



CHILDREN, EDUCATION AND SKILLS

Scottish Employer Perspectives Survey 2021

Scottish Employer Perspectives Survey 2021

Employer Characteristics

Small employers with 2-4 employees make up **50%** of establishments but employ a smaller percentage (**8%**) of the workforce.



19% of establishments that were at least 12 months old had increased their number of employees over the last year. **18%** had seen a decrease.

Vacancies

In the previous 12 months... **52%** of employers had at least one vacancy and **46%** of employers recruited staff.



Equalities & Diversity



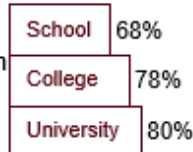
55% of employers with vacancies collect information from applicants to monitor equality and diversity.

3% of employers who are aware of Gender Pay Gap legislation have changed their recruitment practices in relation to equality and diversity.

Developing the Young Workforce

35% of employers had recruited an employee in their first job directly from education.

The majority of employers find education leavers to be 'well' or 'very well' prepared.



59% of employers thought work experience is 'critical' or 'significant' when recruiting...

... and **8%** of employers provided work placements to young people at school in the last 12 months.

8% offered 'work inspiration' activities to students in the last 12 months.

Training and Apprenticeships



70% of employers had provided training to their staff in the last 12 months.

50% of employers were aware of Foundation Apprenticeships.



19% of employers offered apprenticeships...

...and **12%** currently have any staff undertaking apprenticeships at the site.



90% of employers offering apprenticeships offered these to young people aged under 25.

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Introduction

The Scottish Employer Perspectives Survey (EPS) 2021 is a large-scale telephone survey of employers in Scotland, which provides labour market information on how employers engage with the skills system in Scotland, including:

- their recruitment of new staff;
- their perceptions of new recruits (including young people and education leavers);
- their awareness and use of schemes or initiatives; and
- their offering of work placements and apprenticeships.

The 2021 survey comprised 1,000 telephone interviews with employers between November and December 2021. This is a robust sample size which covers a range of sectors, regions and establishment sizes. The sample was drawn from commercial data supplier, Market Location. Following fieldwork, the data was weighted back to the ONS Inter-Departmental Business Register (IDBR) population to ensure it was representative. It is the first in the series to be undertaken since the start of the COVID-19 pandemic and since the UK's formal departure from the European Union. The publication of the 2021 Scottish EPS is the second after a longstanding UK-wide EPS series which was conducted biennially from 2010 to 2016. The last Scottish EPS was undertaken in 2019.¹

Further information about the EPS method can be found in the Methodology section of this release and the accompanying Technical Report. This is an Official Statistics release covering the key statistics in the survey. Further data are available in published data tables alongside this report on the Scottish Government website. Accompanying 'Background Tables' include underlying data used in the report.

Reporting conventions

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

The survey population is UK businesses with 2+ employment; 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.

Where comparisons are made across regions, this is referring to the Regional Outcome Agreement (ROA region). 'Appendix A – Definitions' shows how local authorities match to these region categories.

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

¹ [Scottish Employer Perspectives Survey: 2019 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-employer-perspectives-survey-2019/pages/introduction/)

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 of error for these results is larger and therefore the results are less statistically reliable.

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

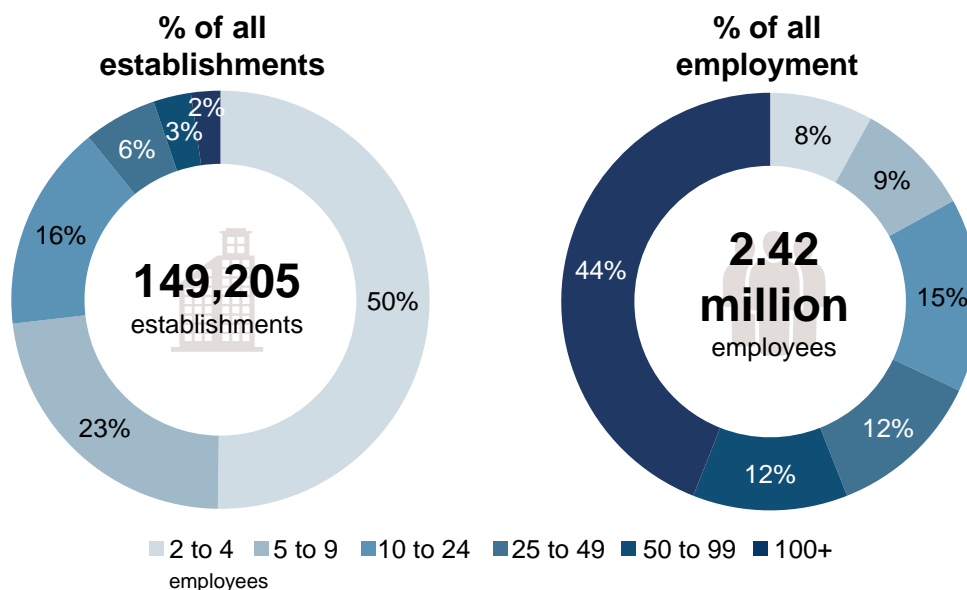
Employer characteristics

The population of employers for the Scottish EPS 2021 included all establishments in Scotland that had at least two people working at them (including working proprietors) and was drawn from commercial data supplier, Market Location. 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 is in recognition of the influence that local labour markets have on skills issues, and that skills issues are typically felt most acutely at the site level. This mirrored the establishment-based approach adopted in previous UK Employer Skills Surveys (ESS) and UK Employer Perspectives Surveys (EPS). The terms ‘establishment’, ‘site’ and ‘employer’ are used interchangeably through the report.

Figure 1 shows the profile of employers and of employment by size for this population. Office for National Statistics (ONS) figures estimate that in March 2021 there were 149,205 establishments in Scotland employing around 2.42 million people between them.²

The Scottish employer population is predominantly made up of small establishments: half of employers have fewer than 5 staff (50%) and a further two fifths have between 5 and 24 staff (39%). However, these smaller employers employ just 8% of the workforce and 24% of the workforce respectively. Employers with 100 or more staff make up 2% of establishments but employ 44% of the workforce.

Figure 1: Employer and employment profile by establishment size in Scotland in March 2021



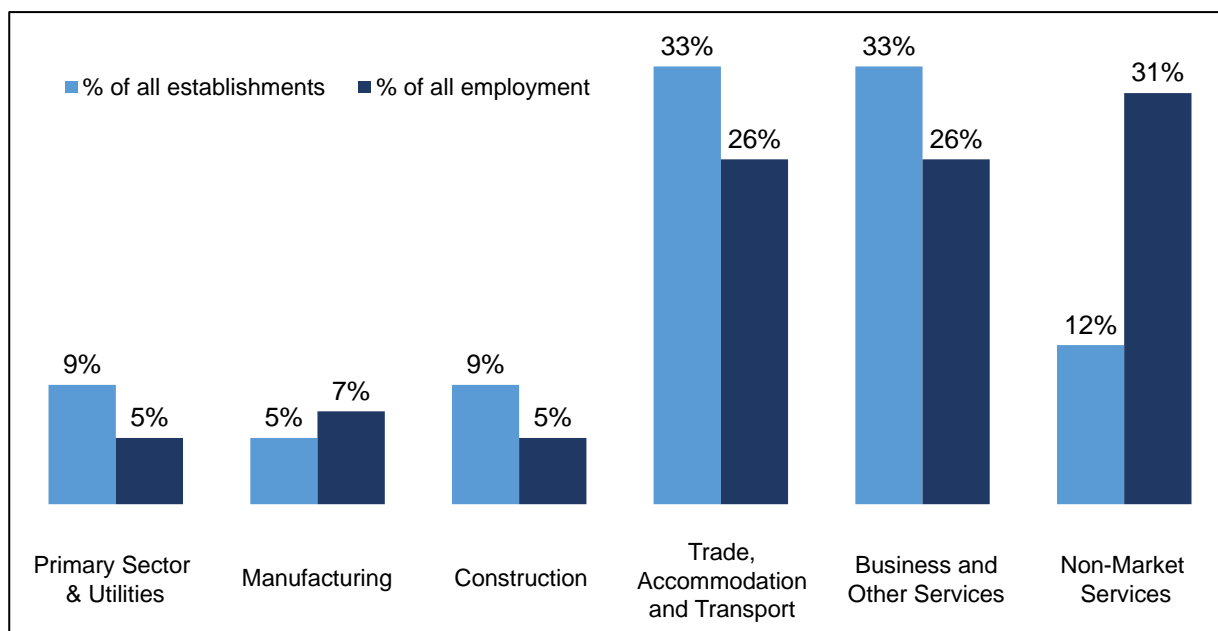
Source: ONS Inter-Departmental Business Register (IDBR), March 2021.

² The March 2021 IDBR population data was the latest available at the time of reporting.

Using a broad six-sector breakdown which consists of Primary Sector and Utilities, Manufacturing, Construction, Trade, Accommodation and Transport, Business and Other Services, and Non-market services; the largest sectors in the Scottish economy in terms of number of establishments are Trade, Accommodation and Transport, and Business and Other Services (33% of all establishments each); the smallest is Manufacturing (5%).³

In terms of employment, Non-market Services was the largest sector, employing 31% of the total workforce, despite only making up 12% of establishments. It was followed by Trade, Accommodation and Transport, and Business and Other Services (each 26% of the workforce).

Figure 2: Employer and employment profile by sector



Source: ONS Inter-Departmental Business Register (IDBR), March 2021.

Survey data show that 19% of establishments that have already been in business for over 12 months have increased their number of employees in the past 12 months prior to interview;⁴ 18% saw a decrease in staff numbers.⁵ 62% have broadly remained the same size.

81% of employers in Scotland have been in operation for more than 10 years, with 1% operating for less than a year at the time of interview.

³ Definitions for these sectors can be found in Table 10 in Appendix A. A six-sector breakdown was used for the 2021 survey due to the reduction in the overall sample size to 1,000 interviews. Collapsing the sectors was required to ensure the margin of error could be minimised, allowing for robust subgroup analysis.

⁴ By “past 12 months”, this would be since November or December 2020 as the fieldwork for this survey ran between November-December 2021.

⁵ This question was only asked to those who had already been in business for 12 months or longer to prevent start-ups, who would be more likely to have grown during this period, from skewing the results.

Entry to work

This chapter explores vacancy and recruitment levels among employers, the initiatives used to recruit staff, and how equality, diversity and inclusion are integrated into employers' recruitment processes. It also explores characteristics of the recruited workforce and their preparedness for work.

Vacancies

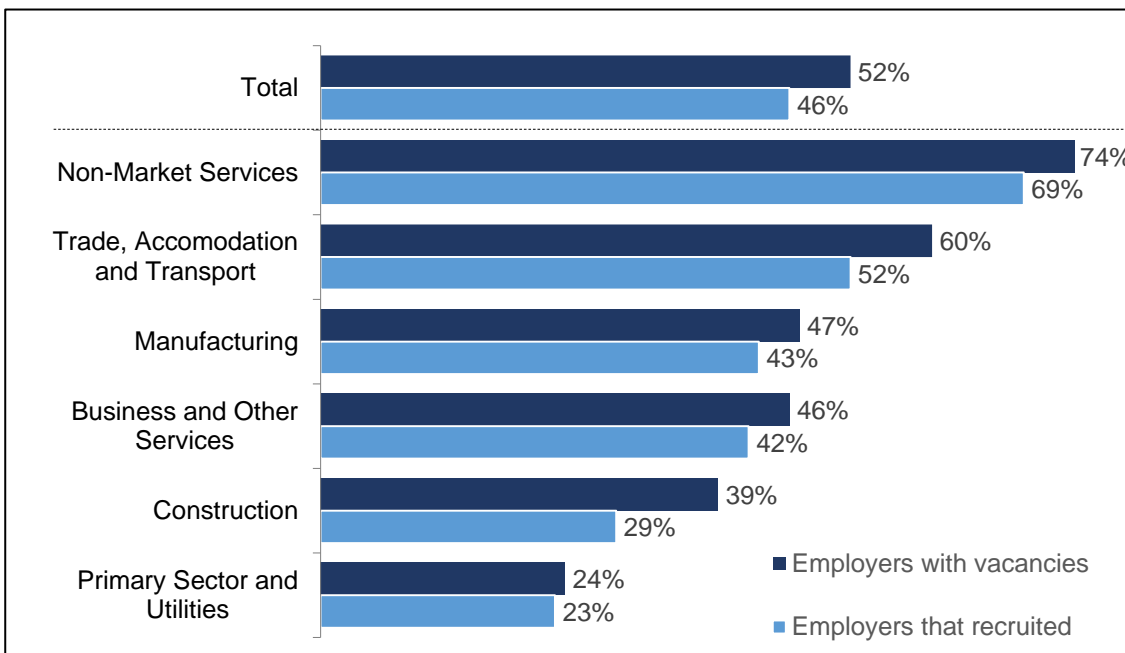
52% of employers have had at least one vacancy in the previous 12 months and 46% had recruited staff over the same time period.

A larger proportion of employers had vacancies in 2021 than in 2019 (48%), though the proportion that had recruited staff had not increased significantly from 2019 (43%).

Labour market activity increased with employer size. Almost all employers (98%) with 50 or more staff had a vacancy in the last 12 months and a similar proportion (97%) recruited at least one employee. In comparison, around a quarter (27%) of employers with 2-4 employees had vacancies in the past 12 months and a fifth (21%) had recruited at least one employee.

Figure 3 shows that employers in the Non-market Services sector were most likely to have had vacancies (74%), followed by employers in the Trade, Accommodation and Transport sector (60%), while those in Primary Sector and Utilities were least likely to have had vacancies (24%).

Figure 3: Proportion of establishments with vacancies and that had recruited staff in the last 12 months by sector



Base: All establishments (1,000)

Recruitment methods and related issues

Around three quarters (76%) of employers were aware of at least one recruitment service or initiative, an increase from 71% in 2019.

Larger employers were more likely to be aware of at least one recruitment service, employability programme or initiative (90% of establishments with 100+ employees and 88% with 50-99 employees, compared to 71% of establishments with 2-4 employers).

The most common recruitment service, employability programme or initiative that employers were aware of was Jobcentre Plus's Kickstart scheme (61%), followed by other Jobcentre Plus recruitment services (30%), Fair Start Scotland (29%), the Employability Fund (20%), the Young Person's Guarantee (18%), and the Universal Jobmatch Service (17%). Employers in the voluntary sector were most likely to be aware of at least one service, programme or initiative (94%), compared to the public (79%) and private (74%) sectors.

The Kickstart Scheme and other Jobcentre Plus recruitment services were also the most commonly used (6% and 4% respectively), while 1% of employers had used the Universal Jobmatch Service, the Young Person's Guarantee, Fair Start Scotland, and the Employability Fund. Overall, 9% of employers had used any of the prompted recruitment services, employability programmes or initiatives, the same proportion as in 2019.⁶ As well as being most likely to be aware, employers in the voluntary sector were most likely to have used any service, programme or initiative (15%), while the private sector was least likely to have used any of them (8%).

The majority (83%) of employers that recruited in the 12 months prior to interview used multiple recruitment methods.

16% of employers that recruited in the preceding year used a single approach to recruitment. This was a decrease from 20% in 2019.

Word of mouth or personal recommendations were the most common method of filling vacancies (79%). Other internal resources⁷ such as placing adverts on social media (65%) and placing adverts on websites (61%) were also popular and had grown since 2019 (56% and 53% respectively).

⁶ It should be noted that the prompted recruitment services have changed since 2019 to reflect the latest services on offer. In 2021, the Jobcentre Plus Kickstart Scheme, Fair Start Scotland, No One Left Behind, and the Young Person's Guarantee were added as prompted options. Youth Contract, Work Able Scotland and the Employer Recruitment Incentive were removed.

⁷ Internal resources is a grouped category that combines several individual response codes. There are various examples of grouped categories in the report. More information about how codes map to grouped categories can be found in the published Technical Report.

Three in ten (31%) employers that had vacancies used only internal resources to fill them, including 7% that had only used only word of mouth or personal recommendations, a decrease from 12% in 2019.

The proportion of employers that had used other paid-for recruitment services had increased from 41% in 2019 to 48% in 2021. The common types of paid-for recruitment services used to fill vacancies included recruitment websites (29%), recruitment agencies (15%), and local press (7%). Use of paid-for recruitment websites has grown since 2019 (20%), whilst use of local press has fallen (10%).

Table 1 shows that the attribute most sought by employers in candidates was having meta-skills⁸ with 70% rating it as ‘significant’ or ‘critical’. However, meta-skills were less likely to be considered ‘critical’ among employers with more than 100 employees (10% compared with 25% overall).

Table 1: Importance of factors looked for in recruitment

Factor	Proportion who considered factor ‘Critical’ or ‘Significant’	
	2019	2021
Having meta-skills	N/A	70%
Having relevant work experience	62%	59%
Having Maths and English to at least National 5 or 6	51%	53%
Having a relevant vocational qualification	46%	47%
Having particular academic qualifications such as Nationals, Highers or a degree	35%	39%

Base: All establishments: 2,652 (2019); 1,000 (2021)

⁸ Meta-skills was added as a new prompted factor in the 2021 survey and includes attributes such as problem solving, critical thinking, communication, creativity, and leadership.

Equalities and diversity in recruitment

55% of employers that had vacancies in the last 12 months collected information to monitor the diversity of applicants, similar to 2019 levels (51%).

Employers with more than 50 employees were most likely to monitor equality and diversity (71% of employers with 50-99 employees; 70% of employers with more than 100 employees). This was also more common among Non-market Services⁹ and Construction employers (82% and 74% respectively), and less likely in the Trade, Accommodation and Transport (44%) and the Primary Sector and Utilities (34%).

Around half (51%) of employers that had vacancies in the last 12 months advertised a role that would be suited to flexible working, similar to 2019 levels (47%).

Smaller employers were least likely to have advertised a role that would be suitable for flexible working (43% of employers with less than 10 employees). It was most prevalent among employers with 50 to 99 employees (66%). By sector, the offer of flexible working was most common in Non-market Services (65%) and least common in the Manufacturing (25%) and Construction (34%) sectors.

In terms of specific measures, two-thirds (66%) of employers that had vacancies were aware of positive action and 16% of employers had used positive action in the last 12 months to recruit someone.¹⁰ Larger companies were more likely to have used positive action (25% of companies with 50-99 employees and 24% of companies with 100+ employees). Using positive action was also more common among employers in the Non-market Services sector (21%), but less common among Business and Other Services employers (10%).

Fewer than one in ten (9%) of employers used blind or no name recruitment in the previous 12 months.¹¹ Again, Non-market Services employers (22%) were most likely to have implemented this, while it was less likely among Trade, Accommodation and Transport employers (5%).

⁹ Examples of Non-market Services include those operating in public administration, education, and health and social care. More information on the subsectors included within each broad sector category can be found in Table 10 in Appendix A.

¹⁰ Positive Action refers to a range of measures that allow employers to encourage and train people from under-represented groups and help them overcome disadvantages in competing with other applicants.

¹¹ Blind or no name recruitment is a recruitment process that removes the names from candidates' applications so that they remain anonymous.

Table 2 shows employers in the public sector were more likely to use specific recruitment practices, with the exception of the use of positive action and use of 'blind or no name recruitment'.

Table 2: Proportion of employers with a vacancy who have used specific recruitment practices

Recruitment Practice	All employers	Private	Voluntary	Public
Awareness of positive action	66%	65%	72%	77%
Use of positive action	16%	16%	19%	11%
Monitoring equality and diversity of applicants	55%	50%	72%	82%
Flexible working vacancies advertised	51%	48%	61%	63%
Use of 'blind or no name recruitment'	9%	5%	27%	24%

Base: All establishments that had vacancies in the last 12 months (699).

Around three-quarters (77%) of employers that had vacancies had not implemented any specific practices to encourage a diverse range of applicants, a fall from 82% in 2019.

Gender Pay Gap legislation

Since April 2017, Gender Pay Gap legislation has required large employers with 250 or more employees to publish annual statistics regarding the pay of their workforce split by gender.

Two-thirds (68%) of employers were aware of the Gender Pay Gap legislation, a decrease from 74% in 2019.

Larger employers are more likely to be aware of the Gender Pay Gap legislation (84% of employers with 100 or more employees). By sector, awareness was highest in Business and Other Services (76%), while Primary Sector and Utilities

and Trade, Accommodation and Transport employers were less likely to be aware (56% and 63% respectively).

A small minority (3%) of employers that were aware of the Gender Pay Gap legislation had made at least one change to their recruitment practices as a result, while 6% were unsure whether they had made a change, similar to the levels of 2019 (2% had made at least one change and 5% were unsure). Nine in ten (90%) of employers aware of the legislation had made no change to their recruitment practices; this is lower than the corresponding proportion in 2019 (94%).

The most common changes were altering the salaries of the positions recruited to; and increasing the transparency over salaries (each mentioned by 1% of those aware of the legislation).

Recruiting young people

63% of employers that recruited in the last year recruited a young person (aged under 25).

This is similar to 2019 levels (60%), after wave-on-wave decreases since 2014, as shown in Table 3.

Table 3: Recruitment of young people, 2014 to 2021

Recruitment Practice	Proportion of all recruiting employers			
	2014	2016	2019	2021
Young people (aged under 25)	66%	64%	60%	63%

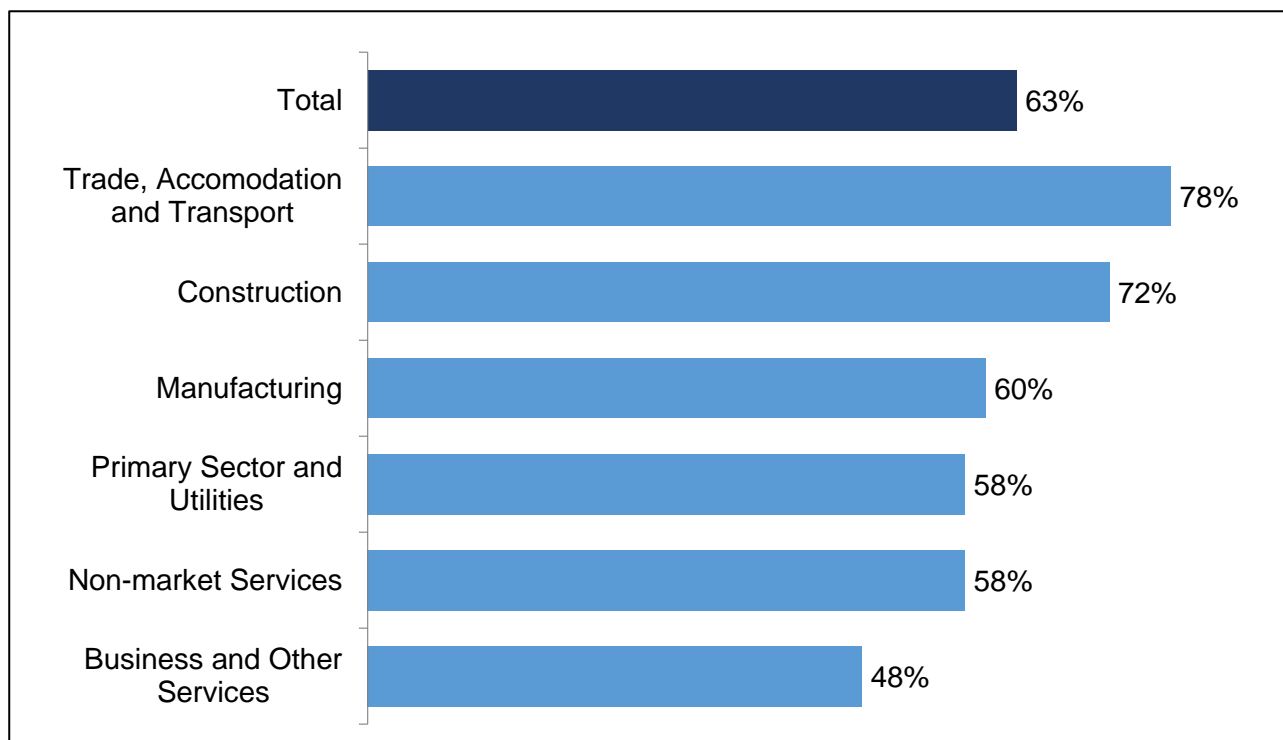
Base: All establishments that recruited in the last 12 months: 2,440 (2014), 2,470 (2016), 1,611 (2019), 644 (2021)

The recruitment of young people over the last 12 months increased with size of establishment, ranging from 36% of employers with 2 to 4 employees recruiting a young person, to 92% of employers with 100 or more employees.

More information by size, sector and ROA region is available in Table 29 in the background data tables.

Figure 4 shows that employers in the Trade, Accommodation and Transport sector were most likely to employ young people (78%), while employers in the Business and Other Services sector were least likely to (48%).

Figure 4: Recruitment of young people (aged under 25) by sector



Base: All establishments that recruited in the last 12 months (644).

Recruitment directly from education

Recruiting directly from education includes recruiting an employee to their first job from a school, college, or university.

In the last 2 to 3 years from the time of interview, 35% of employers recruited an employee directly from education.

This is an increase from 2019 (30%), as shown in Table 4.

Recruiting directly from education increased with employer size, ranging from 22% of employers with 2 to 4 employees to 84% of employers with 100 or more employees. In terms of sector, employers within the Primary Sector and Utilities sector were least likely to have taken on anyone to their first job after education (24%).

More information by size, sector and ROA region is available in Table 31 in the background data tables.

Overall, a fifth (21%) of employers recruited from a Scottish secondary school, 15% recruited from a Scottish college and 14% recruited from a Scottish university. Employers were more likely in 2021 to have recruited college and university leavers than in 2019.

Table 4: Recruitment of education leavers, 2014 to 2021

Recruitment	Proportion of all employers			
	2014	2016	2019	2021
Any education leaver	32%	32%	30%	35%
School leaver	19%	19%	20%	21%
College leaver	11%	11%	12%	15%
University leaver	13%	14%	11%	14%

Base population: All establishments: 4,015 (2014), 4,009 (2016), 2,652 (2019), 1,000 (2021).

Preparedness for work

Most employers find their education leavers to be 'well' or 'very well' prepared.

80% of employers that recruited a leaver from a Scottish university said they were well or very well prepared for work. University leavers were most likely to be seen as 'well' or 'very well' prepared for work (80%) by employers, followed by college leavers (78%) and then school leavers (68%) – see Table 5.

The top three skills that young recruits were perceived by employers to lack remained the same irrespective of the education they entered work directly from. These were: lack of life experience (17% secondary school leavers; 8% college and university leavers); a poor attitude (13% secondary school leavers; 4% college leavers and 4% university leavers); and a lack of required skills or competencies (6% secondary school leavers; 8% college leavers and 3% university leavers).

Table 5: Perceived preparedness of education leavers' preparedness for work, 2014-21

Recruitment	Proportion of employers that felt leavers were very well / well prepared for work			
	2014	2016	2019	2021
School leaver	63%	65%	58%	68%
College leaver	81%	80%	74%	78%
University leaver	88%	84%	78%	80%
Base population: School leaver recruiters	1,101	1,052	779	297
College leaver recruiters	754	707	538	215
University leaver recruiters	840	827	491	203

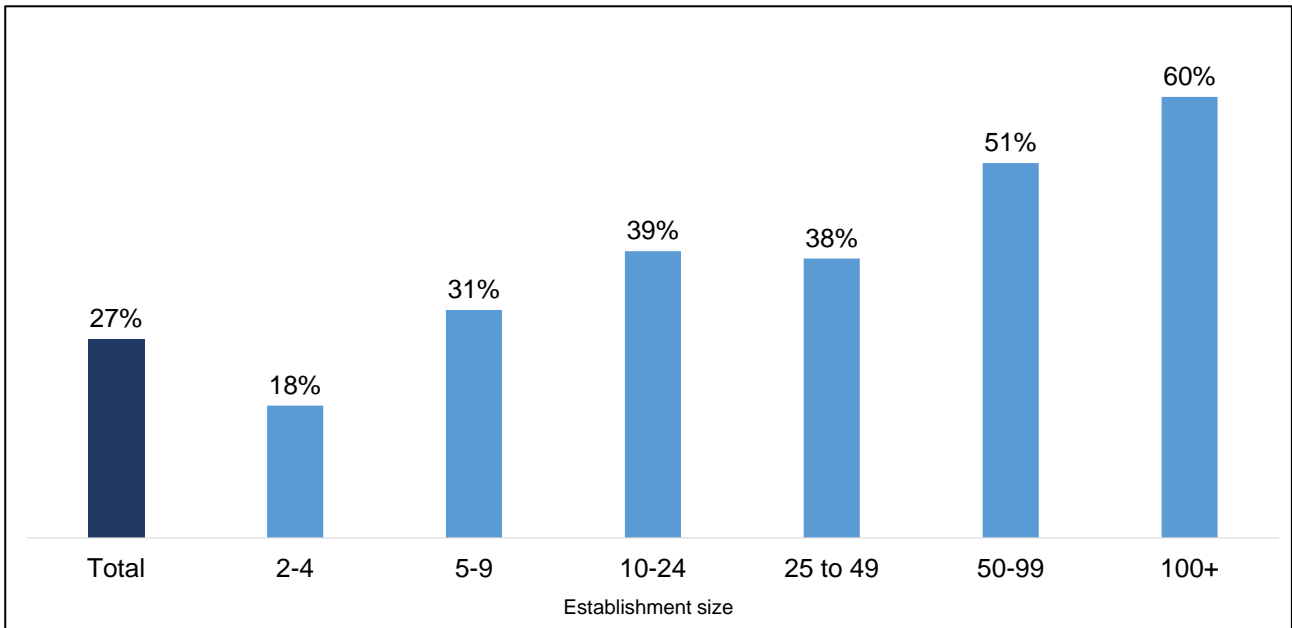
Work placements

Around a quarter (27%) of employers had provided any form of work placement over the last 12 months.

This is a decrease from the proportion in 2019 (36%) and continues a downward trend since 2016 (39%). On average, employers that offered placements had taken an average of just over 5 individuals, with a total of around 210,000 placements offered; these represent decreases on 2019 levels (around 6 individuals per employer offering placements; and around 330,000 placements).

As shown in Figure 5, the proportion of employers providing work placements increased with employer size, ranging from 18% of those with 2 to 4 employees to 60% of those with 100 or more employees. Non-market Services was the only sector where the majority of employers had provided work placements (52%); in comparison, only 16% in the Primary Sector and Utilities had done so.

Figure 5: Proportion of employers offering work placements, by establishment size



Base: All establishments: 2-4 (222); 5-9 (242); 10-24 (231); 25 to 49 (142); 50 to 99 (80); 100+ (83).

The most common types of placements provided, as shown in Table 6, were work trials for potential new recruits (11%). There were reductions in the proportion of employers providing placements for people at school (8% compared with 20% in 2019); placements for people at university (8% compared with 11%); and placements for people at college (7% compared with 12%). A full comparison to 2019 results can be found in Table 41 in the Background Tables.

Table 6: Types of placements provided

	Proportion of employers that provided placement type	Total number of placements
Any	27%	209,900
Work trials for potential new recruits	11%	66,400
Placements for people at school	8%	26,000
Placements for people at university	8%	46,200
Placements for people at college	7%	32,500
Placements targeted at giving work experience to the unemployed	4%	16,300
Internships	3%	10,900

Base: All establishments (1,000).

Almost half (46%) of employers that had provided work placements had gone on to recruit a trainee into a permanent or long-term paid role. In most cases this was directly following their placement. This is an increase from 2019, when around a third (34%) of employers had provided permanent work to a trainee.

The main reasons mentioned for not offering work placements or work inspiration activities¹² included: COVID-19 pressures such as a lack of work or site closures (37%), not having suitable roles available (30%), and not having the time or resource to manage these activities (12%).

Relatively common were also reasons relating to a lack of awareness (15%) including employers not knowing how to organise these activities, not having had anybody approach them, or not having thought about doing these before.

Other reasons for not offering work placements or work inspiration activities are shown in Table 46 in the background data tables.

Citing COVID-19 as a barrier to offering work placements or work inspiration activities was more common among mid-to-large-sized businesses (58% of those with 25 to 49 employees; 53% of those with 50 to 99 employees; and 59% of those with 100 or more employees).

¹² A description about what work inspiration activities are, and the extent to which employers engage in them is covered in the [‘work inspiration activities’ section](#).

Developing the Young Workforce (DYW)

This chapter focuses on [DYW](#), the Scottish Government's youth employment strategy, which aims to prepare young people for the world of work. The chapter also provides evidence for the delivery of the [Young Person's Guarantee](#), which aims to connect every 16 to 24 year old in Scotland to an opportunity. This could be a job, apprenticeship, further or higher education, training programme, volunteering or enterprise opportunity.

21 employer-led DYW Regional Groups have been established to help develop employer-education partnerships, as set out by the Scottish Government in 2014 following the recommendations from the Commission for Developing Scotland's Young Workforce.¹³ Questions about the DYW Regional Groups were first asked in Scottish EPS 2019, therefore the 2021 survey provides the first opportunity to explore how awareness of, and engagement with DYW Regional Groups has progressed over time.

Work placements at school

8% of employers provided work placements to young people at school over the last 12 months.

This is a reduction from 2019, where a fifth (20%) of employers provided placements for school pupils. In 2021, placements for school pupils were more common among the Non-market Services sector (15%) and in the Tayside region (16%), and they were rarely provided in the Manufacturing sector (1%).

Among employers that provided placements for people at school, the average number taken on by each employer was 2.1 pupils, with around six in ten (61%) of these employers only taking on one such placement. Overall, employers reported providing around 26,000 placements for school pupils over the last 12 months.

The majority (77%) of employers providing placements for school pupils had not taken them into a permanent or long-term paid role, while around a fifth (22%) had done so either at the end of their placement or after they finished their education; this is a higher proportion than in 2019 (14%).

¹³ [Developing the young workforce: Scotland's youth employment strategy – gov.scot \(www.gov.scot\)](#)

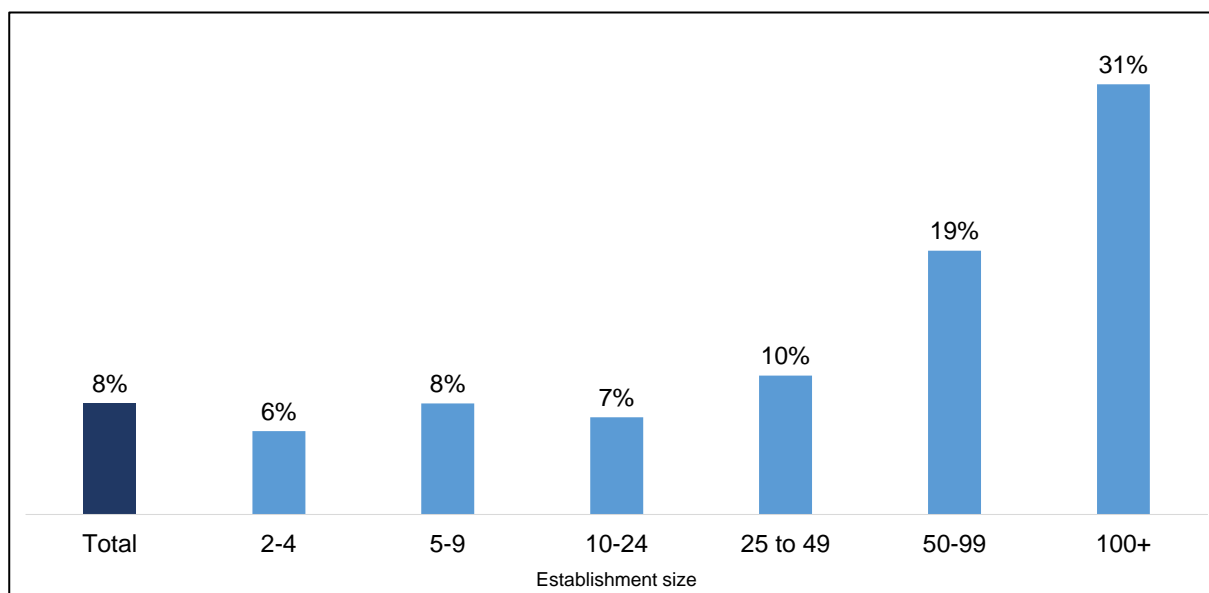
Work inspiration activities

8% of employers engaged with educational institutions to provide work inspiration activities over the last 12 months.

Work inspiration activities may include activities such as hosting site visits for students, talking to students about careers, or conducting activities such as mock interviews to improve the employability of students. These activities are provided to people at school, colleges and universities. Employers were around half as likely to offer these activities in 2021 (8%) than they were in 2019 (15%).

Work inspiration activities were more common among larger employers, with the proportion providing them rising to 19% among those with 50 to 99 employees and 31% among those with 100 or more employees, as shown in Figure 6.

Figure 6: Proportion of employers offering work inspiration activities, by establishment size

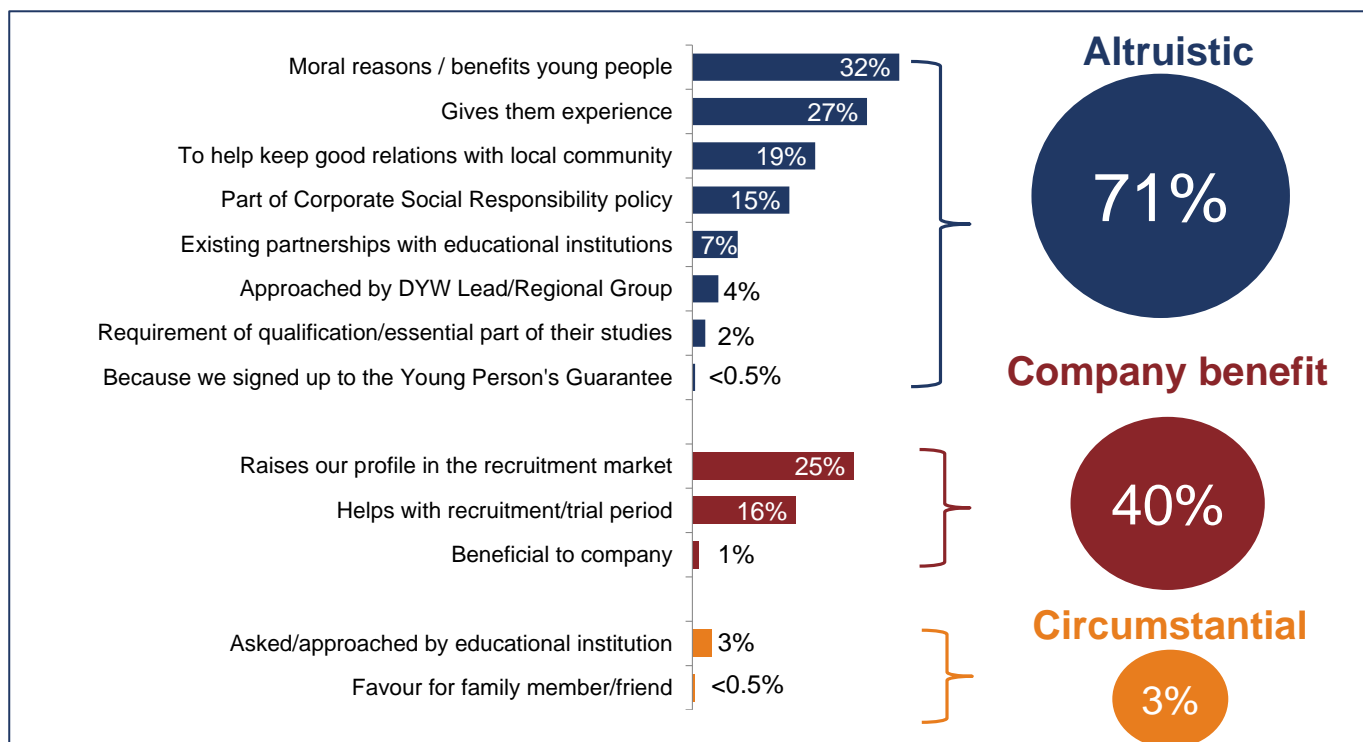


Base: All establishments: 2-4 (222); 5-9 (242); 10-24 (231); 25 to 49 (142); 50 to 99 (80); 100+ (83).

Non-market Services were the most likely sector group to provide work inspiration activities (15%); whereas these activities were least prevalent in the Trade, Accommodation and Transport sector (3%). Providing work inspiration activities was most common in the Highlands and Islands region (15%).

The main reasons employers gave for providing work inspiration activities were moral reasons and employers 'doing their bit' (32%), giving young people experience (27%) and the opportunity to raise the employer's profile in the recruitment market (25%). Grouping the reasons more broadly, employers were most likely to state altruistic-related reasons (71%) for offering work inspiration, rather than reasons related to a 'company benefit' (40%). Other reasons are shown in Figure 7.

Figure 7: Reasons for engaging with educational institutions to offer 'work inspiration' activities



Base: All establishments offering work inspiration activities (110).

Developing the Young Workforce (DYW) Regional Groups

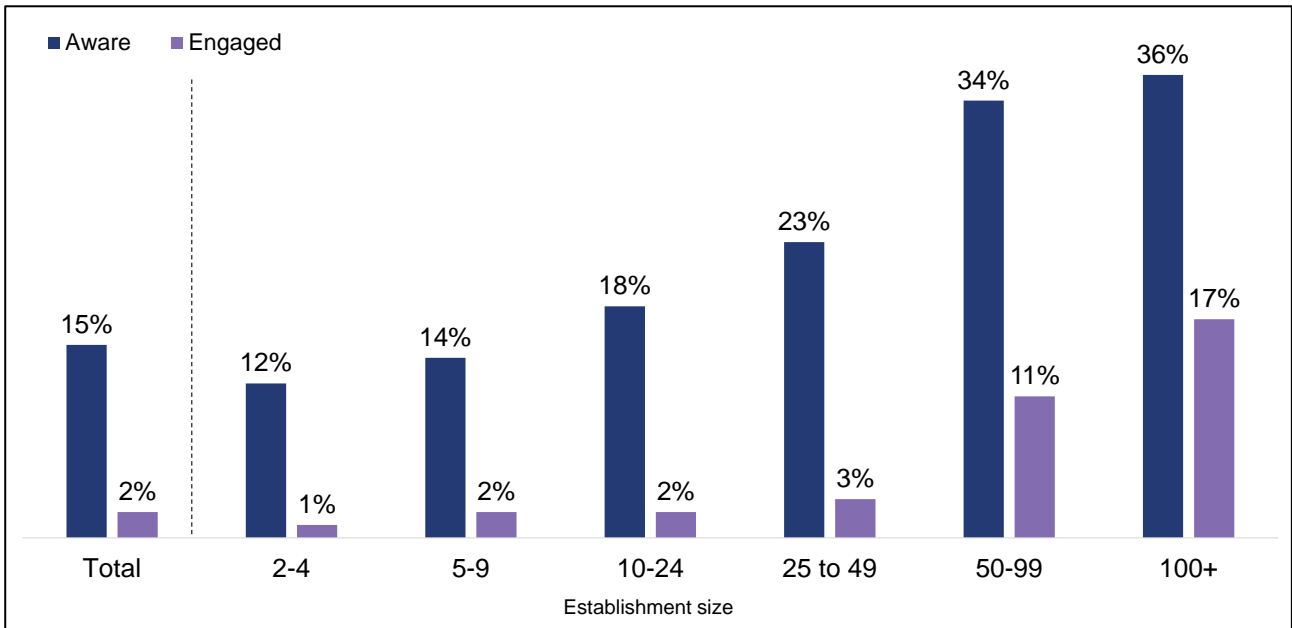
2% of employers had engaged with their local DYW Lead or Regional Group over the last 12 months. This is similar to levels in 2019 (3%).

Overall, 15% of employers had heard of the DYW Regional Groups, again similar to 2019 levels (14%). Among those aware, 15% had engaged with a DYW Regional Group.

Awareness of DYW Regional Groups generally increased with employer size; the largest employers with 100 or more employees were three times as likely to be aware (36%) than the smaller employers with 2 to 4 employees (12%). Similar patterns were found in terms of engagement with DYW Regional Groups; between 1% and 3% of all employers in the size groups with fewer than 50 employees had engaged with a DYW Regional Group, compared with 11% with 50 to 99 employees and 17% with 100 or more employees.

Awareness and engagement with DYW Regional Groups were both most common in the Non-market Services sector (33% and 10% respectively). In terms of region, the Highlands and Islands region was more likely to be aware, or to have engaged with DYW Regional Groups (21% and 9% respectively).

Figure 8: Proportion of employers aware of and that have engaged with DYW Regional Groups, by employer size



Base: All establishments: 2-4 (222); 5-9 (242); 10-24 (231); 25 to 49 (142); 50 to 99 (80); 100+ (83). Note, all results based on those that engaged with DYW Regional Groups have a low sample size of 44 respondents, so caution should be applied in interpreting these results.

Results show that employers that have engaged with DYW Regional Groups were more likely to be engaged with other activities related to Developing the Young Workforce. They were more likely to have provided work inspiration activities (53% compared with 8% overall) and work placements (55% versus 27% overall), with a third having provided placements for people at school (32% versus 8% overall). These patterns also remained true among those that had any awareness of DYW Regional Groups.

People Development

This chapter focuses on people development. The topics covered include approaches to training; views on vocational qualifications; awareness of schemes or initiatives that help people development; and collaboration with other employers to develop skills or expertise in the workforce.

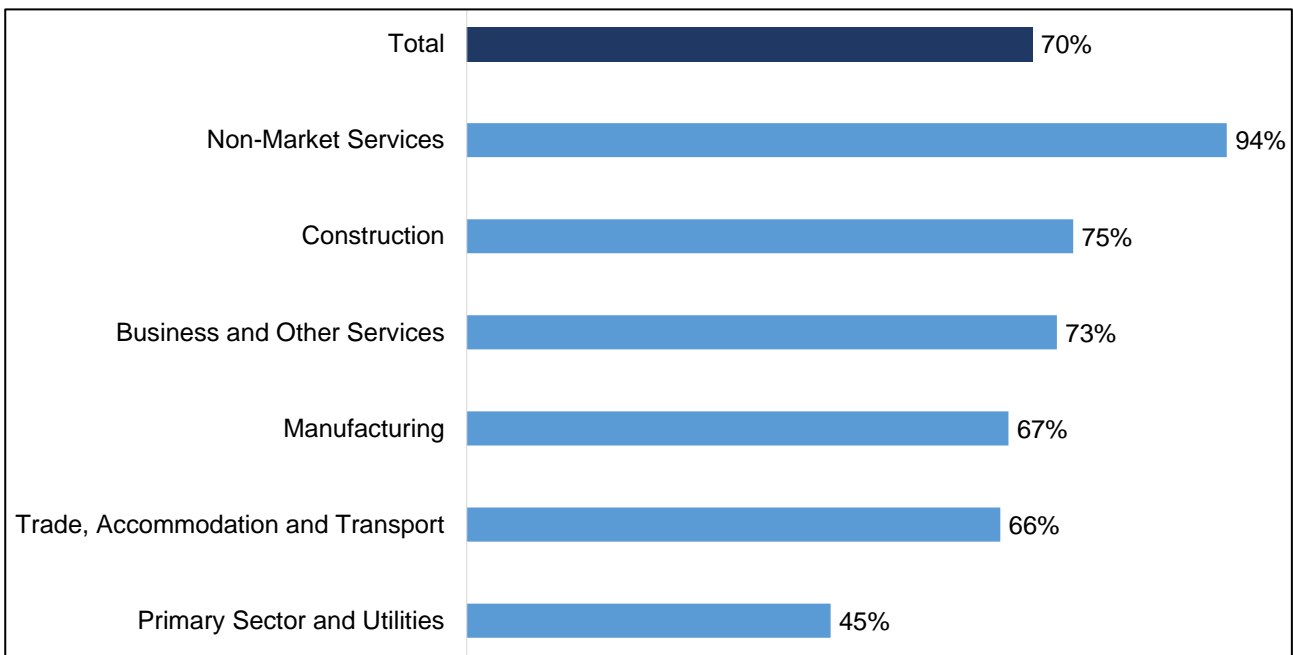
Training levels

70% of employers had provided training to their staff in the preceding year, the same proportion as in 2019.

The vast majority of employers with 10 or more employees had provided training (94% of those with 10 to 99 employees; 100% of those with 100 or more employees). In contrast, around half (55%) of those with 2 to 4 employees had done so and three-quarters (76%) of those with 5 to 9 employees.

As shown in Figure 9, the prevalence of training varied by sector. Employers in Primary Sector and Utilities were least likely to have provided any training (45%), while employers in the Non-Market Services sector were most likely to have done so (94%).

Figure 9. Training provision by sector



Base: All establishments: Primary Sector and Utilities (70); Manufacturing (61); Construction (65); Trade, Accommodation and Transport (357); Business and Other Services (281); Non-Market Services (166).

Around six in ten (62%) employers had provided internal training in the past 12 months, similar to levels in 2019 (60%) and 2016 (63%). In contrast, 44% had provided external training over the past 12 months, a decrease on 2019 levels (49%).

Overall, among employers that provided training, one in six (16%) had used public providers while six in ten (60%) had used any non-public training. The latter has declined compared to 2019 (65%). Around half (51%) of those that had provided training said this had been provided by commercial organisations, such as consultants or private training providers. A quarter had used suppliers (24%) and 18% used regulatory bodies for their training. The use of regulatory bodies for training has declined from 2019 (23%).

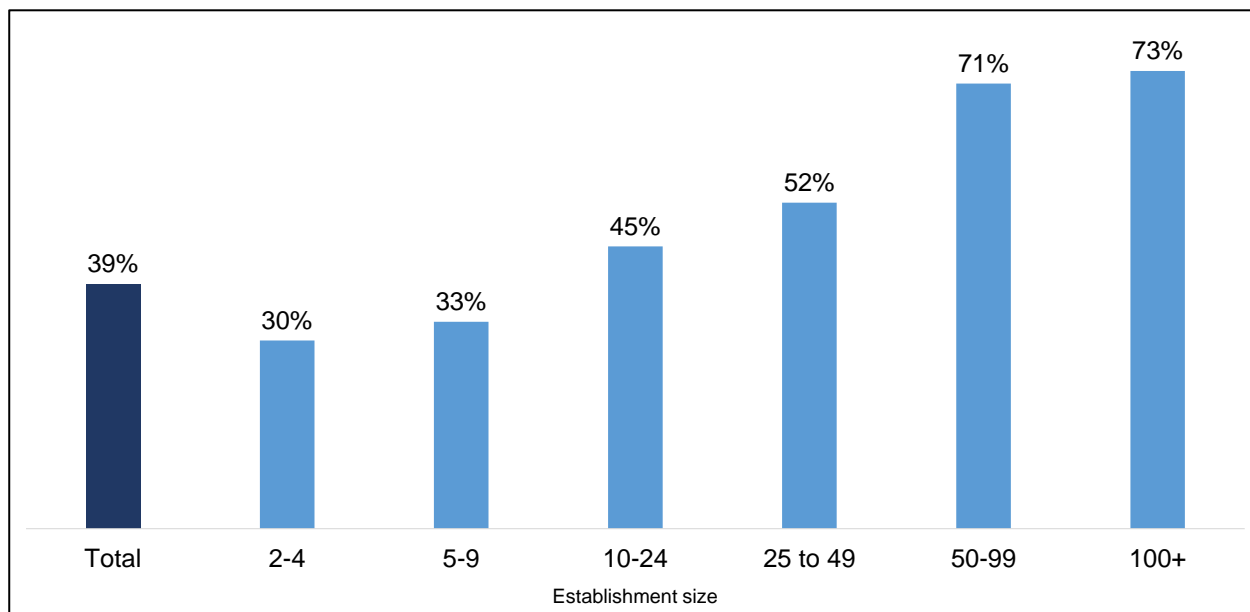
Around a quarter of employers (26%) had experienced a skills or training-related issue that required advice, information or support in the 12 months preceding the survey. This was similar to 2019 (29%) but lower than in 2016 (33%). Larger employers were more likely than smaller employers to have needed such support; a fifth (20%) of employers with 2-4 employees mentioned this, compared with around half (48%) of those with 100 or more employees. Among those experiencing an issue, eight in ten (80%) had sought or received advice on the issue, a similar figure to both 2019 (76%) and 2016 (79%). This equates to 20% of all employers having sought or received advice on skills and training-related issues.

Vocational qualifications

27% of employers have arranged or funded training designed to lead to a recognised vocational qualification in the last 12 months, decreasing from 2019 (31%), but similar to 2016 levels (26%).

This equated to 39% of employers who provide any form of training, a lower proportion than in 2019 (44%) but a similar level to 2016 (36%).

Figure 10. Proportion of employers who have arranged or funded training designed to lead to a recognised vocational qualification in the last 12 months, by employer size



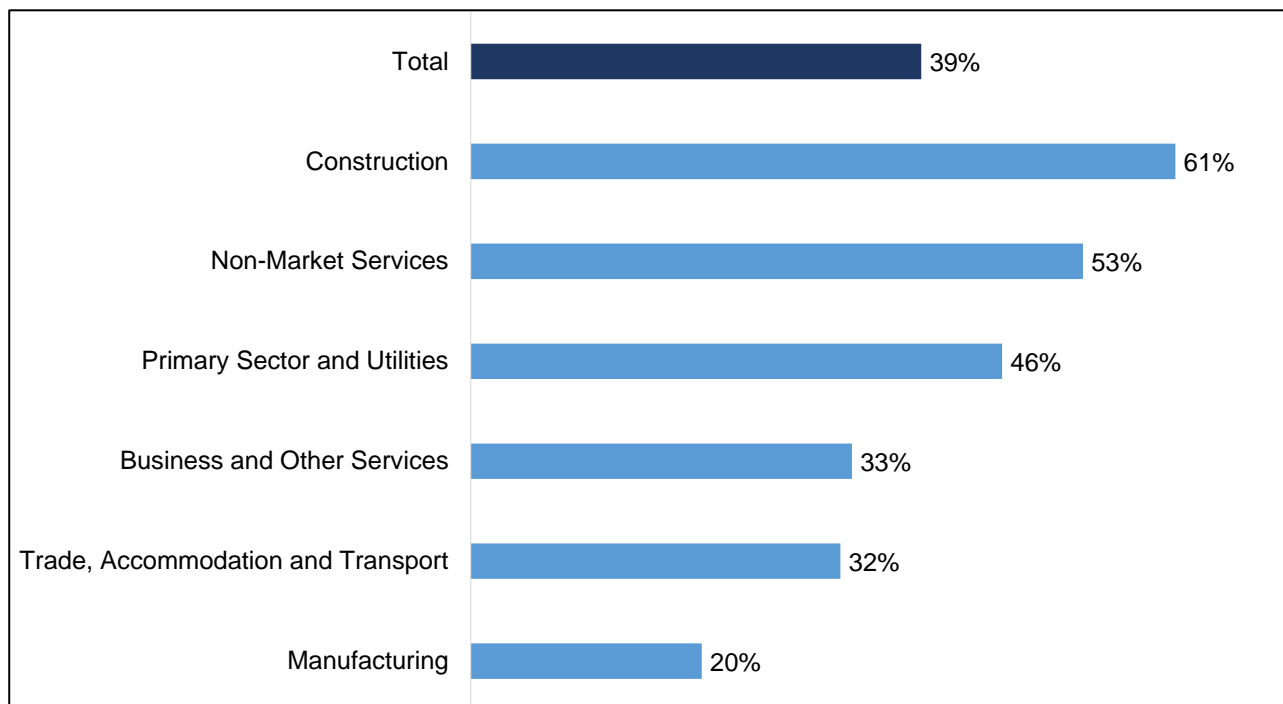
Base: All establishments providing training (817). 2-4 (124); 5-9 (187); 10-24 (218); 25-49 (128); 50-99 (77); 100+ (83).

As shown in Figure 10, the likelihood of providing training designed to lead to vocational qualifications among training employers generally increased with employer size, ranging from 30% among those with 2-4 employees to 73% among those with 100 or more employees.

The Construction (61%) and Non-Market Services (53%) sectors were most likely to have arranged or funded training designed to lead to vocational qualifications, while employers in Business and Other Services (33%); Trade, Accommodation and Transport (32%); and Manufacturing¹⁴ (20%) sectors were least likely to have done so, as shown in Figure 11.

¹⁴ For this question, results for the Manufacturing sector are based on a low sample size of 46 respondents. As such, some caution should be applied in interpreting these results.

Figure 11. Proportion of employers who have arranged or funded training designed to lead to a recognised vocational qualification in the last 12 months, by sector



Base: All establishments providing training (817). Primary Sector and Utilities (46); Manufacturing (46); Construction (54); Trade, Accommodation and Transport (289); Business and Other Services (224); Non-Market Services (158).

Around half (52%) of those that offered vocational qualifications had had any involvement in designing the content for them. This is an increase from 44% in 2019. Around a third (35%) tailored or developed the content of existing external training to make it suitable to their needs while 5% devised the training content from scratch. A further 12% did both of these things, an increase from 4% in 2019.

Employers offering training towards vocational qualifications were positive overall about the impact they had on their business. The vast majority agreed that vocational qualifications lead to better business performance (88%) and that it helped with staff retention (80%); these results are consistent with 2019 (85% and 80% respectively).

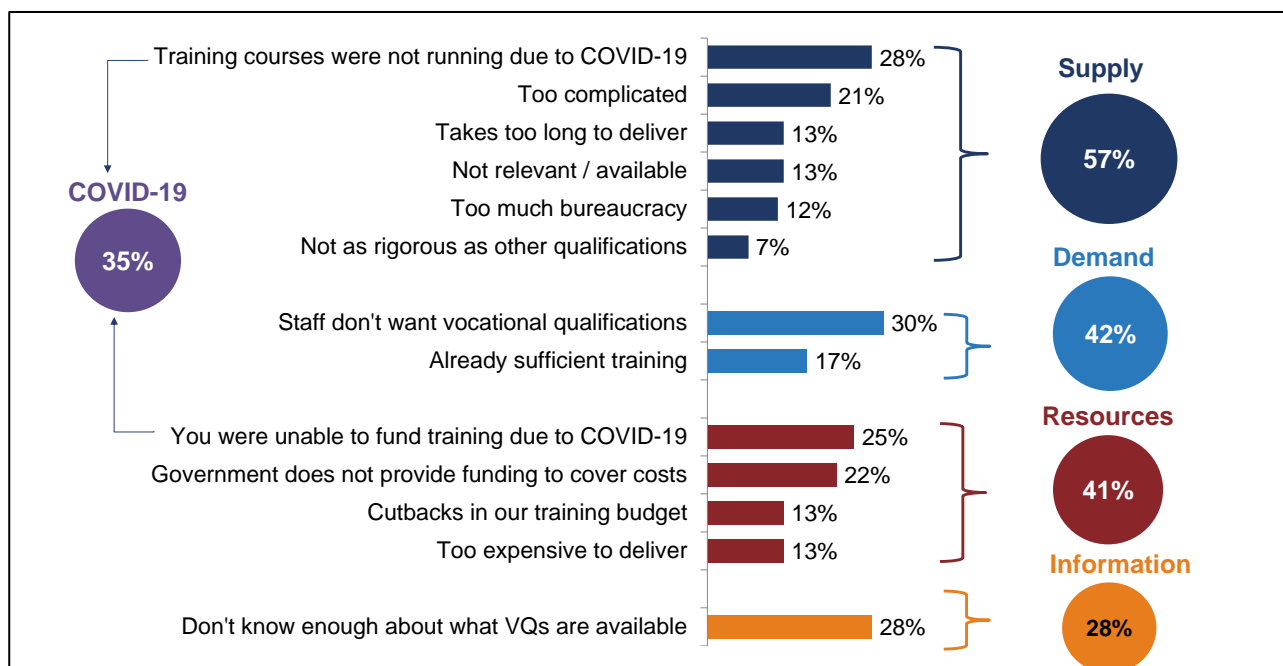
In terms of the features of vocational qualifications, around eight in ten (81%) employers agreed that they can be adapted to business needs, while around seven in ten agreed that they cover all skills needed by the company and offers good value for money (69% and 73% respectively), all were in line with 2019 results (84%, 69% and 73% respectively). Employers with 100 or more staff were less likely to agree vocational qualifications offer good value for money (60%). A full breakdown of the perceived benefits and impacts of vocational qualifications can be found in Table 71 to Table 74 in the Background Tables.

Of the three prompted statements about the features of vocational qualifications, employers were least likely to agree that vocational qualifications cover all the skills needed by their company (69%).

Employers were asked the reasons why they had not arranged or funded training designed to lead to a vocational qualification. As shown in Figure 12, the most common individual reason given was that staff do not want vocational qualifications (30%). This was followed by training courses not running due to COVID-19 and the employer not knowing enough about what vocational qualifications are available (both 28%). A quarter (25%) also said that they were unable to fund training due to COVID-19, meaning that just over a third (35%) overall cited any COVID-19 related reasons.

Overall, barriers related to supply of vocational qualifications have increased from 48% in 2019 to 57% in 2021.¹⁵ Around four in ten (42%) cited barriers related to demand as a factor and a similar figure reported resource-related issues to be an obstacle (41%), the latter is an increase from 2019 (33%). Employers in the Non-Market Services sector were least likely to cite demand as a factor (30%) but most likely to mention COVID-19 related reasons (50%).

Figure 12. Reasons for not arranging or funding vocational qualifications



Base: All who have not arranged training in the last 12 months that leads to vocational qualifications (436). Only the barriers mentioned by 5% or more are shown.

¹⁵ For 2021, 'Training courses not running due to COVID-19' was a new supply barrier and 'You were unable to fund training due to COVID-19' was a new resource barrier.

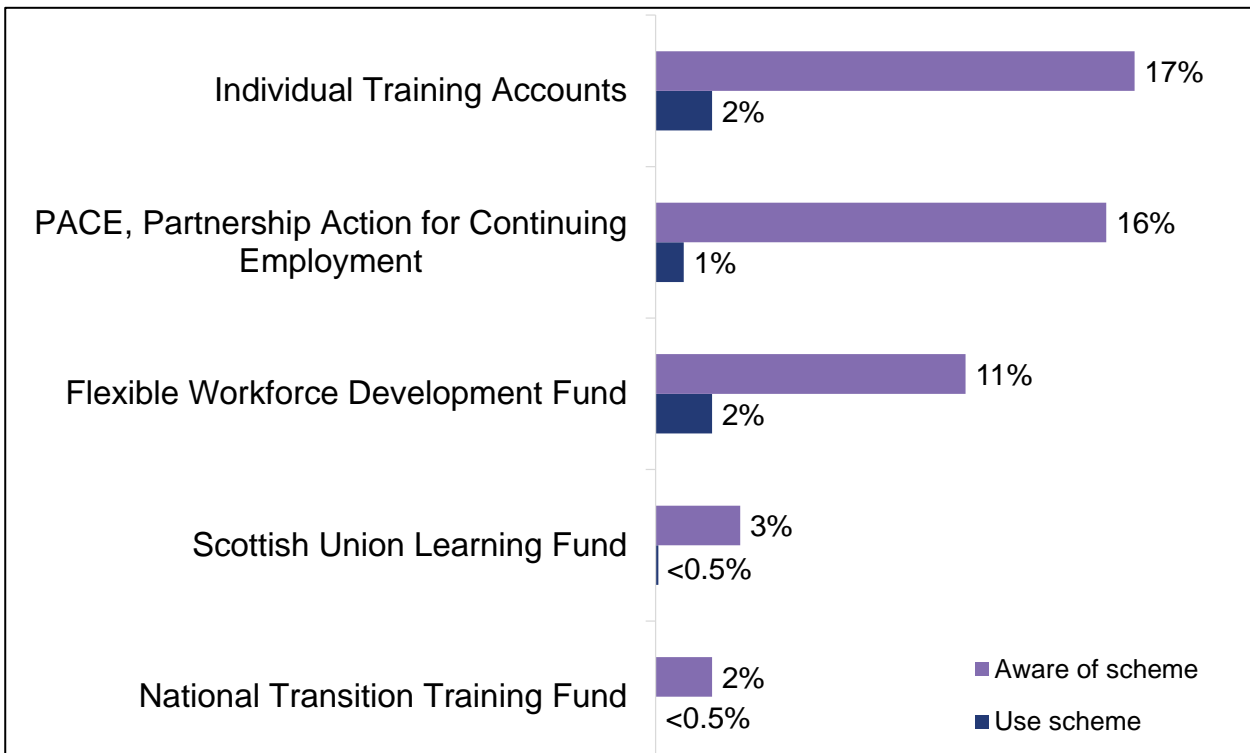
Awareness of schemes or initiatives that help people development

The prompted initiatives employers were most familiar with were Individual Training Accounts and Partnership Action for Continuing Employment, or PACE (17% and 16% aware respectively).

Around one in ten (11%) were aware of the Flexible Workforce Development Fund, while only a small minority knew about the Scottish Union Learning Fund (3%) and National Transition Training Fund (2%). The proportion of employers aware of PACE has increased from 2019 (10%). Respondents were not asked about their awareness of Individual Training Accounts and the Flexible Workforce Development Fund in previous years.

Use of these initiatives was rare. Use of the Flexible Workforce Development Fund and Individual Training Accounts (both 2% of employers) was most common, followed by PACE (1% of employers had used PACE). The most commonly used initiatives in the public and voluntary sectors were Individual Training Accounts (11% in the public sector, 4% in voluntary sector) and the Flexible Workforce Development Fund (4% in both the public and voluntary sectors). No initiative was used by more than 1% in the private sector.

Figure 13. Awareness of, and use of, schemes and initiatives in the last 12 months



Base: All establishments (1,000).

Employer collaboration

One in six (16%) establishments had worked with other employers to develop skills or expertise in the workforce, similar to 2019 (14%).

This might include combining resources with other employers to fund a training course for staff at both/all participating organisations, providing training to (or receiving training from) staff from another employer, or working collaboratively to develop training policies and/or programmes for the employers' specific industry or region.

Employer collaboration was most common among establishments with 50 to 99 employees (31%); in contrast only 12% of those with 2 to 4 employees had done so. In terms of sector, those in Non-market Services were most likely to collaborate (35%), while this was less common among Trade, Accommodation and Transport employers (12%).

Apprenticeships

This chapter explores employer engagement with apprenticeships, their reasons for offering (or not offering) apprenticeships, characteristics of the current offering, and the market potential for apprenticeships.

Foundation Apprenticeships

[Foundation Apprenticeships](#) (FAs) were introduced in Scotland in 2014 for senior-phase secondary school pupils, who spend time out of school at a college or a local employer and complete the FA alongside their other studies. In 2021, 50% of employers were aware of FAs, up from 43% in 2019. Awareness was higher among employers with over 100 staff (61%). By sector, Non-Market Services were more likely to be aware of FAs (61%), with Trade, Accommodation and Transport less likely to have heard of them (42%).

Despite relatively high awareness, only 1% of all employers had an FA student undertake a work placement with them in the last 12 months. This represented 2% of employers aware of FAs, similar to the 3% in 2019. This rose to 11% among those with over 100 staff, the same proportion as in 2019.

Modern Apprenticeships and Graduate Apprenticeships

[Modern Apprenticeships](#) (MAs) in Scotland allow individuals to work whilst gaining an industry-recognised qualification and allow employers to develop their workforce by training new staff and upskilling existing employees. Funding is available towards the cost of training for individuals aged 16 and over who undertake an MA.

[Graduate Apprenticeships](#) (GAs) were introduced in Scotland in 2017 and offer work-based learning for qualifications from a Higher National Diploma (Higher Apprenticeships at SCQF level 8) to Masters degree (SCQF level 11) for people who are already employed or want to go straight into employment. Overall, 1% of employers had a current GA at the time of the survey. This increased to 9% among establishments that had any current apprentices (i.e. including Modern Apprenticeships), again the same proportion as in 2019. Larger employers with 100 or more employees were more likely to have had somebody undertake a GA (14%).

When discussing ‘formal apprenticeships’ in this report, this includes both Modern and Graduate Apprenticeships, but not Foundation Apprenticeships. Results in the remainder of this chapter relate to formal apprenticeships.

Prevalence of formal apprenticeships

Just under one in five employers (19%) offered formal apprenticeships in 2021.

As Table 7 shows, this is higher than the proportion of employers offering apprenticeships in 2019 (16%), continuing an upwards trend since 2014.

Table 7: Proportion of employers offering apprenticeships, 2014-21

	2014	2016	2019	2021
Proportion of employers offering apprenticeships	12%	15%	16%	19%

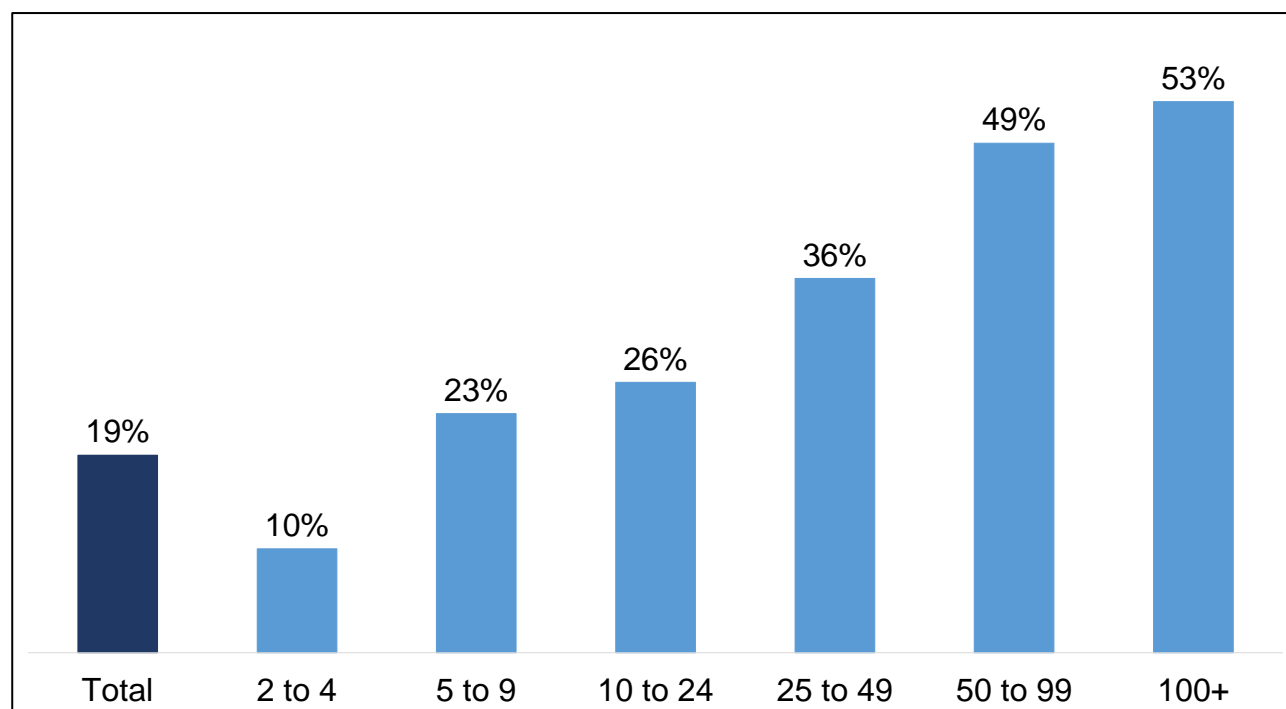
Base: All establishments (2014: 4,015; 2016: 4,009; 2019: 2,652; 2021:1,000).

The percentage of establishments offering formal apprenticeships increased with employer size, ranging from 10% of employers with 2-4 employees, to 53% of employers with 100+ employees, as shown in Figure 14. Overall, 17% of SMEs (small and medium-sized enterprises) offered formal apprenticeships.

By sector, employers in Construction were most likely to offer them (43%). Employers in the Business and services sector were less likely to do so (14%).

Just over one in ten (12%) employers had staff undertaking formal apprenticeships at the time of interview, which represents a gradual increase since 2014 (9%). As was the case for offering apprenticeships, likelihood of employing current apprentices increased with employer size, ranging from 5% of employers with 2-4 employees, to 48% of employers with 100+ employees. More than one in ten (11%) of SMEs had staff undertaking formal apprenticeships. The patterns by size also reflect trends from previous years.

Figure 14. Proportion of employers offering apprenticeships (including those that have current apprentices) by establishment size

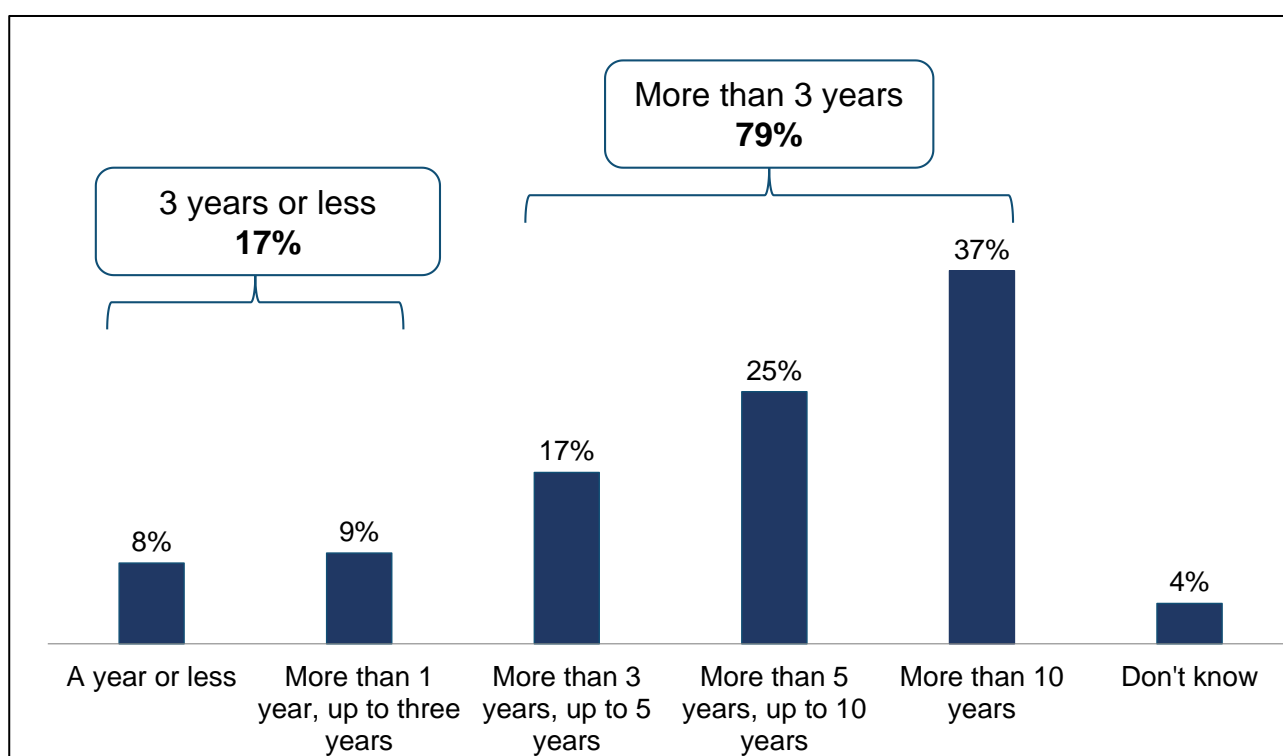


Base: All establishments (1,000).

Most employers that employed an apprentice (63%) had only one apprentice, with a further 22% having between two and four at a time. The average number of apprentices per establishment was 0.4 (or 3.1 among those with current apprentices), rising to 7.3 among employers with 100 or more employees. On average, among every 1,000 employees in the Scottish workforce there were 23 apprentices (or 76 employees on average among establishments with current apprentices).

Most (79%) establishments that offered formal apprenticeships had been doing so for over three years. Around one in six employers (17%) had been offering apprenticeships for three years or less, including 8% who only started offering apprenticeships in the last 12 months, as shown in Figure 15.

Figure 15. Length of time employers have been offering formal apprenticeships



Base: Employers who currently have or offer formal apprenticeships (265).

Among those employers that had started to offer apprenticeships in the last three years¹⁶, the main specific reasons for doing so included it being a good way to get skilled staff (39%), wanting to ensure that young people continue to enter the sector or company (28%), and apprenticeships being a good way to give young people a chance in employment (24%).

When grouping these specific responses into broader categories, reasons relating to acquiring talent were most common (58%). About a quarter (24%) also offered

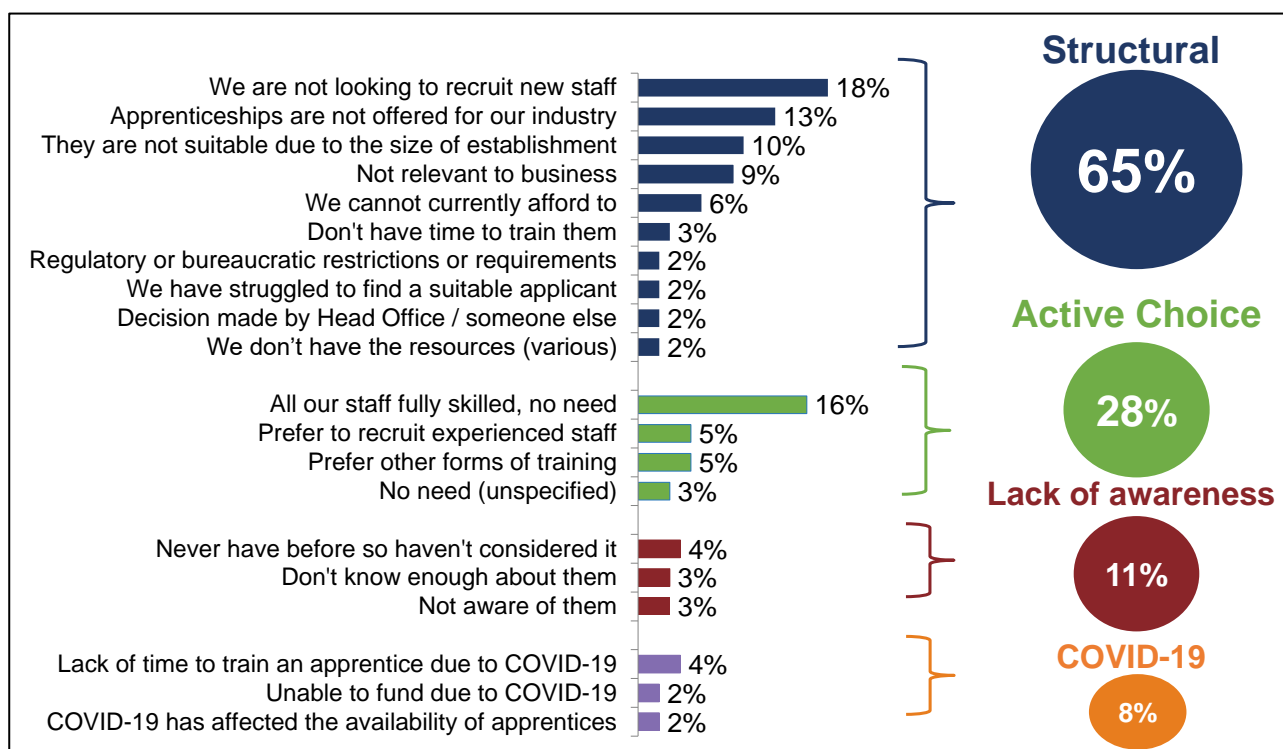
¹⁶ Results based on the 'started offering apprenticeships in the last three years' group should be interpreted with caution due to a low sample size of 42 respondents. This includes their reasons for starting to offer apprenticeships and information about who initiated contact when the employer first started to offer apprenticeships.

apprenticeships for altruistic reasons, 17% offered them to nurture talent, and 11% offered them due to financial considerations.

As Figure 16 shows, among those not offering apprenticeships the most common specific reasons for not doing so included employers not looking to recruit (18%), there being no need due to having a fully-skilled workforce (16%), apprenticeships not being offered in their industry (13%), and because they were not suitable due to the size of the establishment (10%). Unsuitability due to establishment size was previously the most common reason given, mentioned by 20% of employers not offering apprenticeships in 2019 and 18% in 2016.

When grouping these reasons into broader categories, structural barriers were most common (65%). A quarter (28%) said not offering them was their own choice, 11% attributed it to a lack of awareness and 8% were deterred by COVID-19 related reasons.

Figure 16. Reasons for not currently offering apprenticeships



Base: Employers who do not currently offer formal apprenticeships (735).
 Figure only shows reasons mentioned by at least 2% of those asked.

Over half of employers offering apprenticeships had some involvement in the design of the content (58%), an increase from 2019 (47%). Specifically, 8% of employers offering apprenticeships devised the training from scratch, 38% tailored or developed the content of existing external training to make it more suitable to their needs, and 12% did a bit of both.

Key characteristics of current apprenticeship offering

Apprenticeships are most commonly offered to young people under the age of 25 (90%).

However only around a third (36%) of employers offered them exclusively to young people. Around six in ten (57%) offered apprenticeships to individuals aged 25 and above; and 3% exclusively offered apprenticeships to this age group.

Employers were more likely to recruit somebody to do an apprenticeship (91%) than they were to offer them to existing employees (62%). Overall, just over half (55%) did both, while a third (36%) offered them exclusively to new recruits. Table 8 shows the groups of people to whom apprenticeships were made available by employers.

Table 8: Groups to whom apprenticeships were offered

Apprenticeship group	Proportion of employers with apprenticeships who offer to this group
Age group	
Under 25	90%
Exclusively under 25	36%
Aged 25 and above	57%
Exclusively aged 25 and above	3%
Unknown	7%
Employment group	
Any new recruits	91%
Any existing employees	62%
New recruits or existing employees	55%
Exclusively new recruits	36%
Exclusively existing employees	7%
Unknown	2%

Base: All establishments who offer formal apprenticeships (265).

Three quarters of employers (77%) had provided formal training sessions as part of their apprenticeships, the same proportion as in 2019 and 2016 (77% and 78% respectively). This was consistent across different sizes and sector groups, however there were some differences by region, with employers in the Highlands and Islands region more likely to provide formal training (90%). Furthermore, almost three quarters of employers offering formal apprenticeships (74%) said their apprentices receive training delivered by a training provider, lower than in 2019 (82%).

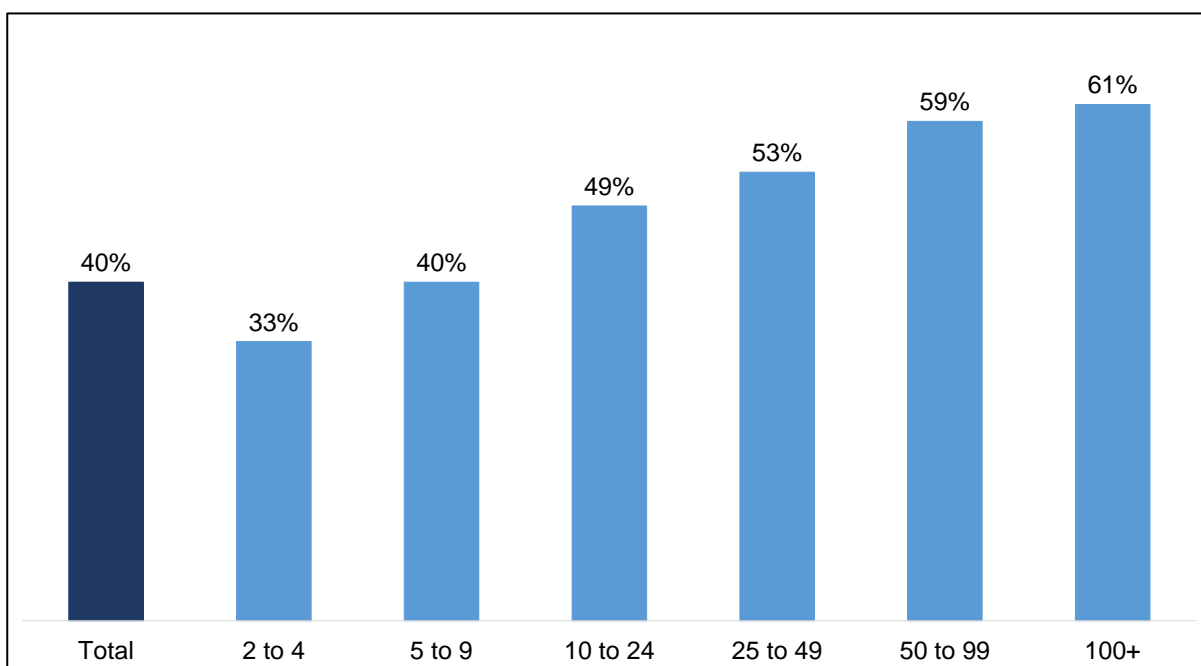
Future plans

40% of employers plan to either continue offering or start offering apprenticeships in the future.

This is an increase from 26% of employers reporting this in 2019 and 25% in 2016. Three in ten (28%) employers that do not offer apprenticeships currently plan to do so in the future, double the corresponding proportion of employers in 2019 (14%). The vast majority of employers who currently offer apprenticeships plan to continue doing so (92%).

By size, the percentage of employers who plan to offer apprenticeships in the future ranged from a third (33%) of employers with 2-4 staff, to just over three-fifths (61%) of employers with 100+ staff, as shown in Figure 17. By sector, employers in Construction (67%) were most likely to want to offer them in the future, while Business and Other Services were least likely to do so (35%).

Figure 17. Proportion of employers planning to offer apprenticeships in the future by establishment size



Base: All establishments (1,000).

Methodology

The 2021 survey is the second EPS survey after the Scottish EPS 2019¹⁷ to be published as Official Statistics. Figures referred to in this report from EPS 2014¹⁸ and 2016¹⁹ were published in research reports by the former non-departmental government body (NDPB) the UK Commission for Employment and Skills (UKCES).

The population from which the Scottish EPS sample was taken is all 'establishments' in Scotland that had at least two people working there (including working proprietors). The starting sample was drawn from the commercial data supplier, Market Location. This approach matches previous iterations 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. The survey also excluded the self-employed (with no employees). The question approach for this group would need to be different, since they are by definition not 'employers'. There is also an absence of robust population figures for the self-employed group, meaning robust and representative sampling and weighting is difficult to achieve.

Telephone interviews were conducted with establishments between 29th November and 24th December 2021.

A total of 1,000 interviews were achieved. A target of 1,000 was decided to ensure that the margin of error would be below +/- 5%; the final margin of error for the overall sample was +/- 3.1%. Further detail on the margin of error can be found in the technical note accompanying this report.

As the survey was conducted during the COVID-19 pandemic, results (including comparisons over time) should be considered within this context. Further detail is provided in the following section.

Further detailed information on methodology is available in the accompanying technical report, published on the Scottish Government website.

¹⁷ [Scottish EPS 2019: Official Statistics publication](#)

¹⁸ [UK EPS 2014: Research Report](#)

¹⁹ [UK EPS 2016: Research Report](#)

Background & policy context

It is important to note that the Scottish EPS 2021 was the first in the EPS series to take place since the start of the COVID-19 pandemic, which has brought about vast changes to the employment landscape and how employers have engaged with the skills system. For example, COVID-19 restrictions may have prevented employers from providing training that they normally would or from offering work placements. It is also important to consider that certain sectors would have been more adversely affected by COVID-19 than others. For example those in hospitality and recreational subsectors, which are covered in the 'Trade, Accommodation and Transport' and 'Business and Other Services' broad sectors, may have faced more acute challenges due to COVID-19 restrictions. These factors should be considered when interpreting results from the survey and any comparisons by sector over time should be made with caution.

The policy context in which the 2021 Scottish EPS was undertaken, and that in which previous runs of the EPS were undertaken, is also important in considering and analysing the results.

The Young Person's Guarantee

The Young Person's Guarantee was introduced in November 2020 by the Scottish Government in response to challenges brought about by the COVID-19 pandemic. The aim of the Guarantee is to connect every 16 to 24 year old in Scotland to an opportunity. This could be a job, apprenticeship, further or higher education, training programme, volunteering or enterprise opportunity.

Developing the Young Workforce (DYW)

DYW is the Scottish Government's youth employment strategy, and has been in place since 2014. The Scottish EPS 2019 included new questions focusing specifically on this strategy and these have also been asked again in 2021.

DYW aims to provide more young people with a labour market-relevant range of work-based learning opportunities, vocational qualifications, and a broader range of post-education employment opportunities – a key way this is pursued is by fostering partnerships between local industry and employers, and education providers. The DYW programme includes 21 employer-led Regional Groups, which work to foster employer-education partnerships.

No One Left Behind

This is the devolved Scottish Government approach to employability provision. Under the scheme, participants receive support from an Employability Key Worker and work on an individual plan to help them reach their goals which includes activities designed to prepare for progression.

From 1 April 2019, the Scottish Government introduced the new No One Left Behind (NOLB) Employability Funding Stream, which is aimed at helping those members of society who face challenging barriers to finding and maintaining employment, and reach their true potential.

Fair Start Scotland

This is a Scottish Government employment support service which launched in 2018 and helps people living in Scotland to find work. Participants are provided with a personal advisor, who offers advice and guidance to find a job that best suits an individual's needs.

Jobcentre Plus's Kickstart scheme

Under this UK government-funded scheme, employers can offer youngsters aged 16-24 who are claiming Universal Credit and at risk of long-term unemployment a six-month work placement.

Apprenticeships

Apprenticeships in Scotland allow individuals to work whilst gaining an industry-recognised qualification and allow employers to develop their workforce through training new staff and upskilling existing employees. The Scottish Government has introduced three types of Apprenticeships: Modern Apprenticeships (MAs), Foundation Apprenticeships (FAs), and Graduate Apprenticeships (GAs). Descriptions of these can be found in the main body of the report.

Equalities and diversity

The Scottish EPS 2019 introduced new questions around equality and diversity relating to recruitment and these have also been asked in 2021. All employers are subject to the requirements of the Equality Act 2010 (and so should avoid unlawful discrimination) and public sector organisations continue to be subject to the Public Sector Equality Duty (PSED), placing an obligation on them to positively promote equality across all protected characteristics.

Gender Pay Gap

Since the 2016 wave of EPS research, Gender Pay Gap legislation has come into force, and from 2018, employers with 250 or more employees have been required to publish information on their Gender Pay Gap.

Public sector employers must follow Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, whilst all other private, voluntary and public sector employers must follow the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. There are minor exceptions and differences between these two sets of regulations. Most Scottish public authorities are subject to specific gender pay gap reporting obligations, and are part of the list of public authorities in Schedule 19 of the Equality Act that are excluded from the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. For further details, see the [Gender pay gap reporting: guidance for employers on the GOV.UK website here](#).

Work placements and work inspiration activities

Education Scotland's Work Placement Standard, introduced in 2015, provides a definition of work placements, and outlines the ways in which work placements are distinct from 'work experience'. Work placements are 'to enable young people to experience a relevant, challenging, enjoyable and appropriate learning experience within the contemporary workplace. A placement should help the young person to make informed decisions about their future career'. Work placements are to be personalised and flexible, with expectations set out before, during and after any placement and a greater focus on project-based learning whilst in a workplace setting. Young people are to also experience the 'world of work' through a range of 'work inspiration' activities throughout their broad general education, for example site visits to employers and mock interviews.

Summary table

Table 9: Summary table

Vacancies and employment	Proportion of employers in each year		
	2016 ²⁰	2019	2021
Had vacancies in the past 12 months	49%	48%	52%
Used any service or initiative to recruit staff in past 12 months	15%	9%	9%
Recruited anybody in the last 12 months	46%	43%	46%
Recruited anybody under 25 (amongst establishments who have recruited in the past 12 months)	64%	60%	63%
Taken on education leavers	32%	30%	35%
Proportion of employers employing school leavers	19%	20%	21%
Proportion of employers employing college leavers	11%	12%	15%
Proportion of employers employing university leavers	14%	11%	14%
Proportion of employers offering work experience (including education placements, broad adult placements and internships)	39%	36%	27%

(Table continued on the next page.)

²⁰ As part of the UK EPS.

	2016	2019	2021
Engagement with initiatives			
Proportion of employers offering work inspiration activities	13%	15%	8%
Heard of Developing the Young Workforce Regional Groups	N/A	14%	15%
Sought or received information, advice or more practical help on skills or training-related issues	26%	22%	20%
Training			
Provided ANY training in past 12 months	73%	70%	70%
Provided INTERNAL training in past 12 months	63%	60%	62%
Provided EXTERNAL training in past 12 months	48%	49%	44%
Currently have any staff undertaking apprenticeships at the site	10%	11%	12%
Have or offer formal apprenticeships	15%	16%	19%

Appendix A – Definitions

Sector definitions

The 2021 Scottish EPS used different sector definitions compared to the 2019 previous EPS. The previous EPS used 12 sectors for analysis, the 2021 iteration had 6. A 6-sector breakdown was used for the 2021 survey due to the reduction in the overall sample size from 2,652 interviews to 1,000 interviews. Collapsing the sectors was required to ensure the margin of error could be minimised, allowing for robust subgroup analysis. This survey provides coverage of the public, private and voluntary sector.

Table 10 shows the 6 sectors and their corresponding SIC 2007 definitions.

Table 10. Definitions of each sector

Sector	SIC 2007
Primary sector and Utilities	A - Agriculture, forestry and fishing (01-03) Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture B - Mining and quarrying (05-09) Including mining of coal, metals, sand/stone/clay, and extraction of crude petroleum and natural gas D - Electricity, gas, steam and air conditioning supply (35) Including electric power generation, transmission and distribution, manufacture of gas and distribution of gaseous fuels, steam and air conditioning supply E - Water supply, sewerage, waste management and remediation activities (36-39) Water collection, treatment and supply, sewerage and waste collection, treatment and disposal activities and materials recovery

Sector	SIC 2007
Manufacturing	<p>C - Manufacturing (10-33)</p> <p>Including manufacture of food and beverages, textiles, chemicals and chemical products, basic pharmaceutical products, other mineral products, manufacture of metals and metal products, machinery, computer and electronic products and equipment, motor vehicles and other transport equipment, furniture, and repair and installation of machinery and equipment</p>
Construction	<p>F - Construction (41-43)</p> <p>Including the construction of buildings, civil engineering (constructing roads, railways and other utility projects), demolition, and specialised activities such as electrical installation, roofing and scaffold erection</p>
Trade, Accommodation and Transport	<p>G - Wholesale and retail trade; repair of motor vehicles and motorcycles (45-47)</p> <p>Including sale, maintenance and repair of motor vehicles, parts and accessories, nonvehicle wholesale (for example agriculture, food, household goods), and the retail trade of all products whether in stores, stalls, markets, mail order or online</p> <p>H - Transport and storage (49-53)</p> <p>Including land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities.</p> <p>I - Accommodation and food service activities (55-56)</p> <p>Including hotels, campsites, youth hostels, holiday centres, villages and other short stay accommodation, restaurants and takeaways, event catering and licensed clubs, pubs and bars</p>
Business and Other Services	<p>J - Information and communication (58-63)</p> <p>Publishing (books, journals, newspapers etc. and software/computer games), television, film and music production, broadcasting, telecommunications, computer programming and consultancy, information service activities (e.g. data processing and hosting)</p>

Sector	SIC 2007
Business and Other Services (continued)	<p data-bbox="528 241 1214 275">K - Financial and insurance activities (64-66)</p> <p data-bbox="528 322 1342 472">Including banks and building societies, activities of holding companies, trusts, funds and similar financial entities, credit granting, pensions, insurance and reinsurance</p> <p data-bbox="528 519 967 553">L - Real estate activities (68)</p> <p data-bbox="528 600 1358 633">Including the buying, selling and renting of real estate,</p> <p data-bbox="528 680 1414 714">M - Professional, scientific and technical activities (69-75)</p> <p data-bbox="528 761 1426 987">Legal activities, accounting, bookkeeping and auditing, management consultancy, architectural and engineering activities, scientific research and development, advertising and market research, specialist design, photographic activities, translation and interpretation, veterinary activities</p> <p data-bbox="528 1034 1382 1068">N - Administrative and support service activities (77-82)</p> <p data-bbox="528 1115 1390 1265">Renting and leasing of tangible goods (motors, household, machinery), employment agencies, travel agencies and tour operations, security and investigation activities, office administration and business support</p> <p data-bbox="528 1312 1241 1346">R - Arts, entertainment, and recreation (90-93)</p> <p data-bbox="528 1393 1366 1507">Including performing arts, libraries and museums, gambling and betting, sports facilities, amusement and recreation activities,</p> <p data-bbox="528 1554 1054 1588">S - Other service activities (94-96)</p> <p data-bbox="528 1635 1418 1785">Activities of membership organisations (religious, political, trade union, professional), personal services (hairdressing, beauty, textile cleaning, well-being activities, funeral activities)</p>

Sector	SIC 2007
Non-market Services	<p>O - Public administration and defence; compulsory social security (84)</p> <p>Including administration of the State and economic and social policy of the community, provision of services to the community as a whole such as defence activities, foreign affairs, justice and judicial activities, fire service and compulsory social security activities.</p> <p>P - Education (85)</p> <p>Including pre-primary, primary, secondary and higher education, other education (such as sports, driving schools, cultural education), educational support activities</p> <p>Q - Human health and social work activities (86-88)</p> <p>Including Hospitals, medical and dental practices, residential care, social work activities</p>

Regional Outcome Agreement (ROA) definitions

Throughout the report we breakdown results by region using ROA categories. Table 11 shows the constituent Local Authorities for each ROA region category. Note, some Local Authorities appear in more than one ROA; for instance, East Renfrewshire is included both in Glasgow region and the West region.

Table 11: ROA region and constituent local authorities

ROA Region	Local Authority (note some overlap)
Aberdeen and Aberdeenshire	Aberdeen City Aberdeenshire
Ayrshire	East Ayrshire North Ayrshire South Ayrshire
Borders	Scottish Borders
Dumfries and Galloway	Dumfries and Galloway
Edinburgh and Lothians	East Lothian Edinburgh Midlothian
Fife	Fife
Forth Valley	Clackmannanshire Falkirk Stirling
Glasgow	East Dunbartonshire East Renfrewshire Glasgow
Highlands and Islands	Argyll and Bute Eilean Siar Highland Moray Orkney Islands Shetland Islands
Lanarkshire	East Dunbartonshire North Lanarkshire South Lanarkshire
Tayside	Angus Dundee Perth and Kinross
West	East Renfrewshire Inverclyde Renfrewshire West Dunbartonshire
West Lothian	West Lothian

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