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The Northern Ireland Skills Monitoring Survey 2005 Summary Report

A report prepared by the Skills Unit, Research and Evaluation Branch, Department for Employment and Learning

October 2006

Northern Ireland Statistics & Research agency

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Based on the results of a survey carried out by Central Survey Unit, NISRA,
during June to November 2005

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ACKNOWLEDGEMENTS

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Firstly thanks to the 4,126 employers who gave up valuable time to participate in the survey.

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Once again, the support of the administrative team within Research and Evaluation Branch has proved most helpful.

Skills Unit
October 2006

EXECUTIVE SUMMARY

Background

The Northern Ireland Skills Monitoring Survey was designed to provide a comprehensive snapshot of the current skill needs of NI employers in the non-agricultural sectors. The Survey largely replicates the NI Skills Monitoring Survey 2002 and therefore we now have some useful comparisons over time.

The survey provides an overview of issues connected with skill shortages, skill gaps and training, from an employer's perspective. Of particular interest are those areas where recruitment difficulties are related to external skill shortages and therefore subject to a 'skills' solution.

The last fifteen years have seen a marked improvement in the NI economy from a previous position of high unemployment and slow GDP and employment growth. These economic changes are reflected in a changed labour market where employers are finding increasing competition for labour but are also able to draw on an increasingly well educated workforce.

BULLET POINT FINDINGS

Employee turnover

- Employee turnover for all businesses interviewed was 13%. This is lower than the average NI employee turnover calculated from the 2002 survey (16%).
- Turnover was highest among small businesses employing between 5-10 people.
- Across all industrial sectors, employee turnover was highest in the Hotels and Restaurants sector (21%).

Current vacancies

- Overall 11% of employers reported that they had at least one vacancy for which they were trying to recruit people from the external labour market. This is a decrease on the 2002 figure of 16%.
- The highest proportion of employers reporting current vacancies were in Health and Social Care (16%), Financial Services (15%), Education (15%) and Hotels and Restaurants (14%).
- The occupational group that accounted for the largest number of vacancies (24%) was Personal Service occupations which include care assistants, classroom assistants and hairdressers.

Difficult to fill vacancies

- Overall, 6% of employers reported at least one vacancy that was proving difficult to fill. The corresponding 2002 figure was 10%.
- Larger employers with 50 or more staff were more likely to report a current difficult to fill vacancy (19%).
- The Financial Services sector had the highest incidence of employers reporting difficult to fill vacancies (9%).
- The most frequent difficult to fill vacancies were for Personal Service occupations (20%).
- The most frequently mentioned **main** reason for difficulty in filling these vacancies were the lack of skills that the company demands (20%) and not enough people interested in that type of work (20%).
- Difficulties in recruitment clearly had an impact on business. Over half of the difficult to fill vacancies (56%) caused difficulties in meeting customer service objectives.
- For more than half of the difficult to fill vacancies (54%), employers had not taken any additional measures to overcome the recruitment difficulties. The most frequently reported measure taken by employers was to use a more extensive range of recruitment channels than normal (17% of difficult to fill vacancies).

External skill shortages

- Overall, 34% of difficult to fill vacancies were due to external skill shortages. External skill shortages were defined as those vacancies difficult to fill due to either a lack of skills; a lack of qualifications required or a lack of the work experience that the employer required.
- For industrial sectors for which reliable estimates were possible, external skill shortages were more prevalent within the Transport and Communications (63% of difficult to fill vacancies in that sector), Construction (53%) and Business Services (51%) sectors.
- External skill shortages were most prevalent for Sales staff (72%) as well as Managers and Senior Officials (67%).
- The most common skills reported by employers as lacking from applicants were other technical and practical skills (35% of external skill shortages), communication skills (30%) and customer handling skills (22% of skill shortage vacancies).
- Between 2002 and 2005, there has been a decrease in the rate of
  - current vacancies (from 2.5% in 2002 to 1.7% in 2005);
  - difficult to fill vacancies (from 1.5% to 0.9%) and
  - external skill shortages (from 0.5% to 0.3%).

Skill gaps

- Skill gaps exist where there is a gap between an employee's current skill level and what is needed to meet work objectives. In 2005, 9% of employers considered there to be a skill gap in their workforce. This is lower than the figure of 13% which was reported in the 2002 survey.
- Larger employers with 50 or more staff were more likely to report a skill gap (21%).
- The existence of skill gaps was most prevalent within Financial Services, Health and Social Care as well as Other Services (14% in each sector).
- Those skills that were mentioned most often as requiring improvement in the workforce were customer handling skills (40%), other technical and practical skills (40%) and communication skills (37%).
- The main measure taken by employers to overcome their skill gaps was to provide more training and development (59%).
- Skill gaps created difficulties in meeting customer service objectives (36% of employers) and difficulties in meeting required quality standards (29%).

Training

- One third of employers (34%) had organised some off-the-job training for their employees in the previous year. However, in 2002 42% of employers organised this type of training for staff.
- Almost two thirds of employers (63%) in both the Education sector as well as the Health and Social Care sector provided off-the-job training compared to only 17% of employers in the Hotels and Restaurants sector.
- The main reason why employers had not provided off-the-job training was that their staff had sufficient skills to do their job (73%).
- The provision of off-the-job training was most prevalent for staff working in Professional Occupations (76%), Personal Service Occupations (75%) and Associate Professional Occupations (74%).
- Overall, 60% of employers said that they had provided on-the-job training to their staff in the previous year. In 2002, the same proportion of employers also provided this type of training (61%).
- On-the-job training was most prevalent in Education (78%) and Health and Social Care (71%).
- The main reason why employers had not provided on-the-job training was that their staff had sufficient skills to do their job (92%).

1.0 BACKGROUND

1.1 A Brief Summary of the NI Economy and Labour Market

Taking 1990 as the base year, the NI economy has been the fastest improving of any regional economy in the UK[1]. This can be seen from the usual measures of economic performance:

Growth in gross value added (GVA)[2]. GVA reflects the numbers of people employed and their productivity and is important because it broadly measures changes in the standard of living. Northern Ireland GVA grew some 1 percentage point per annum faster than the UK over the period 1990 – 2003. Over the 13 year period GVA grew by 50% in real terms in NI which exceeds the UK figure of 35%.

Growth in employment. In the period March 1990 to March 2005 employee jobs grew by 30% in NI compared to 9% for the UK as a whole. Between March 1996 and March 2005 employee growth was 20%, the strongest employment growth of any region including London. As a consequence the NI employment rate has risen since 1992 by 5 percentage points, from 63% to 68%; the UK rose by 4 pp, from 71% to 75%.

Change in the numbers and percentage of the unemployed. In the period Spring 1992 – Spring 2005, numbers unemployed in NI fell by 58%, greater than the UK fall (-50%) and much better than Wales (-47%) and Scotland (-38%).

In summary, the last fifteen years have seen a marked improvement in the NI economy from a previous position of high unemployment and slow GDP and employment growth. These economic changes are reflected in a changed labour market where employers are finding increasing competition for labour but are also able to draw on an increasingly well educated workforce.

1.2 Background to the study

The NI Skills Monitoring Survey was designed to provide a comprehensive snapshot of the current skills needs of NI employers. The 2000 Survey focused on private sector employers and the 2002 Survey was extended to include the public sector. The primary purpose of the NI Skills Monitoring Survey 2005 is to update the findings of the survey conducted in 2002 and therefore we now have some useful comparisons over time.

In addition, it is possible to compare the findings of the NI Skills Monitoring survey 2005 with other countries. Similar monitoring surveys have been conducted in England (2005), Wales (2005) and Scotland (2004). Where relevant data is available, figures are quoted in this report by way of comparison.

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1 *For full report see DEL Labour Market Bulletin #19, Chapter 4* ***(www.delni.gov.uk)***

2 *The term gross value added (GVA) is used to denote estimates previously known as gross domestic product (GDP)*

In 2003, DEL commissioned Economic Research and Evaluation (ERE) to undertake a comparative analysis of the findings from a selection of the Skills Surveys undertaken in each of the five 'home' countries (England, Scotland, Wales, RoI, and NI). Following on from this research, ERE recommended a set of harmonised questions to be included in each of the regional surveys[3].

This report presents a summary of the results from the NI Skills Monitoring Survey 2005 and contains information from employers about:

- The nature and extent of current vacancies;
- The nature and extent of current vacancies proving difficult to fill;
- Skill gaps within the existing workforce;
- Training.

A more detailed report as well as a number of Sector Skills Council reports will follow.

1.3 Survey Methodology

Central Survey Unit (CSU) of the NI Statistics and Research Agency (NISRA) was commissioned to conduct the survey. The questionnaire was developed as a Computer Assisted Personal Interviewing (CAPI) questionnaire. CSU contacted a random sample of 6,822 businesses selected from the British Telecom Business Database throughout NI. A panel of 70 interviewers were involved in the survey, with all interviews conducted by telephone. A total of 4,126 productive interviews were completed during June to November 2005. This gave a response rate of 70%.

To provide comprehensive coverage of businesses both by sector and company size, the sample for the survey was a disproportionately stratified sample. It was necessary to construct weights to adjust the data to reflect the composition of the Business Database population as a whole. Unless stated otherwise, all base numbers are un-weighted and all percentage estimates are weighted.

As the NI Skills Monitoring Survey is an employer survey, it does not include the self-employed workforce. This has a differential effect upon different sectors, for example, Construction and Agriculture. For this reason, as well as the risk of survey fatigue due to similar surveys being carried out by DARD, Agriculture was excluded from the current survey.

The survey was establishment based, which means that information was collated on an individual basis irrespective of whether the site formed part of a larger organisation. The terms 'employer' and 'business' are used interchangeably throughout this report.

Although the same methodology was used for the NI Skills Monitoring Survey 2005 as in 2002, some of Economic Research and Evaluation's recommendations (from the harmonisation project) were also included in the questionnaire.

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3 *Towards a Harmonised Skills Monitoring Survey. Feedback Report. Economic Research and Evaluation. February 2005.* ***(www.delni.gov.uk/harmonisedfeedbackreport).***

2.0 TURNOVER OF STAFF AND VACANCIES REPORTED

In order to facilitate detailed analysis of questions included in the NI Skills Monitoring Survey, it was necessary to collect background information relating to each employer and their business. Sufficient information was collected to assist calculation of staff turnover.

2.1 Employee turnover

Employee turnover is an important indicator when considering wider issues such as recruitment difficulties and skill shortages. A high level of employee turnover may be related to factors such as low wages or unattractive working conditions; or to a high concentration of casual or seasonal workers. Conversely high turnover may be related to a high level of demand for skills where workers are induced to change employers in a wages 'merry-go-round'. Whatever the reasons a high level of turnover can affect employers' productivity through increased recruitment costs and the loss of experienced personnel. To enable an assessment of employee turnover, employers were asked for –

- The number of new recruits they had taken on over the last 12 months
- The number of employees that had left in the last 12 months
- The number of employees 12 months previously
- The number of current employees

It is possible from these responses to calculate the level of employee turnover in the past 12 months using the formula –

$$\%\text{ employee turnover} = \frac{100 \text{ x (number of new recruits + number of leavers)}}{2 \text{ x number of employees 12 months ago}}$$

The average annual employee turnover between 2004 and 2005 was 13%. This is lower than the rate of 16% calculated from the findings of the NI Skills Monitoring Survey conducted in 2002.

Table 1 illustrates the relative employee turnover in very small, small, medium and large businesses[4]. Employee turnover was found to be highest among small businesses employing between five and ten people (16%) and lowest among very small businesses employing between 1 and 4 people (11%).

4 *For analysis by size of employer, businesses are allocated to the following size bands: 1-4 employees = very small business, 5-10 employees = small business, 11-49 employees = medium business, 50+ employees = large business.*

Table 1: Employee turnover by size of employer

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
	13	11	16	13	12
Base* = 100%	4072	1041	728	1491	812

**Bases exclude those who did not have employees one year ago*

Employee turnover in businesses also varied according to industrial sector (see **Table 2**). Of those industries in which the base sample was at least 100 businesses, employers in the Hotels and Restaurants sector experienced the highest employee turnover (21%) while those in the Education sector experienced the lowest (7%).

Table 2: Employee turnover by industry

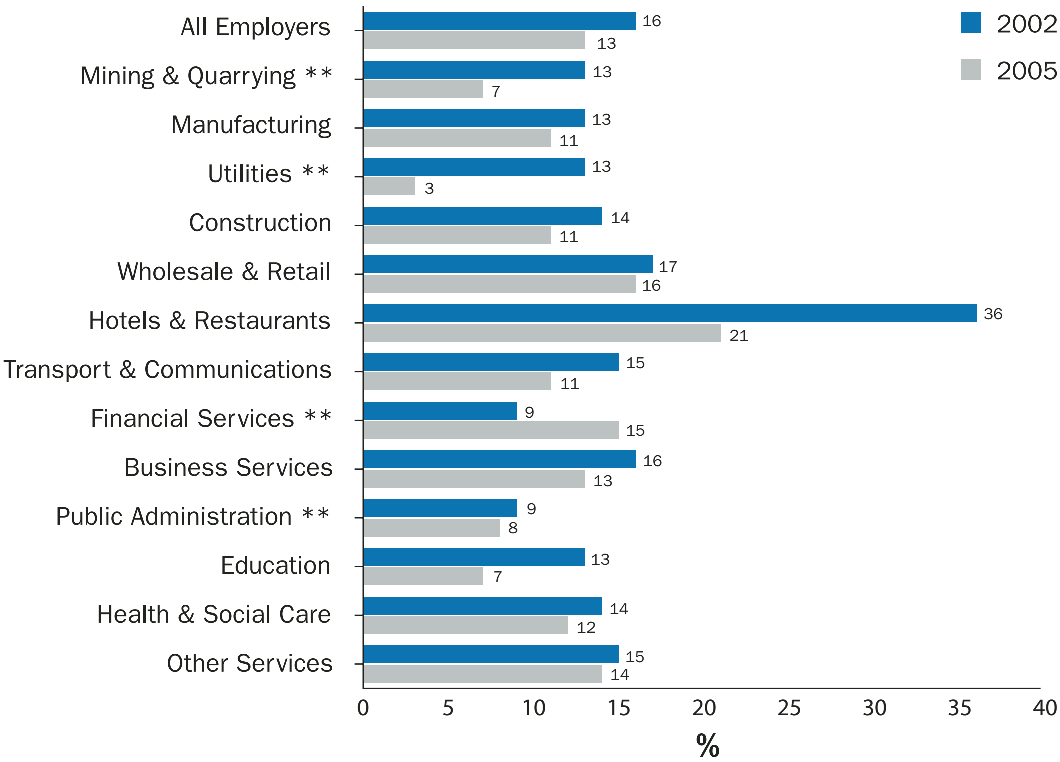
Industrial Sector	%	Base* = 100%
All Employers	13	4072
Mining & Quarrying**	7	17
Manufacturing	11	689
Utilities**	3	18
Construction	11	226
Wholesale & Retail	16	769
Hotels & Restaurants	21	175
Transport & Communications	11	320
Financial Services	15	135
Business Services	13	452
Public Administration**	8	74
Education	7	336
Health & Social Care	12	452
Other Services	14	409

**Bases exclude those who did not have employees one year ago*

***Caution small numbers*

As noted previously, it is possible to make comparisons between the results from the 2002 Skills Monitoring Survey and the current survey. **Figure 1** illustrates changes in the annual employee turnover between the two surveys. Between 2002 and 2005, the overall employee turnover rate decreased from 16% to 13%. It is interesting that for each industrial sector, the 2005 employee turnover rate is lower than the figure calculated for 2002. Of those sectors for which robust estimates could be derived, the largest decrease in employee turnover is seen in Hotels and Restaurants (36% in 2002, 21% in 2005). However as noted above, this sector continues to have the highest employee turnover rate.

Figure 1: Employee turnover by industry, 2002 and 2005 comparison



**Bases exclude those who did not have employees one year ago*

***Caution small numbers*

2.2 Current Vacancies

All employers were asked if they had any vacancies at the time of interview (current vacancies). These were defined as vacancies for which action was being taken to recruit people from the external labour market. Overall, 11% of businesses reported that they had current vacancies. Therefore, at the time of the survey 9 out of 10 employers did not have any current vacancies.

In comparison, the proportion of NI employers reporting at least one vacancy (11%) is lower than employers in England[5] (17%), Scotland[6] (20%) and Wales[7] (21%).

Almost half of the large employers questioned (42%), reported that they had current vacancies. Only one in twenty of the very small employers (5%) reported that they had current vacancies. **Table 3** shows the proportion of very small, small, medium and large businesses that reported having at least one current vacancy.

Table 3: Incidence of current vacancies by size of employer

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
Current Vacancies	11	5	15	24	42
No Current Vacancies	89	95	85	76	58
Base = 100%	4126	1044	735	1506	841

Table 4 illustrates the proportion of employers reporting current vacancies between different industrial sectors. Of these sectors for which robust estimates[8] could be derived, the lowest proportion of employers reporting current vacancies were in Construction (8%), Other Services (8%), Wholesale and Retail (9%) and Business Services (9%). The highest proportion of employers reporting current vacancies were in Health and Social Care (16%), Financial Services (15%), Education (15%) and Hotels and Restaurants (14%).

5 *Comparisons with England are taken from the publication, National Employers Skills Survey 2005: Key Findings. Learning and Skills Council. June 2006.* ***(www.lsc.gov.uk)***

6 *Scottish data are quoted from the publication, Skills in Scotland 2004. Futureskills Scotland. January 2005.* ***(www.futureskillsscotland.org.uk)***

7 *Comparisons with Wales are taken from Future Skills Wales 2005 Sector Skills Survey. Main Report. March 2006.* ***(www.futureskillswales.com)***

8 *Robust estimates are calculated where the base cell contains a minimum of 100 cases. Where the base cell is less than 100, the reader is asked to treat the results with caution.*

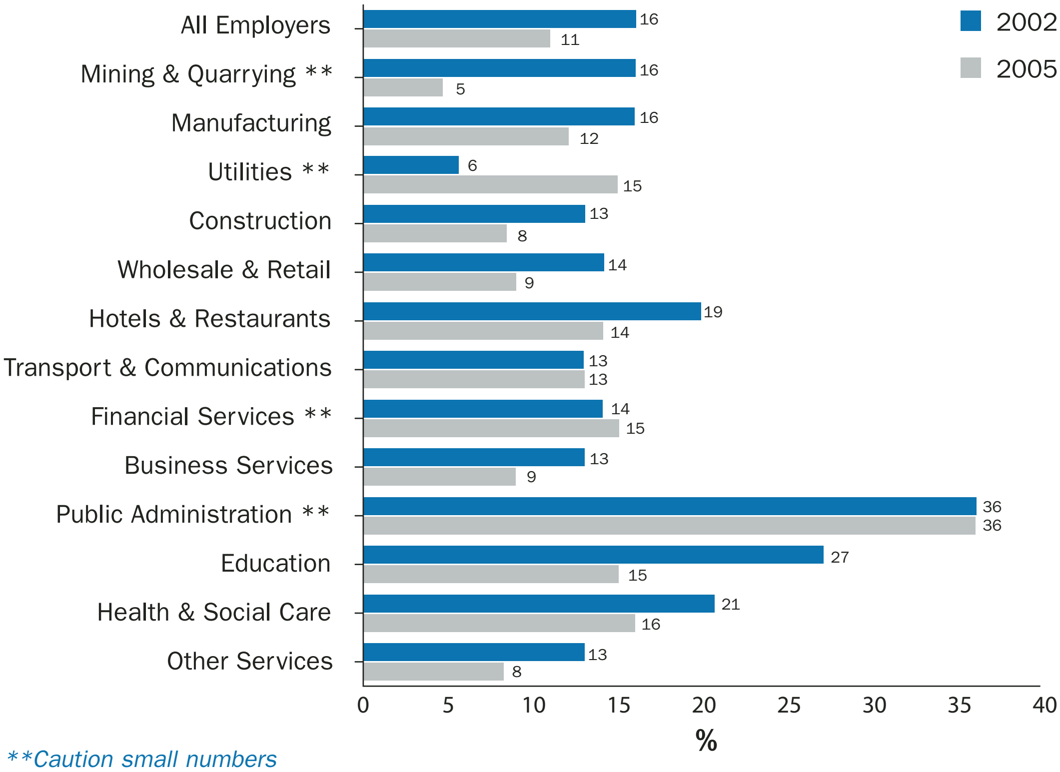
Table 4: Incidence of current vacancies by industry

Industrial Sector	Current Vacancies %	No Current Vacancies %	Base = 100%
All Employers	11	89	4126
Mining & Quarrying**	5	95	17
Manufacturing	12	88	700
Utilities**	15	85	18
Construction	8	92	229
Wholesale & Retail	9	91	784
Hotels & Restaurants	14	86	181
Transport & Communications	13	87	324
Financial Services	15	85	135
Business Services	9	91	456
Public Administration**	36	64	74
Education	15	85	339
Health & Social Care	16	84	456
Other Services	8	92	413

***Caution small numbers*

The overall decline in the incidence of current vacancies between the 2002 Survey (16%) and the current Survey (11%) is shown in **Figure 2**. This decrease is seen in a number of industries, most notably Education (from 27% in 2002 to 15% in 2005).

Figure 2: Incidence of current vacancies by industry, 2002 and 2005 comparison



***Caution small numbers*

2.3 Vacancy types

When an employer reported that they had at least one current vacancy, they were asked about each vacancy type rather than each individual vacancy. The respondent was asked to indicate the specific number of vacancies that they had for each job type. Most (71%) of the job vacancies were for one person only and 24% were for 2-4 persons.

Using this information, it is possible to estimate the total number of vacancies throughout Northern Ireland. In 2005 there were 11,629 vacancies in NI (excluding the Agriculture and Fishing sectors[9]). Consistent with the decrease in the number of employers reporting at least one current vacancy, this estimate of total vacancies for 2005 is lower than in 2002 (16,109 vacancies).

9 *As the NI Skills Monitoring Survey is an employer survey, it does not include the self-employed. This has a differential effect upon different sectors, for example, Construction and Agriculture. For this reason, as well as the risk of survey fatigue due to similar surveys being carried out by DARD, Agriculture was excluded from the current survey.*

Employers were asked for specific descriptions of the jobs that they currently had vacancies for. **Table 5** indicates that, overall almost a quarter of all vacancies (24%) were classified as Personal Service occupations, such as care assistants, classroom assistants and hairdressers. Only 4% of all vacancies were for Managers and Senior Officials.

Table 5: Occupational group of current vacancies

Occupational Group	All Vacancies %
Managers & Senior Officials	4
Professionals	8
Associate Professionals	9
Administrative & Secretarial	14
Skilled Trades	10
Personal Service	24
Sales	7
Operatives	7
Elementary Occupations	17
Base = 100%	2727

3.0 CURRENT RECRUITMENT DIFFICULTIES

In the previous section, we saw that 11% of employers reported that they had at least one vacancy. Many vacancies that arise are either routine replacement of staff losses, the creation of new posts requiring staff with skills new to the business or the expansion of the workforce to meet increased demand. Within these vacancies as a whole, it is inevitable that some vacancies will prove easier for a business to fill than others.

The survey was specifically interested in finding out more about vacancies that employers reported as proving difficult to fill. There was no formal definition of a 'difficult to fill' vacancy – the employer was asked to define this in terms of their business and their current situation.

3.1 Difficult to fill vacancies

Just over one in twenty employers (6%) reported that at least one of their vacancies was proving difficult to fill (**Table 6**). Therefore the majority of employers (94%), did not report difficult to fill vacancies. When this estimate is applied to the entire Business Database population, the survey estimate equates to 6,024 difficult to fill vacancies throughout Northern Ireland.

In comparison, 10% of establishments in Wales and 7% of establishments in England reported difficult to fill vacancies[10].

Table 6 also illustrates the incidence of difficult to fill vacancies among employers of different sizes. The incidence of difficult to fill vacancies was lowest for smaller employers with 1 to 4 employees (3%) and highest for large employers with 50 or more employees (19%).

Table 6: Existence of at least one difficult to fill vacancy by size of employer

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
Has a difficult to fill vacancy	6	3	8	10	19
No difficult to fill vacancy	94	97	92	90	81
Base = 100%	4114	1043	734	1501	836

10 Reports for England, Scotland and Wales refer to hard-to-fill vacancies. Information on the number of employers reporting difficult to fill vacancies is not available for Scotland.

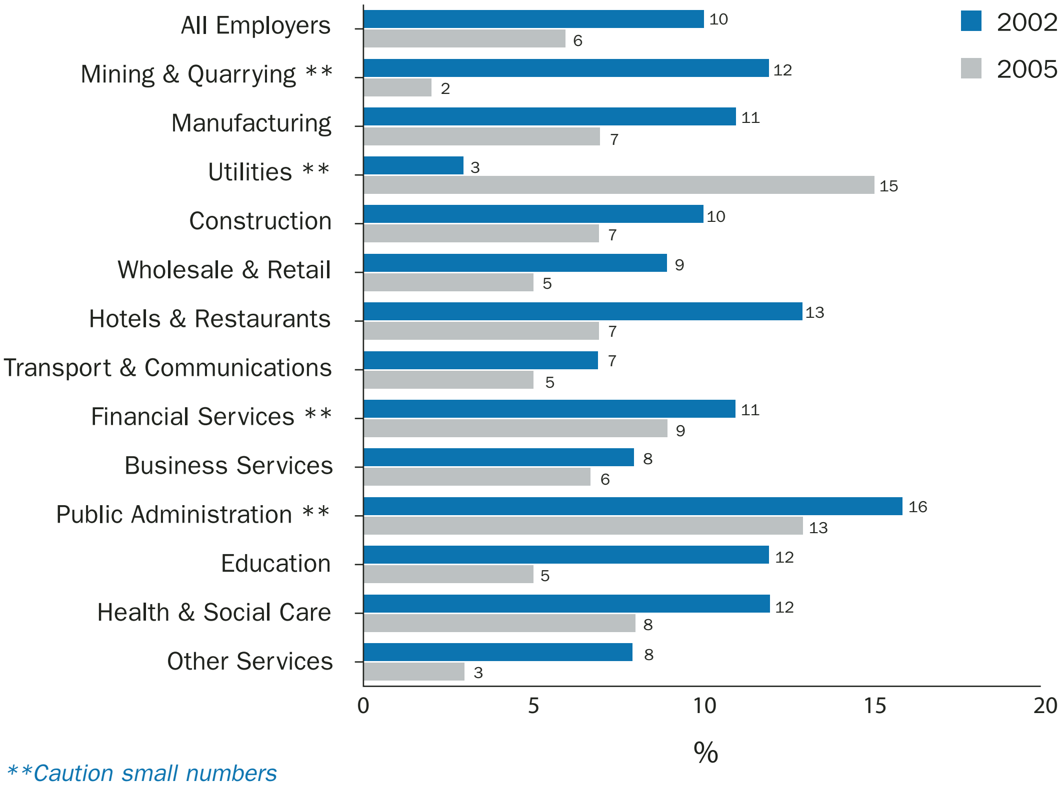
Some differences in the incidence of at least one difficult to fill vacancy were apparent when the industrial sectors were examined separately **(Table 7)**. Excluding those sectors with small numbers in the survey, the proportion of employers reporting difficult to fill vacancies ranged from 3% in Other Services to 9% in Financial Services.

Table 7: Existence of at least one difficult to fill vacancy by industry

Industrial Sector	Vacancy difficult to fill %	Vacancy not difficult to fill %	Base = 100%
All Employers	6	94	4114
Mining & Quarrying**	2	98	17
Manufacturing	7	93	699
Utilities**	15	85	18
Construction	7	93	229
Wholesale & Retail	5	95	782
Hotels & Restaurants	7	93	181
Transport & Communications	5	95	323
Financial Services	9	91	135
Business Services	6	94	455
Public Administration**	13	87	73
Education	5	95	337
Health & Social Care	8	92	454
Other Services	3	97	411

The Skills Monitoring Survey conducted in 2002 showed 10% of NI employers reporting difficult to fill vacancies. In the most recent survey, the corresponding figure (6%) is much lower. When analysed by industrial sector **(Figure 3)**, a decrease in the proportion of employers reporting difficult to fill vacancies is evident in all sectors (where reliable estimates are available). This reduction is most notable in Education (from 12% in 2002 to 5% in 2005), Hotels and Restaurants (from 13% to 7%) and Other Services (from 8% to 3%).

Figure 3: Incidence of at least one difficult to fill vacancy by industry, 2002 and 2005 comparison



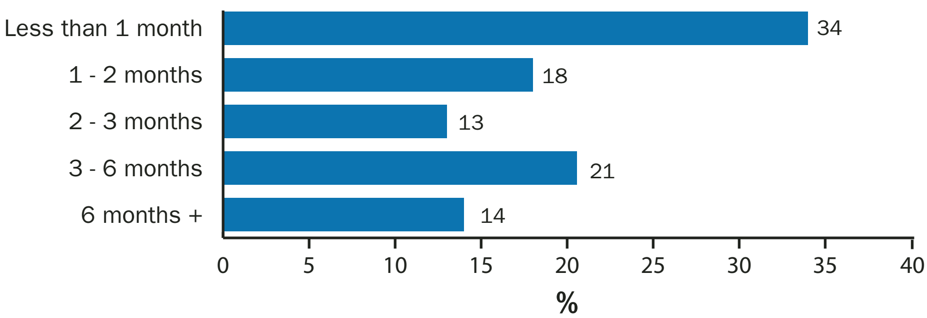
***Caution small numbers*

3.2 Duration of difficult to fill vacancies

Figure 4 shows the length of time that difficult to fill vacancies have been reported as being open. As the survey asks about current vacancies, the information presented here relates to the length of time that the vacancy has been open at the time of the survey. This is not the same as the length of time taken to fill the vacancy.

Approximately one third of employers with difficult to fill vacancies (34%), stated that these vacancies had been open for less than one month. However 14% of employers with difficult to fill vacancies, reported that they had been open for more than six months.

Figure 4: Duration of difficult to fill vacancies



3.3 Occupational group of difficult to fill vacancies

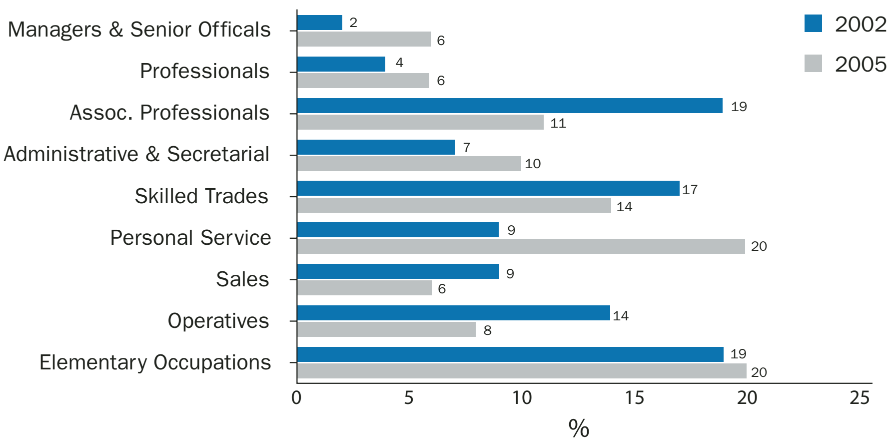
Overall, the most common difficult to fill vacancies were for Personal Service (20%) and Elementary Occupations (20%) (**Table 8**). The least proportion of difficult to fill vacancies were for Managers and Senior Officials, Professionals as well as Sales staff (6% for each occupation).

Table 8: Occupational group of difficult to fill vacancies

	Difficult to fill Vacancies %
Managers & Senior Officials	6
Professionals	6
Associate Professionals	11
Administrative & Secretarial	10
Skilled Trades	14
Personal Service	20
Sales	6
Operatives	8
Elementary Occupations	20
Base = 100%	1302

Figure 5 compares the occupational group of difficult to fill vacancies between the 2002 and 2005 surveys. On both occasions, the largest proportion of difficult to fill vacancies are reported in Elementary Occupations (19% in 2002 and 20% in 2005). Personal Service occupations also show a high level of difficult to fill vacancies in 2005 (20%) which is more than double the figure reported in 2002 (9%). In contrast the difficult to fill vacancies for Associate Professionals decreased from 19% to 11% in 2005.

Figure 5: Occupational group of difficult to fill vacancies, 2002 and 2005 comparison.



3.4 Reasons for difficult to fill vacancies

Employers were invited to specify the **single most important reason** for the difficulty they experienced in filling their vacancies.

Table 9 illustrates the main reason for difficulty in filling vacancies. The most frequently mentioned single reason was the lack of skills the company demands (20%) as well as not enough people interested in doing that type of work (20%). One in ten employers cited poor attitudes, motivation and personality (12%) as well as a lack of work experience the company demands (9%) as the main reason for difficulty in filling the vacancies. Only 4% of vacancies were difficult to fill as a result of lack of qualifications required for the job.

Examination of the verbatim comments within the ‘other’ category, show a number of vacancies are difficult to fill due to funding issues, voluntary work and the length of the recruitment process.

The shaded portion of **Table 9** indicates those reasons which can be interpreted as representing an ‘external skill shortage’ as defined and discussed in section 3.7.

Table 9: Main reason for difficulty in filling vacancies

	Difficult to fill Vacancies %
Lack of skills the company demands	20
Not enough people interested in this type of work	20
Poor attitudes, motivation & personality	12
Lack of work experience the company demands	9
Impact of the benefits trap	7
Low number of applicants generally	6
Lack of qualifications the company demands	4
Wages offered are lower than other firms	4
Long/unsocial hours	3
Too much competition from other employers	3
Geographic location of the firm	2
Unattractive terms and conditions	2
Lack of basic ability to build upon	1
Lack of career progression	0
Other	6
Base = 100%	1294

3.5 Impact of difficult to fill vacancies on employers

Employers were asked to specify the impact of the difficult to fill vacancy on their businesses. Employers could cite more than one impact.

Approximately one in ten (12%) of the difficult to fill vacancies had not caused employers any particular problems. However, not being able to fill vacancies clearly had an impact on the business activities as shown in **Table 10.** In over half of the difficult to fill vacancies (56%), not being able to fill the posts has resulted in difficulties in meeting customer service objectives. Loss of business or orders to competitors (34%) and difficulties meeting required quality standards (33%) were also evident as a result of these unfilled vacancies.

One in ten (11%) of the difficult to fill vacancies had 'other' impacts upon the business including additional work on other staff, difficulty in expansion and difficulty in meeting shift patterns.

Table 10: Effect of difficult to fill vacancies by industry

	Difficult to fill Vacancies %
Difficulties meeting customer service objectives	56
Loss of business or orders to competitors	34
Difficulties meeting required quality standards	33
Increased operating/running costs	23
No particular problems	12
Delays developing new products	9
To withdraw from offering certain products or services altogether	7
Difficulties introducing technological change	4
Difficulties introducing new working practices	4
Other	11
Base*** = 100%	1204

**** Percentage estimates sum to more than 100%, as the question is multiple response*

3.6 Measures taken to overcome recruitment difficulties

It was considered important to know what measures, if any, employers had taken to overcome the difficult to fill vacancies. Again, employers could cite more than one action. The employers were asked specifically about measures, over and above what they would normally do in seeking to fill this type of vacancy.

For more than half of the difficult to fill vacancies (54%), employers had not taken any additional measures to overcome these recruitment difficulties. This can be contrasted with the reported effect that these difficulties have on their business in which only 12% of employers stated no particular problems with the difficult to fill vacancies (**Table 10**).

Table 11 shows that for 17% of the difficult to fill vacancies, employers had used a more extensive range of recruitment channels than normal. Employers had also offered higher pay or more incentives than normal (9% of difficult to fill vacancies), spent more on recruitment or used more expensive methods (8%) and recruited staff from overseas (8% of difficult to fill vacancies).

Within the 'other' category, a number of employers had reduced the job criteria in order to fill their vacancies.

Table 11: Measures taken to recruit people into the difficult to fill vacancies

	Difficult to fill Vacancies %
Used more extensive range of recruitment channels than normal	17
Offered higher pay or more incentives than normal	9
Spent more on recruitment or used more expensive methods	8
Recruited staff from overseas	8
Considered a wider range of applicants	7
Built links with schools/colleges/universities	7
Been prepared to provide more training to less qualified recruits	7
Hired part-time staff	4
Offered enhanced terms and conditions	3
Changed the job specification by giving tasks to other staff	1
Hired contract staff	1
Changed the job specification by automating some tasks	0
Retrain existing staff	0
Contracted work out	0
Other	5
Base*** = 100%	1295

**** Percentage estimates sum to more than 100%, as the question is multiple response*

3.7 External Skill Shortages

Of particular interest is the prevalence of difficult to fill vacancies whereby external skill shortages are a contributing factor. If the respondent referred to any of the following reasons: a lack of skills the company demands; a lack of qualifications the company demands or a lack of work experience the company demands; then the vacancy was defined as difficult to fill due to an external skill shortage (as shown in the shaded area of **Table 9**). Overall, in 34% of difficult to fill vacancies, external skill shortages were a contributing factor.

Table 12 indicates the proportion of vacancies that were reported as being difficult to fill within each industry. Over half (52%) of all vacancies were considered by employers to be difficult to fill. This is also reflected in the industry analysis as most of the industrial sectors (with the exception of Education and Other Services) considered more than 50% of vacancies to be difficult to fill. Within the Construction sector, 81% of vacancies were difficult to fill. In contrast, 27% of vacancies in Other Services were difficult to fill.

Table 12 also shows the proportion of difficult to fill vacancies that are due to external skill shortages within each industrial sector. Overall for all employers, one third (34%) of difficult to fill vacancies were due to external skill shortages. When this estimate is applied to the entire Business Database population, the survey estimate equates to around 2,013 difficult to fill vacancies throughout NI that are due to external skill shortages. The 2002 survey also reported some 32% of difficult to fill vacancies as being due to external skill shortages. However as there was a higher percentage of difficult to fill vacancies reported in 2002, the total number of external skill shortage vacancies at that time was 3,128.

The proportion of vacancies that are reported as difficult to fill is highest for NI employers (52%) when compared with Scotland (46%), England (36%) and Wales (35%). However the proportion of difficult to fill vacancies that are due to external skill shortages is lowest in NI (34%) in comparison to England[11] (70%), Scotland (55%) and Wales (41%).

External skill shortages affected some industries more so than others. For example, in more than half of the difficult to fill vacancies in Transport and Communications (63%), Construction (53%) and Business Services (51%), external skill shortages were a contributing factor. The proportion of difficult to fill vacancies due to external skill shortages for Financial Services (46%), Other Services (42%) and Manufacturing (35%) exceed the average for all industries (34%).

11 Figures for England relate to unprompted and prompted skill shortage vacancies.

Table 12: Proportion of difficult to fill vacancies due to external skill shortages by industry.

Industrial Sector	Percentage of employers with difficult to fill vacancies %	Percentage of vacancies that are difficult to fill %	Percentage of difficult to fill vacancies due to external shortages %
All Sectors	6	52	34
Mining & Quarrying**	2	79	-
Manufacturing	7	57	35
Utilities**	15	68	24
Construction	7	81	53
Wholesale & Retail	5	52	24
Hotels & Restaurants	7	53	19
Transport & Communications	5	57	63
Financial Services	9	59	46
Business Services	6	58	51
Public Administration**	13	46	75
Education	5	35	13
Health & Social Care	8	51	19
Other Services	3	27	42

*** Caution small numbers*

Table 13 illustrates the proportions of difficult to fill vacancies due to external skills shortages, by the occupational group of the vacancy. Approximately 7 in 10 difficult to fill vacancies for Sales staff (72%) and Managers and Senior Officials (67%) were due to external skill shortages. In contrast, only one in ten (10%) difficult to fill vacancies for Personal Service occupations resulted from external skill shortages.

Table 13: Proportion of difficult to fill vacancies due to external skill shortages by occupational group of vacancy

Occupational Group	Percentage of difficult to fill vacancies due to external skill shortages
Managers & Senior Officials**	67
Professionals	42
Associate Professionals	42
Administrative & Secretarial**	45
Skilled Trades	42
Personal Service	10
Sales	72
Operatives	29
Elementary Occupations	20
Base = 100%	1302

*** Caution small numbers*

3.8 Skills difficult to obtain from applicants for external skill shortage vacancies

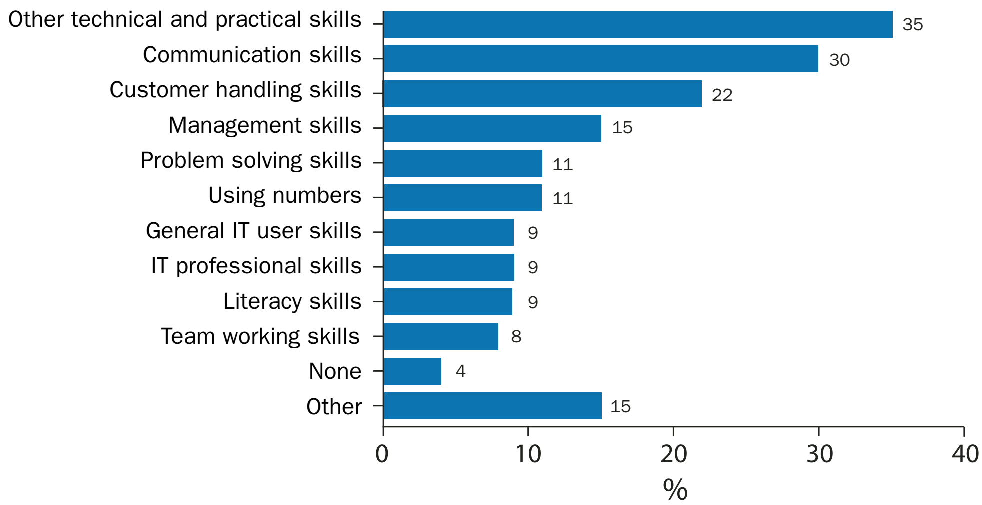
For each difficult to fill vacancy that was due to an external skill shortage, employers were asked what skills, if any, were found difficult to obtain from applicants.

As shown in **Figure 6**, the most common responses by employers were other technical and practical skills (35% of external skill shortages), communication skills (30%) and customer handling skills (22% of skill shortage vacancies).

For approximately 1 in 10 external skill shortage vacancies, employers had difficulty in obtaining the following skills from applicants – problem solving (11%), using numbers (11%), general IT user skills (9%), IT professional skills (9%), literacy skills (9%) and team working skills (8%).

For 15% of the external skill shortage vacancies, ‘other’ skills were lacking from applicants. Further examination of this category shows that the majority of these vacancies are difficult to fill due to a lack of language skills. When these responses were recoded and re-analysed, a total of 7% of employers reported language skills as the main reason for the difficulty in filling their vacancies.

Figure 6: Skills lacking in skill shortage vacancies



3.9 Vacancies in the context of employee numbers

The above analysis of vacancies, difficult to fill vacancies and external skill shortages has concentrated on the proportions of employers reporting them in each industrial sector and in terms of occupations.

It is also possible to report these findings in the context of employment within the sectors covered by the survey.

Table 14 expresses current vacancies, difficult to fill vacancies and external skill shortage vacancies as rates for each industrial sector. The rate is calculated by expressing vacancies as a proportion of all employees. This not only standardises the number of vacancies in terms of employment but also allows for easy comparison between sectors. Attention is again drawn to those sectors where the number of respondents and therefore the number of vacancies reported are low and should be treated with caution.

Table 14: Current vacancies, difficult to fill vacancies and external skill shortage vacancies as a proportion of employees by industry

	Employee Jobs**** June 2005	Current Vacancies		Difficult to fill Vacancies		External Skill Shortages	
		No.	Rate***	No.	Rate***	No.	Rate***
All Employers	676,810	11,629	1.7	6,024	0.9	2,013	0.3
Mining & Quarrying**	2,010	14	0.7	11	0.5	0	0.0
Manufacturing	86,560	1,305	1.5	744	0.9	259	0.3
Utilities**	2,720	22	0.8	15	0.6	4	0.1
Construction	37,560	440	1.2	355	0.9	188	0.5
Wholesale & Retail	117,910	2,422	2.1	1,233	1.0	290	0.2
Hotels & Restaurants	41,450	1,661	4.0	883	2.1	170	0.4
Transport & Communications	28,950	879	3.0	499	1.7	314	1.1
Financial Services	17,820	227	1.3	133	0.7	61	0.3
Business Services	64,710	1,471	2.3	845	1.3	434	0.7
Public Administration**	64,290	86	0.1	39	0.1	29	0.0
Education	71,420	839	1.2	292	0.4	37	0.1
Health & Social Care	110,930	1,556	1.4	786	0.7	147	0.1
Other Services	30,480	706	2.3	189	0.6	79	0.3

** *Caution small number*

*** *Rate is expressed as a percentage of total employment.*

**** *Total employee jobs for those sectors within the survey only. In June 2005 there were 691,460 employee jobs in total for all sectors of the NI economy. Figures are rounded to the nearest 10 and may not sum due to rounding.*
Source: Quarterly Employment Survey, DETI. Figures are unadjusted.

As can be seen from **Table 14** the vacancy rate across all sectors was 1.7% of employee jobs. For those sectors where reliable estimates are possible current vacancy rates are above the average for Hotels and Restaurants (4.0%), Transport and Communications (3.0%), Business Services (2.3%), Other Services (2.3%) and Wholesale and Retail (2.1%).

Likewise for difficult to fill vacancies the average rate was 0.9% with Hotels and Restaurants (2.1%), Transport and Communications (1.7%), Business Services (1.3%), Wholesale and Retail (1.0%) above the average.

Finally the average rate for external skill shortages was 0.3% with Transport and Communications (1.1%), Business Services (0.7%), Construction (0.5%) and Hotels and Restaurants (0.4%) above the average.

These findings suggest that, in terms of difficult to fill vacancies and external skill shortages, the effects are felt most acutely in the Hotels and Restaurants, Transport and Communications, Business Services and Construction sectors.

Table 15 compares the vacancy rates between the current survey and the survey conducted in 2002. Between 2002 and 2005, there has been a decrease in the rate of current vacancies (from 2.5% in 2002 to 1.7% in 2005), difficult to fill vacancies (from 1.5% to 0.9%) and external skill shortages (from 0.5% to 0.3%). In both surveys, Hotels and Restaurants as well as Transport and Communications reported vacancies, difficult to fill vacancies and external skill shortages above the corresponding average rates.

Table 15: Comparison of vacancy rates, 2002 and 2005

Industrial sector	Current Vacancy Rate***		Difficult to fill Vacancy Rate***		External Skill Shortage Rate***	
	2002	2005	2002	2005	2002	2005
All Employers	2.5	1.7	1.5	0.9	0.5	0.3
Mining & Quarrying**	1.2	0.7	0.9	0.5	0.4	0.0
Manufacturing	2.0	1.5	1.2	0.9	0.7	0.3
Utilities**	0.1	0.8	0.1	0.6	0.1	0.1
Construction	1.9	1.2	1.5	0.9	0.7	0.5
Wholesale & Retail	2.9	2.1	1.7	1.0	0.5	0.2
Hotels & Restaurants	4.1	4.0	2.3	2.1	0.7	0.4
Transport & Communications	3.0	3.0	1.9	1.7	0.8	1.1
Financial Services	2.5	1.3	2.0	0.7	0.4	0.3
Business Services **	2.6	2.3	1.3	1.3	0.8	0.7
Public Administration **	0.8	0.1	0.3	0.1	0.1	0.0
Education	1.6	1.2	0.7	0.4	0.2	0.1
Health & Social Care	3.4	1.4	2.6	0.7	0.1	0.1
Other Services	3.6	2.3	1.8	0.6	0.4	0.3

*** Caution small number*

****Rate is expressed as a percentage of total employment.*

4.0 SKILL GAPS AMONG THE EXISTING WORKFORCE

Skills gaps exist where there is a gap between an employee's current skill level and what is needed to meet work objectives. While many employers recognise the necessity of providing training to new recruits, the issue of further training for the existing workforce to meet difficulties in recruitment or to meet new demands in the workplace can often be problematic.

4.1 Are there existing skill gaps?

The vast majority of employers (91%) said that their staff already possessed the skills needed to help the business meet its objectives. The remaining 9% of employers indicated that there was some gap between the types of skills that their current employees had, and those that the organisation needed to meet their business objectives, at the time of the interview.

The majority of employers in other UK countries also considered their staff to be fully proficient. However the proportion reporting skill gaps (Scotland 21%, Wales 18%, England 16%) is much higher than in NI (9%).

There were differences in the reporting of a skill gap between employers of different sizes. Only 6% of smaller employers reported a skills gap compared to just over a fifth (21%) of larger employers **(Table 16)**.

Table 16: Reported skill gaps among the workforce by size of employer

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
Existing skills gap	9	6	12	15	21
No skills gap	91	94	88	85	79
Base = 100%	4115	1042	732	1502	839

The existence of skill gaps was most prevalent within Financial Services, Health and Social Care as well as Other Services (14% in each sector) **(Table 17)**.

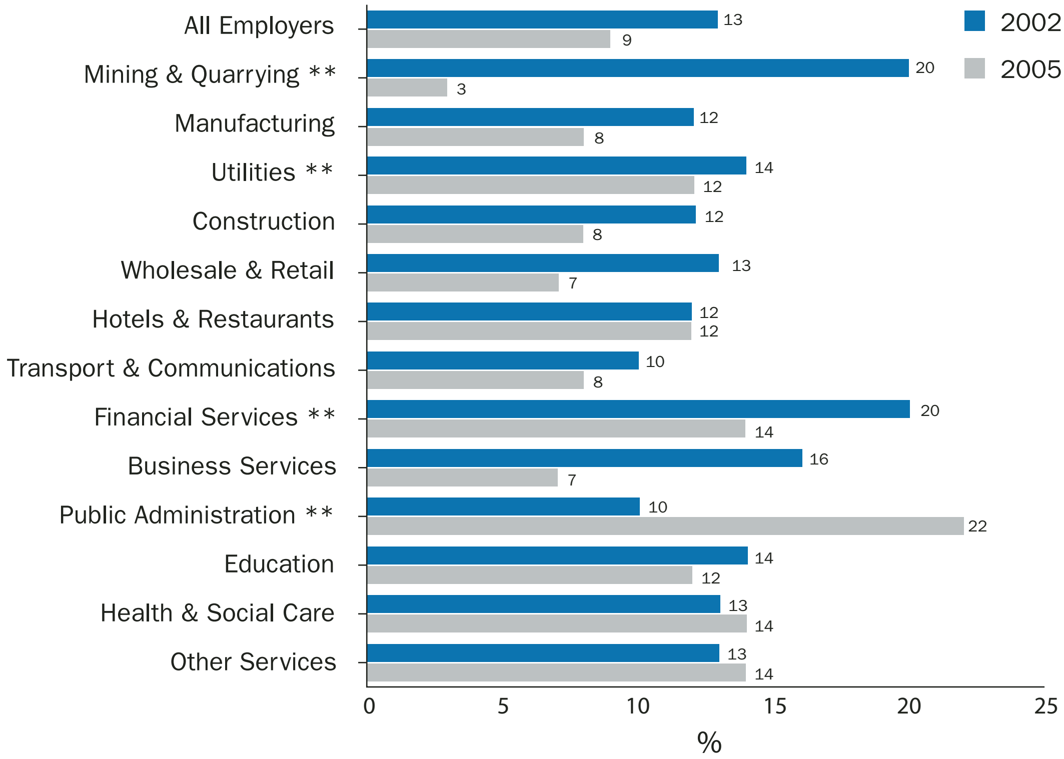
Table 17: Reported skill gaps among the workforce by industry

Industrial Sector	Existing skills gap %	No skills gap %	Base = 100%
All Employers	9	91	4115
Mining & Quarrying**	3	97	17
Manufacturing	8	92	695
Utilities**	12	88	18
Construction	8	92	229
Wholesale & Retail	7	93	782
Hotels & Restaurants	12	88	181
Transport & Communications	8	92	324
Financial Services	14	86	134
Business Services	7	93	454
Public Administration**	22	78	74
Education	12	88	339
Health & Social Care	14	86	455
Other Services	14	86	413

*** Caution small numbers*

Figure 7 compares reported skill gaps between the survey conducted in 2002 and the current survey. Overall there has been a reduction (from 13% to 9%) in the proportion of employers reporting skill gaps. The most notable decrease in reported skill gaps occurred in Business Services (from 16% in 2002 to 7% in 2005) and Wholesale and Retail (from 13% to 7%).

Figure 7: Reported skill gaps among the workforce, 2002 and 2005 comparison



*** Caution small numbers*

4.2 Skills needing improvement

Table 18 provides a full breakdown of the types of skills that employers stated that their staff needed to improve by occupational group. Employers could report more than one skill as lacking and for that reason the percentages appear to sum to more than one hundred. Overall, two out of five employers said that their staff needed to improve their customer handling skills (40%) as well as other technical and practical skills (40%) and communication skills (37%).

It would appear from **Table 18** that 5% of employers responded 'none' when asked to identify the skills that need improving in their workforce. However the All Groups value is calculated from the multiple responses given for each occupation. Therefore if an employer had a skills gap for a Professional member of staff and not someone working in Skilled Trades, these two responses are reported in the All Groups category.

Of the 7% who reported 'other' skills as lacking from their employees, half of the employers referred to various personal characteristics including behaviour, commitment, motivation and use of initiative.

Table 18: Skills lacking among employees with skill gaps by occupational group

	All Groups %	Managers & Senior Officials** %	Professionals** %	Associate Professionals** %	Administrative & Secretarial %	Skilled Trades** %	Personal Service** %	Sales** %	Operatives** %	Elementary** %
General IT user skills	20	55	7	6	56	4	8	27	13	-
IT professional skills	8	9	8	36	9	1	-	0	-	-
Communication skills	37	21	27	34	40	6	19	44	18	33
Customer handling skills	40	21	27	12	29	3	37	62	20	38
Team working skills	24	23	9	24	20	13	22	24	22	25
Problem solving skills	18	19	31	14	24	9	9	10	23	12
Management skills	15	40	33	35	7	2	-	2	1	7
Using numbers	10	5	1	4	6	1	-	20	11	10
Literacy skills	10	5	7	6	16	2	3	9	13	7
Other technical and practical skills	40	15	29	29	16	79	65	13	54	60
None	5	5	10	2	4	10	1	1	6	2
Any other difficulties	7	1	7	3	8	2	13	2	14	7
Base*** = 100%	392	76	48	47	109	64	55	89	69	66

*** Caution small numbers*

**** Percentage estimates sum to more than 100%, as the question is multiple response*

4.3 Measures taken to overcome skill gaps

Employers were asked what measures, if any, they had taken to overcome the skill gaps among their staff. The majority of employers had taken some action in response to the skill gap – only 16% had not taken any particular measure of action. **Table 19** shows that the main measure taken by employers to overcome their skill gaps was to provide more training and development (59%), followed by an increase/expansion of trainee programme (26%).

Table 19: Measures taken to overcome skill gaps

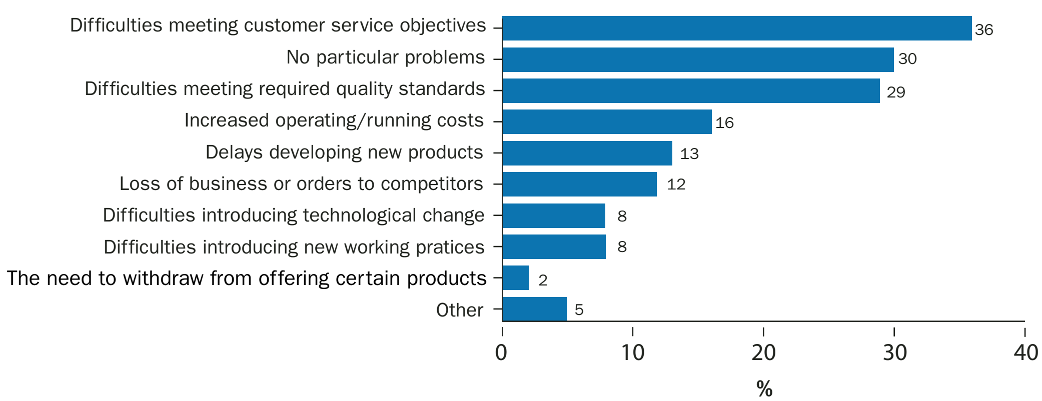
	All Employers %
Provide further training/development	59
Increase/expand trainee programme	26
No particular measure taken	16
Change working practices	13
Reallocate work within the company	9
Increase recruitment	7
Expand recruitment channels	4
Other	4
Base*** = 100%	391

**** Percentage estimates sum to more than 100%, as the question is multiple response*

4.4 Impact of skill gaps

Figure 8 shows how skill gaps had impacted on the employer's business. Considering the definition of a skill gap i.e. a gap between the skills of current employees and those needed by the establishment to meet its business objective, it is surprising that in 30% of cases a lack of full proficiency had no impact on the business. However for other employers, the skill gaps created difficulties in meeting customer service objectives (36% of employers) and difficulties in meeting required quality standards (29% of cases).

Figure 8: Effect of skill gaps



**** Percentage estimates sum to more than 100%, as the question is multiple response*

5 TRAINING

Employers were asked a series of questions on the training that they had delivered to their staff in the previous twelve months. This included both off-the-job and on-the-job training.

5.1 Provision of off-the-job training

Respondents were asked if they had provided any off-the-job training to their staff over the last 12 months. Off-the-job training was defined as 'training that was delivered away from the immediate work position, whether at the business premises or elsewhere'. This type of training included all types of courses, e.g. full or part time; correspondence or distance learning; Health and Safety training, etc, as long as it was funded or arranged by the employer for employees working at the business.

Table 20 indicates that overall, 34% of employers had organised some off-the-job training for their employees in the previous 12 months. A higher proportion of employers had provided this type of training in other UK countries (Wales 58%, England 46%, Scotland 17% provided off-the-job training only plus 34% provided a mixture of both on-the-job and off-the job training).

There was considerable variation by size of employer. Most large employers (75%) had organised some form of off-the-job training for their staff compared to only 23% of very small employers.

Table 20: Off-the-job training by employer size

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
Off-the-job training	34	23	43	61	75
No off-the-job training	66	77	57	39	25
Base = 100%	4071	1028	725	1493	825

Across all employers, the provision of off-the-job training varied considerably between the industrial sectors. Almost two thirds of employers (63%) in both the Education sector as well as the Health and Social Care sector provided off-the-job training compared to only 17% of employers in the Hotels and Restaurants sector (**Table 21**).

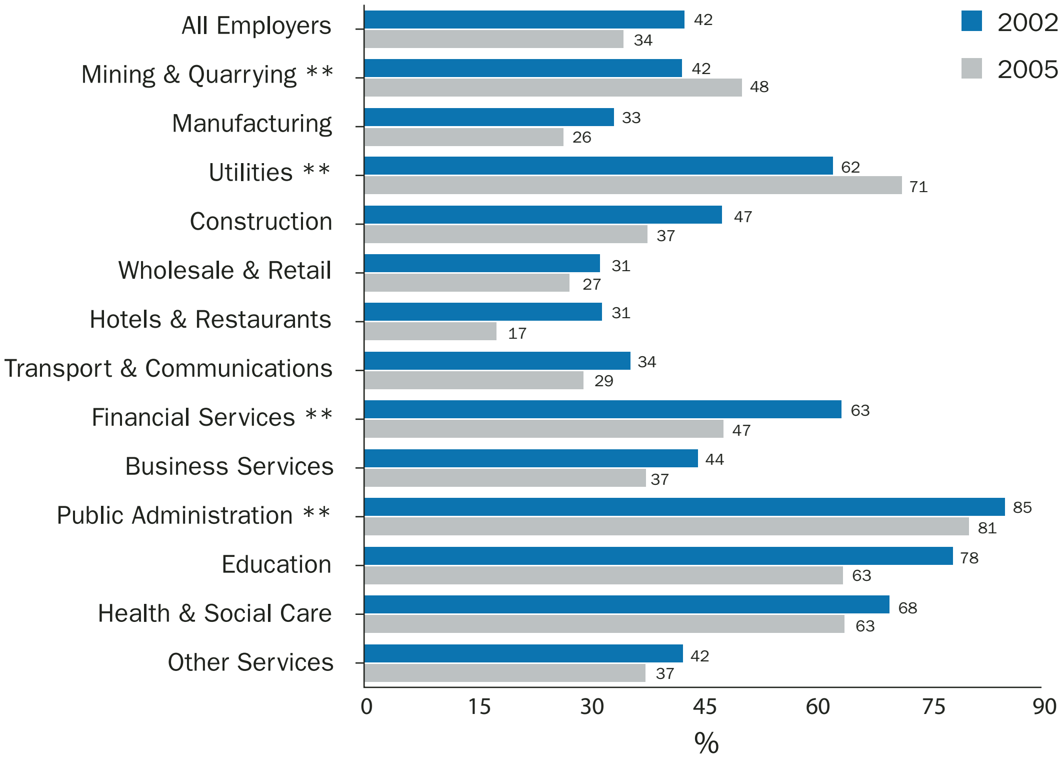
Table 21: Off-the-job training by industry

Industrial Sector	Off-the-job training %	No off-the-job training %	Base = 100%
All Employers	34	66	4071
Mining & Quarrying**	48	52	17
Manufacturing	26	74	691
Utilities**	71	29	18
Construction	37	63	228
Wholesale & Retail	27	73	774
Hotels & Restaurants	17	83	181
Transport & Communications	29	71	321
Financial Services	47	53	131
Business Services	37	63	450
Public Administration**	81	19	72
Education	63	37	331
Health & Social Care	63	37	450
Other Services	37	63	407

***Caution small numbers*

The Skills Monitoring Survey conducted in 2002 showed 42% of employers provided off-the-job training for staff. However, in 2005 there was a reduction in the proportion of employers providing off-the-job training to 34% **(Figure 9)**. Correspondingly, a decline is noted in each industrial sector for which robust estimates were calculated (i.e. base sample is greater than 100 businesses). The most notable decrease in the proportion of employers providing off-the-job training is for the Education sector (from 78% in 2002 to 63% in 2005) and Hotels and Restaurants sector (from 31% to 17%).

Figure 9: Off-the-job training, 2002 and 2005 comparison



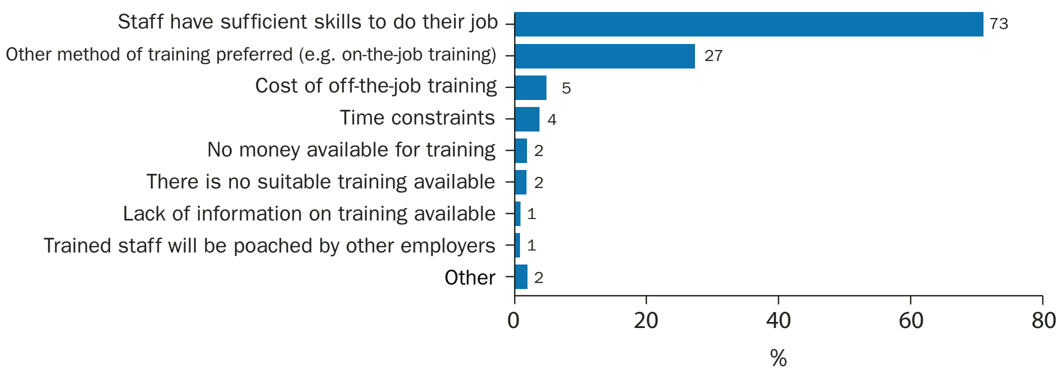
5.2 Reasons for not providing off-the-job training

Those employers who had not provided off-the-job training to any of their staff were asked to specify the reason for this.

Almost three quarters of these employers (73%) said that their staff already had sufficient skills to do their job. This high level of skills is consistent with the views of employers reporting skill gaps – over 90% of employers did not consider there to be a gap between the skills in their current workforce and those needed to meet the establishment's business objectives **(Table 16)**.

Over one quarter of employers who had not provided off-the-job training (27%) also stated that they preferred other training methods such as on-the-job training. Only 1% of these employers said that they had not provided off-the-job training because there was a lack of information on training available or they were afraid their trained staff would be poached by other employers **(Figure 10)**.

Figure 10: Reasons for no off-the-job training



**** Percentage estimates sum to more than 100%, as the question is multiple response*

5.3 Who received off-the-job training?

Those employers who had organised some off-the-job training for their staff were then asked to indicate which of their staff's occupational groups had actually received this training.

For most of the occupational categories, the majority of employers had provided some off-the-job training. The two exceptions to this were Elementary Occupations (which recorded the lowest proportion of employers (43%) providing off-the-job training) and Administrative and Secretarial occupations (in which half (50%) of the employers had provided this type of training). The provision of off-the-job training was most prevalent for staff working in Professional occupations (76%), Personal Service occupations (75%) and Associate Professional occupations (74%) **(Table 22)**.

Table 22: Provision of off-the-job training by occupational group

Occupational Group	Off-the-job training %	No off-the-job training %	Base = 100%
Managers & Senior Officials	62	38	1903
Professionals	76	24	841
Associate Professionals	74	26	666
Administrative & Secretarial	50	50	1662
Skilled Trades	71	29	728
Personal Service	75	25	361
Sales	61	39	657
Operatives	67	33	599
Elementary Occupations	43	57	894

5.4 Provision of on-the-job training

Respondents were asked if they had provided any on-the-job training to their staff over the last 12 months. On-the-job training was defined as 'training given at the desk or place where the staff usually work'.

Six in ten employers said that they had provided on-the-job training to their staff (60%). This was more commonplace within larger employers (96%) but less so in very small businesses (43%) **(Table 23)**.

UK information relating to on-the-job training is only available for Scotland where 12% of employers provided on-the-job training only and 34% provided a mixture of both on-the-job and off-the-job training.

Table 23: On-the-job training by employer size

	All Employers %	1 – 4 Employees %	5 – 10 Employees %	11 – 49 Employees %	50+ Employees %
On-the-job training	60	43	82	90	96
No on-the-job training	40	57	18	10	4
Base = 100%	4062	1027	723	1489	823

For each of the industrial sectors, the majority of employers (i.e. more than half of the employers) provided on-the-job training. Within the sectors, on-the-job training was most prevalent in Education (78%) and Health and Social Care (71%) **(Table 24)**. Other sectors in which a large proportion of employers provided on-the-job training to their staff included Financial Services (68%), Hotels and Restaurants (64%) and Wholesale and Retail (63%).

Table 24: On-the-job training by industry

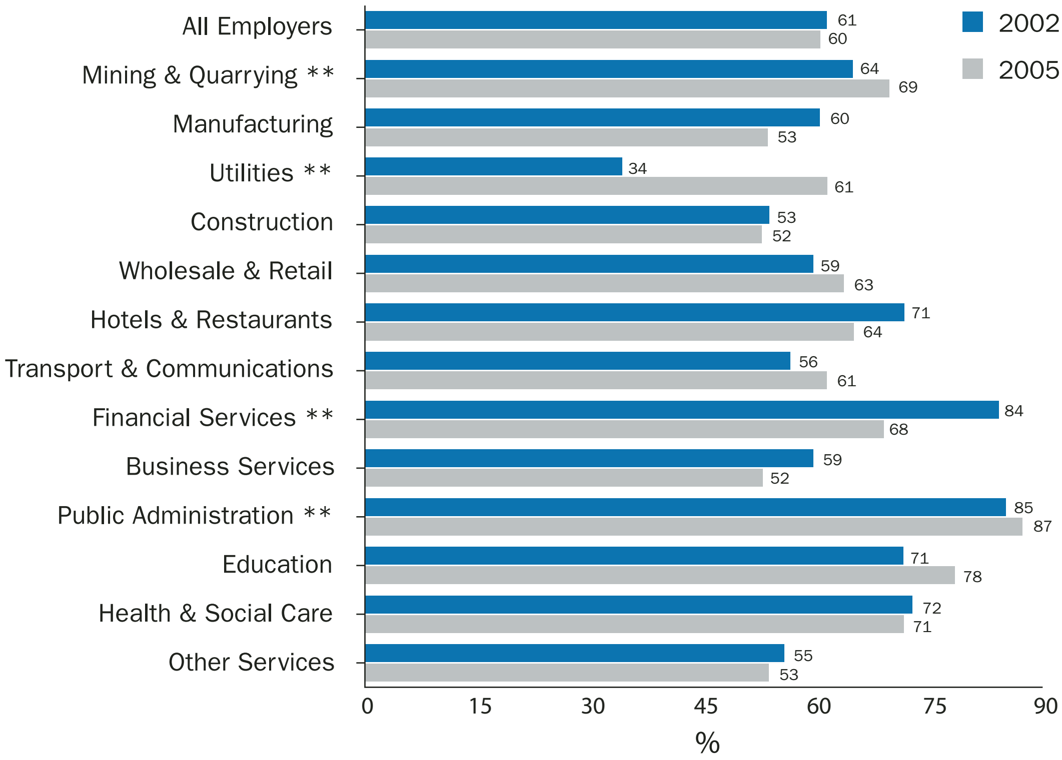
Industrial Sector	On-the-job training %	No on-the-job training %	Base = 100%
All Employers	60	40	4062
Mining & Quarrying**	69	31	17
Manufacturing	53	47	688
Utilities**	61	39	18
Construction	52	48	227
Wholesale & Retail	63	37	775
Hotels & Restaurants	64	36	181
Transport & Communications	61	39	322
Financial Services	68	32	131
Business Services	52	48	448
Public Administration**	87	13	73
Education	78	22	329
Health & Social Care	71	29	449
Other Services	53	47	404

***Caution small numbers*

Figure 11 compares the proportion of employers providing on-the-job training between 2002 and 2005. Overall, the same proportion of employers are providing on-the-job training in 2005 (60%) as in 2002 (61%).

There was some variation in the proportion of employers providing on-the-job training between the two surveys for a number of industrial sectors. The most notable decline in the proportion of employers funding or arranging on-the-job training was for Manufacturing (from 60% in 2002 to 53% in 2005), Hotels and Restaurants (71% to 64%) and Business Services (from 59% to 52%). However, figures for the Education sector indicate an increase in the proportion of employers providing on-the-job training (from 71% in 2002 to 78% in 2005).

Figure 11: On-the-job training, 2002 and 2005 comparison

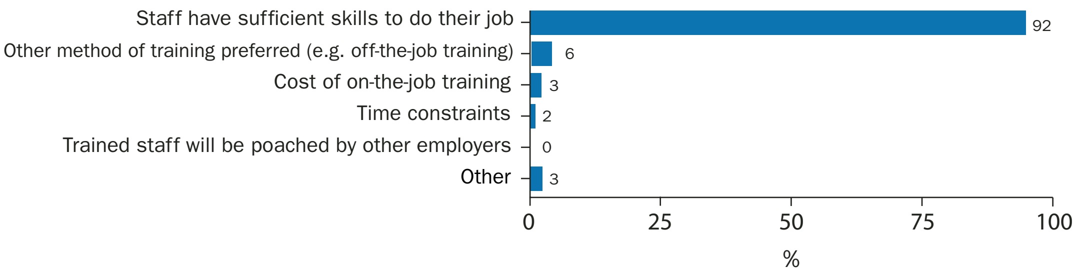


***Caution small numbers*

5.5 Reasons for not providing on-the-job training

As noted above, 40% of employers said that they did not provide any on-the-job training to their staff in the previous 12 months. Almost all (92%) of these employers said that their reason for not doing so was because their staff already had sufficient skills to do their job **(Figure 12)**. Once again, this is consistent with findings recorded previously, where only 9% of employers reported skill gaps among their workforce **(Table 16)**.

Figure 12: Reasons for no on-the-job training



**** Percentage estimates sum to more than 100%, as the question is multiple response*

APPENDIX 1
Definition of Terms

Difficult to fill vacancies
Difficult to fill vacancies are vacancies which an employer considers difficult to fill for any reason. Although there is no formal definition of a difficult to fill vacancy, employers are asked to define this in terms of their business needs and their current situation.

Recruitment Difficulties
A recruitment difficulty arises where an employer is unable to fill current vacancies from the external labour market. Most recruitment difficulties are not true skill shortages.

Skill Deficiencies
Skills deficiencies can be described as either skill shortages or skill gaps.

Skill Shortages
Skill shortage vacancies are defined as difficult to fill vacancies that are attributed by employers to one of the following causes; lack of skills, lack of qualifications, lack of work experience.

Skill Gaps
A skill gap exists were an employer identifies a gap between an employee's current skill level and what is needed to meet work objectives. Skill gaps refer to individuals already in employment with the responding employer.

Off-the-Job Training
Off-the-job training refers to any type of training which is delivered away from the immediate work position, whether at the premises or elsewhere. It includes all sorts of courses – full or part time; correspondence or distance learning; Health and Safety training, etc as long as it is funded or arranged by the employer.

On-the-Job Training
On-the-job training refers to any type of training which is given at the desk or place where the staff usually work. Again on-the-job training is funded or arranged by the employer.

Size of Employer
For certain analysis, employers are allocated to the following size bands:

1-4 employees – very small business

5-10 employees – small business

11-49 employees – medium business

More than 50 employees (50+) – large business

APPENDIX 2

Notes on Tables

1. Percentages may not sum to 100 due to rounding
2. A percentage estimate of less than 0.5 is recorded as 0%
3. Where no cases have been recorded for a cell a '-' is inserted
4. Unless stated otherwise, all base numbers are un-weighted and all percentage estimates weighted.
5. Where the base cell is less than 100, the reader is asked to treat the results with caution.
6. Percentages will sum to more than 100 for multiple response questions.
7. Base numbers may vary slightly as responses of 'don't know' and 'refusal' have been excluded from the analysis.

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