring, Leisure and Other Services occupations were less likely than average to be due to lack of ‘sales and customer skills’ (30% vs. 40%) and ‘operational skills’ (38% vs. 48%) but more likely to be caused by a lack of ‘management and leadership skills’ (51% vs. 44%) and ‘self-management skills’ (63% vs. 56%). Conversely, for Administrative occupations applicants were more likely than average to lack skills for all broad skills but two (‘management and leadership skills’ and ‘self-management skills’), which were close to the average. Among the broad skills that were more likely to be missing in these occupations compared to the average, the ones with the biggest differences were ‘digital skills’ (55% vs. 32%), ‘operational skills’ (64% vs. 48%) and ‘sales and customer skills’ (54% vs. 40%).

Figure 2-11 Types of skills lacking across occupations with the highest density of skill-shortage vacancies (SSVs) (prompted)



Base: All establishments with SSVs for the given occupations – up to two occupations followed up (All: 9,888, Skilled Trades: 2,437, Caring, Leisure and Other Services: 1,896, Professionals: 1,449, Administrative occupations: 940)

Implications of SSVs

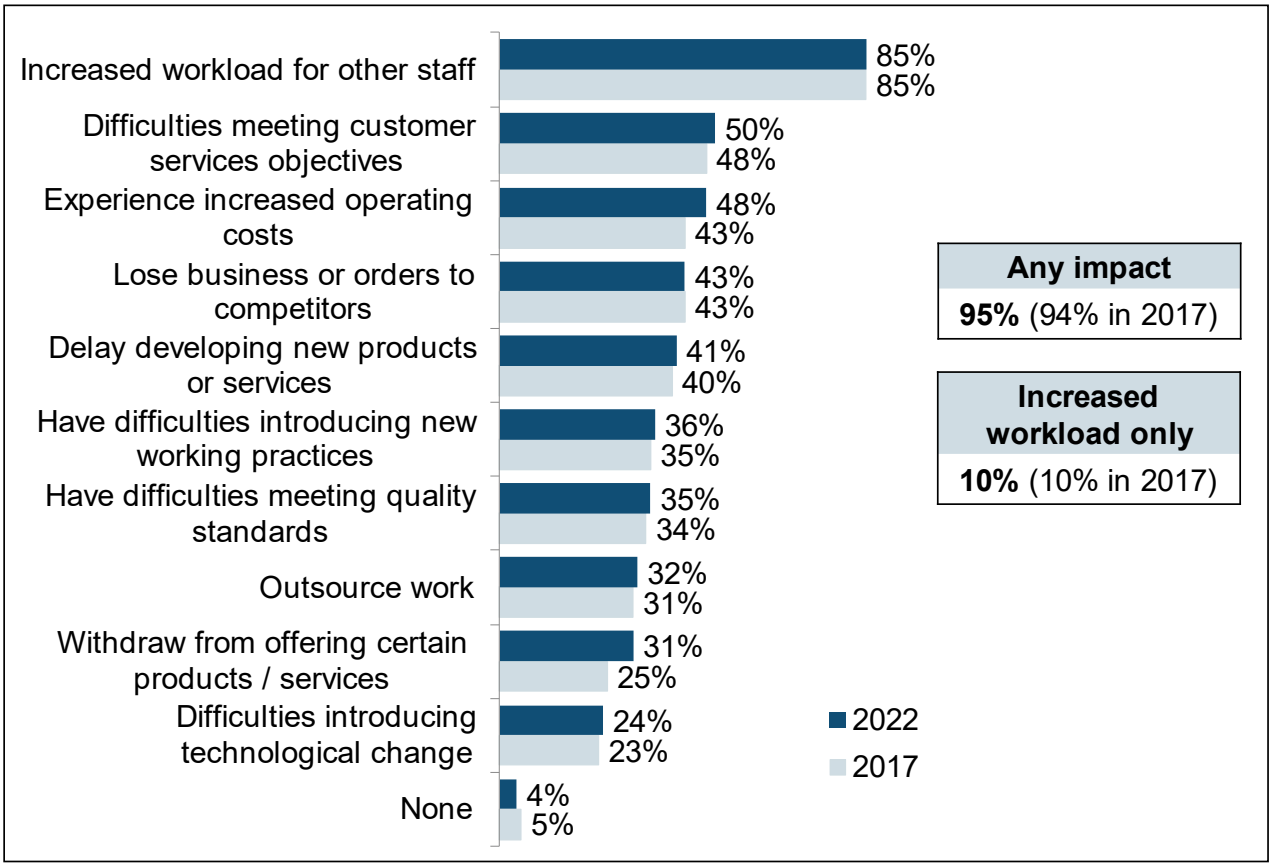
As was the case in 2017, nearly all of the establishments that reported having at least one skill-shortage vacancy stated that SSVs had an impact on business performance (95%), as shown in Figure 2-12. In many cases the impact was significant.[11] Increased workload for other staff was the most common impact, affecting more than four-fifths of employers where all hard-to-fill vacancies were a result of skill-shortages (85%). This was followed by difficulties meeting customer service objectives (50%) and experiencing increased operating costs (48%). All results were broadly in line with 2017. The main difference to note was the increase in the percentage of employers with SSVs reporting increased operating costs (from 43% to 48%) and withdrawing from offering certain products or services (from 25% to 31%).

Specific SSV impacts varied by size. Establishments with 250 or more employees were more likely to indicate having difficulties meeting customer service objectives (59% compared to a 46% to 51% range in smaller size groups) and experiencing increased operating costs (61% compared to a 46% to 52% range in smaller size groups). Conversely, establishments with 2 to 4 employees were more likely to indicate loss of business or orders to competitors as a result of SSVs (53% compared to a 22% to 43% range in larger size groups), the delay in developing new products or services (45% compared to a 32% to 41% range in larger size groups) and withdrawing from offering certain products or services altogether (39% compared to a 17% to 30% range in larger size groups).

The impact of skill-shortage vacancies varied to some degree by sector. The loss of business and orders to competitors was more common among employers in the Construction (54%) and Hotels and Restaurants (52%) sectors, compared to 43% of employers across all sectors. Outsourcing of work as a result of SSVs was also most common in the Construction sector (44% compared to 32% overall), while employers in the Hotels and Restaurants sector were also most affected by difficulties around introducing new working practices (46% compared to 36% overall), difficulties meeting quality standards (47% compared to 35% overall) and withdrawing certain products or services altogether (44% compared to 31% overall). Delays developing new products or services as a result of SSVs was most common in the Information and Communications sector (56% compared to 41% overall).

[11] The survey did not measure the impact of skill-shortage vacancies on employers specifically (i.e., it did not ask employers with skill-shortage vacancies what the impacts of these were on the establishment, only the impact of hard-to-fill vacancies as a whole). However, it was possible to 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, at least in part, by skills-related issues. Given the majority of establishments with hard-to-fill vacancies fell into this group (60%) – in part reflecting that the majority had just a single vacancy that was proving hard-to-fill – this was a suitable sample from which it was possible to gain a robust measurement.

Figure 2-12 Impact of skill-shortage vacancies (prompted)



Base: All establishments where all hard-to-fill vacancies were caused by skills related issues (2022: 8,441; 2017: 6,670)

3. Recruitment practices

Chapter Summary

The factor deemed to be of significant or critical importance by employers when looking for new recruits was relevant work experience (62%). This was followed by Maths and English to at least GCSE A* - C in England, Northern Ireland and Wales, or Nationals level in Scotland (47%), vocational qualifications (43%), academic qualifications (38%), and finally a degree or degree equivalent qualification (18%).

Overall, three in ten (29%) establishments had recruited an education leaver in the last 2 to 3 years, in line with 2016 (31%) and 2014 (31%). When it came to the recruitment of different age groups, just over a quarter (27%) of employers had recruited anyone aged 16 to 18, more than half (55%) had recruited anyone aged 19 to 24, three-quarters (74%) anyone aged 25 to 49, and a third (33%) anyone aged 50 or over.

The most common recruitment methods used by employers with vacancies in the last 12 months were word of mouth or personal recommendations (70%), followed by adverts placed on social media (56%), adverts placed on the company's own website (51%), and some other paid-for recruitment service (40%).

Introduction

This chapter considers employer recruitment practices, particularly the factors that employers look for when they recruit and whether this differs among employers with skill shortage vacancies.[12] We also cover the extent to which employers have recruited new entrants into the labour market, as well as recruitment by age. Finally, we present the different recruitment strategies employers have used when recruiting, comparing differences in strategies by size and sector, as well as changes over time.

What employers with SSVs look for when recruiting

When considering the factors that employers looked for in recruits, the factor that was most commonly identified by establishments as being of significant or critical importance was relevant work experience (62%). This was followed by Maths and English to at least GCSE A* - C or equivalent in England, Northern Ireland and Wales, or Nationals level equivalent in Scotland (47%), vocational qualifications (43%), academic qualifications (38%), and finally a degree or degree equivalent qualification (18%).

[12] Throughout this chapter year-on-year comparisons are made against the EPS 2016 and ESS 2019.

Breaking this profile down by establishments that have skill-shortage vacancies and those that do not, there was a clear pattern of employers with skill-shortage vacancies placing greater importance on each factor than those that did not have them. This was particularly true regarding relevant work experience (15 percentage point difference) and vocational qualifications (11 percentage point difference).

Table 3-1 below demonstrates the importance that employers placed upon each factor that employers looked for in recruits, split out by employers with skill-shortage vacancies and those without them, highlighting the pattern of employers with skill-shortages placing greater importance on each factor.

Table 3-1 The extent to which employers valued factors when looking for new recruits, split by those with skill-shortage vacancies and those without them

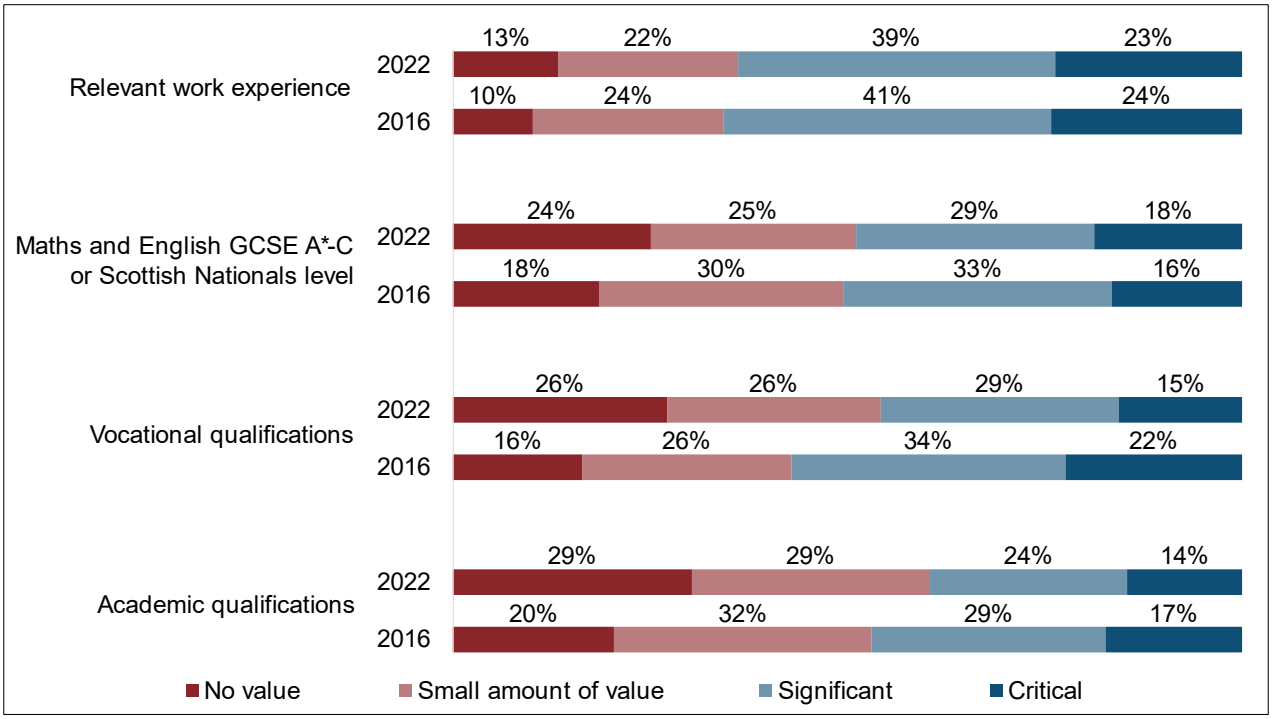
	No value	Small amount of value	Significant	Critical
Relevant work experience	%	%	%	%
All	13	22	39	23
Employers with SSVs	7	18	39	35
Employers without SSVs	14	23	38	22
Maths and English GCSE A*-C or Scottish Nationals level	%	%	%	%
All	24	25	29	18
Employers with SSVs	20	27	30	23
Employers without SSVs	24	25	29	18
Vocational qualifications	%	%	%	%
All	26	26	29	15
Employers with SSVs	18	26	29	24
Employers without SSVs	27	26	29	14
Academic qualifications	%	%	%	%
All	29	29	24	14
Employers with SSVs	25	31	23	20
Employers without SSVs	30	29	24	13
Having a degree or degree-equivalent qualifications	%	%	%	%
All	54	24	12	6
Employers with SSVs	50	25	13	11
Employers without SSVs	54	24	11	6

Base: All establishments in Module D (13,182); All with SSVs (1,804); All without SSVs (11,378)

Figure 3-1 below shows that the proportion of employers viewing certain factors as significant or critical has decreased across the board compared with 2016. The

importance placed on candidates having relevant vocational qualifications saw the largest decrease, with 15% of employers saying this was critical in 2022 compared with 22% in 2016.

Figure 3-1 The extent to which employers valued factors when looking for new recruits, at an overall level (with 2016 comparison)[13]



Base: All establishments in Module D (2022: 13,182); All employers (2016: 14,019)

Recruitment of new entrants

Employers were asked whether they had employed anyone leaving education in the last 2 to 3 years, these individuals can be considered as new entrants to the labour market.[14] Overall, three in ten (29%) had recruited an education leaver in this period, in line with 2016 (31%) and 2014 (31%).

Establishments in England, Wales, and Northern Ireland had most commonly recruited school leavers in the last 2 to 3 years (15%), with recruitment of school leavers aged 17 or 18 (12%) more common than recruitment of school leavers aged 16 (9%). One in seven employers (14%) had recruited a university leaver, and 12% had recruited an FE college leaver. In Scotland, employers were most likely to have recruited Scottish

[13] Employers were not asked about the importance of candidates having a relevant degree or degree-level qualifications in 2016.
[14] Employers in Scotland were asked a slightly different set of questions focusing on leavers from Scottish educational institutions, to maintain consistency with previous surveys.

secondary school leavers (19%), followed by university leavers (13%) and college leavers (11%).

Table 3-2 shows recruitment from each stage of education by nation. The proportion of employers recruiting any type of education leaver between 2016 and 2022 decreased slightly in England and Wales but remained the same in Northern Ireland and Scotland. In 2022 the proportion of employers recruiting any education leavers was the same in England, Northern Ireland and Wales (29%). In Scotland, the figure was slightly higher, at 32%.

Table 3-2 Recruitment of education leavers in the last 2 to 3 years by nation, compared with 2016 and 2019

	England			Northern Ireland			Wales			Scotland		
Column percentages	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**
Unweighted base	*10,015*	*13,365*	*9,906*	*2,007*	*1,011*	*863*	*1,997*	*1,683*	*1,168*	*4,009*	*2,652*	*1,332*
	%	%	%	%	%	%	%	%	%	%	%	%
Recruited any education leaver	**31**	**31**	**29**	**29**	**29**	**29**	**31**	**30**	**39**	**32**	**30**	**32**
Recruited any school leaver	**17**	**16**	**15**	**15**	**16**	**16**	**17**	**16**	**18**	**19**	**20**	**19**
16-year-old school leaver	10	9	9	10	10	9	11	10	10	n/a	n/a	n/a
17-18-year-old school leaver	12	12	12	11	11	13	13	12	13	n/a	n/a	n/a
Recruited college leaver	**12**	**12**	**12**	**9**	**11**	**11**	**12**	**12**	**10**	**11**	**12**	**11**
Recruited university leaver	**14**	**14**	**14**	**14**	**12**	**14**	**15**	**13**	**14**	**14**	**11**	**13**

In terms of establishment size, larger establishments tended to be more likely to have hired any education leavers. Indeed, 15% of establishments with 2 to 4 employees had hired an education leaver, compared to 83% of those with 250 or more employees.

There was also great variation by sector. Half (50%) of employers in the Education sector and two in five (41%) in the Hotels and Restaurants sector had hired any education leavers, compared to fewer than one in five in the Transport and Storage (17%) and Primary Sector and Utilities (19%) sectors. This represents a noticeable shift for the Transport and Storage sector, with an 11 percentage point decrease in the proportion hiring education leavers compared to 2016.

The existing workforce

Employers were asked whether they had employed anyone from different age groups in the last 12 months. Overall, just over a quarter (27%) had recruited anyone aged 16 to 18, more than half (55%) had recruited anyone aged 19 to 24, three-quarters (74%) anyone aged 25 to 49, and a third (33%) anyone aged 50 or over.

Table 3-3 below shows recruitment from each age group by nation. The proportion of establishments recruiting those aged 50 and over steadily increased across all nations between 2016 and 2022, with the biggest increase in Wales (37% in 2022, compared with 33% in 2019 and 29% in 2016). There were also increases across the different nations over the same period when it came to the recruitment of those aged 16 to 18, with the largest increase seen in Northern Ireland (27% in 2022, compared with 26% in 2019 and 22% in 2016). Conversely, the proportion recruiting those aged 19 to 24 decreased over this time period in all nations, with Wales experiencing the greatest decrease (52% in 2022, compared with 54% in 2019 and 60% in 2016).

One third (33%) of all recruiting employers had hired someone aged 50 or over in the 12 months prior to being surveyed. This is a slight increase compared with 2016 (31%), and equivalent to 17% of all employers in 2022. In 2019, this figure was also 31% across England, Northern Ireland and Wales.[15]

A smaller proportion of recruiting employers in Northern Ireland had taken on someone aged 50 or over (26%) compared with those in England (33%), Scotland (33%), and Wales (37%) – as was the case for England and Wales in both 2019 and 2016.

Table 3-3 Recruitment of different age groups in the last 12 months by nation, compared with 2016 and 2019

	England			Northern Ireland			Wales			Scotland		
Column percentages	2016	2019	2022	2016	2019	2022	2016	2019	2022	2016	2019	2022
Unweighted base	6,664	8,416	6,463	1,131	568	498	1,236	1,017	739	2,470	1,611	823
	%	%	%	%	%	%	%	%	%	%	%	%
Recruited anyone aged 16-18	25	26	27	22	26	27	25	26	29	27	28	29
Recruited anyone aged 19-24	57	55	55	57	54	54	60	54	52	56	50	53

[15] Scottish employers were not surveyed as part of ESS 2019. Where data for Scotland is given for 2019, these figures are taken from the Scottish EPS 2019.

Recruited anyone aged 25-49	n/a	72	74	n/a	71	75	n/a	69	77	n/a	n/a	70
Recruited anyone aged 50 or over	31	31	33	25	25	26	29	33	37	31	42	33

** Whether employers recruited those aged 25 to 49 was not asked in 2016*

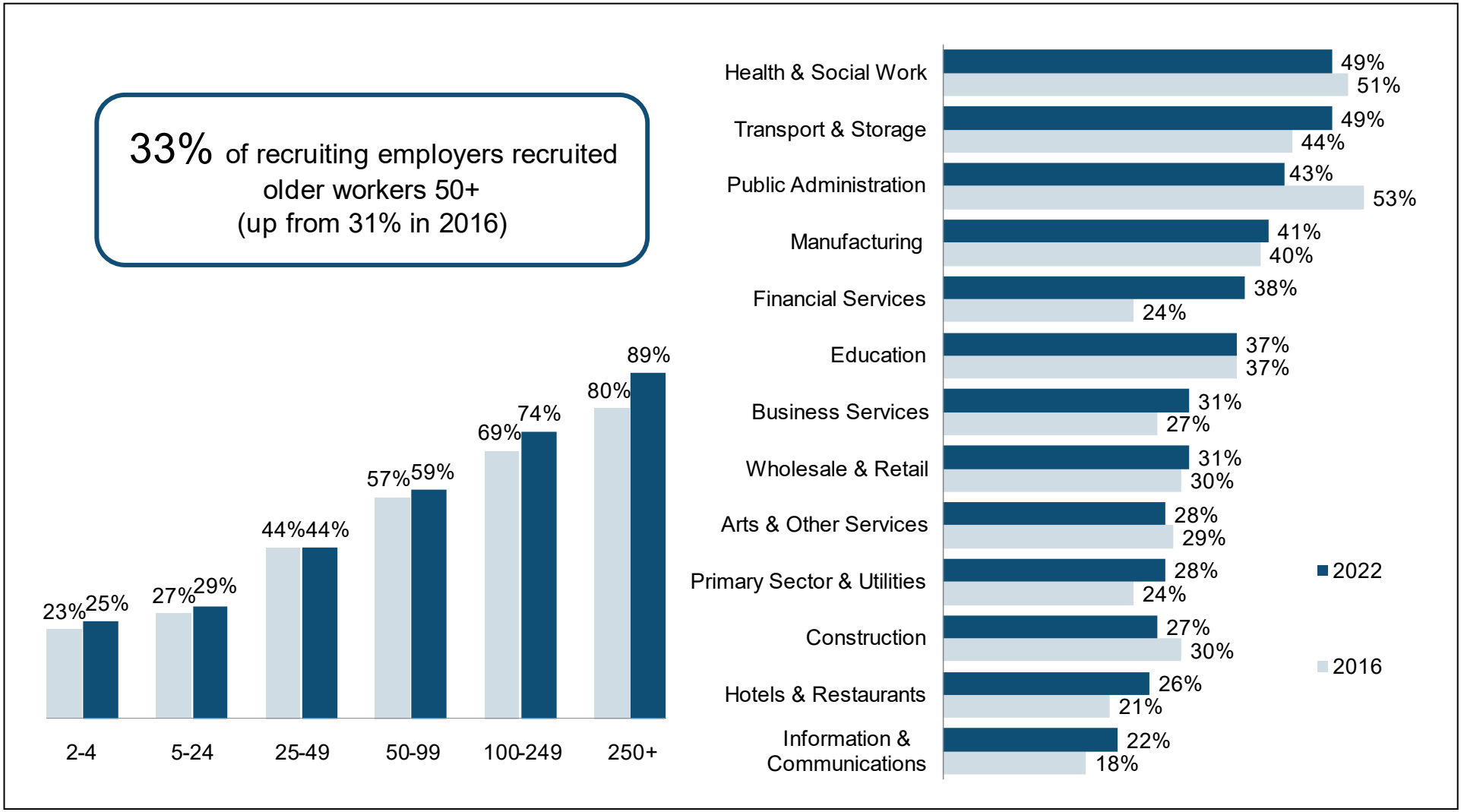
Likeliness to have recruited an older worker aged 50 or more increased with the size of establishment, from a quarter of those with fewer than five employees (25%) to just under nine in ten (89%) of those with 250 or more employees; again. This is the same pattern as in 2016.

The majority (94%) of employers that had recruited over 50s in the last 12 months said they were well prepared for work. By nation, employers in Northern Ireland (98%) were the most likely to say over 50s were well prepared, while those in Scotland were the least likely (92%).

Recruiting older workers was most common among employers in Health and Social Work (49%, a decrease from 51% in 2016) and Transport and Storage (49%, an increase on 44% in 2016). The biggest changes compared to 2016 were seen in Financial Services and Public Administration, with the former experiencing a 14 percentage point increase in the recruitment of older workers, while the latter has experienced a 10 percentage point decrease in this same time period.

Third sector and public sector establishments were more likely to have recruited an older worker (46% respectively had done so), compared with private sector establishments (31%), as was the case in 2019 and 2016.

Figure 3-2 Proportion of recruiting employers recruiting older workers aged 50+ by nation, size, and sector



Base: All establishments who had recruited in the last year in Module D (2022: 8,523); All establishments who had recruited in the last year (2016: 11,501)

Recruitment methods

Employers with vacancies were asked what methods they had used in the last 12 months to recruit new staff. As The recruitment methods used in 2022 and 2016 were broadly similar, however there were some notable shifts compared with 2016. Employers were less likely than 2016 to use any external resources (11 percentage point decrease), but more likely to use any social media or internal resources only (both 10 percentage point increases).

Employers in Wales and Scotland were more likely to use word of mouth or personal recommendations (75% and 74% respectively), place adverts on social media using internal resources (65% and 60%) or use any form of social media to recruit new staff (67% and 64%, compared with the average of 59%).

With respect to establishment size, smaller establishments were more likely to have taken a single approach, with over a third (35%) of those with 2 to 4 employees utilising a single approach, compared to 5% of those with 250 or more employees. Smaller employers with 2 to 4 employees were also more likely to have relied on internal resources (47%) or used word of mouth only (21%) than those with 250 or more employees (16% and 1% respectively). On the other hand, those with 250 or more employees were more likely to have used any social media (83%) or any external resource (84%) than those with 2 to 4 employees (48% and 46% respectively).

In terms of sector, those in Construction (48%), Hotels and Restaurants (47%), and Wholesale and Retail (44%) were most likely to have used internal resources only when filling vacancies. Those in Primary Sector and Utilities (36%) and Construction (35%) were most likely to have used a single approach, as well as to have relied on word of mouth only (22% and 27% respectively).

Employers that recruited under 25s in the past 12 months were asked what channels they used to fill their last role for someone from that age group. The recruitment methods differ somewhat to those used more generally, although the most utilised method was still the use of any internal resource (81% for recruitment of under 25s). Under 25s were more likely to have been recruited using a single approach (46% vs. 24% more generally), using internal resources only (48% vs. 38% more generally), using word of mouth only (22% vs. 13%), or using external resources only (16% vs. 8%). However, those who recruited under 25s were less likely to have utilised social media (45% vs. 59%) or any external resource (48% vs. 58%).

Figure 3-3 shows, the most common recruitment methods used remained word of mouth or personal recommendations (70%), followed by adverts placed on social media (56%), adverts placed on the company's own website (51%), and some other paid-for recruitment service (40%).

The recruitment methods used in 2022 and 2016 were broadly similar, however there were some notable shifts compared with 2016. Employers were less likely than 2016 to use any external resources (11 percentage point decrease), but more likely to use any social media or internal resources only (both 10 percentage point increases).

Employers in Wales and Scotland were more likely to use word of mouth or personal recommendations (75% and 74% respectively), place adverts on social media using internal resources (65% and 60%) or use any form of social media to recruit new staff (67% and 64%, compared with the average of 59%).

With respect to establishment size, smaller establishments were more likely to have taken a single approach, with over a third (35%) of those with 2 to 4 employees utilising a single approach, compared to 5% of those with 250 or more employees. Smaller employers with 2 to 4 employees were also more likely to have relied on internal resources (47%) or used word of mouth only (21%) than those with 250 or more employees (16% and 1% respectively). On the other hand, those with 250 or more employees were more likely to have used any social media (83%) or any external resource (84%) than those with 2 to 4 employees (48% and 46% respectively).

In terms of sector, those in Construction (48%), Hotels and Restaurants (47%), and Wholesale and Retail (44%) were most likely to have used internal resources only when filling vacancies. Those in Primary Sector and Utilities (36%) and Construction (35%) were most likely to have used a single approach, as well as to have relied on word of mouth only (22% and 27% respectively).

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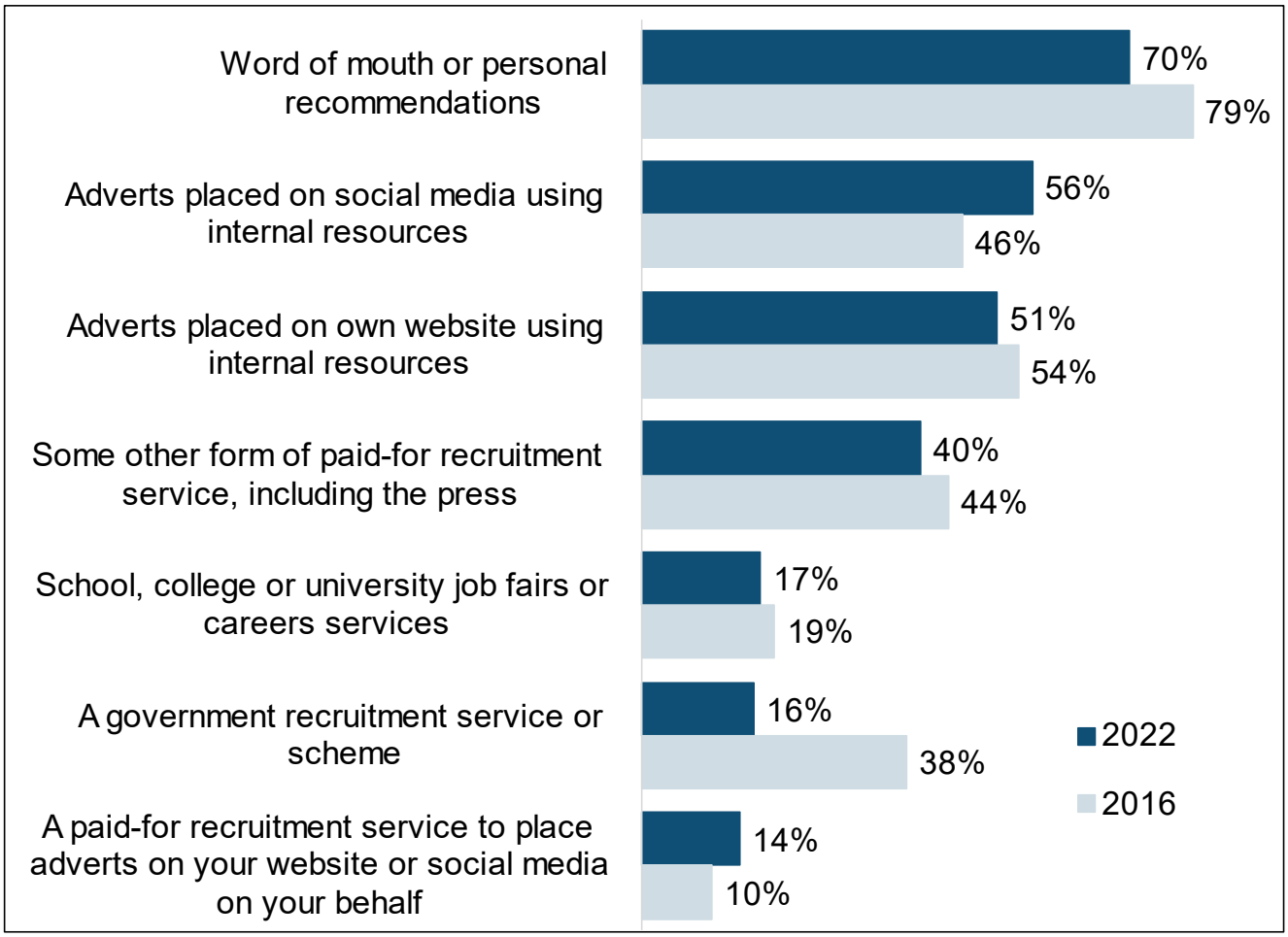
Figure 3-3 Recruitment methods used in the last 12 months (prompted)



Base: All employers with vacancies in Module D (2022: 9,440; 2016: 12,151)

4. The internal skills challenge

Chapter summary

Overall, 15% of employers reported they have at least one member of staff not fully proficient at their job, an increase from 13% in 2017. The proportion of all employees considered not to be fully proficient by their employer has also increased (from 4.4% in 2017 to 5.7% in 2022). This marks the first time since the UK-wide ESS began in 2011 that results for both measures increased, after a steady decline in both the incidence and density of skills gaps from 2011 to 2017. This was equivalent to 1.72 million employees lacking full proficiency, compared with 1.27 million in 2017.

Employers in England and Scotland were most likely to have skills gaps (each 15%), followed by Wales (14%). Northern Ireland employers were least likely to report having them (11%). Most nations saw an increase in skills gap density since the last time they were measured, particularly in England (5.9% vs 4.6% in 2019) and Northern Ireland (4.6% vs 3.3% in 2019). In contrast, Scotland remained below 2017 levels (4.8% vs. 5.0% in 2017), whilst Wales remained consistent (4.1% vs. 4.0% in 2019).

The highest density of skills gaps in 2022 was reported among Hotels and Restaurants (8.6%), as in 2017. The greatest increases in skills gap density by sector were observed in the Financial Services (from 5.0% in 2017 to 7.7% in 2022), and Business Services (4.3% to 6.9%). The sectors with the lowest skills gaps density in 2022 are also the ones that have seen the smallest changes since 2017.

The occupations with the highest density of skills gaps were the Elementary occupations (9.2%) Sales and Customer Service occupations (8.0%) and Skilled Trades (7.4%). High-skill occupations, namely Managers (2.5%), Professionals (4.4%) and Associate Professionals (5.0%), tended to have the lowest density of skills gaps.

The skills lacking in the workforce remained relatively consistent with findings in previous years, with skills relating to self-management still the most likely to be lacking. The most commonly lacking skills were the ability to manage their own time and to prioritise tasks (a factor in 60% of skills gaps), specialist skills or knowledge needed to perform the role (54%) and team working 48%).

Skills gaps had an impact on most employers experiencing them (65%, similar to the 66% in 2017). Establishments with 2 to 4 employees were more likely to say their skills gaps had a major impact on them (17%). The most common consequence of skills gaps remained increased workloads for other members of staff.

Introduction

This chapter explores the prevalence and impact of skills gaps within the current UK workforce, i.e., the extent to which employers have staff that are not fully proficient in their job role. The measure is a binary one and does not measure how close or not the identified staff are to being proficient. Skills gaps can occur as a consequence of recruitment difficulties, for example with employers not being able to find and recruit fully skilled applicants in the labour market, although they may also choose to take on those not fully skilled for a role to train them to the organisation's way of working. Skills gaps can also arise from a variety of other reasons such as the skills needed within an organisation changing. Some skills gaps may be temporary by nature, for example where new staff have been recruited who are not yet fully trained or experienced in their new role. However, others can be more persistent and a result of under-investment in training and development, staff reluctance to develop existing skills or develop new ones, or high staff turnover. Persistent skills gaps can affect an establishment's productivity, profitability and ability to innovate.

It should be noted that the survey can only capture the skills gaps that employers are aware of. Arguably, employers that pay little attention to their employees' and organisations' skill needs may be less likely to report skills gaps. Some commentators have termed these 'latent skill gaps'.[16]

This chapter covers the incidence, volume, density, profile and causes of reported skills gaps, overall and at a sectoral and occupational level. The relationship between the incidence of skills gaps, their volume and their density are illustrated below. The chapter also discusses the specific skills that establishments identified as lacking among their employees, and the causes and the impacts of skills gaps. Finally, this chapter also covers the incidence and density of the reverse situation, namely cases of employees' skills being underutilised.

Definitions of terms used to discuss skills gaps:

- **Incidence:** The proportion of employers reporting that any of their staff lack full proficiency
- **Volume:** The number of employees that lack full proficiency
- **Density:** The proportion of employees that lack full proficiency

[16] Terence Hogarth, Rob Wilson, *Skills Matter: a Synthesis of Research on the Extent, Causes and Implications of Skill Deficiencies* (2001)

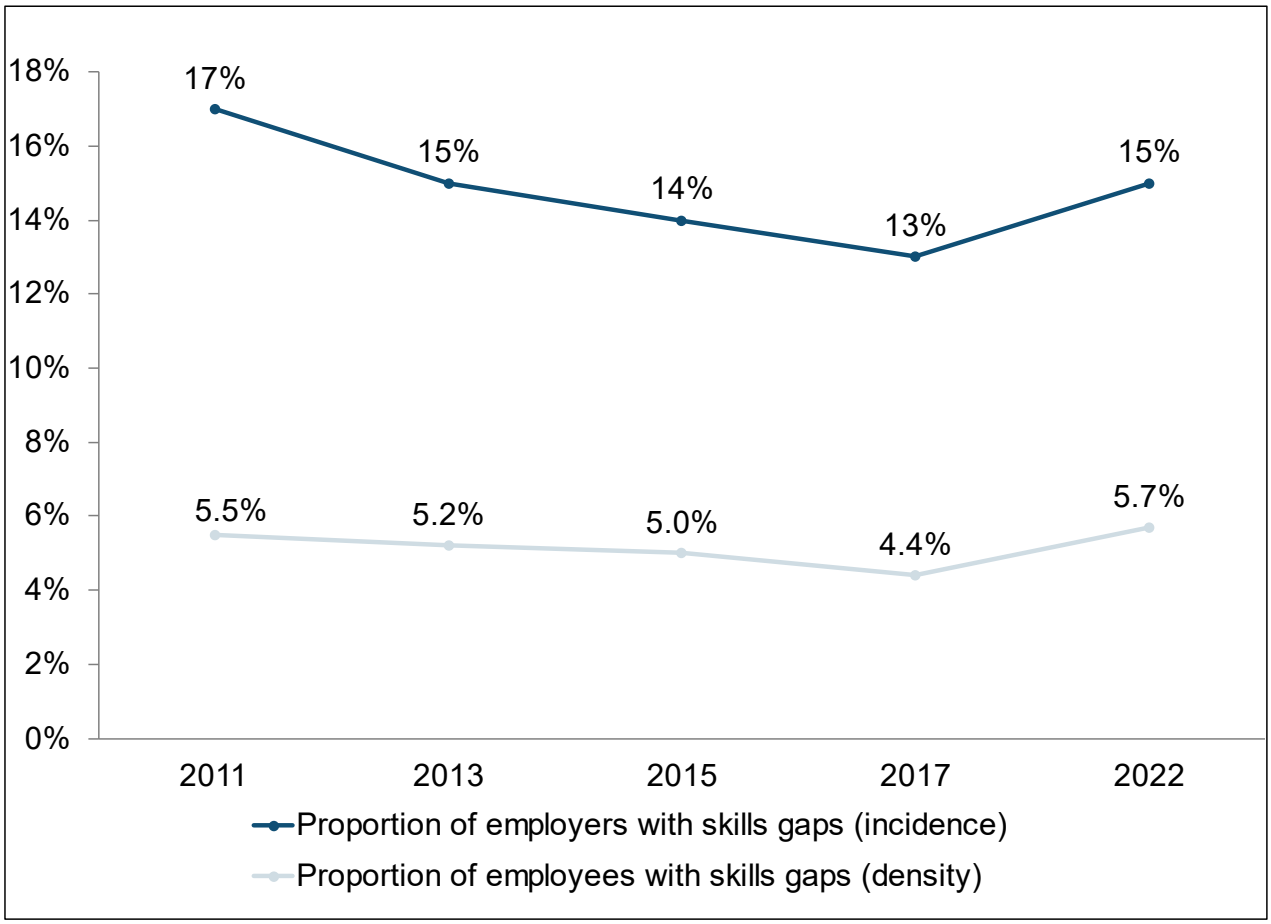
Incidence, volume and density of skills gaps

Overall, the majority of employers (85%) considered their workforce to be fully proficient: 15% reported they have at least one member of staff not fully proficient at their job, an increase in the incidence of skills gaps from 13% in 2017. This is in contrast with the downward trend in the incidence of skills gaps from 2011 to 2017, as shown in Figure 4-1.

Skills gaps density (the proportion of the workforce lacking full proficiency) has also increased from 4.4% in 2017 to 5.7% in 2022. This marks the first time since the UK-wide ESS began in 2011 that results for both measures increased, after a steady decline in both the incidence and density of skills gaps from 2011 to 2017. Skills gap density in 2022 is the highest recorded in the ESS series, exceeding the previous high of 5.5% in 2011.

The volume of skills gaps across the UK workforce has followed a similar trend. In 2022, 1.72 million employees lacked full proficiency, higher than the previous high of 1.48 million in 2011 and the 2017 low of 1.27 million.

Figure 4-1 Incidence and density of skills gaps over time (2011-2022)



Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

Table 4-1 Volume of skills gaps, 2011-2022

Year	2011	2013	2015	2017	2022
Volume of skills gaps	1,485,500	1,409,900	1,380,200	1,267,500	1,723,700

Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

The incidence of skills gaps increased with establishment size, ranging from 6% of employers among the smallest establishments with 2 to 4 employees to 48% among those with 250 or more employees. Skills gap density followed a similar trend, increasing from 2.7% of staff lacking full proficiency among employers with 2 to 4 employees, to 5.1% for employers with 5 to 24 employees, and then increasing steadily up to 6.9% among the largest (250 or more employees).

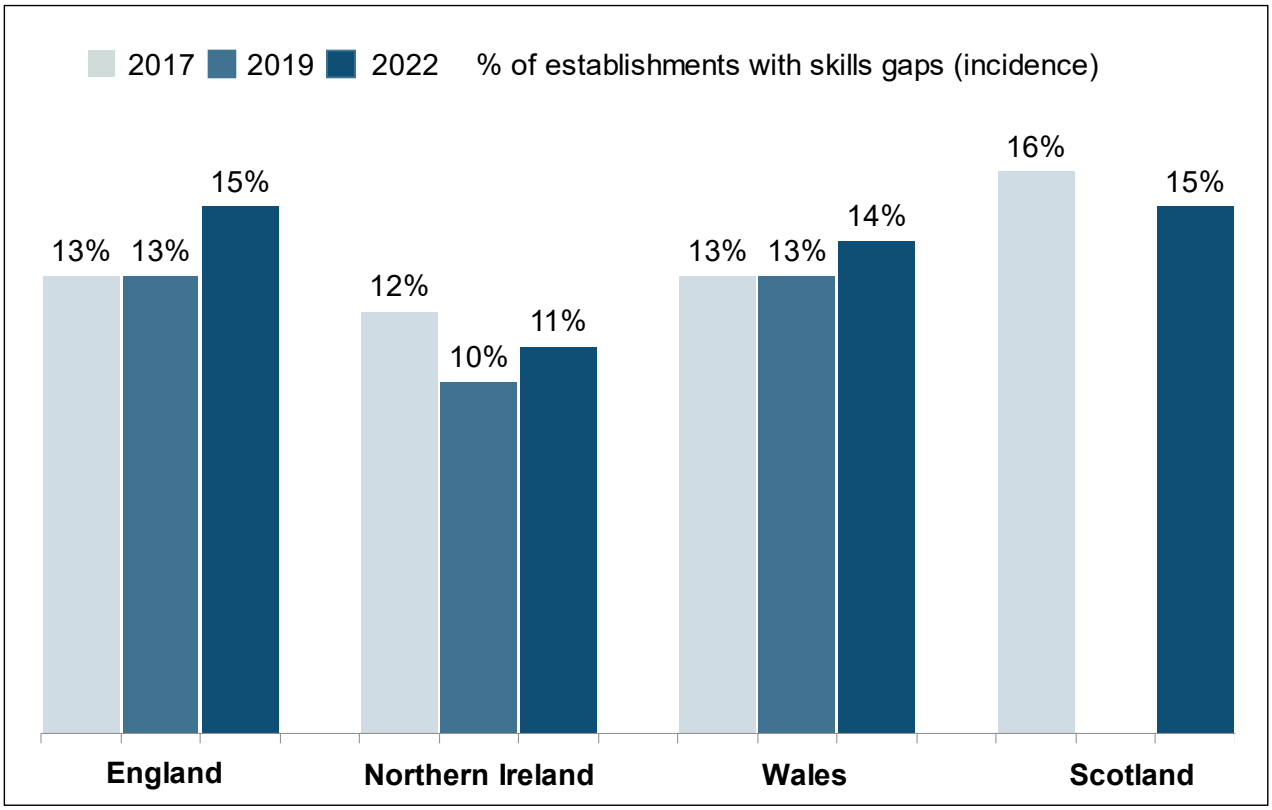
Skills gaps by national and local area

By nation, there were around 1,516,500 skills gaps in England, 36,700 in Northern Ireland, 118,900 in Scotland and 51,500 in Wales in 2022. The volume of skills gaps has increased compared to 2019 in England (1,168,000), Northern Ireland (26,300) and Wales (50,900).

Employers in England and Scotland were most likely to have skills gaps (each 15%), followed by Wales (14%), as illustrated in Figure 4-2. Northern Ireland employers were least likely to report having them (11%). However, while in England there was an increase in the proportion of employers reporting skills gaps (from 13% in both 2017 and 2019), in Scotland there was a similar level compared to 2017 (16%).

Most nations saw an increase in skills gap density since the last time they were measured, with the increase particularly marked in England (5.9%, up from 4.6% in 2019) and Northern Ireland (4.6%, up from 3.3% in 2019). In contrast, Scotland remained below 2017 levels (4.8% vs. 5.0% in 2017) and skills gap density has remained virtually unchanged in Wales (4.0% in 2019 and 4.1% in 2022).

Figure 4-2 Incidence of skills gaps by nation (2017-2022)



Base: All establishments (2017: England: 71,527, NI: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England: 70,217, NI: 4,023, Wales: 6,773; 2022: England: 59,486, NI: 3,400, Wales: 4,825, Scotland: 5,207)
Scotland was not included in 2019

Table 4-2 Proportion of employees with skills gaps (skills gaps density) by nation, 2017-2022

Year	2017	2019	2022
Nation	%	%	%
England	4.3	4.6	5.9
Northern Ireland	3.8	3.3	4.6
Wales	4.7	4.0	4.1
Scotland	5.0	n/a	4.8

Base: All establishments (2017: England: 71,527, NI: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England: 70,217, NI: 4,023, Wales: 6,773; 2022: England: 59,486, NI: 3,400, Wales: 4,825, Scotland: 5,207)
Scotland was not included in 2019

Considering Upper Tier Local Authorities within England, Hounslow and Rotherham had the highest skills gaps densities (21.1% and 18.0% respectively), while the lowest skills

gap densities were found in Hartlepool, Richmond-upon-Thames and Wolverhampton (all 1.7%), as shown in Table 4-3.

Table 4-3 Upper Tier Local Authorities with the highest and lowest skills gap densities

UTLAs with the highest skills gap density	Density (%)	UTLAs with the lowest skills gap density	Density (%)
Hounslow	21.1	Hartlepool	1.7
Rotherham	18.0	Richmond-upon-Thames	1.7
Bury	11.9	Wolverhampton	1.7
Leeds	11.7	Southend-on-Sea	2.0
Camden	11.1	Sutton	2.3

Base: All establishments: (Hounslow: 182; Rotherham: 263; Bury: 145; Leeds: 857, Camden: 424; Hartlepool: 114; Richmond-upon-Thames: 219; Wolverhampton: 206; Southend-on-Sea: 171; Sutton: 160)

Skills gaps by sector

Public sector establishments were more likely to have skills gaps (21%) compared to private sector employers (15%) and charity or voluntary sector establishments (15%).

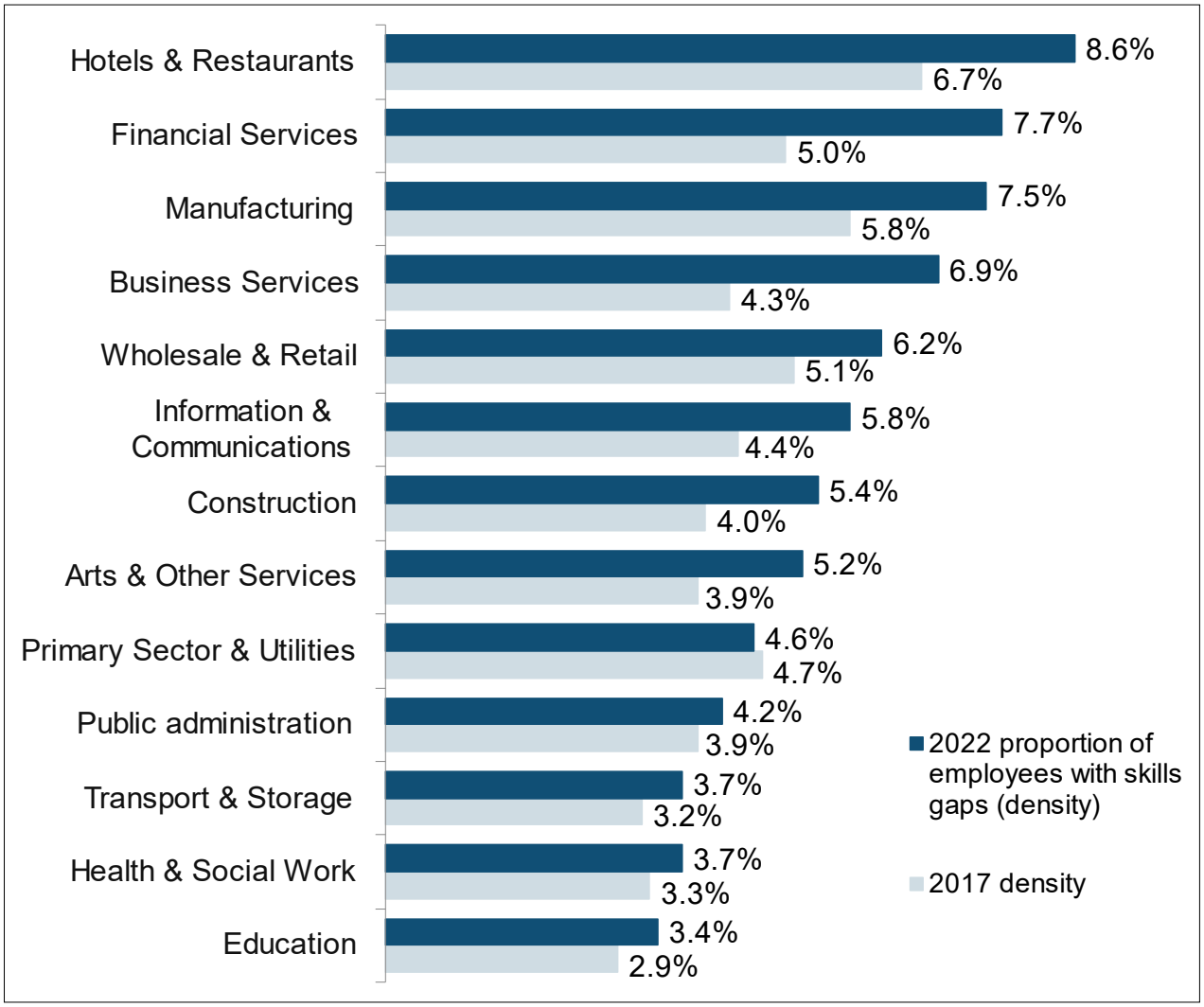
Establishments in the Public Administration (24%), Education (20%) and Hotel and Restaurants (20%) sectors were most likely to have skills gaps, while those in Primary Sector and Utilities (9%) and Construction (12%) were least likely. To a large extent these findings reflect the average size of employers in these sectors, with the former three being larger than average (hence having more staff where at least one could be lacking in skills), and the latter two being smaller than average.

Despite being the most likely sectors to have any skills gaps, the Public Administration and Education sectors had the lowest skills gap density (4.2% and 3.4% respectively). Similarly, Health and Social Work had a low skills gap density (3.7%), despite a relatively high proportion of employers with skills gaps (17%). The highest density of skills gaps in 2022 was reported in the Hotels and Restaurants sector (8.6%); this was also the case in 2017. Employers in the Financial Services (7.7%) and Manufacturing (7.5%) sectors also reported a relatively high density of skills gaps.

As shown in Figure 4-3, the greatest increases in skills gap density by sector were observed in the Financial Services (from 5.0% in 2017 to 7.7% in 2022) and Business Services (4.3% to 6.9%) sectors. The sectors with the lowest skills gaps density are also the ones with the smallest percentage-point differences since 2017. Primary Sector and

Utilities was the only sector with a lower density (albeit very slightly) than in 2017 (4.6% vs 4.7%).

Figure 4-3 Density of skills gaps by sector (2017-2022)



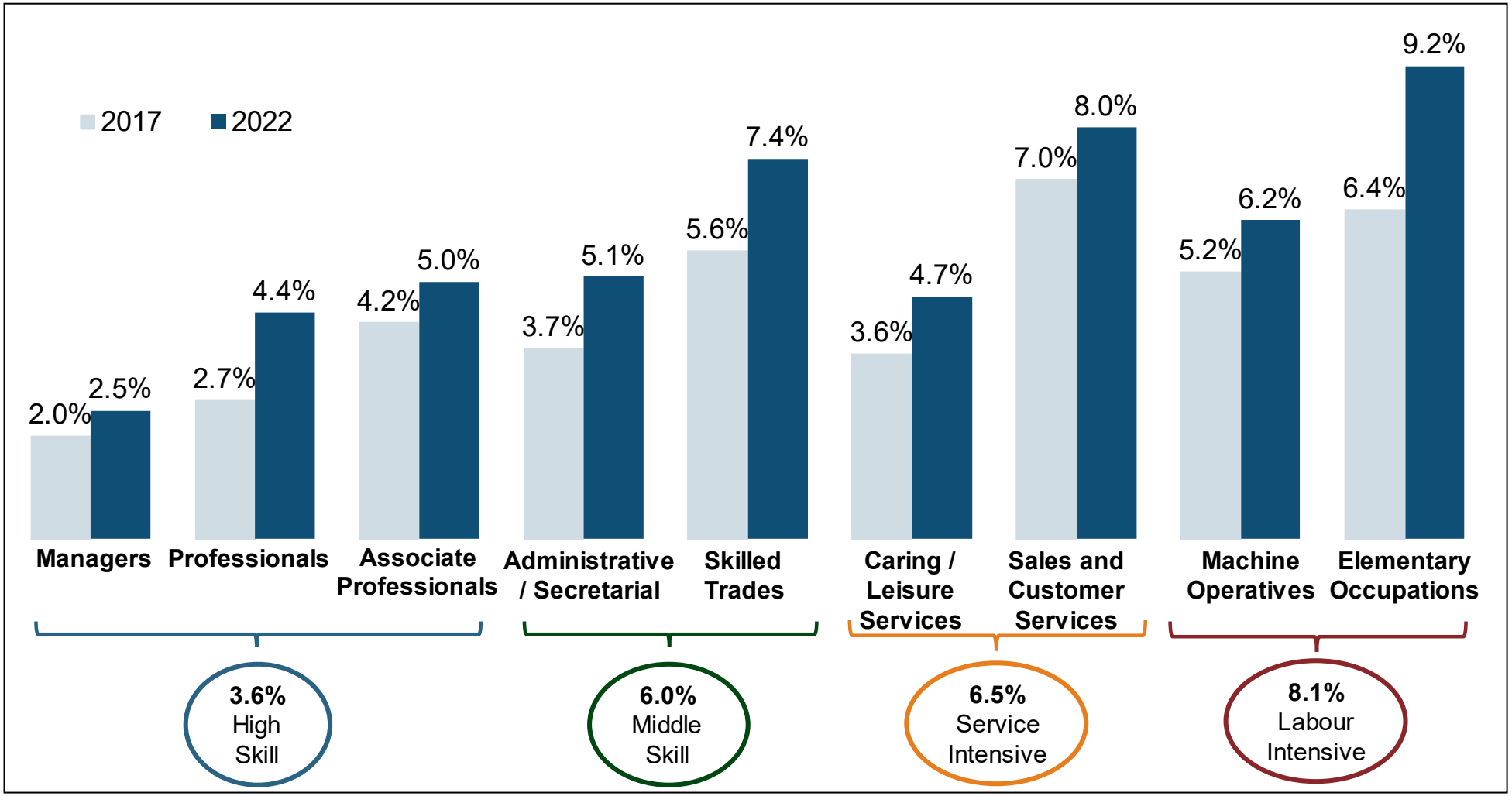
Base: All establishments in each sector (2022 range: Public Administration 656 to Wholesale and Retail 15,694; 2017 range: Public Administration 1,162 to Wholesale and Retail 14,514)

Skills gaps by occupation

The increase in the density of skills gaps across the UK from 2017 to 2022 has occurred across each occupational group. The occupations with the highest density of skills gaps were the Elementary occupations (9.2%) Sales and Customer Service occupations (8.0%) and Skilled Trades (7.4%), as shown in Figure 4-4. These were also the occupations with the highest number of skills gaps (412,100, 270,700 and 175,300 respectively, as shown in Table 4-4), alongside Administrative occupations, which recorded 184,800 people not fully proficient. The occupations with the lowest density of skills gaps tended to be the high-skill occupations, namely Managers (2.5%),

Professionals (4.4%) and Associate Professionals (5.0%). Caring, Leisure and Other Service occupations (4.7%) also had a relatively low skills gap density.

Figure 4-4 Density of skills gaps by occupation (2017-2022)



Base: All establishments (2017: 87,430; 2022: 72,918)

Table 4-4 Volume of skills gaps by occupation 2022

Occupation	Volume of skills gaps
Managers	130,000
Professionals	163,000
Associate Professionals	86,400
Administrative occupations	184,800
Skilled Trades	175,300
Caring, Leisure and Other Services	143,400
Sales and Customer Services	270,700
Machine Operatives	157,900
Elementary Occupations	412,100

Base: All establishments (2022: 72,918)

All occupations saw an increase in the proportion of staff not fully proficient compared with 2017, as illustrated in Figure 4-4. The most notable change in the density of skills gaps, was registered among Elementary Occupations, which rose from 6.4% in 2017 to 9.2% in 2022. Professional occupations and Skilled Trades also had notable increases since 2017, increasing from 2.7% in 2017 to 4.4% in 2022 and from 5.7% to 7.4% respectively.

Skills gaps by occupation within sectors

The ESS data enables patterns of skills gaps by occupation within sectors to be analysed; these are summarised in Table 4-5. Within the three occupations with the highest skills gap density:

- Elementary staff had a particularly high density of skills gaps in the Hotels and Restaurants (11.0%), Business Services (11.0%) and Wholesale and Retail (10.4%) sectors. All results represent increases on 2017 levels (8.4%, 6.4% and 7.0% respectively).
- Sales and Customer Service occupations had high skills gaps densities in the Business Services (12.9% vs. 7.0% in 2017), Financial Services (12.8%, relatively unchanged from 12.1% in 2017) and Hotel and Restaurants sectors (10.1% vs. 7.5% in 2017).
- Other pockets of high skills gaps density were in Primary Sector and Utilities among Caring, Leisure and Other Service Staff (14.8%) and among Professionals

in the Manufacturing (10.1%) and Construction (10.0%) sectors. All of these results represent increases on 2017 levels (7.4%, 4.5% and 3.2% respectively).

Table 4-5 Density of skills gaps by occupation within sector

Density 10% and over

Density 7% to 9.9%

Density 4.5% to 6.9%

Density less than 4.5%

Survey group	Total	Elementary occupations	Sales and Customer Services	Skilled Trades	Machine Operatives	Administrative occupations	Associate Professionals	Caring, Leisure and Other Services	Professionals	Managers, Directors and Senior Officials
Total	5.8%	9.2%	8.0%	7.4%	6.2%	5.1%	5.0%	4.7%	4.4%	2.5%
Hotels and Restaurants	8.6%	11.0%	10.1%	7.1%	4.9%	6.0%	4.5%	7.6%	4.5%	3.5%
Financial Services	7.7%	37.0%*	12.8%	14.4%*	**	9.9%	5.5%	**	2.0%	4.8%
Manufacturing	7.5%	9.0%	9.5%	7.5%	9.2%	4.0%	8.3%	6.8%*	10.1%	2.7%
Business Services	6.9%	11.0%	12.9%	9.3%	6.2%	5.0%	5.7%	6.4%	6.6%	2.2%
Wholesale and Retail	6.2%	10.4%	7.0%	7.2%	6.1%	4.2%	5.7%	3.8%	3.2%	2.8%
Information and Communications	5.8%	2.6%	5.9%	8.9%	3.9%	6.9%	4.1%	**	6.1%	5.0%
Construction	5.4%	7.7%	6.3%	8.4%	6.1%	4.6%	4.2%	**	10.0%	1.6%
Arts and Other Services	5.2%	9.2%	6.4%	5.7%	6.5%	4.0%	3.8%	6.4%	3.7%	1.5%
Primary Sector and Utilities	4.6%	6.8%	7.9%	8.3%	4.5%	2.6%	1.0%	14.8%	3.9%	1.5%
Public Administration	4.2%	3.3%	1.4%	4.2%	2.0%	3.8%	5.3%	6.1%	5.6%	2.5%
Transport and Storage	3.7%	6.1%	5.2%	3.6%	3.2%	4.5%	3.5%	3.6%*	3.1%	2.1%
Health & Social Work	3.7%	3.0%	4.9%	2.6%	1.2%	5.9%	4.2%	4.6%	1.5%	1.6%
Education	3.4%	4.3%	4.6%	4.5%	1.7%	4.9%	4.4%	3.6%	2.7%	1.8%

Base: All establishments employing each occupation, by sector (ranging from 34 Financial Services employing Skilled Trades, to 15,089 Wholesale and Retail employing Managers). Full set of base sizes can be found in Table 172 in the published data tables.

*** denotes a figure not shown because of a low base size (fewer than 30 establishments)*

** denotes a base size between 30 and 49 establishments*

Causes of skills gaps

Similar to previous waves, the majority of skills gaps (82%) were caused, at least partly, by transient factors. These are the kind of causes which would be expected to reduce over time without significant employer intervention, such as staff being new to the role (71%) and their training being only partially completed (57%). Almost a quarter of skills gaps (23%) were caused entirely by transient factors, similar to 2017 (22%). Northern Ireland had a lower proportion of skills gaps exclusively caused by transient factors (14%) compared to England (24%), Scotland (20%) or Wales (17%), and the Northern Ireland figure in 2022 was lower than in 2017 (19%).

Transient causes of skills gaps were more prevalent than average in Financial Services: almost half of all skills gaps in the sector were caused exclusively by transient factors (46%), with people being new to their role particularly common (a factor in 92% of the sector's skill gaps). In Manufacturing, exclusively transient factors accounted for 30% of skills gaps in the sector and in Health and Social Work for 28%, both higher than the UK average (23%).

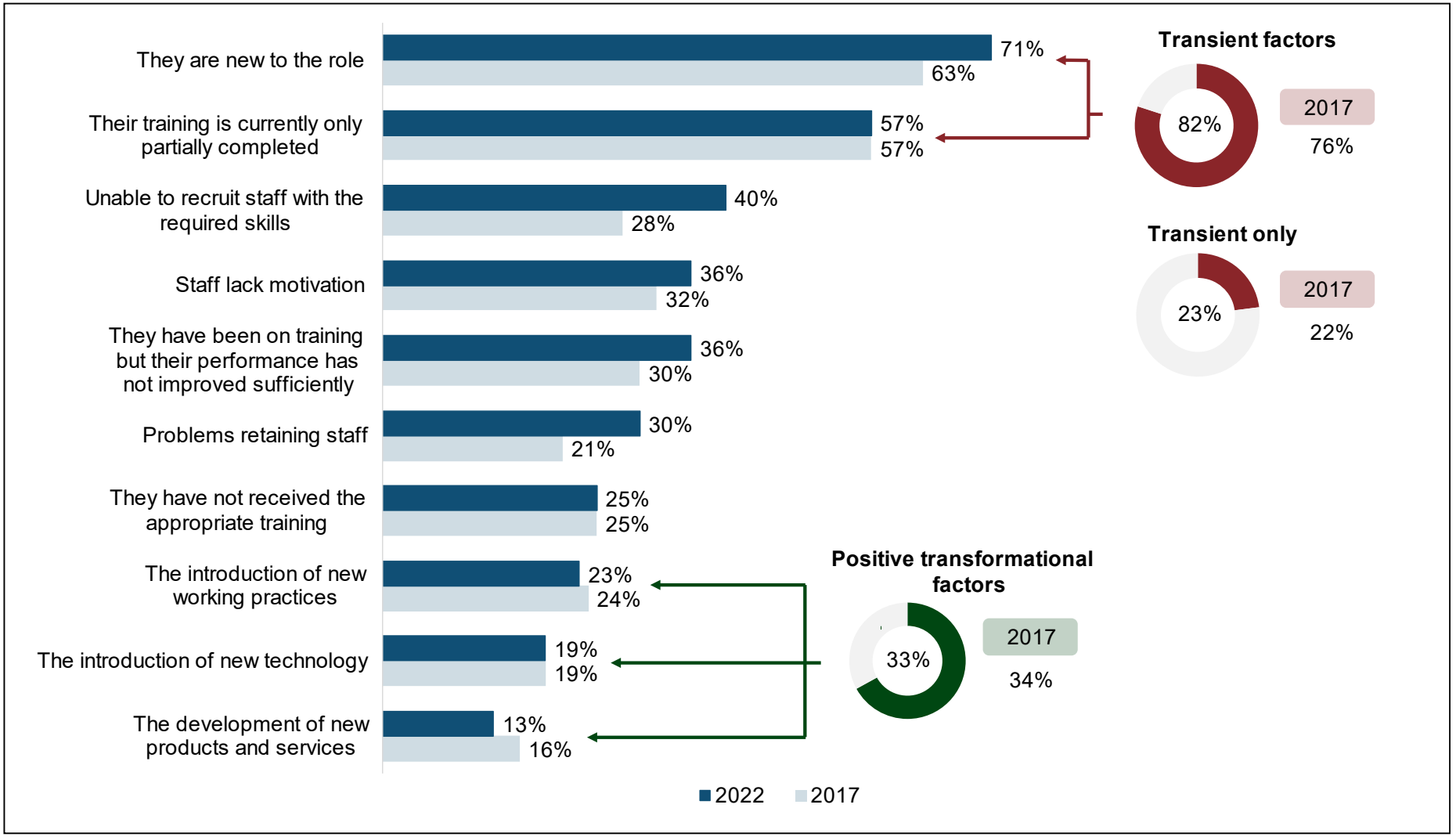
In the Hotels and Restaurants sectors, a smaller proportion of skills gaps were caused entirely by transient factors (18%) when compared to the national average (23%), suggesting that internal skills deficiencies are more entrenched. Skills gaps in the Hotels and Restaurants sector were also more likely than average to be caused by staff retention problems (34% vs. 30%), though this was more common in the Public Administration (47%), Information and Communications (39%),Business Services (37%) and Transport and Storage (37%) sectors.

By occupation, skills gaps caused by exclusively transient factors were more common than average in Administrative occupations (35%) and Skilled Trades (29%).

Other common causes of skills gaps were not being able to recruit staff with the required skills (at least in part causing 40% of skills gaps), staff lacking motivation (36%), employees' performance not improving sufficiently despite going on training (36%), and employers having problems retaining staff (30%). These causes were more common in Northern Ireland, accounting for respectively 51%, 45%, 41% and 47% of skills gaps.

The ranking of the most common to least common causes of skills gaps was broadly similar in 2022 to 2017. However, as shown in Figure 4-5, there have been increases in a number of specific causes compared with 2017, in particular employers being unable to recruit staff with the required skills (40% in 2022, up from 28% in 2017), having problems retaining staff (30% in 2022, up from 21% in 2017) and staff being new to the role (71% up from 63% in 2017).

Figure 4-5 Causes of skills gaps (2017-2022) (prompted)



Base: All establishments with skills gaps (2022: 15,613; 2017: 18,021)

Around a third (33%) of skills gaps were attributed at least partly to positive transformational factors, such as the introduction of new working practices (23%), of new technology (19%) or the development of new products and services (13%). This is very similar to the level in 2017, when 34% of skills gaps were at least on part caused by positive transformational factors. More employers in Wales (44%), Scotland (39%) and Northern Ireland (39%) than in England (32%) indicated that their skills gaps were caused by positive transformational factors.

Positive transformational factors contributed to a higher proportion of skills gaps in Education (46%), Financial Services (41%), and Public Administration (40%), as well as skill gaps for Administrative occupations (40%) and Sales and Customer Service occupations (35%).

Skills lacking internally

When looking at the kind of specific skills that employers felt were missing among their workforce, these have been classified into:

Technical and practical skills: specific skills required to perform the specific functions of a job role. Within this, those who mentioned lacking IT skills were also asked (unprompted) which **digital skills** were lacking (such as using computers, technical skill, and use of specific software suites).

People and personal skills: 'softer', less tangible skills required to manage oneself and interact with others in the workplace.

Technical and practical skills lacking internally

As in 2017, specialist skills or knowledge required to perform the job was the main skill area lacking among the workforce. Overall, this was lacking in just over half (54%) of all skill gaps, up from 47% in 2017. This skills gap was particularly high in the Information and Communications (lacking in 74% of the sector's skill gaps), Financial Services (70%) and Health and Social Work (70%) sectors.

The ranking of technical and practical skills gaps remained similar to 2017, as shown in Figure 4-6. A lack of operational skills such as knowledge of products and services offered (39%) and knowledge of how the organisation works (38%) contributed to half (50%) of skills gaps, the same levels as in 2017. A lack of operational skills was particularly prevalent in the Information and Communications sector (71%).

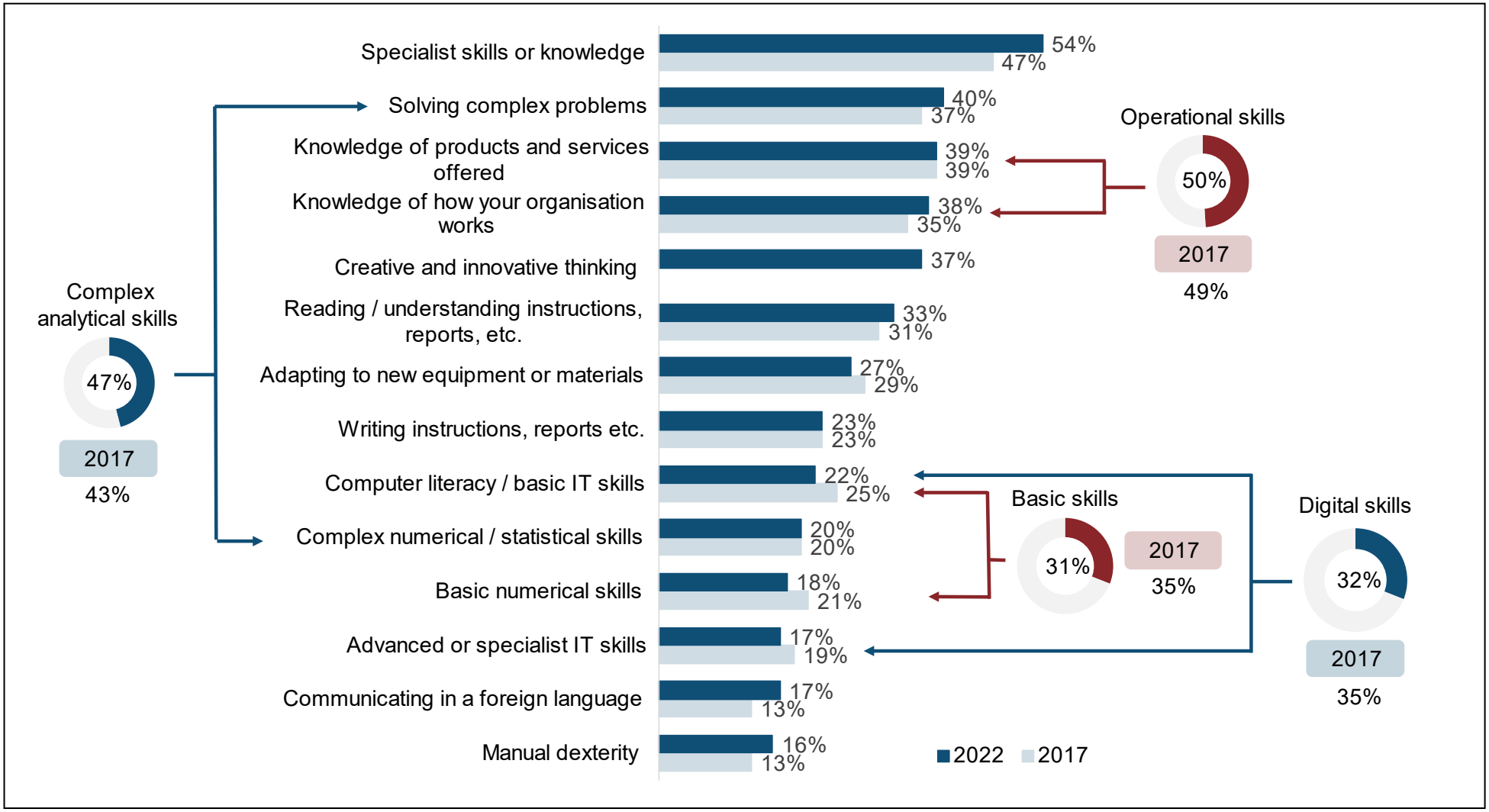
A need for improvement in complex analytical skills contributed to 47% of skills gaps, more than in 2017 (43%); this was more commonly a lack of skills for solving complex problems (40%) than a lack of complex numerical or statistical skills (20%). Complex

analytical skills were particularly prevalent in the Information and Communications (70%), Financial Services (65%) and Health and Social Work (57%) sectors.

Creative and innovative thinking was a new skill asked about in 2022 and not covered in previous UK-wide waves of the survey. It was felt to be lacking in over a third of all skills gaps (37%) at UK level, and in over two-fifths of skills gaps in Scotland (43%). By sector, it was particularly likely to be lacking in Information and Communications (58%) and in Education (49%).

Skills deficiencies in digital skills, including both basic (22%) and advanced or specialist (17%) IT skills, were less prevalent in 2022 (32%) than in 2017 (35%). By nation, digital skills deficiencies were more prevalent in Wales; two-fifths (40%) mentioned a lack of digital skills, compared with 38% in Scotland, 35% in Northern Ireland and 31% in England. Similarly basic skills deficiencies like basic IT skills (22%) and basic numerical skills (18%), were less common in 2022 (31%) than in 2017 (35%). Both digital skills and basic skills gaps were more acutely felt in the Health and Social Work (46% digital and 45% basic skills respectively) and Education (44% and 39%) sectors in 2022 compared to other sectors.

Figure 4-6 Technical and practical skills lacking among staff with skills gaps (prompted)



Base: All establishments with skills gaps (2022: 15,613; 2017: 18,021)

Digital skills lacking internally

Employers who identified digital skills as lacking in their workforce were asked follow-up questions about more specific IT skills deficiencies. Basic digital skills like foundation digital skills (such as turning on devices, typing, changing passwords, connecting to the internet) (21% of IT-related skill gaps) and basic Microsoft Office skills (29%) were the most commonly lacking, accounting for 43% of digital skills gaps overall. Basic digital skills were most commonly lacking among establishments with 50 to 99 employees and 100 to 249 employees (contributing to 51% and 50% of digital skills gaps respectively). Basic digital skills deficiencies were most common in the Wholesale and Retail (57% of digital skills gaps), Primary and Utilities (55%) and Hotels and Restaurants (54%) sectors. By occupation they were most common among Machine Operatives (63%) and Elementary occupations (61%).

A quarter of the workforce lacking IT skills were not fully proficient in using specialist software or hardware or internal systems (25%). This was more prevalent in organisations with 250 or more employees (33%). It was particularly common in Public Administration (72%), and to a lesser extent in Transport and Storage (39%) and Health and Social Work (37%). From an occupational perspective, this was most common among Professionals (40%) and Associate Professionals (35%).

Another common IT-related skills deficiency was in advanced Microsoft Office skills (a factor in 16% of digital skills gaps). Basic internet skills like communicating via email, completing transactions online, using the internet to find solutions to problems and being safe and legal online were a factor in about a tenth (11%) of digital skills gaps.

People and personal skills lacking internally

The people and personal skills most commonly lacking among staff were similar to 2017, as illustrated in Figure 4-7. However, there has been a reduction in nearly all soft skills gaps since 2017, except for self-management skills, which account at least partly for 70% of all skills gaps, compared to 68% in 2017. A lack of self-management skills was a contributing factor to a higher proportion of skills gaps in Business Services (78%), Hotels and Restaurants (77%) and Health and Social Work (76%).

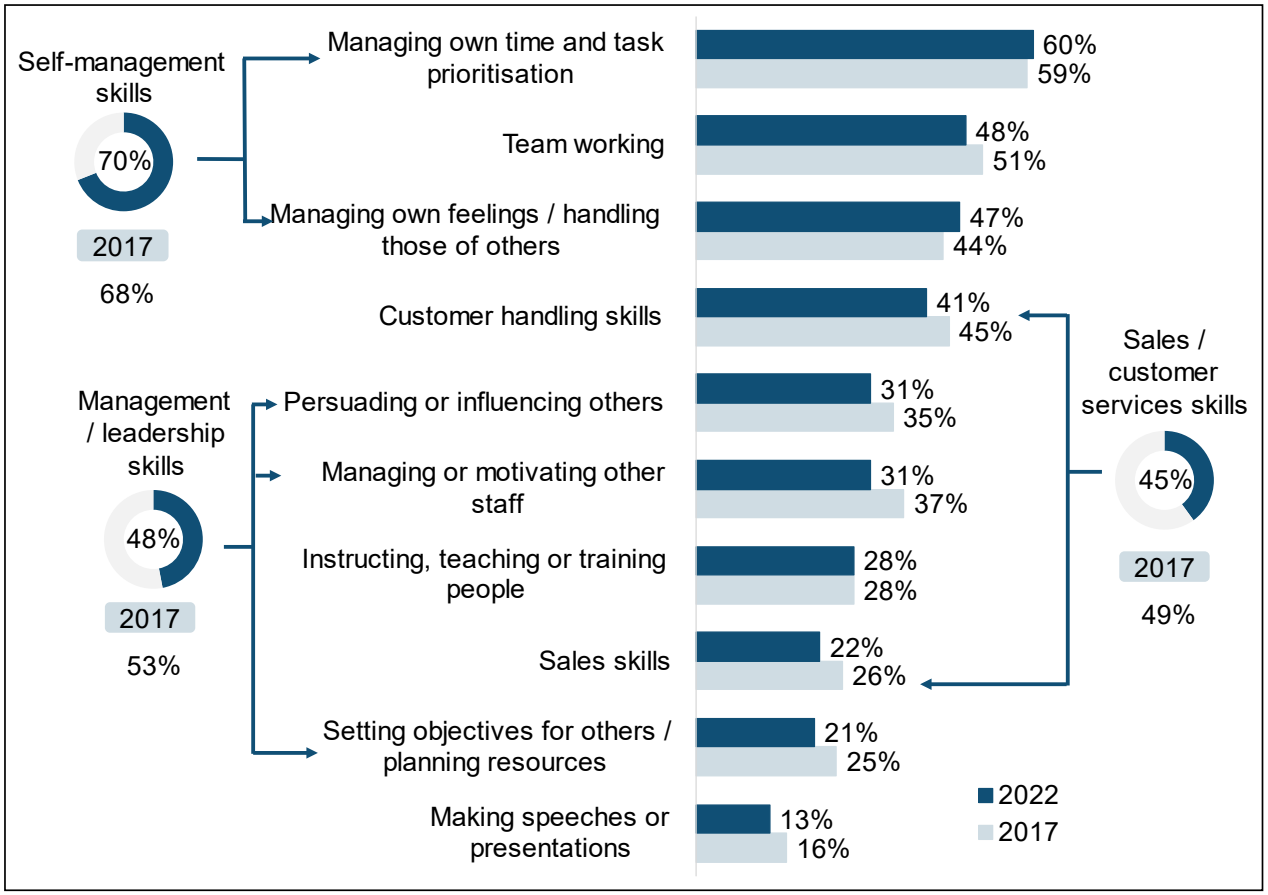
Overall, the most common specific people and personal skills lacking in 2022 were the ability of employees to manage own time and task prioritisation (a factor in 60% of all skills gaps), team working (48%) and the ability of staff to manage their own feelings and handle the feelings of others (47%).

A lack of management and leadership skills contributed to almost half of skills gaps (48%), lower than in 2017 (53%). This factor contributes to a higher proportion of skills

gaps than average in the Information and Communications (60%) and Hotel and Restaurants (59%) sectors.

Sales and customer service skills were lacking for about 45% of employees with skills gaps, lower than in 2017 (49%). This skills gap was higher than average in 2022 in the Hotels and Restaurants sector (68%).

Figure 4-7 People and personal skills lacking among staff with skills gaps (prompted)



Base: All establishments with skills gaps (2022: 15,613; 2017: 18,021)

Profile of skills lacking in high skills gap density sectors

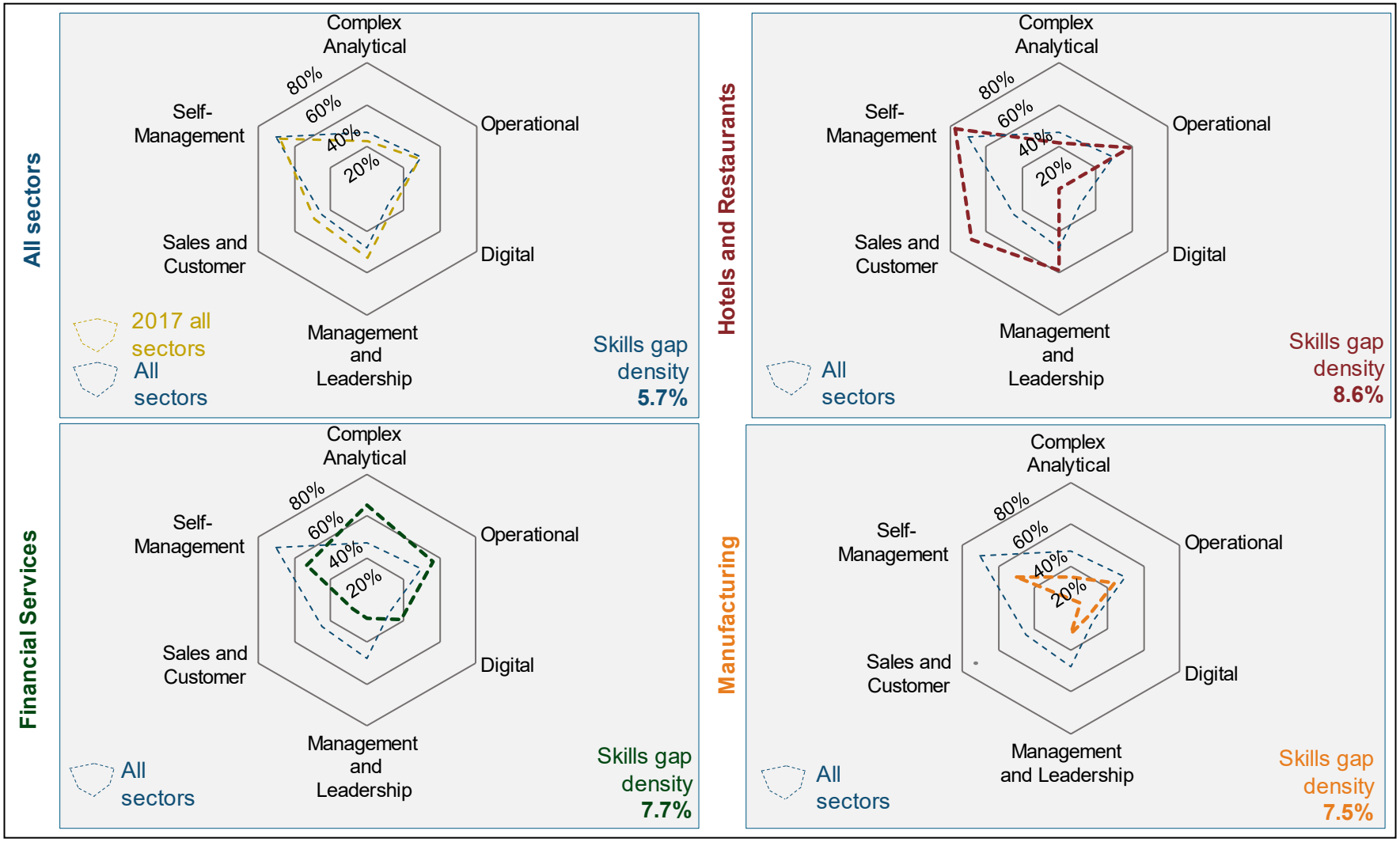
Figure 4-8 demonstrates the profile of skills contributing to skills gaps at the overall level as well as in the three sectors with the highest skill gap densities (Hotels and Restaurants, Financial Services and Manufacturing). The overall profile of skills lacking in the workforce was similar to 2017, with a slight decrease in gaps in management and leadership skills and sales and customer service skills, as discussed above. The broad skills groupings used throughout this section are detailed in Appendix D: Definitions for skills and causes of skills gaps groupings.

Within the Hotels and Restaurants sector, a higher-than-average proportion of skills gaps were related to a lack of self-management (77%), sales and customer (68%) and management and leadership (59%) skills, while a much lower proportion of skills gaps were related to a lack of digital skills (20%).

In the Financial Services sector, a greater proportion of skills gaps were caused by complex analytical skills gaps (65%) compared to the average (47%), but far fewer were caused by a lack of sales and customer skills (28% compared to 44% overall) or self-management skills (53% compared to 70% overall).

The Manufacturing sector had a slightly lower proportion of digital skill gaps (29%) as the UK overall (32%), but it had smaller proportions of skills gaps in all other skills groups presented in Figure 4-8, particularly sales and customer skills (15%), self-management (50%) and management and leadership (32%). Instead, the skills missing in the Manufacturing sector at a higher proportion than the overall average were adapting to new equipment or materials (35% compared to 27% overall), and manual dexterity (24% compared to 16% overall), but they are not represented in the chart below which only shows the broad skills areas lacking.

Figure 4-8 Skills lacking in sectors with highest density of skills gaps (prompted)



Base: All with skills gaps (Total 2022: 15,613; Hotels and Restaurants: 2,445; Financial Services: 209; Manufacturing: 1,442)

Profile of skills lacking in high skills gap density occupations

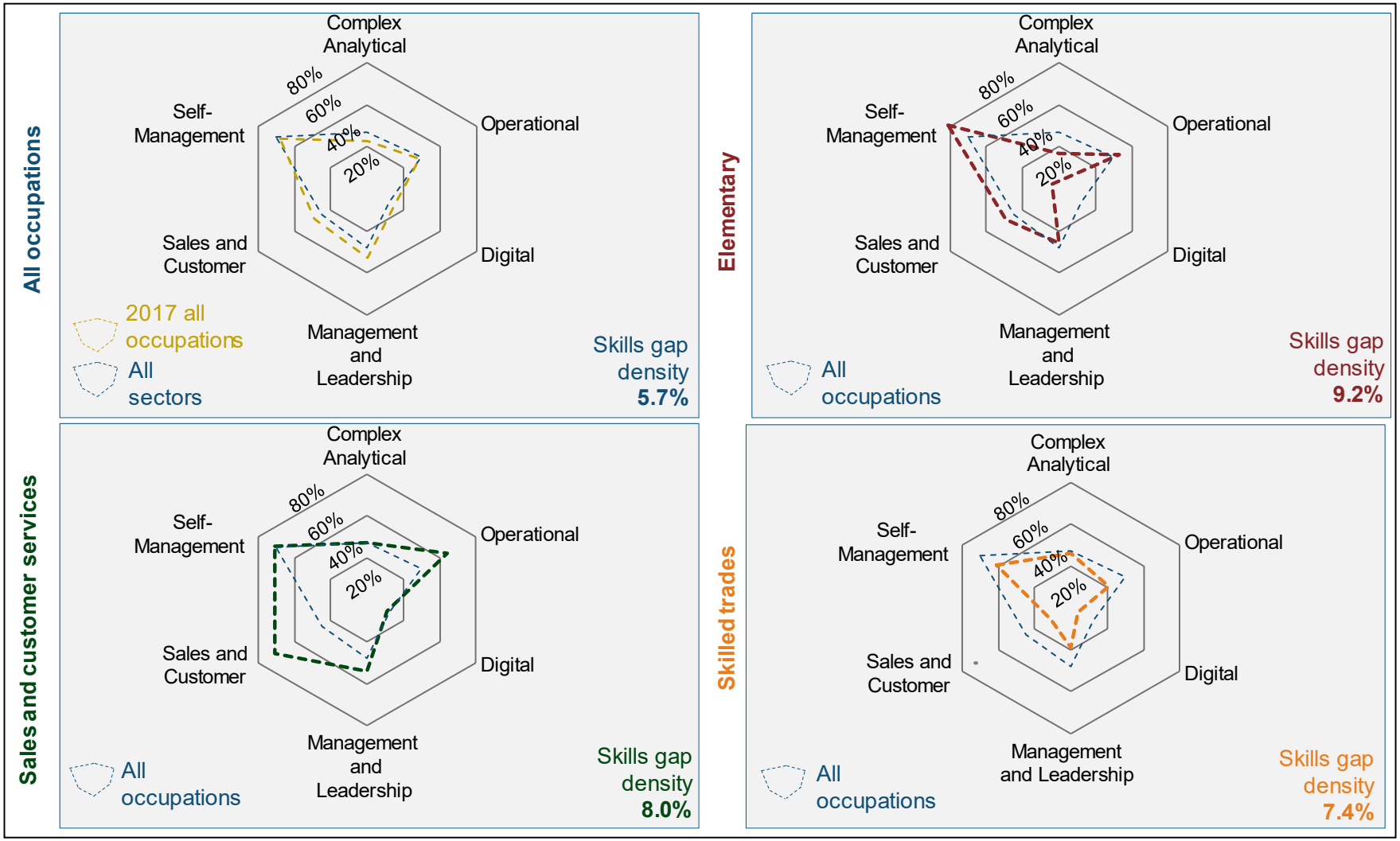
The profile of the skills lacking among the three occupational groups with the highest densities of skills gaps (Elementary, Sales and Customer Services, and Skilled Trades) is shown in Figure 4-9.

The skills lacking among Elementary staff was broadly similar to the overall average for operational (53%, slightly higher than the 50% average), management and leadership (46% vs. 48%) and sales and customer service skills (49% vs. 45%). Employers reported individuals working in this occupation were more likely than average to lack self-management skills (81%), but less likely to be lacking complex analytical (37%) and digital skills (16%).

Predictably, deficiencies in sales and customer skills contributed to the greatest proportion of skills gaps among employees in Sales and Customer Service occupations (71%), far higher than the overall picture (45%). Operational and management and leadership skills also contributed to a large proportion of skills gaps for these occupations (64% and 54% respectively), though slightly closer to the overall average (50% and 48% respectively).

Despite Skilled Trades having a higher than average skills gap density, the broad skills deficiencies in Figure 4-9 were less common than average in these occupations ; they were particularly less likely to be due to a lack of sales and customer skills (31% compared to 45% overall). A higher-than-average proportion of skills gaps in these occupations were due to a lack of specialist skills or knowledge needed for the role (62% vs. 54%), not covered in the broad skills listed.

Figure 4-9 Skills lacking in occupations with highest density of skills gaps (prompted)



Base: All with skills gaps (15,613)

Skills gaps relating to sustainability or desire to be carbon neutral

In a new question introduced for 2022 establishments were asked if the skills that need improving among the workforce were caused by or related to any efforts to be more sustainable and carbon neutral. This was the case for 13% of employers with skills gaps. While the proportion of employers in England and Scotland reporting this was in line with the average (each 13%), those in Northern Ireland and Wales were more likely to say skills gaps related to wanting to be more sustainable or carbon neutral (each 16%).

These types of skills gaps were also more prevalent among employers with 250 or more employees (18%), and those in Public Administration (19%), Primary Sector and Utilities (18%), Arts and Other Services (16%) and Construction (15%) sectors.

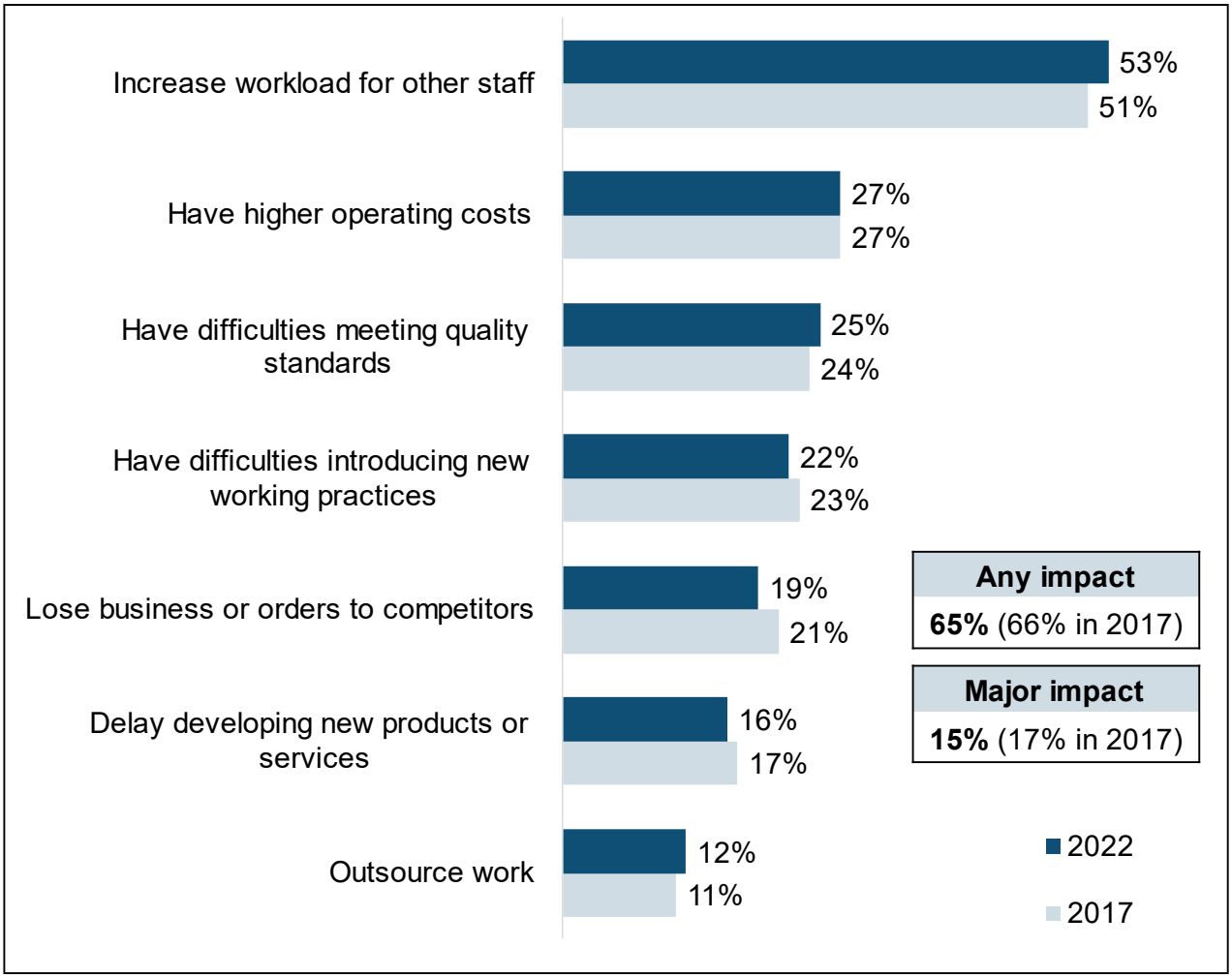
Impact of skills gaps

Almost two-thirds (65%) of employers with skills gaps reported that these have affected their business, in line with 66% in 2017. However, a smaller percentage reported that skills gaps had a major impact on the performance of their establishment (15% in 2022 compared to 17% in 2017).

There were no differences by nation or size of establishment in whether skills gaps had any impact. However, establishments with 2 to 4 employees were more likely to say their skills gaps had a major impact (17%).

By sector, establishments with skills gaps in the Hotels and Restaurants sector were more likely to be affected by those skills gaps generally (75%) and to say these had a major impact (20%). Employers in the Construction sector were the most likely to say they were not impacted at all by their skill gaps (43%).

Figure 4-10 Impacts of skills gaps (prompted)



Base: All establishments with skills gaps (2022: 15,613; 2017: 18,021)

As shown in Figure 4-10, the most common impact of having skills gaps was an increase in workloads for other staff. This was the case for 53% of employers with skills gaps, similar to 2017 levels (51%). Employers with 250 or more staff were more likely to report increased workloads as a result of their skill gaps (62%), as were those in the Hotels and Restaurants sector (64%). Around one in ten (11%) employers reported that increased workloads were the only impact they experienced as a result of their skills gaps.

Other implications of having skills gaps, with more direct financial implications, were experiencing higher operating costs (27%), having difficulties meeting quality standards (25%) and difficulties introducing new working practices (22%), losing business to competitors (19%), delaying developing new products or services (16%) and needing to outsource (more) work (12%).

Establishments in the Hotels and Restaurants sector were more likely to report experiencing all of the implications mentioned above, including higher operating costs (36%), difficulty meeting quality standards (40%), difficulties introducing new working

practices (31%), and losing business to competitors (30%). Employers in the Information and Communications sector were most likely to delay developing new products (25%) and outsource work due to skills gaps (20%). Outsourcing work was also a common impact among those in Primary Sector and Utilities and Manufacturing sectors (18% and 16% respectively).

Under-use of skills

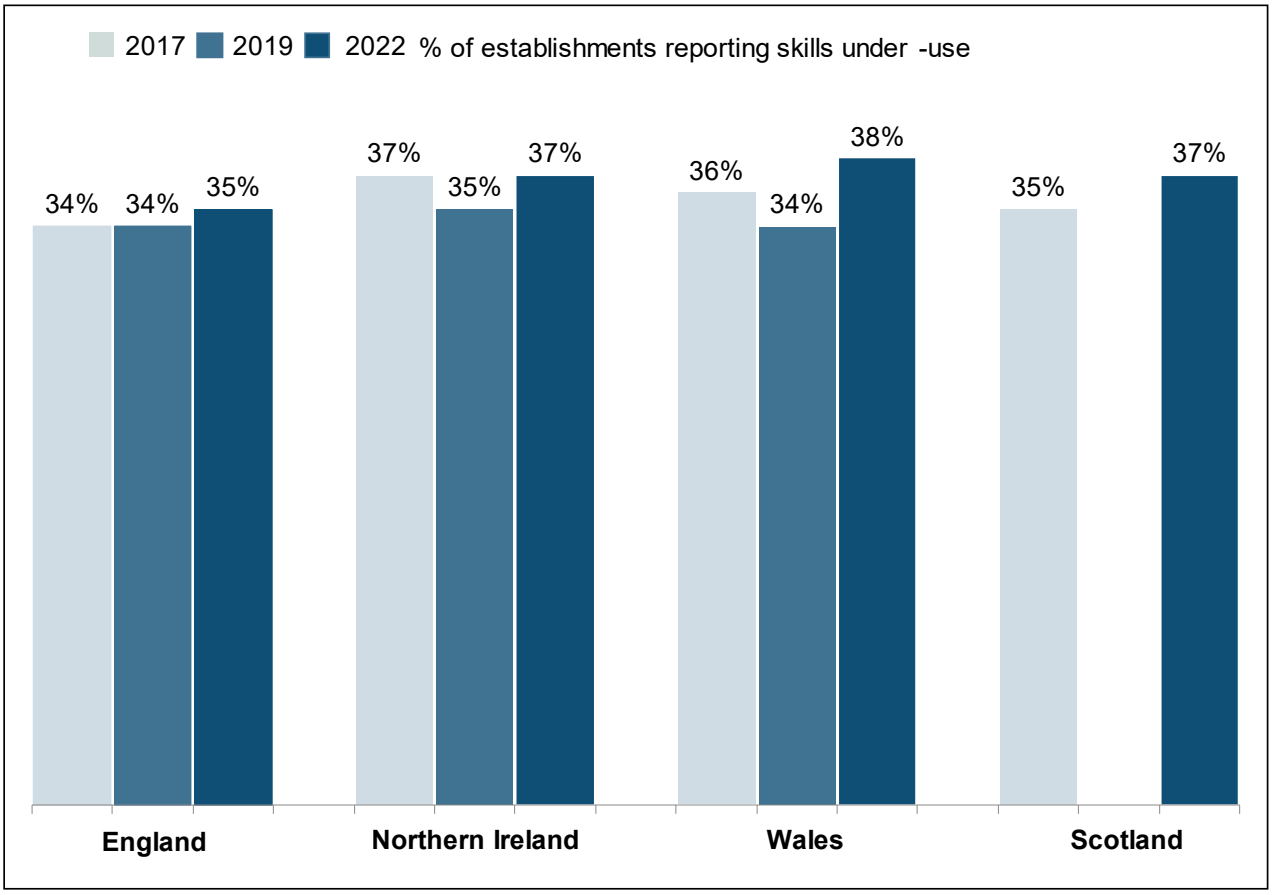
In this final section, we look at the extent to which employers are under-utilising their current staff. Under-utilisation occurs when employees have both qualifications and skills more advanced than required for their current job, meaning, in essence, that these skills are available but not being utilised by employers. This differs from under-*employment*, which describes people in the workforce who are employed, but for fewer hours than they would like to work, or taking jobs that are below the level of their training or economic needs; under-employment is not measured in this survey.

Under-use of skills was measured by asking employers how many staff, if any, had both qualifications and skills more advanced than required for their current job role. Such under-utilisation suggests there are pockets of latent skills in the labour market that could potentially be better deployed by employers. However, it is worth bearing in mind that the survey can only capture those skills not being fully utilised which employers are aware of and report.

Just over a third (35%) of establishments reported that at least one employee had both qualifications and skills more advanced than required for their current job role. This is unchanged from 2017. In volume terms, 2.5 million workers, or 8.1% of the workforce, have under-utilised skills, compared to 8.7% in 2017.

As shown in Figure 4-11, the proportion of establishments reporting skills under-use was relatively consistent across nations, however England had a lower proportion (35%) compared to the other nations. Across all nations the proportion of employers reporting under-utilisation of staff has increased, with this particularly marked in Wales (from 34% in 2019 to 38% in 2022). The proportion of employees under-utilised across nations was unchanged since 2019 in England (8.0%), decreased in Northern Ireland (8.3% in 2022, vs. 9.7% in 2019) and Scotland (8.8% in 2022 vs. 9.2% in 2017) and increased in Wales (8.8% vs. 8.1% in 2019).

Figure 4-11 Incidence of skills under-use by nation (2017-2022)



Base: All establishments (2017: England: 71,527, Northern Ireland: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England (Modules B and D): 26,707, Northern Ireland (Modules B and D): 2,003, Wales (Modules B and D): 3,378; 2022: England (Module B): 10,038, Northern Ireland (Modules B and D): 1,631, Wales (Modules B and D): 2,409, Scotland (Modules B and D): 2,547)
Scotland was not included in 2019

Table 4-6 Proportion of employees reported as being both over-qualified and over-skilled for their role (skills under-use density) by nation, 2017-2022

Year	2017	2019	2022
Nation	%	%	%
England	8.5	8.0	8.0
Northern Ireland	9.4	9.7	8.3
Wales	9.5	8.1	8.8
Scotland	9.2	n/a	8.8

Base: All establishments (2017: England: 71,527, Northern Ireland: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England (Modules B and D): 26,707, Northern Ireland (Modules B and D): 2,003, Wales (Modules B and D): 3,378; 2022: England (Module B): 10,038, Northern Ireland (Modules B and D): 1,631, Wales (Modules B and D): 2,409, Scotland (Modules B and D): 2,547)
Scotland was not included in 2019

As in 2017, establishments with less than 25 employees tended to have a higher proportion of under-utilised employees (13.8%; and 20.9% of staff in establishments with 2 to 4 employees specifically) compared to those with 25 or more employees (5.4%). This could be in part attributed to the more varied tasks that senior staff often take on in smaller organisations, as well the lower occurrence of formal opportunities for career progression.

The sectors with the highest proportion of under-utilised staff were Hotels and Restaurants (13.8%) and Arts and Other Services (13.1%), the same as in 2017. In contrast, the sectors with the lowest density of under-utilisation were the Manufacturing and Public Administration sectors (3.7% and 3.9% respectively). Public Administration also saw the largest decrease in under-utilisation since 2017 (down from 7.4% in 2017), alongside Information and Communications (7.3% in 2022 vs. 11.1% in 2017). The largest increase in under-utilisation since 2017 occurred in the Transport and Storage sector (8.3% vs. 6.3%).

5. Nurturing the skills pipeline

Chapter Summary

Three in ten (30%) employers had provided any work experience in the last 12 months. This was most often placements for those in school, college or university (21%), followed by adult placements such as work trials or placements aimed at the unemployed (13%). Overall, 5% had offered paid or unpaid internships.

One in ten employers (10%) had engaged with educational institutions to offer work inspiration activities in the 12 months preceding the survey. This was the same proportion as in 2016 (10%).

Three in ten (29%) employers that had not offered work placements or work inspiration activities said that there were no suitable roles in their organisation, while one in ten (10%) said that work experience opportunities were not suitable due to the size of the business. A fifth (19%) indicated that they did not have the time or resource to manage it, while with one in ten (11%) stating they had not done so as they had not been approached by anyone, and 6% saying they had never considered it.

Employers in England were asked about their awareness of Higher Technical Qualifications (HTQs) and awareness of T Levels. Around one in six employers (16%) had heard of HTQs: 1% felt they had a good knowledge of HTQs, 6% had some knowledge and 9% had just heard of the name and knew nothing more about them.

Nearly a third of employers in England (32%) were aware of T Levels – including 3% claiming a good knowledge and 12% some knowledge of what they involve. Establishments in England were also asked how interested they would be in providing work placements to T Level students; a third of employers (33%) indicated they would be interested, lower than in 2019 (36%), including just 7% very interested (down from 8% in 2019). Employers were also asked how easy or difficult it would be to offer T Level placements considering their sites' capacity to do so. A third (33%) indicated that it would be easy (the same as 2019), including 6% that thought it would be very easy to do so (also the same as in 2019).

Introduction

This chapter considers the extent to which employers engage in nurturing the skills pipeline through work placements and other 'work inspiration' activities such as providing one-to-one mentoring support for students, visiting institutions to talk with students about

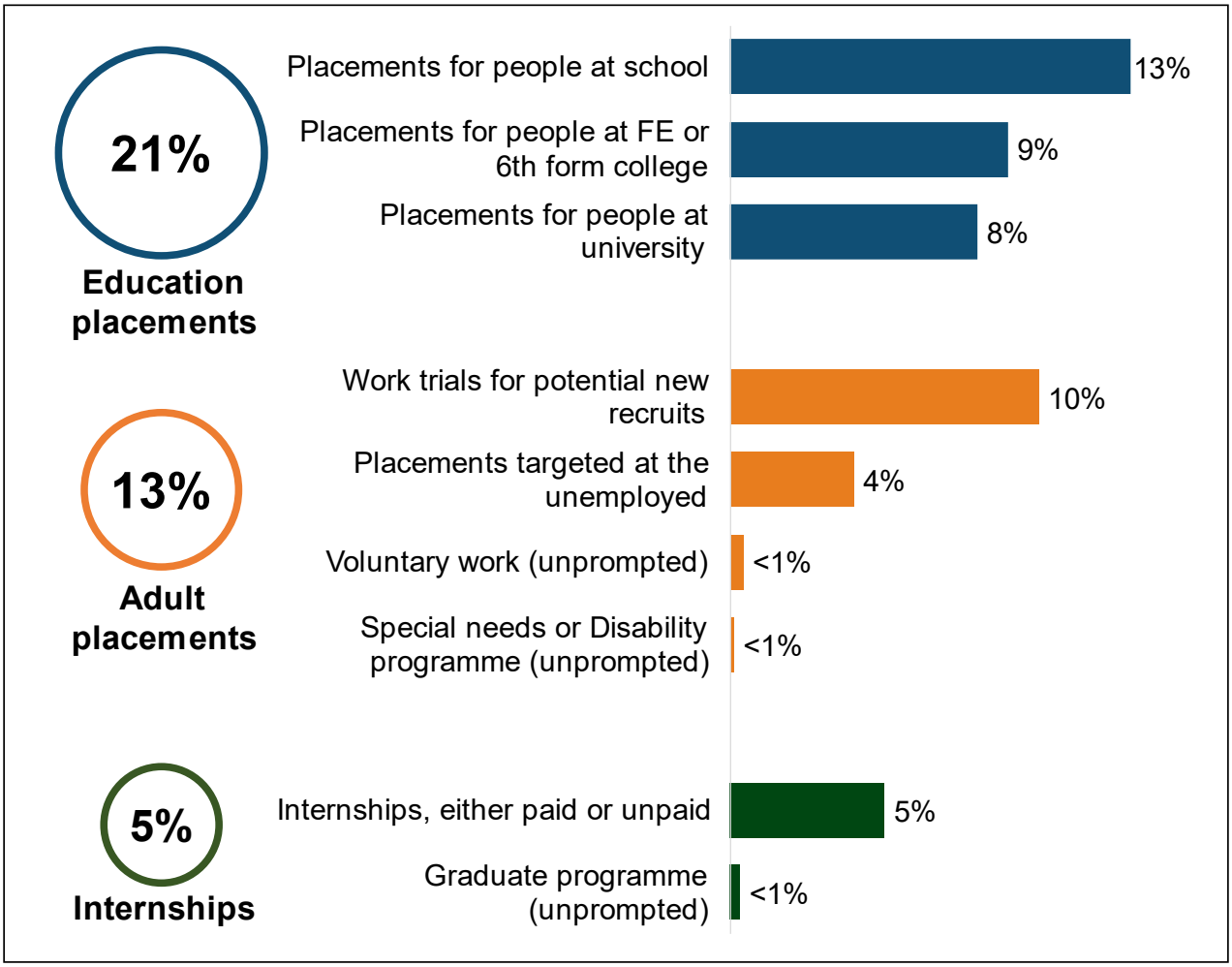
careers, or enabling students to visit the establishment to develop a better understanding of the working world, and the barriers employers face to offering work placements or work inspiration activities. The chapter ends by exploring among employers in England awareness and attitudes to Higher Technical Qualifications (HTQs) and T levels.

Work placements

Overall, 30% of employers had provided any work experience in the last 12 months. This was most often placements for those in school, college or university (21%), followed by adult placements such as work trials or placements aimed at the unemployed (13%). Overall, 5% had offered paid or unpaid internships.

More employers in 2016 had provided any type of placement than in 2022 (38% vs. 30% respectively). Fewer employers had also provided each broad type of work placement than was the case in 2016, when 30% had provided placements for individuals in education, 15% adult placements and 7% paid or unpaid internships. Results for 2022 are summarised in Figure 5-1.

Figure 5-1 Type of work placements provided in the last 12 months (prompted)



Base: All establishments in Module C (13,269)

With respect to establishment size, the larger the establishment, the more likely they were to provide any type of work placement. Just one in five (20%) establishments with 2 to 4 employees offered any type of placement, compared to more than two thirds (69%) of those with 100 or more.

There was wide variation in the proportion of employers offering any type of work placements by sector. Seven in ten (69%) in Education offered any placements, with the next highest seen in Health and Social Work (47%). Conversely, just one in five establishments in the Transport and Storage (19%) and Construction sectors (20%) offered placements.

As seen in Table 5-1, the overall decrease in the provision of work placements was driven by decreases across the UK, with Northern Ireland and Scotland both seeing decreases. For example, the proportion of employers in Northern Ireland providing any work placements in the previous 12 months went from nearly half (48%) in 2016, to just over a third (36%) in 2019, and to just over a quarter (26% in 2022). The decrease in

work placements between 2016 and 2022 was primarily due to the decrease in education placements, including a 20 percentage point decrease in Northern Ireland and 11 percentage point decreases in Wales, and a 10 percentage point decrease in Scotland.

There was relatively little change in the proportion of establishments that had provided adult work placements in the previous 12 months, with employers in Northern Ireland the least likely to offer any with 8%, compared to 13% in England, Scotland, and Wales respectively. Similarly, there was little change in the proportion of establishments offering internships, with 5% of employers in England and Scotland offering them, compared to 4% in Northern Ireland and 3% in Wales.

Table 5-1 Grouped work placement types provided in the last 12 months, by nation

Nation	**England**			**Northern Ireland**			**Wales**			**Scotland**[17]		
Year	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**	**2016**	**2019**	**2022**
Unweighted base	*10,015*	*13,365*	*9,906*	*2,007*	*1,011*	*863*	*1,997*	*1,683*	*1,168*	*4,009*	*2,652*	*1,332*
Column percentages	%	%	%	%	%	%	%	%	%	%	%	%
Any work placement	**38**	**35**	**30**	**48**	**36**	**26**	**39**	**36**	**28**	**39**	**36**	**29**
Education placements	29	27	22	41	32	21	29	27	18	30	28	19
Adult placements	15	12	13	16	10	8	15	15	13	15	12	13
Internships	6	6	5	7	5	3	7	4	3	7	5	5

Employers were asked how many people they had had on work placements in the previous 12 months, for up to three of the types of placement they offered.

For most placement types, employers had between 1 and 4 people on placement in the 12 months preceding the survey. However, the average number of people taken on adult placements were generally higher, with employers having an average of 5.2 people on work trials for new recruits, 4.4 on placements for those with special needs or disabilities, and 3.5 on placements for the unemployed. The highest average number taken on placements was for voluntary work (16.4), although the number of employers offering this placement type was very low, therefore at an overall level the number of people on such placements will also be low.

[17] 2019 data for Scotland is taken from the Scottish EPS 2019 study.

Table 5-2 Mean number of each work placement type provided in the last 12 months among those providing each

	Unweighted base	Total number of employers with placements	Mean numbers of placements
Placements for people at school	*1,958*	252,575	2.4
Placements for people at college	*1,589*	187,205	2.3
Placements for people at university	*1,454*	162,361	3.1
Work trials for new recruits	*1,531*	191,187	5.2
Placements for the unemployed	*691*	77,906	3.5
Voluntary work	*52*	7,688	16.4
Internships, paid or unpaid	*666*	94,738	2.5
Graduate programme	*39*	6,107	1.9

Many of the placement types have seen a decrease in the average number of people on placements, alongside the decreases in the proportion of employers offering placements. As seen in Table 5-3, average numbers per employer on graduate placements fell from 3.2 in 2016 to 1.9 in 2022, while placements for the unemployed decreased from 4.5 per employer providing these in 2016 to 3.5 in 2022. However, there were also notable increases, with the number per employer on voluntary work placements increasing from 10.1 in 2016 to 16.4 in 2022, and the number on work trials for new recruits increasing from 3.7 in 2016 to 5.2 in 2022.

Table 5-3 Mean number of work placements provided in the last 12 months for each placement type, 2016-2022

Placement type	2016 *Unweighted base*	2016 Mean	2022 *Unweighted base*	2022 Mean
Placements for people at school	*3,961*	2.9	*1,958*	2.4
Placements for people at college	*2,676*	2.6	*1,589*	2.3
Placements for people at university	*2,460*	3.0	*1,454*	3.1
Work trials for new recruits	*1,814*	3.7	*1,531*	5.2

Placements for the unemployed	*1,081*	4.5	*691*	3.5
Voluntary work	*134*	10.1	*52*	16.4
Internships, paid or unpaid	*1,386*	2.3	*666*	2.5
Graduate programme	*60*	3.2	*39*	1.9

Work inspiration

Separate to offering work placements, employers can also provide advice and support to students about the workplace and their industry, such as one-to-one mentoring support for students, visiting institutions to talk with students about careers, or enabling students to visit the establishment and develop a better understanding of the working world. This report refers to such activities as 'work inspiration'.

As seen in Table 5-4, one in ten employers (10%) had engaged with educational institutions to offer work inspiration activities in the 12 months preceding the survey, the same proportion as in 2016 (10%).

There was little variation by nation, with 11% of employers in Scotland having offered work inspiration activities, compared to 10% in Wales, and 9% in both England and Northern Ireland.

As in previous years, engagement with work inspiration activities increased with establishment size. This ranged from 6% of those with fewer than 5 employees to nearly two in five (38%) of those with 100 or more employees.

There was quite wide variation by sector in engagement with work inspiration activities, with this highest among establishments in Public Administration (29%) and those in Education (26%).

By organisation type, public sector establishments generally had the highest level of engagement with work inspiration activities (28%), followed by the third sector (20%). In comparison, 8% of private sector employers had offered any work inspiration activities in the 12 months preceding the survey.

Table 5-4 Proportion of employers engaged with educational institutions to offer 'work inspiration' activities in the last 12 months

	Unweighted base	**%**
Total	***13,269***	**10**
Nation	***Unweighted base***	**%**

England	*9,906*	9
Northern Ireland	*863*	9
Wales	*1,168*	10
Scotland	*1,332*	11
Size	***Unweighted base***	**%**
2 to 4	*3,794*	6
5 to 24	*6,321*	11
25 to 49	*1,712*	20
50 to 99	*872*	25
100 to 249	*438*	37
250 or more	*132*	38
Sector	***Unweighted base***	**%**
Primary Sector and Utilities	*682*	8
Manufacturing	*973*	8
Construction	*953*	5
Wholesale and Retail	*2,787*	6
Hotels and Restaurants	*1,393*	6
Transport and Storage	*462*	5
Information and Communications	*373*	10
Financial Services	*178*	4
Business Services	*2,373*	10
Public Administration	*119*	29
Education	*806*	26
Health and Social Work	*1,357*	17
Arts and Other Services	*813*	17

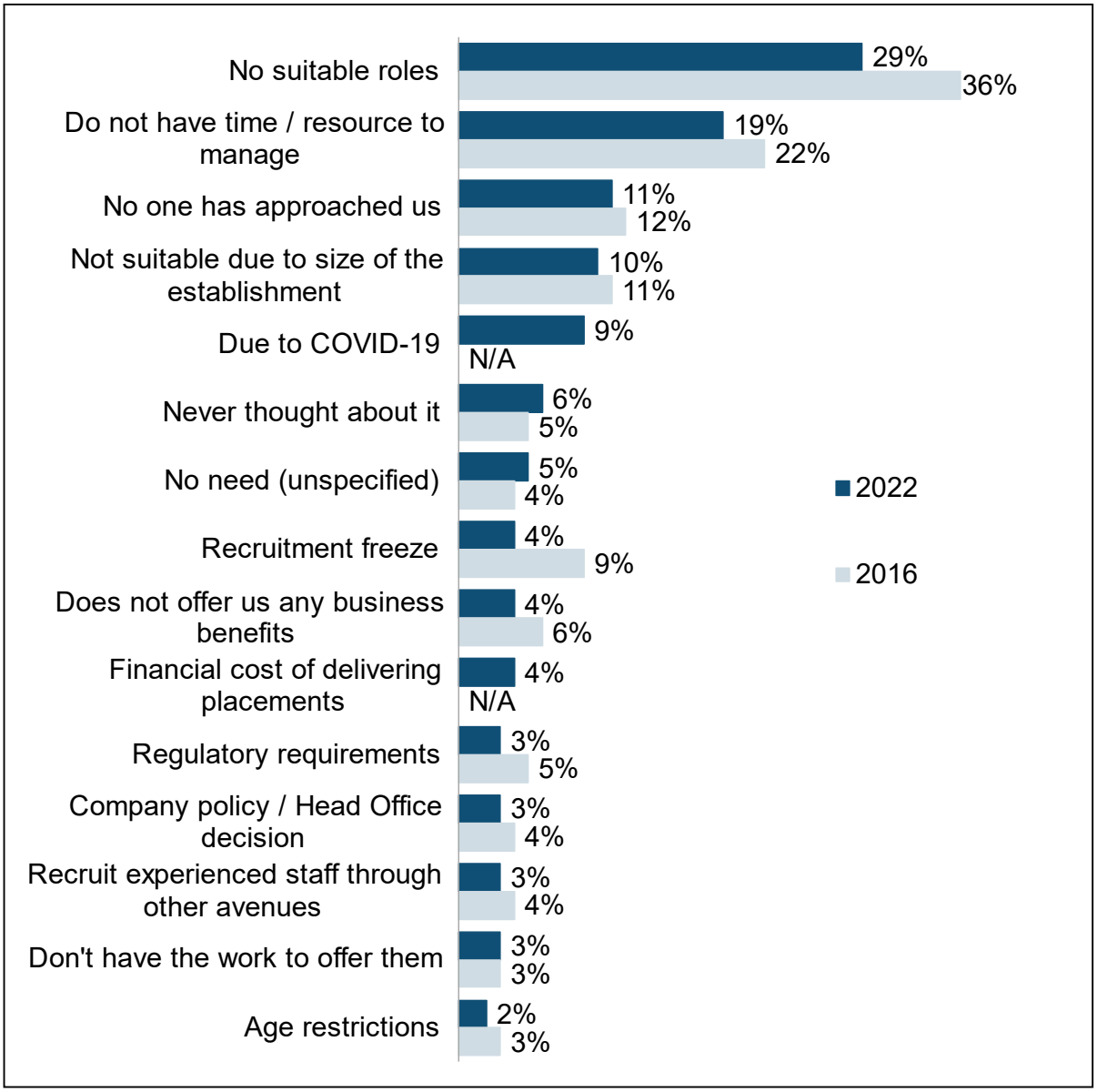
There was considerable crossover between those employers offering work placements and those providing work inspiration activities in the last 12 months. Indeed, only 6% of establishments provided work inspiration activities without also offering work placements.

Barriers to offering work placements or work inspiration activities

Understanding the barriers that employers face regarding their provision of work experience opportunities allows any interventions that seek to encourage such provision to be better targeted and focussed. All employers that had neither offered a work placement in the last 12 months nor provided work inspiration activities to students were asked – unprompted – their reasons for this lack of engagement.

In many cases, a lack of engagement was attributed to the nature of the business. Three in ten (29%) employers that had not offered work placements or work inspiration activities said that there were no suitable roles in their organisation, while one in ten (10%) said that work experience opportunities were not suitable due to the size of the business. The time needed to facilitate such opportunities was also a concern, with a fifth (19%) saying that they did not have the time or resource to manage it. Some establishments also demonstrated a passive approach to offering experience opportunities, with one in ten (11%) stating they had not done so as they had not been approached by anyone, and 6% saying they had never considered it. Figure 5-2 shows the most common reasons for not offering work experience opportunities.

Figure 5-2 Most common reasons for not offering work experience opportunities in the last 12 months (unprompted)[18]



Base: All establishments who have not offered any placements or work inspiration activities in the last 12 months (2022: 7,678; 2016: 8,512)
Responses given by fewer than 2% in 2022 not shown

Overall, the reasons given by employers for not offering work experience / inspiration opportunities in the last 12 months were broadly similar to 2016. The COVID-19 pandemic was given as a reason by 9% of employers in 2022 but was obviously not a factor in 2016. There was also a notable decrease in the proportion mentioning that there

[18] There is no data from 2016 for 'Due to COVID-19' and 'Financial cost of delivering placements'. It should be noted that this question was asked, in both 2016 and 2022, without prompting respondents with a list of reasons.

were no suitable roles (29%, down from 36% in 2016), though it was by far the most common reason in both years.

There were relatively few differences by nation in the reasons given by employers for not offering work experience / inspiration opportunities. Employers in Northern Ireland were least likely to say the reason was that they did not have the time or resource to manage placements (13% compared to 19% overall) but the most likely to say it was due to a recruitment freeze (6% vs. 4% overall). Employers in Scotland were more likely than average to have said the main reason was due to COVID-19-related pressures (13%, compared to 11% in Wales and 9% in England and Northern Ireland).

The smallest establishments, with between 2 and 4 employees, were understandably more likely than larger establishments to cite barriers related to structural issues, including not having any suitable roles (32%, compared with 18% of those with 100 or more staff), not having the time or resource to manage it (20%, compared with 11% of those with 100 or more staff) and that placements were not suitable due to the size of the establishment (12%, compared with none of those with 100 or more staff). It being a company policy or head office decision was less commonly a barrier for establishments with fewer than 5 staff (1%) compared with those with 100 or more staff (5%).

Looking at differences by sector, Transport and Storage employers were particularly likely to mention not having suitable roles (38%), as were those in Primary Sector and Utilities (35%). Meanwhile, those working in Public Administration were most likely to cite a lack of time or resources as the reason for not offering work experience opportunities (33%). Perhaps understandably, the Health and Social Work sector were more likely to cite COVID-19 as a main factor (24%) than other employers.

HTQs and T levels

Employers in England were asked about their awareness of Higher Technical Qualifications (HTQs), which were introduced in September 2022. HTQs are a quality mark for a subset of Level 4 and Level 5 technical qualifications that have been approved by panels of employers. Around one in six employers (16%) had heard of HTQs, proportion increasing to a quarter among larger establishments with 250 or more employees (26%). Among all employers, 1% felt they has a good knowledge of HTQs, 6% had some knowledge and 9% had just heard of the name and knew nothing more about them.

Employers in England were also asked about their awareness and knowledge of T Levels, described to them as follows ‘the Government introduced a new technical education qualification for 16 to 19-year-olds, called T Levels, in September 2020’. Nearly a third of employers (32%) were aware of them – 3% claimed a good knowledge

of T Levels and what they involve, 12% said they had some knowledge of what they involve, while 17% were aware of them but did not know what they are.

In terms of sector, the employers with the greatest levels of awareness of T Levels were those in Education (60%) and Public Administration (42%). These were the only two sectors to have more than two-fifths of employers saying they were aware of T Levels. Those with the lowest levels of awareness were employers in the Hotels and Restaurants (23%), Wholesale and Retail (26%) and Construction (28%) sectors.

Establishments in England were asked how interested they would be in providing work placements to T Level students. They were first read the following description: “As part of T Levels it will be compulsory for students to complete an industry placement lasting at least 45 days in an industry directly relevant to their course. The timing and structure of the placement will be flexible to meet employers’ needs and it would be at the employer’s discretion whether to pay students during their placement.”

A third of employers (33%) indicated they would be interested, lower than in 2019 (36%), including just 7% very interested (down from 8% in 2019). Those who were aware of T Levels were more likely to be interested in offering them (37%). Likelihood to be interested was higher among those with ‘some knowledge’ of what T Levels are (38%) and was higher still among those with ‘good knowledge’ (40%).

As shown in Table 5-5, interest increased with the size of establishment, from just over a quarter (27%) of those with 2 to 4 employees to more than half (60%) of those with 250 or more employees. This follows a similar pattern to that seen in 2019.

Table 5-5 Overall interest in providing T Level placements (with 2019 comparison), by size and sector

	Interested	Interested	Not interested	Not interested
	2019	2022	2019	2022
Size	%	%	%	%
2 to 4	30	27	65	66
5 to 24	41	38	50	51
25 to 49	51	47	39	41
50 to 99	56	48	34	38
100 to 249	52	50	35	36
250 or more	61	60	21	23
Sector	%	%	%	%
Primary Sector and Utilities	32	34	64	63
Manufacturing	33	33	63	60
Construction	33	24	63	66

Wholesale and Retail	34	30	54	56
Hotels and Restaurants	40	39	52	53
Transport and Storage	25	22	68	70
Information and Communications	36	33	60	60
Financial Services	29	28	64	66
Business Services	34	32	60	61
Public Administration	38	47	51	44
Education	57	48	35	44
Health and Social Work	48	40	42	47
Arts and Other Services	40	40	54	50

Base: All establishments in England in Module C (2022: 9,906; 2019: 13,365)

With respect to interest in providing industry placements by sector, the highest levels of interest providing placements were reported by employers in Education (48%) and Public Administration (47%). The lowest levels of interest were reported in the Transport and Storage (22%), Financial Services (28%), and Construction (24%). Compared to 2019, there have been some shifts in interest levels for some sectors, with, for example, Public Administration experiencing the biggest increase in interest (from 38% in 2019 to 47% in 2022). Conversely, Education experienced a decrease from 57% in 2019 to 47% in 2022 in those interested, while Health and Social Work saw a decrease from 48% in 2019 to 40% in 2022.

There were higher levels of interest in providing work placements to T Level students among third sector (42%) and public sector (44%) establishments than private sector establishments (32%).

Interest in providing T Level placements was also higher among establishments with current or recent skills issues. Nearly three in five (57%) employers with skill-shortage vacancies were interested, compared with three in ten (31%) of those with no skill-shortage vacancies at the time of the survey. Similarly, half (49%) of employers with skills gaps in their current workforce were interested, compared with three in ten (30%) of those with no skills gaps.

Employers in England were also asked how easy or difficult it would be to offer T Level placements considering their sites' capacity to do so. A third (33%) indicated that it would be easy (the same as 2019), including 6% that thought it would be very easy to do so (also the same as in 2019). Predictably, employers that felt T Levels would be easy to offer were more likely to be interested in providing placements than those who felt they would be difficult (67% vs. 16%).

Employers with 2 to 4 employees were the least likely to expect T Levels to be easy to offer (28%), followed by those with 5 to 25 employees (37%). Just over two-fifths of

employers with 25 to 49 employees who thought offering T Level placements would be easy (43%).

Table 5-6 Ease of offering T Level placements (with 2019 comparison)

	Easy	Easy	Difficult	Difficult
	2019	2022	2019	2022
Size	%	%	%	%
2 to 4	29	28	67	65
5 to 24	37	37	57	56
25 to 49	44	43	49	48
50 to 99	48	43	45	49
100 to 249	44	44	48	47
250 or more	47	35	41	54
Sector	%	%	%	%
Primary Sector and Utilities	32	29	70	66
Manufacturing	24	35	66	59
Construction	32	27	64	69
Wholesale and Retail	31	34	57	59
Hotels and Restaurants	36	35	55	58
Transport and Storage	32	21	71	73
Information and Communi-cations	26	29	64	64
Financial Services	22	24	63	72
Business Services	30	29	66	64
Public administration	38	42	71	48
Education	49	41	42	50
Health and Social Work	38	40	55	51
Arts and Other Services	39	36	57	57

Base: All establishments in England in Module C (2022: 9,906; 2019: 13,365)

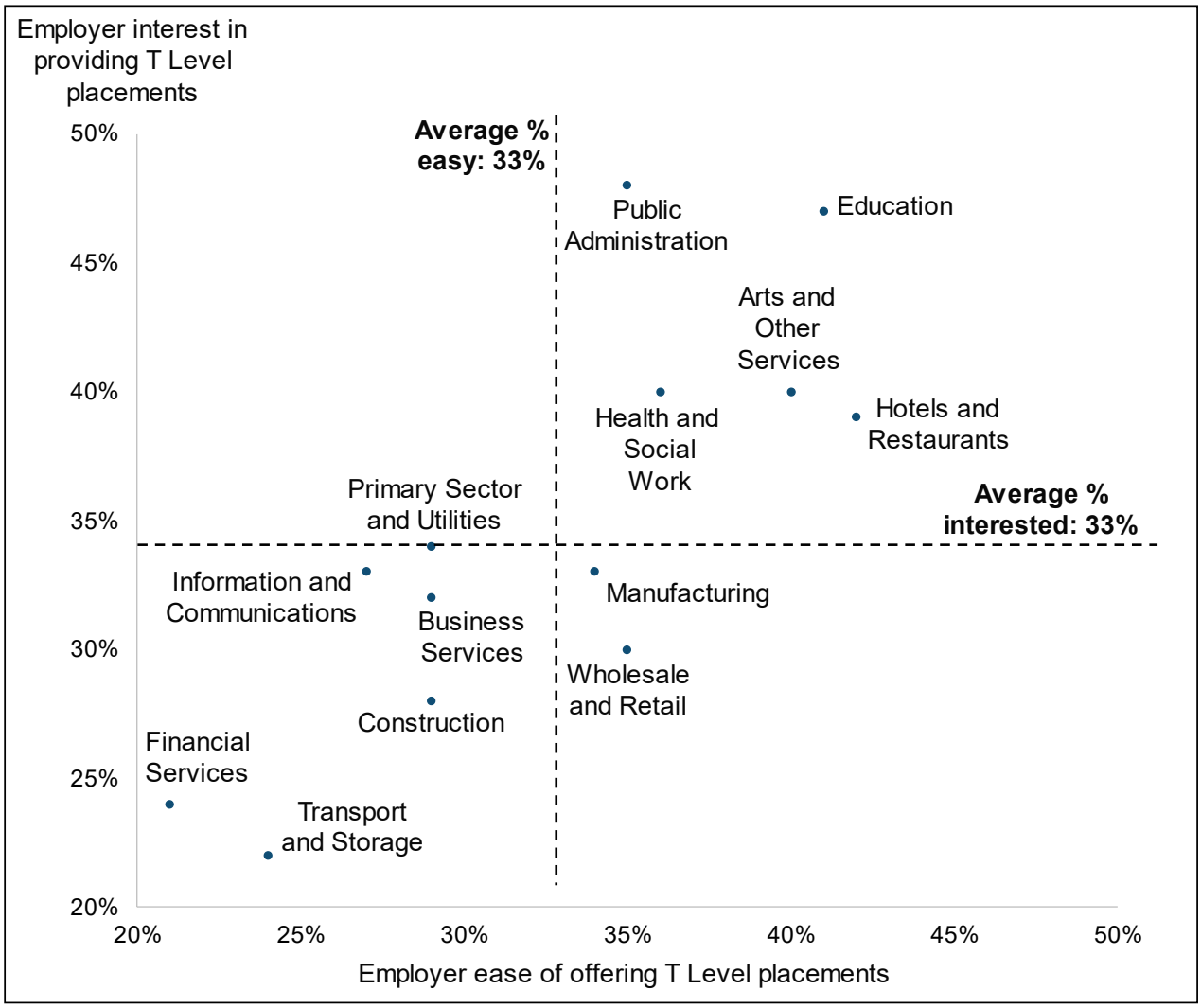
With respect to ease of offering T Level placements by sector, the highest levels of perceived ease were reported by employers in the Hotels and Restaurants (42%), Education (41%), and Arts and Other Services (40%). Conversely the greatest levels of perceived difficulty were reported in the Financial Services (73%) and Transport and Storage sectors (72%). There were higher levels of perceived ease of providing work placements to T Level students among establishments in the public sector than in the private sector (38% vs. 33% respectively).

Compared to 2019, there have been some shifts in the perceived ease of offering T Level placements for some sectors, with, for example, Public Administration experiencing the biggest increase in perceived ease (an 11 percentage point increase). In contrast,

Financial Services experienced an 11 percentage point decrease in perceived ease, and Education an 8 percentage point decrease.

Figure 5-3 presents the relationship between employer perceptions about the ease of offering T Levels (based on the establishment's capacity to do so) and their interest in offering them, broken down by sector. The vertical axis shows the proportion of employers in a given sector interested in providing T Level placements and the horizontal axis shows the proportion interested in offering them. Overall, there is a strong relationship between perceived ease of providing T Level placements and interest in doing so. For example, in Education, 41% reported that providing T Level placements was easy, and 47% reported that they were interested in providing them. In contrast, only 24% of Transport and Storage employers reported that providing T Level placements was easy, and 22% reported that they were interested in providing them.

Figure 5-3 Employer interest in providing T Level placements, by employer ease of offering T Level placements



Base: All establishments in England in Module C (2022: 9,906)

6. Training and workforce development

Chapter Summary

The 2022 ESS saw reduced levels of engagement from employers in training and workforce development. Three-fifths (60%) of employers had provided training for their staff over the past 12 months; this is a marked decrease compared to consistent levels of 65% to 66% between 2011 and 2017. This was mainly driven by a reduction in off-the-job training (39% vs. 48%), though the proportion of employers offering on-the-job training also decreased (49% vs. 53%).

While the number of staff trained increased from 17.9 million in 2017 to 18.2 million in 2022, this represented a decrease in the proportion of staff trained relative to the size of the overall workforce, from 62% in 2017 to 60% in 2022. The total number of training days also decreased from 114 million in 2017, to 108 million in 2022. Consequently, on average each person trained received fewer training days in the last 12 months (6.0 days, vs. 6.4 days in 2017).

As has been the case historically, the most common type of training provided was job-specific training (provided by 84% of training employers). Health and safety training remained common, though fewer employers provided it compared to 2017 (71% vs. 74%).

Approaching three-fifths (57%) of employers that trained had funded or arranged external training, down from 65% in 2016. Most commonly employers used commercial organisations (e.g., training providers) to deliver this training (76%).

Close to three-fifths (57%) employers were in training equilibrium, delivering the amount of training over the last 12 months that they wanted to deliver. More than two-fifths (43%) would have liked to provide more training for their staff over the previous 12 months. The most common barriers among establishments that had provided training but would have liked to provide more (47%) were not being able to spare staff time for training (45%), and lack of funds (40%). The main reason for non-trainers not training was that all their staff were fully proficient and therefore they had no need to train (64%).

Employer investment in training decreased in real terms by 8% compared with 2017. In total, establishments invested £53.6 billion in training for staff in 2022 (£58.1 billion in 2017). Of this amount, 47% (£25.4 billion) went towards off-the-job training and 53% (£28.2 billion) towards on-the-job training.

Introduction

Training the workforce is one way in which employers can address skill shortages and skills gaps, enabling them to improve productivity. This chapter explores the training landscape in 2022 and how this has changed over time, exploring:

- How many employers had funded or arranged training and development for their employees, and which types of employer were more likely to have done so
- How many and which employees they provided training for
- The types of training provided
- Barriers and limits on training
- Employer expenditure on training[19]

Within this chapter, training and development provided by employers is discussed in terms of:

Off-the-job training: training beyond that which training beyond that which takes place on-the-job or as part of an individual's normal work duties. This can be undertaken at an employer's premises, at a provider, at home or elsewhere. Prior to 2022, the definition for 'off-the-job training' was 'training away from the individual's immediate work position, whether on the employer's premises or elsewhere'. This should be noted when comparing 2022 results to previous waves.

On-the-job training: training undertaken at the individual's work position and covering activities that would be recognised as training by staff, rather than learning by experience which can take place all the time.

Employers may provide one or both of these types of training.

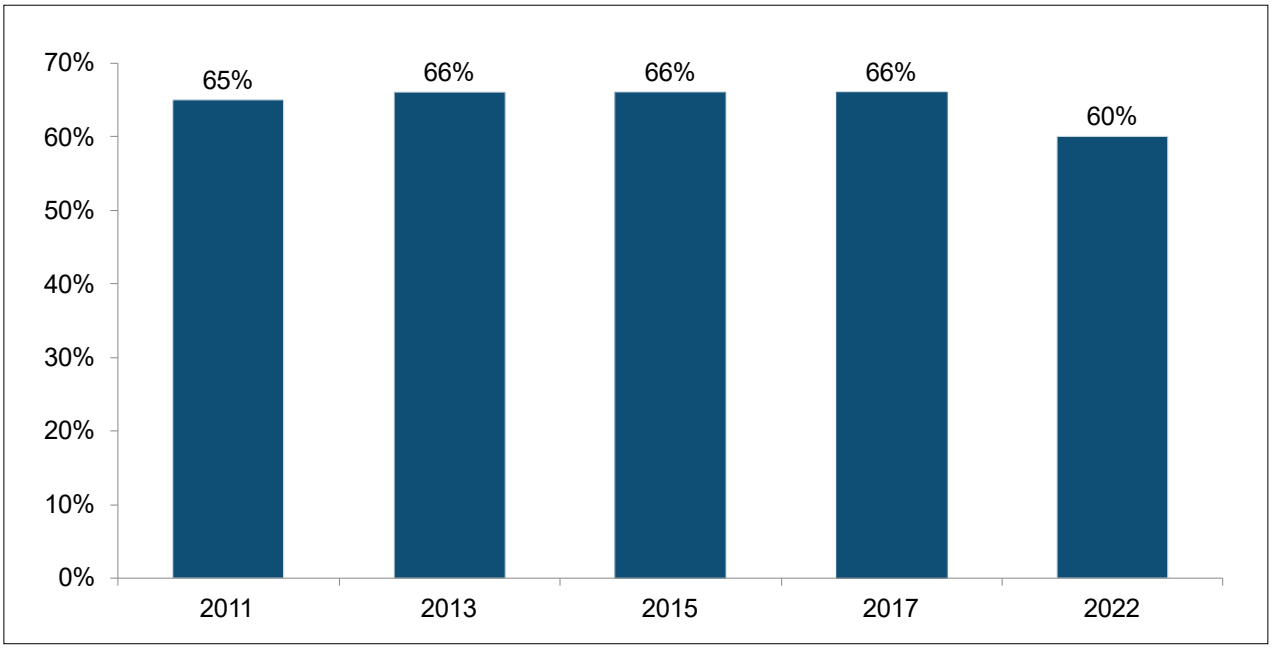
Incidence of training and workforce development

Three-fifths of employers (60%) had funded or arranged any training over the previous 12 months for any employees on the payroll of their site. This is a decrease compared to previous years in the ESS series (since 2011), where around two-thirds (65% to 66%) of employers had provided training for staff, as shown in Figure 6-1.

Figure 6-2 shows how the proportion of employers that have trained breaks down by nation, and how prevalence of training has changed over time at the national level.

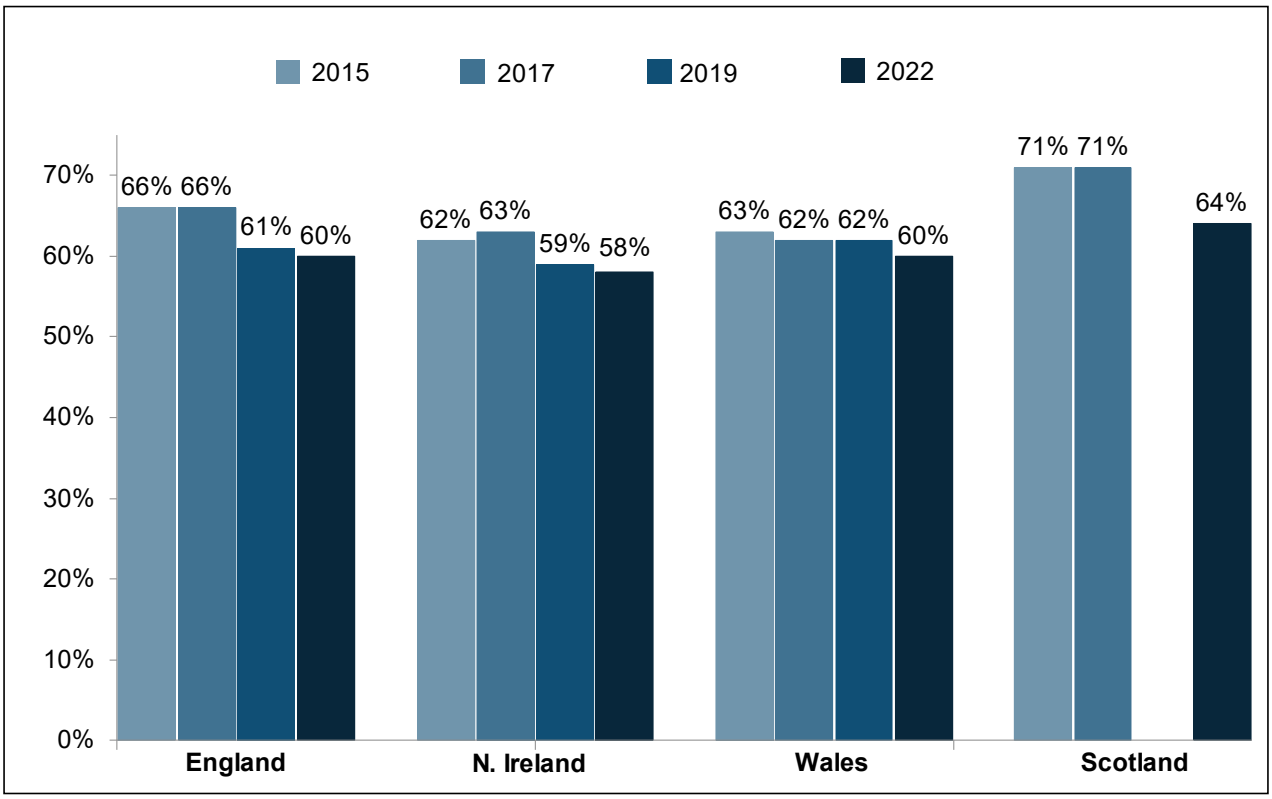
[19] Results for this aspect of the research are derived from the Investment in Training follow-up study with a proportion of the ESS 2022 sample. More information can be found in the accompanying Technical Report for details on the methodology.

Figure 6-1 Proportion of UK employers providing training over the last 12 months (2011-2022)



Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

Figure 6-2 Proportion of employers training by nation (2011-2022)



Base: All establishments (2022: England: 59,486; Northern Ireland: 3,400; Wales: 4,825; Scotland: 5,207)

Employers in Scotland were the most likely of the nations to have provided training, aligning with previous findings in 2015 and 2017 (64% in 2022, compared to 60% in England and Wales, and 58% in Northern Ireland). However, when comparing to the last data point reported, Scotland saw the largest decrease in the proportion of employers providing training (64% vs. 71% in 2017).

In England, the proportion of employers providing training fell to 61% in 2019 from 66% in 2017, and in Northern Ireland fell from 63% to 59% in the same period. However, both England and Northern Ireland saw little change in 2022, compared with 2019 levels (60% in 2022 vs. 61% in 2019 in England; and 58% vs. 59% in Northern Ireland). Wales saw a fairly consistent proportion of employers' train between 2015 and 2019 (62% to 63%), with the proportion decreasing in 2022 (60%).

The proportion of employers providing training in the previous 12 months increased with establishment size, ranging from less than half (45%) of employers with 2 to 4 employees to almost all (94%) of those with 250 or more employees.

By sector, employers in the Education (87%), Public Administration (87%) and Health and Social Work sectors (83%) were most likely to provide training to staff in the last 12 months. These sectors are commonly associated with the public sector, where there is a greater prevalence of training (88% vs. 58% in the private sector). Training was least common in the Primary Sector and Utilities (47%), and Construction (52%) sectors. These results are partly influenced by the smaller size profile of these sectors; close to three-quarters of establishments in the Primary Sector and Utilities and Construction sectors have between 2 and 4 employees (76% and 72% respectively). In contrast, this size group made up a far smaller proportion of establishments within the Public Administration (35%), Health and Social Work (30%), and Education (24%), sectors.

The Manufacturing and Arts and Other Services sectors saw the largest decreases in the proportion of employers providing training since 2017 (54% vs. 62% in 2017 in Manufacturing; 60% vs. 68% in Arts and Other Services).

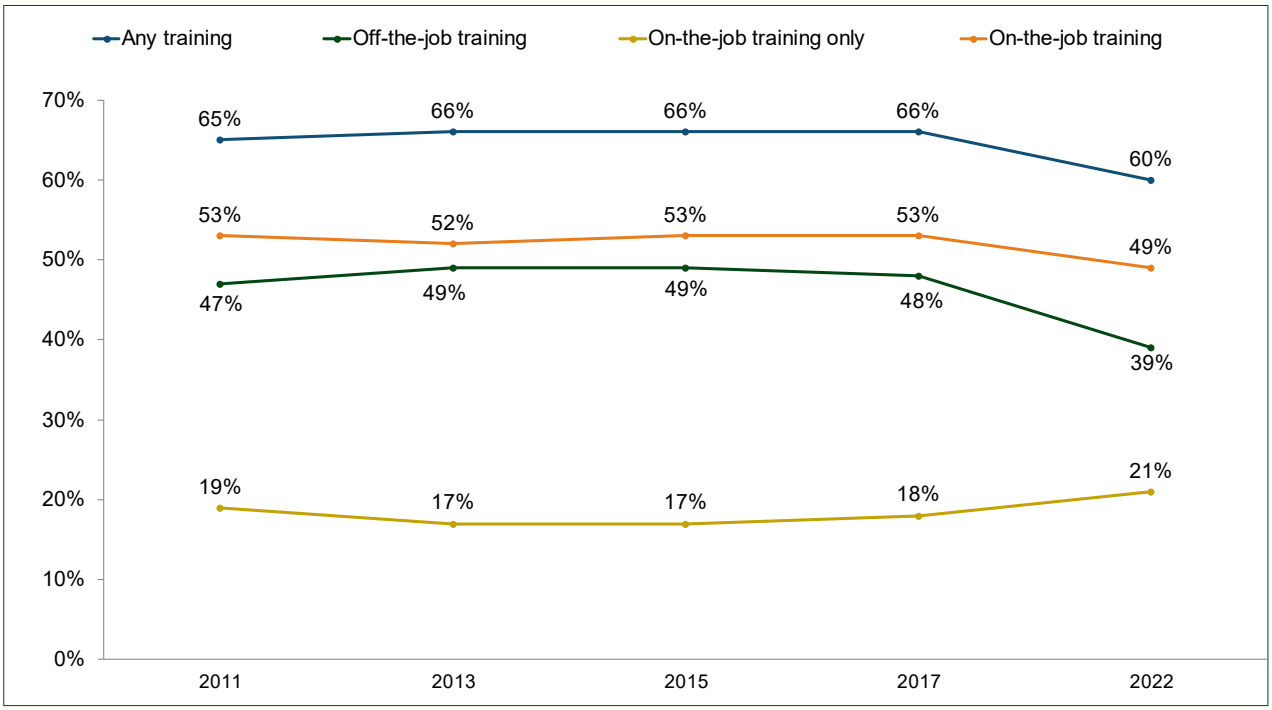
Employers that had recruited in the previous 12 months were far more likely to have trained than those who had not (78% vs. 42%). This was also true of those who had skills gaps among their workforce (81% vs. 56% without skills gaps), reflecting the role of training in address skills deficiencies in the workforce.

On-the-job and off-the-job training

In 2022, around half (49%) of UK employers provided on-the-job training to their staff over the past 12 months; down from previous years (52% to 53% over the 2011 to 2017 period). The proportion of employers providing off-the-job training decreased from a

typical range of 47% to 49% over the 2011 to 2017 period to 39% in 2022. This represents a much greater decline compared to the reduction in on-the-job training.[20]

Figure 6-3 Proportion of employers providing on-the-job, off-the-job, on-the-job only and training in general, at UK level (2011-2022)



Base: All establishments (2011: 86,522; 2013: 91,279; 2015: 91,210; 2017: 87,430; 2022: 72,918)

A fifth of all employers (21%) offered on-the-job training only, up from a range of 17% to 19% over the 2011 to 2017 period. Employers with 5 to 24 employees were the most likely of all size groups to only provide on-the-job training (26%, this compared with 14% of employers with 250 or more employees). Establishments in the Hotels and Restaurants, Financial Services and Wholesale and Retail sectors were also more likely than other sectors to have only provided on-the-job training (27%, 26% and 25% respectively).

Employers in Scotland were most likely to have provided any on-the-job training (54% vs. 49% overall). They were also more likely, alongside employers in England, to have provided off-the-job training (40% in Scotland and 38% in England, compared with 36% in Wales and 35% in Northern Ireland).

[20] Prior to 2022, the definition for 'off-the-job training' was 'training away from the individual's immediate work position, whether on the employer's premises or elsewhere'. In 2022 this definition was amended to 'training beyond that which takes place on-the-job or as part of the employee's normal work duties. This could be undertaken on the employer's premises, at a provider, at home or elsewhere. This should be noted when comparing 2022 results to previous waves.

Proportion of staff trained (overall and within occupation)

UK employers had trained a total of 18.2 million (m) staff over the previous 12 months, a 1% increase from the 17.9 million figure in 2017. However, due to a 5% increase in the size of the total workforce between these years, the proportion of the workforce trained has decreased from 62% in 2017 to 60% in 2022, as shown in Table 6-1.

Table 6-1 Number and proportion of staff trained over the last 12 months by establishment size (2011-2022)

	2011		2013		2015		2017		2022	
	No. trained	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**
Total	14.7m	55	16.8m	62	17.4m	63	17.9m	62	18.2m	60
Size	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**
2 to 4	1.0m	40	1.0m	41	1.0m	43	1.1m	42	1.0m	36
5 to 24	3.4m	53	3.5m	54	3.7m	56	3.8m	56	3.9m	56
25 to 49	2.0m	59	2.1m	63	2.3m	65	2.3m	64	2.3m	63
50 to 99	2.0m	59	2.3m	66	2.3m	66	2.4m	65	2.4m	65
100 to 249	2.4m	60	2.7m	68	2.9m	67	3.1m	70	2.7m	65
250+	4.0m	54	5.2m	71	5.2m	70	5.2m	67	5.8m	66

Base: All establishments. Base sizes are shown in Appendix H: Base sizes.

Table 6-2 Number and proportion of staff trained over the last 12 months, by nation (2011-2022)

	2011		2013		2015		2017		2019		2022	
Nation	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**	**No. trained**	**% of staff trained**
England	12.3m	54	14.1m	62	14.7m	63	15.2m	62	15.2m	60	15.4m	60
Northern Ireland	0.4m	56	0.4m	59	0.5m	64	0.4m	60	0.5m	62	0.5m	64
Wales	0.7m	56	0.7m	62	0.8m	64	0.7m	58	0.8m	65	0.8m	63
Scotland	1.4m	58	1.5m	65	1.5m	62	1.5m	62	n/a	n/a	1.4m	59

Base: All establishments. Base sizes are shown in Appendix H: Base sizes.

A larger proportion of staff in Northern Ireland and Wales received training (64% and 63% respectively), compared to employers in England or Scotland (60% and 59%). These were similar results to 2019 for England, Northern Ireland, however there were decreases in the proportion of staff trained in Wales compared to 2019 (63% vs. 65%) and Scotland compared to 2017 (59% vs. 62%).

The proportion of staff trained generally increased with the size of the establishment. More than a third (36%) of staff among establishments with 2 to 4 employees had been trained over the previous 12 months, compared with two-thirds (66%) among establishments with 250 or more staff. There were notable decreases in the proportion of staff trained compared with 2017 among establishments with 2 to 4 staff (from 42% to 36% in 2022) and 100 to 249 staff (from 70% to 65% in 2022).

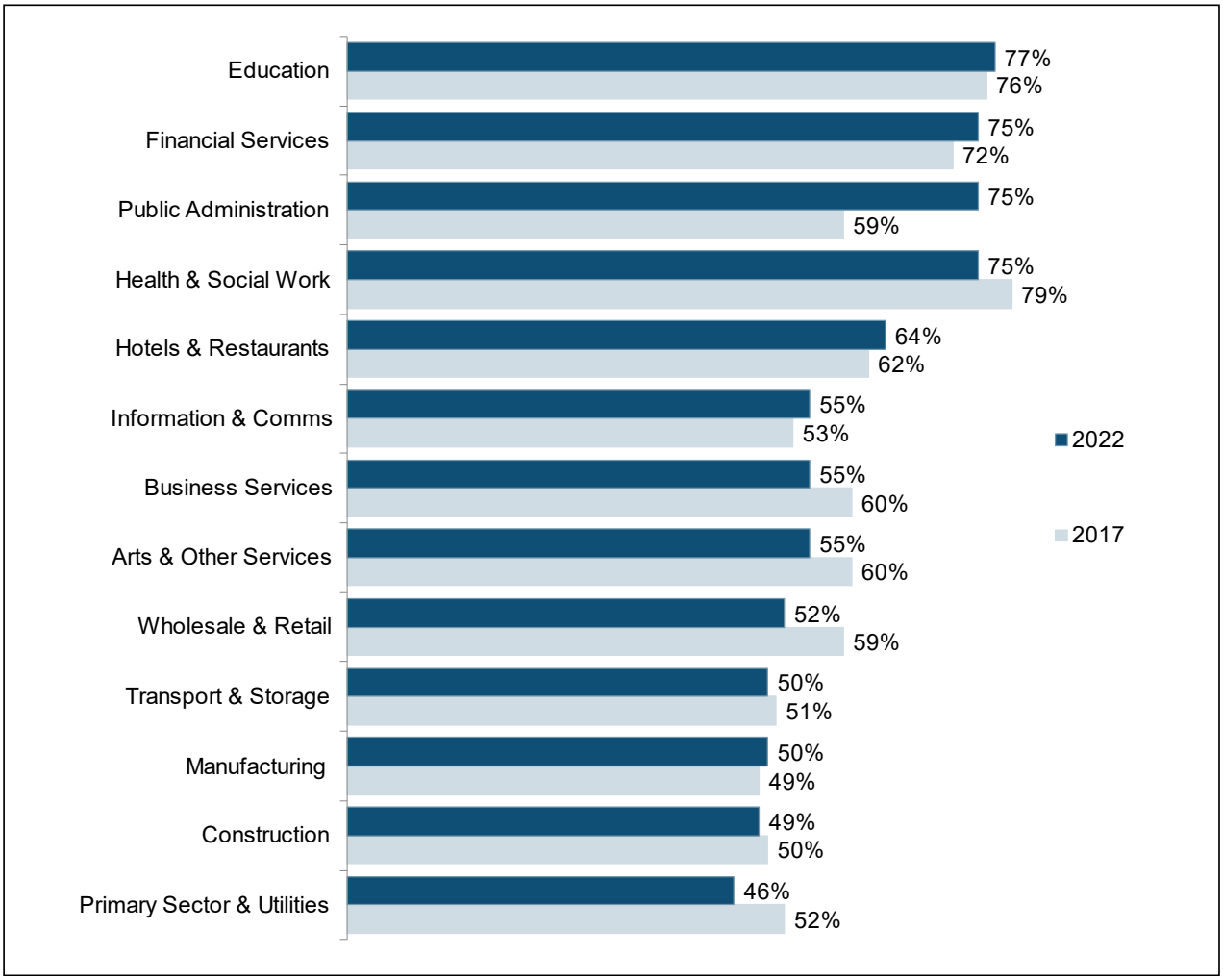
As shown in Figure 6-4, employers in the Education sector trained the highest proportion of their staff (77%), closely followed by the Financial Services, Public Administration and Health and Social Work sectors (each 75%).

Due to relatively large workforces of the Health and Social Work, Education and Public Administration sectors, the high proportion of staff trained also translated to large volumes of staff trained (3.1 million, 2.1 million and 1.1 million respectively), as shown in Table 6-3. In contrast, the Business Services and Wholesale and Retail sectors trained large volumes of staff (3.2 million and 2.4 million respectively), but this represented a relatively small proportion of their corresponding workforce (55% and 52%).

The largest increases in the proportion of staff trained occurred in the Public Administration sector (75% vs. 59% in 2017), while the Wholesale and Retail sector (52% vs. 58% in 2017), and Primary Sector and Utilities (46% vs. 52%) saw the largest decreases by sector.

Data for the number and proportion of staff trained by sector, for 2022, is provided in Table 219 in the published data tables.

Figure 6-4 Proportion of staff trained over the last 12 months by sector (2017-2022)



Base: All establishments providing training (2022: 51,077; 2017: 67,950)

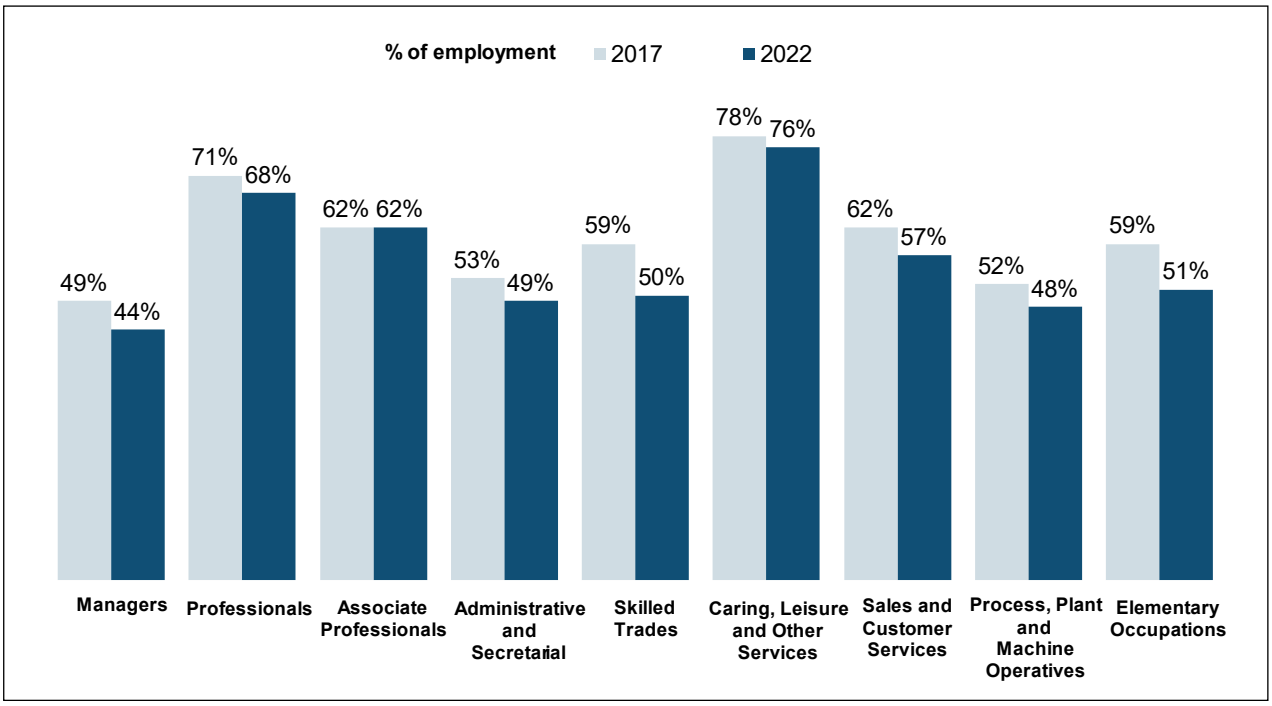
Table 6-3 Volume of staff trained over the last 12 months by sector (2017-2022)

Sector	2017	2022
Education	1,974,000	2,085,000
Health and Social Work	3,066,000	3,129,000
Public Administration	757,000	1,077,000
Financial Services	678,000	563,000
Hotels and Restaurants	1,331,000	1,504,000
Arts and Other Services	802,000	705,000
Business Services	3,238,000	3,205,000
Information & Comms	540,000	563,000
Wholesale and Retail	2,674,000	2,360,000
Transport and Storage	675,000	738,000
Manufacturing	1,168,000	1,206,000
Construction	605,000	657,000
Primary Sector and Utilities	402,000	370,000

Base: All establishments providing training (2017: 67,950; 2022: 51,077)

At occupational level, staff in Caring, Leisure and Other Service roles were most likely to have received training, as has been the case throughout the ESS series. Three-quarters (76%) of staff in these occupations had received training in the previous 12 months, although this represented a decrease from 78% in 2017. Managers remained the least likely to have been trained (44%, down from 49% in 2017). With the exception of Associate Professionals, there were proportionately fewer staff trained in all occupations in 2022 compared with 2017. The largest decreases occurred among Skilled Trades (50% vs. 59% in 2017), and Elementary occupations (51% vs. 59%).

Figure 6-5 Proportion of staff trained over the last 12 months by occupation (2017-2022)



Base: All establishments (2017 range: Machine Operatives 8,428 to Managers 42,932; 2022 range: Machine Operatives 1,185 to Managers 5,946)

Training days

Employers had provided 108 million training days over the last 12 months, equating to 6.0 days per annum per person trained ('per trainee') and 3.6 days per employee. This represents a decrease from 2017, when 114 million training days were provided, and a further decrease from the 118 million training days provided in 2015. The number of days per trainee and per employee were also at their lowest levels over the 2013 to 2022 period.

Table 6-4 Total training and development days, by establishment size (2011-2022)

	2011	2013	2015	2017	2022
Total	**115m**	**113m**	**118m**	**114m**	**108m**
Size	**2011**	**2013**	**2015**	**2017**	**2022**
2 to 4 employees	10m	11m	10m	10m	9m
5 to 24 employees	30m	29m	32m	28m	30m
25 to 49 employees	17m	15m	17m	17m	16m

50 to 99 employees	16m	15m	17m	16m	16m
100 to 249 employees	16m	17m	16m	18m	18m
250+ employees	25m	26m	25m	25m	19m

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2022: 51,077). Training days rounded to the nearest million.

Table 6-5 Total training and development days, by nation (2011-2022)

Nation	2011	2013	2015	2017	2019	2022
England	97m	95m	100m	98m	92m	90m
Northern Ireland	3m	3m	3m	3m	3m	3m
Wales	5m	6m	5m	4m	4m	5m
Scotland	10m	10m	10m	10m	n/a	10m

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2019 (excluding Scotland): 59,049; 2022: 51,077). Training days rounded to the nearest million.

Employers in Wales provided the most training days per trainee per annum (6.8 days); this represented an increase on previous levels (5.1 days per trainee in 2019) as shown in Table 6-7. Scotland had the next highest number of training days per trainee per annum (6.7 days, similar to 6.5 days in 2017). In contrast, employers in Northern Ireland and England reported the lowest training levels (5.8 and 5.9 days per trainee respectively). England in particular has seen a substantial reduction of around 10m training days since 2015 and now lags behind other nations in terms of training days per employee (3.5 days), as shown in Table 6-9.

Continuing trends seen across the ESS series, the number of training days per trainee decreased with establishment size, from 8.8 days per trainee among establishments with 2 to 4 staff to 3.3 days among establishments with 250 staff or more. The latter figure represents a large decrease compared with 2017 (and the largest of any size group), when the figure stood at 4.7 days per trainee. Employers in the other size groups tended to report similar levels of training days per trainee, or slight decreases compared with 2017, though there was an increase among employers with 100 to 249 employees (6.5 vs. 5.8 in 2017).

Data by sector for the total number of training and development days can be found in Table 226 in the published data tables.

Table 6-6 Total training and development days per trainee, by establishment size (2011-2022)

	2011	2013	2015	2017	2022
Total	**7.8**	**6.7**	**6.8**	**6.4**	**6.0**
Size	**2011**	**2013**	**2015**	**2017**	**2022**
2 to 4 employees	10.5	10.7	10.1	8.9	8.8
5 to 24 employees	9.0	8.3	8.5	7.5	7.7
25 to 49 employees	8.4	7.3	7.7	7.4	7.2
50 to 99 employees	8.1	6.7	7.5	6.9	6.6
100 to 249 employees	6.6	6.3	5.6	5.8	6.5
250+ employees	6.4	5.0	4.8	4.7	3.3

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2022: 51,077)

Table 6-7 Total training and development days per trainee, by nation (2011-2022)

Nation	2011	2013	2015	2017	2019	2022
England	7.9	6.7	6.8	6.4	6.0	5.9
Northern Ireland	6.3	6.3	5.6	5.7	5.4	5.8
Wales	7.5	7.7	7.2	6.2	5.1	6.8
Scotland	7.3	6.7	6.7	6.5	n/a	6.7

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2019 (excluding Scotland): 59,049; 2022: 51,077)

Table 6-8 Total training and development per employee, by establishment size (2011-2022)

	2011	2013	2015	2017	2022
Total	**4.2**	**4.2**	**4.2**	**4.0**	**3.6**
Size	**2011**	**2013**	**2015**	**2017**	**2022**
2 to 4 employees	4.2	4.4	4.3	3.8	3.2
5 to 24 employees	4.7	4.5	4.7	4.2	4.3
25 to 49 employees	4.9	4.6	5.0	4.8	4.5
50 to 99 employees	4.8	4.4	5.0	4.5	4.3
100 to 249 employees	4.0	4.3	3.8	4.1	4.2
250+ employees	3.4	3.5	3.4	3.2	2.2

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2022: 51,077)

Table 6-9 Total training and development per employee, by nation (2011-2022)

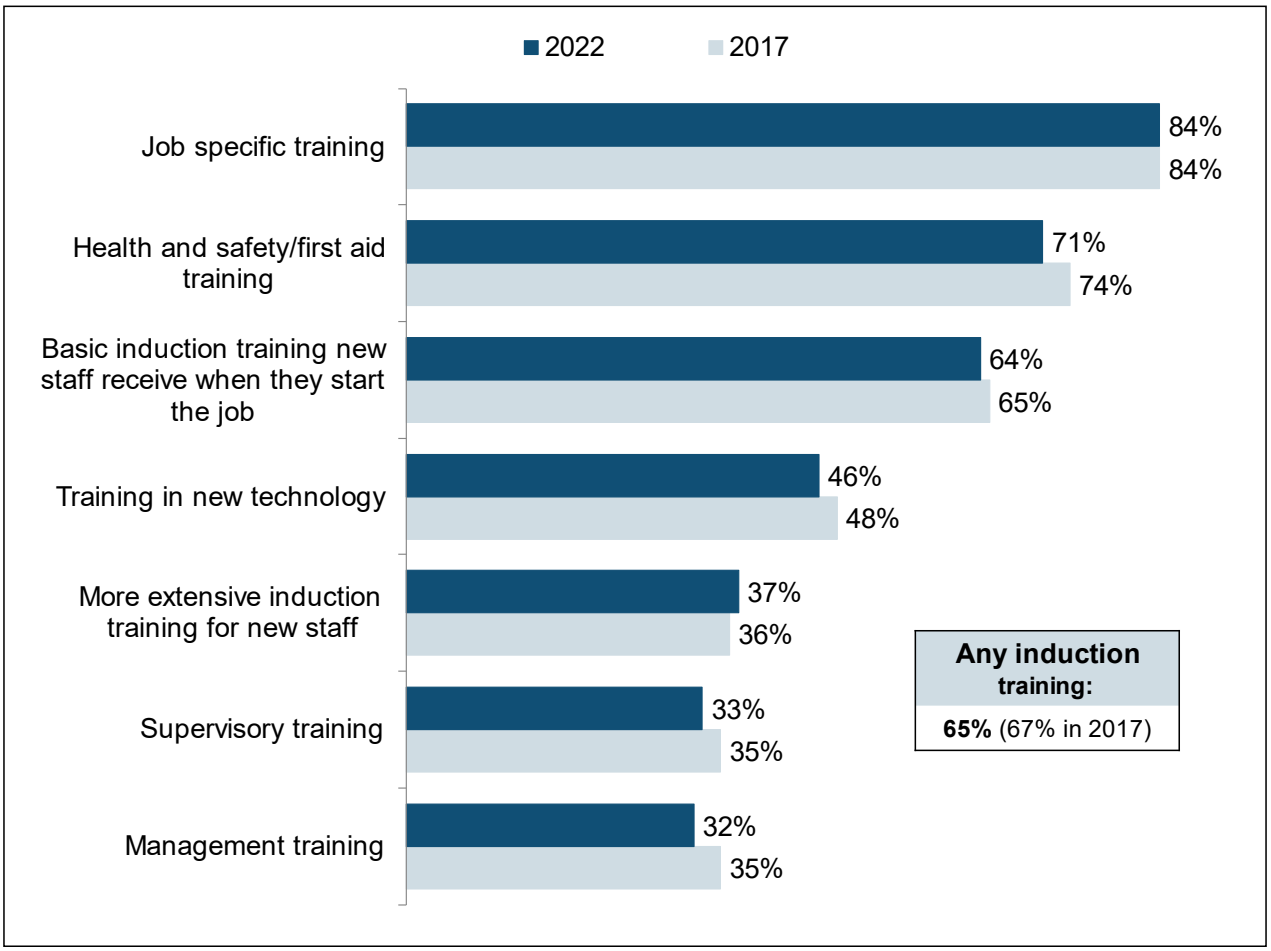
Nation	2011	2013	2015	2017	2019	2022
England	4.3	4.2	4.3	4.0	3.6	3.5
Northern Ireland	3.5	3.7	3.6	3.5	3.4	3.7
Wales	4.2	4.8	4.6	3.6	3.3	4.2
Scotland	4.2	4.3	4.2	4.1	n/a	3.9

Base: All establishments providing training (2011: 66,439; 2013: 69,842; 2015: 69,541; 2017: 67,950; 2019 (excluding Scotland): 59,049; 2022: 51,077)

Types of training provided

In line with historical patterns, job-specific training was the most common type of training that employers provided to staff, mentioned by 84% of employers providing training (the same proportion as in 2017). The majority of training employers also provided health and safety or first aid training (71%), and basic induction training (64%) as shown in Figure 6-6.

Figure 6-6 Types of training provided over the previous 12 months by UK employers that train (prompted)



Base: All establishments providing training (2022: 51,077; 2017: 67,950)

Despite being one of the most common types of training provided by employers, the prevalence of health and safety or first aid training has decreased since 2017 (74%). There was also a notable decrease in the proportion of training employers providing management training (32% vs. 35% in 2017). Focusing on management training specifically, the largest decrease was seen within the Wholesale and Retail sector (34% of employers that trained, down from 41% in 2017), followed by the Hotels and Restaurants sector (43%, down from 48% in 2017), and Public Administration sector (45%, down from 50% in 2017).

The prevalence of all of the types of training shown in Figure 6-6 increased with establishment size. The majority of employers with 25 or more employees had provided each type of training and more than nine in ten within this size group had provided job specific training (92%), health and safety or first aid training (92%) and basic induction training for new staff (91%).

The largest decrease in provision of any type of induction training occurred among establishments with 2 to 4 employees (44%, down from 49% in 2017), and health and safety training (57%, down from 61% in 2017). This reflects them being the only size group to report a decrease in recruitment activity (which these types of training are commonly associated with) since 2017 (26%, down from 29%).

The Information and Communications sector was by far the most likely sector to train staff in new technology (71%), followed by the Financial Services and Public Administration sectors (53% for each). Management and supervisory training were most common in the Education (53% and 41% respectively), Health and Social Work (46% for both), Public Administration (45% and 36%), and Hotels and Restaurants sectors (43% and 47%).

Induction training and health and safety / first aid training is often undertaken because it is a legislative requirement (rather than to develop the skills of the workforce). The Employer Skills Survey series has therefore asked employers what proportion of their training over the previous 12 months involved these types of training.

More than a third (35%) of training employers said that at least half of all their training was for basic induction or health and safety training, similar to levels seen in 2017 (33%). This includes 13% that said all of their training was one of these two types of training, again similar to 2017 (12%). All training being health and safety or basic induction training was more common among employers with 2 to 4 staff (13%) compared with 7% of employers with 250 or more staff, and in the Hotels and Restaurants sector and Construction sectors (20% and 17% respectively).

External training

Training employers were asked whether had provided external training over the last 12 months, described as ‘any training that has been delivered by people who are not immediate employees of your organisation’ (hence the definition is about who provides the training, not where it is delivered).

Just under three-fifths (57%) of training employers had arranged or funded external training for their staff, equivalent to a third (34%) of all employers. This represents a decline in the proportion of employers providing external training compared with 2016 (65% of employers that train). There were no significant differences in provision of external training by nation.

By sector, the largest decreases were reported in the Public Administration (63%, down from 81% in 2016) and Hotels and Restaurants (34%, down from 48%) sectors.

Provision of external training was more common for large employers; 89% of those with 250 or more employees provided external training, compared to only 47% of those with 2 to 4 employees.

By sector, external training was most commonly provided by training employers in the Education (79%), Health and Social Work (69%), and Construction (66%) sectors. It was least common in the Hotels and Restaurants (34%) and Information and Communications (44%) sectors.

Employers that had provided external training most commonly used non-public bodies to source their training (91% vs. 26% using any public sources); these were predominantly commercial organisations (e.g., consultants, or training providers) (76%). External training from regulatory bodies and suppliers was also relatively common (28% and 24% respectively). The most common public source of external training was FE colleges (20%).

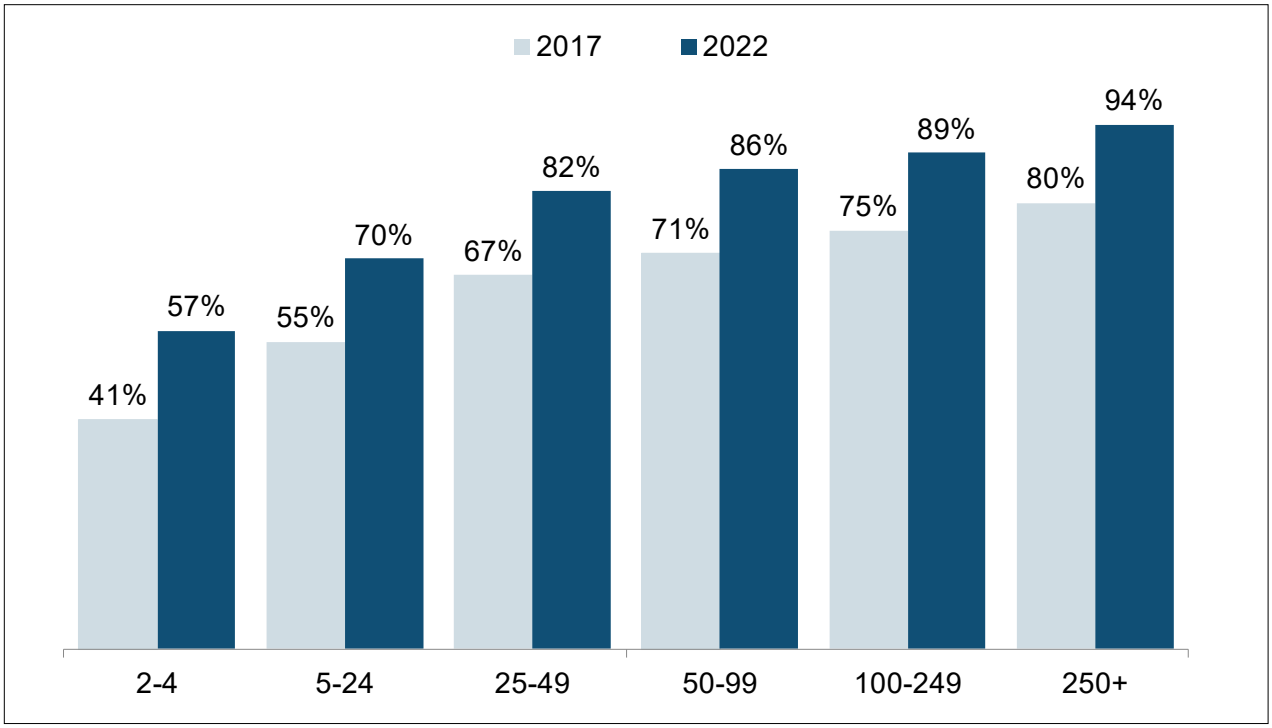
By sector, employers in Construction and Education were most likely to use public external training sources (37% in each sector among those using external providers), alongside Manufacturing (34%) and Health and Social Work employers (33%).

Online training or e-learning

Around two-thirds of training employers (67%) had funded or arranged online training or e-learning for their staff over the past 12 months. This represents a large increase from 2017 (51%). The proportion offering this mode of training increased across all nations and remained most common in Wales (69%), followed by England (67%) then Scotland (66%). Despite being the least likely nation to provide online training, Northern Ireland employers saw the largest increase in online training provision (60% vs. 42% in 2019).

As in 2017, use of online training or e-learning increased with size of establishment, from three-fifths (57%) of those with 2 to 4 employees to almost all (94%) of those with 250 or more staff, as shown in Figure 6-7. However, it is the first time in the ESS series that the majority of training employers with 2 to 4 employees have provided online training to staff.

Figure 6-7 Proportion of employers providing online training over the previous 12 months, by size (2017-2022)

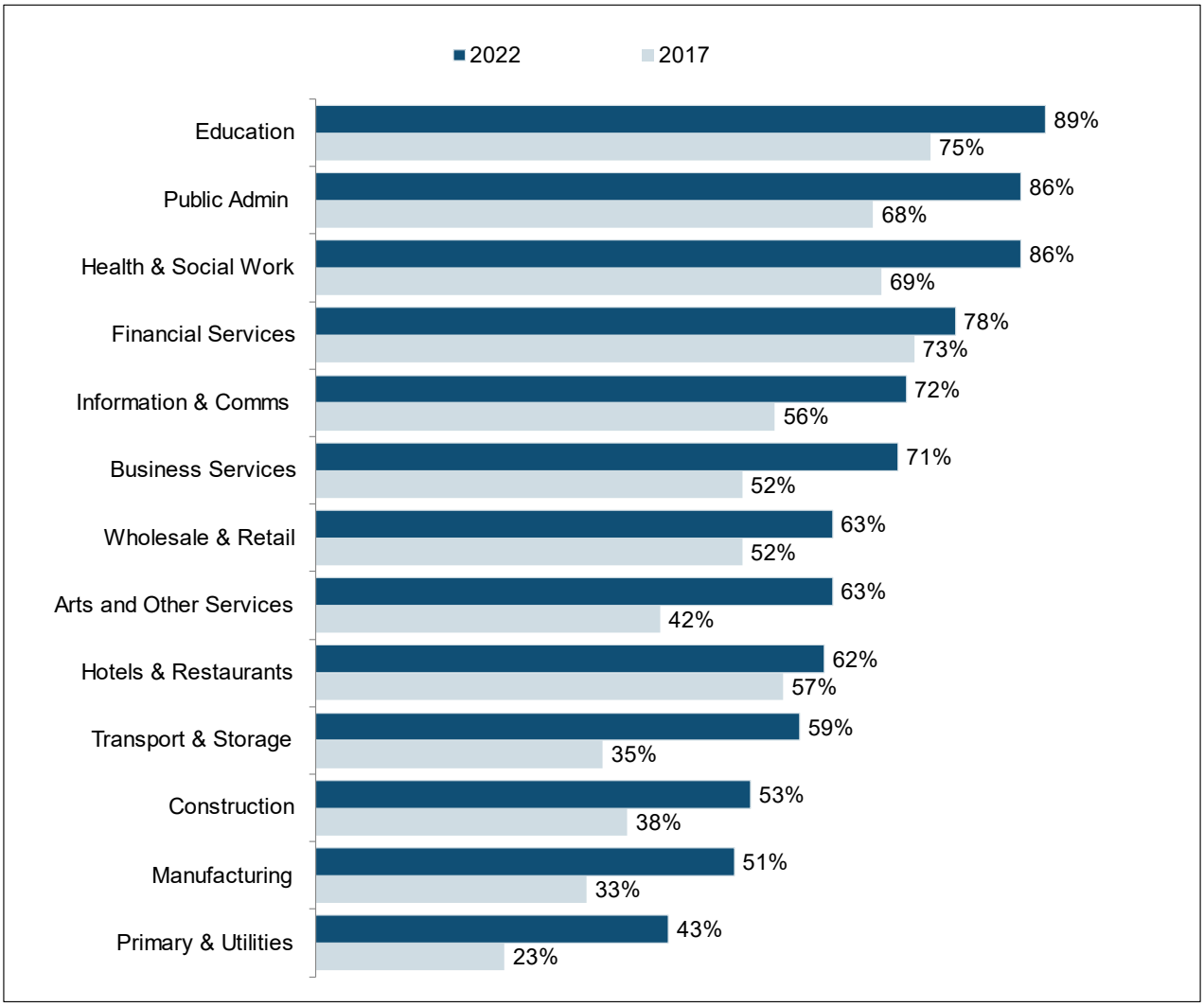


Base: All establishments providing training (2017: 67,950; 2022: 51,077). Individual base sizes are shown in Appendix H: Base sizes

As illustrated in Figure 6-8, use of online training or e-learning was highest among employers that trained in the non-market services of Education (89%), Public Administration, (86%) Health and Social Work (86%). It was least common within the Primary Sector and Utilities (43%), now the only sector where fewer than half of training employers had used online or e-learning over the last 12 months.

Although there have been increases in the use of online training in all sectors since 2017, particularly large increases were seen in Transport and Storage (59%, up from 35% in 2017), Arts and Other Services (63%, up from 42% in 2017) and, despite being least likely to provide online training, the Primary Sector and Utilities (43%, up from 23% in 2017).

Figure 6-8 Proportion of employers providing online training over the previous 12 months, by sector (2017-2022)



Base: All establishments providing training (2022: 51,077; 2017: 67,950). Individual base sizes are shown in Appendix H: Base sizes

Just under half (46%) of training employers offered other self-learning (i.e., other than online or e-learning) where the employee does the learning at a time of their own choosing, up from 42% in 2017. As with online or e-learning, employers that trained in Northern Ireland were the least likely to offer other self-learning (40%). Employers in England were the most likely to offer it (47% vs. 45% in Scotland and 44% for Wales).

Subgroup patterns were similar to those found for online training. Likelihood of offering other self-learning increased with size, ranging from two-fifths (40%) offering it among training employers with 2 to 4 staff, to 72% among those with 250 or more staff.

By sector, other self-learning was most commonly offered by training employers in Education (72%), Health and Social Work (65%), and Financial Services (64%). The Education sector saw by far the largest increase in offering other self-learning since 2017, up 16 percentage points from 56% in 2017; no other sector saw an increase of more than 8 percentage points. As with online training, employers in Primary Sector and Utilities were least likely to have offered other self-learning (28%).

A detailed breakdown of results on provision of online training or e-learning and other self-learning by nation, size and sector can be found in Table 216 in the published data tables.

Training to nationally recognised qualifications

In addition to measuring the quantity and type of training provided, the survey also assessed the extent to which training was designed to lead to nationally recognised qualifications – a potential proxy for quality of training.

Overall, 44% of training employers offered training intended to lead to a nationally recognised qualification. This was similar to 2017 levels (45%) but continues a downward trend from 2015 (47%). The number of staff on training leading to nationally recognised qualifications in the previous 12 months has remained consistent with 2017 (3.4 million).

Overall, just under a fifth (19%) of all staff who received training in the previous 12 months were trained towards a nationally recognised qualification as shown in Table 6-11, unchanged from 2017.

As in previous years, employers in Wales that provided training were the most likely to have offered training designed to lead to a nationally recognised qualification (46%), though this has decreased from 49% in 2019. Employers in Northern Ireland were the least likely to do so (37%), again lower than in 2019 (40%). The proportion of training employers in England and Scotland offering training leading to nationally recognised qualifications was similar to the respective proportions at the last data point reported (England: 44% vs. 43% in 2019; Scotland: 42% vs. 41% in 2017).

Table 6-10 Proportion of training employers that arranged training to nationally recognised qualifications (among training employers) and the volume of staff trained over the previous 12 months (2015-2022)

	Employers that train						
Year	**2015**	**2017**	**2022**				
Group	**All**	**All**	**All**	**England**	**N. Ireland**	**Wales**	**Scotland**
Trained any staff to a qualification	47%	45%	44%	44%	37%	46%	42%
Number trained to a qualification	3.5m	3.4m	3.4m	3.0m	0.1m	0.2m	0.2m

Base: Establishments that train (2015: 64,647; 2017: 62,951; 2022: All: 67,950; England: 55,775: Northern Ireland: 2,893; Wales: 4,283; Scotland: 4,999)
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

Table 6-11 Proportion of staff trained to nationally recognised qualifications over the previous 12 months (2022)

2022	Of staff trained, % trained to a qualification over the last 12 months	Of all employees, % trained to a qualification over the last 12 months
Total	19%	11%
England	19%	12%
Northern Ireland	13%	8%
Wales	21%	13%
Scotland	15%	9%

Base: All establishments (England: 59,486; Northern Ireland: 3,400; Wales: 4,825; Scotland: 5,207)

Larger training employers were more likely to provide training intended to lead to a nationally recognised qualifications; four-fifths (80%) of those with 250 or more employees had done so, compared with a third (33%) of those with 2 to 4 employees. As shown in Table 6-12, employers with 250 or more staff were also more likely to offer training to nationally recognised qualifications compared to 2017 (80%, up from 74% in 2017). For all other size groups, the proportion offering this training had stayed similar, or had decreased since 2017.

Despite this, a greater proportion of trainees at smaller establishments were trained towards nationally recognised qualifications. Around a quarter of trainees at establishments with 2 to 4 employees and 5 to 24 employees received such training (24% and 23% respectively), compared with around one in six (17%) of trainees among the largest establishments with 250 or more staff. However, compared with 2017, the proportion of trainees trained at smaller establishments decreased (24% vs.27% in 2017 for establishments with 2 to 4 employees), whereas at the largest establishments with 250 or more employees it increased (17%, up from 13%).

By sector, offering the opportunity to train towards nationally recognised qualifications was most common among training employers in the Education (65%), Health and Social Work (59%), Construction (55%) and Public Administration (54%) sectors. Construction and Financial Services trainees however were most likely to have been trained to nationally recognised qualifications (33% and 29% respectively). Training employers in Information and Communications were the least likely to offer this kind of training (30%) and this also translated into the lowest proportion of trainees trained to these qualifications in this sector (10%).

Table 6-12 Incidence of training to nationally recognised qualifications among employers that train, and proportion of trainees trained to nationally recognised qualifications (2017-2022)

	2017			2022		
	Trained staff to qualification	% of all trainees trained to quals	% of all staff trained to quals	Trained staff to qualification	% of all trainees trained to quals	% of all staff trained to quals
	%	%	%	%	%	%
All	45	19	12	44	19	11
Size						
2 to 4	35	27	11	33	24	9
5 to 24	49	25	14	46	23	12
25 to 49	62	23	15	60	20	13
50 to 99	68	20	13	67	18	12
100 to 249	72	17	12	73	16	11
250+	74	13	9	80	17	8
Sector						
Primary Sector and Utilities	46	25	13	42	25	11
Manufacturing	43	19	9	42	18	9
Construction	51	35	18	55	33	16
Wholesale and Retail	38	12	7	37	13	7

Hotels and Restaurants	50	19	12	36	14	9
Transport and Storage	39	21	11	39	23	11
Information and Communications	31	10	5	30	10	6
Financial Services	51	16	11	44	29	22
Business Services	39	17	10	41	20	11
Public Administration	56	16	10	54	14	10
Education	66	14	11	65	12	10
Health and Social Work	61	28	22	59	24	18
Arts and Other Services	46	24	14	44	25	14

Base for 'Trained staff to qualifications' and 'Proportion of trainees trained to qualifications': Establishments providing training (2017: 62,951; 2022: 51,077)
Base for 'Proportion of all staff trained to qualifications': All establishments (2017: 81,413; 2022: 72,918).

Subgroup base sizes are shown in Appendix H: Base sizes

Table 6-13 shows the qualification levels that training employers offered training towards. Employers were less likely to train to Levels 1, 2 and 3 compared to 2017 and 2015, though the proportion providing training to Level 4 or above qualifications was unchanged (14%). Results earlier in this section show that training employers in Wales were more likely to train staff to qualifications. They were more likely to train to Level 2 qualifications than other UK nations (15% vs. 12% in UK overall).

Table 6-13 Level of qualifications trained staff worked towards (2015-2022)

	2015	2017	2022				
	All	All	All	England	N. Ire-land	Wales	Scot-land
	%	%	%	%	%	%	%
Level 1 or equivalent	9	8	6	6	5	6	7
Level 2 or equivalent	17	15	12	13	10	15	7
Level 3 or equivalent	18	17	15	15	12	16	9
Level 4/5	n/a	n/a	9	9	10	10	-
Level 6+	n/a	n/a	7	7	7	7	-
Summary: Level 4+	*15*	*14*	*14*	*14*	*14*	*15*	-

Base: All establishments providing training (2015: 64,647; 2017: 62,951; 2022: All: 51,077; England: 41,406; Northern Ireland: 2,248; Wales: 3,421; Scotland: 3,822)
More than one level can be selected. Scotland has been excluded from figures relating to Level 4/5 and Level 6+ due to not having equivalent data. In 2015 and 2017 respondents were prompted as 'Level 3 and above' as the highest level, so it is not possible to break down results between Level 4/5 and Level 6 for these waves

Training to vocational qualifications

A fifth (19%) of employers that trained said they had arranged or funded training intended to lead to a vocational qualification (VQ) in the last 12 months, equating to 11% of all employers, as shown in

Table 6-14.[21] This increased to a third (33%) when only looking at employers who provided external training to their staff.

In terms of nation, employers that trained in Northern Ireland were least likely to have provided training towards VQs (14%); similar proportions had done so in Wales (20%), England (19%) and Scotland (19%). The likelihood of providing training designed to lead to VQs increased with establishment size, from 13% of training employers with 2 to 4 employees, to over half (54%) of employers with 250 or more staff.

Table 6-14 Proportion of employers training towards vocational qualifications, by nation and size

	All	All that train
	%	%
Total	11	19
Nation	%	%
England	11	19
Northern Ireland	8	14
Wales	12	20
Scotland	12	19
Size	%	%
2 to 4	6	13
5 to 24	14	19
25 to 49	25	29
50 to 99	32	35
100 to 249	40	41
250+	54	54

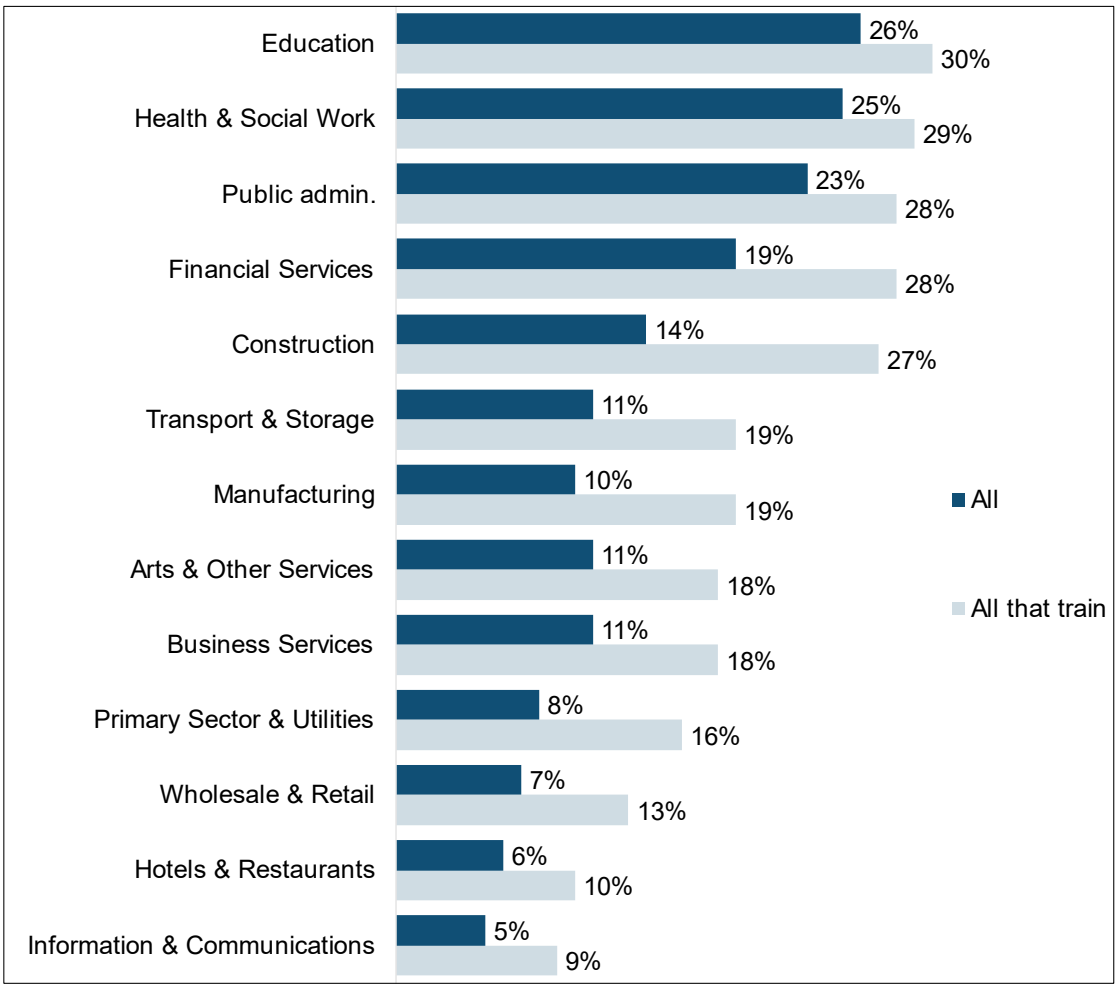
Bases: All establishments in Module B (2022: 13,437); Establishments that train in Module B (2019: 9,366) Base sizes are shown in Table 246 and Table 247 in the published data tables

By sector, employers that trained in the Education (30%), Health and Social Work (29%), Public Administration (28%) and Financial Services (28%) sectors were most likely to have provided training to VQs. Employers in the Information and Communications (9%),

[21] Note – this section does not include any comparisons to ESS 19 due to the omission of Scotland from ESS 19 figures. In addition, no comparisons are made with EPS 16 due to differences in the way questions were asked. In ESS 22, only those who trained off-the-job and who undertook external training were asked whether they had arranged or funded training designed to lead to recognised vocational qualifications in the last 12 months. In contrast, this same question was asked of all employers that trained in EPS 16.

and Hotels and Restaurants (10%) sectors were least likely to do so, as shown in Figure 6-9.

Figure 6-9 Proportion of employers training to vocational qualifications, by sector



Base: All establishments in Module B (13,437); All establishments providing training in Module B (9,366)

Barriers and limits on training

Training employers

Almost half (47%) of establishments that had provided training over the previous 12 months would have liked to provide more training than had been funded or arranged, slightly higher than in 2017 (45%). There was little difference by nation, though Scotland saw fewer employers report this desire compared to 2017 (46% vs. 51%). The proportion wanting to provide more training increased with establishment size, from two-fifths (42%) of training establishments with 2 to 4 employees, to seven in ten (68%) with 250 or more employees.

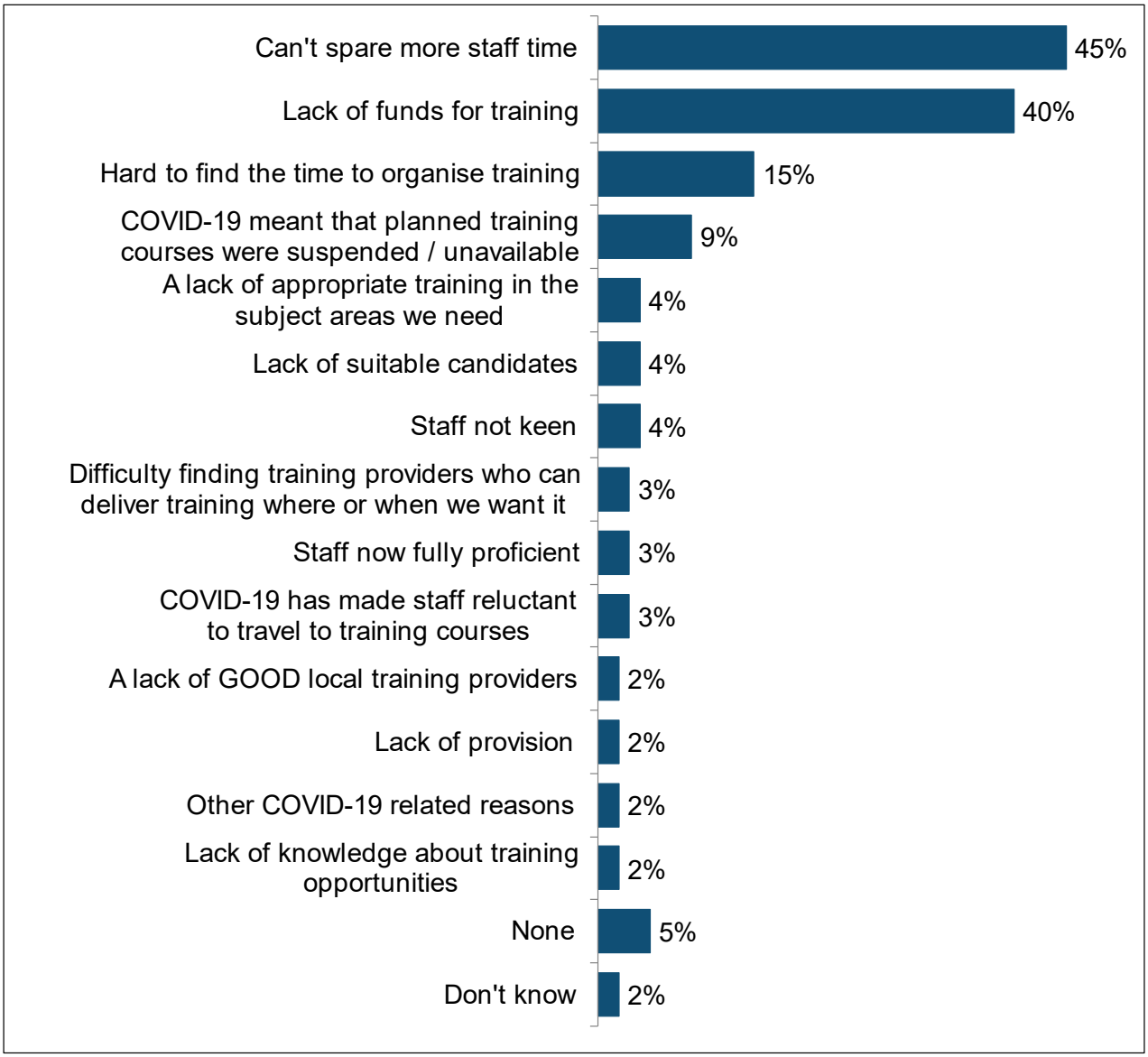
At sector level, the desire for more training among training establishments was most prevalent in Education (59%) and Arts and Other Services (54%) sectors and was least common in the Financial Services sector (32%).

Among establishments that would have liked to provide more training, the main barriers to doing so were not being able to spare more staff time (45%), and lacking funds for training (40%) as shown in Figure 6-10. Lacking funds was the more common barrier of the two in 2017, though both have decreased in prevalence (51% cited lack of funds and 50% cited not being able to spare more staff time). There was a particularly sharp decrease in the proportion mentioning a lack of funds as a barrier among establishments with 250 or more employees (44% vs. 66% in 2017).

Small employers with 2 to 4 staff were less likely to mention not being able to spare more staff time than other size groups (41% vs. 47% of those with 5 or more staff). Lack of funds were most likely to be cited as a barrier by the smallest and the largest establishments (43% of with 2 to 4 staff, and 44% with 250 or more staff), and least likely among those with 5 to 24 or 25 to 49 staff (37% and 39% respectively).

Government funded organisations and charity or voluntary sector organisations were more likely to report that lack of funds was a barrier to providing more training (55% and 52% respectively, vs. 38% in the private sector). Specifically, employers in the Education sector were more likely than average to mention both a lack of funds and not being able to spare more staff time as barriers to providing the extra training they wanted (60% and 52% respectively), though the latter was most commonly mentioned by those operating in the Financial Services sector (55%).

Figure 6-10 Barriers to providing more training (unprompted)



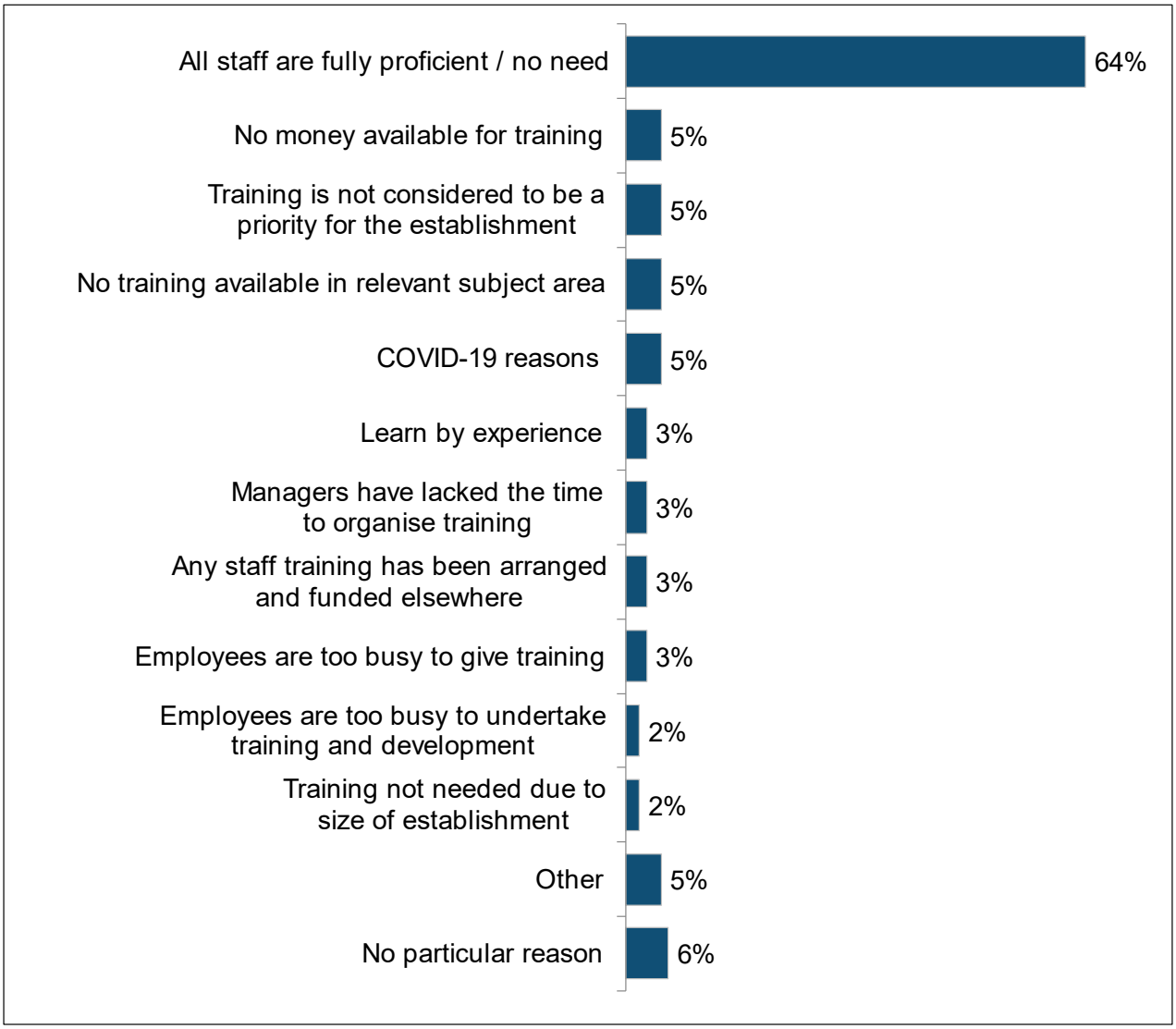
Base: All training establishments who would have provided more training in the past 12 months if they could (25,129)
NB. Responses less than 2% not charted: Staff turnover, training not a management priority, decisions taken at Head Office, and other

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 249 and Table 250 in the published data tables.

Non-training employers

Two-fifths (40%) of employers had not provided any training or development for their staff in the last 12 months. Figure 6-11 shows the main reasons why employers had not trained any of their staff in that time period, with by far the most common reason being that all staff are fully proficient or that there was no need to train (64%). This was also the key reason cited in 2017 (by 67%).

Figure 6-11 Barriers to providing training among non-training employers (unprompted)



Base: All non-training establishments (excluding don't know responses) (20,867)

Not providing training because all staff were believed to be fully proficient was particularly common among small establishments (68% with 2 to 4 employees and 56% of those with 5 to 24 employees); it was least commonly mentioned among employers with 50 to 99 employees (27%).

By sector, Construction (71%), Manufacturing (69%) and Primary Sector and Utilities (67%) establishments were most likely to mention this reason, while it was much less common (though still the most cited reason) for Public Administration (39%) and Health and Social Work (43%) establishments. Not providing training because of lack of funds was most common among Education (14%), Health and Social Work (8%) and Arts and Other Services establishments (8%).

In terms of other subgroup patterns, employers in non-market service sectors including Public Administration, Education and Health and Social Work were more likely to mention not running planned training courses due to COVID-19 (10%, 10% and 7% respectively, vs. 4% overall). Arts and Other Services establishments were also more likely to report this (8%).

The Health and Social Work sector was also more likely to report staff training being arranged and funded elsewhere as their reason for not training (11% vs. 3% overall).

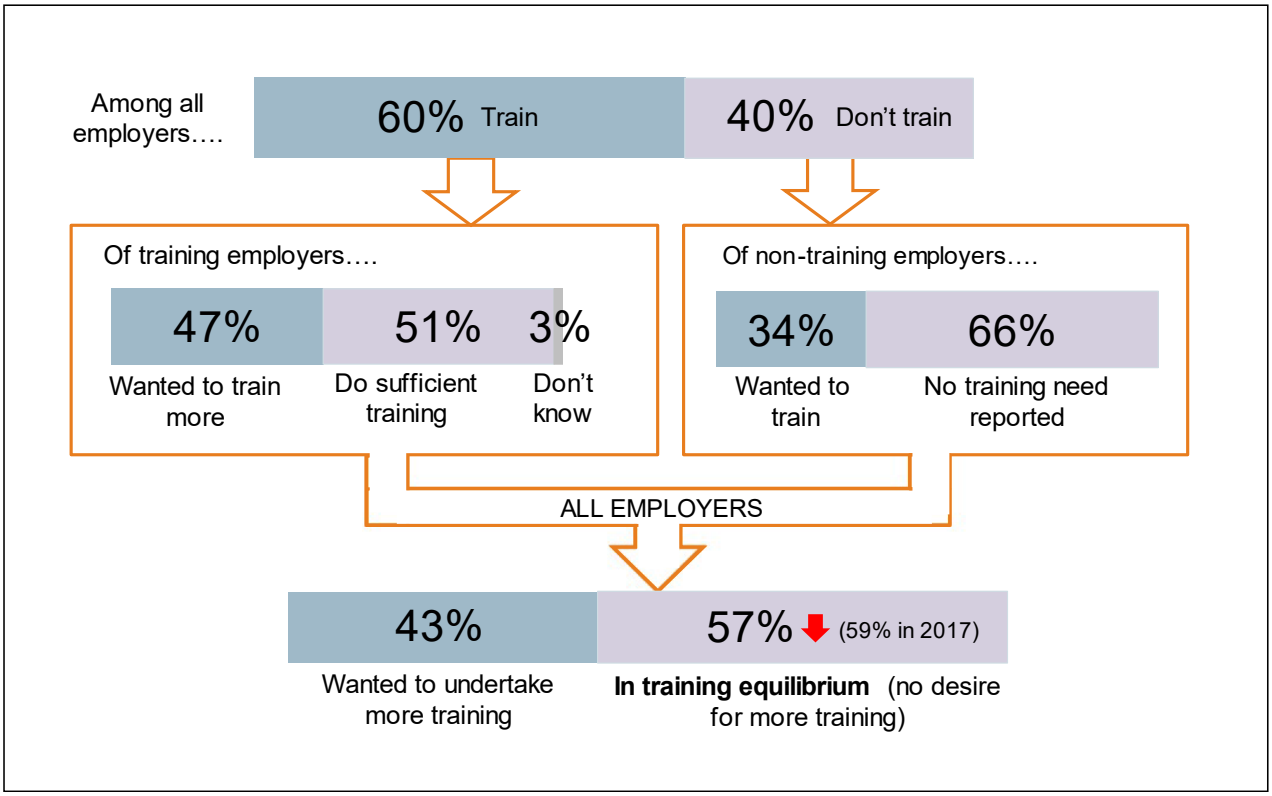
Training equilibrium

Figure 6-12 shows the proportion of employers that were in 'training equilibrium', meaning that they had not wished to undertake more training over the previous 12 months (in the case of non-training employers this means they had no wish to have undertaken any training).[22]

Overall, just under six in ten (57%) employers were in training equilibrium; a decrease from the 59% seen in 2017. The remaining four in ten (43%) were not in training equilibrium i.e., they would have liked to provide more training for staff over the previous 12 months. This is an increase from 41% of employers not in training equilibrium in 2017. It was more common for training employers to have wanted to undertake more training (49% vs. 34% of non-training employers).

[22] 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. Additionally, training employers that answered 'don't know' when asked if they would have liked to train more were classified as not being in training equilibrium.

Figure 6-12 Proportion of employers in training equilibrium



Base: All establishments (72,918)

Employers in Northern Ireland were least likely to desire more training (41%), though this represented an increase from 2019 levels (38%). A similar proportion of employers in England (44%), Scotland (43%) and Wales (43%) desired more training. Whereas, like Northern Ireland, these results represented increases in England (up from 39% in 2019) and Wales (up from 41% in 2019), Scotland was the only nation to see a decrease in the proportion of employers desiring training from its last data point (down from 45% in 2017).

The desire for more training increased as establishment size increased, ranging from just under two-fifths (37%) of employers with 2 to 4 employees, to over seven in ten (72%) employers with 250 or more staff. The proportion of employers that desired more training increased across all size groups compared to 2017, with the largest increase among those with 250 or more employees (from 65% in 2017, to 72% in 2022).

By sector, the proportion of employers desiring more training was highest in Education (61%), Health and Social Work (56%) and Arts and Other Services sectors (50%). The lowest proportions were found in the Primary Sector & Utilities (35%) and Financial Services sector (36%). Most sectors saw increases in the proportion of employers desiring more training. The exceptions were the Public Administration (49% vs. 52% in 2017) and Financial Services sectors (36% vs. 38%). There was also little to no change

in the Wholesale and Retail (42% vs. 43% in 2017) and Transport and Storage (39% for both years) sectors.

Investment in training

Introduction

In order to collect accurate training expenditure information from employers, a follow-up 'Investment in Training' was conducted with employers that had indicated they provide training during the main Employer Skills Survey. The approach to this follow-up survey replicated that of the Investment in Training surveys conducted in 2019, 2017, 2015, 2013 and 2011.

This section explores overall training expenditure and how this has changed over time; spend per trainee and employee; the split between on-the-job and off-the-job training costs and investment; and how spend on individual components is broken down.

Overall spend on training

Total employer expenditure on training and development over the previous 12 months was £53.6 billion. The total spend on on-the-job training was more than off-the-job training spend (£28.2 billion and £25.4 billion respectively).

The 2022 training expenditure of £53.6 billion represents an 8% decrease in real terms on the 2017 figure of £58.1 billion.[23] Note, that for figures from earlier years, inflation has been taken into account.[24] In Wales, training spend increased from £2.0 billion to £2.3 billion, an increase of 15% compared with 2019.[25] In Scotland, total training expenditure decreased by £4.8 billion to £4.1 billion (a 14% decrease in real terms compared with 2017).[26] In Northern Ireland, the change compared with 2019 was less pronounced, with an increase from £1.2 billion to £1.3 billion. This figure represented an increase of 8%

[23] Where Investment in Training figures for previous years are presented in the 2022 report, they may differ from those presented in earlier reports for two reasons – 1) due to a change in the methodology used for calculating the labour cost up-weight, and 2) due to figures being presented in '2022 prices' (i.e. adjusted for inflation). Please see Chapter 3 of the accompanying technical report for further detail.
[24] We have adjusted 2019, 2017, 2015, 2013 and 2011 training expenditure figures to reflect inflation, so that in effect they are presented in '2022 prices.' The adjustments used were an uplift of 12.9% for the original 2019 data collected, 17.7% for 2017, 21.7% for 2015, 23.6% for 2013 and 30.3% for 2011. Source: ONS, *Consumer price inflation tables 2023* (2023), Table 20a
[25] Percentage decreases have been calculated using unrounded figures. Monetary values reported in this section are rounded to the nearest £100 million unless otherwise stated.
[26] Employers in Scotland were not interviewed as part of the 2019 Investment in Training Survey. When looking at trends over time, the latest comparative data point for Scotland is 2017. It is 2019 for England, Northern Ireland and Wales. When not looking at figures at a national level, time series comparisons are made against data from 2017.

compared with 2019. In England, this figure increased from £44.9 billion to £45.8 billion, a 2% increase.

The biggest decrease (in percentage terms) in total training expenditure occurred among establishments with 2-4 employees, where spend decreased from £8.1 billion in 2017 to £7.0 billion in 2022 (a decrease of 14%). The only size group that did not see a reduction in training spend in real terms were those with 50-99 employees. This group saw an increase from £7.1 billion to £7.6 billion, a 7% increase on 2017, although this sum was below the training expenditure figure of £8.1 billion seen in 2015.

Employers in the Wholesale and Retail sector the largest decrease in total training expenditure, from £8.5 billion in 2017 to £5.5 billion in 2022. This amounted to a 35% decrease in spend compared to 2017. There were also large decreases in training spend in the Arts and Other Services (£2.2 billion in 2022 vs. £3.1 billion in 2017; a 28% decrease) and Public Administration sectors (£2.4 billion vs. £3.0 billion; an 18% decrease). Some sectors saw an increase in their total training expenditure; the largest in percentage terms were in the Information and Communications (a 16% increase) and Financial Services sectors (10%).

Table 6-15 Total training expenditure (2011 to 2022), in 2022 prices, by nation and size

	2011	2013	2015	2017	2019	2022
	£ billion (bn)	£ billion (bn)	£ billion (bn)	£ billion (bn)	£ billion (bn)	£ billion (bn)
Total	**59.1bn**	**55.2bn**	**56.4bn**	**58.1bn**	**-**	**53.6bn**
Nation	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
England	50.3bn	46.8bn	48.4bn	49.4bn	44.9bn	45.8bn
Northern Ireland	1.6bn	1.4bn	1.2bn	1.4bn	1.2bn	1.3bn
Wales	2.2bn	2.5bn	2.6bn	2.6bn	2.0bn	2.3bn
Scotland	5.0bn	4.5bn	4.2bn	4.8bn	N/A	4.1bn
Size	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
2 to 4 employees	7.3bn	7.1bn	7.3bn	8.1bn	-	7.0bn
5 to 24 employees	16.2bn	16.4bn	17.5bn	18.1bn	-	16.7bn
25 to 49 employees	8.3bn	8.3bn	7.9bn	8.8bn	-	7.7bn

50 to 99 employees	7.4bn	7.1bn	8.1bn	7.1bn	-	7.6bn
100 or more employees	19.8bn	16.3bn	15.7bn	16.0bn	-	14.7bn

Base: Establishments completing the Investment in Training study (UK 2011: 11,027; 2013: 12,522; 2015: 12,614; 2017: 12,466; 2019 (excluding Scotland): 10,255; 2022: 11,832)
Total spend rounded to the nearest £100,000,000
A full breakdown of the base sizes by nation, size and sector can be found in Appendix H: Base sizes

Table 6-16 Total training expenditure (2017 to 2022), in 2022 prices, by sector

Sector	2017	2022
	£ billion (bn)	£ billion (bn)
Primary Sector & Utilities	1.4bn	1.2bn
Manufacturing	4.0bn	3.7bn
Construction	3.6bn	3.9bn
Wholesale & Retail	8.5bn	5.5bn
Hotels & Restaurants	4.1bn	3.7bn
Transport & Storage	2.1bn	1.8bn
Information & Communications	1.9bn	2.2bn
Financial Services	1.7bn	1.8bn
Business Services	12.8bn	13.1bn
Public Administration	3.0bn	2.4bn
Education	4.9bn	4.9bn
Health & Social Work	7.3bn	7.2bn
Arts & Other Services	3.1bn	2.2bn

Base: Establishments completing the Investment in Training study (UK; 2017: 12,466; 2022: 11,832)
Total spend rounded to the nearest £100,000,000
A full breakdown of the base sizes by nation, size and sector can be found in Appendix H: Base sizes

Training spend per trainee and per employee

Employers' total investment in training over the previous 12 months was equivalent to around £2,950 per person trained, equivalent to £1,780 per employee. Training spend per person trained was highest in England (£2,970) compared with Northern Ireland (£2,630), Scotland (£2,870) and Wales (£2,920). Compared with 2019, the largest increase in spend per trainee, in percentage terms, was in Wales (£2,440 in 2019). This equated to a 20% increase. England and Northern Ireland saw increases of 1% (£2,950 in 2019) and 5% (£2,510 in 2019) respectively. In Scotland, spend per trainee decreased by 9% compared with 2017 (£3,170).

As in 2015 and 2017, training spend per trainee decreased with employer size in 2022. Employers with 2-4 employees spent almost four times as much per trainee than those with 100 or more employees (£6,810 compared to £1,720), a pattern which is likely to reflect economies of scale available to larger employers.

By sector, expenditure per trainee was, as in 2015 and 2017, highest among employers in the Construction sector (£5,920). This was followed by establishments within the Business Services (£4,090) and Information and Communications (£3,820) sectors. The sectors with the lowest spend per trainee in 2022 were Public Administration (£2,260), Wholesale and Retail (£2,340) and Education (£2,360).

Table 6-17 Spend per Trainee (2011 to 2022), in 2022 prices, by nation and size

	2011	2013	2015	2017	2019	2022
	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)
Total	**4.0k**	**3.3k**	**3.2k**	**3.2k**	**-**	**3.0k**
Nation	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
England	4.1k	3.3k	3.3k	3.2k	2.9k	3.0k
Northern Ireland	3.8k	3.4k	2.5k	3.0k	2.5k	2.6k
Wales	3.4k	3.5k	3.4k	3.6k	2.4k	2.9k
Scotland	3.6k	3.0k	2.9k	3.2k	N/A	2.9k
Size	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
2 to 4 employees	7.7k	7.2k	7.2k	7.2k	-	6.8k

5 to 24 employees	4.8k	4.7k	4.7k	4.8k	-	4.2k
25 to 49 employees	4.2k	4.0k	3.5k	3.8k	-	3.3k
50 to 99 employees	3.7k	3.2k	3.5k	3.0k	-	3.2k
100 or more employees	3.1k	2.1k	1.9k	1.9k	-	1.7k

Base: Establishments completing the Investment in Training study (UK 2011: 11,027; 2013: 12,522; 2015: 12,614; 2017: 12,466; 2019 (excluding Scotland): 10,255; 2022: 11,832)
Total spend rounded to the nearest £100
A full breakdown of the base sizes by nation, size and sector can be found in Appendix H: Base sizes

Table 6-18 Spend per Trainee (2017 to 2022), in 2022 prices, by sector

Sector	2017	2022
Primary Sector & Utilities	3.5k	3.3k
Manufacturing	3.4k	3.1k
Construction	5.9k	5.9k
Wholesale & Retail	3.2k	2.3k
Hotels & Restaurants	3.1k	2.5k
Transport & Storage	3.0k	2.4k
Information & Communications	3.4k	3.8k
Financial Services	2.4k	3.2k
Business Services	3.9k	4.1k
Public Administration	3.9k	2.3k
Education	2.5k	2.4k
Health & Social Work	2.4k	2.3k
Arts & Other Services	3.8k	3.1k

Base: Establishments completing the Investment in Training study (UK 2017: 12,466; 2022: 11,832)
Total spend rounded to the nearest £100
A full breakdown of the base sizes by nation, size and sector can be found in Appendix H: Base sizes

Difference in training spend per employee by survey subgroups are shown in Table 6-19.

Table 6-19 Spend per Employee (2011 to 2022), in 2022 prices, by nation and sector

	2011	2013	2015	2017	2019	2022
	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)	£ thousand (k)
Total	**2.2k**	**2.0k**	**2.0k**	**2.0k**	**-**	**1.8k**
Nation	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
England	2.2k	2.1k	2.1k	2.0k	1.8k	1.8k
Northern Ireland	2.1k	2.0k	1.6k	1.8k	1.6k	1.7k
Wales	1.9k	2.1k	2.2k	2.1k	1.6k	1.8k
Scotland	2.1k	1.9k	1.8k	2.0k	N/A	1.7k
Size	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
2 to 4 employees	3.1k	3.0k	3.1k	3.0k	-	2.5k
5 to 24 employees	2.5k	2.5k	2.6k	2.6k	-	2.4k
25 to 49 employees	2.4k	2.5k	2.3k	2.5k	-	2.1k
50 to 99 employees	2.2k	2.1k	2.3k	2.0k	-	2.1k
100 or more employees	1.7k	1.4k	1.3k	1.3k	-	1.1k

Base: Establishments completing the Investment in Training study (UK 2011: 11,027; 2013: 12,522; 2015: 12,614; 2017: 12,466; 2019 (excluding Scotland): 10,255; 2022: 11,832)
Total spend rounded to the nearest £100
A full breakdown of the base sizes by nation, size and sector can be found in Appendix H: Base sizes

Table 6-20 Spend per Employee (2017 to 2022), in 2022 prices, by sector

Sector	2017	2022
Primary Sector & Utilities	1.8k	1.5k
Manufacturing	1.6k	1.5k

Construction	3.0k	2.9k
Wholesale & Retail	1.9k	1.2k
Hotels & Restaurants	1.9k	1.6k
Transport & Storage	1.6k	1.2k
Information & Communications	1.8k	2.1k
Financial Services	1.8k	2.4k
Business Services	2.4k	2.2k
Public Administration	2.3k	1.7k
Education	1.9k	1.8k
Health & Social Work	1.9k	1.7k
Arts & Other Services	2.3k	1.7k

Base: Establishments completing the Investment in Training study (UK 2017: 12,466; 2022: 11,832)
Total spend rounded to the nearest £100

Breakdown of training spend

Real terms spend on both off-the-job and on-the-job decreased in 2022 when compared to 2017. Off-the-job expenditure was £25.4 billion compared with £28.9 billion in 2017. For on-the-job training, the overall training spend decreased from £29.2 billion in 2017 to £28.2 billion in 2022.

This reduction in training spend is consistent with the reduction in the proportion of employers providing training compared to 2017 (66% vs. 60% in 2022). The greater reduction in off-the-job training spend than on-the-job compared with 2017 also reflects the decreases seen earlier in this chapter. The proportion of employers offering off-the-job training in 2022 decreased by 9% compared with 2017 (39% vs. 48%). The proportion offering on-the-job decreased by 4% (49% vs. 53%).

Most individual course-related components of off-the-job training decreased compared with 2017. The notable exception here was trainee labour costs, which increased from £6.6 billion to £7.8 billion in 2022.

Costs related to on-site training centres (£3.4 billion vs. £2.2 billion in 2017) and training management (£10.0 billion vs. £7.3 billion) saw notable decreases in 2022. Similarly, travel and subsistence costs decreased from £0.5 billion in 2017 to £0.3 billion. Costs related to seminars, workshops, or open or distance learning remained consistent with the level of expenditure seen in 2017.

The decrease in on-the-job training expenditure seen in 2022 was driven by a reduction in trainers' labour costs from £10.9 billion in 2017 to £9.4 billion. Similar to off-the-job training, on-the-job trainee labour costs rose in 2022 (£18.8 billion compared to £18.3 billion in 2017).

Table 6-21 Total training expenditure broken down by individual components (2017 to 2022), in 2022 prices

	2017	2022/2023
	£ billion (bn)	£ billion (bn)
Total training expenditure	**58.1bn**	**53.6bn**
Off-the-job training: total	**28.9bn**	**25.4bn**
Off-the-job training: Course-related	**24.6bn**	**21.1bn**
Trainee labour costs	6.6bn	7.8bn
Fees to external providers	3.0bn	2.6bn
On-site training centre	3.4bn	2.2bn
Off-site training centre (in the same company)	0.9bn	0.6bn
Training management	10.0bn	7.3bn
Non-training centre equipment and materials	0.5bn	0.6bn
Travel and subsistence	0.5bn	0.3bn
Levies minus grants	-0.2bn	-0.4bn
Off-the-job training: other (seminars, workshops, etc.): total	**4.3bn**	**4.3bn**
Trainee labour costs	3.2bn	3.2bn
Fees to external providers	1.2bn	1.1bn
On-the-job training: total	**29.2bn**	**28.2bn**
Trainee labour costs	18.3bn	18.8bn
Trainers' labour costs	10.9bn	9.4bn

Base: Establishments completing the Investment in Training study (UK 2017: 12,466; 2019: 10,255; 2022: 11,832)
Figures rounded to the nearest £100,000,000

The greatest disparity between on-the-job and off-the-job spend was in Wales, where 58% of total expenditure went towards on-the-job training compared with 42% towards off-the-job training (at an overall level this was 53% vs. 47%). This equated to £1.3 billion and £1.0 billion respectively. The split between spend on off-the-job and on-the-job training was narrowest in England, where 52% of expenditure went towards on-the-job training and 48% on off-the-job training.

Large employers with 100 or more employees spent the highest proportion of training expenditure on on-the-job training (58% vs. 42% on off-the-job training). The opposite was true of the smallest employers (2-4 employees), where the majority (56%) of training spend went towards off-the-job activities (compared to 44% on on-the-job training).

Table 6-22 Total training expenditure and the amount and proportions spent on off-the-job and on-the-job training in 2022, by nation, size and sector

	Expenditure on off-the-job training	**Expenditure on off-the-job training**	**Expenditure on on-the-job training**	**Expenditure on on-the-job training**
	£ billion (bn)	% percent	£ billion (bn)	% percent
Total	**25.4bn**	**47%**	**28.2bn**	**53%**
Nation	**Expenditure on off-the-job training**	**Expenditure on off-the-job training**	**Expenditure on on-the-job training**	**Expenditure on on-the-job training**
England	21.9bn	48%	23.9bn	52%
Northern Ireland	0.6bn	45%	0.7bn	55%
Wales	1.0bn	42%	1.3bn	58%
Scotland	2.0bn	47%	2.2bn	53%
Size	**Expenditure on off-the-job training**	**Expenditure on off-the-job training**	**Expenditure on on-the-job training**	**Expenditure on on-the-job training**
2-4	3.9bn	56%	3.1bn	44%
5-24	8.1bn	49%	8.6bn	51%
25-49	3.2bn	42%	4.4bn	58%
50-99	4.0bn	53%	3.5bn	47%
100 or more	6.2bn	42%	8.5bn	58%

Sector	Expenditure on off-the-job training	Expenditure on off-the-job training	Expenditure on on-the-job training	Expenditure on on-the-job training
Primary Sector and Utilities	0.6bn	53%	0.6bn	47%
Manufacturing	1.4bn	38%	2.3bn	62%
Construction	2.0bn	50%	1.9bn	50%
Wholesale and Retail	2.3bn	41%	3.2bn	59%
Hotels and Restaurants	1.2bn	33%	2.5bn	67%
Transport and Storage	0.8bn	45%	1.0bn	55%
Information and Communications	1.0bn	48%	1.1bn	52%
Financial Services	0.7bn	40%	1.1bn	60%
Business Services	6.7bn	51%	6.4bn	49%
Public Administration	1.5bn	62%	0.9bn	38%
Education	2.6bn	52%	2.4bn	48%
Health and Social Work	3.4bn	48%	3.7bn	52%
Arts and Other Services	1.2bn	55%	1.0bn	45%

Base: Establishments completing the Investment in Training study (2022: 11,832)
Total spend rounded to the nearest £100,000,000

Establishments in the Hotels and Restaurants sector spent the highest proportion of training expenditure on on-the-job training (67% vs. 33% on off-the-job training). The difference in the proportion of training spend allocated to on and off-the-job training was at its narrowest among employers in the Construction sector with an even split between the two (50% respectively).

Key elements of training spend

Wages of trainees made up the greatest proportion of total training expenditure across employers of all nations, establishment sizes and sectors. This made up more than half of training spend across the four nations, with the highest proportion seen in Wales and the lowest in Scotland (59% and 50% respectively). At an overall level, wages of trainees made up 56% (£29.8 billion) of total expenditure on training.[27]

[27] Wages of trainees is defined as the combined total of off-the-job course-related trainee labour costs, other off-the-job trainee labour costs (related to seminars, workshops, etc.) and on-the-job trainee labour costs.

Smaller establishments spent a lower proportion of their training budget on the wages of trainees. This made up less than half of the total for those with 2-4 employees (40%, or £2.8 billion) and 5-24 employees (48%, or £8.1 billion). In contrast for larger establishments with 50-99 employees and 100 or more employees, the wages of trainees made up 66% and 65% of total training expenditure respectively (£5.0 billion and £9.6 billion).

Establishments with fewer than 50 employees saw around one-fifth of their total training expenditure go towards the wages of trainers. In comparison, wages of those delivering on-the-job training made up around 14% of overall training expenditure for those with 50 or more employees.

By sector, the proportion of total training expenditure spent on the wages of trainees was highest among businesses in the Public Administration and Health and Social Work (67% and 64%) sectors. It was lowest in the Primary Sector and Utilities and Construction sectors (41% and 43%).

In total, wages of those delivering on-the-job training made up 18% of overall training expenditure, or £9.4 billion. This was highest in Scotland (20%) and lowest in Wales (16%). By sector, the proportion spent on trainers' wages was highest amongst Wholesale and Retail employers (24%) and lowest amongst Public Administration employers (9%).

Establishments with fewer than 50 employees saw around one-fifth of their total training expenditure go towards the wages of trainers. In comparison, wages of those delivering on-the-job training made up around 14% of overall training expenditure for those with 50 or more employees.

Table 6-23 Proportion spent on key elements (both on-the-job and off-the-job) in 2022, by nation, size and sector

	Wages of trainees	Wages of trainers	Fees to external providers	Other
Total	**56%**	**18%**	**7%**	**20%**
Nation	**Wages of trainees**	**Wages of trainers**	**Fees to external providers**	**Other**
England	56%	17%	7%	19%
Northern Ireland	52%	17%	5%	25%
Wales	59%	16%	6%	20%

Scotland	50%	20%	6%	24%
Size	**Wages of trainees**	**Wages of trainers**	**Fees to external providers**	**Other**
2-4	40%	20%	9%	31%
5-24	48%	21%	7%	24%
25-49	56%	20%	6%	17%
50-99	66%	13%	6%	14%
100 or more	65%	14%	7%	14%
Sector	**Wages of trainees**	**Wages of trainers**	**Fees to external providers**	**Other**
Primary Sector and Utilities	41%	18%	8%	33%
Manufacturing	59%	17%	8%	16%
Construction	43%	23%	9%	25%
Wholesale and Retail	48%	24%	6%	21%
Hotels and Restaurants	58%	23%	3%	17%
Transport and Storage	47%	22%	7%	24%
Information and Communications	55%	17%	12%	16%
Financial Services	58%	17%	9%	16%
Business Services	55%	18%	8%	18%
Public Administration	67%	9%	7%	17%
Education	62%	11%	6%	21%
Health and Social Work	64%	13%	4%	19%
Arts and Other Services	46%	17%	7%	30%

Base: Establishments completing the Investment in Training study (2022: 11,832)

Fees to external providers made up 7% of total training expenditure, while the proportion spent on other activities, such as training management or travel and subsistence costs, was 20%. This equated to £3.7 billion and £10.7 billion respectively. Establishments in Northern Ireland and Scotland (25% and 24% respectively) saw a higher proportion spent on other activities than those in England and Wales (19% and 20% respectively).

The smallest employers with 2-4 employees had the highest proportion of training spend go towards fees to external providers (9%) and other costs (31%). Generally, as employer size increased, the proportion spent on external fees to providers and other costs decreased.

By sector, the Information and Communications sector employers (12%) saw the highest proportion of spend go towards external provider fees. This was lowest amongst those in the Hotels and Restaurants sector (3%). For other costs, the proportion was highest among Primary Sector and Utilities establishments (31%) and lowest among Financial Services employers (16%).

7. Apprenticeships

Chapter summary

One in five employers (19%) offered apprenticeships (similar to 18% in 2016). This included 11% who employed apprentices at the time of interview. Offering apprenticeships was most common in England (20%) and least common in Northern Ireland (14%). Scotland (16%) were also less likely to offer them compared to the UK average. Wales was in line with the UK average (17%).

The likelihood of offering apprenticeships increased with employer size, from 10% among those with 2 to 4 staff to 68% among employers with 250 or more staff. By sector, establishments in the Education, Health and Social Work and Construction sectors (39%, 30% and 25% respectively) were more likely to offer apprenticeships, while those in the Primary Sector and Utilities (10%) were least likely to offer them.

The majority of employers that offered apprenticeships (86%) offer them to new employees who they recruit specifically as apprentices, while more than half (53%) offered them to existing members of staff. Employers who recently started offering apprenticeships said this was something they actively decided to do themselves (62% vs. 22% approached by an external individual or organisation, and 6% a bit of both).

Employers that had recently started offering apprenticeships were most commonly motivated by reasons related to acquiring talent (50%), including, specifically, apprenticeships being a ‘good way to get skilled staff’ (36%). The most common reasons for not offering apprenticeships were structural in nature (61%) including specifically them not being suitable due to the size of the establishment (15%) or the employer not looking to recruit more generally (14%).

Approaching two-fifths (38%) of all establishments reported that they planned to offer apprenticeships in the future, an increase from 30% in 2016. A quarter (25%) of those that were not currently offering apprenticeships planned to offer apprenticeships in future, an increase from 18% in 2016.

Nearly two-fifths (37%) of current apprenticeship employers plan to continue offering them expect apprentice numbers to increase in the next 2 years, an increase from 2016 levels (30%).

Introduction

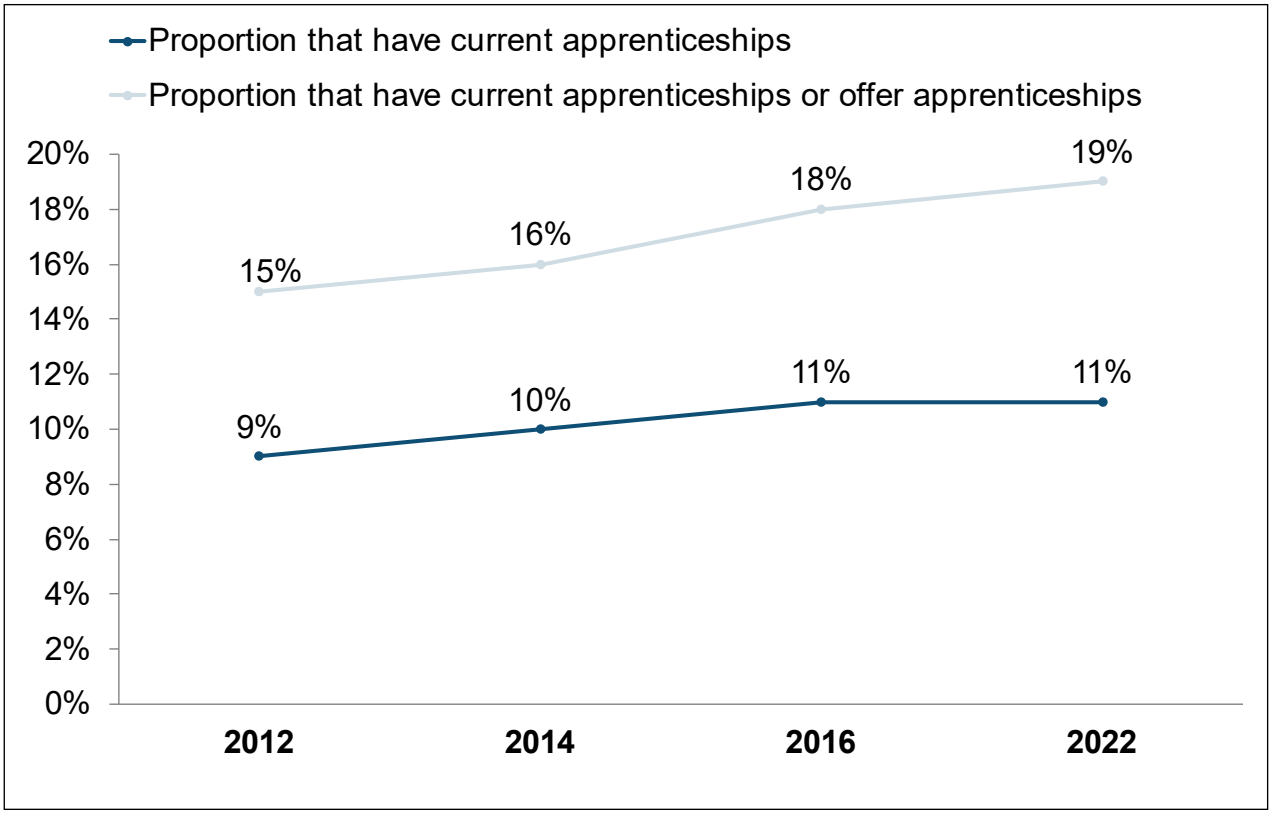
This report chapter identifies differences in the prevalence of apprenticeships by nation, size and sector. It also identifies who apprenticeships are being offered to by age and existing employee status. This chapter then outlines the key reasons given by employers as to why they are offering apprenticeships, as well as identifying which barriers are preventing some employers from doing so. It concludes by outlining whether UK employers expect apprenticeship numbers to increase in the future, and why employers may be choosing to start or stop offering apprenticeships.

Provision of apprenticeships

At the time of interview, around one in five (19%) employers either had apprentices at their site (11%) or offered apprenticeships but did not have any currently (8%). The overall proportion offering apprenticeships remained at similar levels to 2016 (18%), as did the proportion with current apprentices (11% in both years).

Overall, the proportion of UK employers who have current apprentices has remained fairly consistent since the first EPS in 2012, increasing slightly from 9% to 11%. The proportion of UK employers who currently have apprenticeships *or offer them* has increased to a greater extent, from 15% in 2012 to 19% in 2022.

Figure 7-1 Overall proportion of UK employers who currently have apprentices and overall proportion who currently have apprentices or offer (2012-2022)

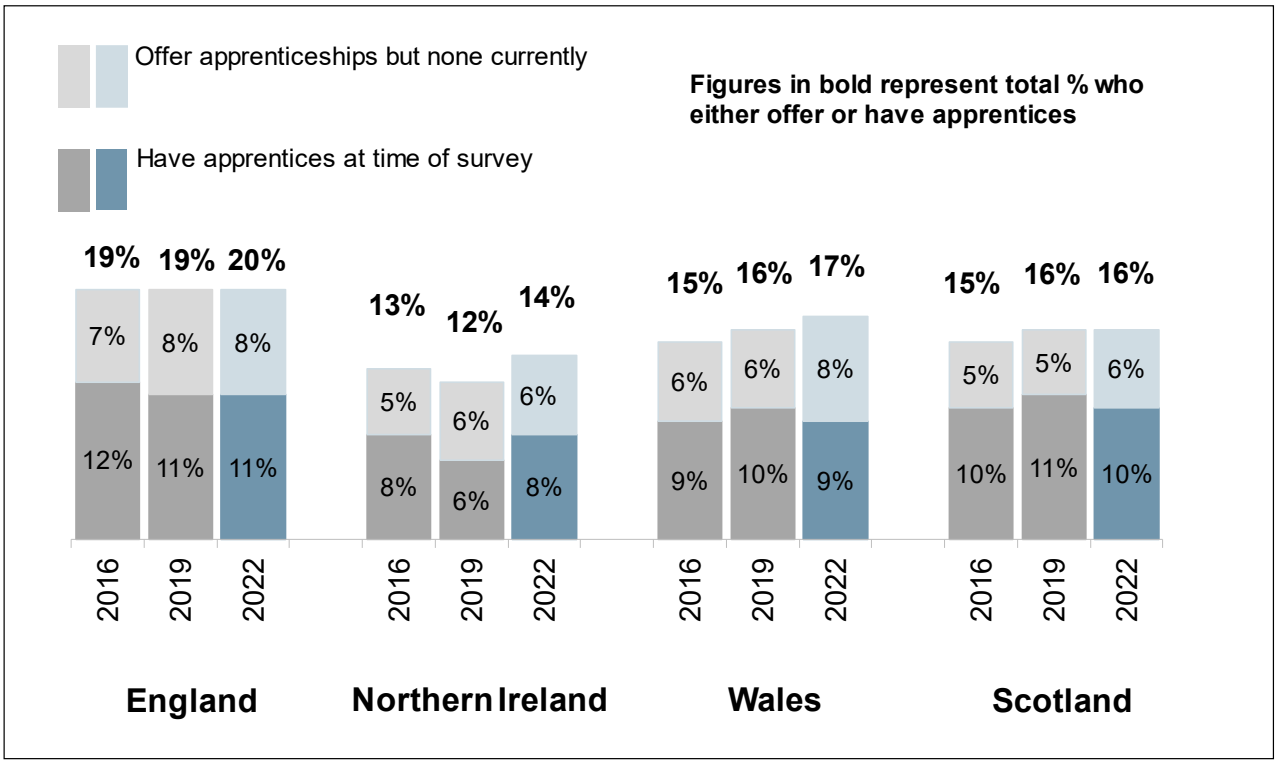


Base: All establishments: (2012: 15,004; 2014: 18,059; 2016: 18,028). All establishments in Module A (2022: 13,603)

For the rest of this chapter, 'offering' apprenticeships refers to cases where employers *either* currently have apprentices *or* offer them but do not currently employ any.

Figure 7-2 shows the proportion of employers offering apprenticeships by nation over time. There was a higher proportion of employers offering apprenticeships in England (20%) than in Wales (17%), Scotland (16%) or Northern Ireland (14%). The proportion of employers offering apprenticeships remained at similar levels in England, Northern Ireland, Wales and Scotland, compared with 2019.

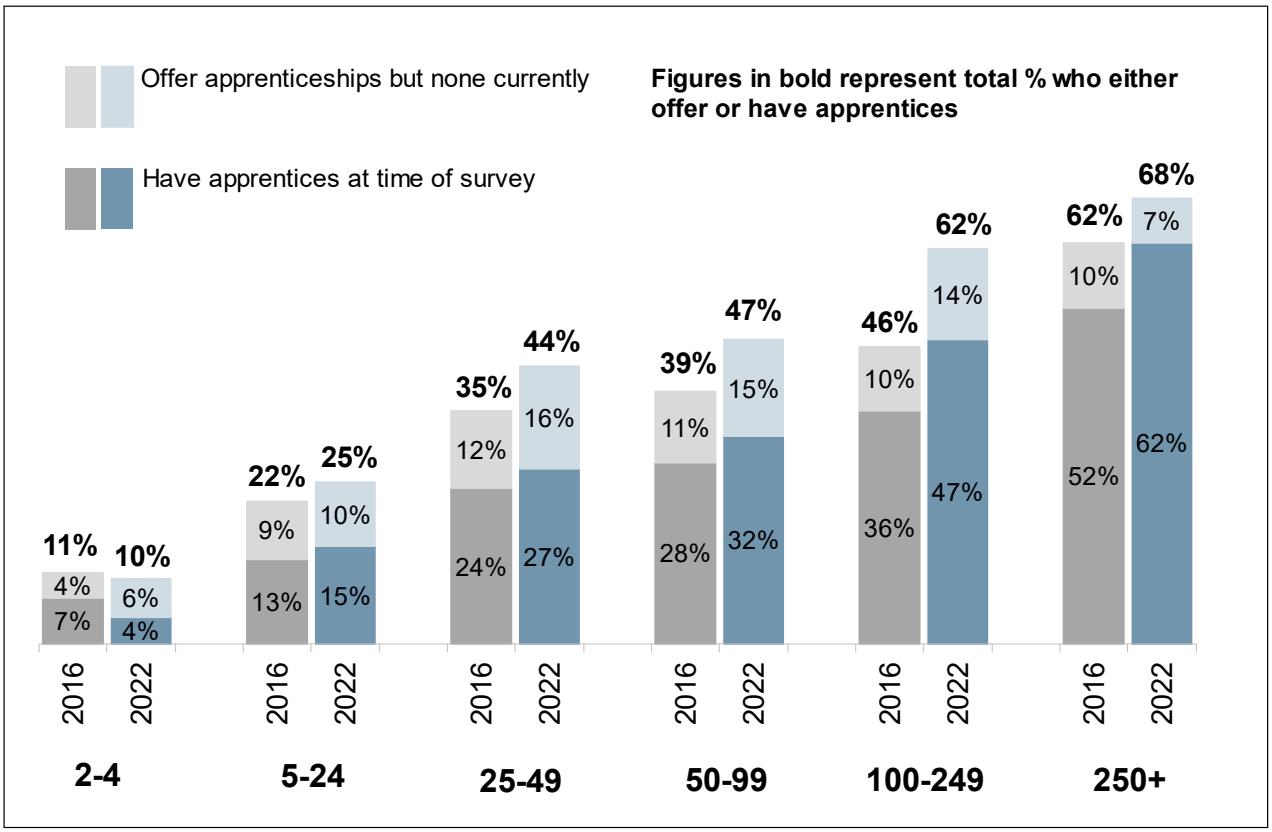
Figure 7-2 Proportion of employers offering apprenticeships by nation over time (2016-2022)



Base: All establishments (2016: England: 10,015, Northern Ireland: 2,007, Wales: 1,997, Scotland: 4,009; 2019: England (Module A): 13,358, Northern Ireland (Module A): 1,008, Wales (Module A): 1,704, Scotland: 2,652; 2022 (Module A): England: 10,134, Northern Ireland: 905, Wales: 1,239, Scotland: 1,325)

Figure 7-3 shows that the likelihood of offering apprenticeships increased with size, from 10% among those with 2 to 4 staff to 68% among employers with 250 or more staff. Among employers with 2 to 4 employees, there was little change since 2016 in the proportion offering apprenticeships (10% in 2022 vs 11% in 2016). For all other size groups, the proportion of employers offering apprenticeships has increased since 2016, with the greatest change among employers with 100 to 249 staff (from 46% in 2016 to 62% in 2022). This may be linked with the introduction of the Apprenticeship Levy in April 2017, designed to support employers to access additional funds for the purposes of apprenticeship training.

Figure 7-3 Proportion of establishments offering apprenticeships by size (with 2016 comparison)

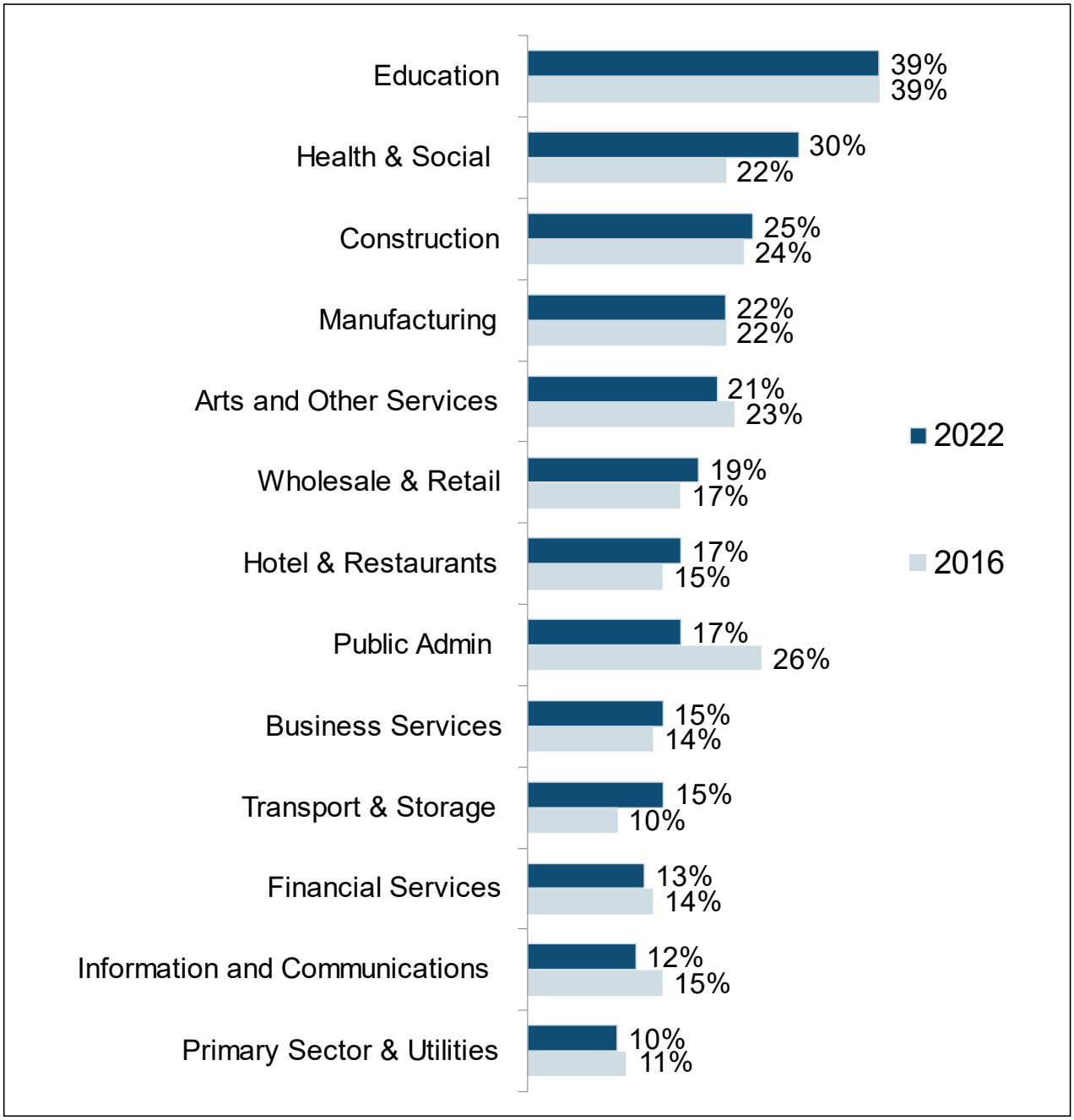


Base: All establishments (2016: 2 to 4: 4,297, 5 to 24: 8,602, 25 to 49: 2,337, 50 to 99: 1,250, 100-249: 1,043, 250+: 499; 2022 (Module A): 2 to 4: 3,772, 5 to 24: 6,552, 25 to 49: 1,792, 50 to 99: 892, 100-249: 468, 250+: 127)

The proportion of employers offering apprenticeships also varied by sector; establishments in the Education, Health and Social Work and Construction sectors were most likely to offer them (39%, 30% and 25% respectively), while those operating in the Primary Sector and Utilities, Information and Communications and Financial Services were least likely to do so (10%, 12% and 13% respectively).

Across most sectors, the proportion of employers offering apprenticeships remained fairly similar between 2016 and 2022. However, the proportion of establishments offering apprenticeships decreased substantially in the Public Administration sector (from 26% in 2016 to 17% in 2022). This may in part be due to a change in the size composition of the Public Administration since 2016. In 2016, there was a lower proportion of establishments with 2 to 4 employees (22% vs. 35% in 2022), who are less likely to offer apprenticeships. The Health and Social Work sector saw the largest increase in the proportion of employers offering apprenticeships (from 22% in 2016 to 30% in 2022).

Figure 7-4 Proportion of establishments offering apprenticeships by sector (with 2016 comparison)



Base: All establishments: (2022 range: Public Administration 135 to Wholesale and Retail 3,024; 2016 range: Financial Services 395 to Wholesale and Retail 3,933)

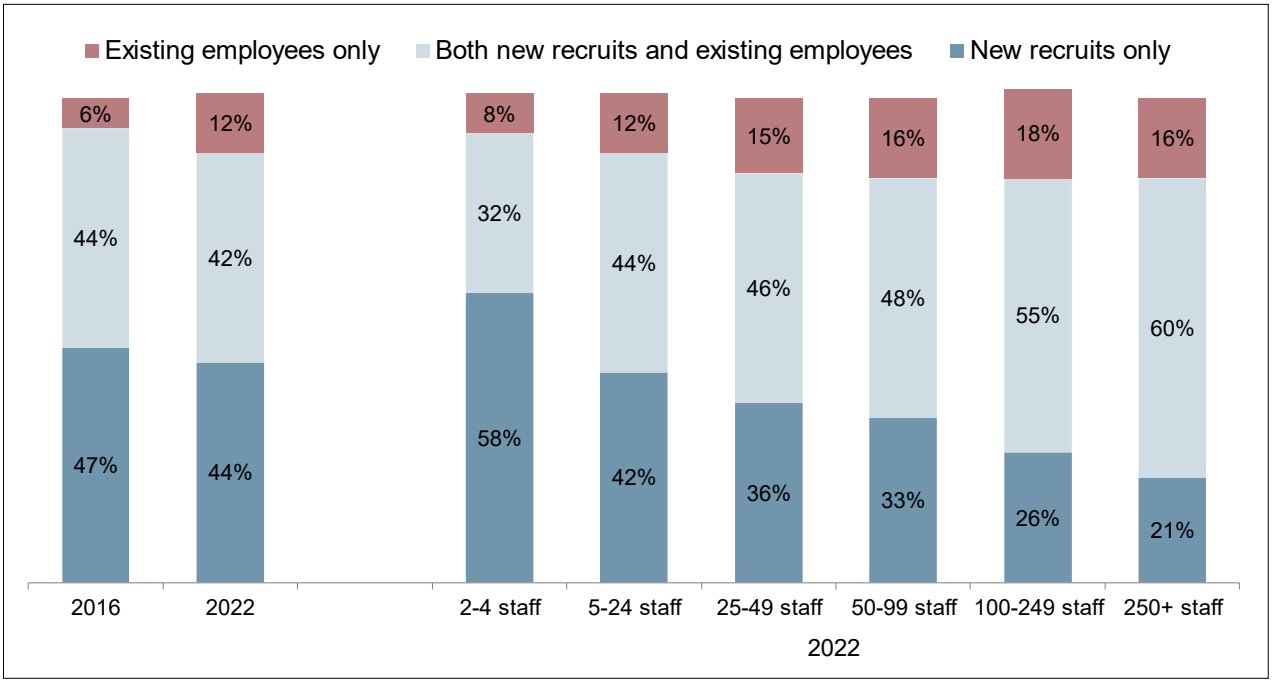
Nearly nine in ten establishments (89%) offering apprenticeships offered them to young people, a decrease since 2016 (93%). For the purposes of this report, “young people” is taken to mean anyone under the age of 25. This includes around two-thirds (65%) of that offered apprenticeships to 16 to 18 year-olds and three-quarters (75%) that offered them to 19 to 24 year-olds.

More than a third (37%) of employers offering apprenticeships did so exclusively to young people. Again, this represents a decrease since 2016 (47%).

Just over half (55%) of establishments offering apprenticeships offer them to those aged 25 or above; a higher proportion than in 2016 (48%). Only 4% offered apprenticeships to this age group exclusively.

Figure 7-5 shows whether employers offer apprenticeships exclusively to new recruits, existing employees or to both. The majority of employers that offered apprenticeships (86%) offer them to new employees who they recruit specifically as apprentices. Nearly half (44%) offer apprenticeships *exclusively* to this group (i.e., they do not offer them to existing employees). While recruiting people specifically as apprentices is still the most common way of administering apprenticeships, offering apprenticeships to existing members of staff still occurred in more than half of cases where employers offered apprenticeships (53%), though only 12% of employers that offer apprenticeships *exclusively* did so for existing staff (12%).

Figure 7-5 Whether employers offer to new recruits, existing employees or both with 2016-2022 time series (and 2022 size breakdown)



Base: All establishments who have/offer apprenticeships (2016: 4,264; 2022 (Module A): Total: 3,633, 2 to 4: 353, 5-24: 1,694, 25-49: 796, 50-99: 422, 100-249: 283, 250+: 85)

The likelihood of offering only to new recruits decreased with establishment size, from nearly three in five employers with 2 to 4 staff (58%) to just over one in five among those with 250 or more staff (21%). In contrast, the proportion of employers offering apprenticeships both to new recruits and existing employees increases with establishment size, from around a third (32%) of employers with 2 to 4 staff, to three-

fifths (60%) of employers with 250 or more staff. The proportion offering them *only* to existing employees remains fairly consistent across size groups, but employers with 2 to 4 employees were least likely to do this (8%).

Reasons for offering apprenticeships

Employers that recently started offering apprenticeships (i.e., in the last three years) were asked their reasons for doing so. Their responses have been grouped into four broad themes: acquiring talent, altruistic reasons, nurturing talent and financial reasons, as displayed in Figure 7-6.

A full list of the specific reasons that are included in each grouped set of reasons are included in Table E-1 in Appendix E: Definitions for reasons groupings.

Acquiring talent was the most common broad reason for starting to offer apprenticeships, mentioned by half of employers (50%). This is a similar proportion to 2016 (48%). The most common specific reason cited related to acquiring talent was apprenticeships being a good way to get skilled staff (36%). However, there was an increase in the proportion of employers who said they offered apprenticeships to ensure young people continue to enter the industry (23% vs. 14% in 2016).

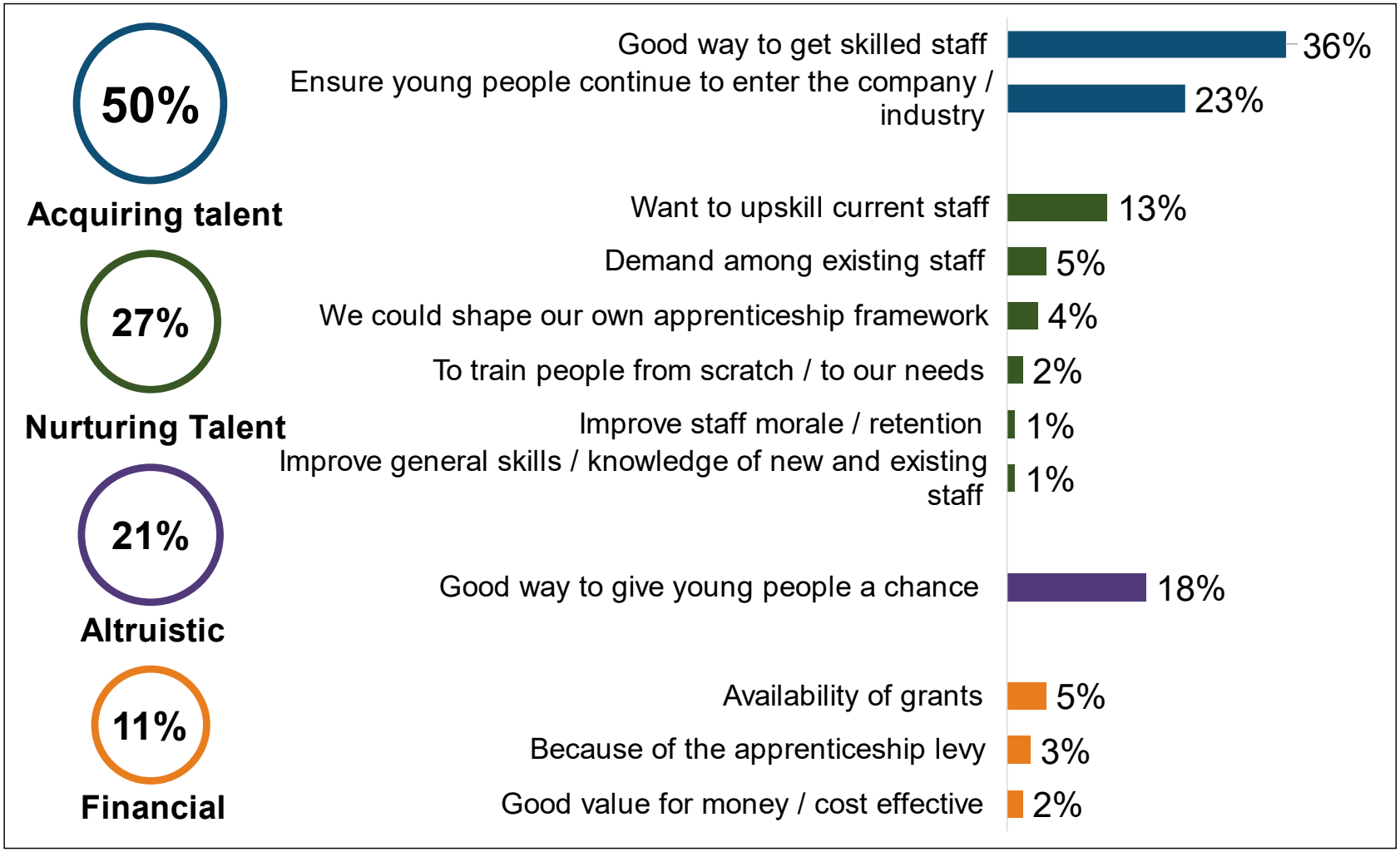
Over a quarter started offering apprenticeships to **nurture talent** (27%), with employers most commonly citing that apprenticeships were used to upskill current staff (13%). Other key reasons related to nurturing talent included demand from existing staff (5%) and the ability of employers to shape their own apprenticeship framework (4%). These results were broadly similar to 2016, however the proportion wanting to upskill current staff increased from 8% to 13%.

More than one in five (21%) gave **altruistic reasons** for offering apprenticeships, in particular wanting “to give young people a chance” (18%), the third most common specific reason offered by employers overall. The proportion citing altruistic reasons was broadly consistent with 2016 (22%).

Financial reasons were least commonly mentioned as the reason for offering apprenticeships (11%), as was the case in 2016 (12%). The most common financial reason was the availability of grants (5%), while 3% cited the apprenticeship levy and 2% mentioned apprenticeships being good value for money or cost effective (down from 8% in 2016).

Other reasons which weren’t categorised included that the decision was made by Head office (5%), it was a government initiative (3%), it was a regulation/industry or client requirement (3%), they were encouraged to do so by training providers (2%) or it would improve awareness or the reputation of their business (1%).

Figure 7-6 Reasons for starting to offer apprenticeships in the last three years (unprompted)

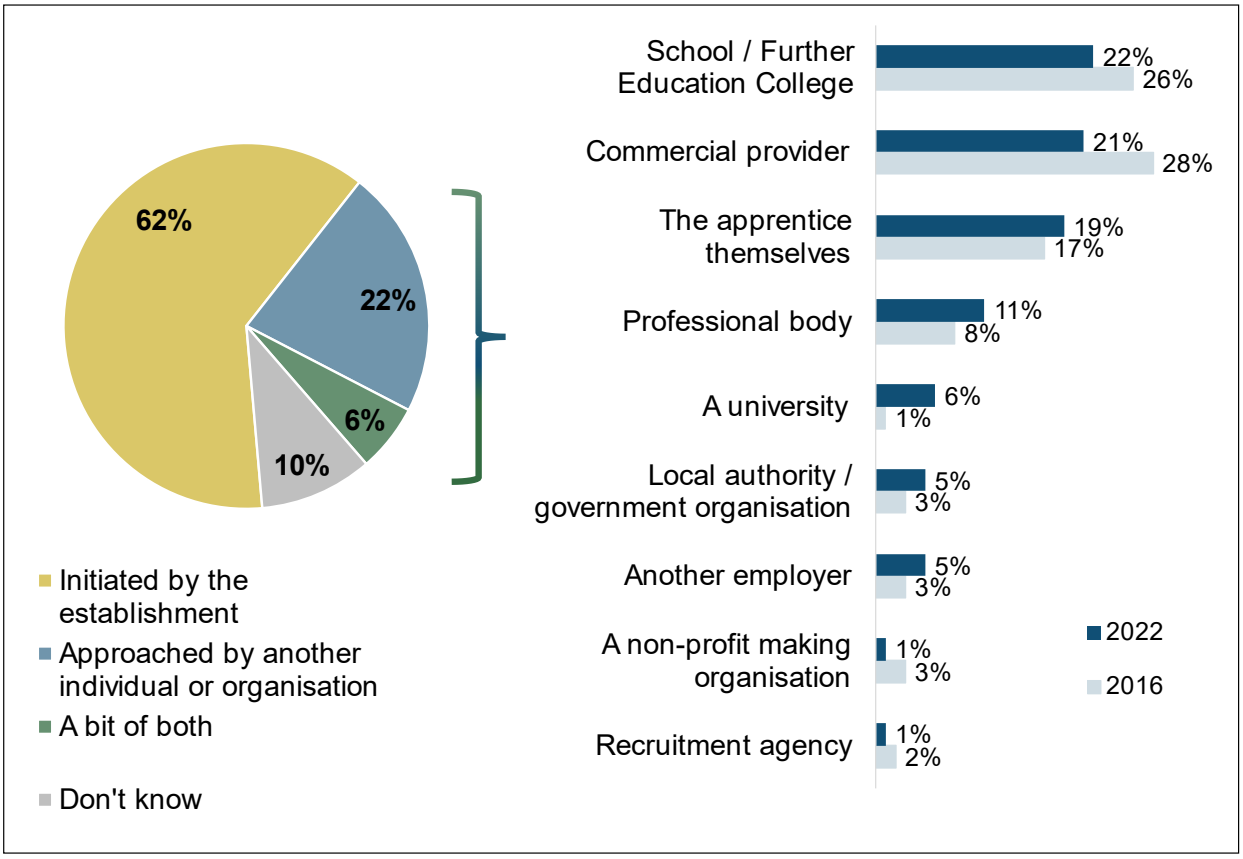


Base: All establishments that started offering apprenticeships in the last three years (905)
Note: multiple responses were allowed

Three-fifths of establishments that started to offer apprenticeships in the last three years (62%) said it was it was solely their decision to do so. Around three in ten employers (28%) had been approached by an individual or organisation to provide apprenticeships, and for more than a fifth (22%) this was the sole influence on their decision to begin offering apprenticeships (6% said it was “a bit of both”). There have been notable changes since 2016 in terms of who initiates apprenticeships. In 2022, a higher proportion said this was something they did of their own accord (62% vs. 54% in 2016), while fewer employers had mentioned any external influence (28% vs. 37%).

Where employers had been approached by an external organisation or organisation, this was most commonly either by a school, Further Education or sixth form college (22%), a commercial provider (21%) or the apprentice themselves (19%). As Figure 7-7 shows, employers were less likely to be approached by commercial providers in 2022 than in 2016 (21% down from 28%) and were more likely to have been approached by a university (6% up from 1%).

Figure 7-7 Proportion of employers who said they initiated apprenticeships and a breakdown of organisations that most commonly approached employers (with 2016 comparison) (unprompted)



Base for pie chart: All establishments that started offering apprenticeships in the last 3 years (2022: 905)
Base for bars: All establishments that were approached by an individual / organisation (2016: 468; 2022: 271)
Note: One answer mentioned by fewer than 1% of establishments in 2022 (as well as 'other' and 'don't know') are not shown

Barriers to offering apprenticeships

Employers that were not currently offering apprenticeships were asked why this was. As well as the most common specific responses, answers have been categorised into three broad themes; perceived structural barriers around the way apprenticeships are designed, an active choice not to offer apprenticeships at the establishment and a lack of awareness of what is involved.

Around three-fifths of establishments (61%) mentioned at least one structural barrier to them offering apprenticeships. Establishments with 2 to 4 employees were more likely than other size groups to give structural reasons for not offering them (65%). The most commonly cited structural reasons were apprenticeships not being suitable for the size of establishment (15%) and not looking to recruit new staff (14%). These reasons were

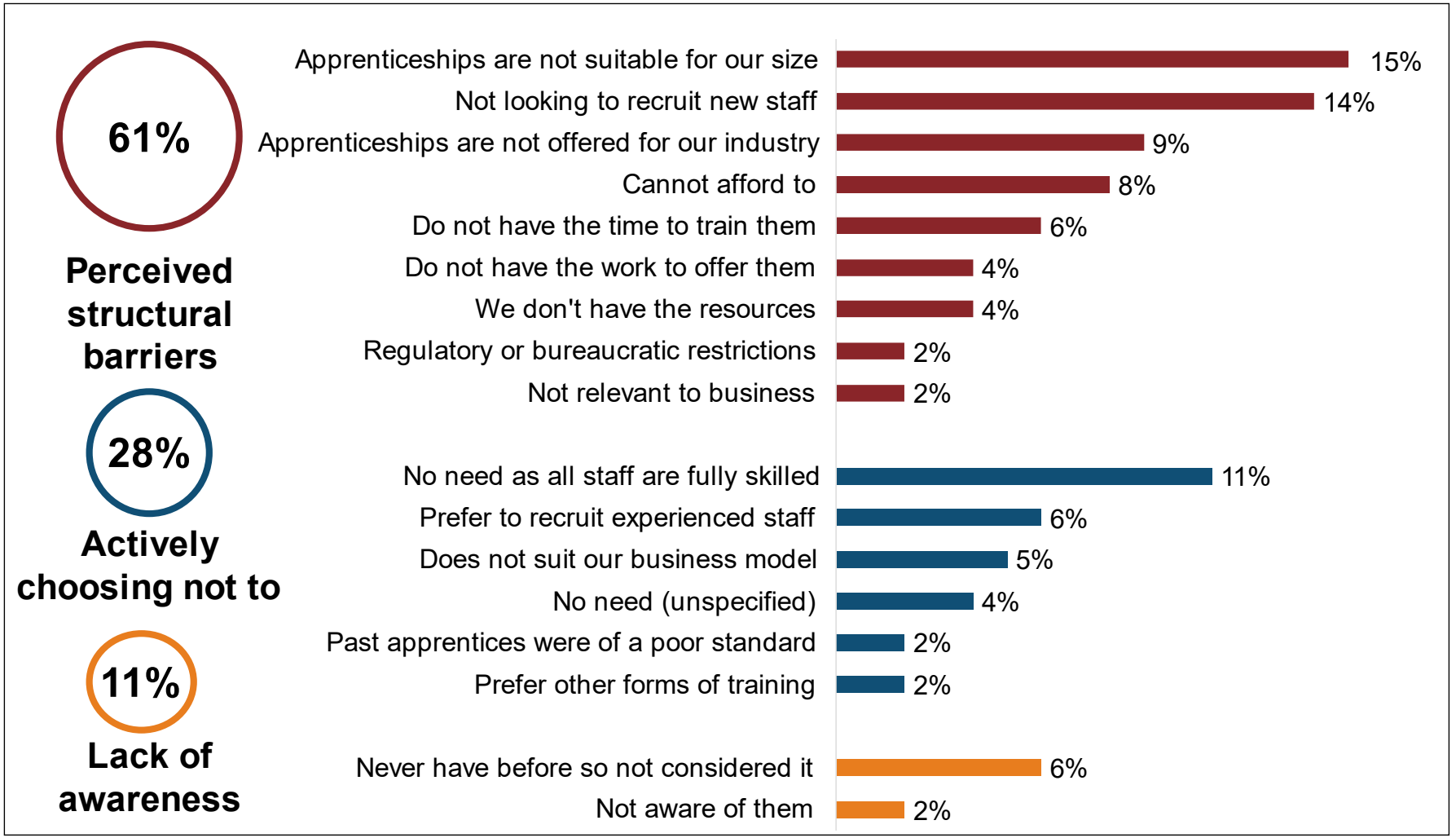
mentioned by 18% and 17% respectively of establishments with 2 to 4 employees, compared with only 4% and 2% of those with 100 or more employees. Other structural barriers included the perception among employers that apprenticeships were not available in their industry (9%) and not being able to afford them (8%). These results are broadly in line 2016 (9% and 7% respectively).

Over a quarter of employers (28%) said they had made an active choice not to offer apprenticeships, a decrease from 33% in 2016. This was most often because their current staff already had all the skills required (11%). Again, employers with 2 to 4 staff were more likely to cite this as a reason (12%). Others said they would prefer to recruit experienced staff (6%), which suggests more could be done to promote the benefits of upskilling existing employees through apprenticeships.

More than one in ten employers (11%) mentioned reasons relating to a lack of awareness about apprenticeships. This was mainly due to not training apprentices in the past and so never having considered it (6%).

A small proportion of employers (2%) also said they were unable to offer apprenticeships because of COVID-19. Another reason mentioned was the decision not to offer apprenticeships being a Head Office decision (2%).

Figure 7-8 Barriers to offering apprenticeships (unprompted)



Base: All establishments not offering apprenticeships (9,970)
Note: multiple responses allowed. Some responses with 2% or fewer not shown

Future demand for apprenticeships

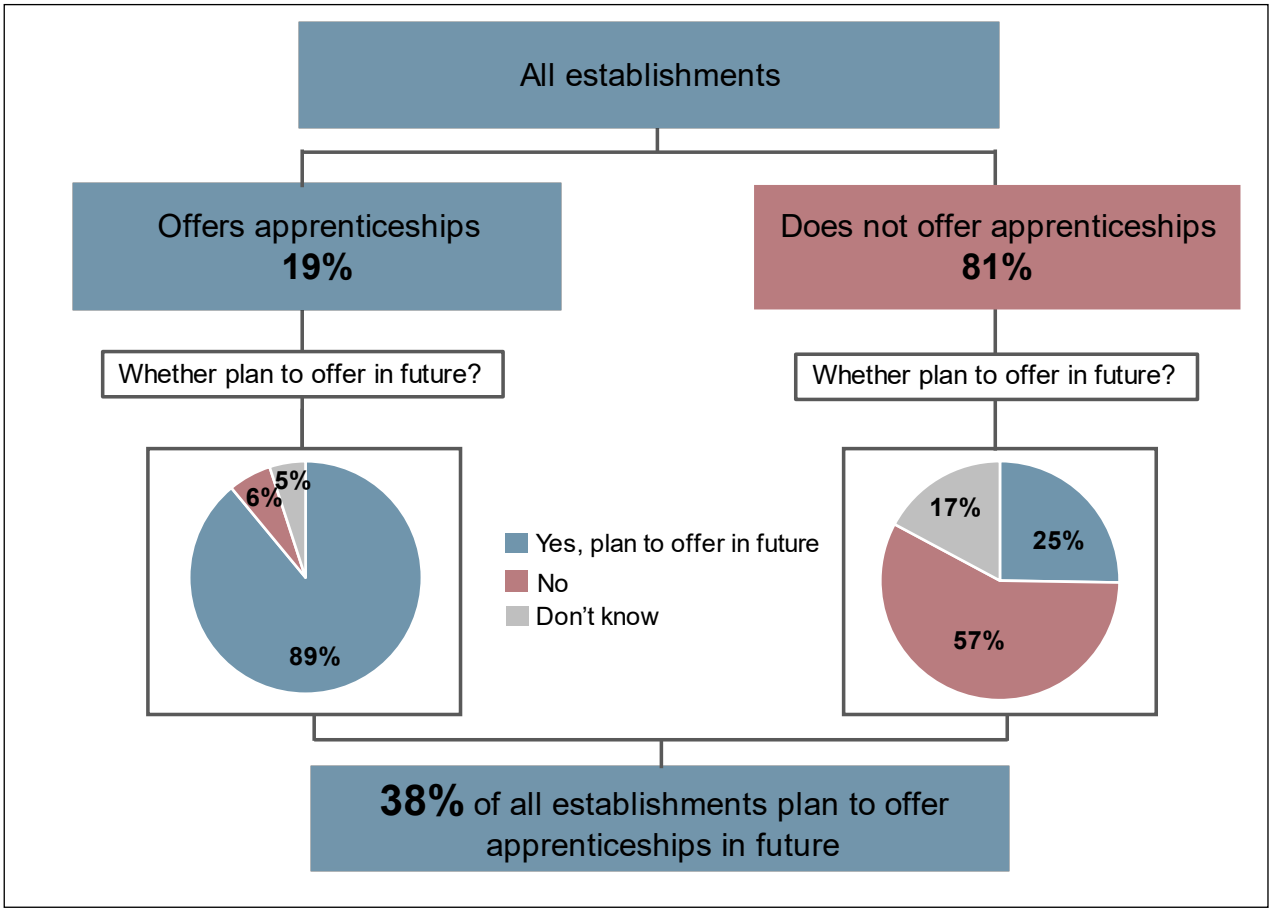
Approaching two-fifths (38%) of all establishments reported that they planned to offer apprenticeships in the future. This represents an increase since 2016 (30%). Employers in England were more likely to plan to offer apprenticeships (39%) than Wales (35%), Northern Ireland (32%) and Scotland (31%). The proportion planning to offer apprenticeships in future increased across all nations, though the largest increases were seen in England (39% vs. 31% in 2019) and Wales (35% vs. 26%).

Larger businesses had a greater appetite for apprenticeships; only three in ten (29%) of establishments with 2 to 4 employees planned to offer them in future, whereas this was true for the vast majority (83%) of establishments with 250+ employees. There was still, however, a greater interest in offering apprenticeships among those with 2 to 4 employees, compared with 2016 (23%).

Appetite for apprenticeships also varied by sector. Non-market services including Education (59%), Public Administration (48%) and Health and Social Work (47%) were most likely to plan to offer apprenticeships in the future, as were those operating in the Construction and Manufacturing sectors (each 45%). The Health and Social Work and Public Administration sectors also saw the largest increase in the proportion of employers planning to offer apprenticeships since 2016 (47% vs 34% in 2016 for Health and Social Work; 48% vs. 36% for Public Administration). Financial Services and Primary Sector and Utilities employers were least likely sectors to plan to offer apprenticeships in future (each 28%).

Among those that had current apprentices or offered them, around nine in ten (89%) planned to continue doing so, a slight increase since 2016 (87%). Notably however, a quarter (25%) of those that were not currently offering apprenticeships planned to offer apprenticeships in future, increasing from 18% in 2016.

Figure 7-9 A flowchart showing future plans among those currently offering and those not offering apprenticeships



Base: All establishments (13,603), All establishments who currently have or offer formal Apprenticeships in Module A (3,633)
All establishments who do not offer formal apprenticeships in Module A (9,970)

Establishments that plan to start offering apprenticeships were asked their motivations for doing so. Recruitment was a key factor among these employers, with over three-fifths (63%) giving reasons related to the need to acquire new talent. Within this broad theme, the most common specific reason was that employers saw apprenticeships as a good way to get skilled staff (35%), while around a quarter (24%) mentioned them helping to ensure young people continue to enter the company or industry, and one in six (17%) said they were looking to expand their business. Smaller establishments with 2 to 4 employees were more likely to cite acquiring talent as a motivation (65%).

A fifth (20%) of establishments gave altruistic reasons for wanting to start offering apprenticeships, including giving young people a chance (17%), helping people find work more generally (3%) and helping the community (1%).

Around one in six (17%) mentioned reasons relating to nurturing their existing talent, for example, wanting to upskill current staff (6%), train people from scratch (4%) and shape their own apprenticeship framework (3%).

Only 5% of employers cited financial reasons, the most common of which were incentives for hiring apprentices (3%) and the availability of grants (3%).

Other reasons for planning to start offering apprenticeships, including it being a Head Office decision (1%), being encouraged to do so by training providers (1%) or to improve awareness or the reputation of their business / industry (1%).

Figure 7-10 Reasons why those not currently offering apprenticeships plan to start doing so in the future (unprompted)

Base: All establishments that plan to start offering apprenticeships in future but who do not currently have/offer them (2,704)
Note: multiple responses were allowed

In contrast, employers who currently offer apprenticeships but do not plan to do so in future were asked why this was the case.

Perceived structural barriers were the predominant factor driving this decision, mentioned by two-thirds (66%) of these establishments. Low demand for new staff was the standout reason, with over a third (36%) stating they were not looking to recruit new staff. Others said they could not afford to take on more apprentices (15%) or felt apprenticeships were not suitable for their size (8%).

Nearly a fifth (18%) of those that had planned to stop offering apprenticeships were actively choosing to. Nearly one in ten (8%) had been put off by having past apprentices that were of a poor standard and the same proportion said their staff are fully skilled, so there is no need for them to put them on apprenticeships.

Apprenticeship reforms (2%) were only a small factor in why apprenticeship employers were planning to stop providing them.

Another reason why employers planned to stop offering apprenticeship was the ongoing financial impact of the COVID-19 pandemic (3%).

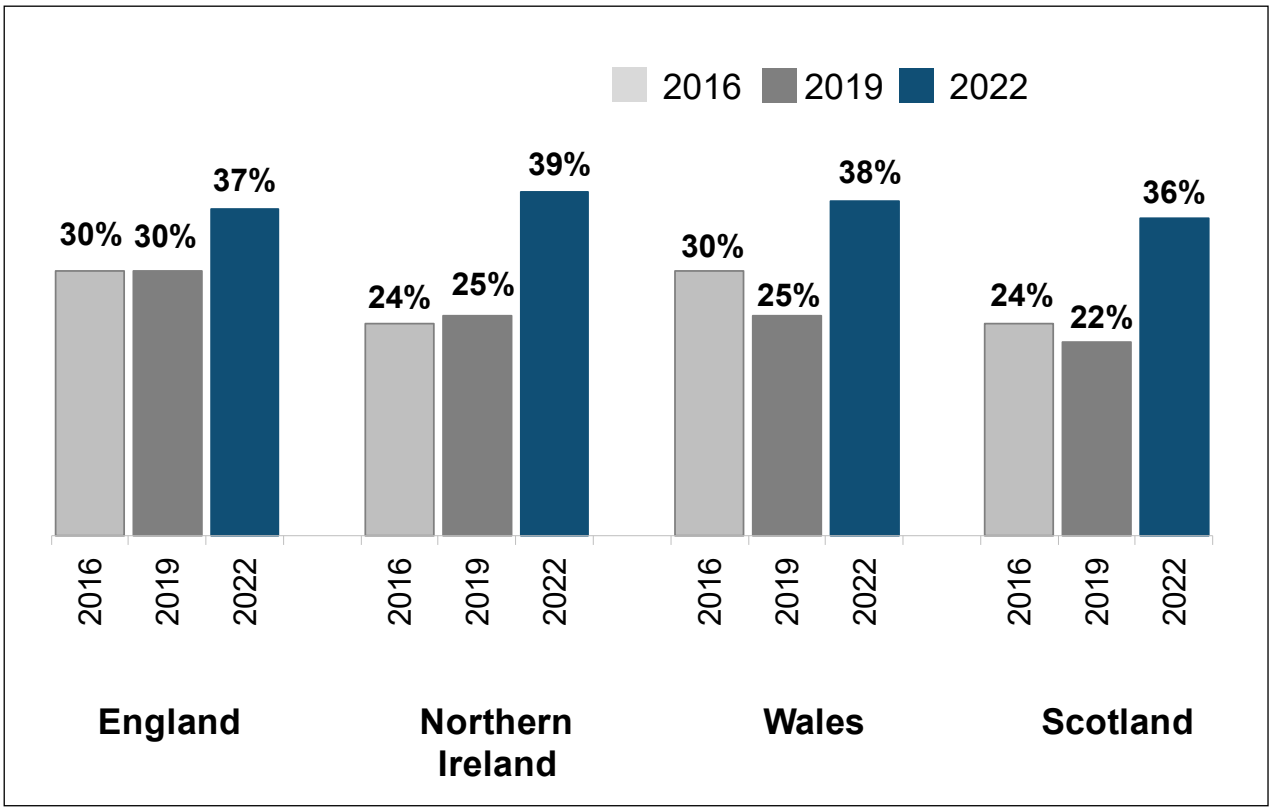
Figure 7-11 Reasons for planning to stop offering apprenticeships (unprompted)

Base: All establishments who currently have or offer formal Apprenticeships but do not plan to offer them in the future (137)
Note: multiple responses allowed. Some responses with 1% or fewer not shown

Nearly two-fifths (37%) of employers who have apprentices and plan to continue offering them expect apprentice numbers to increase in the next two years, an increase from 2016 (30%). More than half of employers (55%) thought apprentice numbers would remain the same, while a small proportion (5%) thought they would decrease.

The proportion expecting an increase was similar across all nations, and for all nations a larger proportion reported expected increases in apprenticeship numbers compared to 2019 (as shown in Figure 7-12). The largest increase compared with 2019 was in Scotland and Northern Ireland (each by 14 percentage points).

Figure 7-12 Proportion of employers expecting apprenticeship numbers to increase by nation over time (2016-2022)

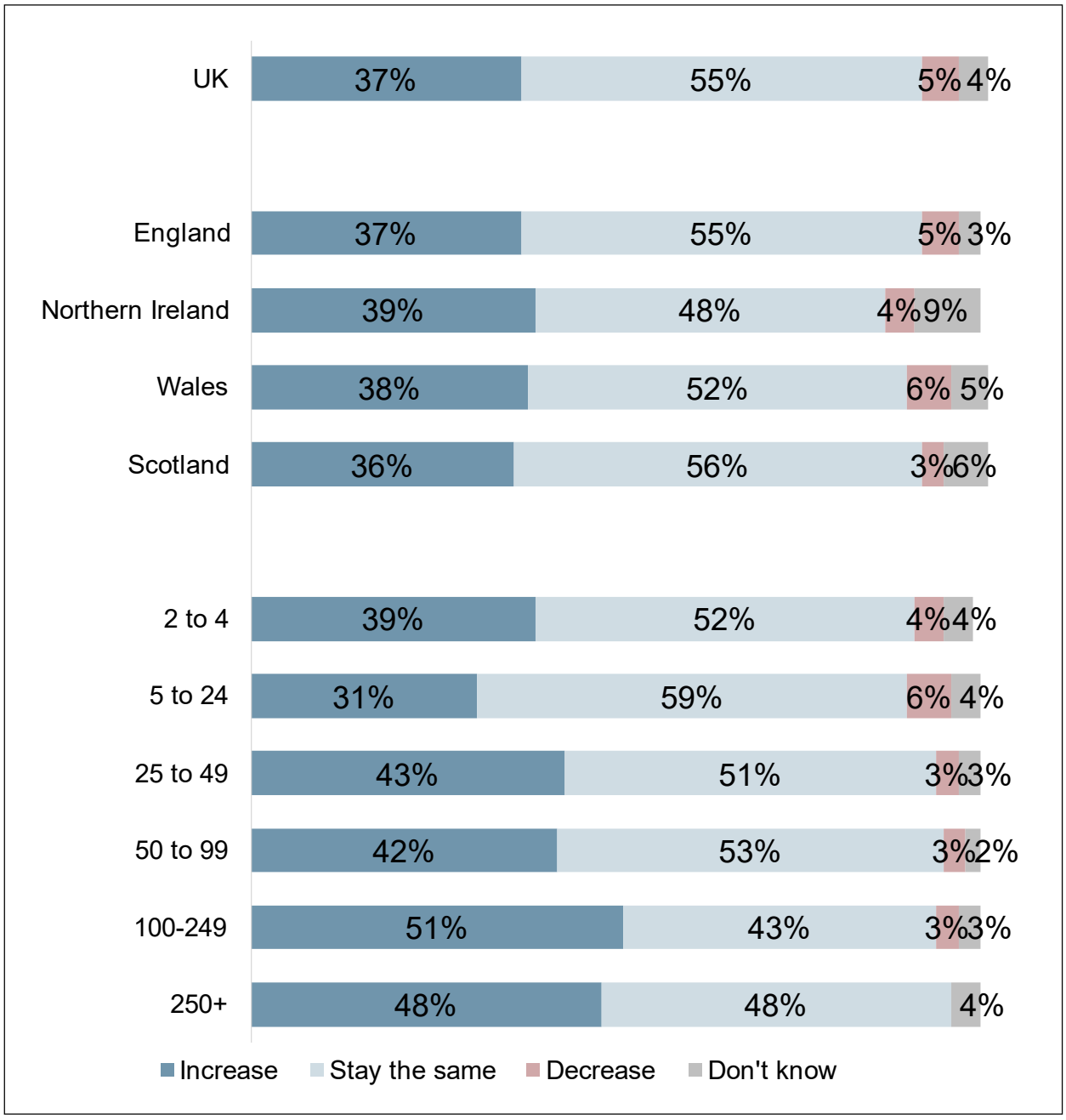


Base: All who have current apprenticeships and plan to continue offering apprenticeships (2016: England: 1,560, Northern Ireland: 184, Wales: 259, Scotland: 502; 2019: England (Module A): 2,071, Northern Ireland (Module A): 92, Wales (Module A): 195, Scotland: 428; 2022 (Module A): England: 1,611, Northern Ireland: 89, Wales: 142, Scotland: 176)

By size, those with 5 to 24 employees were the least likely to expect apprenticeship numbers to rise (31%) whilst those with 100 to 249 staff were the most likely to report this (51%). Across most size groups, there were increases in the proportion of employers expecting apprenticeship numbers to increase over the next two years, compared to

2016. The largest increase was among employers with 25 to 49 employees (43% vs. 29% in 2016).

Figure 7-13 Proportion of employers that expect apprentice numbers to increase/stay the same/decrease by nation and size



Base: All establishments who have current apprentices and plan to continue offering Apprenticeships in Module A (2022: Total: 2,018; England: 1,611; Northern Ireland: 89; Wales: 142; Scotland: 176; 2 to 4: 108; 5 to 24: 909; 25 to 49: 454; 50 to 99: 267; 100 to 249: 207; 250+: 73)

Table 7-1 Proportion of employers that expect apprentice numbers to increase by nation and size (with 2016 comparison)

	2016	2022
	%	%
Total	30	37
Nation	%	%
England	30	37
Northern Ireland	24	39
Wales	30	38
Scotland	24	36
Size	%	%
2 to 4	30	39
5 to 24	27	31
25 to 49	29	43
50 to 99	31	42
100 to 249	39	51
250+	54	48

Base: All establishments who have current apprentices and plan to continue offering Apprenticeships (2022 (Module A): Total: 2,018, England: 1,611, Northern Ireland: 89, Wales: 142, Scotland: 176, 2 to 4: 108, 5 to 24, 909, 25 to 49: 454, 50 to 99: 267, 100 to 249: 207, 250+: 73; 2016: Total: 2,505, England: 1,560, Northern Ireland: 184, Wales: 259, Scotland: 502, 2 to 4: 199, 5 to 24, 951, 25 to 49: 452, 50 to 99: 307, 100 to 249: 340, 250+: 256)

By sector, Hotels and Restaurants and Manufacturing were most likely to expect an increase in apprenticeship numbers over the next two years (49% and 43% respectively). In contrast, less than a quarter (23%) of Primary Sector and Utilities employers felt numbers would increase, the lowest proportion of any sector. Across most sectors, the proportion of employers expecting apprentice numbers to increase in the next 2 years has grown since 2016. The sectors that saw the largest increases since 2016 were Health and Social Work (29% vs 39%) and Construction (27% vs. 36%).

8. Future skills needs

Chapter Summary

Three-fifths employers (62%) anticipated the need to develop the skills of any of their workforce in the next 12 months. The need for upskilling was greatest among larger employers (90% among those with 250 or more employees) and establishments in the Public Administration (76%), Information and Communications (74%) and Health and Social Work (72%) sectors.

The most common reasons for needing to upskill the workforce were the response to new legislative or regulatory requirements (39%), the introduction of new technologies or equipment (39%), the development of new products and services (35%) and the introduction of new working practices (35%). There was no change in the proportion citing the four main reasons for needing to upskill the workforce, compared to 2017.

The most common technical and practical skills employers mentioned in relation to upskilling needs were specialist skills or knowledge needed to perform the role (50%), knowledge of products and services (48%), and adapting to new equipment or materials (43%). Close to half of the establishments anticipating a need for upskilling (45%) mentioned a broad need for digital skills, most commonly the use of new or updated company software or systems (32% of those who anticipated a digital skills upskilling need). Turning to people and personal skills, the most common specific upskilling needs, among those that had them, were the ability for staff to manage their own time prioritise tasks (41%), team working skills (36%) and managing or motivating other staff (34%).

Introduction

Employers were asked about their anticipated requirement to upskill, or develop, their current workforce in the next 12 months (from the time of the survey). This chapter covers the proportion of employers that anticipated a need to upskill staff, the reasons why upskilling will be required, as well as exploring the specific skills that employers identified as needing development among their workforce.

Overall, 62% of establishments mentioned a need for upskilling, a similar proportion to in 2017 (63%). A higher proportion of employers in Wales and Scotland (67% and 66% respectively) reported upskilling needs compared to the UK average.

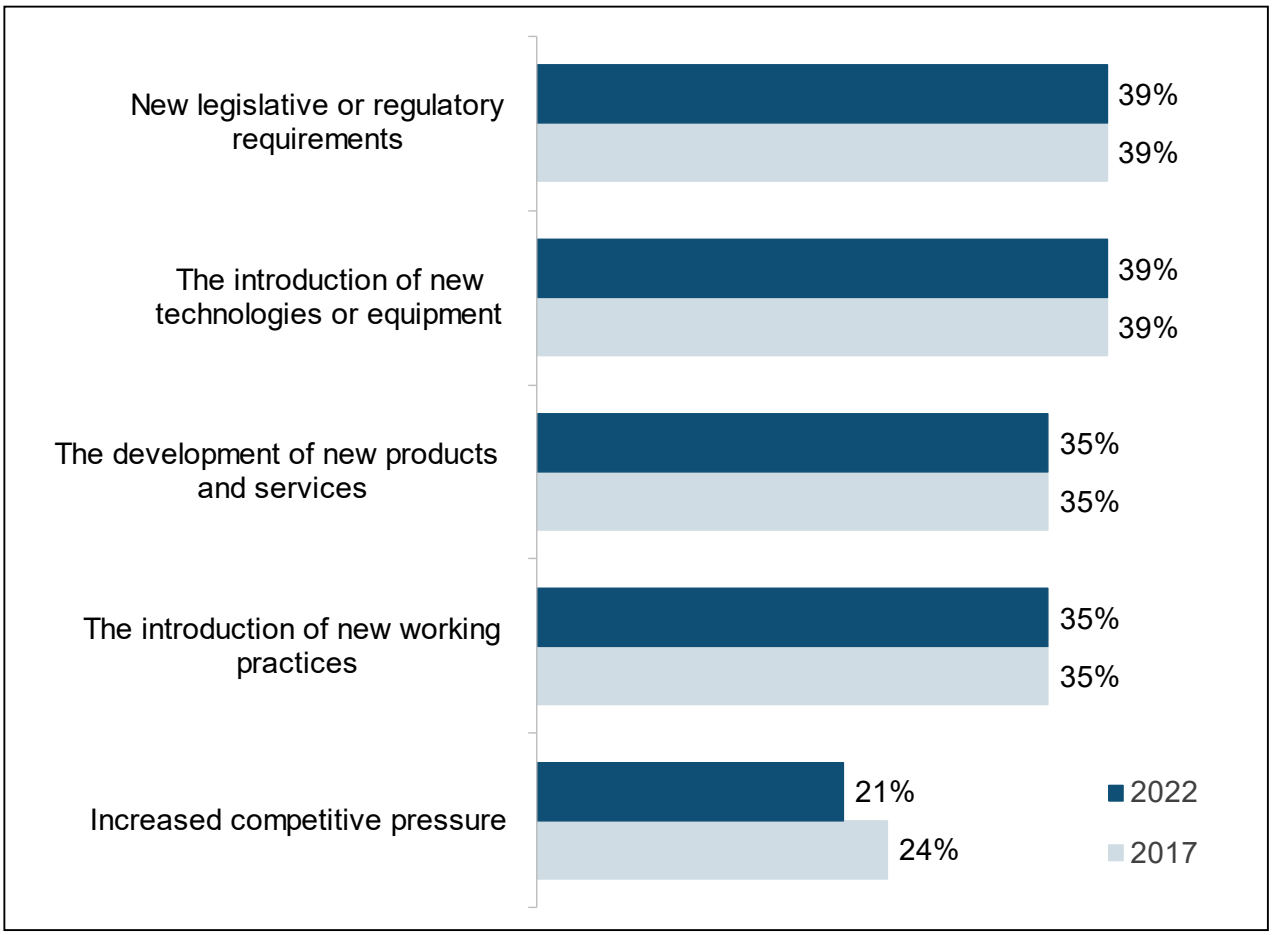
The need for upskilling grew with establishment size, ranging from 57% among employers with 2 to 4 employees to 90% among employers with 250 or more employees. By sector, the need for any upskilling was highest in the Public Administration (76%), Information and Communications (74%) and Health and Social Work sectors (72%).

Reasons for a need for upskilling

The main reasons employers gave for upskilling needs was responding to new legislative or regulatory requirements and the introduction of new technologies or equipment (each 39%). Other common reasons included the development of new products and services (35%), the introduction of new working practices (35%).

As shown in Figure , there was no change in the proportion citing the four main reasons for needing to upskill the workforce, compared to 2017. However, fewer employers mentioned increased competitive pressure as a reason (21% vs. 24% in 2017).

Figure 8-1 Reasons for expected need for new skills in next 12 months (prompted)



Base: All establishments (Module B (all nations) and Scotland and Wales in Module D) (2022: 15,803); All establishments in Module 2 (2017: 43,437)

Table 8-1 shows that there was variation by nation with regards to the reasons for needing to upskill the workforce. Northern Ireland employers were more likely to mention increased competitive pressures (27% vs. 21% among all other nations), while Wales and Scotland were more likely to mention legislative and regulatory requirements (44% and 42% respectively, compared to 39% in England and 37% in Northern Ireland).

Across nations, results were largely similar to the last data point reported. The largest changes were found in Northern Ireland, where a greater proportion of employers mentioned the development of new products (37% vs. 30% in 2019) and increased competitive pressures (27% vs. 22%) as reasons for needing to upskill their workforce. In contrast, fewer Scottish employers cited increased competitive pressures compared with 2017 (21% vs. 25%).

Table 8-1 Reasons for a need for upskilling, by nation (prompted)

	2019	2019	2019	2017	2022			
	England	Northern Ireland	Wales	Scotland	England	Northern Ireland	Wales	Scotland
Base	*26,707*	*2,003*	*3,378*	*3,064*	*10,038*	*809*	*2,409*	*2,547*
New legislative or regulatory requirements	42%	39%	46%	42%	39%	37%	44%	42%
The introduction of new technologies or equipment	41%	36%	44%	41%	38%	38%	42%	42%
The development of new products and services	35%	30%	38%	40%	34%	37%	39%	39%
The introduction of new working practices	35%	34%	40%	39%	34%	36%	41%	39%
Increased competitive pressure	22%	22%	24%	25%	21%	27%	21%	21%

Base: 2022: All establishments (Module B (all nations) and Scotland and Wales in Module D); 2017: All establishments in Module 2

As noted earlier, the prevalence of upskilling needs increased with establishment size. This was also true in relation to each of the contributing reasons given for anticipating an upskilling need. For example, around three in ten (31%) employers with 2 to 4 employees mentioned the development of new products and services as the reason or their upskilling need, compared with around two-thirds (67%) of those with 250 or more employees.

By sector, Financial Services and Public Administration employers were most likely to mention upskilling needs due to new legislative or regulatory requirements (57% and 55% respectively). Public Administration employers were also most likely, alongside Information and Communications employers, to mention the introduction of new technology as a reason for their upskilling requirement (52% and 57% respectively).

Upskilling: skills that need improving

Employers that identified an occupation most affected by the need for upskilling were asked which skills would require developing over the coming 12 months among their staff. Again, these have been grouped into three categories:

Technical and practical skills: specific skills required to perform the specific functions of a job role. Within this, those who mentioned lacking IT skills were also asked (unprompted) which **digital skills** were lacking (such as using computers, technical skill, and use of specific software suites.

People and personal skills: 'softer', less tangible skills required to manage oneself and interact with others in the workplace

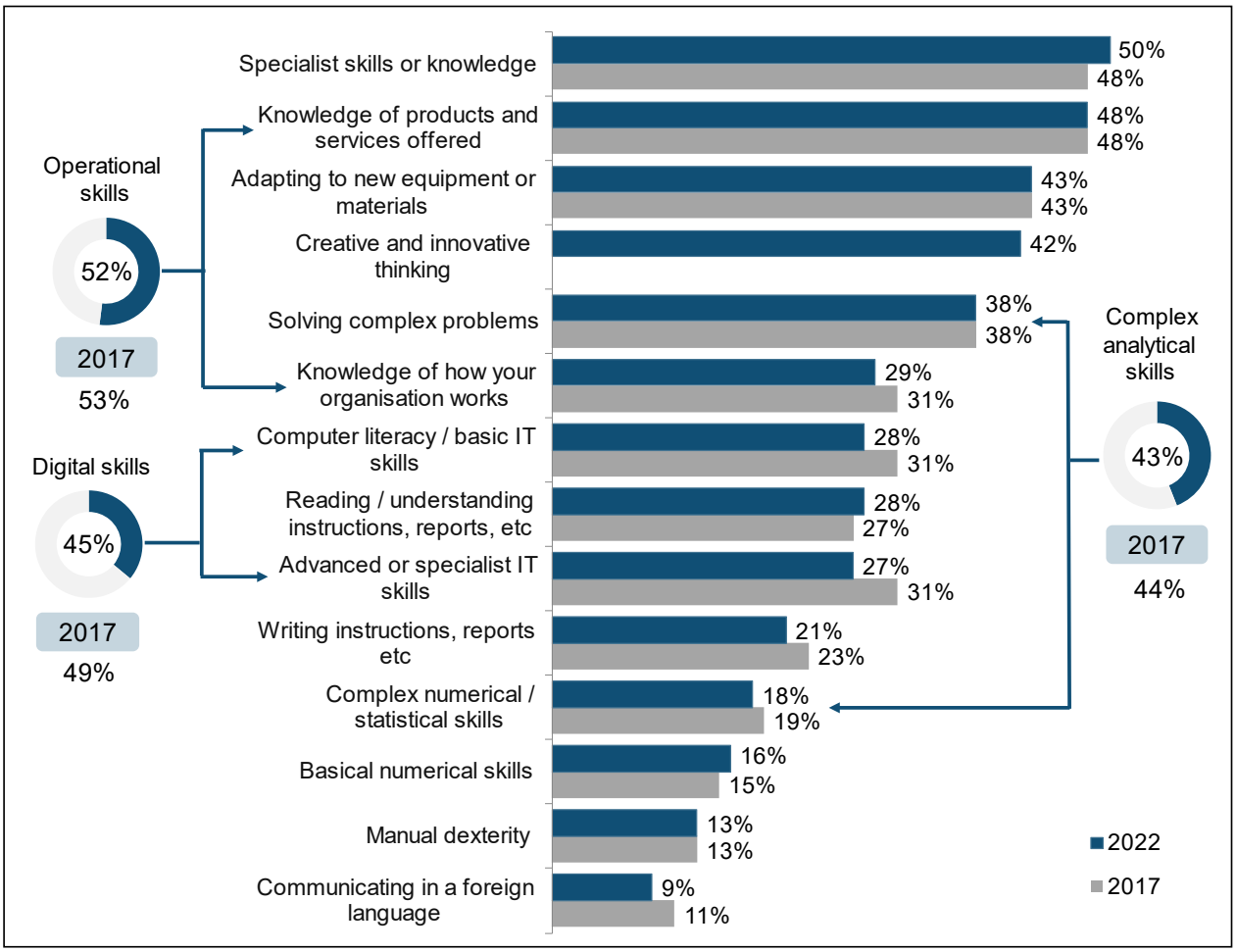
The individual skills within these broader groupings are also grouped into smaller, more thematic groupings, as defined in Table D-1 Table D-2 Table D-3 in Appendix D: Definitions for skills and causes of skills gaps groupings.

Technical and practical skills that required upskilling

The most common technical and practical skills employers mentioned in relation to upskilling needs over the next 12 months were specialist skills or knowledge needed to perform the role (50%), knowledge of products and services (48%), and adapting to new equipment or materials (43%). Only the need for specialist skills or knowledge has increased compared to 2017 (from 48% to 50%). The largest downward trend was in the need for digital skills (45% vs. 49% in 2017), both in terms of basic (28% vs. 31%) and advanced or specialist IT skills (27% vs. 31%). There was little change in terms of the broader categories of operational skills (52% vs. 53% in 2017) and complex analytical skills (43% vs. 44%).

All establishments that anticipated the need for digital skills in the coming 12 months, were asked which digital skills in particular they thought would need to be developed among their employees. The most common digital skills mentioned were the use of new or updated company software or systems (32%), basic Microsoft Office skills (16%), the use of specialist software or hardware and internal systems (11%), and advanced Microsoft Office skills (11%).

Figure 8-2 Technical and practical skills that employers expect to need to develop in the coming 12 months (prompted)



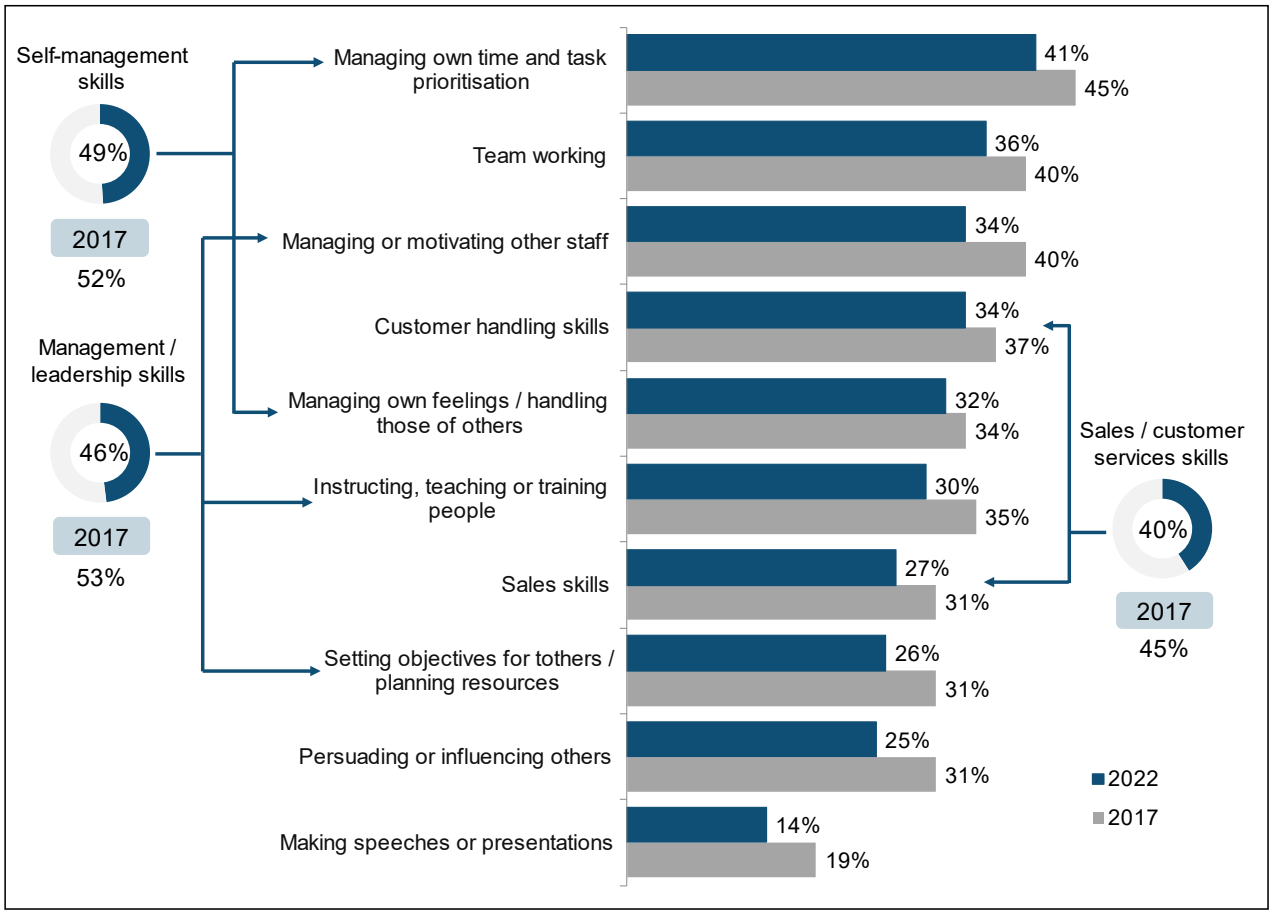
Base: All establishments who anticipate a need for new skills in next 12 months (and could identify an occupation that would be most affected) (Module B (all nations) and Scotland and Wales in Module D) (2022: 9,352); All establishments who anticipate a need for new skills in next 12 months (and could identify an occupation that would be most affected) (2017: 26,416)

People and personal skills that required upskilling

The most common specific upskilling needs relating to people and personal skills, among those that had them, were the ability for staff to manage their own time and prioritise tasks (41%), team working skills (36%) and managing or motivating other staff (34%). Compared to 2017, there was a decrease in the need for people and personal skills across the board. This decrease is in part explained by an increase in the proportion of establishments saying none of the skills listed were required (31% vs. 27% in 2017). As shown in Figure , the upskilling needs which saw the largest decline were managing and motivating other staff (despite still being one of the most common upskilling needs) (34% vs. 40% in 2017); and persuading or influencing others (25% vs. 31%). Considering the broader categories of upskilling needs, there were relatively large decreases in the expected need for management and leadership skills (46% vs. 53% in 2017) and sales

and customer service skills (40% vs. 45%). To a lesser extent, fewer employers also mentioned self-management upskilling needs compared with 2017 (49% vs. 52%).

Figure 8-3 People and personal skills that employers expect to need to develop in the coming 12 months (prompted)



Base: All establishments who anticipate a need for new skills in next 12 months (and could identify an occupation that would be most affected) (Module B (all nations) and Scotland and Wales in Module D) (2022: 9,352); All establishments who anticipate a need for new skills in next 12 months (and could identify an occupation that would be most affected) (2017: 26,416)

9. Conclusions

Introduction

The Employer Skills Survey (ESS) provides data on how employers respond to skills challenges within their existing workforce, and when recruiting. Overall, more than 72,000 UK employers participated in the 2022 wave.

The 2022 survey is the sixth conducted in the series since 2011, and the fifth UK-wide survey, with Scotland re-joining the series alongside England, Northern Ireland and Wales this wave. As in 2019, the 2022 survey includes elements of the previous Employer Perspectives Survey (EPS) that was run in parallel with ESS between 2010 and 2016. The former EPS questions focus on drivers of recruitment and people development, and employer engagement in specific programmes including apprenticeships and work placements.

Since the last UK-wide survey in 2017 employers have faced a series of challenges including the impacts of the COVID-19 pandemic, navigating new trading and labour relationships with the EU following the UK's exit, and most recently, high inflation (which has put pressure on employers operating costs, including wages). It is therefore perhaps unsurprising that the 2022 survey has found employers have experienced a notable increase in skills challenges both when recruiting and within their existing workforces.

However, although increased proportions of employers reported skills gaps and skill-shortage vacancies, there has not been an associated increase in workforce development activities. Fewer employers are providing work experience opportunities, a lower proportion are training their existing employees, and there has been a real term decrease in employer investment on training, with training expenditure falling since 2017. Meanwhile, apprenticeships offer the opportunity for employers to build a sustainable talent pipeline longer term, however the overall proportion of employers offering them has remained unchanged since 2016.

The survey results suggest that skill gaps (both within the existing workforce and among new applicants) can contribute to negative impacts on employers. Consequences of skills gaps and skill-shortage vacancies (SSVs) vary from increased workloads for other staff, to increased operating costs.

Key findings

The survey found an increase in the percentage of employers with vacancies (23%, compared to 20% in 2017), with a similar picture found across all four nations in the UK. Alongside this increase in vacancies, employers have found it harder to find applicants

with the relevant skills, qualifications or experience. These skill-shortage vacancies (SSVs), accounted for 36% of all vacancies in 2022, up from 22% in 2017, which is the largest increase seen since the beginning of the ESS series. In volume terms this equated to 531,200 SSVs in 2022/23, which is more than double the number UK employers reported in 2017 (226,500).

The proportion of vacancies hard-to-fill because of skill shortages among applicants (SSV density) was highest among employers in the Construction sector (52%), followed by the Information and Communications sector (43%). SSV density increased across all occupations. As in previous years Skilled Trades occupations continued to have the highest SSV density, in 2022 over half of all vacancies for this occupational group were proving hard to fill because of a lack of skilled applicants (52%). However, the largest increase in SSV density was seen for Administrative occupations – rising from 14% in 2017 to 37% in 2022.

As has been seen in previous years, having an SSV impacts on the business performance of nearly all of employers reporting them (95%). Most commonly, SSVs increased the workload for other staff (impacting 85% of employers where all hard-to-fill vacancies were a result of skill-shortages). In addition, difficulties meeting customer service objectives (50%) and experiencing increased operating costs (48%) were common.

Turning to the skills challenges employers face within their existing workforce. For the first time since the UK-wide ESS began in 2011, all key skills gaps measures have increased, after a steady decline between 2011 and 2017. This picture was consistent across the UK, with the exception of Scotland, where skills gap incidence and density remains similar to 2017 levels (the last data point reported for Scotland). There was an increase in the proportion of employers reporting at least one member of staff not being fully proficient at their job, with 15% of employers reporting this, compared to 13% in 2017. The overall proportion of employees not considered fully proficient (skills gap density) also increased (from 4.4% in 2017 to 5.7% in 2022). This was equivalent to 1.72 million employees lacking full proficiency, compared with 1.27 million in 2017. Skills gaps had an impact on most employers experiencing them (65%, similar to the 66% in 2017).

Tackling these skills challenges and developing a suitably skilled workforce is critical to employer success. One route to achieving this is through training, and all employers were asked about the training activities they provide for their employees. Despite the skills challenges many employers are facing, there has been a notable reduction in training. 60% of employers had provided training for their staff over the previous 12 months, compared to consistent levels of 65% to 66% between 2011 and 2017. In addition, the proportion of staff trained relative to the size of the overall workforce fell, from 62% in 2017 to 60% in 2022. On average each person trained also received fewer training days in the last 12 months than in previous years (6.0 days, vs. 6.4 days in 2017).

Perhaps unsurprisingly given these training trends, the total UK employer expenditure on training and development over the previous 12 months has also decreased, with a similar pattern seen across all nations. UK employer training expenditure was £53.6 billion, a 7.7% reduction in real terms on the 2017 figure (taking into account inflation). However, it is worth noting that at nation level for England, Northern Ireland and Wales, training expenditure has increased slightly when compared to 2019. In England this increased from £44.9 billion to £45.8 billion, in Northern Ireland from £1.2 billion to £1.3 billion and in Wales from £2.0 billion to £2.3 billion.

Another route to nurturing a skilled workforce is through offering work experience opportunities. There has however been a fall in employers offering these opportunities, with 30% providing any work experience in the last 12 months compared to 38% in 2016. When asked for the reasons why they had not offered work placements or work inspiration activities, the most common were that there were no suitable roles in their organisation (29%) and that they did not have the time or resource to manage it (19%).

Finally, employers were asked about apprenticeships. We found that the proportion of employers offering apprenticeships had remained unchanged since 2016. One in five (19%) offered apprenticeships at the time of interview (similar to 18% in 2016). Employers in the Education, Health and Social Work and Construction sectors (39%, 30% and 25% respectively) were most likely to offer apprenticeships, while those in the Primary Sector and Utilities (10%) were the least likely to offer. Perceived structural barriers, such as apprenticeships not being suitable for the employers' size, or employers not looking to recruit, were most commonly cited as barriers to offering apprenticeships.

Report Appendices

Appendix A: National time series tables

The UK-wide ESS series was designed in such a way as to, where possible, preserve key time series measures from the surveys carried out previously by the individual nations.

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 from ESS 2013 onwards (2+ employment), therefore it is possible to make some comparisons over a longer time period. It should be noted that the weighting strategy of the NESS surveys was based on Sector Skills Council (SSC) defined sectors rather than the SIC sector groupings used in the ESS series, therefore some caution needs to be exercised when making sector 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 from ESS 2013 onwards, 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 from ESS 2013 onwards, therefore no time series comparisons can be drawn prior to 2011. Note, Scotland was also the only nation not included in ESS 2019. A separate Scottish EPS was run in 2019 and 2021 and a separate Scottish ESS in 2020. Findings from the Scottish ESS 2020 and EPS 2021 are not included in this report as the surveys took place within the context of the covid pandemic with findings reflecting a challenging period for employers. ESS 2017 is used as the last point of comparison with ESS 2022.

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 size band definitions to those used in the ESS series, therefore some caution needs to be exercised when making comparisons with the 2005 data.

The tables below provide time series for key figures in the ESS survey, alongside those in the earlier legacy surveys, where appropriate.

England Time Series: Key Figures

Vacancies and skill-shortage vacancies (SSVs)	NESS 03	NESS 05	NESS 07	NESS 09	ESS 2011	ESS 2013	ESS 2015	ESS 2017	ESS 2019	ESS 2022
% of establishments with any vacancies	17%	17%	18%	12%	14%	15%	20%	20%	17%	**23%**
% with any hard-to-fill vacancies	8%	7%	7%	3%	5%	5%	8%	8%	8%	**15%**
% with SSVs	n/a	5%	5%	3%	3%	4%	6%	6%	6%	**10%**
% of all vacancies which are SSVs	n/a	25%	21%	16%	15%	22%	23%	22%	25%	**36%**
Number of vacancies	679,000	574,000	620,000	386,000	501,000	560,000	797,000	873,000	812,000	**1,278,000**
Number of hard-to-fill vacancies	271,000	204,000	184,000	85,000	107,000	160,000	262,000	287,000	292,000	**726,000**
Number of skill-shortage vacancies	135,000	143,000	130,000	63,000	77,000	125,000	180,000	194,000	199,000	**460,000**
Skills gaps	**NESS 03**	**NESS 05**	**NESS 07**	**NESS 09**	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2019**	**ESS 2022**
% of establishments with any staff not fully proficient	22%	16%	15%	19%	17%	15%	14%	13%	13%	**15%**
Number of skills gaps	2.4m	1.26m	1.36m	1.70m	1.28m	1.17m	1.18m	1.06m	1.17m	**1.52m**
Number of staff not fully proficient as a % of employment	11%	6%	6%	7%	6%	5%	5%	4%	5%	**6%**

Training	NESS 03	NESS 05	NESS 07	NESS 09	ESS 2011	ESS 2013	ESS 2015	ESS 2017	ESS 2019	ESS 2022
% of establishments training any staff over the last 12 months	59%	65%	67%	68%	65%	66%	66%	66%	61%	**60%**
% providing off-the-job training in the last 12 months	n/a	46%	46%	51%	47%	48%	48%	48%	43%	**39%**
% of the workforce trained	53%	61%	63%	56%	54%	62%	63%	62%	60%	**60%**
Total number of training days	n/a	n/a	n/a	109m	97m	95m	100m	98m	92m	**90m**

Northern Ireland Time Series: Key Figures

Vacancies and skill-shortage vacancies (SSVs)	ESS 2011	ESS 2013	ESS 2015	ESS 2017	ESS 2019	ESS 2022
% of establishments with any vacancies	10%	10%	13%	16%	14%	**21%**
% with any hard-to-fill vacancies	3%	3%	4%	6%	7%	**15%**
% with SSVs	2%	3%	3%	5%	4%	**9%**
% of all vacancies which are SSVs	21%	19%	14%	21%	22%	**35%**
Number of vacancies	18,000	15,000	20,000	23,000	24,000	**40,000**
Number of hard-to-fill vacancies	5,000	4,000	4,000	7,000	8,000	**24,000**
Number of skill-shortage vacancies	4,000	3,000	3,000	5,000	5,000	**14,000**
Skills gaps	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2019**	**ESS 2022**
% of establishments with any staff not fully proficient	13%	14%	9%	12%	10%	**11%**
Number of skills gaps	34,000	38,000	24,000	28,000	26,000	**37,000**
Number of staff not fully proficient as a % of employment	4%	5%	3%	4%	3%	**5%**
Training	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2019**	**ESS 2022**
% of establishments training any staff over the last 12 months	65%	63%	62%	63%	59%	**58%**
% providing off-the-job training in the last 12 months	48%	49%	47%	47%	42%	**35%**
% of the workforce trained	56%	59%	64%	60%	62%	**64%**
Total number of training days	2.7m	2.7m	2.6m	2.6m	2.7m	**2.9m**

Wales Time Series: Key Figures

Vacancies and skill-shortage vacancies (SSVs)	FSW 05	ESS 2011	ESS 2013	ESS 2015	ESS 2017	ESS 2019	ESS 2022
% of establishments with any vacancies	21%	12%	14%	17%	17%	15%	**22%**
% with any hard-to-fill vacancies	10%	4%	5%	7%	8%	7%	**15%**
% with SSVs	4%	3%	4%	6%	6%	5%	**10%**
% of all vacancies which are SSVs	14%	18%	20%	24%	27%	24%	**35%**
Number of vacancies	38,000	23,000	26,000	37,000	36,000	41,000	**59,000**
Number of hard-to-fill vacancies	13,000	7,000	7,000	12,000	13,000	14,000	**35,000**
Number of skill-shortage vacancies	5,000	4,000	5,000	9,000	10,000	10,000	**21,000**
Skills gaps	**FSW 05**	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2019**	**ESS 2022**
% of establishments with any staff not fully proficient	18%	16%	16%	14%	13%	13%	**14%**
Number of skills gaps	64,000	54,000	67,000	54,000	57,000	51,000	**52,000**
Number of staff not fully proficient as a % of employment	6%	5%	6%	5%	5%	4%	**4%**
Training	**FSW 05**	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2019**	**ESS 2022**
% of establishments training any staff over the last 12 months	n/a	63%	62%	63%	62%	62%	**60%**
% providing off-the-job training in the last 12 months	n/a	47%	47%	49%	47%	45%	**36%**
% of the workforce trained	n/a	56%	62%	64%	58%	65%	**63%**
Total number of training days	n/a	4.9m	5.6m	5.4m	4.4m	4.2m	**5.3m**

Scotland Time Series: Key Figures

Vacancies and skill-shortage vacancies (SSVs)	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2022**
% of establishments with any vacancies	14%	15%	19%	20%	**25%**
% of establishments with any hard-to-fill vacancies	4%	6%	8%	8%	**16%**
% with SSVs	3%	4%	6%	6%	**10%**
% of all vacancies which are SSVs	15%	25%	24%	24%	**31%**
Number of vacancies	45,000	55,000	74,000	75,000	**118,000**
Number of hard-to-fill vacancies	9,000	18,000	25,000	30,000	**64,000**
Number of skill-shortage vacancies	7,000	13,000	18,000	18,000	**37,000**
Skills gaps	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2022**
% of establishments with any staff not fully proficient	21%	19%	14%	16%	**15%**
Number of skills gaps	121,000	135,000	118,000	122,000	**119,000**
Number of staff not fully proficient as a % of employment	5%	6%	5%	5%	**5%**
Training	**ESS 2011**	**ESS 2013**	**ESS 2015**	**ESS 2017**	**ESS 2022**
% of establishments training staff over the last 12 months	73%	70%	71%	71%	**64%**
% of establishments providing off-the-job training in the last 12 months	53%	53%	52%	51%	**40%**
% of workforce trained	58%	65%	62%	62%	**59%**
Total number of training days	9.8m	10.0m	9.9m	10.0m	**9.6m**

NB: Scotland also ran ESS in 2020 where data is available for the % of establishments with any hard-to-fill vacancies, but is not included in this table as Scottish ESS 2020 took place within the context of the COVID-19 pandemic, reflecting a challenging period for employers

Appendix B: Sampling error and statistical confidence (summary)

Sampling errors for the survey results overall and for key sub-groups are presented in Table B-1 below. Figures have been based on a survey result of 50% (the 'worst' case in terms of statistical reliability) and have used a 95% confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of ±0.36%, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 49.64% to 50.36%'. Significance testing on employer measures use the unweighted respondent base, while employment measures, and density measures such as the proportion of the workforce with skills gaps and skills-shortage vacancy density, have been calculated on the basis of the unweighted employment (or vacancy) base.

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 assumptions of probability random sampling and a normal distribution of responses.

Table B-1 Sampling error (at the 95% confidence level) associated with findings of 50%

Survey group	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Total	**1,997,712**	**72,918**	± 0.36
Nation	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
England	1,699,436	59,486	± 0.39
Northern Ireland	60,351	3,400	± 1.63
Scotland	149,992	5,207	± 1.33
Wales	87,933	4,825	± 1.37
Size	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
2-4	1,090,135	20,671	± 0.68
5-9	415,707	17,487	± 0.73
10-24	291,035	17,546	± 0.72

25-49	107,083	9,403	± 0.97
50-99	53,204	4,603	± 1.38
100-249	28,153	2,543	± 1.85
250+	12,395	665	± 3.70
Sector	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Primary Sector and Utilities	109,809	3,210	± 1.70
Manufacturing	102,452	5,305	± 1.31
Construction	210,367	5,196	± 1.34
Wholesale and Retail	378,176	15,694	± 0.77
Hotels and Restaurants	196,825	8,087	± 1.07
Transport and Storage	68,093	2,456	± 1.94
Information and Communi-cations	87,449	2,061	± 2.13
Financial Services	37,455	991	± 3.07
Business Services	454,476	13,036	± 0.85
Public Administration	17,312	656	± 3.75
Education	60,674	4,654	± 1.38
Health and Social Work	130,363	7,186	± 1.12
Arts and Other Services	144,261	4,386	± 1.46

Table B-2 Sampling error (at the 95% confidence level) associated with findings of 50% - Module A

Survey group	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Total	**1,997,712**	**13,603**	± 0.84
Nation	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
England	1,699,436	10,134	± 0.97
Northern Ireland	60,351	905	± 3.23
Scotland	149,992	1,325	± 2.68
Wales	87,933	1,239	± 2.76
Size	**Population**	**Number of interviews**	**(Maximum) Sampling Error**

2-4	1,090,135	3,772	± 1.59
5-9	415,707	3,272	± 1.71
10-24	291,035	3,280	± 1.70
25-49	107,083	1,792	± 2.30
50-99	53,204	892	± 3.25
100-249	28,153	468	± 4.49
250+	12,395	127	± 8.65
Sector	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Primary Sector and Utilities	109,809	618	± 3.93
Manufacturing	102,452	1,004	± 3.08
Construction	210,367	934	± 3.20
Wholesale and Retail	378,176	3,024	± 1.77
Hotels and Restaurants	196,825	1,475	± 2.54
Transport and Storage	68,093	440	± 4.66
Information and Communi-cations	87,449	362	± 5.14
Financial Services	37,455	185	± 7.19
Business Services	454,476	2,379	± 2.00
Public Administration	17,312	135	± 8.40
Education	60,674	904	± 3.24
Health and Social Work	130,363	1,353	± 2.65
Arts and Other Services	144,261	790	± 3.48

Table B-3 Sampling error (at the 95% confidence level) associated with findings of 50% - Module B

Survey group	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Total	**1,997,712**	**13,437**	± 0.84
Nation	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
England	1,699,436	10,038	± 0.98
Northern Ireland	60,351	809	± 3.42
Scotland	149,992	1,334	± 2.67

Wales	87,933	1,256	± 2.75
Size	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
2-4	1,090,135	3,760	± 1.60
5-9	415,707	3,256	± 1.71
10-24	291,035	3,254	± 1.71
25-49	107,083	1,737	± 2.33
50-99	53,204	798	± 3.44
100-249	28,153	499	± 4.35
250+	12,395	133	± 8.45
Sector	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Primary Sector and Utilities	109,809	621	± 3.92
Manufacturing	102,452	995	± 3.09
Construction	210,367	910	± 3.24
Wholesale and Retail	378,176	2,879	± 1.82
Hotels and Restaurants	196,825	1,492	± 2.53
Transport and Storage	68,093	445	± 4.63
Information and Communi-cations	87,449	363	± 5.13
Financial Services	37,455	183	± 7.23
Business Services	454,476	2,360	± 2.01
Public Administration	17,312	127	± 8.66
Education	60,674	871	± 3.30
Health and Social Work	130,363	1,372	± 2.63
Arts and Other Services	144,261	819	± 3.41

Table B-4 Sampling error (at the 95% confidence level) associated with findings of 50% - Module C

Survey group	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Total	**1,997,712**	**13,269**	± 0.85
Nation	**Population**	**Number of interviews**	**(Maximum) Sampling Error**

England	1,699,436	9,906	± 0.98
Northern Ireland	60,351	863	± 3.31
Scotland	149,992	1,332	± 2.67
Wales	87,933	1,168	± 2.85
Size	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
2-4	1,090,135	3,794	± 1.59
5-9	415,707	3,168	± 1.73
10-24	291,035	3,153	± 1.74
25-49	107,083	1,712	± 2.35
50-99	53,204	872	± 3.29
100-249	28,153	438	± 4.65
250+	12,395	132	± 8.48
Sector	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Primary Sector and Utilities	109,809	682	± 3.74
Manufacturing	102,452	973	± 3.13
Construction	210,367	953	± 3.17
Wholesale and Retail	378,176	2,787	± 1.85
Hotels and Restaurants	196,825	1,393	± 2.62
Transport and Storage	68,093	462	± 4.54
Information and Communi-cations	87,449	373	± 5.06
Financial Services	37,455	178	± 7.33
Business Services	454,476	2,373	± 2.01
Public Administration	17,312	119	± 8.95
Education	60,674	806	± 3.43
Health and Social Work	130,363	1,357	± 2.65
Arts and Other Services	144,261	813	± 3.43

Table B-5 Sampling error (at the 95% confidence level) associated with findings of 50% - Module D

Survey group	Population	Number of interviews	(Maximum) Sampling Error

Total	**1,997,712**	**13,182**	± 0.85
Nation	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
England	1,699,436	9,994	± 0.98
Northern Ireland	60,351	822	± 3.39
Scotland	149,992	1,213	± 2.80
Wales	87,933	1,153	± 2.87
Size	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
2-4	1,090,135	3,845	± 1.58
5-9	415,707	3,143	± 1.74
10-24	291,035	3,111	± 1.75
25-49	107,083	1,697	± 2.36
50-99	53,204	807	± 3.42
100-249	28,153	467	± 4.50
250+	12,395	112	± 9.22
Sector	**Population**	**Number of interviews**	**(Maximum) Sampling Error**
Primary Sector and Utilities	109,809	591	± 4.02
Manufacturing	102,452	927	± 3.20
Construction	210,367	966	± 3.15
Wholesale and Retail	378,176	2,852	± 1.83
Hotels and Restaurants	196,825	1,480	± 2.54
Transport and Storage	68,093	447	± 4.62
Information and Communi-cations	87,449	398	± 4.90
Financial Services	37,455	184	± 7.21
Business Services	454,476	2,308	± 2.03
Public Administration	17,312	125	± 8.73
Education	60,674	828	± 3.38
Health and Social Work	130,363	1,297	± 2.71
Arts and Other Services	144,261	779	± 3.50

Appendix C: Survey population estimates

	Total	England	Northern Ireland	Wales	Scotland
Overall number of establishments	1,997,712	1,696,471	60,999	88,847	151,395
Chapter 2: Skills Challenges When Recruiting	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
With a vacancy	464,143	394,324	12,521	19,941	37,357
With a skill-shortage vacancy	196,615	167,053	5,749	8,538	15,275
With a hard-to-fill vacancy	292,214	246,174	8,951	13,321	23,768
Chapter 3: Recruitment Practices	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
All establishments who had recruited in the last year (Module D)	980,262	832,734	26,176	42,339	79,014
Chapter 4: The Internal Skills Challenge	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
With at least one skills gap	301,100	258,963	6,966	12,155	23,017
With at least one employee with more qualifications and skills than job role requires	701,801	588,627	22,702	33,749	56,723
Chapter 5: Nurturing the skills pipeline	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
All establishments who have not	1,319,503	1,116,968	42,725	59,907	99,904

offered any placements or work inspiration in the last 12 months					
Chapter 6: Training and workforce development	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
Provided any training in the previous 12 months	1,196,588	1,011,466	35,412	52,995	96,715
Any on-the-job training	986,643	830,107	29,760	44,875	81,901
Any off-the-job training	781,307	667,276	21,621	31,739	60,670
Both on- and off-the-job training	571,361	485,917	15,969	23,619	45,856
Provided no training for staff	777,287	664,303	25,044	35,102	52,838
Provided training towards a nationally recognised qualification	523,634	445,774	13,215	24,353	40,292
Chapter 7: Apprenticeships	**Total**	**England**	**Northern Ireland**	**Wales**	**Scotland**
All establishments who have/offer apprenticeships	380,909	332,880	8,326	14,975	24,727
All establishments that started offering apprenticeships in the last three years	105,586	95,076	1,876	3,987	4,647

Chapter 8: Future skills needed	Total	England	Northern Ireland	Wales	Scotland
All establishments who anticipate a need for new skills in next 12 months (and could identify an occupation that would be most affected) (Module B, all nations; Module D, Scotland and Wales)	1,112,937	936,022	34,671	52,953	89,290

Appendix D: Definitions for skills and causes of skills gaps groupings

Table D-1 Grouped technical and practical skills

Complex analytical skills	Operational skills	Digital skills	Basic skills
Solving complex problems requiring a solution specific to the situation	Knowledge of products and services offered by your organisation and organisations like yours	Computer literacy / basic IT skills	Computer literacy / basic IT skills
More complex numerical or statistical skills and understanding	Knowledge of how your organisation works	Advanced or specialist IT skills	Basic numerical skills and understanding

Table D-2 Grouped people and personal skills

Management and leadership skills	Sales and customer skills	Self-management skills
Persuading or influencing others	Sales skills	Ability to manage own time and prioritise own tasks
Managing or motivating staff	Customer handling skills	Managing their own feelings, or handling the feelings of others
Setting objectives for others and planning human, financial and other resources	-	-

Table D-3 Grouped digital skills

Design, animation and graphics skills	Basic internet skills	Basic digital skills
Animation skills	Communicating via email	Foundation digital skills – such as turning on devices typing changing passwords connecting to the internet

Multimedia production skills	Completing transactions online	Basic Microsoft Office applications skills (Word Excel PowerPoint Outlook etc.)
Graphic design / design engineering skills (incl. Computer Aided Design [CAD] skills)	Using the internet to find solutions to problems	-
-	Being safe and legal online – e.g., understanding online risks and threats	-

Table D-4 Grouped causes of skills gaps

Transient factors	Positive transformational factors
They are new to the role	The development of new products and services
Their training is currently only partially completed	The introduction of new working practices
-	The introduction of new technology

Appendix E: Definitions for reasons groupings

Table E-1 Grouped reasons why employers started to offer apprenticeships in the last three years, and the individual reasons included in these groups

Acquiring talent	Nurturing talent	Altruistic	Financial
Good way to get skilled staff	Demand among existing staff	Good way to give young people a chance in employment	Availability of grants to support it
To ensure young people continue to enter the industry / company	Improve staff morale / retention	To help people into work / give people experience	Because of the apprenticeship levy
We are looking to expand the business	To train people from scratch / to train apprentices to our needs	To help the community / corporate social responsibility	Good value for money / cost effective
-	To improve general skills / knowledge of new and existing staff	-	-
-	We could shape our own Apprenticeship framework or standard	-	-
-	We wanted to upskill current staff	-	-

Table E-2 Grouped reasons why employers do not currently offer apprenticeships, and the individual reasons included in these groups

Structural	Active choice	Lack of awareness	Reforms	COVID-19
Apprenticeships are not offered for our industry	All our staff fully skilled, no need	Don't know enough about them	Because of recent reforms (needing to make a 5% contribution to the costs)	We were not able to offer placements during lockdowns / COVID

Apprenticeships are only for manual staff / not for professionals	Bad experience with training providers in the past	Never have before so haven't considered it	Because of recent reforms (minimum of 20% of apprentices' hours being off-the-job training	COVID-19 had affected availability of apprentices
Decision made by Head Office / someone else	Don't suit our business model	No one has enquired about doing one lately	-	-
Don't have the work to offer them	No need (unspecified.)	-	-	-
Don't have time to train them	Past apprentices have not been of a good standard	-	-	-
Not relevant to business	Prefer other forms of training	-	-	-
Regulatory or bureaucratic restrictions or requirements	Prefer to recruit experienced staff	-	-	-
Specialist job roles / niche business*	-	-	-	-
They are not suitable due to the size of establishment	-	-	-	-
We are not looking to recruit new staff	-	-	-	-
We cannot currently afford to	-	-	-	-

We don't have the resources (various)	-	-	-	-
We have struggled to find a suitable applicant	-	-	-	-
We were not able to offer placements during lockdowns / COVID	-	-	-	-
COVID-19 had affected availability of apprentices	-	-	-	-
Lack of time to train apprentices due to pressures caused by Brexit	-	-	-	-

Table E-3 Grouped reasons why employers did not retain all of their apprentices in a permanent role

Apprentice decision	Capability / fit	Lack of resource / work	Personal / health reasons
The apprentice did not want to stay in their role	The apprentice was not capable enough at their role	There was not enough work available	The apprentice left for person reasons
The apprentice accepted a job at another employer	The apprentice was not the right fit for the establishment	The establishment could not afford to hire them permanently	The apprentice was ill
The apprenticed moved on (unspecified)	The apprentice had a bad attitude / lacked motivation	Funding / financial reasons	-

Apprentice relocated	The apprentice was fired / went through disciplinary action	-	-
Location difficult to get to / apprentice moved to a more convenient location	-	-	-
The apprentice left to find a better paid position	-	-	-

Table E-4 Grouped reasons why employers plan to start offering apprenticeships in the future, and the individual reasons included in these groups

Acquiring talent	Nurturing talent	Altruistic	Financial
Good way to get skilled staff	Demand among existing staff	Good way to give young people a chance in employment	Availability of grants to support it
To ensure young people continue to enter the industry / company	Improve staff morale / retention	To help people into work / give people experience	Changes following the introduction of the Apprenticeship Levy
We are looking to expand the business	To improve general skills / knowledge of new and existing staff	To help the community / corporate social responsibility	Good value for money / cost effective
-	To train people from scratch / to train apprentices to our needs	-	-
-	We can shape our own Apprenticeship framework or standard	-	-
-	We want to upskill current staff	-	-

Table E-5 Grouped reasons why employers plan to stop offering apprenticeships in the future, and the individual reasons included in these groups

Structural	Active choice	Reforms
Apprenticeships are not offered for our industry	All our staff fully skilled, no need	Because of recent reforms (needing to make a 5% contribution to the costs)
Bureaucracy	Apprentices tend to leave soon after their training	Because of recent reforms (minimum of 20% of apprentices' hours being off-the-job training
Head Office decision	Bad experience with training providers in the past	Introduction of the Apprenticeship Levy in 2017
Takes up too much time	No benefits to business	-
They are not suitable due to the size of establishment	Past apprentices have not been of a good standard	-
We are not looking to recruit new staff	Prefer other forms of training	-
We cannot currently afford to	Prefer to recruit experienced staff	-
Ongoing financial impacts of the COVID-19 pandemic on the business	-	-

Appendix F: Definitions for categories

Table F-1 Grouped work placement definitions

Internships	Adult placements
Internships, either paid or unpaid	Work trails for potential new recruits
Graduate programme (unprompted)	Placements targeted at giving work experience to the unemployed
-	Voluntary work
-	Special needs or disability programme
-	Unspecified student / trainee

Table F-2 Grouped reasons for offering work placements

Altruistic	Company benefit	Circumstantial
Gives them experience	Helps with recruitment / as a trial	Asked/approached by student/school/university
Doing our 'but' / uphold relations with the local community	An extra pair of hands/help with the workload	Favour for family member/friend/friend or family of colleague
Part of formal social responsibility / CSR policy	Raises our profile in the recruitment market	-
Existing links with educational institutions	Beneficial to the company (e.g., fresh ideas / up to date skills etc.)	-
Requirement of qualification/essential part of their studies	Do not need to pay them	-
Approached by a Developing the Young Workforce (DYW) Lead	-	-
Signed up to the Young Person's Guarantee	-	-
Government grant/funding	-	-

Appendix G: Definitions for categories

Table G-1 Grouped reasons why establishments had not arranged training for employees designed to lead towards the achievement of a vocational qualification

Demand	Supply	Resource	Information	COVID-19
Staff already have / are provided with sufficient training	Don't think vocational qualifications are as rigorous as other qualifications	Cutbacks in our training budget	Don't know enough about what vocational qualifications are available	You were unable to fund training due to COVID-19
Staff don’t want vocational qualifications	Vocational qualifications are not relevant / available	The Government does not provide funding or grants to cover the costs	-	Training courses were not running due to COVID-19
The employees are too old	Vocational qualifications are too complicated for our needs	Too busy / no time	-	COVID-19 (unspecified)
-	Vocational qualifications are too much bureaucracy	Vocational qualifications are too expensive to deliver	-	-
-	Vocational qualifications take too long to deliver	Were unable to fund training due to COVID-19	-	-
-	Training courses were not running due to COVID-19	-	-	-

Table G-2 Grouped sources of advice or help used in the last 12 months in relation to skills and training-related issues

Training providers	Collectives and representative bodies	Public sector	Other private sources
A commercial training provider	A chamber of Commerce	A Local Enterprise Agency	A consultancy
A Further Education college	A non-profit making organisation, for example employer associations or voluntary organisations	A Local Enterprise Partnership (LEP)	Suppliers
A university	A professional body	Careers Wales	-
-	A Sector Skills Council (SSC) or other sector-specific body or organisation	Government source	-
-	A trade union	GOV.UK	-
-	Other employers in your industry or locality	Local Authority	-
-	National Training Foundation for Wales	Business Wales or Skills Gateway	-
-	Federation of small businesses	Welsh Government	-
-	-	NI Business Information	-
-	-	Invest Northern Ireland	-
-	-	Business Gateway	-
-	-	Scottish Enterprise	-
-	-	Highlands and Islands Enterprise	-
-	-	Skills Development Scotland	-
-	-	South of Scotland Enterprise	-
-	-	The local Developing the Young Workforce - or DYW - Lead or Regional Group	-

Appendix H: Base sizes

Unweighted base sizes for all establishments, by nation and size (2011-2022)

	2011	2013	2015	2017	2019	2022
Total	**86,522**	**91,279**	**91,210**	**87,430**	**-**	**72,918**
Nation	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
England	74,156	75,255	75,129	71,527	70,217	59,486
Northern Ireland	3,921	4,014	4,019	3,973	4,023	3,400
Wales	5,958	5,996	6,027	5,913	6,773	4,825
Scotland	2,487	6,014	6,035	6,017	-	5,207
Size	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
2 to 4 employees	17,905	19,058	20,527	17,132	-	20,671
5 to 24 employees	47,770	51,565	49,584	46,936	-	35,033
25 to 49 employees	10,239	10,947	11,657	12,526	-	9,403
50 to 99 employees	5,712	5,584	5,836	6,456	-	4,603
100 to 249 employees	3,270	2,938	2,689	3,302	-	2,543
250 or more employees	1,626	1,187	917	1,078	-	665

Unweighted base sizes for all establishments, by sector (2017, 2022)

	2017	2022
Total	**87,430**	**72,918**
Sector	**2017**	**2022**
Primary Sector and Utilities	4,905	3,210
Manufacturing	6,578	5,305

Construction	6,846	5,196
Wholesale and Retail	14,514	15,694
Hotels and Restaurants	8,478	8,087
Transport and Storage	4,075	2,456
Information and Communications	3,976	2,061
Financial Services	2,678	991
Business Services	13,713	13,036
Public Administration	1,162	656
Education	5,525	4,654
Health and Social Work	7,952	7,186
Arts and Other Services	7,028	4,386

Unweighted base sizes for all establishments providing training, by size and sector (2017, 2022)

	2017	**2022**
Total	**67,950**	**51,077**
Size	**2017**	**2022**
2 to 4 employees	8,798	9,197
5 to 24 employees	37,207	26,213
25 to 49 employees	11,577	8,403
50 to 99 employees	6,145	4,238
100 to 249 employees	3,181	2,395
250 or more employees	1,042	631
Sector	**2017**	**2022**
Primary Sector and Utilities	2,961	1,783
Manufacturing	4,839	3,506

Construction	5,035	3,248
Wholesale and Retail	10,753	10,018
Hotels and Restaurants	6,493	5,655
Transport and Storage	2,753	1,635
Information and Communications	2,782	1,233
Financial Services	2,170	750
Business Services	11,009	8,956
Public Administration	1,030	564
Education	5,308	4,324
Health and Social Work	7,369	6,392
Arts and Other Services	5,448	3,013

Unweighted base sizes for all establishments completing the Investment in Training study, by nation, size and sector (2011-2022)

	2011	2013	2015	2017	2019	2022
Total	**11,027**	**12,552**	**12,614**	**12,466**	**-**	**11,832**
Nation	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
England	7,872	8,704	9,616	8,872	8,068	7,801
Northern Ireland	990	1,028	699	859	825	1,044
Wales	1,483	1,361	1,065	1,328	1,362	1,441
Scotland	682	1,429	1,234	1,407	-	1,546
Size	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
2 to 4 employees	1,774	2,317	1,963	2,090	-	3,192
5 to 24 employees	6,542	6,953	7,661	6,988	-	5,658
25 to 49 employees	1,452	1,722	1,779	1,885	-	1,543

50 to 99 employees	708	928	782	947	-	688
100 or more employees	551	602	429	556	-	751
Sector	**2011**	**2013**	**2015**	**2017**	**2019**	**2022**
Primary Sector and Utilities	253	480	463	546	-	430
Manufacturing	816	882	937	807	-	763
Construction	655	906	826	857	-	712
Wholesale and Retail	1,815	1,971	1,813	1,670	-	2,248
Hotels and Restaurants	1,055	1,092	1,273	1,011	-	1,154
Transport and Storage	482	541	556	534	-	360
Information and Communications	380	414	579	573	-	347
Financial Services	220	369	344	390	-	176
Business Services	2,036	2,341	2,073	2,373	-	2,335
Public Administration	231	211	176	256	-	105
Education	558	630	678	895	-	923
Health and Social Work	1,515	1,572	1,790	1,478	-	1,502
Arts and Other Services	1,011	1,113	1,106	1,076	-	777

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