

## National Employers Skills Survey 2007: Main Report<sup>1</sup> Briefing on Semta sectors

### **Background**

The National Employers Skills Survey 2007 (NESS07) is the fourth national employers skills survey commissioned by the Learning and Skills Council (LSC) (Report published June 2008). NESS07 shares the aims of the previous NESS studies to provide detailed analysis at a national, regional and sector level of the extent and nature of employers' recruitment problems, skills gaps and training activity.

<sup>1</sup> NESS covers just under 80,000 employers in England, about 3,300 of which are in Semta's engineering and R&D footprint. The full 278 page NESS report document is available via this link.

<http://readingroom.lsc.gov.uk/lsc/National/nat-nessurvey2007mainreport-may08.pdf>

A detailed report for the Semta footprint is also available from research.

### **Summary of National Employers Skills Survey 2007**

#### **Skill Shortages**

Semta employers have relatively low number of vacancies as a proportion of employee numbers, but the vacancies that do exist are more likely than average to be hard to fill.

The percentage of vacancies that are Skill Shortage Vacancies (SSVs) (vacancies that are hard to fill for skill shortage reasons) is much higher for Semta employers than for employers in England as a whole (31% compared with 21%). The sector is much more likely to face recruitment problems in finding suitably skilled candidates.

- 19% of Semta employers have vacancies
- 9% have Hard-to-Fill Vacancies (HtFVs)
- 8% have SSVs
- 42% of Semta employers that have vacancies have SSVs

Semta employers can be said to be suffering the greatest skill challenges in recruitment, in that both the likelihood of any recruitment events encountering skills shortages and the absolute number of current SSVs is high.

#### **Skill Shortage Vacancies by occupation**

Within Semta employers

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- 41% of SSVs are in skilled trades (craft level).
- 17% of SSVs are operative level.
- 15% of SSVs are at professional level (professional engineers).
- 13% of SSVs are at associate professional level (technicians).

The proportion of the SSVs that are at professional engineer and technician levels appears to have increased since 2005.

#### **The impact of HtFVs**

The impact of the recruitment problems varied across sectors with Semta employers experiencing higher levels of:

- (1) Increased workload for other staff
- (2) Delays in developing new products or services
- (3) Increased operating costs
- (4) Loss of business orders to competitors

### **Skills Gaps**

- 17% of Semta employers have skills gaps (compared with 15% overall).
- 6% of the workforce have skills gaps (compared with 6% overall).

Reflecting the occupational profile of the Semta employers, 26% of the skills gaps are among operatives and 19% among skilled trades.

The skills areas that are considerably more likely than average to be lacking in the Semta sectors are:

- **Technical and practical skills** (65% of employers that experienced skills gaps had gaps in technical and practical skills compared with 51% overall).

The other main skill areas that are lacking in Semta sectors are:

- Team working skills (experienced by 37% of employers with skills gaps).
- Problem solving skills (experienced by 36% of employers with skills gaps).

### **Recruitment of 16-24 year olds direct to employment**

Overall, employers who source recruits straight from education tend to be happy with the quality of people that they take on, particularly in the case of graduates. However, 33% of Semta employers recruiting 16 year old school leavers, 27% of those recruiting 17-18 year old school or college leavers and 17% of those recruiting graduates find them to be poorly prepared. The perception is that the education system is preparing learners much less well for a career in engineering or science careers than it is for other sectors.

### **Training Expenditure**

Total employer training spend (including labour costs) in the 12 months prior to the survey is estimated at £38.6bn. This represents an increase of £5.3bn (16%) from the NESS 2005 figure.

On-the-job training costs represented the majority (56%) of training expenditure by employers covered by Semta. However, the absolute spend on on-the-job training has decreased since 2005 by £201m, compared with an increase in off-the-job training spend of £264m.

Average training spend per employee is lower in the Semta sectors than the average. On the other hand, in terms of the training expenditure on each person trained, Semta employers spend more per trainee on average than employers in other sectors on both on and off-the-job training.

The amount spent on training in each SSC sector closely reflected the size of employment in the sector. Semta accounts for 5% of the total expenditure and has 5% of the employment.