



Employer Skills Survey 2022 – Northern Ireland

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Employer Skills Survey 2022 – Northern Ireland

Employer Characteristics

Small employers with 2 to 4 employees make up **56%** of establishments and employ **11%** of the workforce.



The largest sectors of the Northern Irish economy are Wholesale and Retail (**20%** of all establishments) and Primary Sector and Utilities (**15%**)

Vacancies and Skill-shortage vacancies

21% of employers had at least one vacancy at the time of the survey...
...and **9%** had at least one skill-shortage vacancy.



35% of all vacancies were skill-shortage vacancies – that is, they were hard to fill due to a lack of skills, knowledge or experience among applicants.

This was having an impact on **96%** of affected employers – most commonly increasing workload for other staff.

TO DO



Internal Skills Challenge

11% of employers had a skills gap within their workforce, and **5%** of all employees had gap(s) in their skills.



37% of employers reported skill under-use.

64% of employers anticipated a need to upskill their staff in the coming year.



Training and Workforce Development

58% of employers had provided any training to staff in the previous year:

49% on the job

35% off the job

Overall, **64%** of employees had received training, which equated to **503,000** trained.



Apprenticeships

Overall, **14%** of employers currently had apprentices or offered apprenticeships.

HPW

6% were classed as “High Performance Working employers”.

www.economy-ni.gov.uk

Source: Employer Skills Survey 2022

Source (employer characteristics): ONS Inter-Departmental Business Register (IDBR) 2022

1. Introduction

1.1 Background

The Employer Skills Survey 2022 (ESS 2022) is a large-scale survey among employers across the UK, designed to understand the skills challenges faced by employers, including their extent, nature and impact within both their existing workforce, and when recruiting. The survey also provides insights into how employers respond to these challenges through investment in training and workforce development. This report focuses on the findings from employers in Northern Ireland, capturing the responses of 3,400 establishments.

ESS has been conducted at a UK level every two years since 2011, through a telephone survey of employers in England, Northern Ireland, Scotland and Wales. The Employer Perspectives Survey ran in parallel with ESS from 2010 to 2017, before being combined with ESS in 2019 to produce one survey. Employers in Scotland were not included in the 2019 ESS survey, though have been included again in 2022.

Throughout the report, comparisons are made with England, Scotland and Wales, and within key subgroups of employers in Northern Ireland (e.g., by size, sector and region). Time series comparisons are generally included for up to two waves of data, though for some indicators an extended time series is given. Further information about the ESS method can be found in the Methodology section of this report, and the published technical report.

1.2 Structure of the report and report coverage

This report explores:

- The external skills challenge: skill-shortage vacancies, skills lacking in the available labour market, and recruitment, including recruiting directly from education
- The internal skills challenge: skills gaps, their causes and what skills are lacking, alongside under-use of skills and qualifications, and the need for upskilling
- Training and workforce development, including training expenditure
- Apprenticeships
- High Performance Working Practices

1.3 Reporting conventions

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

The survey population is UK businesses with two or more employees; this means businesses with at least two people working on payroll including working proprietors. When reporting volume and density measures, we typically refer to ‘employees’ throughout the report rather than employment.

All differences referred to in the report commentary are statistically significant at the 95% level of confidence. This applies to differences between subgroups such as region, size and sector, and also to differences over time.

Throughout the report unweighted base figures are shown on tables and charts to give an indication of 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.

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

In the tables and charts, 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 as the margin error for these results is larger, and therefore the results are less statistically reliable.

Throughout the report the terms incidence, volume and density are used regarding vacancies, skill-shortage vacancies and skills gaps. They are defined as presented in Table 1-1.

Table 1-1: Definitions for key incidence, volume and density measures used in this report

	Vacancies	Skill-shortage vacancies	Skills gaps
Incidence	The number of establishments reporting at least one vacancy	The number of establishments that reported at least one skill-shortage vacancy	The number of establishments that reported any of their staff lacked full proficiency
Volume	The total number of vacancies	The total number of vacancies that are hard to fill as a result of skill shortages	The total number of employees that lack full proficiency
Density	The total number of vacancies as a proportion of all employment	The total number of skill-shortage vacancies as a proportion of all vacancies	The total number of employees that lack full proficiency as a proportion of all employment

Throughout the report we breakdown results by region using District Council area, which creates five categories. The 11 district councils which make up the five regions are noted below:

- **Belfast:** Belfast
- **East:** Ards and North Down, Mid and East Antrim, Antrim and Newtownabbey, Lisburn and Castlereagh
- **South:** Armagh City Banbridge and Craigavon, Newry Mourne and Down
- **North:** Causeway Coast and Glens, Derry City and Strabane
- **West:** Mid Ulster, Fermanagh and Omagh

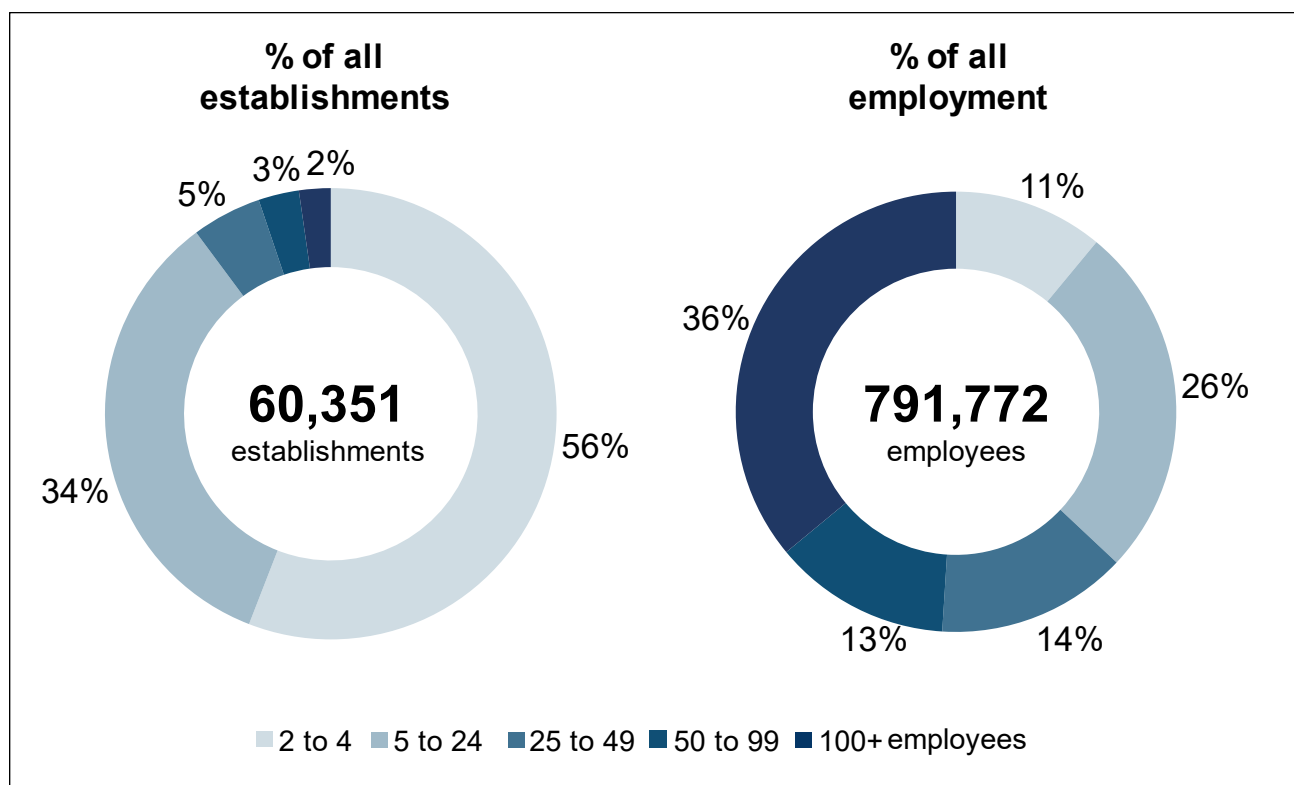
2. Employer characteristics

The population of employers for the ESS 2022 included all establishments that had at least two people working at them (including owners and working proprietors). An “establishment” is a single site of an organisation, meaning interviews were carried out with an individual at each local office (rather than a single “head office” location with a respondent answering on behalf of the whole organisation). This reflects the fact that skills issues are felt most acutely at local level, and continues the approach taken by previous UK-wide ESS surveys dating back to 2011.

Figure 2-1 shows the profile of employers and employees in Northern Ireland by establishment size. The Office for National Statistics (ONS) figures estimate that in March 2022 there were 60,351 establishments in Northern Ireland, employing 791,772 people between them.

Over nine-in-ten establishments (91%) in Northern Ireland are classed as small employers with 56% employing between 2 and 4 staff, and the remaining 34% employing between 5 and 24 staff. However, these smaller employers employ only 11% and 26% of the workforce respectively. Employers with 100 or more staff employed over a third (36%) of the workforce, despite only making up 2% of the establishment profile.

Figure 2-1: Employer and employment profile by establishment size in Northern Ireland in March 2022

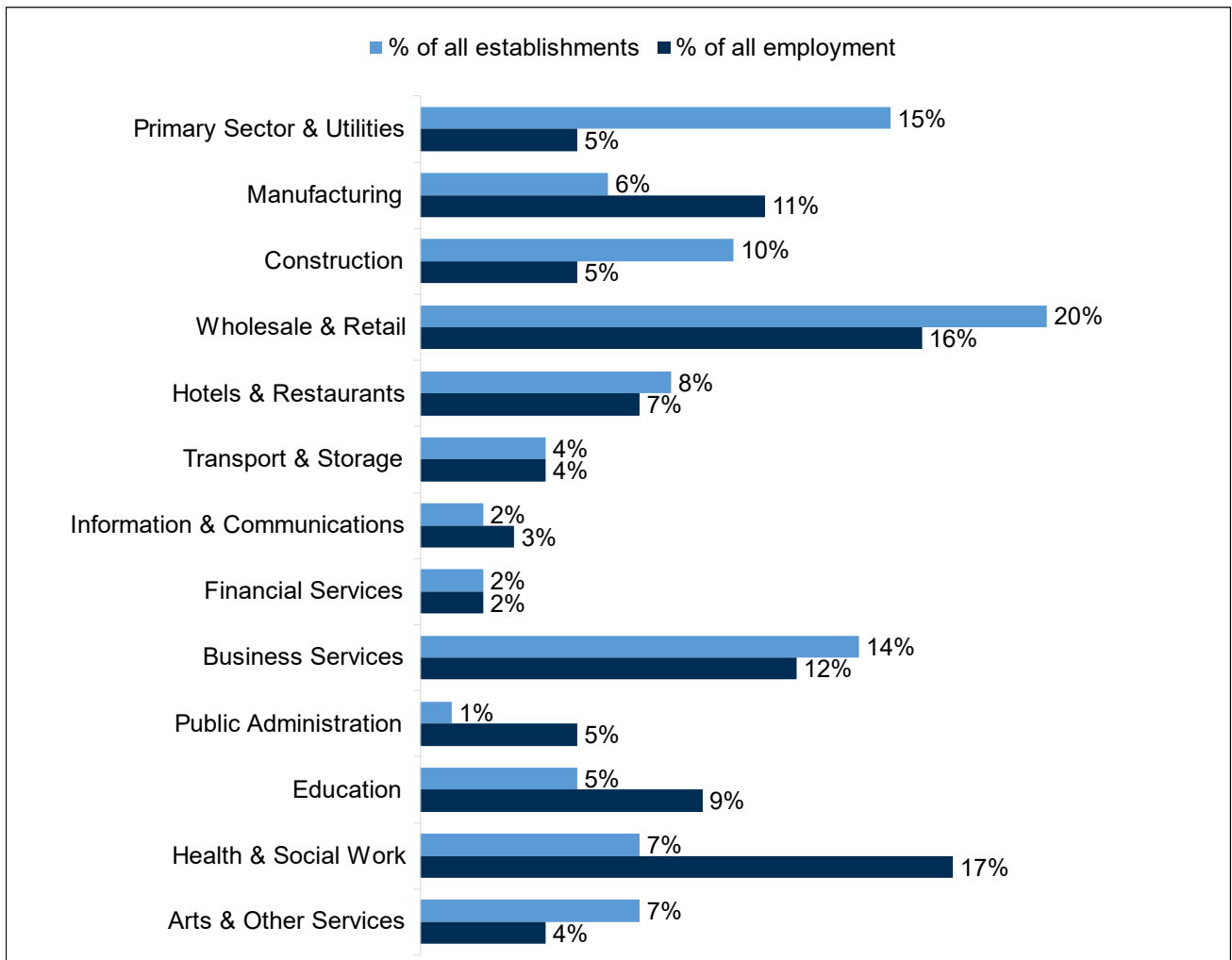


Source: ONS Inter-Departmental Business Register (IDBR), March 2022

IDBR statistics show that the largest sectors in terms of the number of establishments in Northern Ireland are the Wholesale and Retail sector (20%), and the Primary Sector and Utilities industry (15%), closely followed by Business Services (14%). The smallest sector is Public Administration, making up only 1% of all establishments in Northern Ireland.

From an employment perspective, the Health and Social Work sector employed the highest proportion of the workforce (17%), followed by Wholesale and Retail employers (16%) as seen in Figure 2-2. There have been no major changes in the employer profile in Northern Ireland since the survey was last conducted in 2019.

Figure 2-2: Employer and employment profile by sector in Northern Ireland in March 2022



Source: ONS Inter-Departmental Business Register (IDBR), March 2022

3. Skill-shortage vacancies

3.1 Introduction

This chapter presents the incidence, density and profile of vacancies in Northern Ireland, as well as a specific focus on skill-shortage vacancies (SSVs). These are vacancies that are difficult to fill due to a lack of applicants with the required skills, qualifications and/or experience. The chapter also explores which skills were lacking most among applicants, and the impacts skill-shortage vacancies might have had on employers.

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

3.2 Vacancies

Overall, more than one in five establishments in Northern Ireland (21%) had at least one vacancy at the time of the survey. This is an increase compared with both 2019 and 2017, when the incidence of vacancy was 14% and 16% respectively.

In volume terms, there were 39,500 vacancies, equivalent to 5.0% of total employment. Both the volume and the density of vacancies represent an increase compared with 2019 (24,000 vacancies, equivalent to 3.1% of employment), and 2017 (23,200 vacancies, equivalent to 3.1% of employment).

Looking at differences between regions in Northern Ireland, the incidence of vacancies was highest among establishments in Belfast (28%) compared with the other four regions, where incidence ranged between 17% and 22%. Conversely, the vacancy density was highest in the South (5.9%), followed by the East and the West (5.1% and 5.0% respectively), and lowest in the North (4.5%) and in Belfast (4.4%). Compared with 2019, the biggest increase in vacancy density was in the South (from 2.3% in 2019 to 5.9% in 2022).

The incidence of vacancies grew with the size of the establishments, going from 10% among establishments with 2 to 4 employees to 97% among establishments with 250 or more employees. The vacancy density was highest among establishments with 250 or more employees (5.9%) but was lowest among establishments with 100 to 249 employees (3.2%), showing a non-linear trend.

By sector, the incidence of vacancies was highest in the Public Administration sector (55%) and lowest in the Primary Sector and Utilities (10%). Conversely, the vacancy density was highest in the Hotels and Restaurants sector (7.7%), followed by the Information and Communications sector (7.3%) and the Construction sector (7.1%), while it was lowest in the Education sector (2.8%) and in Business Services (3.4%).

Further data on the incidence and density of vacancies can be found in Tables 15 and 17 of the published Northern Ireland Data Tables.

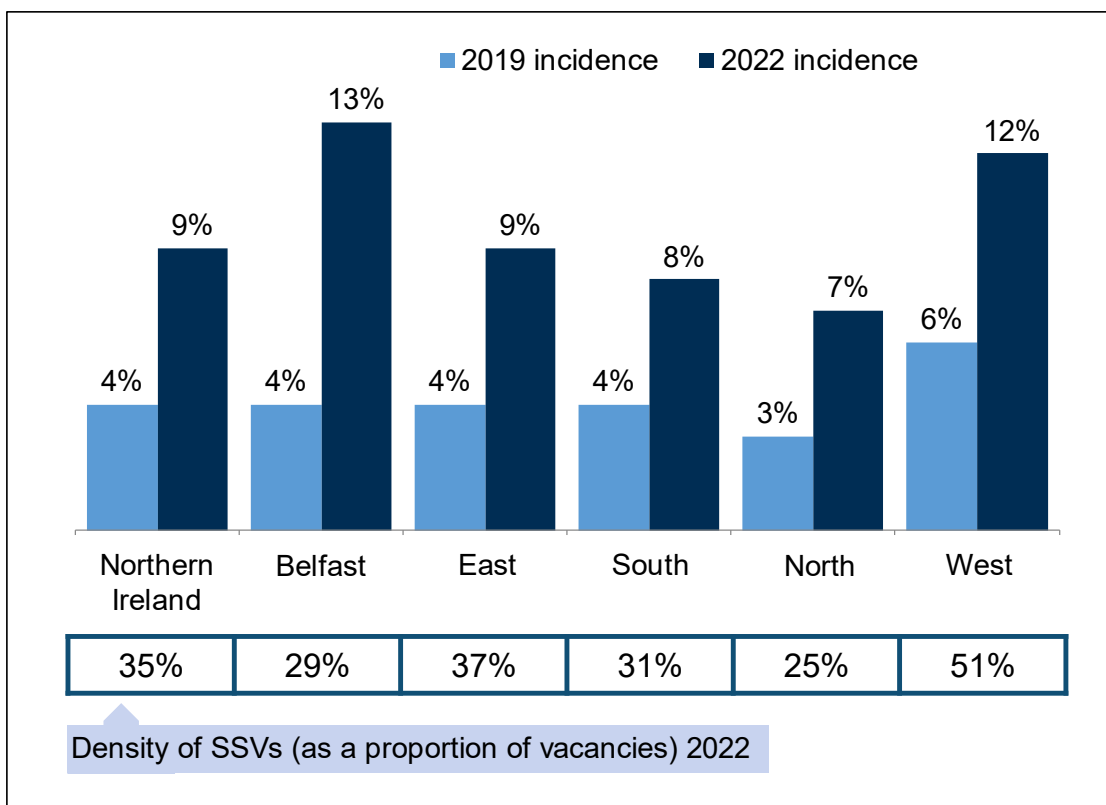
3.3 Skill-shortage vacancies

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)¹.

Overall, there were 13,700 skill-shortage vacancies in Northern Ireland in 2022. This is more than double the amount in 2019 (5,400) and 2017 (4,900). In line with this, close to one in ten establishments (9%) had at least one SSV, an increase compared with 2019 (4%) and 2017 (5%). As shown in Figure 3-1, the incidence of SSVs increased across all regions compared with 2019, with Belfast having the largest increase (from 4% in 2019 to 13% in 2022).

The SSV density (calculated as skill-shortage vacancies as a proportion of all vacancies) in Northern Ireland was 35% in 2022, an increase compared with 2019 (22%) and 2017 (21%). At a regional level this was highest in the West (51%) and lowest in the North (25%).

Figure 3-1: Incidence and density of skill-shortage vacancies by region, 2022 compared with 2019



Base: All establishments in Northern Ireland (2019: 4,023; regional base sizes range from 605 in the North region to 1,149 in the East region; 2022: 3,400; regional base sizes range from 503 in the North region to 942 in the East region).

Base for density figures: All establishments with vacancies in Northern Ireland (2022: 1,030; regional base sizes range from 125 in the North region to 270 in the East region).

¹ 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).

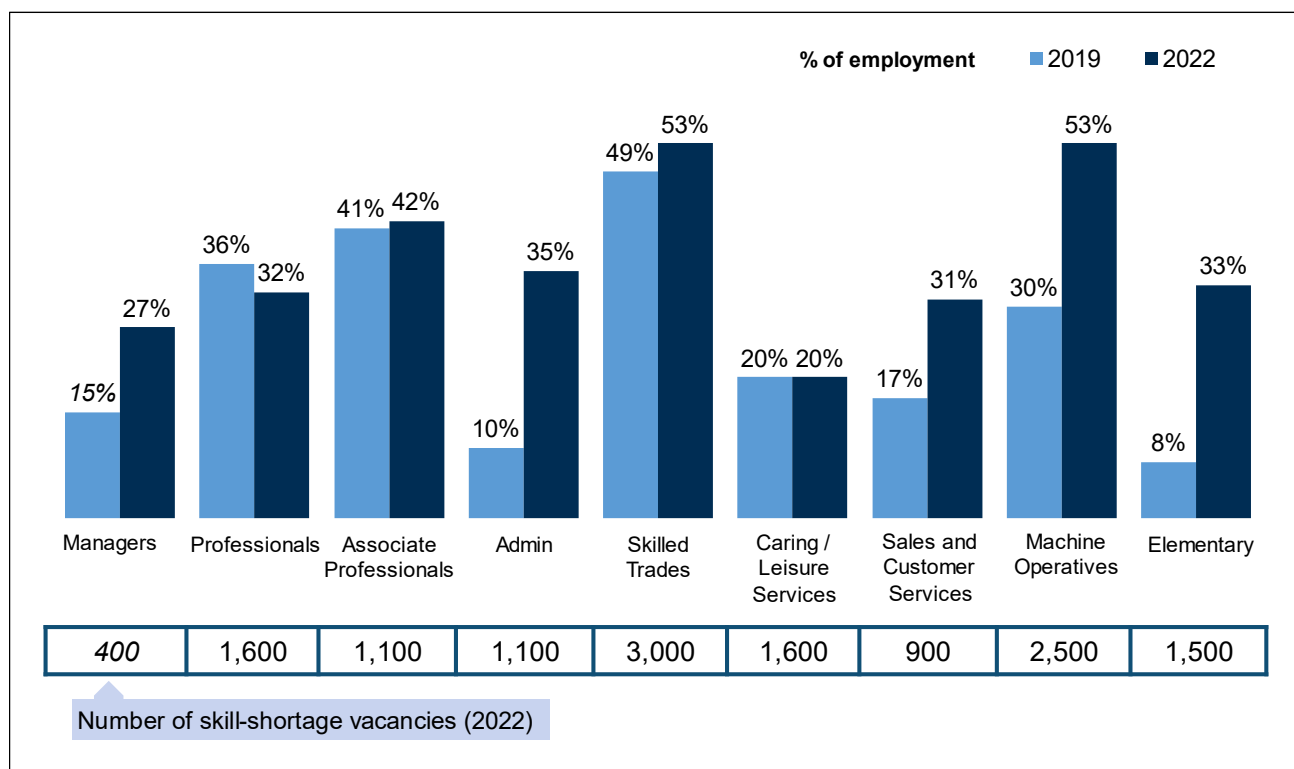
The incidence of SSVs was higher with the size of the establishments, going from 5% among establishments with 2 to 4 employees to 47% among establishments with 250 or more employees. Establishments in the Manufacturing sector were most likely to have at least one SSV (18%), while those least likely were in the Primary Sector and Utilities (6%).

Looking at density of SSVs by employer size, this was highest among establishments with 2 to 4 employees (55%), 5 to 24 employees (43%) and 50 to 99 employees (40%). This last group had the biggest increase compared with 2019, with the density of SSVs increasing from 18% in 2019 to 40% in 2022.

By sector, the density of SSVs was highest in Transport and Storage (60%), followed by Construction (56%) and Primary Sector and Utilities (52%). Conversely, it was lowest in the Health and Social Work (14%) and Public Administration (17%) sectors. Further size and sector breakdowns for SSV density can be found in Tables 15 and 18 of the published Northern Ireland Data Tables.

The highest SSV density by occupation was for Machine Operatives and Skilled Trades (both 53%), followed by Associate Professionals (42%), as shown in Figure 3-2. Conversely, the lowest SSV density was for Caring, Leisure and Other Services (20%). Compared with 2019, the largest increases in SSV density were for Administrative and Secretarial occupations (from 10% in 2019 to 35% in 2022) and for Elementary occupations (from 8% in 2019 to 33% in 2022). Skilled Trades and Machine Operatives were also the occupations with the highest volumes of SSVs (3,000 and 2,500 respectively), while Managers were the occupation with the lowest volume (400).

Figure 3-2: Density of skill-shortage vacancies by occupation, 2022 compared with 2019



Base: All establishments skill-shortage vacancies in Northern Ireland (2019: 246; occupational base sizes range from 34 for Managers to 188 for Caring, leisure and other services; 2022: 466; occupational base sizes range from 68 for Managers to 231 for Caring, leisure and other services).

3.4 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,² 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 3-3 and Figure 3-4 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 lacking were the cause, at least in part, of 84% of SSVs. This is in line with the 2019 (89%) and 2017 (87%) results. The most common technical and practical skills found to be lacking were specialist skills or knowledge needed to perform the role (for 61% of SSVs), knowledge of products and services (39%), and creative and innovative thinking (38%).

Some of the specific skills found difficult to obtain from applicants have been grouped into broader categories for analysis purposes ('Operational skills', 'Complex analytical skills', 'Basic skills' and 'Digital skills'), as shown in Figure 3-3. Compared with 2019, there was a decrease in the lack of 'Complex analytical skills' (from 60% in 2019 to 40% in 2022), in the lack of 'Basic skills' (from 47% in 2019 to 35% in 2022), and in the lack of 'Digital skills' (from 41% in 2019 to 32% in 2022). Only the lack 'Operational skills' remained at comparable levels (53% in 2019 and 48% in 2022).

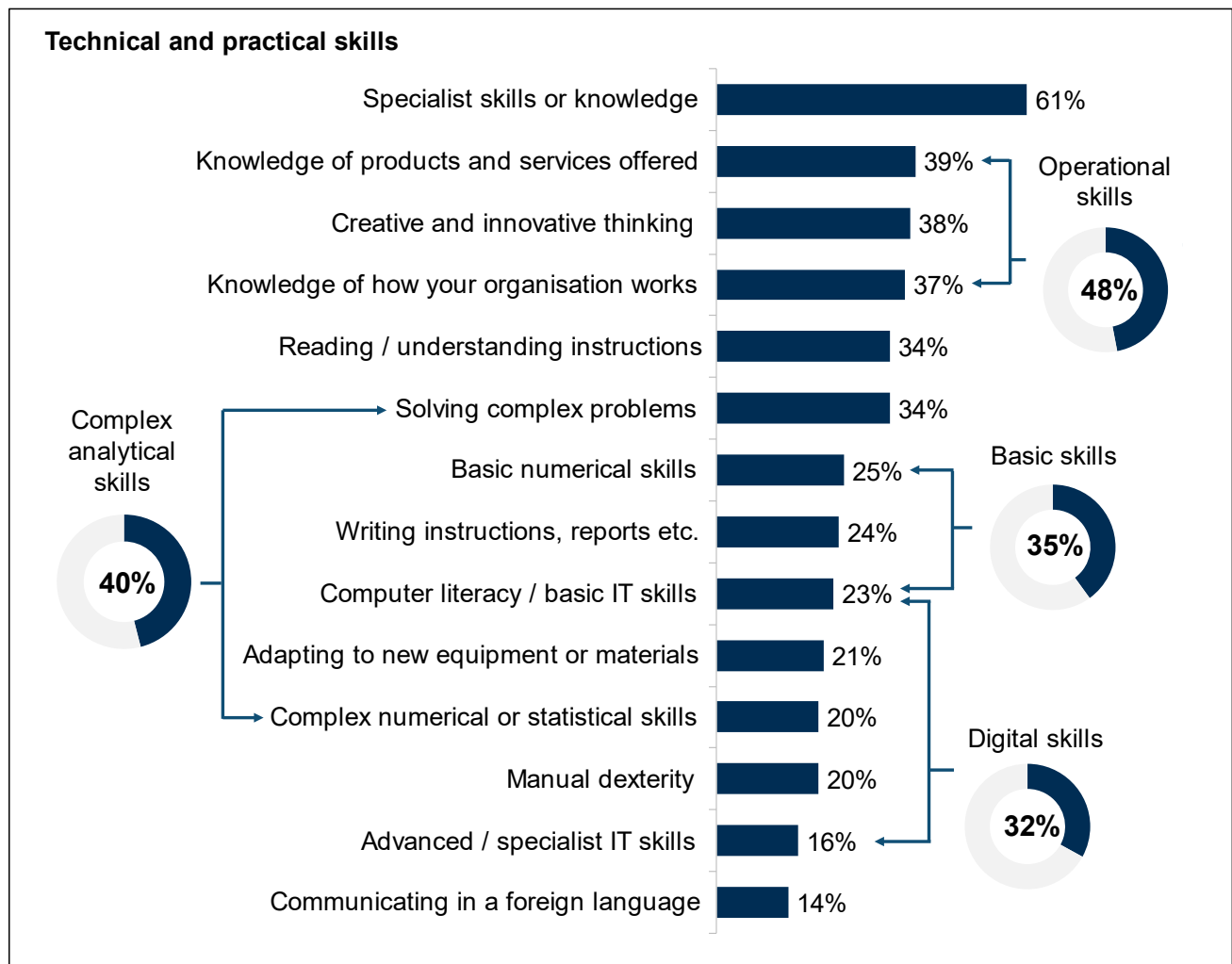
Establishments in the Education sector were the most likely to have SSVs lacking for all four broad skills groupings: 62% of SSV were lacking 'Complex analytical skills' (compared with 40% overall), 63% were lacking 'Operational skills' (compared with 48% overall), 57% were lacking 'Digital skills' (compared with 32% overall), and 57% were lacking 'Basic skills' (compared with 35% overall).

By size, establishments with 25 to 49 employees were the most likely to have SSVs lacking 'Operational skills' (58% vs. 48% overall). Conversely, the lack of 'Complex analytical skills' was most common among establishments with 50 to 99 employees (53% vs. 40% overall), and same was the lack of 'Basic skills' (44% vs. 35% overall). The lack of 'Digital skills' was most common among establishments with 100 to 249 employees (50% vs. 32% overall).

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 25% of cases where IT skills were lacking in applicants), followed by foundation digital skills, such as turning on devices, typing, changing passwords and connecting to the internet (23%), and specialist software or hardware and internal system skills (14%).

² Up to a maximum of two occupations chosen at random.

Figure 3-3: Technical and practical skills lacking among applicants to vacancies classed as skill-shortage vacancies among those followed up in 2022 (prompted)³



Base: All establishments in Northern Ireland with SSVs – up to two occupations followed up (2022: 466).

Turning to people and personal skills, 64% of skill-shortage vacancies were caused, at least in part, by a lack of these skills. This is a decrease from 2019 (77%), but in line with 2017 (70%). The most common people and personal skills found to be lacking were the ability to manage own time and prioritise own tasks (for 43% of SSVs), team working (37%), and customer handling skills (29%).

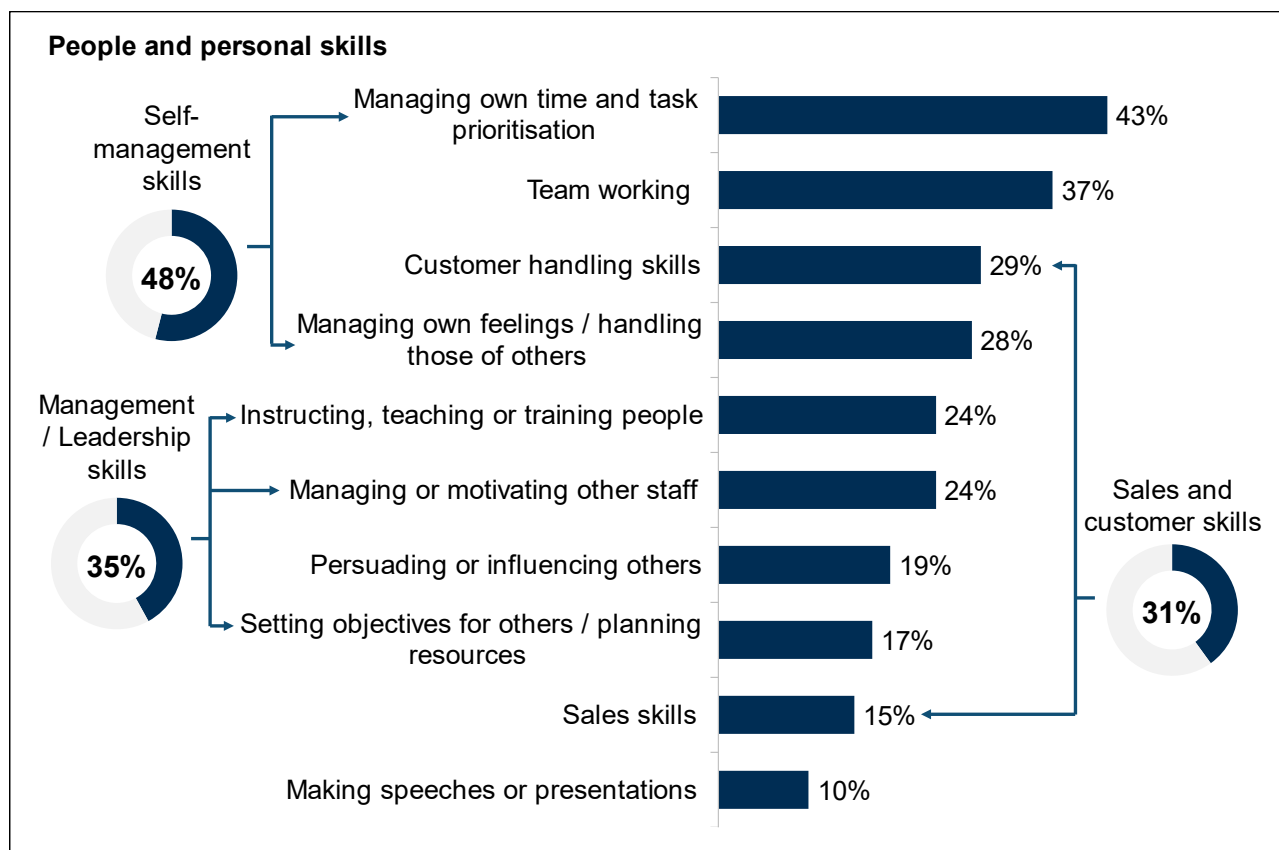
As with technical and practical skills, some of the specific people and personal skills found difficult to obtain from applicants have been grouped into broader categories for analysis purposes ('Self-management skills', 'Sales and customer service skills' and 'Management and leadership skills'), as shown in Figure 3-4. Compared with 2019, there was a decrease for all three broad skills. 'Sales and customer service skills' were found difficult to obtain for 31% of SSVs (compared with 54% in 2019), 'Management and leadership skills' for 35% (compared with 57% in 2019), and 'Self-management skills' for 48% (compared with 61% in 2019). Establishments in the Education sector were the most likely to be lacking 'Management and leadership skills (49% vs. 35% overall). 'Sales and customer skills' were most likely to be lacking among establishments in the Wholesale and Retail sector (50% vs. 31% overall), while 'Self-

³ 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 per cent.

management skills' were most likely to be lacking among establishments in the Health and Social Work sector (65% vs. 48% overall).

By size, the lack of both 'Management and leadership skills' and 'Sales and customer service skills' was most common among employers with 50 to 99 employees (58% for the former broad skill, compared with 35% overall; 40% for the latter broad skills, compared with 31% overall). Conversely, the lack of 'Self-management skills' was most common among employers with 5 to 24 employees (54% vs. 48% overall).

Figure 3-4: People and personal skills lacking among applicants to vacancies classed as skill-shortage vacancies among those followed up in 2022 (prompted)



Base: All establishments in Northern Ireland with SSVs – up to two occupations followed up (2022: 466).

3.5 Impact of skill-shortage vacancies on employers

Nearly all establishments that reported having at least one skill-shortage vacancy (96%) stated that SSVs had an impact on business performance. This is in line with results in 2019 (93%) and 2017 (96%). In many cases the impact was significant.⁴ As shown in Figure 3-5, increased workloads for other staff was the most common impact (affecting

⁴ 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.

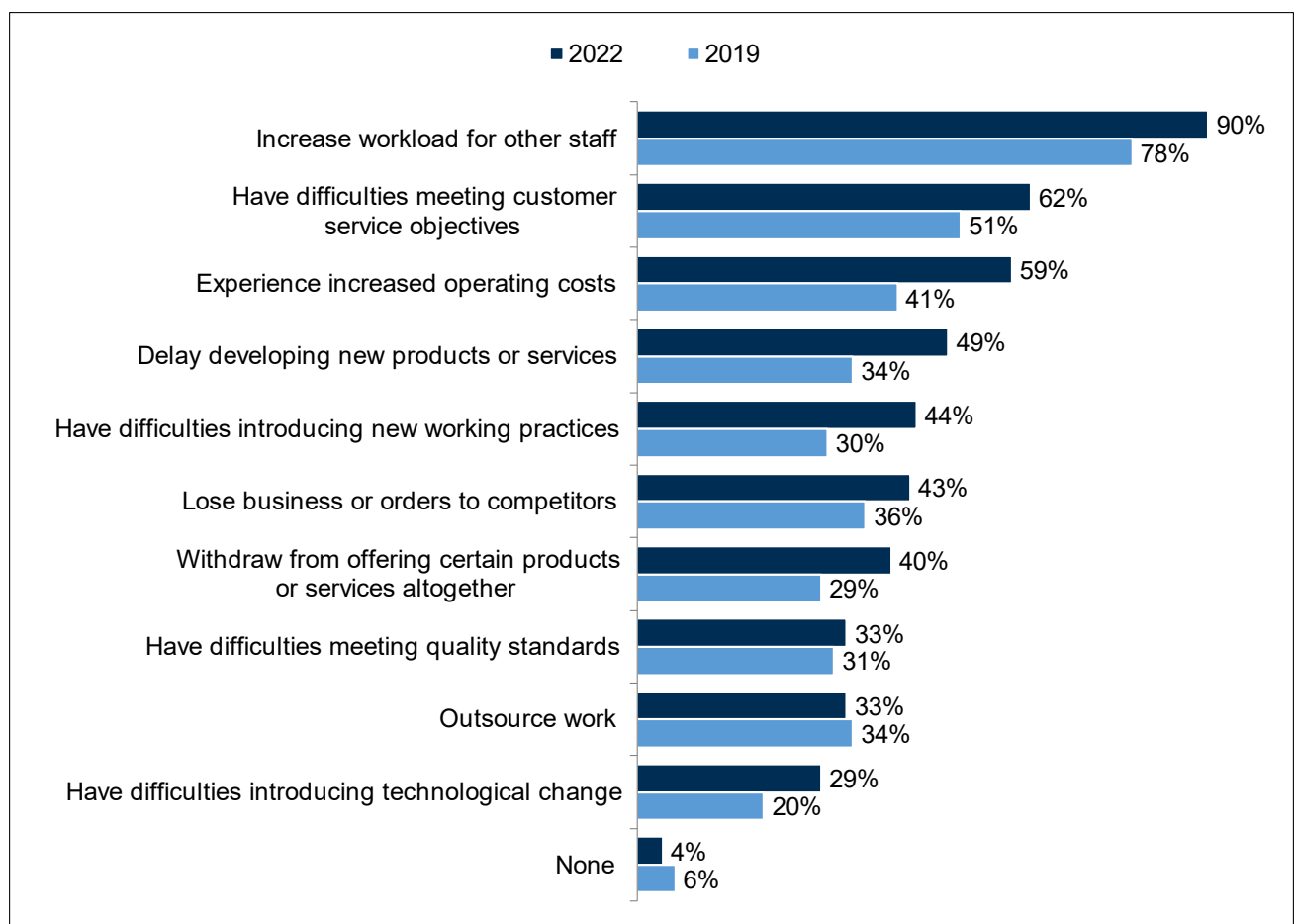
90% of establishments with SSVs), followed by difficulties meeting customer service objectives (62%) and experiencing increased operating costs (59%).

Compared with 2019, there were a number of impacts that establishments were more likely to report. The incidence of experiencing increased operating costs increased the most (from 41% in 2019 to 59% in 2022), followed by the delay in developing new products and services (from 34% in 2019 to 49% in 2022) and having difficulties introducing new working practices (from 30% in 2019 to 44% in 2022).

Overall, there was little variation in terms of incidence of the different impacts, by size. A few exceptions were establishments with 25 to 49 employees, who were less likely to withdraw from offering certain products or services altogether (25% vs. 40% on average), and establishments with 100 or more employees, who were more likely to have difficulties introducing technological change (48% vs. 29% on average).

By sector, establishments in the Hotels and Restaurants sector were the most likely to experience delays developing new products or services (66% vs. 49% on average) and to withdraw from offering certain products or services altogether (58% vs. 40% on average). Conversely, establishments in the Education sector were the most likely to indicate having difficulties introducing new working practices (61% vs. 44% on average) and to have difficulties meeting quality standards (68% vs. 33% on average).

Figure 3-5: Impact of skill-shortage vacancies, 2022 compared with 2019 (prompted)



Base: All establishments in Northern Ireland with hard-to-fill vacancies that are all as a result of skill shortages (2022: 386; 2019: 223).

4. Recruitment

4.1 Introduction

This chapter looks at the different recruitment practices used by employers in Northern Ireland, including their methods of recruitment, and the factors they look for when recruiting. It also covers the level of recruitment of new entrants into the labour market, including young people and those employees who have been recruited directly from education.

4.2 Proportion of employers that recruited over the last 12 months

Employers were asked whether they had had any vacancies in the 12 months before the survey. Around half (51%) of all employers in Northern Ireland said they had had a vacancy, whether for full-time or part-time staff in the last 12 months, similar to the 47% who reported previous vacancies in 2019. This figure increased with establishment size, from 30% of employers with 2 to 4 staff reporting a vacancy, to almost all (99%) of those with 100 or more staff.

While half of all employers had experienced a vacancy, 43% of all employers in Northern Ireland had recruited anyone in the past 12 months. This represents an increase compared with 2019, when 40% of employers had recruited anyone in the last 12 months. As with vacancies, likelihood of recruitment increased with establishment size, ranging from 21% of establishments with 2 to 4 employees, to 98% of establishments with 100 or more employees. By sector, employers in the Public Admin (80%), Health and Social Work (66%) and Education (56%) were more likely to have recruited. By region, employers in Belfast were more likely to have recruited (57%).

4.3 Methods used to recruit

Almost three quarters (73%) of establishments who have had vacancies employed multiple approaches for recruitment. This compares to 67% in 2019 representing an increase in employers diversifying their recruitment approach.

Word of mouth or personal recommendations were the most common method of recruitment for employers with vacancies (69%), an increase from 57% in 2019. However, only 11% relied exclusively on word of mouth for their recruitment, similar to 9% in 2019.

The majority of employers that had experienced vacancies used internal resources (87%) like placing adverts on social media using internal resource (64%) and on their own website (53%), while 57% used external resources including paid-for recruitment services, like the press (37%) or paying someone to place social media adverts on their behalf (14%).

More employers were using some form of social media (internally or externally) to advertise their vacancies in 2022 (66%) compared with 2019 (55%).

Other individual routes taken for recruitment were using government recruitment schemes, which decreased to 20% from 29% in 2019, or using school, college or university job fair or career services, which remained at similar levels as in 2019 (20% each).

4.4 What employers look for when recruiting

Seven in ten (71%) employers considered that a candidate having relevant work experience was of significant or critical importance when they are recruiting, an increase from 66% considering this important in 2019.

As shown in Table 4-1, around half of employers also consider having Maths and English GCSE to at least level 2 or A*-C (54%), having a relevant vocational qualification (49%) and having particular academic qualifications (e.g. GCSE, A-levels, a degree) (46%) important. In comparison, about a quarter of employers considered having a degree or equivalent to be of significant or critical importance. All these levels are similar to 2019.

Table 4-1: Importance of factors looked for in recruitment, 2022 compared with 2019

Factor	Proportion who considered factor 'Critical' or 'Significant'	
	2019	2022
Having relevant work experience	66%	71%
Having Maths and English GCSE to at least level 2 or A*-C	58%	54%
Having a relevant vocational qualification	52%	49%
Having particular academic qualifications such as GCSEs, A levels or a degree	50%	46%
Having a degree or degree-equivalent qualifications	26%	25%

Base: All establishments in Northern Ireland (Module D): (2019: 1,001; 2022: 822).

4.5 Recruitment directly from education

Turning to consider employers recruitment direct from education, around 3 in 10 (29%) employers recruited an employee directly upon them leaving education, whether school, college or university, in the last 2-3 years. This remained unchanged compared to 2019 (29%). Larger employers were more likely to recruit directly from education, especially those with 100 or more staff (77% in 2022, 87% in 2019). Employers in the Education sector were also more likely to have taken on an education leaver (43%), while those in the Primary Sector and Utilities were less likely to do so (12%).

Overall, 16% of establishments had hired someone from a school, 11% recruited someone from an FE college, and 14% recruited someone on their first job from a university or other Higher Education Institution. These are also in line with 2019 levels (16%, 11% and 12% respectively).

Most employers considered education leavers to be well prepared for work. More than 4 in 5 (82%) of employers in Northern Ireland thought the Higher Education leavers to be prepared, more than two thirds (69%) considered FE college leavers to be prepared, while 63% considered the 17- to 18-year-old school leavers to be prepared. However, the proportion of FE college leavers considered prepared for work has decreased since 2019 (78%). The only group who were considered well prepared by just under half of employers that recruited them (48%) were 16-year-old school leavers, also marking a decrease since 2019 (61%).

The most common reasons why some school and FE college leavers were considered less prepared for work were due to new recruits having a poor attitude or lacking motivation (25% of 16-year old school leavers, 15% of 17-18 year

olds school leavers, and 10% of FE college leavers), or due to a lack of experience and maturity (24% of 16 year olds, 13% of 17-18 year olds school leavers, and 14% of FE college leavers).

5. The internal skills challenge

5.1 Introduction

This chapter explores the prevalence and impact of current skills gaps within the Northern Irish workforce, i.e., the extent to which employers have staff that are not fully proficient in their job role. Some skills gaps may be temporary by nature, for example where new staff are not yet fully trained or experienced. However, others can be more persistent, usually a result of underinvestment in training or staff turnover or reluctance to develop new skills. These persistent skills gaps can affect an establishment's productivity and ability to innovate.

The Employer Skills Survey (ESS) measures the incidence, volume, density of skills gaps, overall and at a national, sectoral and occupational level. Also covered in this chapter are the specific skills that employers identified as lacking among their employees, and the causes and the impacts of these. Finally, this chapter also covers the incidence and density of skills being underutilised as well as the expected need for upskilling in the next year.

- Skills gap **incidence** is the proportion of establishments judging at least one employee not fully proficient.
- Skills gap **density** is the number of employees that were judged not fully proficient as a proportion of all employees.
- Skills gap **volume** is the number of employees that were judged not fully proficient.

5.2 Incidence, volume and density of skills gaps

Just over one in ten employers in Northern Ireland (11%) had any staff with any skills gaps. This is slightly higher than the level in 2019 (10%).

The incidence of skills gaps rose with establishment size, from 3% among employers with 2 to 4 staff up to 40% among employers with 100 or more staff. This follows a similar trend as in previous years. By sector, employers in Manufacturing (22%) and Hotels and Restaurants (19%) had a higher incidence rate of skills gaps, rising from the levels seen in 2019 (Manufacturing 14%, Hotel and Restaurants 13%). By contrast, employers in the Primary sector and Utilities and in Construction were less likely to have skills gaps than average (both 6%). By region, skills gaps incidence ranged from 14% in Belfast to 9% in the West, in line with 2019 levels.

Employers that had recruited in the previous 12 months were more likely to have skills gaps among their workforce than those who hadn't (22% vs 4%). Employers who had vacancies at the time of the interview (24%) were also more likely have skills gaps among their current workforce, especially those with skills shortage vacancies (29%).

Looking at the volume of skills gaps, employers in Northern Ireland reported there were around 36,700 employees not fully proficient at their jobs in 2022. This represents about 4.6% of total workforce (referred to as skills gap density) employed in Northern Ireland, and an increase from 26,300 (3.3%) in 2019.

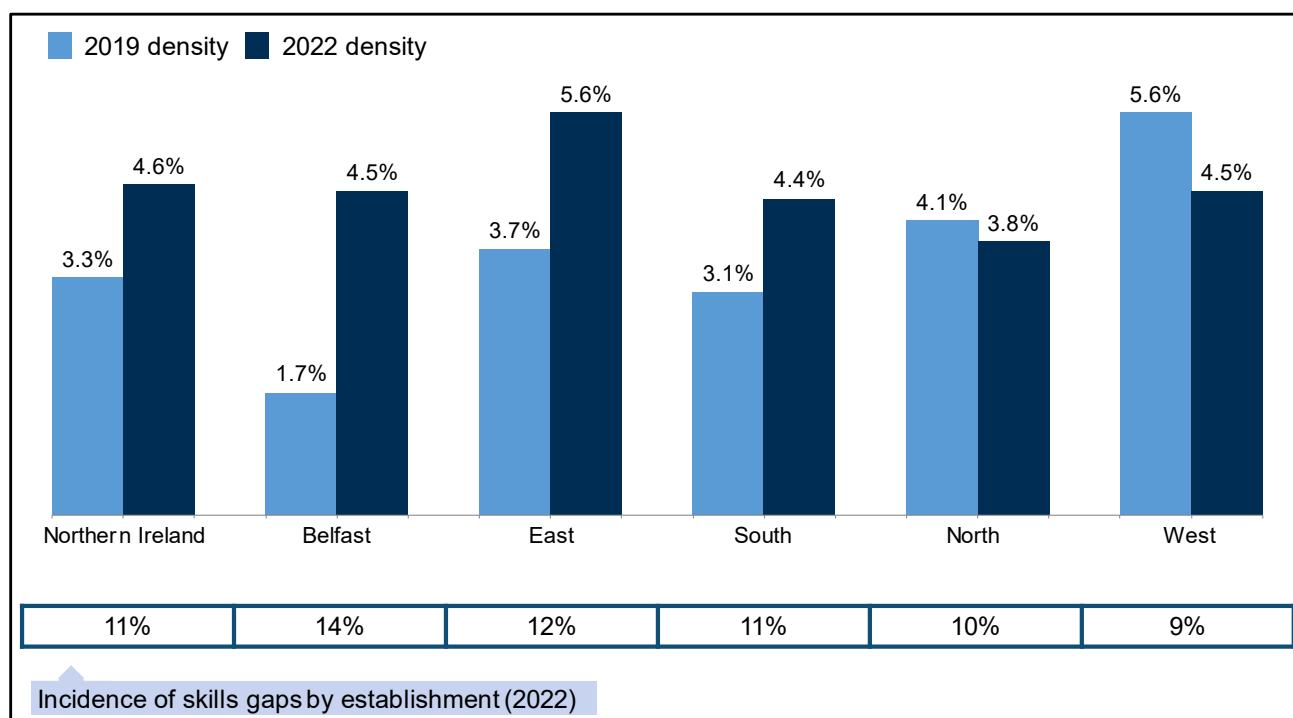
In general, larger employers had a higher density of skills gaps than average (7.1% among employers with 100 to 249 staff, and 5.5% among employers with 50 to 99 employees). However, employers with 250 or more staff had a similar density to the average (4.5%). This follows a similar pattern to previous years.

The proportion of employees considered not fully skilled by their employers was highest in the Manufacturing (9.2%), Financial Services (8.9%) and Hotels and Restaurants (8.0%) sectors, and lowest in Public Administration (1.0%), Transport and Storage (2.0%), Education (2.5%) and Information and Communication (2.5%) sectors.

The sectors with the biggest changes compared with 2019 were Financial Services, where skills gaps density increased from 0.8% in 2019 to 8.9% in 2022, and Transport and Storage, which experienced a decrease in skills gaps density (4.2% in 2019, 2.0% in 2022).

By region, employers in the East were more likely to have skills gaps than any other region (5.6%), while those in the North were less likely than all other regions to have skills gaps (3.8%). Both the incidence and density of skills gaps by region is represented in Figure 5-1 below, alongside comparisons to 2019 levels.

Figure 5-1 Incidence and density of skills gaps by region, 2022 compared with 2019



Base: All establishments in Northern Ireland (2019: 4,023, Belfast 792, East 1,149, South 783, North 605, West 694; 2022: 3,400, Belfast 674, East 942, South 713, North 503, West 568).

By occupation, the occupations with the highest skills gaps density were Machine Operatives (8.4%), Skilled Trades occupations (8.1%), Sales and Customer Service occupations (6.8%) and Elementary staff (6.0%). Meanwhile, higher skills occupations like Managers (1.5%) and Professionals (2.5%), as well as Administrative occupations (2.4%) had the lowest density. Compared with 2019, Skilled Trades occupations and Caring, Leisure and Other Services occupations saw the highest increase, from 4.5% to 8.1% in 2022 and from 1.6% to 5.5% respectively. Administrative occupations were the only occupational group to record a decrease in skills gaps density since 2019, from 2.8% in 2019 to 2.4% in 2022.

5.3 Causes of skills gaps

Most skills gaps were caused at least in part by transient factors (79%), such as people being new to the role (70%) or not having fully completed their training yet (66%). About 14% of skills gaps were caused entirely by transient factors.

Transient factors accounted for the same proportion of skills gaps in Northern Ireland as in 2019 (80%). However, in 2019 more skills gaps were caused entirely by transient reasons (25%).

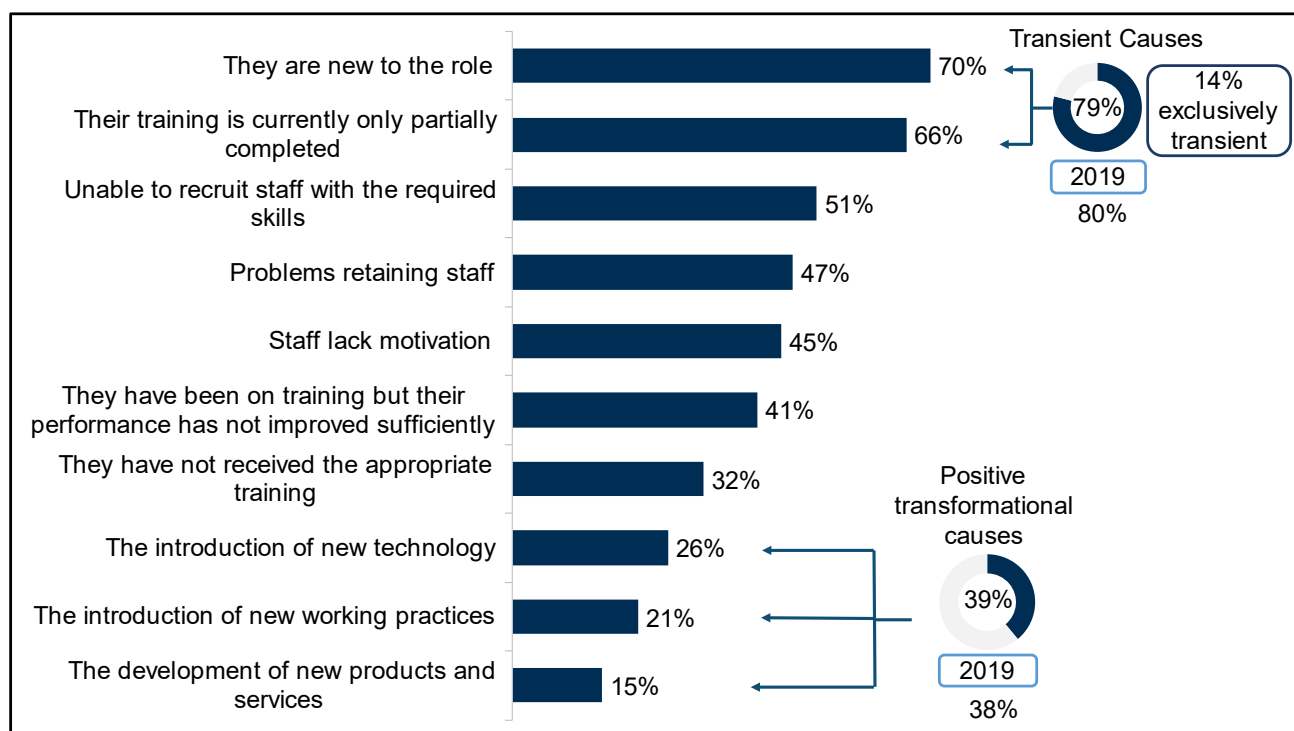
Skills gaps were more likely to be at least partly transient among employers with at least 25 staff (82%), rising to 90% among employers with 100 to 249 staff. They were also more likely to be transient among employers who train (81%).

Positive transformational causes, like the introduction of new working practices (21%), the introduction of new technology (26%) and the development of new products and services (15%) were responsible at least in part for two-fifths (39%) of skills gaps. This is broadly in line with 2019 (38%).

Positive transformational causes were more likely to be the cause of skills gaps among employers with 250 or more staff (67%), and among local or central government funded employers (63%).

As shown in Figure 5-2 below, other common causes for skills gaps in Northern Ireland were employers not being able to recruit staff with the required skills (51%), and problems retaining staff (47%), responsible at least in part for around half of all skills gaps. These were followed by staff lacking motivation (45%), staff having been on training, but their performance had not improved accordingly (41%) and staff not receiving the appropriate training at all (32%).

Figure 5-2 Causes of skills gaps in occupations followed up (prompted), 2022 compared with 2019



Base: All establishments in Northern Ireland (2022: 3,400; 2019: 4,023). Figures shown are based on skills gaps for up to 2 occupations randomly selected for each establishment – so, for example, “they are new to the role” was a cause of 70% of skills gaps followed up.

5.4 Skills lacking internally

When looking into what type of skills were missing among the workforce, they were split into two categories: technical and practical skills, specific to the functions of the job role, and people and personal skills, which are “softer”, less tangible skills required to manage oneself and interact with others in the workplace.

The most common technical and practical skills missing among the workforce were specialist skills or knowledge needed to perform the job (60%), similar to previous years (56% in 2019).

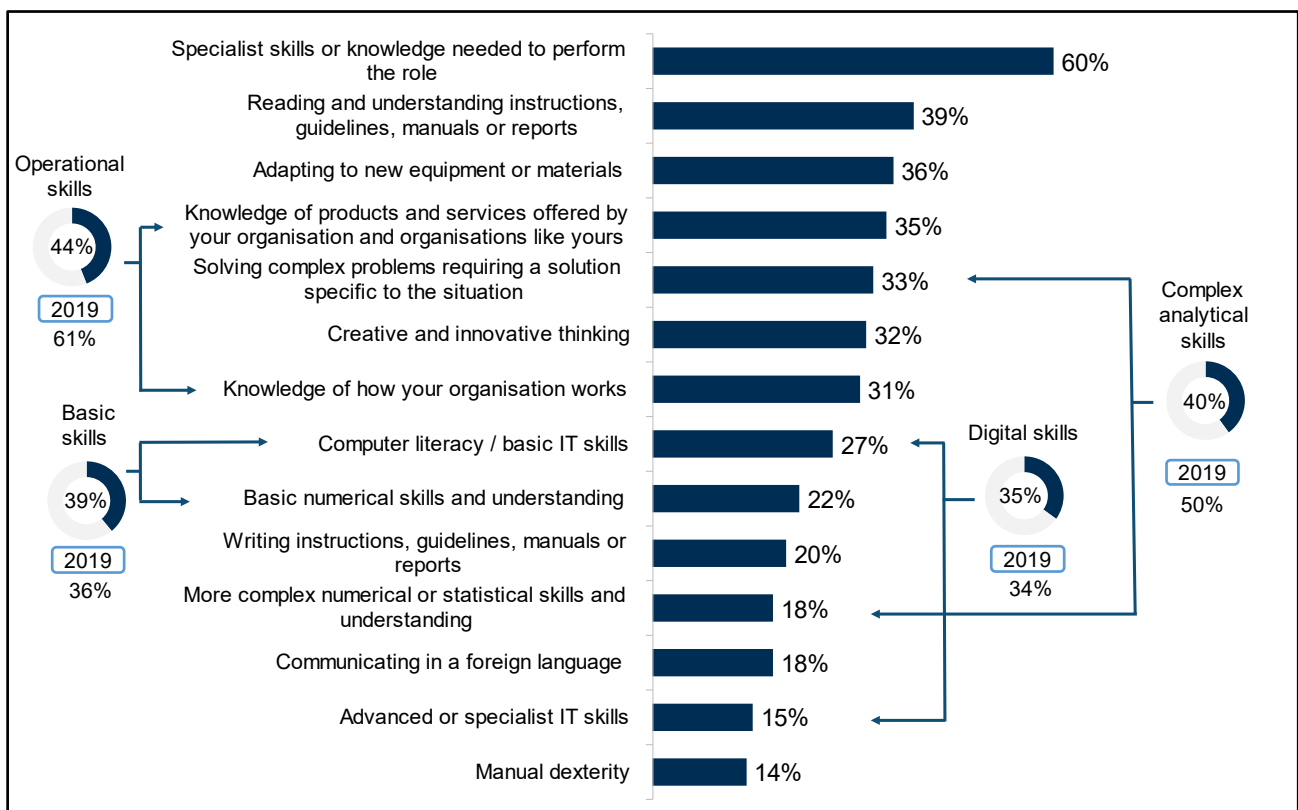
In terms of groups of missing technical skills, operational skills like knowledge of products and services offered by the organisation (35%) and knowledge of how the organisation works (31%) were the most common, missing among 44% of the workforce. However, the proportion of skills gaps that are a result of operational skills gaps has decreased since 2019, when 61% of technical skills missing were in part operational skills.

Complex analytical skills, namely solving complex problems (33%) and more complex numerical and statistical skills (18%) were missing among 40% of employees with skills gaps. This also represents a reduction since 2019, when half (50%) of staff with skills gaps were missing complex analytical skills.

Around four in ten employees with skills gaps were missing basic skills (39%) like basic IT skills (27%) and basic numerical skills (22%). This is broadly in line with the 2019 levels (36%).

Other commonly missing technical skills were reading and understanding instructions, manuals and reports (39%), adapting to new equipment or materials (36%) and creative and innovative thinking (32%). Additionally, accounting at least partially for about one in five skills gaps were also writing instructions, manuals and reports (20%) and communicating in a foreign language (18%). Additionally, manual dexterity was missing among 14% of people with skills gaps. This is presented in Figure 5-3 below.

Figure 5-3 Technical and practical skills lacking among staff with skills gaps followed up (prompted), 2022 compared with 2019



Base: All establishments with skills gaps in Northern Ireland (2022: 625; 2019: 611). Figures shown are based on skills gaps for up to 2 occupations randomly selected for each establishment – so, for example, “specialist skills or knowledge” was lacking in 60% of these skills gaps.

Digital skills were missing among 35% of workers with skills gaps, a similar level to the 34% seen in 2019. Among those lacking digital skills, the most common of such skills missing were basic digital skills (41%), like basic Microsoft Office skills (29%) and foundation digital skills (26%). Ability to use specialist software or hardware or internal systems was missing among almost a quarter (23%) of those with digital skills gaps, while about one in ten were missing advanced Microsoft Office skills or basic internet skills (11% each).

Turning to people and personal skills, as shown in Figure 5-4, the most common missing skills were team working (58%) and ability to manage own time (57%). These were also the two most commonly missing people skills in 2019 as well (59% and 64% respectively).

Self-management skills were the group of personal skills most likely to be missing (62%). They were also the most prevalent type of personal skills missing in 2019 (70%). This includes the ability to manage one’s own time (57%) and managing one’s own feelings or handling the feelings of others (42%). Management and leadership skills were not fully developed among just over half (55%) of people with skills gaps. This is an increase compared with 2019, when 48% of those with skills gaps were missing these skills. These management skills consist of managing or motivation of other staff (39%), persuading or influencing others (30%), and setting objectives and planning resources (20%).

Sales and customer handling skills as a broad group were lacking among around two in five (40%) employees with skills gaps, in line with 2019 (39%). Individually, customer handling skills were missing among 37% of staff with skills gaps, and sales skills were lacking for about one in five (20%).

Figure 5-4 People and personal skills lacking among staff with skills gaps followed up (prompted), 2022 compared with 2019



Base: All establishments with skills gaps in Northern Ireland (2022: 625; 2019: 611). Figures shown are based on skills gaps for up to 2 occupations randomly selected for each establishment – so, for example, “team working” was lacking in 58% of these skills gaps.

Other individual people skills missing were instructing, teaching and training others (29%) and making speeches or presentations (15%), at similar levels with 2019 (32% and 13% respectively).

A new question was asked in 2022 of employers who had staff with skills gaps, whether these skills gaps could be at least in part attributed to their efforts towards being more sustainable or reaching carbon neutrality. The majority of employers (82%) with skills gaps did not attribute these to a drive towards sustainability. Only 16% of these employers said that at least some their skills gaps can be explained by a push towards sustainability.

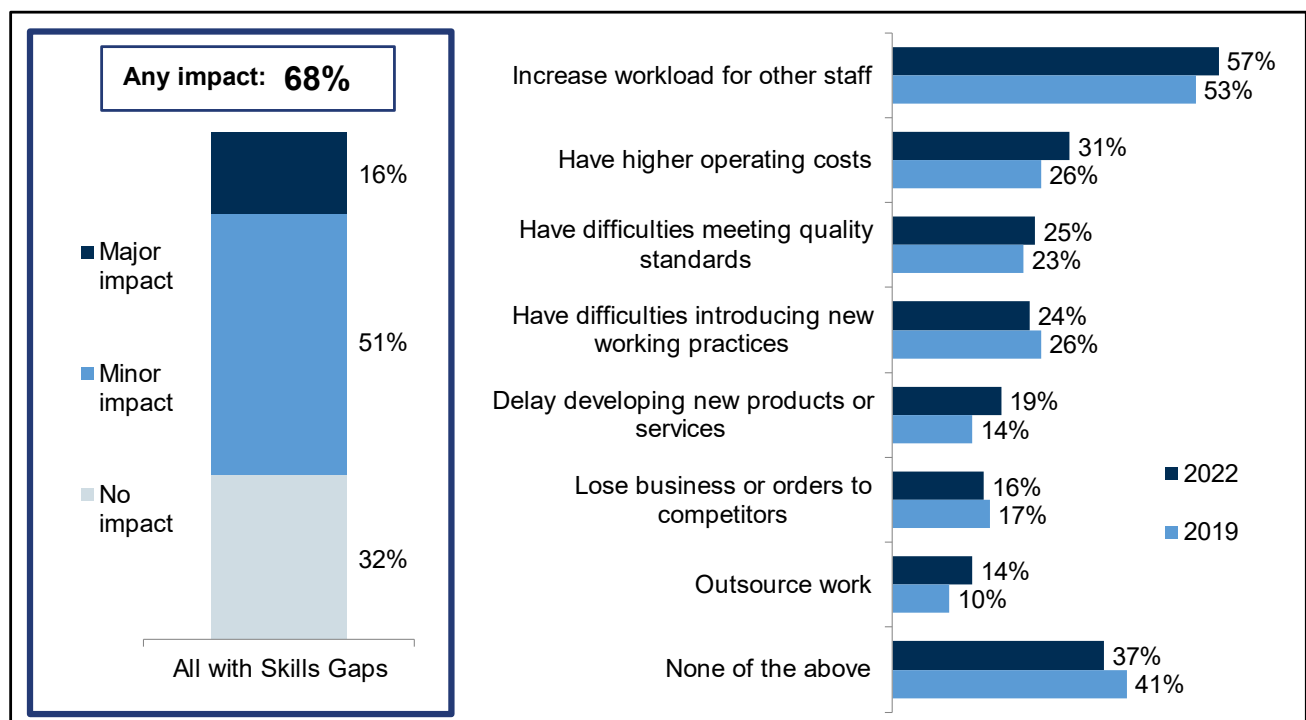
5.5 Impact of skills gaps on employers

Around two thirds of employers with skills gaps (68%) mentioned that these have an impact on the performance of their establishment. For 51% this was a minor impact, but 16% experienced major impacts. Employers who also had vacancies (74%), and especially skills-shortage vacancies (80%) were more likely to be affected by their skills gaps. Similarly, employers with non-transient skills gaps were more likely to be affected by them than those with only transient skills gaps (72% vs 52%).

The type of impacts experienced by employers with skills gaps are presented in Figure 5-5 below. The most common impact was the increase in workloads for other staff (57%), followed by recording higher operating costs (31%). About a quarter of employers with skills gaps also struggled to meet their quality standards (25%) or to introduce new working practices (24%).

These impacts were mainly in line with 2019 figures. Delaying developing new products and having to outsource work were the only notable increases since 2019. Almost one in five (19%) employers with skills gaps had to delay development of new products in 2022 compared with 14% in 2019. And 14% had to outsource work in 2022 compared with 10% in 2019.

Figure 5-5 Overall impact of skills gaps and specific implications of skills gaps (prompted), 2022 compared with 2019



Base: All establishments with skills gaps in Northern Ireland (2022: 625; 2019: 611).

5.6 Under-use of skills and qualifications

Just under two in five (37%) of Northern Ireland employers had underutilised staff. That is staff who have both qualifications and skills higher than the level required by their job. This is in line with 2019, when 35% of employers in Northern Ireland had at least one underutilised employee, and with 2017 (37%).

Employers with 25 to 49 staff were more likely have underutilised staff (48%) than average whereas in 2019 the size of employers with the highest incidence of underutilisation was those with 50 to 99 employees (48%). By sector, employers in the Health and Social Work (48%) and Arts and Other Services (46%) sectors were the most likely to have any underutilised staff. Underutilisation was also more prevalent among employers in the charity and voluntary sector (52%). By region, employers in the North were less likely than those in all other regions to have any underutilised staff (28%).

From an employee perspective, 8% of the Northern Irish workforce was underutilised. Workers in the Arts and Other sector were more likely than average to have both qualifications and skills higher than the requirement of their job (22%). Conversely, workers in the manufacturing sector (3%) were less likely to be underutilised. By size, a higher proportion of employees in smaller establishments with 2 to 4 (20%) or 5 to 24 employees (13%) were underutilised than average, and especially when compared with those working for larger establishments (4% of those working for employers with 50 to 99 staff, and 2% of those working for employers with 100 or more staff).

5.7 Upskilling

Upskilling refers to the employer anticipation of the need for their staff to acquire new skills in the next 12 months. Overall, almost two thirds (64%) of employers in Northern Ireland expected to need to upskill their workforce in the next 12 months, a similar proportion as in 2019 (63%) and 2017 (62%).

The proportion of employers with expected upskilling needs rose with size, from 57% of those with 2 to 4 staff, to 82% among those with 50 to 99 staff and 81% among those with 100 or more staff.

By sector, the Education sector was most likely to have a need for upskilling (76%), followed by Health and Social Work (74%) and Wholesale and Retail (71%). On the contrary, employers in the Hotels and Restaurants sector were less likely than average to expect upskilling needs (44%).

There was no significant variation among the regions in employers' expected need for upskilling, which also remained similar to 2019.

Reasons for a need for upskilling

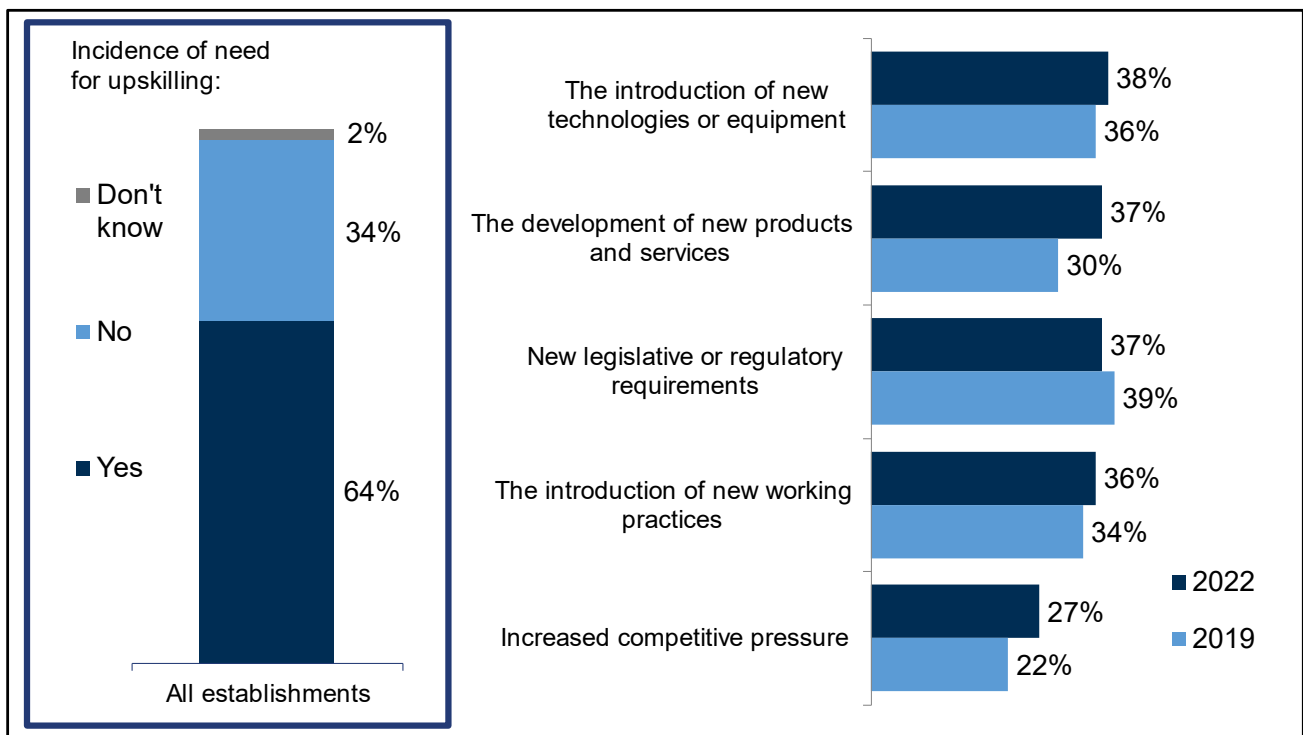
As illustrated in Figure 5-6, the most common reasons why employers expected to need to upskill their employees were the introduction of new technologies or equipment (38%) the development of new products (37%), new legislative or regulatory requirements (37%), followed by the introduction of new working practices (36%). This mirrors the reasons for upskilling mentioned in 2019. The only differences were that more employers mentioned the development of new products and services in 2022 than in 2019 (37% vs 30%), as well as increased competitive pressure, which increased from 22% in 2019 to 27% in 2022.

Larger employers, with 100 or more staff, were more likely to attribute their need for upskilling to the introduction of new working practices (69%), to new legislative requirements (65%), or to the introduction of new technology (59%). Employers with 50 to 99 staff were also more likely to quote the introduction of new technology (61%), as well as

facing increased pressure from their competitors (46%) as reasons for their upskilling needs. Variation by region was minimal.

From a sector perspective, employers in Wholesale and Retail were more likely to attribute their need for upskilling to introducing new technologies or equipment (45%), to developing new products and services (48%) as well as to increased competitive pressure (35%). Employers in Health and Social Work were more likely to attribute it to new regulatory requirements (55%), while those in Education (52%) as well as in Health and Social Work (48%) were more likely to mention the introduction of new working practices.

Figure 5-6 Overall proportion of employers with a need for upskilling and the reasons for needing to upskill, 2022 compared with 2019

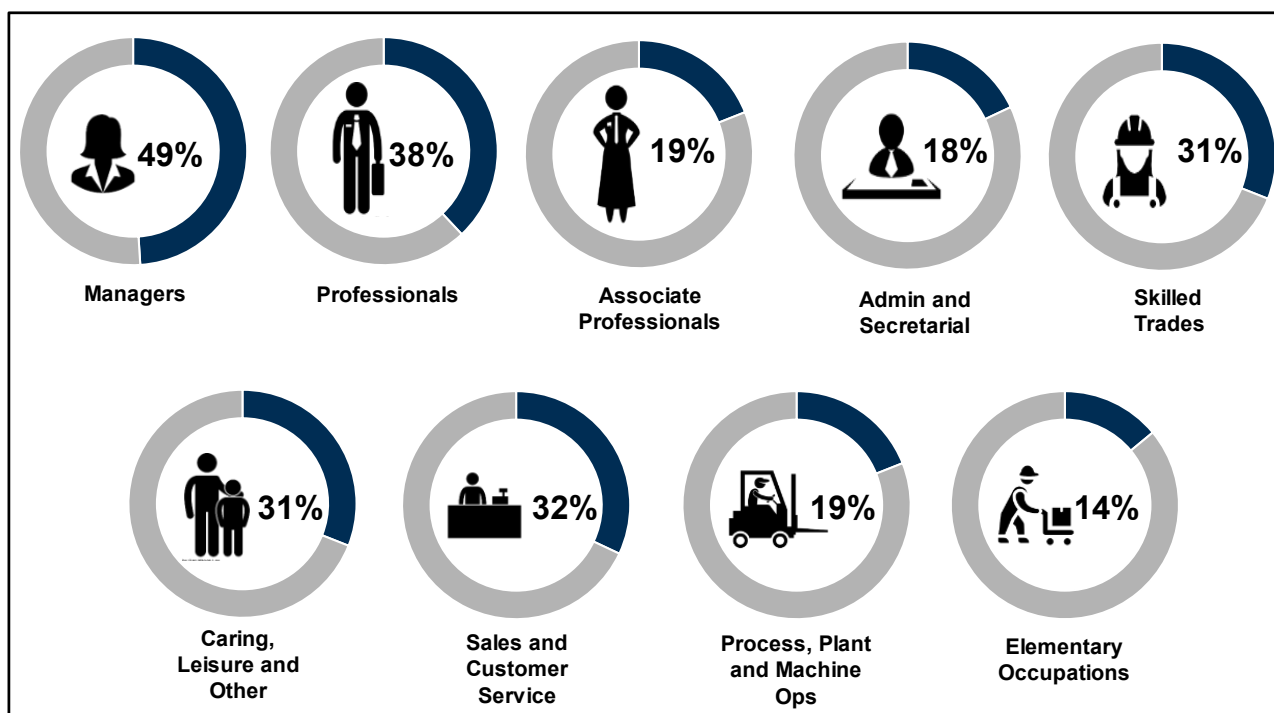


Base: All establishments in Northern Ireland (Modules B and D) (2022: 809; 2019: 2,003).

Occupations most affected by need for upskilling

Managers (49%) were the occupation most likely to have a need for upskilling in the next 12 months, followed by the Professionals (38%), Sales and Customer Service (32%), Caring, Leisure and Other (31%) and Skilled Trades occupations (31%). The full list of occupations and how they were affected by a need for upskilling is presented in Figure 5-7.

Figure 5-7 Occupations most affected by the need for upskilling in 2022



Base: All establishments in Northern Ireland that identified an occupation in need of upskilling and employ that particular occupation: Managers (540); Professionals (139); Associate Professionals (101); Admin and Secretarial (347); Skilled Trades (154); Caring, Leisure and Other Services (109); Sales and Customer Service (188); Process Plant and Machine Operatives (98); Elementary Occupations (205).

Skills expected to need upskilling

When asked about what skills they expect to need upskilling, employers were prompted with the same skills groupings as for the ones currently missing within their workforce.

For technical and practical skills, specialist skills or knowledge needed to perform the job was most likely to need upskilling (50%). The groups of skills identified by half of employers anticipating a need for upskilling were digital skills (50%) like computer literacy (36%) and advance IT skills (32%), and operational skills (49%) including knowledge of products and services (46%) and of how the organisation works (32%). Complex analytical skills, which include the ability to solve complex problems (41%) and complex numerical or statistical skills (18%), were identified as needing upskilling by 45% of relevant employers. Other individual technical skills expected to need upskilling were adapting to new equipment (44%), creative and innovative thinking (44%), and to a slightly lesser extent reading and understanding (29%) as well as writing instructions, manuals and reports (21%).

Among employers expecting to need to upskill digital skills in the next year, just over a third (35%) said these would be skills using new or updated company software or systems, while 29% said basic digital skills, like basic Microsoft Office skills (17%) and foundation digital skills (13%) such as turning on devices, changing passwords, accessing the internet. Around one in ten also mentioned specialist software or hardware (12%) and advanced Microsoft Office skills (11%), as well as basic internet skills (10%).

Looking at people and personal skills, management and leadership and self-management were the groups of skills most commonly expected to need upskilling (both 46%). This included managing and motivating other staff (37%), team working (36%), ability to manage their own time (36%) and their own feelings (34%). Additionally, sales and customer serving skills were expected to need upskilling by 42% of employers with these needs.

6. Training and workforce development

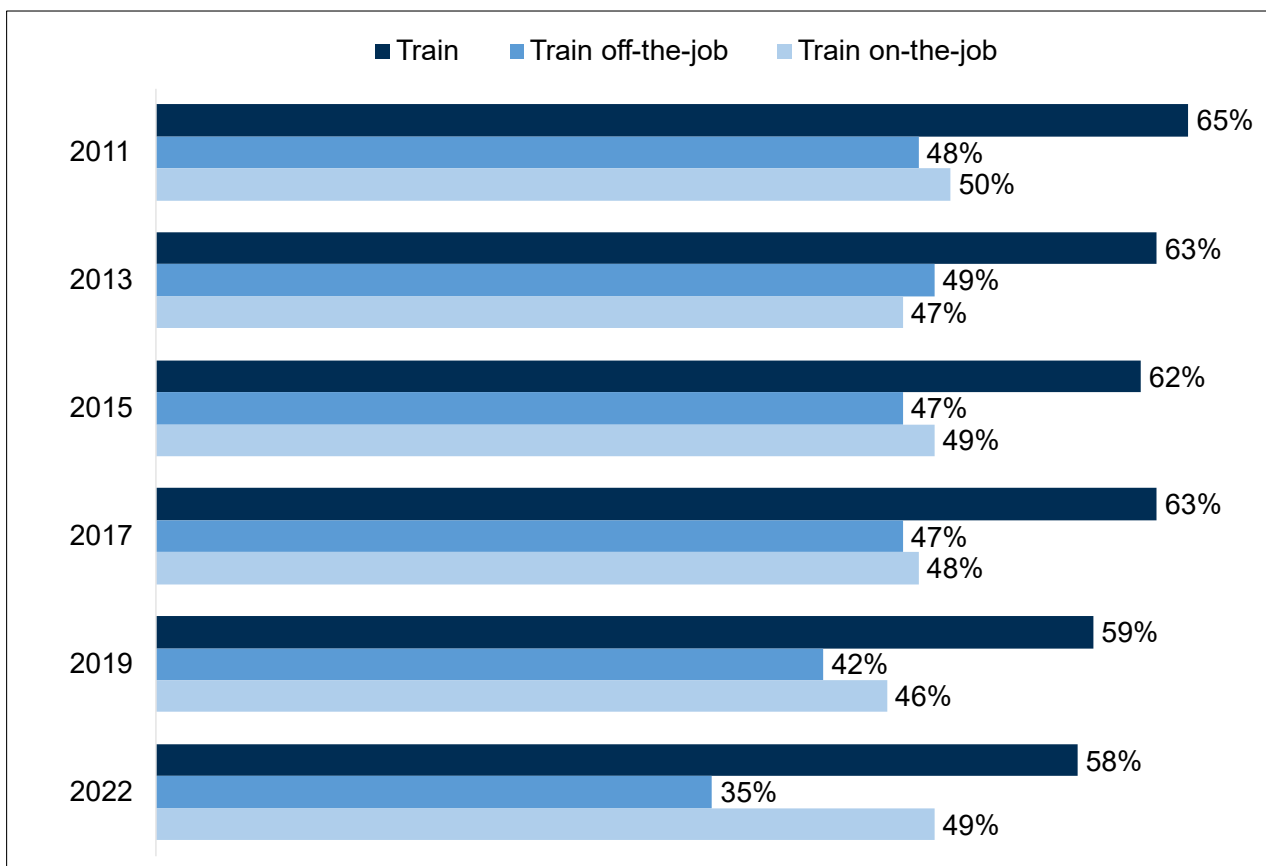
6.1 Introduction

This chapter explores the training landscape in Northern Ireland in 2022. Topics covered include how many employers had funded or arranged training and the proportion of staff that had received training over the past 12 months; the types of training employers provided; barriers to training; and employer expenditure on training.⁵

6.2 Incidence of training and workforce development

Overall, 58% of employers in Northern Ireland had arranged or funded any form of training for their staff in 2022, the lowest proportion recorded since the ESS series began in 2011. This figure was consistent with 2019 (59%) but represented a decrease compared with 2017 (63%) and the years prior. Around half (49%) provided on-the-job training and around a third (35%) provided off-the-job training in 2022. The proportion providing on-the-job training had increased compared with 2019 (46%) but was consistent with figures seen from 2011 to 2017. The proportion providing off-the-job training decreased compared with 2019 (42%), continuing a trend seen since 2017 (47%). Figure 6-1 shows the change in training provision over time from 2011 to 2022.

Figure 6-1: Incidence of any training, off-the-job training and on-the-job training, 2011-2022



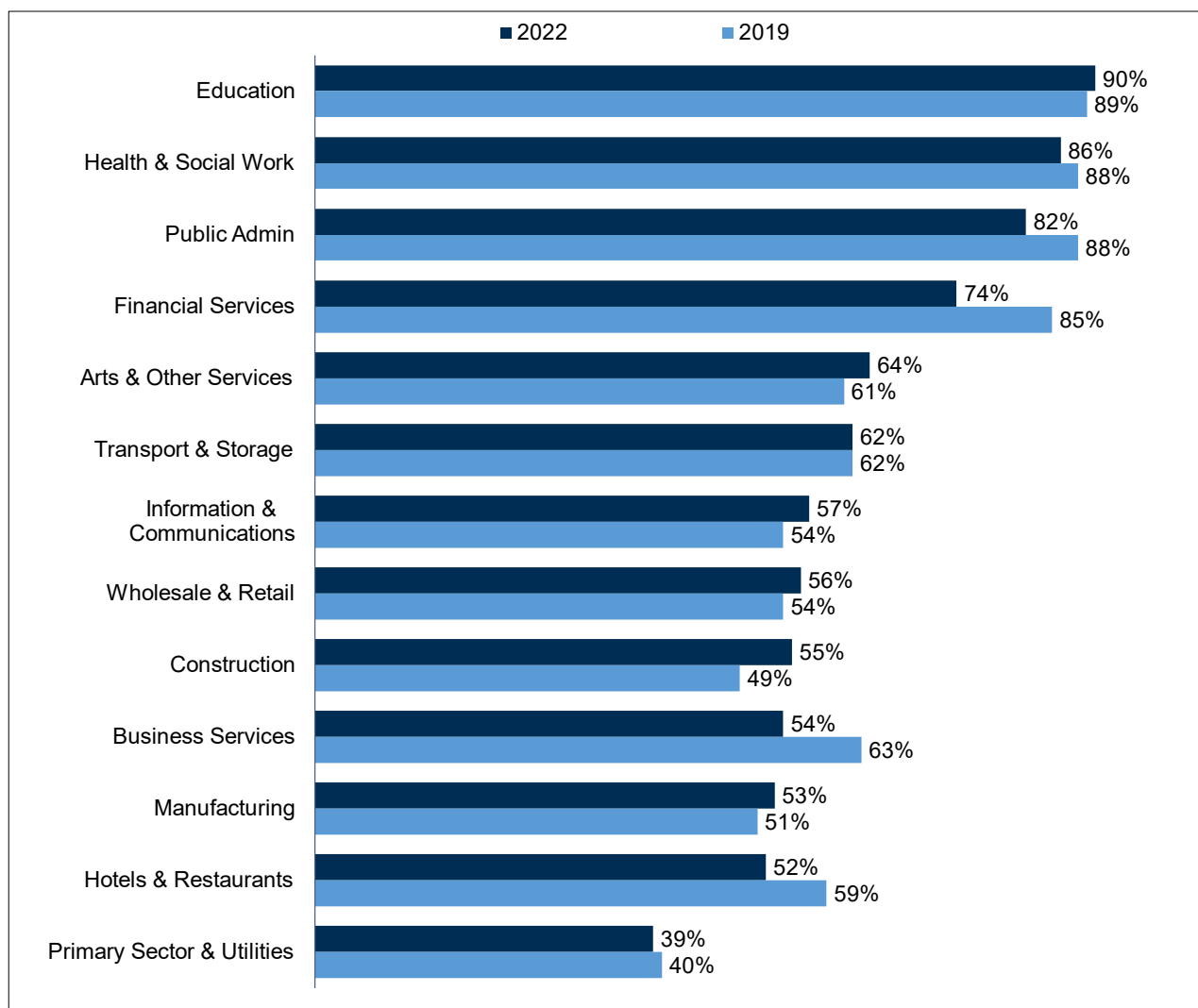
Base: All establishments in Northern Ireland (2011: 3,921; 2013: 4,014; 2015: 4,019; 2017: 3,973; 2019: 4,023; 2022: 3,400)

⁵ Results for investment in training are derived from the Investment in Training follow-up study with a proportion of the ESS 2022 sample that indicated they provided training to staff.

Establishments in Northern Ireland (58%) were less likely than those in Scotland (64%) to provide any form of training for their staff but were at a similar level to the proportions seen in England (60%) and Wales (60%). Northern Irish employers (35%) were less likely than those in both Scotland (40%) and England (39%) to provide off-the-job training, and less likely than those in Scotland to provide on-the-job training (49% vs. 54% respectively).

Regionally, employers in Belfast were most likely to provide any training (63% vs. 58% on average), off-the-job training (41% vs. 35%) and on-the-job training (56% vs. 49%). At the sectoral level, Education employers were most likely (90%) to have provided training in the last 12 months, and the Primary Sector and Utilities sector (39%) were least likely, continuing patterns seen in 2019 (89% and 40% respectively). Training incidence among employers in the Business Services sector decreased compared with 2019 (54% vs. 63%).

Figure 6-2: Incidence of training by sector, 2022 compared with 2019



Base: All establishments in Northern Ireland (2019 base sizes range from 48 in Public Administration to 930 in Wholesale and Retail; 2022 base sizes range from 41 in Public Administration to 828 in Wholesale and Retail)

Employers in Northern Ireland provided around 3 million training days and trained 500,000 staff in 2022. This equated to 5.8 days on average per person trained (per trainee) and 3.7 days per employee. The number of days per trainee generally decreased as business size increased, with trainees at establishments with 2 to 4 employees spending 8.0 days on average in training while those at establishments with 100 or more staff spent 4.5 days in training. Trainees in

Northern Ireland (5.8 days) spent around a day less in training compared with their counterparts in Wales (6.8 days) and Scotland (6.7 days) but were in line with those in England (5.9 days).

Training days per trainee were highest among establishments in the Wholesale and Retail sector (9.8) followed by Financial Services (8.4), and lowest in the Transport and Storage (3.6) and Information and Communications (3.8) sectors. At the regional level, trainees and employees in Belfast had the lowest number of training days on average (4.1 days per trainee and 2.7 days per employee). Conversely, trainees and employees in West Northern Ireland had the highest number of days on average (7.9 and 4.9 days).

6.3 Proportion of staff trained

Across the Northern Irish workforce, more than six in ten employees (64%) had received training in the previous 12 months. This was consistent with the proportion trained in 2019 (62%). A greater proportion of the Northern Irish workforce received training than in Scotland (59%) and England (60%). The proportion of employees trained increased in line with business size. Employees at establishments with 2 to 4 staff were least likely to receive training (36%), whereas those at establishments with 100 or more were most likely (74%). By sector, Public Administration sector employees were most likely to receive training (89%)⁶, followed by those in the Health and Social Work (80%) and Education (79%) sectors. Conversely, employees at Primary Sector and Utilities employers were least likely (36%). This trend is reflected in the difference between wider sector groupings, where public sector and charity sector employees were more likely to receive training (80% and 77% respectively), compared with employees in the private sector (58%).

Table 6-1: Number and proportion of staff trained, by sector in 2022

	Number of employees trained	% of staff trained
Northern Ireland	503,000	64
Primary Sector and Utilities	13,600	36
Manufacturing	52,000	57
Construction	17,400	46
Wholesale and Retail	67,400	51
Hotels and Restaurants	32,500	61
Transport and Storage	17,200	55
Information and Communications	10,400	66
Financial Services	7,600	72
Business Services	60,200	61

⁶ Note that the Public Administration sector had a low base size of 33 respondents.

Public Administration	37,300	89
Education	57,800	79
Health and Social Work	110,900	80
Arts and Other Services	18,800	61

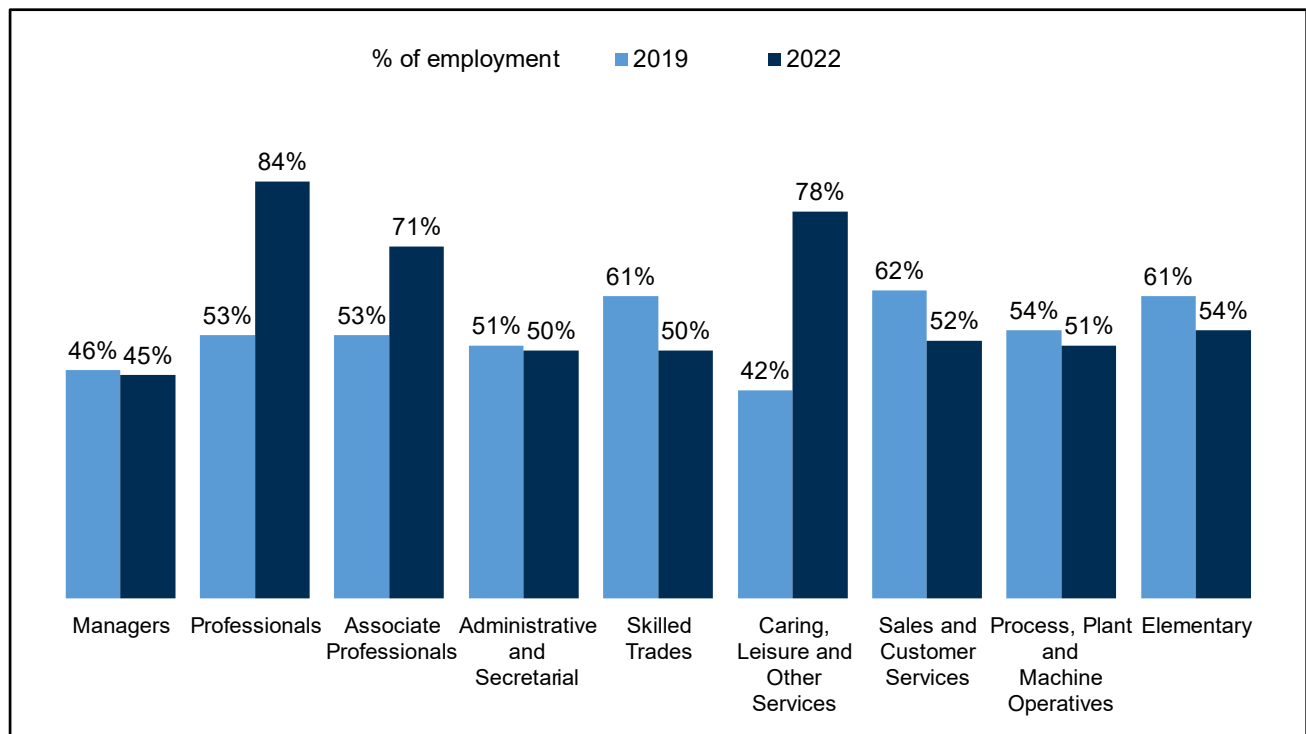
Base: All establishments in Northern Ireland (3,400). Sector bases range from 33 for Public Administration to 533 for Wholesale and Retail. Percentages are based on all employment rather than all establishments; figures therefore show the proportion of all staff within each subgroup trained over the last 12 months.

Employees in Belfast were most likely to have received training in the last 12 months (66%), followed by those in South Northern Ireland (65%). Those in North Northern Ireland and West Northern Ireland (both 61%) were least likely to have received training.

At the occupational level, Professional occupations were most likely to have received training (84%), followed by those in Caring, Leisure and Other Services occupations (78%). This was a departure from 2019, when those in Sales and Customer Services (62%), Skilled Trades (61%) and Elementary (61%) occupations were most likely. Managers were least likely to have received training in the preceding 12-month period (45% in 2022). A few of occupational roles saw notable difference compared with 2019:

- Professionals were more likely to receive training (84% in 2022 vs. 53% in 2019)
- Caring, Leisure and Other Services staff were more likely (78% vs. 42%)
- Associate Professionals were more likely (71% vs. 53%)

Figure 6-3: Proportion of staff trained over the last 12 months by occupation, 2022 compared with 2019



Base: All establishments in Northern Ireland (2019 base sizes range from 89 for Associate Professionals to 473 for Managers; 2022 base sizes range from 74 for Process, Plant and Machine Operatives to 368 for Managers).

6.4 Types of training provided

Employers that arranged or funded training for their employees in the last 12 months were most likely to have provided job specific training (84%). This was a notable increase compared with 2019 (79%), although in both years this was the most common type of training provided. Aside from job specific training, the most common types cited by establishments were health and safety or first aid training (74%) and basic induction training for new staff (63%).

Employers were more likely to have provided most types of training in 2022 compared with 2019, with the other most marked increases in likelihood being for:

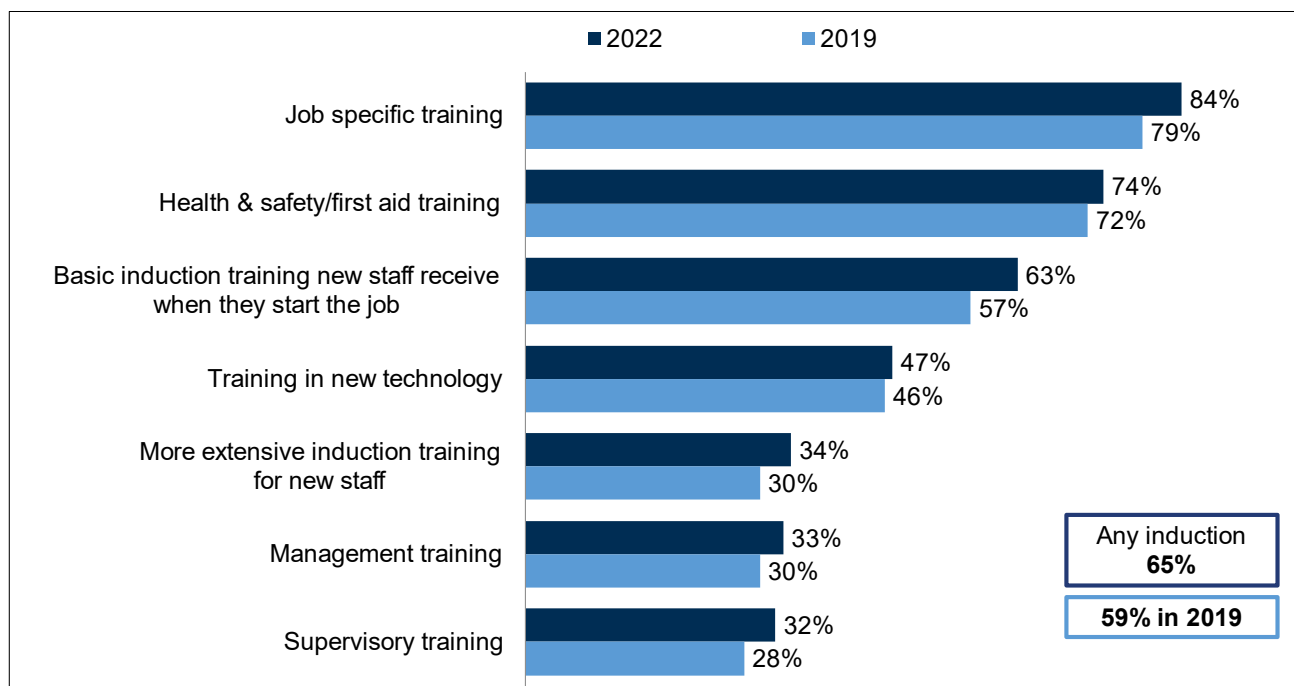
- Any form of induction training (65% in 2022 vs. 59% in 2019)⁷
- Basic induction training (63% vs. 57%)
- Extensive induction training (34% vs. 30%)
- Management training (33% vs. 30%)
- Supervisory training (32% vs. 28%)

The likelihood of providing each type of training generally increased with business size. This was most notable when looking at supervisory training: 19% of establishments with 2 to 4 employees had provided this type of training compared with 76% of those with 100 or more. At the national level, Northern Irish establishments were more likely to provide health and safety or first aid training (74% vs. 71% at UK-level) and less likely to provide extensive induction training (34% vs. 37% at UK-level).

Employers based in Belfast that had trained staff were generally more likely to provide each type of training than the other Northern Irish regions. This was particularly the case for basic induction training (70% vs. an average of 63%), extensive induction training (44% vs. an average of 34%) and management training (46% vs. an average of 33%). Employers in East Northern Ireland were less likely than all other regions to provide health and safety or first aid training (68% vs. an average of 74%). This form of training was most prevalent in West Northern Ireland (81%).

⁷ This combines those who selected both 'basic induction training' and 'extensive induction training'.

Figure 6-4: Types of training provided for employees over the last 12 months, 2022 compared with 2019



Base: All establishments in Northern Ireland providing training (2019: 2,906; 2022: 2,428). Responses cited by fewer than 20% not shown.

More than half (55%) of all establishments in Northern Ireland that had provided training in the last 12 months had funded or arranged external training for their staff. The most common source of external training in 2022 was commercial organisations (consultants, private training providers, etc.), which was used by two-fifths (42%) of those providing training.

Around four-in-ten (37%) of establishments providing training had arranged or funded some which contributed towards a nationally recognised qualification in the last 12 months. Overall, 13% of all trainees in Northern Ireland had received training towards a nationally recognised qualification, equating to 8% of the total workforce. Larger employers providing training were more likely to have provided this type of training, with around two-thirds (66%) of those with 100 or more employees having done so compared with around a quarter (26%) of those with 2 to 4 staff.

At the sectoral level, establishments providing training in the Public Administration (55%), Health and Social Work (48%) and Manufacturing (46%) sectors were most likely to have offered training towards a nationally recognised qualification. Those in the Information and Communications sector (27%) were the least likely to have done so. There were no differences at the regional level within Northern Ireland. The levels of qualification that trainees were working towards were largely consistent with 2019, although there had been a decrease in the proportion training at Level 1 (5% vs. 8% in 2019).

Table 6-2: Level of nationally recognised qualification staff worked towards

	2019	2022
Level 1 or equivalent	8%	5%
Level 2 or equivalent	11%	10%
Level 3 or equivalent	12%	12%
Level 4/5	10%	10%
Level 6+	7%	7%
Summary: Level 4+	14%	14%

Base: All establishments in Northern Ireland providing training (2019: 2,906; 2022: 2,428).

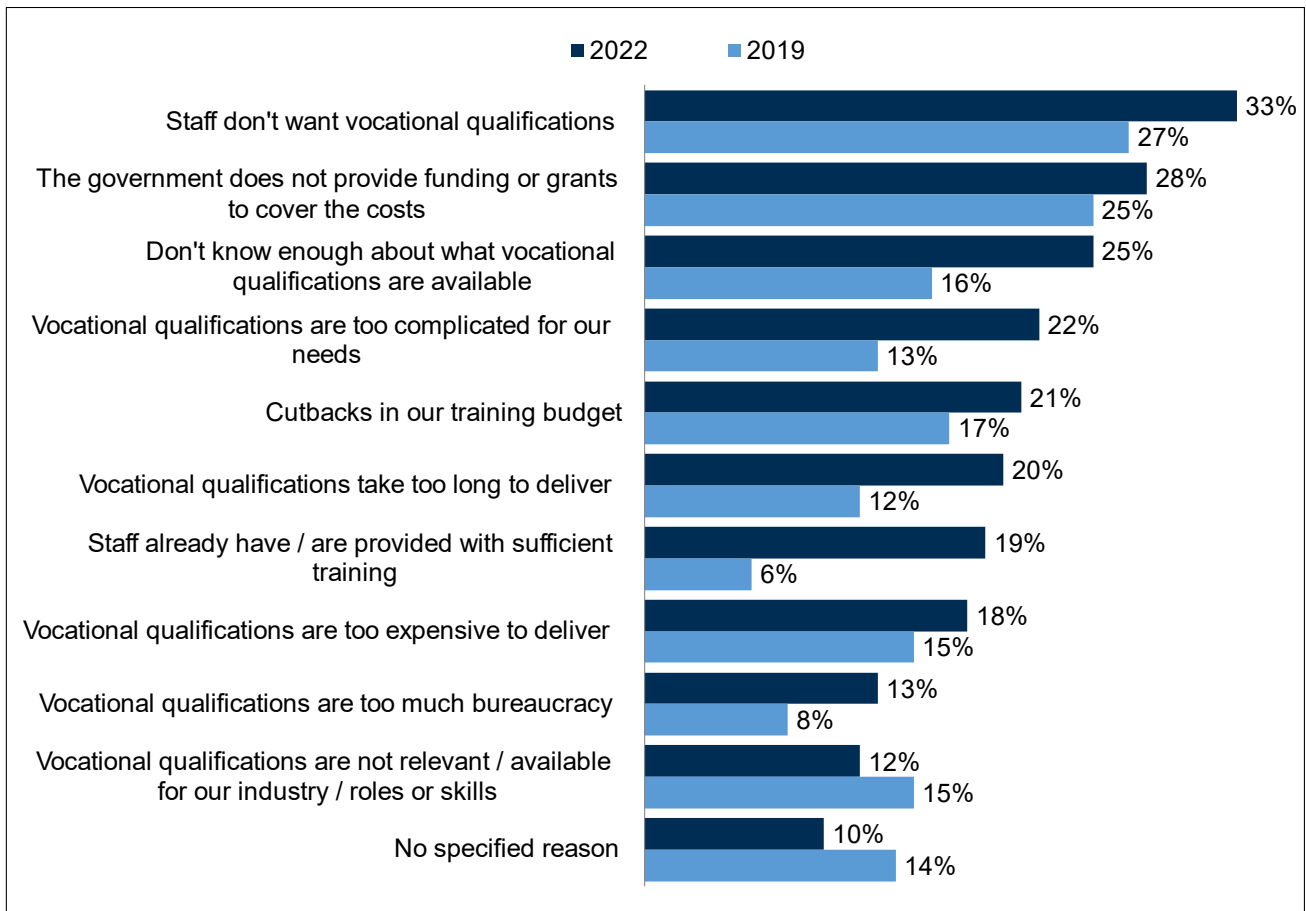
A minority (14%) of establishments in Northern Ireland providing training had arranged or funded training designed to lead to a recognised *vocational* qualification in the last 12 months, with the same proportion as in 2019. Again, the larger the establishment, the more likely they were to offer this type of training (31% of those with 100 or more staff compared with 4% of those with 2 to 4).

Among establishments that had not trained staff towards vocational qualifications, the most common reason for not doing so was that staff did not want to train towards one (33%). This was followed by the government not providing funding or grants to cover the costs (28%) and not knowing enough about what vocational qualifications are available (25%). Compared with 2019, employers were more likely to cite the following as reasons for not offering this training:

- Not knowing enough about what vocational qualifications are available (25% in 2022 vs. 16% in 2019)
- Vocational qualifications are too complicated (22% vs. 13%)
- Vocational qualifications take too long to deliver (20% vs. 12%)
- Staff already have, or are provided with, sufficient training (19% vs. 6%)

Figure 6-5 provides a full breakdown of the reasons for not funding or arranging training towards a recognised vocational qualification, with comparisons to 2019.

Figure 6-5: Reasons for not providing training towards a recognised vocational qualification



Base: All establishments in Northern Ireland that train externally but have not arranged training in the last 12 months that leads to vocational qualifications (Module B) (2019: 300 2022: 250).

6.5 Barriers and limits on training

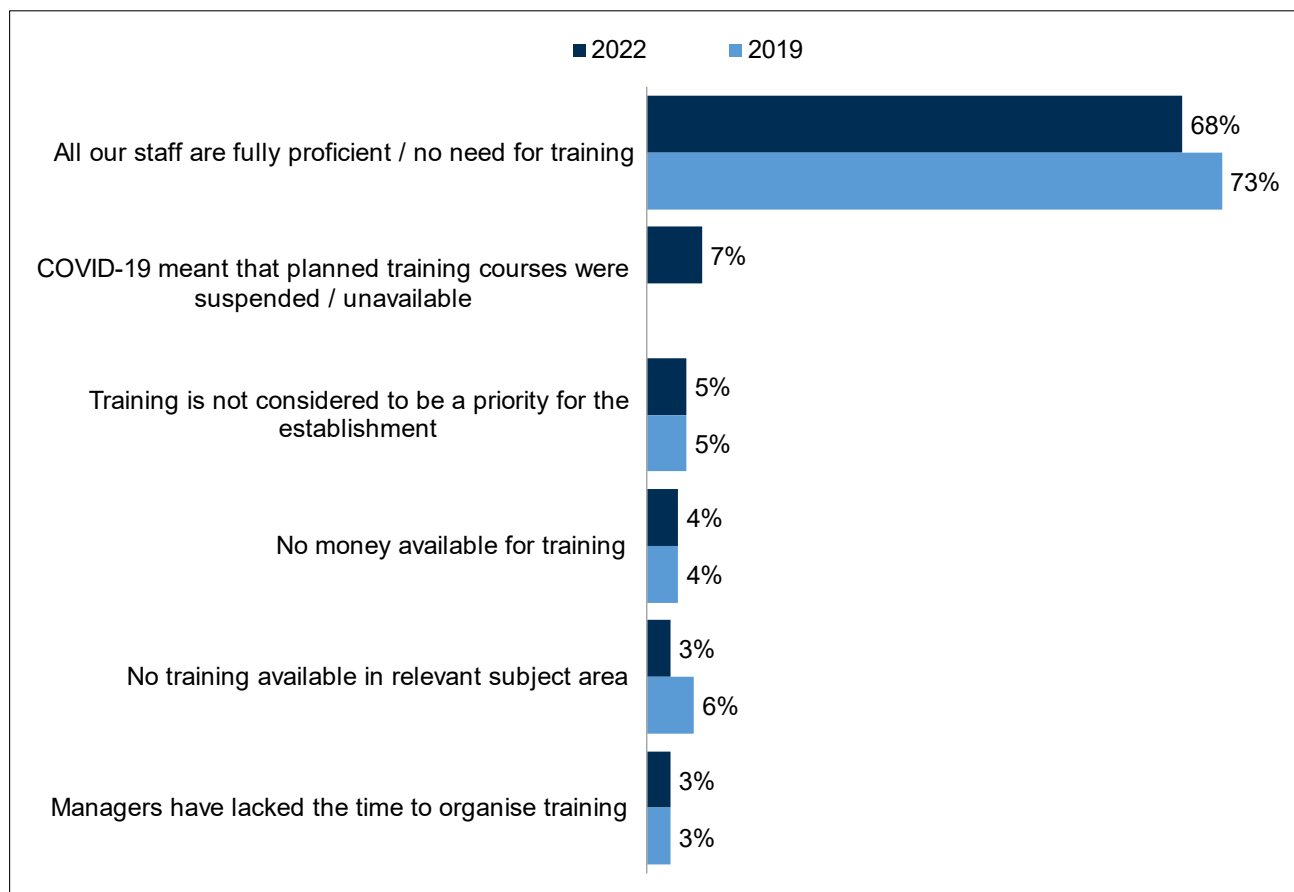
Around two-thirds (68%) of establishments that had not provided training to staff over the last 12 months said they did not need to or had not trained because their staff were fully proficient. This was a smaller proportion compared with 2019 (73%). This was still, however, the most cited reason by some distance. The next most common reason cited was planned training courses being suspended or unavailable due to COVID-19 (7%).

The smallest employers (with 2 to 4 employees) were least likely to offer any form of training (42%), and this was reflected by these establishments being the most likely to report not needing to train (71% compared with 57% of those with 5 or more employees). This group were also more likely to say that training is not considered a priority for their establishment (6% vs. 2% of those with 5 or more staff). Conversely, those with 5 or more employees were almost twice as likely as the smallest establishments to mention COVID-19 leading to the suspension of training (11% vs. 6% of establishments with 2 to 4 employees).

At the national level, employers were most likely to cite there being no need for training (68% vs. 64% on average) and that COVID-19 meant planned training was disrupted (7% vs 4%). By region, establishments in Belfast were least likely to report a lack of need or staff being fully proficient as a reason for not providing training (59% vs. 68% overall), but most likely to say COVID-19 had disrupted planned training (13% vs. 7% overall).

Considering sector, Manufacturing employers were most likely to report there being no need to train or staff being fully proficient (80%), whereas those in the Health and Social Work sector were least likely to do so (50%). Establishments in the Arts and Other Services sector were most likely to say COVID-19 disrupting planned training (14% vs. an average of 7%), while those in the Construction and the Primary Sector and Utilities were most likely to mention training not being a priority for the establishment when discussing reasons for not training (11% and 9% respectively vs. an average of 5%).

Figure 6-6: Reasons for not providing training among non-training employers (unprompted), 2022 compared with 2019



Base: All establishments in Northern Ireland that do not provide training, excluding "don't know" responses (2019: 1,087; 2022: 937). Responses cited by fewer than 3% not shown.

Around half (48%) of all establishments in Northern Ireland that provided training wished they could have provided more, compared to exactly half (50%) who said they would not have provided more. Among those that wanted to provide more, the most cited barriers to were staff not being able to spare time to participate in training activities (47%) and a lack of funds for training or that training was too expensive (41%).

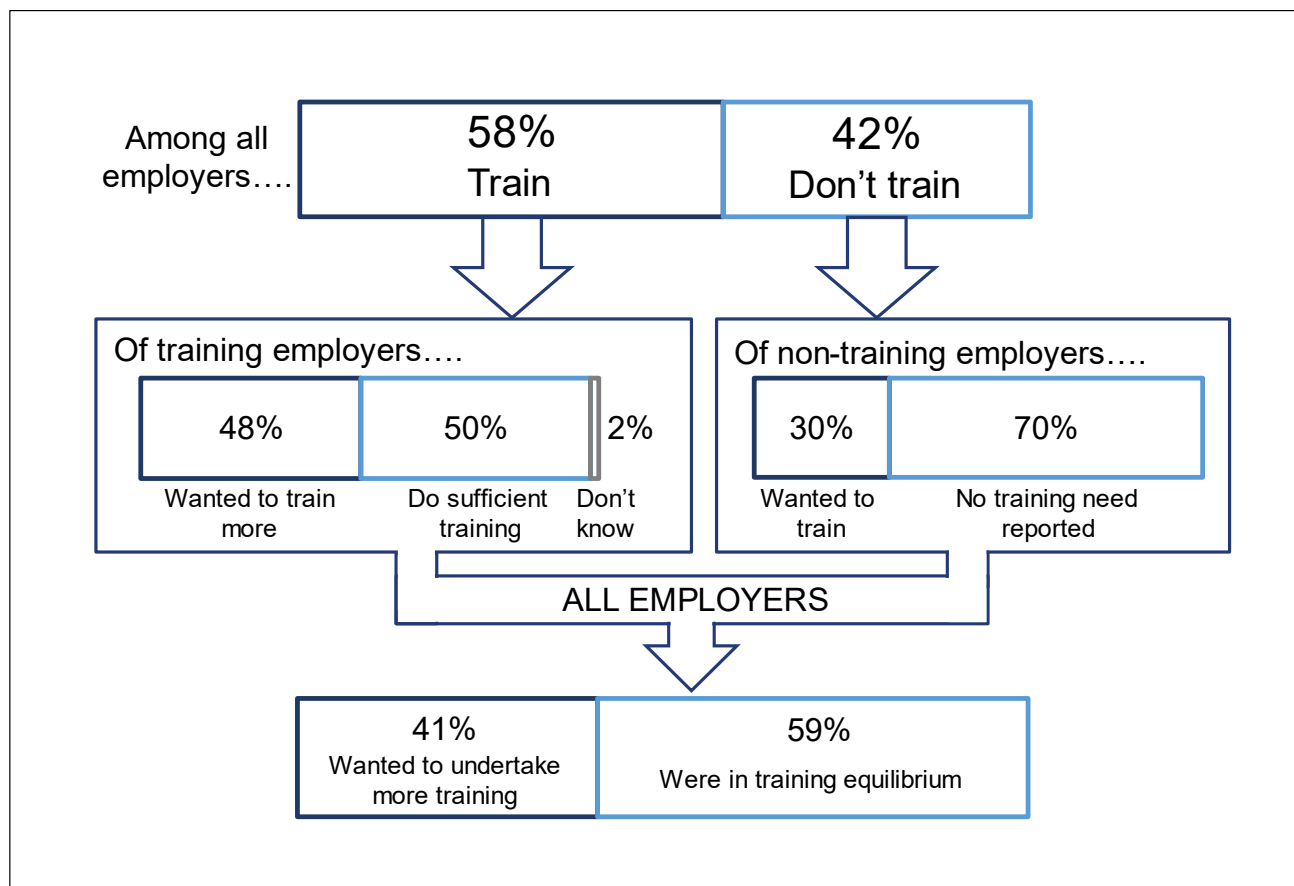
If an employer provided all of the training that they wished to (including those who provided no training out of choice) they are said to be in 'training equilibrium'.⁸ Overall, 59% of employers in Northern Ireland were in training equilibrium

⁸ 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.

for the year preceding the survey, while 41% wanted to undertake more training than they did. This represents a decrease compared with 2019, when 62% of employers were in training equilibrium while 38% wanted to undertake more training.

A full breakdown of training equilibrium status for employers in Northern Ireland can be found in Figure 6-7.

Figure 6-7: Training equilibrium status of employers



Base: All establishments in Northern Ireland (3,400); training employers in Northern Ireland (2,428); non-training employers in Northern Ireland (972).

6.6 Employer investment in training

This section is based on the follow-up 'Investment in Training' survey which was conducted with employers that had indicated they provide training during the ESS. In total, 1,044 Northern Irish employers took part in the Investment in Training survey. This section summarises overall training expenditure and how this has changed over time, alongside spend per trainee and employee.

As shown in Table 6-2, overall training expenditure in Northern Ireland increased compared with 2019, when inflation is taken into account, from £1.2 billion to £1.3 billion. The overall spend per trainee and per employee both also increased by around £100 respectively when compared with 2019.

The largest increase in training spend was seen in establishments with 5 to 24 employees, where spend increased from £433 million in 2019 to £514 million in 2022, which in turn increased the average spend per employee from £2,100 to £2,500.

Table 6-3: Total training expenditure and spend per person trained and per employee (2022 compared with 2019), in 2022 prices

Year	2019			2022		
Group	Total	Per trainee	Per employee	Total	Per trainee	Per employee
Unit	£	£	£	£	£	£
Total	1.2bn	2.5k	1.6k	1.3bn	2.6k	1.7k
Size	Total	Per trainee	Per employee	Total	Per trainee	Per employee
Unit	£	£	£	£	£	£
2 to 4	123m	4.4k	1.5k	155m	5.0k	1.8k
5 to 24	433m	3.7k	2.1k	514m	4.3k	2.5k
25 to 49	210m	3.3k	2.0k	187m	2.7k	1.7k
50 to 99	142m	2.0k	1.3k	175m	2.5k	1.7k
100 or more	323m	1.5k	1.1k ⁹	292m	1.4k	1.0k

Base: All establishments in Northern Ireland completing the Investment in Training survey (2019: 825; 2022: 1,044). NB: Figures over 1 billion (bn) are rounded to the nearest 100 million, figures under 1 billion are rounded to the nearest million (m). Figures reported in thousands (k) are rounded to the nearest hundred.

Further information on employer investment in training, including the split between on-the-job and off-the-job training costs and investment, and how spend on individual components is broken down, can be found in the full UK technical report (available on the Department for Education's website).

⁹ Please note that the base for '100 or more' in 2019 was low (26) and therefore any conclusions drawn should be treated with caution.

7. Apprenticeships

7.1 Introduction

This chapter explores the extent to which employers are offering apprenticeships, reasons for not currently offering apprenticeships and whether they plan to offer apprenticeships in the future.

When discussing 'formal apprenticeships', this would include apprenticeships that follow a formal framework, and lead to a nationally recognised qualification.

7.2 Offering formal apprenticeships

Around one in seven (14%) employers in Northern Ireland offered formal apprenticeships in 2022. This included 8% of employers who currently employed apprentices. The proportion of employers offering formal apprenticeships was similar to 2019 (12%), 2016 (13%) and 2014 (11%).

For the remainder of this chapter, 'offering' apprenticeships refers to employers who have current apprentices as well as those who offer apprenticeships but do not currently have any apprentices.

One in five (20%) of employers in Belfast offered apprenticeships, which was significantly higher compared with employers in East (11%) and West (10%). Nearly two in ten (17%) employers in South Northern Ireland offered apprenticeships with a fewer proportion offering them in the North (12%). The proportion of employers offering apprenticeships was similar to 2019 across most regions, with only Belfast significantly increasing (20% vs. 12%).

In terms of establishment size, larger employers were more likely to offer apprenticeships. Over half (52%) of establishments with 100 or more employees offered apprenticeships compared with establishments with 2 to 4 employees (7%).

The Manufacturing sector was most likely to offer apprenticeships (32%), followed by Education (27%) and Hotels and Restaurants (20%). Establishments within Manufacturing and Education were more likely to offer apprenticeships when compared with other sectors such as Wholesale and Retail (12%) and Business Services (8%).

Employers who were not currently offering apprenticeships were asked to identify the reasons for this. Nearly six in ten (58%) establishments reported structural reasons making it the most common barrier, in line with 2019 (54%). Reasons such as apprenticeships not being offered for their industry (16% vs. 11% in 2019) and establishments were not looking to recruit new staff (15% vs. 9%) were more likely when compared with 2019. Smaller employers with 2 to 4 employees (who were the least likely to be offering apprenticeships), were more likely to not offer apprenticeships as they were not looking to recruit new staff (19%), apprenticeships were unsuitable due to the size of the establishment (15%), and they could not currently afford to (11%).

Over three in ten (32%) establishments reported that it was an active choice not to offer apprenticeships, which included having no need for apprentices as staff were fully skilled (11%) as well as apprenticeships not suiting their business model (8%). Over one in ten (11%) establishments cited a lack of awareness as the reason for not offering apprenticeships, with 5% reporting that they had not considered apprenticeships as they had not had apprentices before.

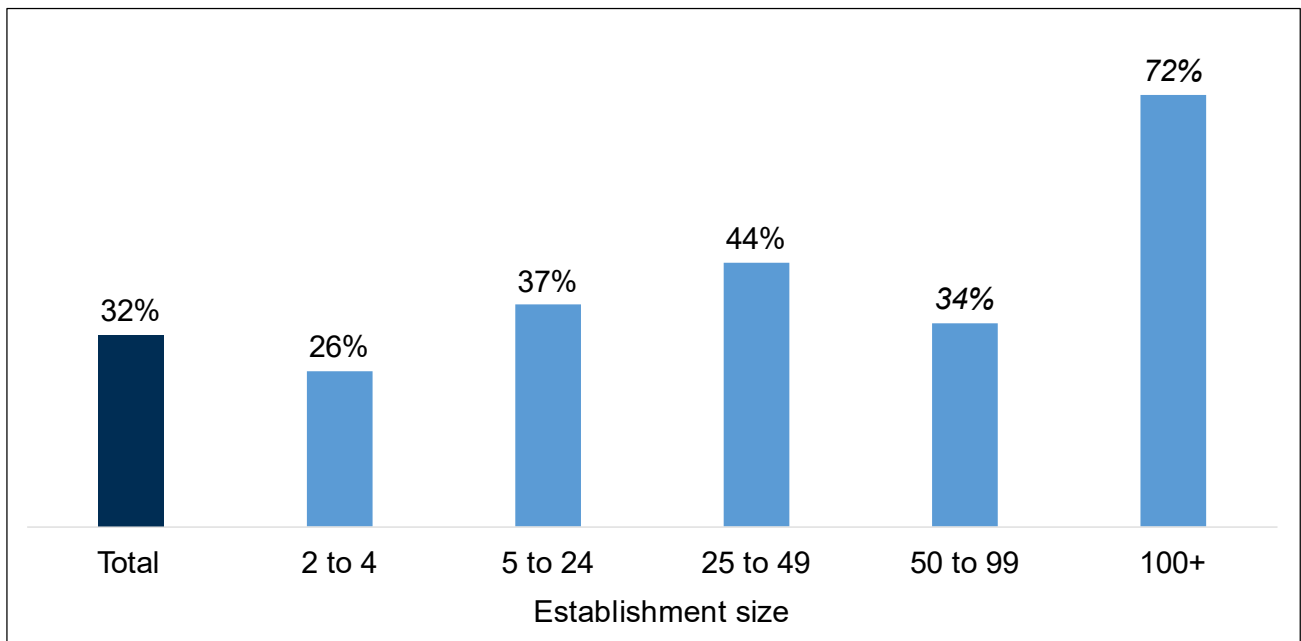
7.3 Future apprenticeships plans

Nearly a third (32%) of employers said that they plan to offer apprenticeships in the future. This was consistent with findings from 2019 (29%) and an increase on 2014 findings (25%). Over half (53%) of employers do not plan to offer apprenticeships in the future, a decrease from 2019 (58%).

A majority (89%) of employers who currently offer apprenticeships have plans to offer them in the future. Nearly a quarter (23%) of employers who do not currently offer apprenticeships are planning to offer them in the future, similar to 2019 (20%).

Overall, the likelihood of offering apprenticeships in the future increases with establishment size (Figure 7-1). The outlier to this trend is establishments with 50 to 99 employees, although the small base size does require caution. Establishments within Manufacturing were more likely than average to have plans to offer apprenticeships in the future (52%). They were also more likely than other sectors such as Wholesale and Retail (26%), Hotels and Restaurants (32%), Business Services (30%), Education (36%) and Health and Social Work (33%) to do so.

Figure 7-1 Proportion of employers offering apprenticeships in the future by establishment size in 2022



Base: All establishments in Northern Ireland (Module A) (905).

8. High Performance Working practices

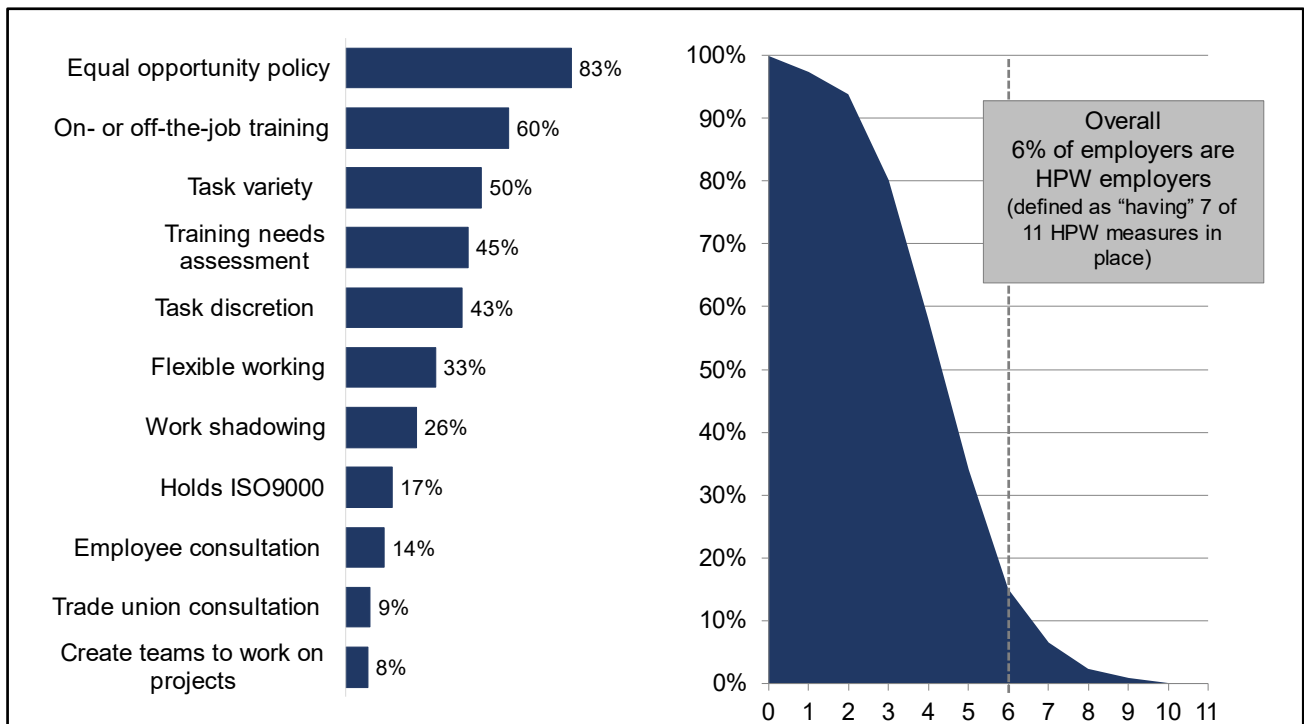
8.1 Introduction

“High Performance Working” (HPW) practices are practices recognised to ensure employee skills are harnessed and nurtured. To be classed as a “High Performance Working employer” an establishment must have adopted 7 or more of the 11 practices covered by the survey.

8.2 Proportion of employers classed as High-Performance Working employers and change over time

Overall, 6% of employers in Northern Ireland had adopted 7 or more HPW practices, making them HPW employers. The most common HPW practice was having an equal opportunity policy (83%), followed by offering on- or off-the-job training (60%) and having task variety (50%) (Figure 8-1).

Figure 8-1 Prevalence of High-Performance Working Practices



Base: All establishments in Northern Ireland (Module A) (822).

There were no significant differences in the proportion of HPW employers at a regional level, with Belfast (9%) having the highest proportion of HPW employers and the West having the least (4%).

Larger employers were more likely to be HPW employers. A quarter (25%) of establishments with 25 or more employees were HPW employers compared with only 3% of establishments with 2 to 4 employees. Establishments of different sizes were also more likely to adopt specific HPW practices. For example, most employers with 25 or more employees had an equal opportunity policy (96% vs. 77% of employers with 2 to 4 employees) and offered on- or off-the-job training (90% vs. 44%). Larger employers with 25 or more staff were also more likely than average to assess

training needs (78% vs. 45%), to consult employees (65% vs. 14%), and to create teams to work on projects (41% vs. 8%).

In contrast, smaller establishments with 2 to 4 employees were more likely when compared with larger establishments with 25 or more employees to offer task variety (55% vs. 39%), task discretion (53% vs. 17%), flexible working (38% vs. 23%) and work shadowing (35% vs. 7%).

By sector, Education had the highest proportion of HPW employers with one in five employers classed as such. Nearly all (97%) employers within the Education sector had an equal opportunity policy in place and most (90%) offered on or off-the-job training. There were further sectoral differences in the specific practices implemented. Employers in Business Services were more likely than average to allow work shadowing (36% vs. 26%), hold ISO9000 (26% vs 17%) and offer task variety (60% vs. 50%) and flexible working (44% vs. 33%). Furthermore, employers within Manufacturing were more likely to create teams to work on projects (17%).

Further data on High Performance Working Practices can be found in Table 274 of the published Northern Ireland tables.

9. Methodology

The 2022 ESS survey is the first time ESS findings are published by the Northern Ireland Executive. The figures for previous surveys (ESS 2011, EPS 2013, ESS 2013, EPS 2014, ESS 2015, EPS 2016, ESS 2017, and ESS 2019), referred to in this publication, are published in research reports by the UK Government Department for Education (DfE).

The population from which the sample was taken was based on all 'establishments' in Northern Ireland that had at least two employees (including owners and working proprietors), but not including any workers not on the payroll, like self-employed contractors or agency staff. This approach matches previous rounds of the survey and has been taken as it tends to be much easier for survey respondents to think in terms of the overall 'headcount' for their site – including both working proprietors and employees – than to separate out these two groups.

However, the ESS survey excluded the self-employed (with no employees). The question approach for this group would need to be somewhat different, since they are by definition not employers. There is also an absence of robust population figures for this group, meaning robust and representative sampling and weighting is difficult to achieve.

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.

ESS 2022 was the first in the series to use a Random Probability Sampling (RPS) approach, where all sample issued is processed according to agreed protocols until all leads are exhausted, meaning that units sampled from given population cells have an equal and known probability of being sampled.

Telephone interviews were conducted between June 2022 and March 2023. Data was collected via Computer-Assisted Telephone Interviewing (CATI). A total of 3,400 interviews were achieved with Northern Ireland employers. Large sections of the survey were modularised to ensure that ESS and legacy questions from the Employer Perspectives Survey (EPS) could be covered without adding significantly to interview length. Establishments were randomly allocated to one of four modules (only English establishments were assigned to a fifth module E, not containing any modular questions). A core section of the survey was asked of all employers, while modular questions were assigned to one or more modules, depending on the needed sample size, and employers randomly assigned to answer a module. Table 9-1 shows the number of completed interviews in each module, for Northern Ireland establishments.

Table 9-1: Interviews achieved in Northern Ireland, per Module

Module A	Module B	Module C	Module D	Module E ¹⁰
905	809	863	822	1

The overall response rate for Northern Ireland was 53%, calculated as 'achieved interviews' as a proportion of all respondents who started the survey. This is in line with UK-level response rate (53%), and response rates in England (52%), Wales (57%), and Scotland (53%).

¹⁰ The Northern Ireland establishment that completed module E was initially sampled as English establishments. Their geography was amended in line with the information they provided in the survey.

Further detailed technical information is available in the UK-level technical report, published on the DfE website. Data regarding which codes are used for grouped categories can be found within the full UK report that will be published later this year on the DfE website. Further data can be accessed in Northern Ireland published data tables accompanying this report.

Annexes

Annex A - Definitions

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 exist 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 that takes place away from the employee's immediate work location / position. It can be elsewhere on the employer's premises or off the premises as long as it is funded and arranged by the employer.

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).

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 have been 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.

More detail about the methodology and weighting process can be found in the technical report on the DfE website, at the following [link](#).

Annex B - Grouped codes

Table B- 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 B- 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 B- 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 B- 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

Table B- 5 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	-	-	-	-
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Key Findings

Key findings (2015-2022)

Vacancies and skill-shortage vacancies		2015	2017	2019	2022
% of establishments with any vacancies		13%	16%	14%	21%
% of establishments with any hard-to-fill vacancies		4%	6%	7%	15%
% of establishments with skill-shortage vacancies		3%	5%	4%	9%
% of all vacancies that are skill-shortage vacancies		14%	21%	22%	35%
Number of vacancies		19,700	23,200	24,000	39,500
Number of skill-shortage vacancies		2,800	4,900	5,400	13,700
Internal skills challenges		2015	2017	2019	2022
% of establishments with any staff not fully proficient		9%	12%	10%	11%
Number of staff not fully proficient		24,000	28,000	26,300	36,700
Number of staff not fully proficient as a % of total workforce		3.3%	3.8%	3.3%	4.6%
% of establishments with an upskilling requirement		n/a	62%	63%	64%
% of establishments reporting skills under-use		28%	37%	35%	37%
% of staff underutilised		7.8%	9.4%	9.7%	8.3%
Training		2015	2017	2019	2022
% of establishments training any staff over the last 12 months		62%	63%	59%	58%
% of establishments providing off-the-job training in the last 12 months		47%	47%	42%	35%
% of workforce trained		64%	60%	62%	64%

Base: All establishments in Northern Ireland (2015: 4,019; 2017: 3,973; 2019: 4,023; 2022: 3,400)