



# CHILDREN, EDUCATION AND SKILLS

## Employer Skills Survey 2022 – Scotland

### Employer Skills Survey 2022 – Scotland

#### Employer Characteristics


Small employers with 2 to 4 employees make up **50%** of establishments and employ **8%** of the workforce.

The largest sectors of the Scottish economy are Business Services (**20%** of all establishments) and Wholesale and Retail (**19%**)


#### Vacancies and Skill-shortage vacancies

**25%** of employers had at least one vacancy at the time of the survey...  
...and **10%** had at least one skill-shortage vacancy.




**31%** 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 **97%** of affected employers – most commonly increasing workload for other staff.




#### Internal Skills Challenge


**15%** 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.





**66%** of employers anticipated a need to upskill their staff in the coming year.



#### Training and Workforce Development

**64%** of employers had provided any training to staff in the previous year:

**54%** on the job    **40%** off the job

Overall, **59%** of employees had received training, which equated to **1,400,000** trained.


#### Apprenticeships

Overall, **16%** of employers currently had apprentices or offered apprenticeships.

#### HPW

**7%** were classed as “High Performance Working employers”.

www.gov.scot  
 Source: Employer Skills Survey 2022  
 Source (employer characteristics): ONS InterDepartmental Business Register (IDBR) 2022



Scottish Government  
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# Key Findings

**Table 1: Key findings, Scotland (2015-2022)**

	2015	2017	2020	2022
Vacancies and skill-shortage vacancies				
% of establishments with any vacancies	19%	20%	11%	25%
% of establishments with any hard-to-fill vacancies	8%	8%	4%	16%
% of establishments with skill-shortage vacancies	6%	6%	3%	10%
% of all vacancies that are skill-shortage vacancies	24%	24%	21%	31%
Number of vacancies	73,600	75,400	47,500	118,200
Number of skill-shortage vacancies	17,700	17,800	10,100	36,800
Internal skills challenges				
% of establishments with any staff not fully proficient	14%	16%	12%	15%
Number of staff not fully proficient	117,700	122,100	97,400	118,900
Number of staff not fully proficient as a % of total workforce	5%	5%	4%	5%
% of establishments with an upskilling requirement	N/A	69%	74%	66%
% of establishments reporting skills under-use	32%	35%	33%	37%
% of staff underutilised	8%	9%	8%	9%

*Table continued on the next page.*

	2015	2017	2020	2022
<b>Training</b>				
% of establishments training any staff over the last 12 months	71%	71%	59%	64%
% of establishments providing off-the-job training in the last 12 months	52%	51%	35%	40%
% of workforce trained	62%	62%	55%	59%

*Base: All establishments in Scotland (2015: 6,035; 2017: 6,017; 2020: 3,497; 2022: 5,207).*

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# Introduction

The Employer Skills Survey (ESS) 2022 is a large-scale UK-wide telephone survey with employers. This report focuses on employers in Scotland and provides labour market information on the skills challenges faced by Scottish employers and the type of interventions employers engage in to address these challenges. Specifically, this report explores:

- The external skills challenge: skill-shortage vacancies, recruitment and Developing the Young Workforce;
- The internal skills challenge: skills gaps, under-utilisation of skills and the need for upskilling;
- Training and workforce development, including training expenditure;
- Apprenticeships;
- High Performance Working practices; and
- Awareness and use of National Occupational Standards (NOS).

ESS has been conducted at a UK level every two years since 2011. Since 2019, the Employer Perspectives Survey (EPS) has been incorporated into ESS as one survey in England, Northern Ireland and Wales. However, Scotland was covered separately in its own national ESS in 2020 and national Employer Perspectives Survey (EPS) in 2019 and 2021, before joining back for the UK ESS 2022<sup>1</sup>.

Findings and data from the ESS informs a number of Scottish Government policies and strategies including:

- [Scotland's National Strategy for Economic Transformation](#);
- [Scotland's Future Skills Action Plan](#);
- [Post-school education, research and skills – purpose and principles](#);
- [Adult Learning Strategy](#);
- [Fair Work Action Plan](#);
- [Apprenticeships](#); and
- [Scotland's National Performance Framework](#)

Further information on these policy areas can be found at the links provided.

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<sup>1</sup> Fieldwork for the Scottish ESS 2020 was undertaken during the COVID-19 pandemic. As such, where results from 2020 are reported, they should be considered within this context.

The UK-wide ESS 2022 survey included a total of 5,207 interviews with Scottish employers, undertaken between June 2022 and March 2023 (72,918 number of interviews were conducted across the UK). This is a robust sample size which covers a range of sectors, regions and establishment sizes and the results are representative of employers across Scotland. The sample was drawn at random from commercial data supplier, Market Location and supplemented with sample from the Inter-Departmental Business Register (IDBR) for subsectors where Market Location coverage was low. Following fieldwork, the data was weighted back to the ONS IDBR population to ensure it was representative.

**Table 2: Interviews achieved, by nation**

<b>Nation</b>	<b>Interviews achieved</b>
England	59,486
Northern Ireland	3,400
Scotland	5,207
Wales	4,825

Further information about the ESS method can be found in the Methodology section of this release and the technical report on the Department for Education website.

These statistics are designated as Official Statistics in accordance with the Statistics and Service Registration Act 2007. They have been produced to high professional standards set out in the Code of Practice for Statistics. Further information on Official Statistics is published by the UK Statistics Authority.

Further data can be accessed in published data tables accompanying this report on the Scottish Government website. Accompanying ‘Background Tables’ include underlying data used in the report.

## **Reporting conventions**

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

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

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 Figure 1.

**Figure 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

## Employer characteristics

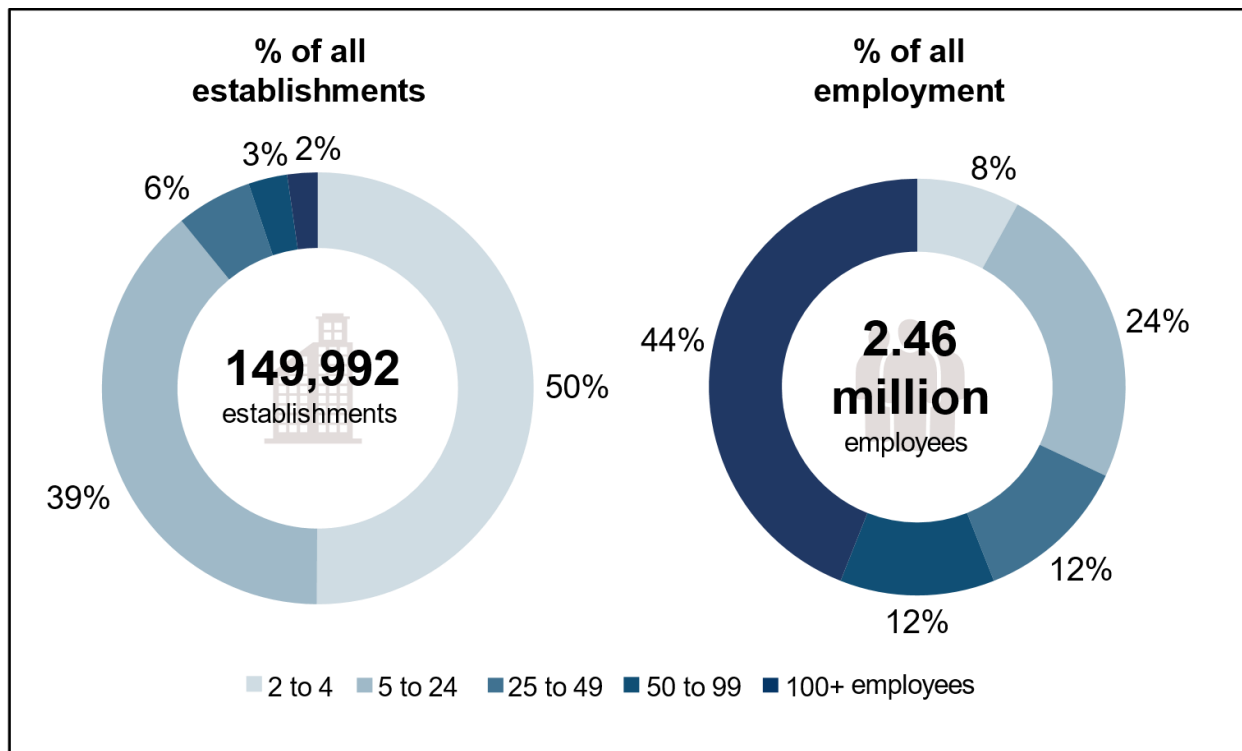
The population of employers for the ESS 2022 included all establishments that had at least two people working at them (including owners and working proprietors). An “establishment” is a single site of an organisation, meaning interviews were carried out with an individual at each local office (rather 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 and Scottish surveys dating back to 2011.

Figure 2 shows the profile of Scottish employers and of employment by size for this population. Office for National Statistics (ONS) figures estimate that in March 2022 there were 149,992 establishments in Scotland employing around 2.46 million people between them.

The Scottish employer population is predominantly made up of small establishments: half of employers have between 2 and 4 staff (50%) and almost two-fifths have between 5 and 24 staff (39%). However, these smaller employers employ 8% and 24% of the workforce respectively. Employers with 100 or more staff make up 2% of establishments but employ 44% of the workforce.

## Smaller employers with 2 to 4 employees accounted for half of all establishments in Scotland

**Figure 2: Employer and employment profile by establishment size in Scotland in March 2022**



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

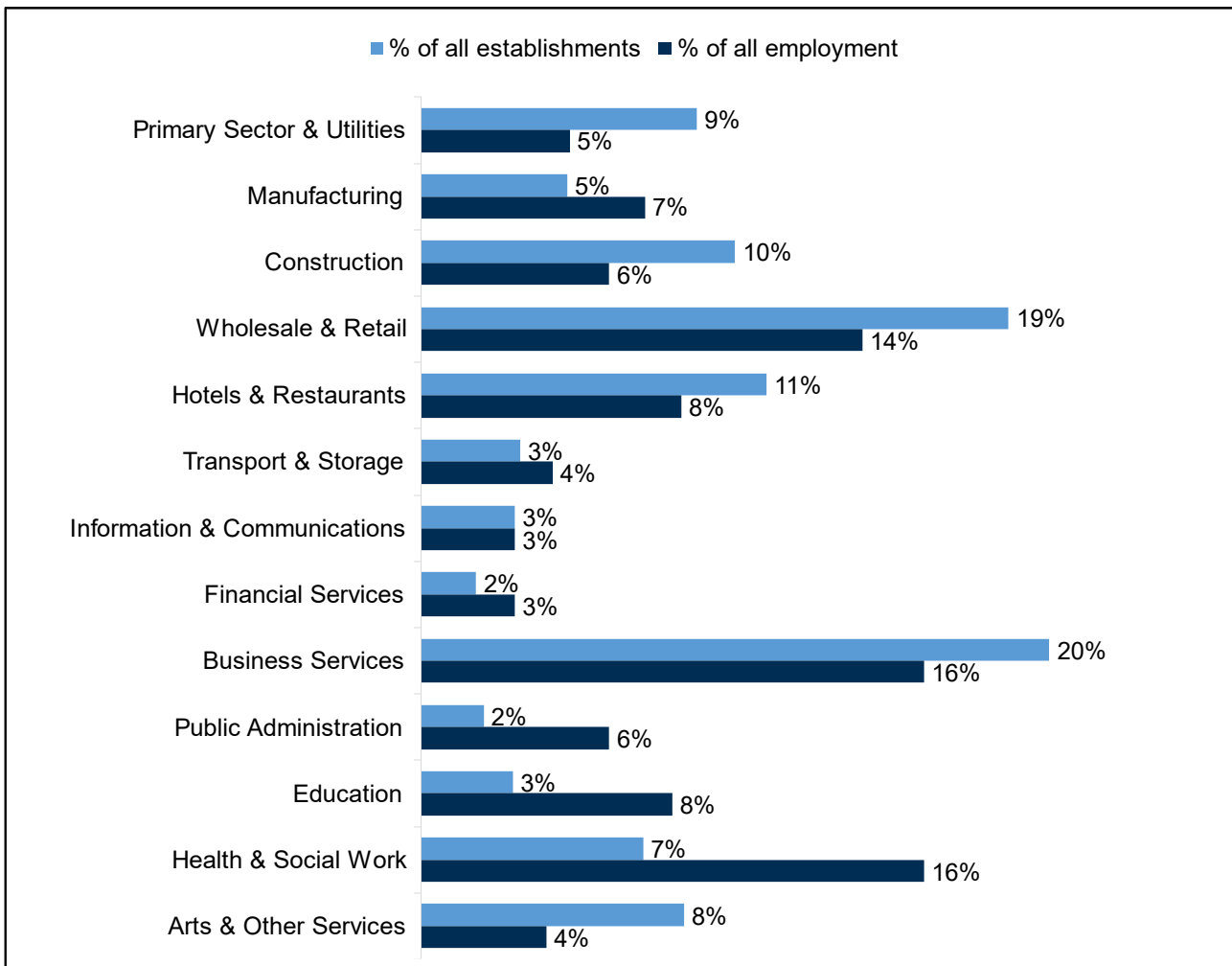
The largest sectors in the Scottish economy in terms of number of establishments are Business Services, and Wholesale and Retail (accounting for 20% and 19% of all establishments in Scotland respectively); the smallest are Financial Services and Public Administration (both 2%).

In terms of employment, Health and Social Work (16% of the total workforce), Business Services (16%) and Wholesale and Retail (14%) are the largest sectors.

It should be noted that the weighted population used for reporting is 151,395 units (compared with 149,992 in the IDBR population). This difference is a residual difference due to non-response weighting. More information about the weighting of the survey can be found in the technical report published on the Department for Education's website.

The largest sectors in Scotland were Business Services and Wholesale and Retail, comprising 20% and 19% of all establishments respectively

Figure 3: Employer and employment profile by sector in Scotland in March 2022



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

# Skill-shortage vacancies

This chapter explores the proportion of employers with vacancies at the time of the survey, and if they experienced difficulties filling these vacancies. It looks at instances where these difficulties were caused by a lack of skilled applicants, and the impact that this had on employers.

## Vacancies

Overall, a quarter of employers in Scotland (25%) had a vacancy at the time of the survey.

This was an increase from 2020, where one in ten (11%) reported a vacancy (i.e., vacancy incidence). The 2020 survey was undertaken during the COVID-19 pandemic at a time when employers were subjected to varying restrictions on their operations which is likely reflected in the 2020 figures. However, the proportion with a vacancy in 2022 (25%) was also a statistically significant increase from 2017, when the figure was 20%.

The largest increase in vacancy incidence (in percentage-point terms) was found among establishments with 50 to 99 employees, from 39% in 2020 to 68% in 2022. In contrast, among the smallest establishments with 2 to 4 staff, incidence of vacancies increased from 4% in 2020 to 12% in 2022.

The highest vacancy incidence by sector was in Health and Social Work and Public Administration (44% for each), followed by Education (38%), compared to 12% in the Primary Sector and Utilities. By ROA region, the highest vacancy incidence was in Edinburgh and Lothians (32%) while the lowest was in Dumfries and Galloway (17%).

“Vacancy Density” refers to the number of vacancies as a percentage of total employment. This figure was 4.8% in 2022, meaning that for every 100 people employed in Scotland there were approximately 5 vacancies. This was an increase on the equivalent 1.9% figure in 2020, and the 3.1% figure in 2017.

While medium-to-large employers reported higher incidence of vacancies, smaller establishments had a higher vacancy density. The density for establishments with 2 to 4 staff was 7.1%, compared to 3.9% for those with 100 or more staff. This was a change from 2020, where the density was consistent across establishment size.

By sector, employers with the highest vacancy density were in the Hotels and Restaurants (7.7%), Financial Services (7.3%) and Primary Sector and Utilities (7.3%) sectors.



Conversely, those in Information and Communications (2.2%) and Education (2.6%) had the lowest vacancy densities.

Further data on the incidence and density of vacancies, as well as corresponding 2020 results, can be found in Tables 3 to 8 of the Background Tables.

### **Skill-shortage vacancies**

Skill-shortage vacancies (SSVs) refer to vacancies which are hard to fill because of difficulties finding applicants with the required skills, knowledge and/or experience.

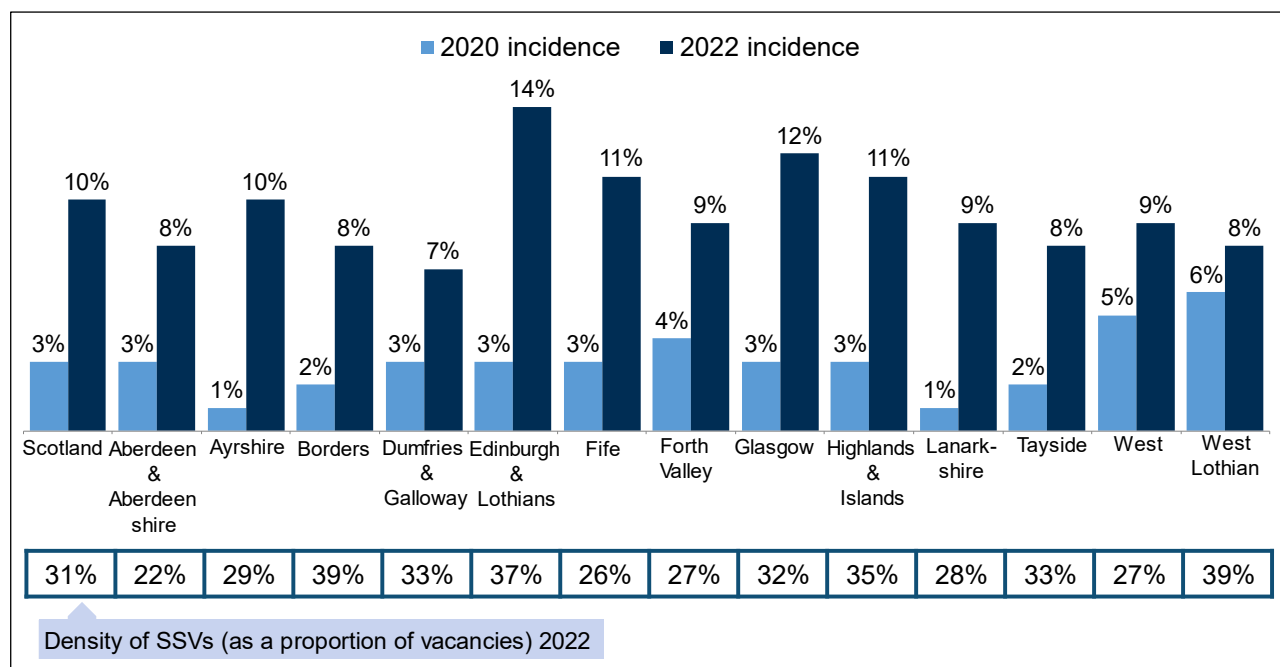
Looking at the level of SSVs in the market is a good indicator of skill supply issues in an area.

Over four in ten (41%) of establishments with vacancies reported at least one vacancy that was hard to fill due to a skill-shortage issue. This equates to 10% of all establishments in Scotland, and a total of 36,800 SSVs. The proportion of all vacancies that are considered skill-shortage vacancies (SSV density) was 31%.

Compared to 2020, the proportion of all establishments with any SSVs increased from 3% to 10% in 2022 as shown in Figure 4. SSV density (calculated as skill-shortage vacancies as a proportion of all vacancies) was 31%, an increase from the 21% figure in 2020 and from the 24% figure in 2017.

**The incidence of skill-shortage vacancies was highest in the Edinburgh and Lothians ROA region, though density of skill-shortage vacancies was highest in the West Lothian and Borders ROA regions**

**Figure 4: Incidence and density of skill-shortage vacancies by ROA region, 2022 compared to 2020**



Base: All establishments in Scotland (2020: 3,497; ROA regional base sizes range from 87 in West Lothian Region to 500 in Highlands and Islands Region. 2022: 5,207; ROA regional base sizes range from 165 in Borders Region to 777 in Highlands and Islands Region). Base for density figures: Establishments with vacancies (2022: 1,790; base sizes by ROA region vary from 50 in Borders Region to 281 Edinburgh and Lothians Region). “Regions” refer to ROA regions – see “Definitions” section of this report for more detail.

Larger establishments were more likely to report having SSVs than smaller ones; just under a third (32%) of establishments with 100 or more staff had at least one SSV, compared to 5% of those with 2 to 4 staff.

By sector, establishments in Health and Social Work and Education were most likely to report having at least one SSV (16% and 15% respectively), aligning with their higher than average incidence of vacancies overall.

SSV density has previously been similar across size of establishment in Scotland, however in 2022 smaller establishments reported a higher SSV density than larger establishments (39% of those with 2 to 4 employees compared to 25% of those with 100 or more employees).

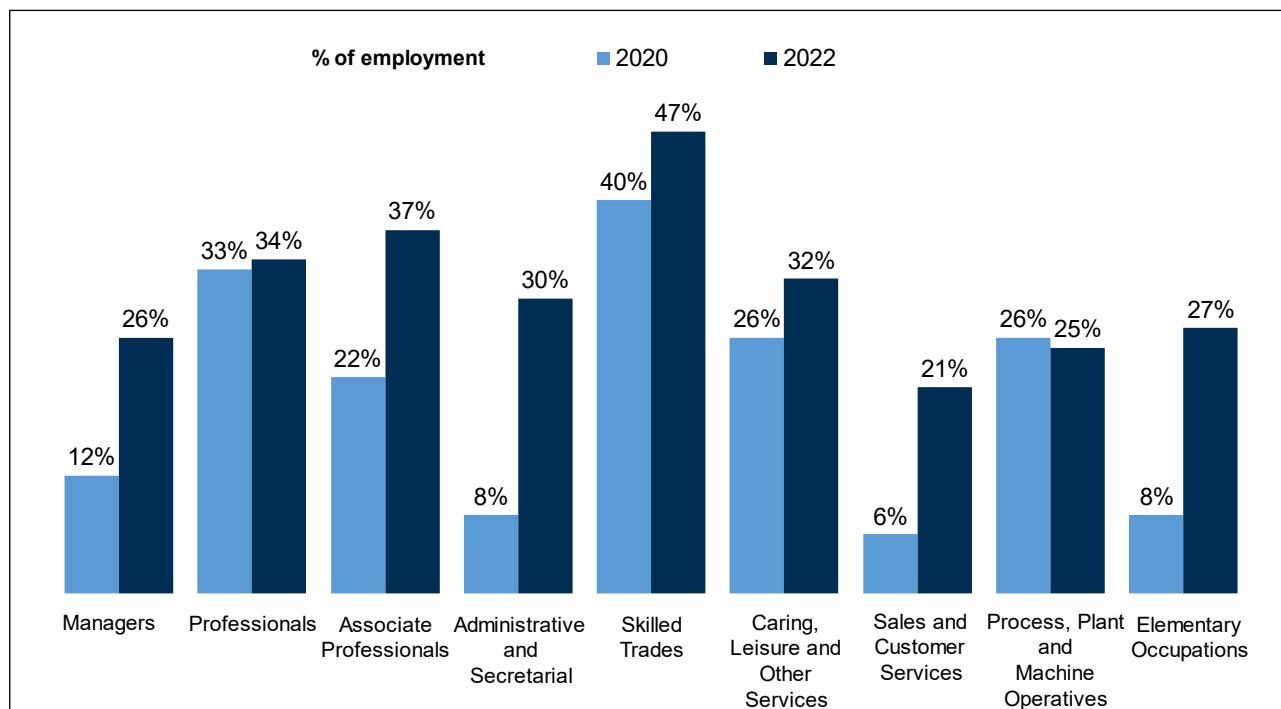
Further size and sector breakdowns, as well as corresponding 2020 results, can be found in Tables 9 to 14 of the Background Tables.

The highest SSV density by occupation was for Skilled Trades occupations (47%), followed by Associate Professionals (37%) as shown in Figure 5. The lowest SSV density was for Sales and Customer Services occupations (21%).

Compared to 2020, the largest increase in SSV density was in Administrative and Secretarial occupations, increasing from 8% in 2020 to 30% in 2022. A similar increase was seen for Elementary occupations, increasing from 8% in 2020 to 27% in 2022 as shown in Figure 5.

**Density of skill-shortage vacancies was highest for Skilled Trades occupations, but the largest increase compared to 2020 was among Administrative occupations**

**Figure 5: Density of skill-shortage vacancies by occupation, 2022 compared to 2020**



Base: All establishments with skill-shortage vacancies in Scotland (2020: 153; occupational base sizes range from 61 for Sales and Customer Services Staff Occupations to 144 for Caring, Leisure and Other Services Staff Occupations. 2022: 727; occupational base sizes range from 126 for Managers to 388 for Skilled Trades Occupations.)

## Skills lacking in the available labour market

Employers were asked which skills they perceived to be lacking among applicants.

These were grouped into two broad categories:

- technical and practical skills, which are specific to the particular function of the job role, and
- people and personal skills, which are the “softer”, less tangible skills required to manage oneself and interact with other people in the workplace.

The most common technical skill identified by employers in Scotland to be lacking among applicants for vacancies was specialist skills or knowledge required for the role (57%), while the most common personal skill lacking was managing their own time and task prioritisation (48%).

When grouping specific technical and practical skills lacking (more information about how these grouped reasons have been defined can be found in the full UK report, which will be available on DfE’s website), just under half of all SSVs were caused, at least in part, by a lack of knowledge about the organisation (47%, similar to 46% in 2020), whether that was the products and services offered or how the organisation works.

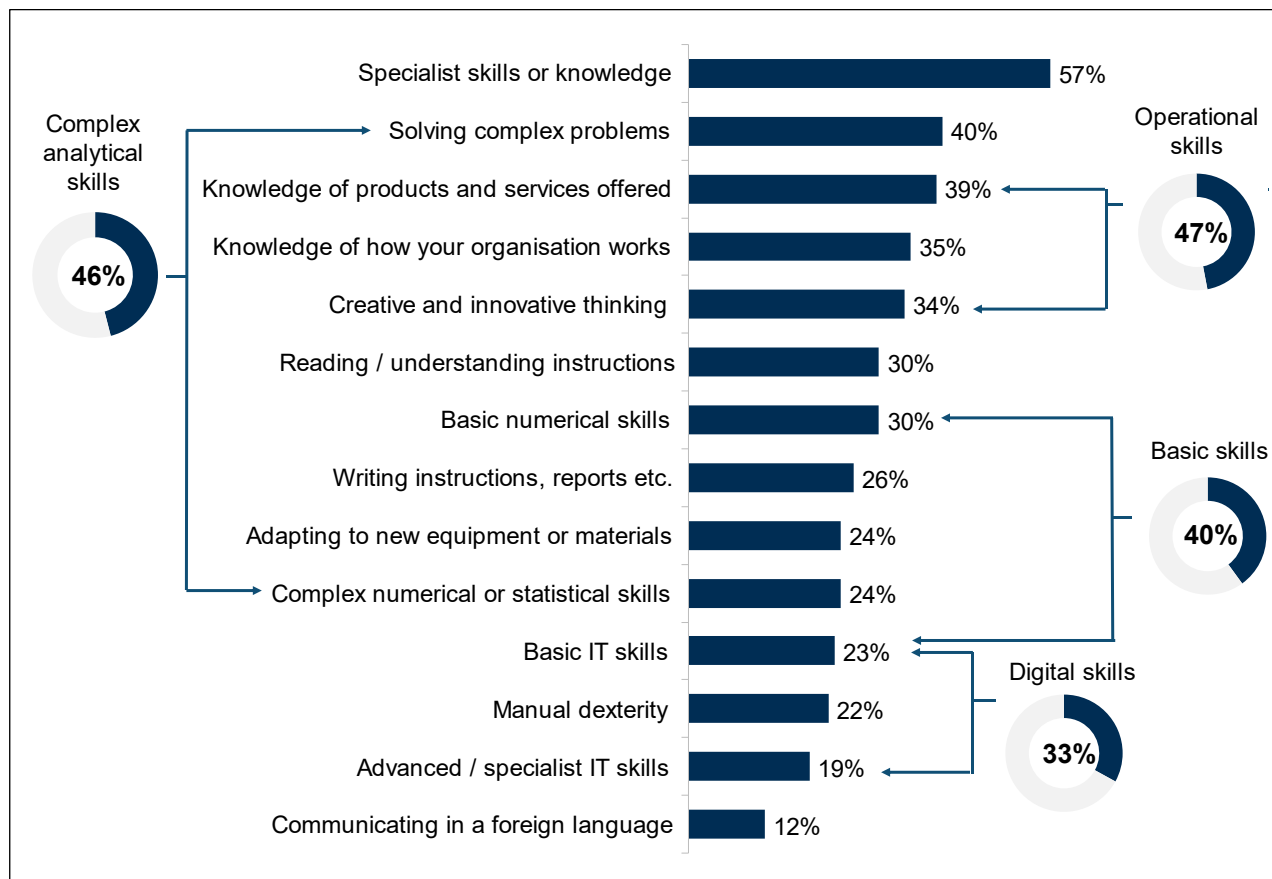
Lacking complex analytical skills overall was a cause for SSVs for 46% of establishments (44% in 2020). Specifically, there was an increase in the proportion of SSVs caused, in part, by lack of skills related to solving complex problems (40% compared to 29% in 2020), though fewer SSVs were attributed to a lack of more complex numerical or statistical skills (24% compared to 31% in 2020).

Two-fifths (40%) of SSVs were due to a lack of basic IT or numerical skills (37% in 2020). While there was little change broadly in terms of basic skills, compared to 2020, there was a large increase in the proportion of SSVs caused, in part, by lack of basic numerical skills (30% compared to 13% in 2020), though SSVs caused by lack of basic IT skills had reduced (23% compared to 30% in 2020).

Figure 6 gives a full breakdown of the technical and practical skills lacking among applicants where employers reported having SSVs.

**Lack of specialist skills or knowledge was the most common technical and practical skill lacking for skill-shortage vacancies**

**Figure 6: Technical and practical skills lacking among applicants to vacancies classed as skill-shortage vacancies among those followed up in 2022 (prompted)**



Base: All establishments with skill-shortage vacancies in Scotland (727)

Figures shown are based on SSVs for 2 occupations randomly selected for each establishment. For example, “specialist skills or knowledge” was lacking among applicants for 57% of SSVs followed up. Respondents were able to select multiple skills for these questions; as such grouped skills will not equal the total of the individual skills included in that grouping.

Focusing on specific digital skills lacking in applicants, a lack of basic digital skills were, in part, the cause of more than half (56%) of IT-related SSVs (digital SSVs), including foundation digital skills, such as turning on computers, changing passwords (35%), and Basic Microsoft Office application skills (31%). More than one in ten (11%) digital SSVs were due to a lack of basic internet skills, including not being able to communicate via email (8%). A small proportion of digital SSVs were due to a lack of graphic design / animation skills (6%).

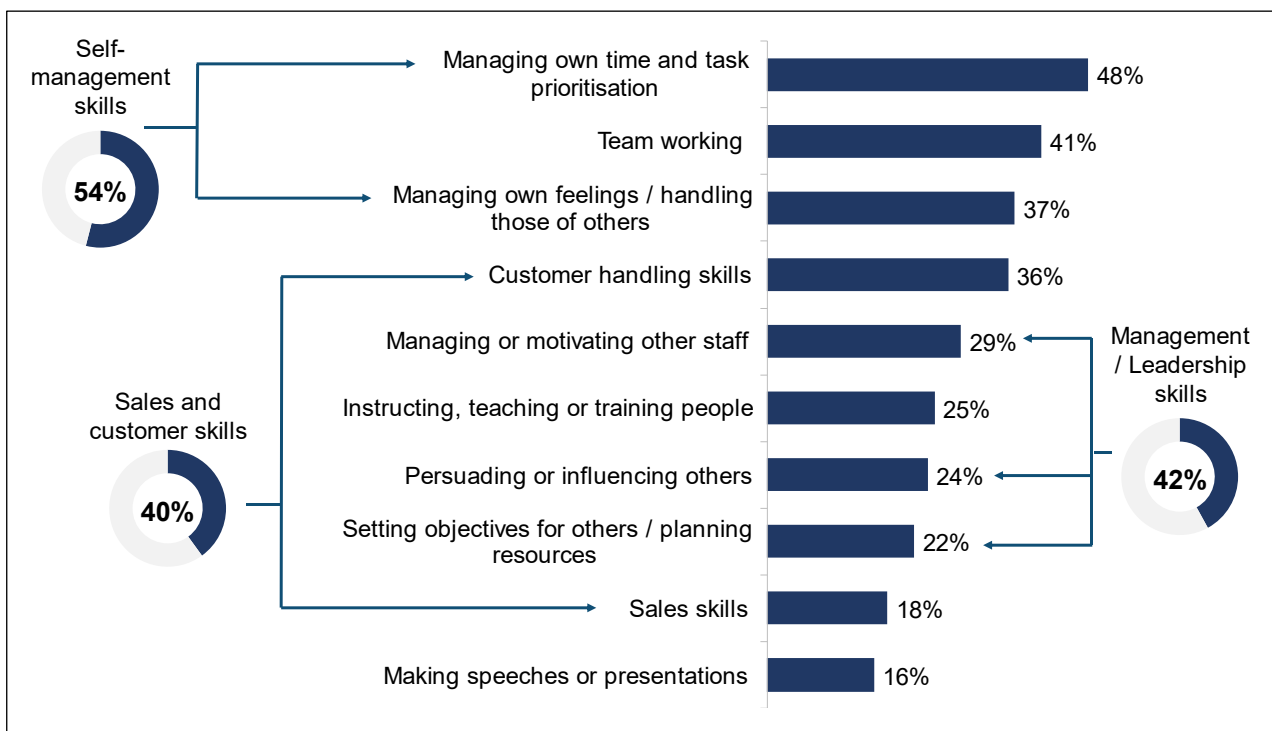
Looking at people and personal skills (in Figure 7), the most common broad skill lacking among applicants was self-management, with 54% of SSVs caused at least in part by this.

Around half (48%) attributed this partially to applicants not being able to manage their own time or prioritise tasks, while 37% felt it was linked to not being able to manage their own feelings or the feelings of others (an increase from 28% in 2020).

Around two-fifths (42%) of SSVs were caused due to a lack of management and leadership skills. The most common management or leadership skill to be lacking was managing or motivating staff, mentioned by 29% of establishments with SSVs. Sales and customer service skills were lacking for two-fifths (40%) of SSVs.

**The most common people or personal skill lacking was applicants being able to manage their own time and task prioritisation**

**Figure 7: People and personal skills lacking among applicants to vacancies classed as skill-shortage vacancies among those followed up in 2022 (prompted)**



Base: All establishments with skill-shortage vacancies in Scotland (727)

Figures shown are based on SSVs for 2 occupations randomly selected for each establishment. For example, “managing own time and task prioritisation” was lacking among applicants for 48% of SSVs followed up.

Full comparisons to 2020 for skills lacking among applicants can be found in Tables 15 to 17 of the Background Tables.

## Impact of skill-shortage vacancies on employers

Almost all (97%) employers that had experienced hard to fill vacancies that were all a result of skill shortages said these had an impact on their organisation. This was similar to the proportion reported in 2020 (95%).

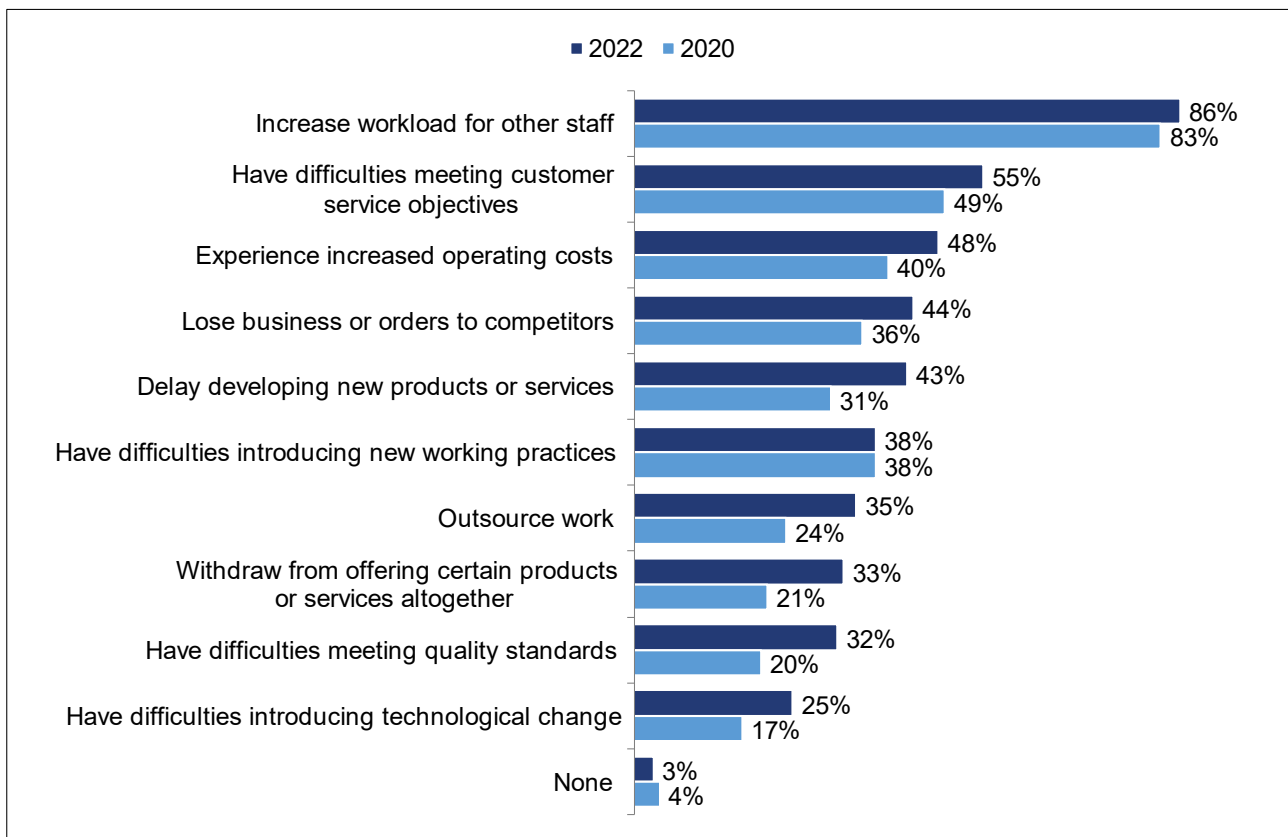
The most common impact of SSVs was an increased workload for other staff, reported by 86% of establishments where all their hard-to-fill vacancies were caused at least in part by skill-shortages, an increase compared to 2020 (83%). For one in ten (10%) of these establishments, this was the only impact of SSVs on their organisation, similar to the 12% figure seen in 2020 for this measure. This was followed by having difficulties meeting customer service objectives (55%), experiencing increased operating costs (48%), and losing business or orders to competitors (44%) as shown in Figure 8.

In comparison to 2020, employers were more likely to report delays to developing new products or services as an impact of SSVs (43% compared to 31%) as well as having to withdraw from offering certain products or services altogether (33% compared to 21%). Other impacts which were also more pronounced compared to 2020 were having difficulties meeting quality standards (32% compared to 20%) and having to outsource work (35% compared to 24%).

A full comparison to 2020 on the impact of SSVs on employers can be seen in Table 18 of the Background Tables.

**The most common impact of skill-shortage vacancies on establishments was an increased workload for existing staff**

**Figure 8: Impact of skill-shortage vacancies, 2022 compared to 2020 (prompted)**



Base: All establishments in Scotland with hard-to-fill vacancies that are all as a result of skill shortages (2022: 602; 2020: 142).



# Recruitment

This chapter considers employer recruitment practices, including the methods used for recruitment, and the factors that employers look for when they recruit. It also covers the extent to which employers have recruited new entrants into the labour market, including young people and those employees who have been recruited directly from education. Lastly, this chapter explores the proportion of employers providing work placements alongside reasons for not offering these types of placements. Time series comparisons in this section are made against 2021, which was when these questions were last asked of employers in Scotland (Scottish EPS 2021).

## Proportion of employers that recruited over the last 12 months

The previous section considered employers' vacancies at the time of the survey. Considering now more broadly whether employers had vacancies in the 12 months preceding the survey, 63% of employers reported having a vacancy for full or part time staff in the last 12 months. This figure increased with establishment size, 39% of employers with 2 to 4 staff reporting a vacancy, compared to all (100%) of those with 100 or more staff.

More than half (52%) of employers in Scotland had recruited someone in the last 12 months.

This represents an increase from 46% of employers that had recruited in 2021. As with vacancies, likelihood of recruitment increased with establishment size, ranging from a quarter (25%) of establishments with 2 to 4 employees, to almost all (99%) of establishments with 100 or more employees. Establishments with vacancies were more likely to have recruited than those without (81% compared to 43%).

## Methods used to recruit

Around three-quarters (75%) of employers in Scotland that had recruited in the 12 months prior to the survey interview used multiple recruitment methods.

Compared to 2021, employers with vacancies were more likely to adopt a single approach to recruitment (21% compared to 16%). There was also an increase in the proportion of employers that reported using word of mouth only to recruit, from 7% in 2021 to 12% in 2022.

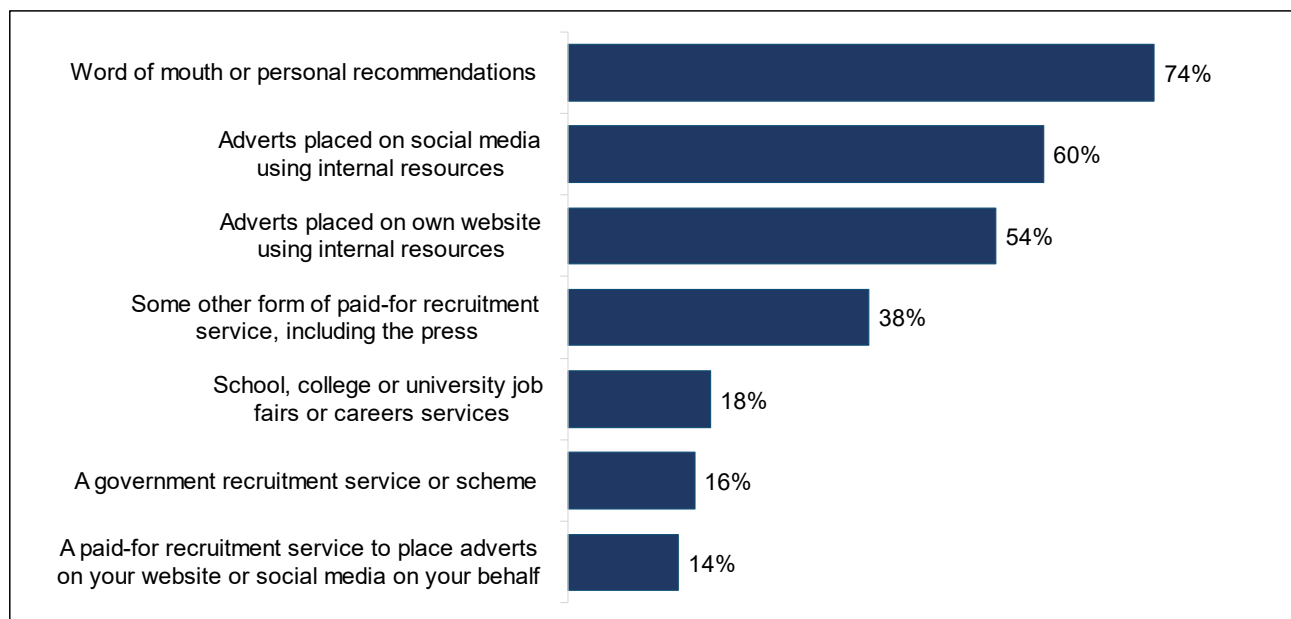
Word of mouth or personal recommendations was the most common method of recruitment for employers with vacancies (74%), as shown in Figure 9, however this was a decrease from the equivalent 79% figure in 2021.

Other common recruitment methods (also less prevalent than in 2021) included using internal resources to place adverts on social media (60% compared to 65% in 2021) or their own website (54% compared to 61% in 2021).

Using any external resources to recruit had also decreased from 68% in 2021 to 56% in 2022. The most substantial decrease was in using paid-for recruitment services (other than paying for somebody external to place adverts on the employer's website or social media), such as the press (38% compared to 48% in 2021). The proportion of employers that had used internal resources to recruit (91%) was similar to 2021 (92%).

### **Employers with vacancies were most likely to use word of mouth or personal recommendations to recruit new staff**

**Figure 9: Recruitment methods used in the last 12 months in 2022 (prompted)**



Base: All establishments in Scotland who have had vacancies (Module D) (910).

## What employers look for when recruiting

Seven in ten (71%) employers considered meta-skills such as problem-solving, critical thinking, communication and leadership, to be of critical or significant importance when recruiting (70% in 2021).

This was the highest proportion among all of the prompted factors to consider, as shown in Table 3. The importance placed on having relevant work experience increased from 59% in 2021 to 63% in 2022. In contrast, there were decreases in the importance that employers placed on having Maths and English to a requisite level (46% compared to 53% in 2021) and having particular academic qualifications (32% compared to 39% in 2021).

### Employers reported having meta-skills, such as problem-solving and communication, as the most important factor to consider when seeking new staff

**Table 3: Importance of factors looked for in recruitment, 2022 compared to 2021**

Factor	Proportion who considered factor 'Critical' or 'Significant'	
	2021	2022
Having meta-skills such as problem-solving, critical thinking, communication and leadership	70%	71%
Having relevant work experience	59%	63%
Having Maths and English to at least Nationals Level	53%	46%
Having a relevant vocational qualification	47%	45%
Having particular academic qualifications such as Nationals, Highers or a degree	39%	32%
Having a degree or degree-equivalent qualifications	N/A	17%

Base: All establishments in Scotland (Module D): (2021: 1,000; 2022: 1,213).

## Recruiting young people

63% of employers that recruited in the last year recruited a young person (aged under 25), consistent with 2021 (63%) and 2019 (60%).

The proportion of employers recruiting young people in 2022 is also in line with results in earlier years, as shown in Table 4.

### Recruitment of young people remained relatively stable in comparison to previous years

**Table 4: Recruitment of young people, 2014 to 2022**

Recruitment Practice	Proportion of all recruiting employers				
	2014	2016	2019	2021	2022
Young people (aged under 25)	66%	64%	60%	63%	63%

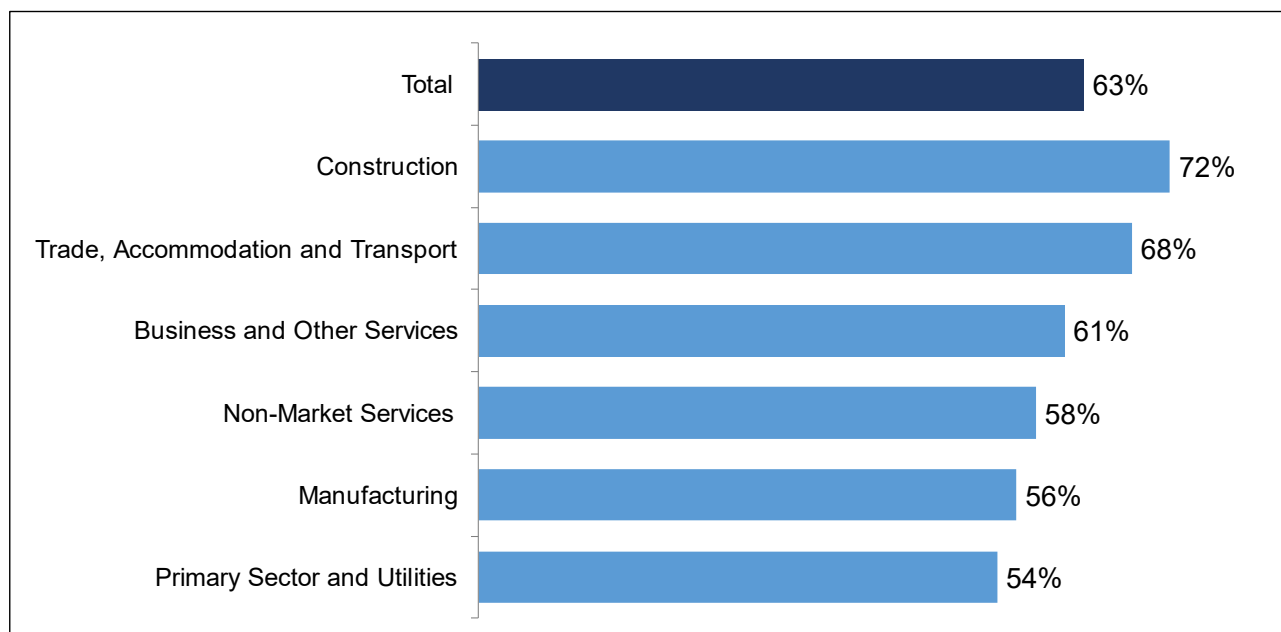
Base: All establishments in Scotland that recruited in the last 12 months (Module D): 2014: 2,440; 2016: 2,470; 2019: 1,611; 2021: 644; 2022: 823.

Recruiting young people was most common among establishments with 25 to 49 employees and 50 to 99 employees (each 85%) and least common among those with 2 to 4 employees (40%).

As shown in Figure 10, employers in Construction were most likely to employ young people (72%), while Primary Sector and Utilities were least likely to do so (54%). More information by size, sector and ROA region is available in Tables 24 to 25 of the Background Tables.

## Construction employers were most likely to have recruited young people in the previous 12 months

Figure 10: Recruitment of young people (aged under 25) by sector in 2022



Base: All establishments in Scotland who have recruited in the past year (Module D): Total (823); Primary Sector and Utilities (40); Manufacturing (56); Construction (40); Trade, Accommodation and Transport (332); Business and Other Services (201); Non-Market Services (154).

### Recruitment directly from education

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

In the last 2 to 3 years preceding the interview, 32% of employers recruited an employee directly from education, a decrease from 2021 (35%), but consistent with 2019 (30%).

Full results are shown in Table 5.

Larger establishments were more likely to have recruited an education leaver, with 80% of those with 100 or more employees and those with 50 to 99 employees having done so, compared to 15% of establishments with 2 to 4 employees. Small establishments were less likely to have recruited education leavers compared to 2021 (15% compared to 22%).

By sector, employers within the Education sector were most likely to have taken on an education leaver (56%), while employers in the Primary Sector and Utilities were the least

likely (15%). More information by size, sector and ROA region is available in Tables 26 to 29 of the Background Tables.

Overall, a fifth (19%) of employers had recruited an employee from a Scottish secondary school, 11% recruited from a Scottish college and 13% recruited from a Scottish university. Employers were less likely to have recruited college leavers compared to 2021 (11% compared to 15%), returning to levels seen prior to the COVID-19 pandemic (11-12% from 2014 through 2019).

### **Around a third of employers had recruited any education leaver in the previous 12 months**

**Table 5: Recruitment of education leavers, 2014 to 2022**

Recruitment	Proportion of all employers				
	2014	2016	2019	2021	2022
Any education leaver	32%	32%	30%	35%	32%
School leaver	19%	19%	20%	21%	19%
College leaver	11%	11%	12%	15%	11%
University leaver	13%	14%	11%	14%	13%

Base: All establishments in Scotland (Module C): (2014: 4,015; 2016: 4,009; 2019: 2,652; 2021: 1,000; 2022: 1,332).

Most employers in Scotland found their education leavers to be ‘very well’ or ‘well’ prepared for work.

University leavers were most likely to be seen as prepared for work (83% of employers), followed by college leavers (82% of employers). A smaller proportion viewed school leavers as prepared (65% of employers) as shown in Table 6. There were no significant differences compared to the levels seen in 2021.

Focusing on school and college leavers, the top skills that were perceived to be lacking were the same for both groups, including: lack of life experience (18% for secondary school leavers; 5% for college leavers); a poor attitude (18% for secondary school leavers; 9% for college leavers); and lack of required soft or personal skills (5% for secondary school leavers; 4% for college leavers).

While university leavers were also perceived to be lacking life experience (7%) and as having a poor attitude (5%), employers were more likely to report a lack of required technical skills (6%) in the top three skills lacking.

### The majority of employers felt that education leavers were well prepared for work

**Table 6: Perceived preparedness of education leavers' preparedness for work, 2014 to 2022**

Recruitment	Proportion of employers that felt leavers were very well / well prepared for work				
	2014	2016	2019	2021	2022
Scottish school leaver	63%	65%	58%	68%	65%
Scottish college leaver	81%	80%	74%	78%	82%
Scottish university leaver	88%	84%	78%	80%	83%

Base: Scottish school leaver recruiters (2014: 1,101; 2016: 1,052; 2019: 779; 2021: 297; 2022: 355); Scottish college leaver recruiters (2014: 754; 2016: 707; 2019: 538; 2021: 215; 2022: 246); Scottish university leaver recruiters (2014: 840; 2016: 827; 2019: 491; 2021: 203; 2022: 261).

### Work placements

Just under three in ten (29%) of employers had provided any form of work placement over the last 12 months, similar to 2021 though the volume of placements has been decreasing since 2016.

While this result was similar to 2021 (27%), the total number of placements offered decreased. Around 165,000 placements were offered in the last 12 months in the 2022 survey compared to around 210,000 placements in 2021.

**The proportion of employers providing work placements remained stable with 2021, while the volume reduced (continuing a trend seen since 2016)**

**Table 7: Proportion of employers providing work placements and volume provided (2016-2022)**

	2016	2019	2021	2022
Proportion providing work placements	39%	36%	27%	29%
Volume of work placements provided	314,600	332,600	209,900	164,600

Base: All establishments in Scotland (2016: 4,009; 2019: 2,652; 2021: 1,000; 2022 (Module C): 1,332).

The most common types of placement provided were work trials for potential new recruits, and placements for people at school (10% for each) as shown in Table 8. Compared to 2021, a higher proportion of establishments offered internships (5% compared to 3%). A full comparison to 2021 can be found in Table 33 in the Background Tables.

Among those offering placements, the average number of placements taken on per establishment ranged from 1 individual for internships, to around 4 for university students.



## A minority of employers offered placements for those currently in education

**Table 8: Types of placements provided in 2022**

	Proportion of employers that provided placement type	Total number of placements
Any	29%	164,600
Work trials for potential new recruits	10%	40,200
Placements for people at school	10%	29,900
Placements for people at university	8%	49,600
Placements for people at college	7%	16,700
Placements targeted at giving work experience to the unemployed	5%	14,300
Internships	5%	8,900

Base: All establishments in Scotland (Module C) (1,332).

The proportion of employers providing work placements increased with employer size, ranging from 18% of those with 2 to 4 employees to 68% of those with 100 or more employees. Employers in the Education and Health and Social Work sectors were most likely to have provided work placements in the last 12 months (67% and 52% respectively).

Employers who had not offered anyone a work placement or engaged in work inspiration activities (e.g., careers talks, mock interviews, etc.) in the previous 12 months were most likely to report that this was broadly due to structural reasons (71%), including, most commonly, not having any suitable roles (29%). This was more common for small establishments (33% of those with 2 to 4 employees compared to 17% of those with 25 or more employees).

Other common reasons included not having the time or resource to manage these activities (18%), and COVID-19 pressures such as lack of work or site closures (13%).

Overall, one-fifth (20%) of employers cited reasons related to lack of awareness of these activities as a reason for not providing them, including not being approached to offer placements (13%).

Overall, 15% mentioned reasons which indicated an active choice not to offer work placements or engage in work inspiration activities.

More information by size and sector is available in Table 34 of the Background Tables.

# Developing the Young Workforce (DYW)

Developing the Young Workforce ([DYW](#)) is the Scottish Government's youth employment strategy, which aims to prepare young people for the world of work. 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. Twenty-one employer-led DYW Regional Groups were established to help develop employer-education partnerships, as set out by the Scottish Government in 2014.

## Work placements at school

10% of employers in Scotland provided work placements for young people in school over the last 12 months.

This is a similar proportion to 2021, when 8% provided placements for school students, but is a decrease from 2019 (20%). In 2022, placements for school pupils were more common than average among local or central government funded employers (35% compared to 19% of charity or voluntary sector establishments and 8% in the private sector) and specifically those in the Education sector (35%). Providing placements to school students was less common among smaller establishments; for example 7% of those with 2 to 4 employees had done so, compared with around three in ten (29%) establishments with 50 to 99 employees and around a quarter (27%) of those with 100 or more employees. By ROA region, those in the West (20%) and Glasgow (15%) ROA regions were most likely to have provided placements to school students.

Among employers providing placements for people at school, the average number taken on was 2 school students per establishment, in line with the 2021 average of 2 placements per establishment. In 2022, around four in ten (42%) employers took on one school pupil on a placement, while almost three in ten (28%) had two such placements.

About a fifth (21%) of employers offering placements for people at school recruited anyone into a permanent or long-term paid role either at the end of the placement or after they finished the rest of their studies, again similar to the 2021 proportion (22%).

## Work inspiration activities

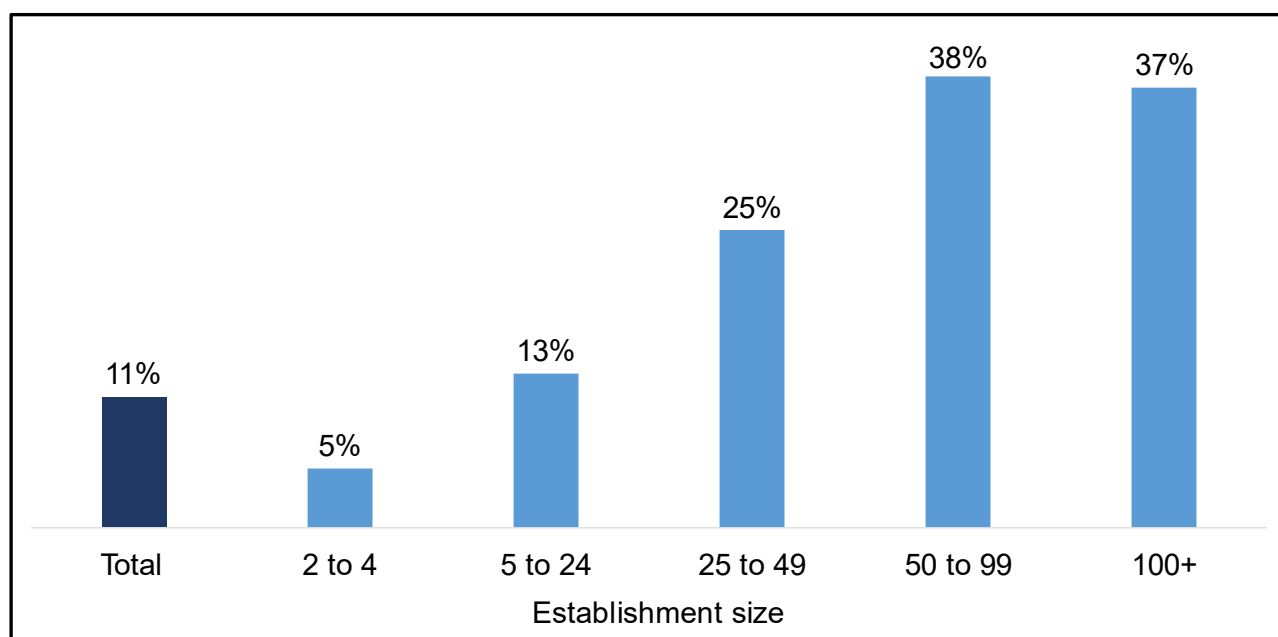
11% of employers in Scotland engaged with educational institutions in order to provide work inspiration activities in the last 12 months.

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 schools, colleges and universities. Employers were more likely to offer these activities in 2022 (11%) than in 2021 (8%), though still less likely than in 2019 (15%).

Work inspiration activities were less common among small employers; 5% of establishments with 2 to 4 employees had engaged with educational institutions to offer them. In contrast, establishments with 50 to 99 employees were most likely to engage in this activity (38%), as shown in Figure 11.

### Work inspiration activities were less common among smaller employers

**Figure 11: Proportion of employers offering work inspiration activities, by establishment size in 2022**



Base: All establishments in Scotland (Module C): Total (1,332); 2 to 4 (380); 5 to 24 (602); 25 to 49 (172); 50 to 99 (95); 100 or more (83).

As with school placements, local or central government funded employers were more likely to offer work inspiration activities (47%), compared with 23% of charity or voluntary sector establishments and 8% of private sector establishments. Employers in the Education

(34%) and Health and Social Work (25%) sectors were most likely to offer work inspiration activities.

By ROA region, employers in Ayrshire (20%), Glasgow (16%) and Edinburgh and Lothians (16%) were most likely to offer them.

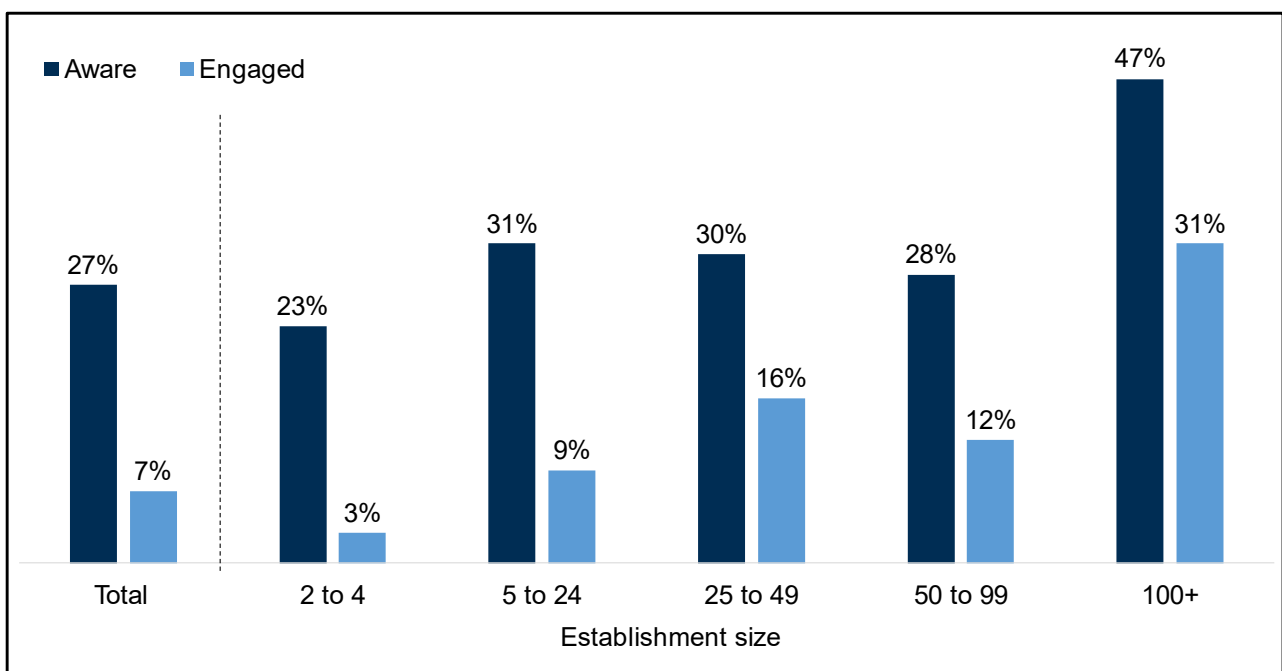
## DYW Regional Groups

27% of employers in Scotland were aware of their local DYW Regional Group and 7% engaged with them in the last 12 months (25% of those aware had done so).

The 27% result represents an increase since 2021, when 15% had heard of the DYW Regional Groups. Engagement with the Regional Groups has also increased from 2% in 2021 to 7% in 2022.

## Employers with over 100 staff are more likely to have heard of and engaged with DYW Regional Groups

**Figure 12: Proportion of employers aware of, and that have engaged with DYW Regional Groups, by establishment size in 2022**



Base: All establishments in Scotland (Module D): Total (1,213); 2 to 4 (339); 5 to 24 (596); 25 to 49 (157); 50 to 99 (71); 100 or more (50).

As shown in Figure 12, larger employers with over 100 staff were more likely to be aware of and to have engaged with the DYW Regional Groups (47% and 31% respectively).

By sector, Education establishments were also most likely to have heard of (44%) and to have engaged with (24%) the DYW Regional Groups. Manufacturing establishments, despite being more likely to have heard about DYW (41%), were no more likely to have engaged than average (7%).

## The internal skills challenge

This chapter explores the prevalence and impact of current skills gaps within the Scottish 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 have been recruited who are not yet fully trained or experienced. However, others can be more persistent and a result of under-investment in training and development, staff reluctance to develop existing skills, or high staff turnover. Persistent skills gaps can affect an establishment's productivity and ability to innovate<sup>2</sup>.

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.

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<sup>2</sup> Brunello, Giorgio and Wruuck, Patricia, Skill Shortages and Skill Mismatch in Europe: A Review of the Literature (May 2019). IZA Discussion Paper No. 12346, Available at SSRN: <https://ssrn.com/abstract=3390340> or <http://dx.doi.org/10.2139/ssrn.3390340>

## Incidence, volume and density of skills gaps

Overall, 15% of employers had skills gaps within their current workforce. This is higher than the 12% of employers reporting this in 2020, but consistent with 16% of employers in 2017.

The incidence of skills gaps rose by establishment size from 7% among those with 2 to 4 employees to 39% among those with over 100 employees.

Establishments in the Education (21%), Public Administration (21%) and Manufacturing (19%) sectors were most likely to have skills gaps. Public Administration and Education were also among the sectors with the highest incidence of skills gaps in 2020 as well (19% and 17% respectively). Establishments in the Primary Sector and Utilities (8%) and Arts and Other Services (11%) were the least likely to have skills gaps in 2022.

In total, there were around 119,000 employees not fully proficient in 2022, representing 4.8% of the workforce in Scotland.

This is in line with 2020 when 4.0% of the Scottish workforce were considered to be not fully proficient in their roles, and with 2017, when the figure was 5.0%. In 2022, there was very little variation in skills gaps incidence by ROA region, all ROA regions having a density between 13% (Fife and Forth Valley) and 18% (Ayrshire).

The proportion of the workforce deemed by employers to not be fully proficient at their job (skills gaps density) was highest in employers with 50 to 99 employees (5.8%), whereas in 2020 the highest density of skills gaps was among employers with over 100 staff. By sector, the highest proportion of employees with skills gaps was in the Education (8.8%), Financial Services (8.7%) and Hotels and Restaurants (7.5%) sectors, while the Health and Social Work and Transport and Storage sectors had the lowest density (both 2.5%).

By broad occupation group the highest density of skills gaps was observed among middle-skill occupations (5.8%) (more information on broad occupational groupings can be found in the full UK report, which will be available on DfE's website). The individual occupations with the highest density of skills gaps were Skilled Trades occupations (6.3%) and Sales and Customer Service occupations (6.2%). The lowest density of skills gaps was reported among Managers (2.4%), as was the case in 2020 (1.5%). Most occupations registered an increase in skills gaps density since 2020, notably among Administrative occupations (2.9% in 2020 compared to 5.6% in 2022) and Professional occupations (3.0% in 2020

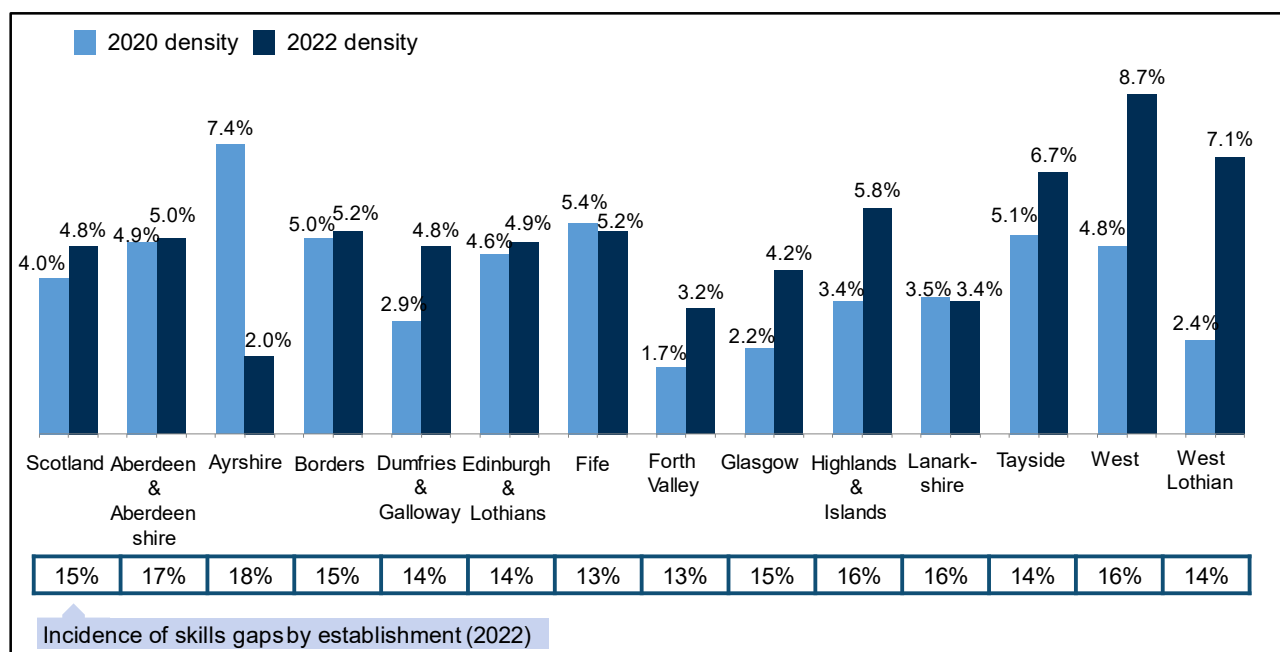
compared to 5.4% in 2022). The only occupations with a lower proportion of employees with skills gaps were Associate Professionals (2.9%, down from 3.9% in 2020) and Caring, Leisure and Other Services occupations (4.0%, down from 6.2% in 2020).

Figure 13 shows the incidence of skills gaps (i.e., the proportion of employers reporting any skills gaps) overall for Scotland and by ROA region, and the density of skills gaps (the proportion of the workforce considered to lack full proficiency).

The highest proportion of staff with skills gaps in 2022 was recorded in the West (8.7%), West Lothian (7.1%) and Tayside (6.7%) ROA regions.

**Skills gaps were most common among employers in Ayrshire, though the highest skills gaps density was found in the West ROA region**

**Figure 13: Incidence and density of skills gaps by ROA region, 2022 compared to 2020**



Base: All establishments in Scotland (2020: 3,497; ROA regional base sizes range from 87 in West Lothian Region to 500 in Highlands and Islands Region. 2022: 5,207; ROA regional base sizes range from 165 in Borders Region to 777 in Highlands and Islands Region.)

Further data on the incidence and density of skills gaps, and corresponding 2020 results, can be found in Tables 46 to 51 of the Background Tables.



## Causes of skills gaps

Most skills gaps (80%) were caused at least in part by transient causes, like people being new to the role and not having completed their training yet. A fifth (20%) were caused entirely by this.

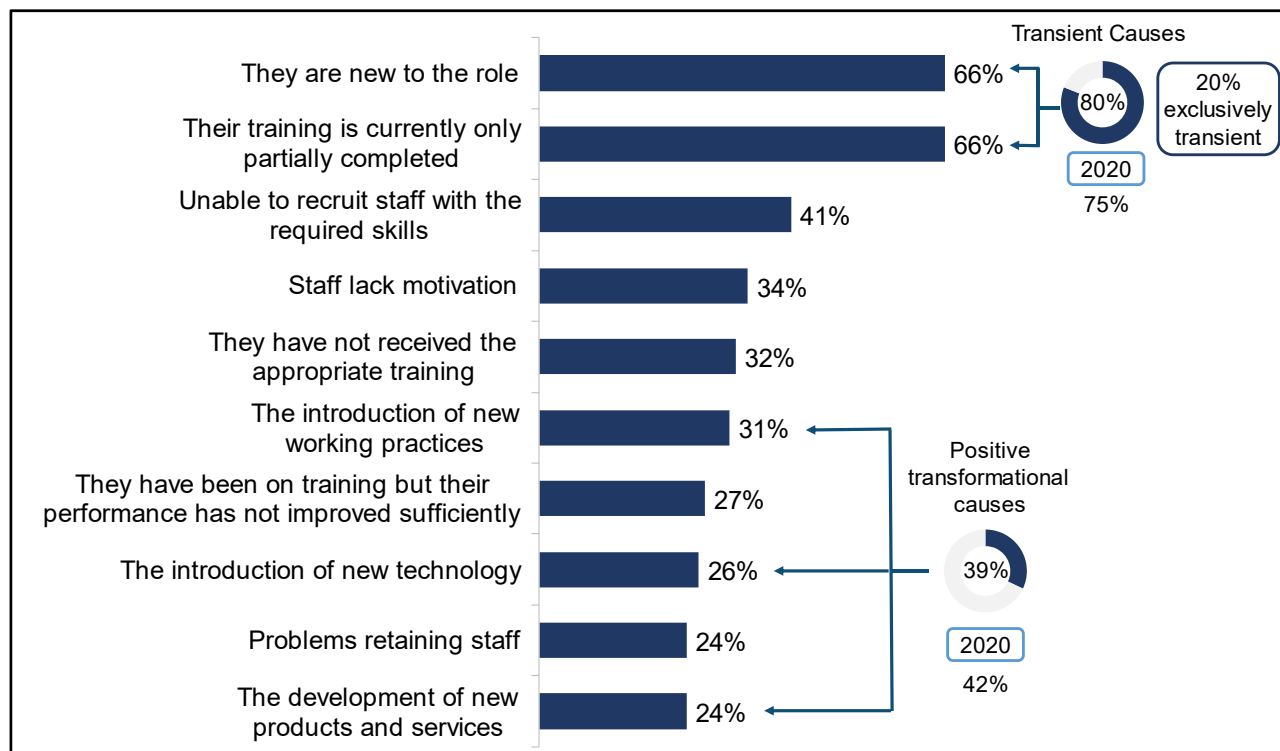
Transient causes were the reason for more skills gaps than in 2020, when they accounted at least partially for 75% of skills gaps.

Positive transformational causes, like the introduction of new working practices (31%), the introduction of new technology (26%) and the development of new products and services (24%) were responsible at least in part for two-fifths (39%) of skills gaps. This is a slightly lower proportion than in 2020 (42%), though in 2020 “transformational” causes were also partly driven by the COVID-19 pandemic and the switch to remote working.

Other common causes of skills gaps were an inability to recruit staff with the required skills (41%), staff lacking motivation (34%) and staff having not received the appropriate training (32%). The causes of skills gaps are presented in Figure 14.

**Transient causes such as being new to the role or training being incomplete are the most common causes of skills gaps**

**Figure 14: Causes of skills gaps in occupations followed up (prompted), 2022 compared to 2020**



Base: All establishments in Scotland with skills gaps (2022: 1,100; 2020: 638). 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 66% of skills gaps followed up.

Further data on the causes of skills gaps, and corresponding 2020 results, can be found in Table 52 of the Background Tables.

**Skills lacking internally**

Employers were asked what skills were missing among their workforce. These were split into two broad categories: technical and practical skills, specific to the particular function of the job role, and people and personal skills, the “softer”, less tangible skills required to manage oneself and interact with others in the workplace.

The most common practical and technical skills lacking among the workforce were specialist skills or knowledge needed to perform the role (54%) and the ability to solve situation specific complex problems (47%).

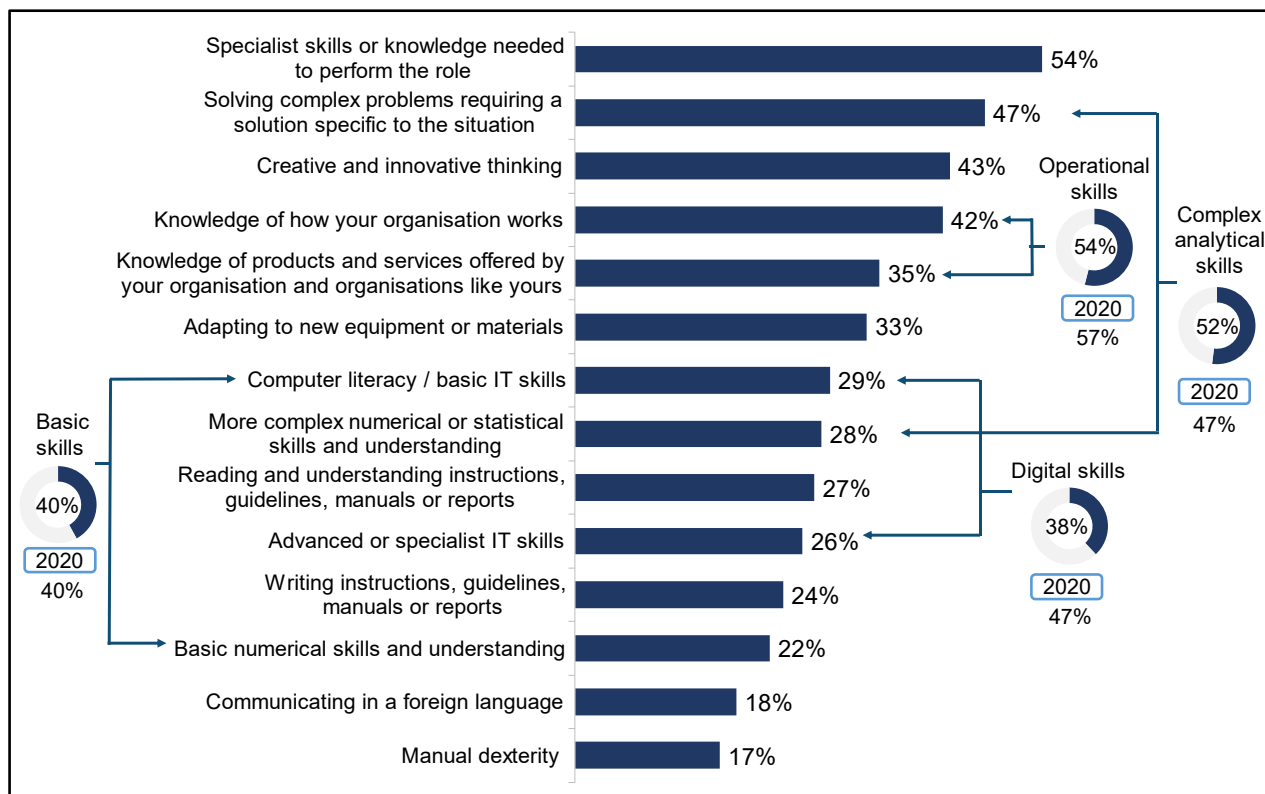
These were also the most common technical skills lacking in 2020, accounting for, in part, 49% and 41% of skills gaps respectively.

Looking at the groups of skills missing, operational skills, namely knowledge of how the organisation works and knowledge of the products and services offered by their organisation, were the most common, lacking among 54% of employees with skills gaps. This is a slight reduction from 2020 when 57% of employees with skills gaps lacked operational skills. Complex analytical skills, like solving complex problems and complex numerical or statistical skills, were also lacking among 52% of employees with skills gaps, more than in 2020 (47%). Basic skills including basic IT skills and basic numerical skills maintained the same level as in 2020 (both 40%).

Other notable individual technical and practical skills missing were creative and innovative thinking (43%), adapting to new equipment or materials (33%), reading and writing instructions, guidelines or reports (27% and 24% respectively), and communicating in a foreign language, which had the highest increase from 7% in 2020 to 18% in 2022. All technical and practical skills lacking among employees with skills gaps in 2022 are shown in Figure 15 below.

## Specialist skills are the most commonly missing technical and practical skill among employees with skills gaps

**Figure 15: Technical and practical skills lacking among staff with skills gaps followed up (prompted), 2022 compared to 2020**



Base: All establishments in Scotland with skills gaps (2022: 1,100; 2020: 638). 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 54% of these skills gaps.

Digital skills gaps, which include both basic, and more advanced or specialist IT skills, decreased to 38% in 2022 from 47% in 2020, back to similar levels to 2017 (36%). Among those lacking some IT skills, almost half (48%) were lacking basic digital skills like basic Microsoft Office skills (32%) and foundation digital skills (19%). More advanced Microsoft Office skills were missing for about a fifth (21%) of those with IT skills gaps, followed by specialist knowledge of internal systems or hardware (15%), data analysis skills (14%) and skills relating to cloud-based and other storage systems (10%).

The most common people and personal skills lacking among employees with skills gaps were the ability to manage their own time (64%) and working well in a team (54%).

As a group, self-management skills continued to be the most prevalent people and personal skills lacking (70%), in line with 2020 (72%). This group of skills includes the ability to manage own time and prioritise tasks (64%) and managing own feelings and the feelings of others (49%). Management and leadership skills were an issue among 56% of employees with skills gaps, similar to 2020 levels (54%). Specifically, these were managing or motivating other staff (44%), persuading or influencing others (38%) and setting objectives for others and planning resources (31%).

The broad grouping of sales and customer handling skills were also noted as lacking among half (52%) of employees with skills gaps, down from 2020 levels of 58%. Individually, both customer handling skills (48%) and sales skills (23%) have decreased since 2020 when they were lacking among 53% and 32% of employees with skills gaps respectively.

Since 2020, the largest increase in prevalence of a particular people or personal skills gap was for managing or motivating other staff (up to 44% from 35% in 2020), and setting objectives for others and planning human, financial and other resources (up to 31% from 22% in 2020). The people and personal skills lacking among employees with skills gaps are shown Figure 16.

## Self-management skills are among most commonly missing personal skills

**Figure 16: People and personal skills lacking among staff with skills gaps followed up (prompted), 2022 compared to 2020**



Base: All establishments in Scotland with skills gaps (2022: 1,100; 2020: 638). Figures shown are based on skills gaps for up to 2 occupations randomly selected for each establishment – so, for example, the “ability to manage own time and prioritise tasks” was lacking in 64% of these skills gaps.

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. In most cases, these employers did not attribute any of their skills gaps to efforts towards sustainability (83%). The minority (13%) said that some of their skills gaps were due to sustainability efforts. This was more pronounced in the Primary Sector and Utilities, where almost a quarter (24%) of employers attributed some skills gaps to sustainability efforts.

Further data on skills missing, and corresponding 2020 results, as well as data on sustainability efforts as reasons for skills gaps can be found in Tables 53 to 56 of the Background Tables.

## The impact of skills gaps on employers

Over three-fifths (64%) of employers with skills gaps said these had an impact. This is broadly consistent with 2020 (67%).

Employers in Aberdeen and Aberdeenshire were more likely than those in other ROA regions to not experience any impacts of their skills gaps (49%).

Overall, 13% of employers with skills gaps reported these gaps had a major impact on their performance, similar to the 12% in 2020. The proportion of establishments experiencing major impacts was similar across different establishment sizes and sectors, except for the Hotels and Restaurants sector, where 21% of employers with skills gaps experienced a major impact. In particular, Hotels and Restaurants were more likely than other sectors to lose business to competitors (32%).

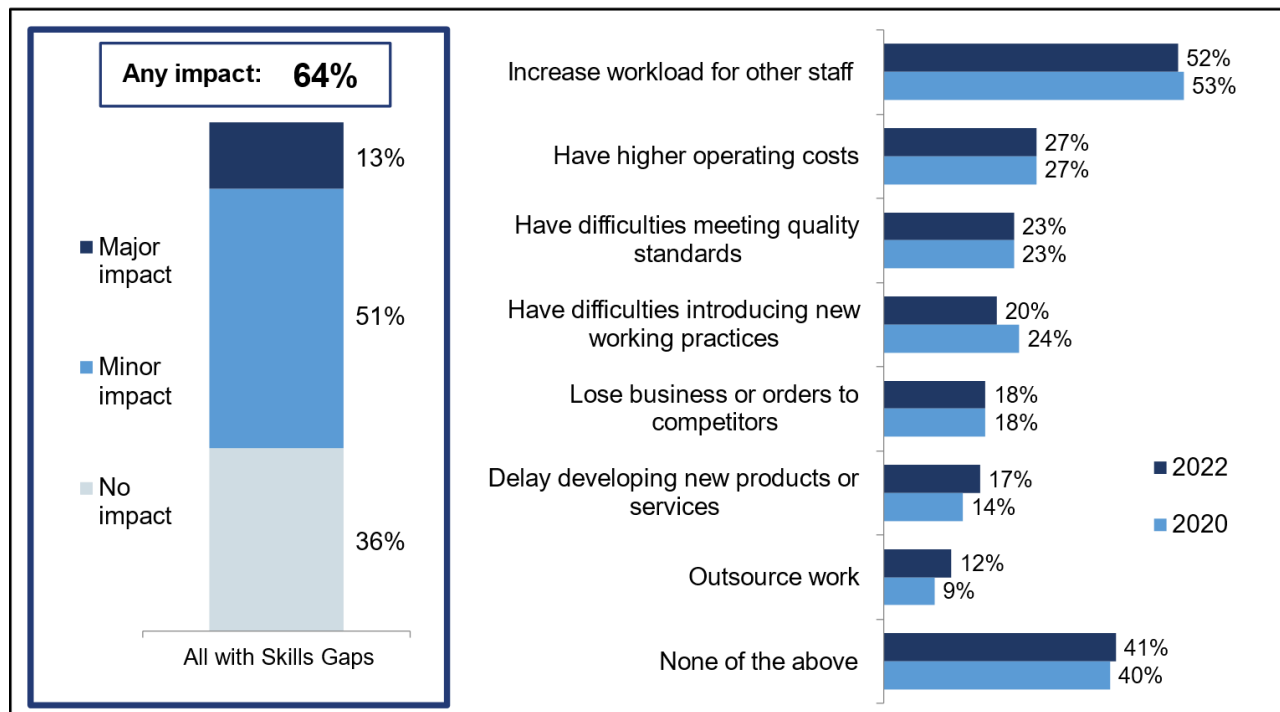
Employers with only transient skills gaps were less likely to be majorly impacted by their skills gaps (6%), compared to those with (at least some) non transient skills gaps (16%).

Figure 17 below shows that the specific impacts felt by employers with skills gaps were similar to those in 2020. For most employers with skills gaps this meant increased workloads for other staff (52%). For around one in ten employers (11% in 2022, 9% in 2020) increased workloads for others was the only impact experienced. Skills gaps also led to higher operating costs (27%), difficulties meeting quality standards (23%), difficulties introducing new working practices (20%), loss of business to competitors (18%), delaying development of new products or services (17%) and outsourcing work (12%).

Further data on the impact of skills gaps can be found in Tables 57 to 60 of the Background Tables.

**Skills gaps had an impact for two-thirds of employers that have them, most commonly by increasing workloads for other staff**

**Figure 17: Overall impact of skills gaps and specific implications of skills gaps (prompted), 2022 compared to 2020**



Base: All establishments in Scotland with skills gaps (2022: 1,100; 2020: 638).

**Under-use of skills and qualifications**

37% of Scottish employers said they have any under-utilised staff, i.e., staff that have both qualifications and skills higher than the level required by their job. Overall, 9% of employees were underutilised at their job.

The 37% of employers that had under-utilised staff represents an increase from 33% in 2020, but is in line with 2017 (35%), while the proportion of underutilised employees remained relatively similar (9% in 2017, 8% in 2020, 9% in 2022).

There were no significant differences in proportion of employers with under-utilised staff by size. By sector, employers in the Hotels and Restaurants sector were most likely to have under-utilised staff (49%), the same as in 2020 (48%). They were followed by employers in the Arts and Other Services (46%) and Education (45%) sectors.

By region, the West ROA region had the highest proportion of employers with under-utilised staff (47%), followed by Dumfries and Galloway (46%), Ayrshire (45%), Glasgow (44%) and Fife (44%).



At an employee level, a greater proportion of the workforce were underutilised in the Hotels and Restaurants (18%) and Arts and Other Services (17%) sectors. By size, the proportion of employees underutilised was highest among establishments with 2 to 4 employees (25%), compared with 4% of the workforce in establishments with 100 or more employees.

Further data on under-use of skills and qualifications can be found in Tables 61 to 64 of the Background Tables.

## Upskilling

Upskilling refers to the employer anticipation of the need for their staff to acquire new skills in the next 12 months.

Overall, two-thirds (66%) of Scottish employers foresaw a need to upskill their staff in the next 12 months.

The proportion of employers with upskilling needs was both lower than in 2020 (74%, decreasing to 73% when taking out those whose upskilling needs were exclusively due to COVID-19 related changes), and lower than in 2017 (69%).

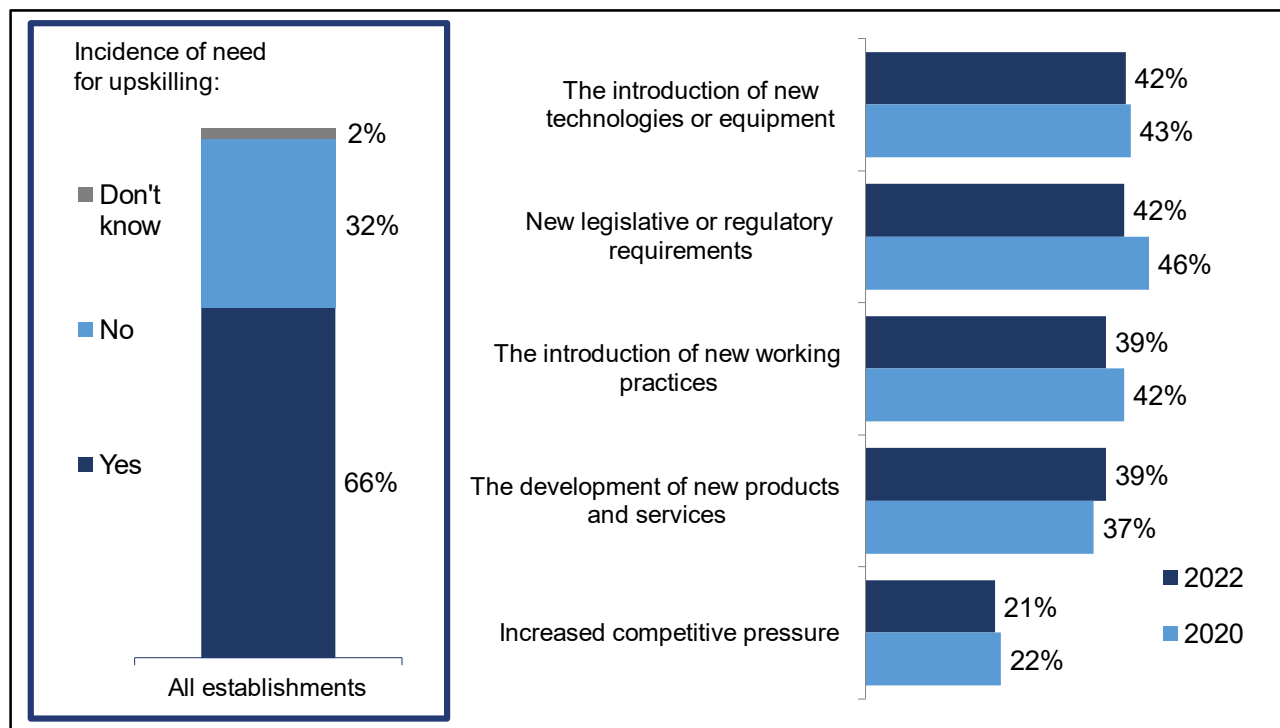
By ROA region, Dumfries and Galloway and Fife had the highest proportion of employers reporting a need for upskilling (both 72%). In 2020, the highest need for upskilling was in the Glasgow ROA region (80%) and in the Edinburgh and Lothians ROA region (78%) while employers in West Lothian were among the least likely to have upskilling needs (66%).

By employer size, upskilling needs were more prevalent among larger employers, ranging from 61% of employers with 2 to 4 staff, up to 86% among employers with more than 100 staff.

Information and Communications (82%) was the sector most likely to have a need for upskilling, followed by Health and Social Work (78%) and Education (75%). Financial Services was the least likely to have upskilling needs (51%). Hotels and Restaurants (57% in 2022 compared to 79% in 2020) and Financial Services (51% in 2022 compared to 68% in 2020) were the sectors with the biggest changes in upskilling needs since 2020.

## Two-thirds of employers foresee a need for upskilling, mainly due to new technologies and legislative requirements

**Figure 18: Overall proportion of employers with a need for upskilling and the reasons for needing to upskill, 2022 compared to 2020**



Base: All establishments in Scotland (2022 (Modules B and D): 2,547; 2020: 3,497).

### Reasons for a need for upskilling

As shown in Figure 18, the most common reasons for upskilling needs were the introduction of new technologies or equipment (42%), new legislative or regulatory requirements (42%), the introduction of new working practices (39%) and the development of new products and services (39%), and to a lesser extent increased competitive pressure (21%). These were mostly in line with 2020, the only significant reduction since 2020 being in the proportion of employers mentioning new legislative or regulatory requirements as a reason for upskilling needs (42% in 2022 compared to 46% in 2020).

Large employers with over 100 employees were more likely to give the introduction of new technologies or equipment (67%) as a reason for upskilling needs than smaller employers (38% for those with 2 to 4 staff).

By sector, the Education and Health and Social Work sectors were most likely to cite new legislative requirements (57% Education, 54% Health and Social Work) and the introduction of new working practices (55% Health and Social Work, 52% Education) as

reasons for upskilling needs. Employers in the Health and Social Work sector were also more likely to mention the introduction of new technologies and equipment as a reason. Employers in the Information and Communications sector were most likely to mention the development of new products as a reason for upskilling needs (63%).

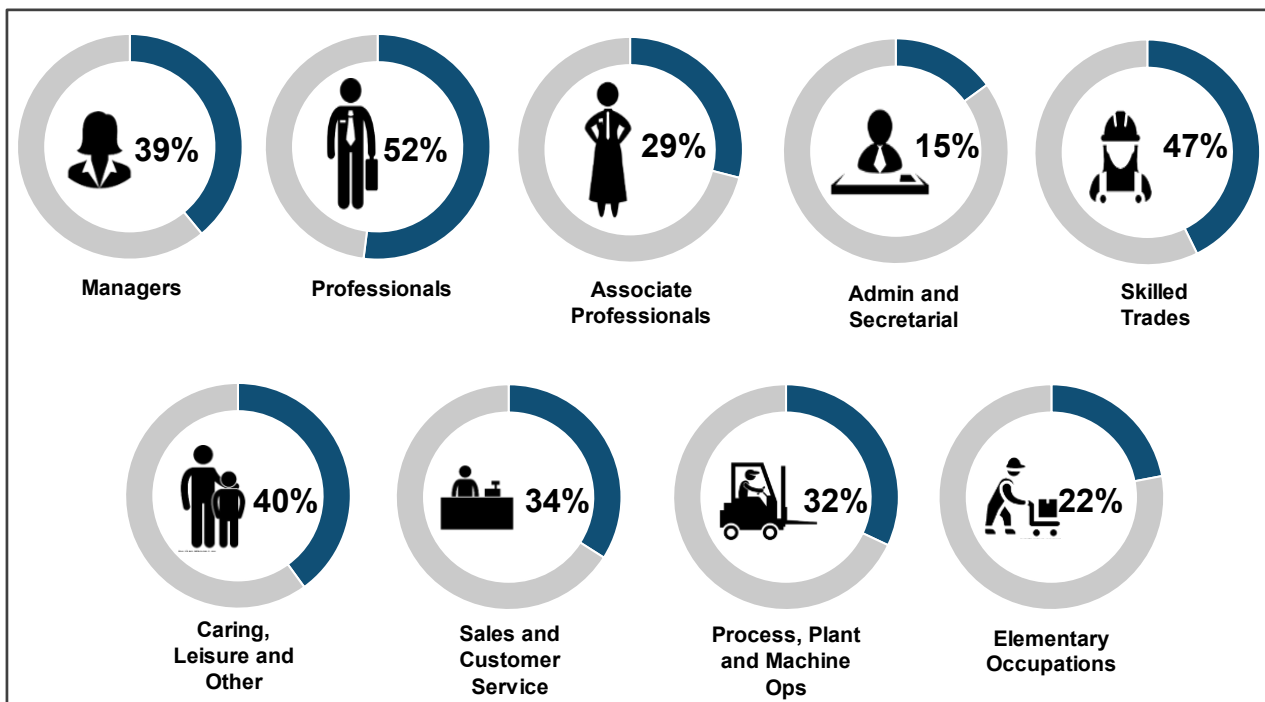
The full list of reasons for a need for upskilling can be found in Tables 65 to 66 of the background tables.

### Occupations most affected by the need for upskilling

Professionals (52%) were the occupation most affected by the need for upskilling, followed by Skilled Trades occupations (47%); Caring, Leisure and Other Services (40%); and Managers (39%). The proportion of establishments that identified an upskilling need among their staff in each occupation is presented in Figure 19.

### Professionals were most affected by the need for upskilling

Figure 19: Occupations most affected by the need for upskilling in 2022



Base: All establishments in Scotland that identified an occupation in need of upskilling and employ that particular occupation: Managers (1,708); Professionals (385); Associate Professionals (292); Admin and Secretarial (1,032); Skilled Trades (524); Caring, Leisure and Other Services (260); Sales and Customer Service (564); Process Plant and Machine Operatives (307); Elementary Occupations (647).

## Skills expected to need upskilling

When grouping technical and practical skills that would need development in the next 12 months, operational skills (58%) were the skills employers identified most commonly. Around half of employers with upskilling needs identified digital skills as needing improving (49%), while 45% mentioned complex analytical skills.

More specifically, the individual practical and technical skills most likely to need improvement in the next year were knowledge of products and services offered by the organisation (52%), specialist skills or knowledge needed to perform the role (52%), adapting to new equipment (52%) and creative and innovative thinking (45%).

Among the establishments that said IT or digital skills would need improving in the next year, 38% said these would be skills using new or updated company software or systems, while a quarter (26%) said basic digital skills, like basic Microsoft Office skills (16%) and foundation digital skills (12%) such as turning on devices, changing passwords and accessing the internet.

The most common people and personal skills that the majority of employers foresaw a need for upskilling among their employees were self-management skills (54%), including the ability to manage own time and prioritise tasks (46%) and managing their own feelings (35%). Management and leadership skills (49%) like managing or motivating other staff (35%), persuading or influencing others (26%) and setting objectives and planning resources (25%), were also commonly identified as needing upskilling. Team working and sales and customer handling skills were seen as needing upskilling among their workforces by 41% and 40% of employers respectively.

The full list of skills expected to need upskilling can be found in Tables 69 to 71 of the background tables.

# Training and workforce development

This chapter explores the training landscape in Scotland in 2022, covering how many employers had funded or arranged training and for how many staff. It goes on to discuss the types of training which employers had provided before discussing barriers to providing training. Lastly, this chapter briefly summarises employers' investment in training (i.e., training spend).

## Incidence of training and workforce development

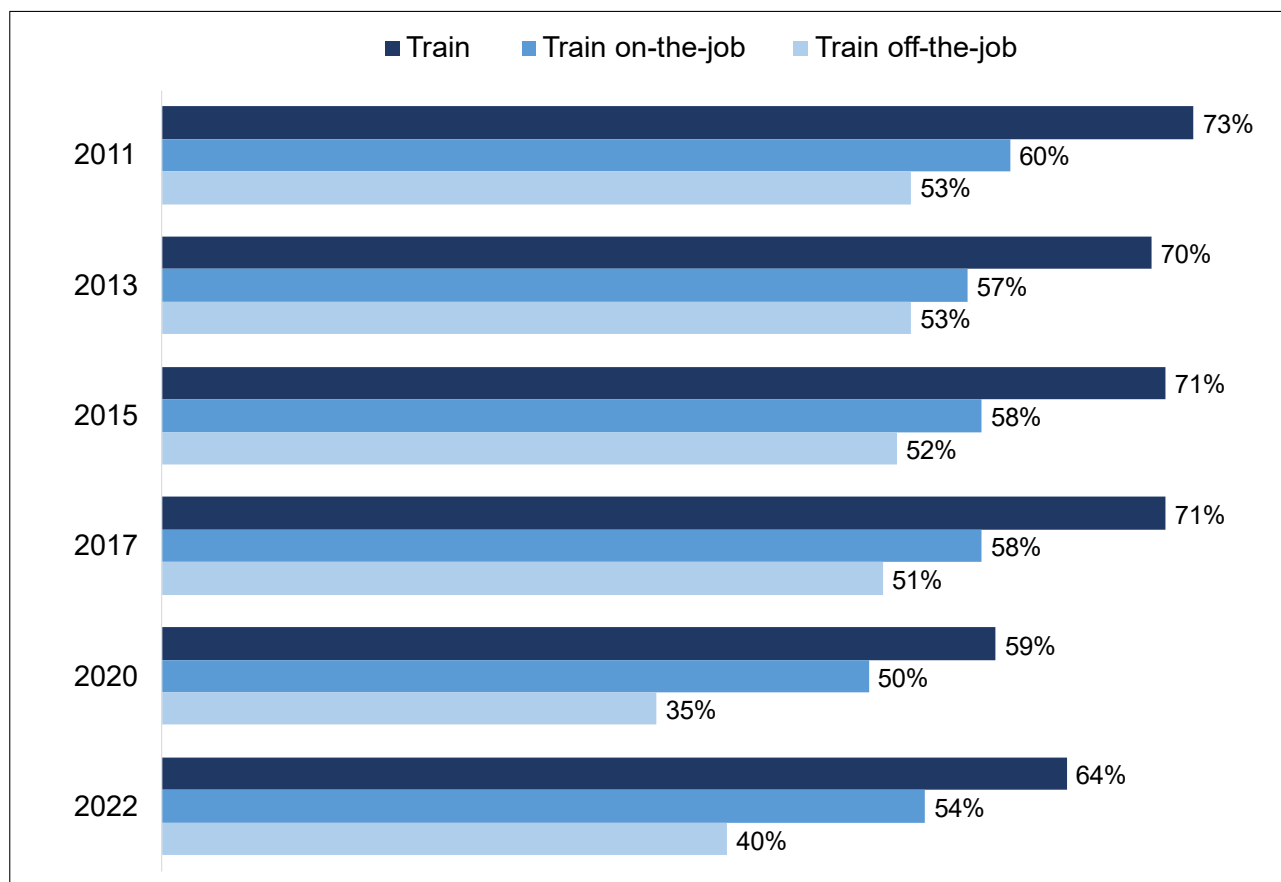
Overall, 64% of employers in Scotland had arranged or funded training for staff in the 12 months preceding the survey.

This was higher than in 2020 (59%), but still lower than the seven in ten employers that reported providing training between 2011 and 2017, as shown in Figure 20.

More than half (54%) of employers had provided on-the-job training, and two-fifths (40%) had provided off-the-job training to staff in the last 12 months. The proportion of employers providing on-the-job and off-the-job training both increased by a similar level, from 50% in 2020 to 54% in 2022, and 35% in 2020 to 40% in 2022 respectively. Figure 20 shows the change in training provision over time.

## Around two-thirds of employers provided training to their staff in the last 12 months

**Figure 20: Proportion of employers providing training in the last 12 months (overall, on-the-job and off-the-job) over time (2011-2022)**



Base: All establishments in Scotland (2011: 2,487; 2013: 6,014; 2015: 6,035; 2017: 6,017; 2020: 3,497; 2022: 5,207).

The proportion of employers providing training to their staff over the last 12 months increased with establishment size, ranging from 47% of employers with 2 to 4 staff, to almost all (96%) of those with 250 or more staff.

As shown in Figure 21, training incidence also varied by sector. Establishments in the Health and Social Work sector were most likely to provide training (89%), followed by Education (83%). Conversely, fewer than half (49%) of Primary Sector and Utilities establishments provided training to their staff in the previous 12 months; this was the only sector where a minority of employers had provided training to their staff.

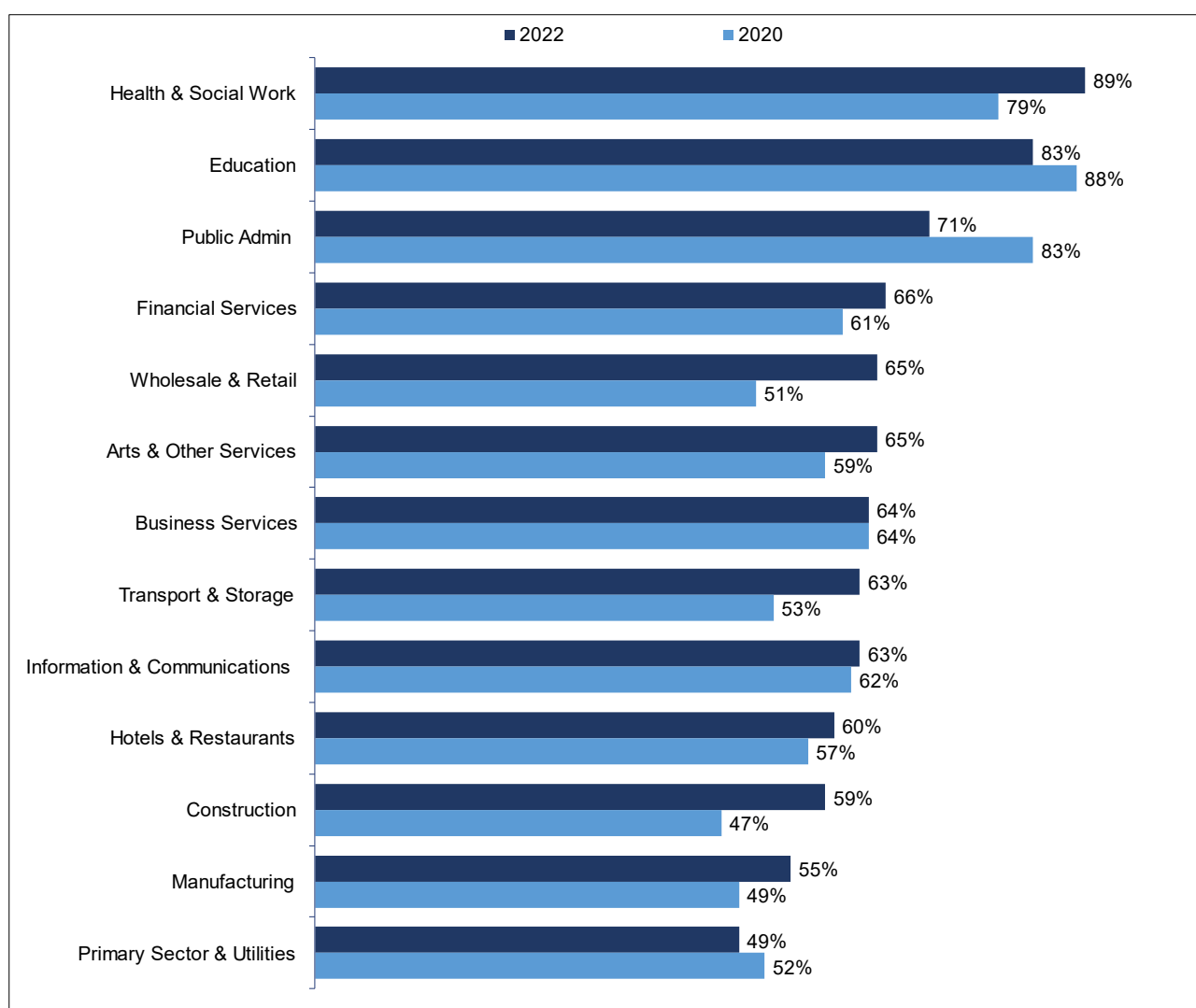
Though there was a general increase in the prevalence of training, a few sectors experienced particularly large increases compared to 2020 including Wholesale and Retail (from 51% to 65%) and Construction (from 47% to 59%).

By ROA region, employers in Lanarkshire were most likely to provide training (69%), followed by Glasgow, and Edinburgh and Lothians (68% for both). Employers in Dumfries and Galloway were least likely to have provided training (57%).

Further data on the prevalence of training, with corresponding 2020 results, can be found in Tables 72 to 74 of the Background Tables.

**Employers in the Health and Social work and Education sectors were most likely to have provided training to their staff in the last 12 months**

**Figure 21: Proportion of employers providing any training in the last 12 months by sector, 2022 compared to 2020**



Base: All establishments in Scotland. (2022: 5,207; sector base sizes range from 55 for Public Administration to 1,109 for Wholesale and Retail. 2020: 3,497; sector base sizes range from 54 for Financial Services to 692 for Wholesale and Retail.)

Scottish employers had provided 10 million training days over the last 12 months, equating to 6.7 days per annum per person trained ('per trainee') and 3.9 days per employee.

The number of training days per trainee decreased with establishment size, from 9.2 days per trainee among employers with 2 to 4 staff, to 5.9 days per trainee among employers with 100 or more staff. Training days per trainee were highest in the Primary Sector and Utilities establishments (13.1) followed by Financial Services (10.3), and lowest in Education (4.1) and Public Administration (4.4).

### **The proportion of staff trained**

Across the Scottish workforce, 59% of employees had received training in the previous 12 months.

The proportion of staff trained was higher than seen in 2020 (55%), but lower than pre-pandemic levels (62% in 2017 and 2015, and 65% in 2013).

Staff among establishments with 50 to 99 employees were most likely to receive training (67%) and those with 2 to 4 employees least likely (38%). Increases were seen in the proportion of staff trained across most size bands, though had not increased among establishments with 100 or more employees (58% compared to 61% in 2020; note this is not a statistically significant decrease).

Employees in the Education sector were most likely to have received training over the last 12 months (72%), while the Manufacturing and Financial Services workforce were least likely (both 47%) as shown in Table 9. Despite an overall increase in the proportion of staff trained, this was not the case for all sectors. Employers in the Health and Social work in particular had trained fewer staff in the previous 12 months compared to 2020 (50% compared to 66%). The largest increases in the proportion of staff trained by sector were seen in the Information and Communications (50% compared to 31% in 2020), Primary Sector and Utilities (67% compared to 51% in 2020), Wholesale and Retail (61% compared to 45% in 2020) and Arts and Other Services (60% compared to 46% in 2020) sectors.

By ROA region, the greatest proportion of staff were trained by employers in Glasgow and Edinburgh and the Lothians (69% and 68% respectively). Many ROA regions saw an increase in the proportion of staff trained compared to 2020, with the largest seen in the Borders ROA region (60% up from 42%); the South of Scotland Enterprise Region (59% up from 42%); Dumfries and Galloway (59% up from 43%) and the Highlands and Islands



ROA region (59% up from 47%). In comparison, the biggest reduction in the proportion of staff trained was in Ayrshire, from 55% in 2020 to 27% in 2022.

Further data on the proportion of staff trained, with corresponding 2020 results, can be found in Tables 76 to 78 of the Background Tables.

**Proportionally, employers in the Education sector trained the most staff in the last 12 months. In volume terms, Business Services employers trained the highest number of staff.**

**Table 9: Number and proportion of staff trained, by sector in 2022**

	Number of employees trained	% of staff trained
Scotland	1.4m	59
Primary Sector and Utilities	81,400	67
Manufacturing	81,900	47
Construction	79,600	57
Wholesale and Retail	207,100	61
Hotels and Restaurants	135,900	67
Transport and Storage	52,500	50
Information and Communications	20,500	50
Financial Services	12,700	47
Business Services	239,600	60
Public Administration	103,600	62
Education	153,700	72
Health and Social Work	209,600	50
Arts and Other Services	65,000	60

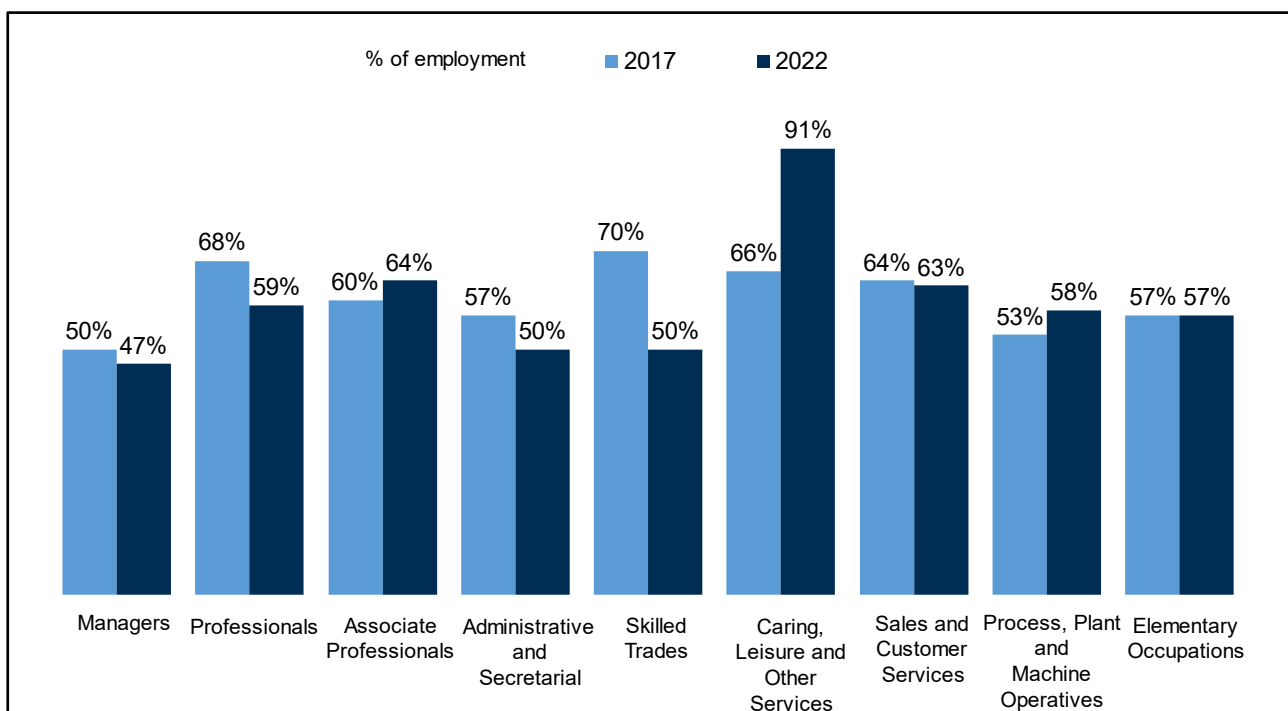
Base: All establishments in Scotland (5,207). Percentages are based on all employment rather than all establishments; figures therefore show the proportion of all staff within each subgroup trained over the last 12 months.

As shown in Figure 22, staff in Caring, Leisure and Other Services occupations were by far the most likely to have received training in the previous 12 months (91%); and saw the largest increase, up from 66% in 2017 (occupational breakdowns were not covered in Scottish ESS 2020). Managers were least likely to have received training (47%).

The largest decrease in the proportion of staff receiving training occurred among staff in Skilled Trades occupations (50% in 2022 compared to 70% in 2017). Professional occupations and Administrative and Secretarial occupations were also less likely to have received training than in 2017 (59% in 2022 compared to 68% in 2017, and 50% in 2022 compared to 57% in 2017 respectively).

**Staff in Caring, Leisure and Other Services occupations were most likely to have received training in the last 12 months**

**Figure 22: Proportion of staff trained over the last 12 months by occupation, 2022 compared to 2017**



Base: All establishments in Scotland (2017: 6,017; occupational base sizes range from 740 for Machine Operatives Occupations to 3,198 for Managers. 2022: 5,207 occupational base sizes range from 123 for Caring, Leisure and Other Services Occupations to 655 for Managers).

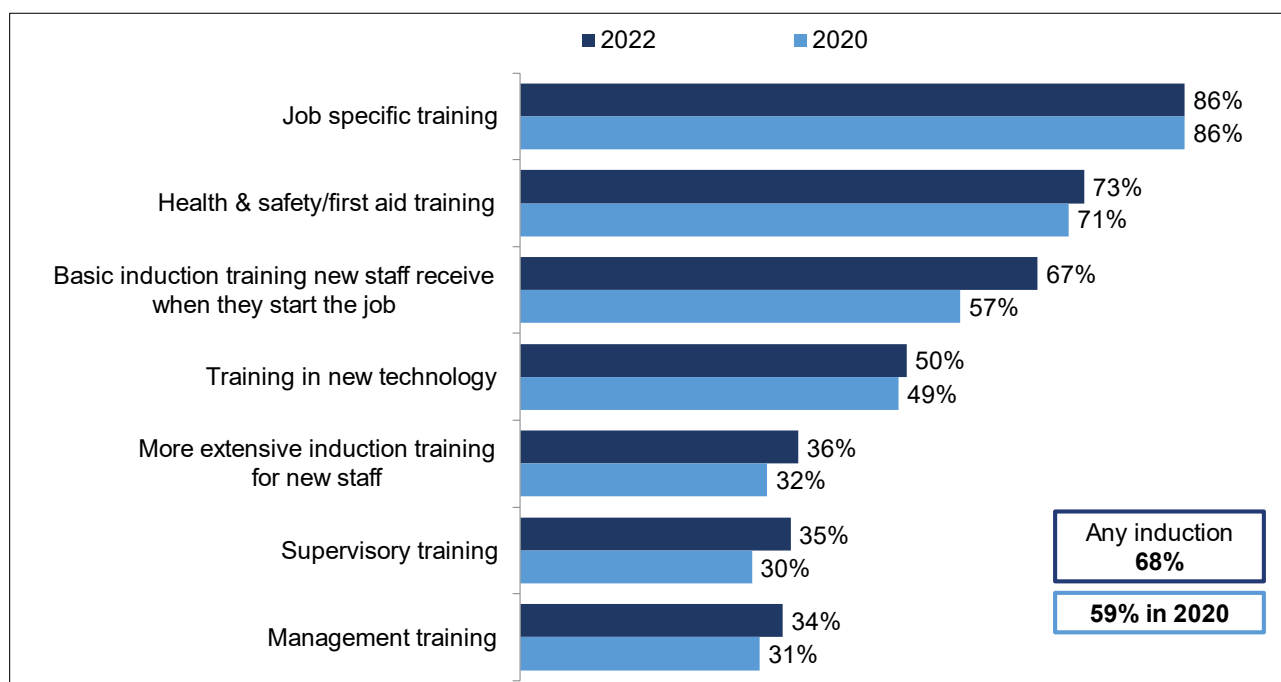
## Type of training provided

Employers who provided training to staff in the last 12 months were most likely to have provided job specific training (86%) and health and safety or first aid training (73%); these were also the most common forms of training offered in 2020 (86% and 71% respectively).

Over two-thirds of training employers (68%) reported providing any form of induction training; an increase on 2020 when the figure was 59%. There was a particularly large increase in basic induction training (67% compared to 57% in 2020). This likely reflects the higher recruitment levels seen this wave, whereby 52% of employers had recruited anyone in the past 12 months compared to only 38% in 2020.

### The most common type of training provided by employers was job specific training

Figure 23: Types of training provided, 2022 compared to 2020



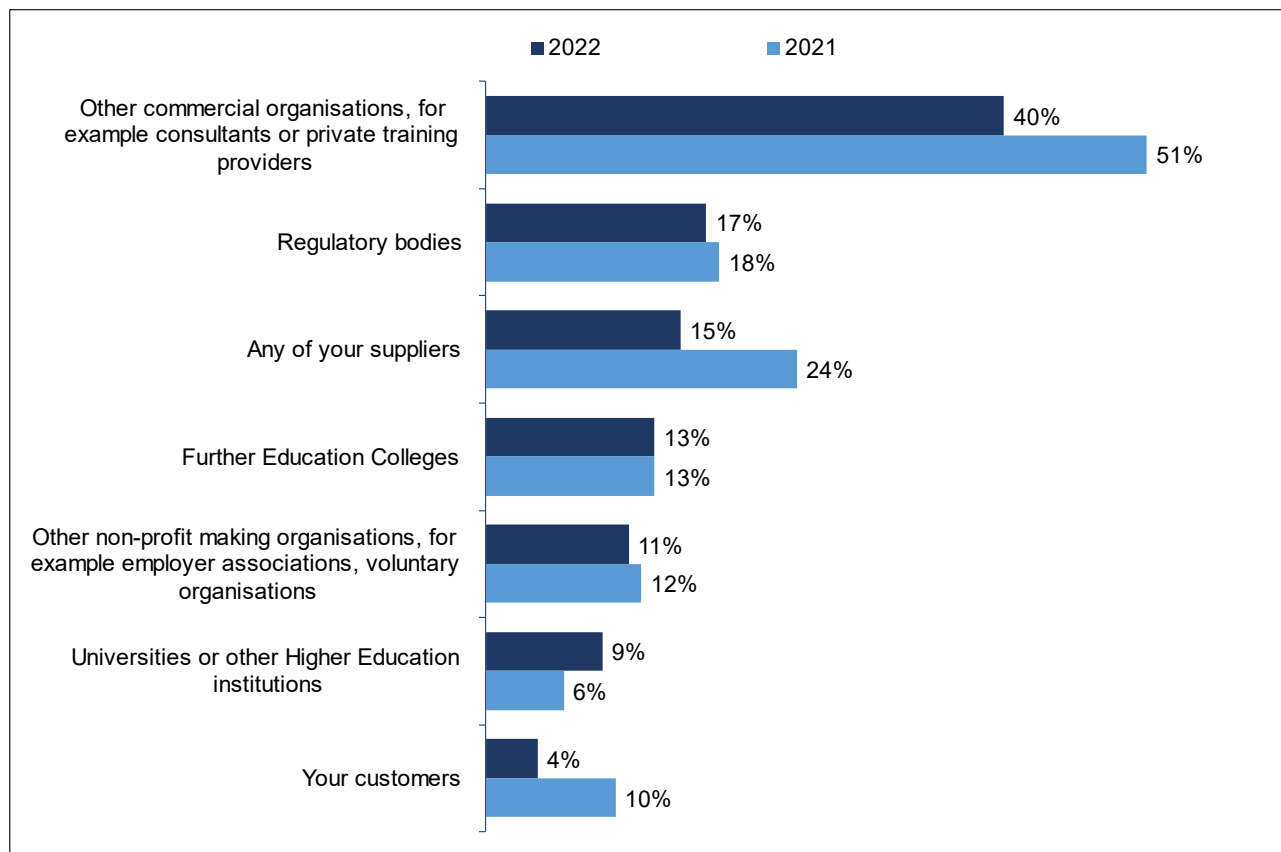
Base: All establishments that train in Scotland (2022: 3,822; 2020: 2,396).

Overall, 54% of employers that had trained employees in the previous 12 months had arranged or funded external training for their staff, equivalent to around a third (35%) of all employers.

The most common source of external training used by training employers was commercial organisations (40%), a reduction from 51% using this source in 2021. Training employers were also less likely to report using any of their suppliers as a source for training (15% compared to 24% in 2021) as shown in Figure 24.

## Training employers were most likely to use other commercial organisations as their source for external training

**Figure 24: Sources of external training used by training employers, 2022 compared to 2021**



Base: All establishments providing training in Scotland (2022 (Module B): 996; 2021: 817).

Just over four in ten (42%) training employers had provided training to a nationally recognised qualification in the past 12 months, lower than the 46% figure seen in 2020. In 2022, this equated to 27% of all employers and a total of 217,000 staff. This was most commonly to SCQF Level 7 (12% of training employers had trained staff to a qualification of this level).

Overall, 15% of staff receiving training had worked towards a nationally recognised qualification, equating to 9% of the Scottish workforce in total. These results were similar to 2020 (17% and 9% respectively).

Two-thirds (66%) of training employers had provided online training or e-learning in the previous 12 months, the same proportion as in 2020. Around a third (30%) of employers providing online training or e-learning reported that this was a replacement for training that would otherwise have been provided face-to-face had it not been for the pandemic, while 68% reported that it was training they would have undertaken online anyway.

Further data on the types of training arranged and funded by employers, with corresponding 2020 results, can be found in Table 80 of the Background Tables.

### **Barriers and limits on training**

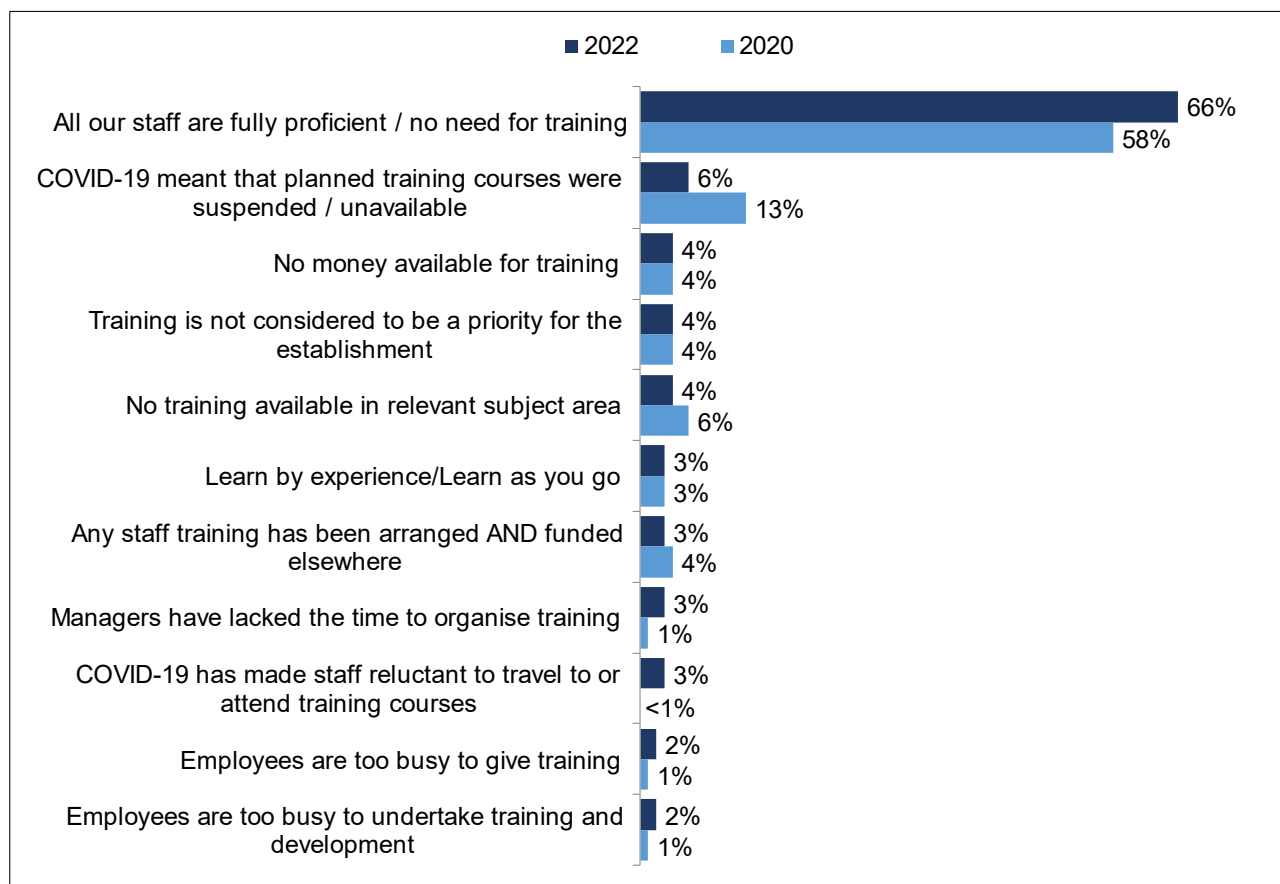
The most common reason for not providing training was that employees were already all fully proficient and had no need for further training (66%).

The proportion of employers reporting that all of their staff were proficient was higher than 2020 (66% compared to 58%). Employers were less likely to report reasons relating to COVID-19 compared to 2020 (8% compared to 22%).

Other reasons for not providing training included no money being available, training not being a priority for the establishment and no training being available in the relevant subject area (4% for all). The full list of reasons is shown in Figure 25.

## Employers that did not train were most likely to report that the reason for not providing training was because all staff were fully proficient

**Figure 25: Reasons for not providing training to staff, 2022 compared to 2020**



Base: All establishments not providing training to staff in Scotland (excluding don't know responses) (2022: 1,316; 2020: 1,068). Chart shows reasons mentioned by at least 2% of respondents in 2022.

Establishments in the Borders region were significantly more likely than the majority of other ROA regions to report that all of their staff were fully proficient (82% compared to 66% on average).

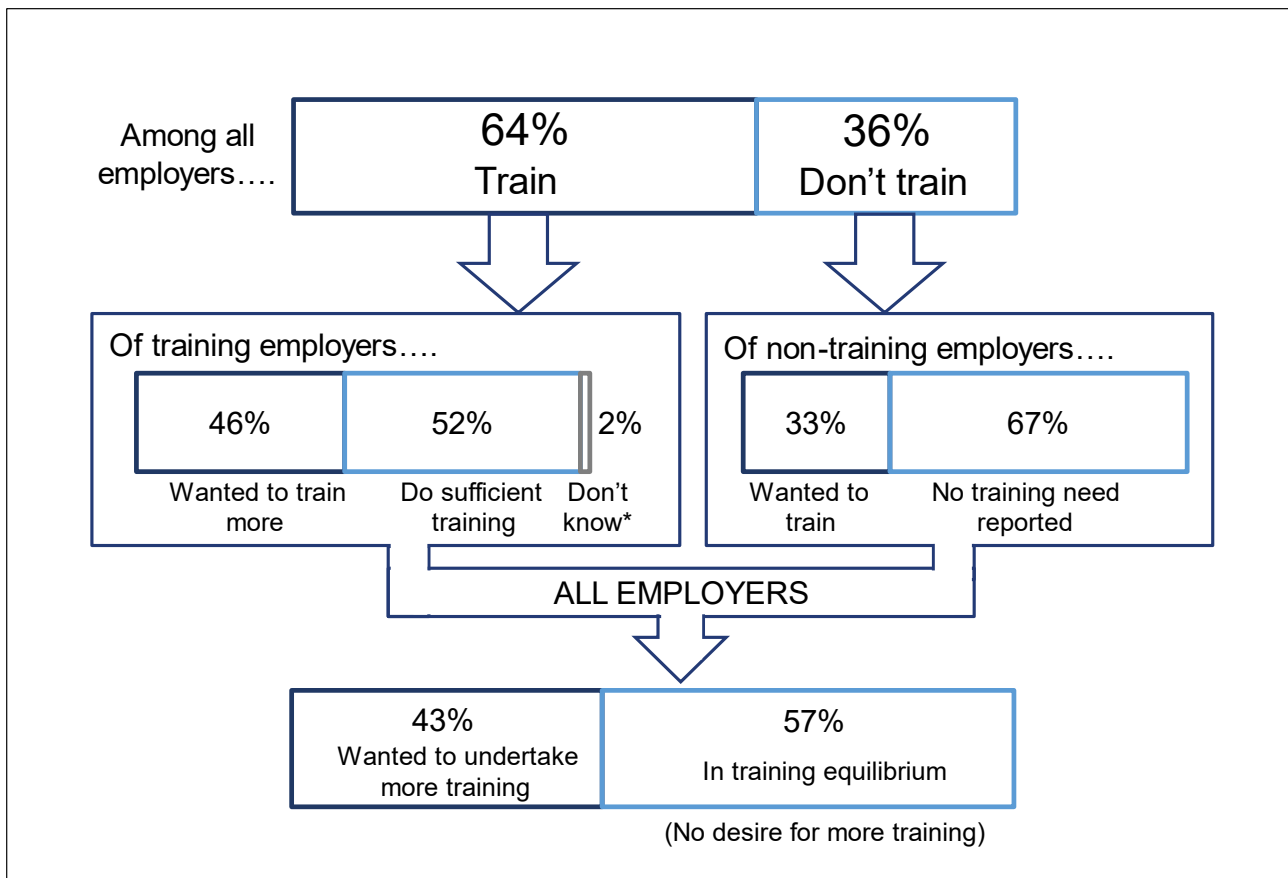
Overall, 46% of training establishments reported that they would have preferred to provide more training than they had done in the previous 12 months. Close to half of these establishments (47%) reported that this was because they could not spare staff time, while over a third (36%) reported a lack of funds for training. Only 17% reported COVID-19 related reasons for not being able to provide more training, a decrease from 65% in 2020.

Notably, establishments in the Highlands and Islands, and Borders ROA regions were more likely to report difficulty finding training providers who can deliver training where or when they want (16% and 15% respectively, compared to 6% overall).

If an employer had 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” (see Appendix A – Glossary). Overall, 57% of employers were in training equilibrium for the year preceding the survey, while 43% wanted to undertake more training than they did as shown in Figure 26. In 2020, 55% of employers were in equilibrium while 45% wanted to undertake more training.

**While the majority of employers were in training equilibrium (no desire for more training), a sizeable proportion reported wanting to undertake more training**

**Figure 26: Training equilibrium status of employers in 2022**



Base: All establishments in Scotland (5,207); training employers in Scotland (3,822); non-training employers in Scotland (1,385). \*Training employers who responded “don’t know” to whether they wanted to provide more training have been classed as being “not in training equilibrium”.



## 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 main Employer Skills Survey. In total, 1,546 Scottish 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 10, overall training expenditure in Scotland has decreased since 2017, when inflation is taken into account, from £4.8 billion to £4.1 billion. The overall spend per trainee and per employee has also reduced by around £300 respectively.

The largest decreases in training spend were seen in establishments with 2-4 employees, decreasing from £812 million to £330 million in 2022, which reduced the average spend per employee to £1,660 from £4,070 in 2017.

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).

**Total training expenditure, spend per trainee and spend per employee in 2022 was lower than in 2017**

**Table 10: Total training expenditure and spend per person trained and per employee (2022 compared to 2017), in 2022 prices**

Year	2017			2022		
Group	Total	Per trainee	Per employee	Total	Per trainee	Per employee
Unit	£	£	£	£	£	£
Total	4.8bn	3.2k	2.0k	4.1bn	2.9k	1.7k
Size	Total	Per trainee	Per employee	Total	Per trainee	Per employee
Unit	£	£	£	£	£	£
2 to 4	812m	9.3k	4.1k	330m	4.3k	1.7k
5 to 24	1.5bn	4.3k	2.5k	1.5bn	4.2k	2.5k
25 to 49	692m	3.5k	2.3k	674m	3.4k	2.3k
50 to 99	659m	3.5k	2.3k	489m	2.5k	1.7k
100 or more	1.2bn	1.7k	1.1k	1.2bn	1.9k	1.1k

Base: All establishments in Scotland completing the Investment in Training survey (2017: 1,407; 2022: 1,546). 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.

# Apprenticeships

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

When discussing ‘formal apprenticeships’, this would include apprenticeships that follow a formal framework or standard, and lead to a nationally recognised qualification.

## Offering formal apprenticeships

Around one in six (16%) Scottish employers offered formal apprenticeships in 2022.

This includes 10% of Scottish employers that currently employ apprentices. The proportion of employers offering apprenticeships is more generally consistent with previous years (2016 and 2019), with no statistically significant decrease since 2021 (see Table 11).

For the remainder of this chapter, ‘offering’ apprenticeships refers to both employers who have current apprenticeships and those who offer them but do not currently have them.

**The proportion of employers offering apprenticeships in 2022 was consistent with all previous years (2016, 2019 and 2021) .**

**Table 11: Proportion of employers offering apprenticeships, 2014-2022**

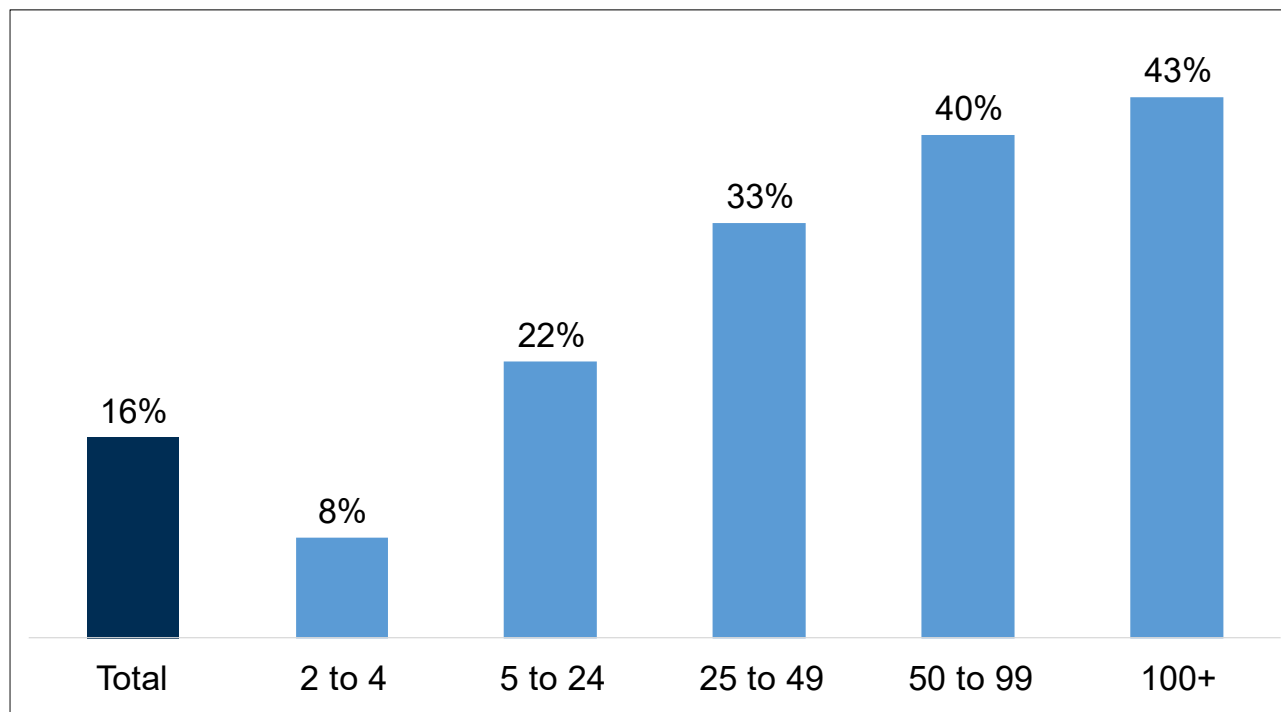
	2014	2016	2019	2021	2022
Proportion of employers offering apprenticeships	14%	15%	16%	19%	16%

Base: All establishments in Scotland (2014: 4,015; 2016: 4,009; 2019: 2,652; 2021: 1,000; 2022 (Module A): 1,325).

The likelihood of offering apprenticeships tended to increase with employer size, ranging from 8% of employers with 2 to 4 staff offering them to 43% of employers with 100 or more employees. This trend by employer size is consistent with previous years. Employers in the Education (37%) and Construction (36%) sectors were more likely than average to offer apprenticeships.

**The proportion of employers offering apprenticeships increased with establishment size.**

**Figure 27: Proportion of employers offering apprenticeships (including those that have current apprentices) by establishment size in 2022**



Base: All establishments in Scotland (Module A) (1,325).

Employers who were not currently offering formal apprenticeships were asked the reasons for not doing so. The most common reason given was that apprenticeships were not suitable for their establishment size (14%). Establishments with 2 to 4 employees were most likely to cite this as a reason for not offering apprenticeships than other size groups (18%). The proportion of employers citing unsuitability due to establishment size has increased to 14% since 2021 (from 10%).

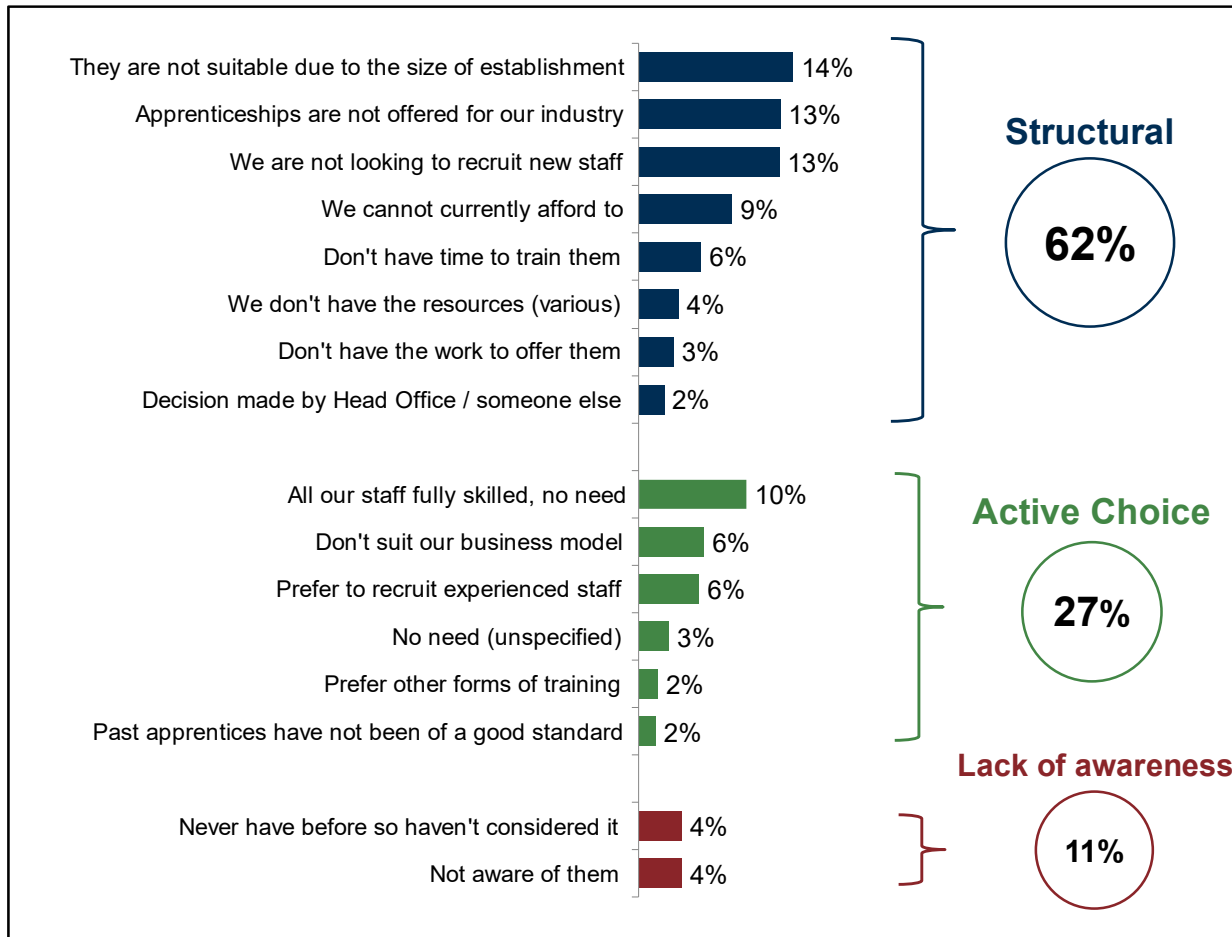
Other common reasons given for not offering apprenticeships included them not being offered in their industry (13%), and employers not looking to recruit new staff (13%). Again, establishments with 2 to 4 employees were more likely than other size groups to mention not looking to recruit as their reason for not offering apprenticeships (16%).

As Figure 28 shows, when grouped into broader categories, structural reasons were the most common type of barrier to offering apprenticeships (62%). More than a quarter of employers (27%) made an active choice not to offer apprenticeships, while over one in ten (11%) cited reasons suggesting a lack of awareness about apprenticeships. These

findings remained broadly in line with 2021. The proportion of employers citing reasons related to COVID-19 was 2%, a decrease from 8% in 2021.

### Employers were most likely not to offer apprenticeships due to structural reasons

**Figure 28: Reasons for not currently offering apprenticeships in 2022**



Base: Employers who do not currently offer formal apprenticeships in Scotland (Module A) (1,032). Figure only shows reasons mentioned by at least 2% of those asked.

### Key characteristics of current apprenticeship offering

Almost all apprenticeship employers (92%) offer them to young people under the age of 25, similar to 2021 (90%).

However, employers did not exclusively offer apprenticeships to young people, with around half (49%) offering them to people aged 25 and above. Only 3% of employers offered apprenticeships solely to those aged 25 and over.

Three-quarters of employers who were offering apprenticeships (76%) had been offering them for more than three years, including 41% that had been offering them for more than

10 years. Around a fifth (19%) of employers offering apprenticeships had been doing so for 3 years or less.

**A greater proportion of employers offered apprenticeships to those under 25. A greater proportion of employers also offered apprenticeships to new recruits compared to existing employees.**

**Table 12: Age groups to whom apprenticeships were offered, 2022 compared to 2021**

Apprenticeship group	Proportion of employers with apprenticeships who offer to this group	
	2021	2022
Age group		
Under 25	90%	<b>92%</b>
Exclusively under 25	36%	<b>46%</b>
Aged 25 and above	57%	<b>49%</b>
Exclusively aged 25 and above	3%	<b>3%</b>
Unknown	7%	<b>5%</b>

Base: All establishments who have/offer formal apprenticeships in Scotland (2021: 265; 2022: 293).

A larger proportion of employers recruited people to do apprenticeships (87% of those offering them) than offered them to existing employees (52%). Offering apprenticeships to existing employees was less common than in 2021 (62%). Fewer employers offered apprenticeships to both new recruits and existing employees compared to 2021 (40% compared to 55%), with employers in 2022 more likely to exclusively offer apprenticeships to new recruits (47% compared to 36% in 2021). Around one in ten (11%) solely offered them to existing employees (7% in 2021). Table 13 shows a summary of who employers offered apprenticeships to.

**Table 13: Employment groups to whom apprenticeships were offered, 2022 compared to 2021**

Employment group	Proportion of employers with apprenticeships who offer to this group	
	2021	2022
Age group		
Any new recruits	91%	<b>87%</b>
Any existing employees	62%	<b>52%</b>
New recruits or existing employees	55%	<b>40%</b>
Exclusively new recruits	36%	<b>47%</b>
Exclusively existing employees	7%	<b>11%</b>
Unknown	2%	<b>2%</b>

Base: All establishments who have/offer formal apprenticeships in Scotland (2021: 265; 2022: 293).

Employers who had started offering apprenticeships in the last three years were asked who first approached them about offering them. For over three-fifths of employers (62%), it was a decision they actively made themselves. A quarter of employers (25%) had been approached by someone externally. A small proportion of employers (7%) said it was a combination of them initiating the offering of apprenticeships as well as being approached by individuals or organisations.

### Future apprenticeship plans

Three in ten employers (31%) plan to either continue offering or start offering apprenticeships in the future.

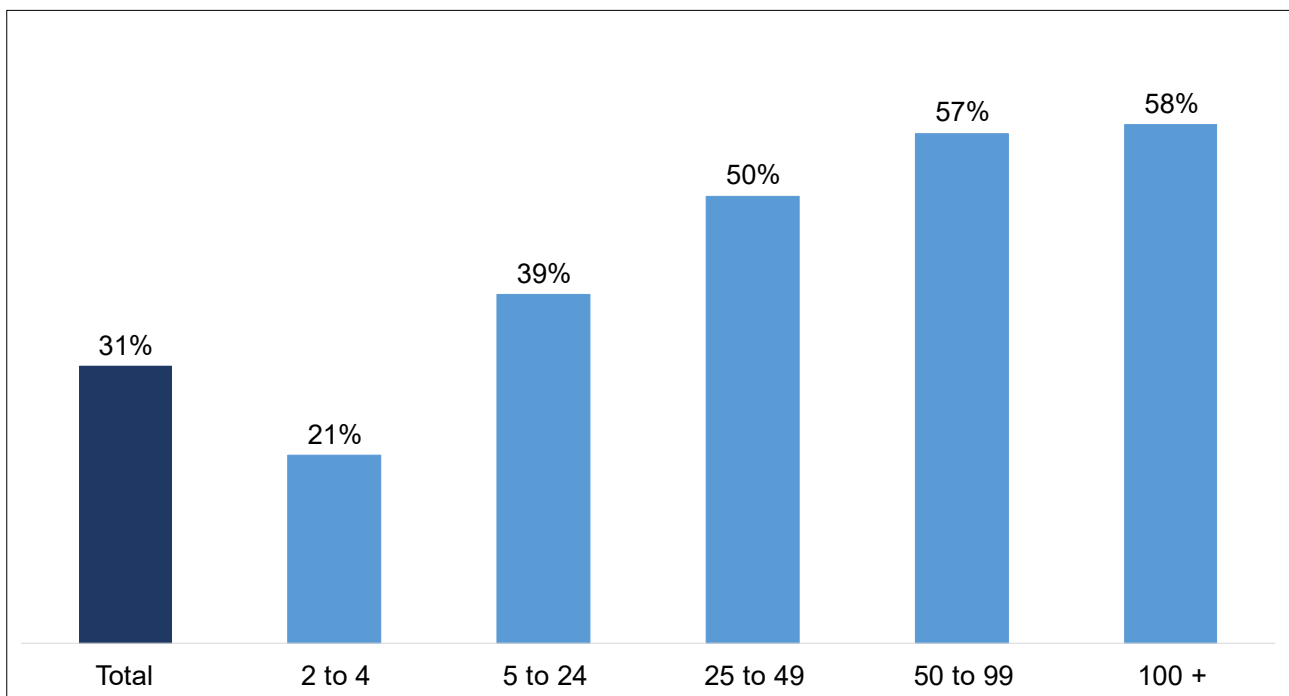
This is lower than the 40% who reported wanting to offer apprenticeships in future in 2021 but remains higher than in 2019 (26%) and 2016 (25%). Over half of employers (53%) do not plan on offering apprenticeships in the future.

The majority of employers who currently offer apprenticeships plan to continue to do so (89%). A fifth of employers (20%) who do not currently offer apprenticeships are planning to start offering them in future, a decrease from 28% in 2021.

The likelihood of employers planning to offer apprenticeships in the future increases with establishment size, as shown in Figure 29, ranging from 21% of employers with 2 to 4 staff to 58% of those with 100 or more employees. By sector, employers in Education (53%) and Construction (48%) were more likely to plan to offer them in the future compared to other sectors, in part due to them being more likely to offer them already.

**The proportion of employers planning to offer apprenticeships in the future increased by establishment size.**

**Figure 29: Proportion of employers planning to offer apprenticeships in the future by establishment size in 2022**



Base: All establishments in Scotland (Module A) (1,325).



# High Performance Working Practices

“High Performance Working” (HPW) practices are practices recognised to ensure employee skills are harnessed and nurtured and used to their best effect. 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.

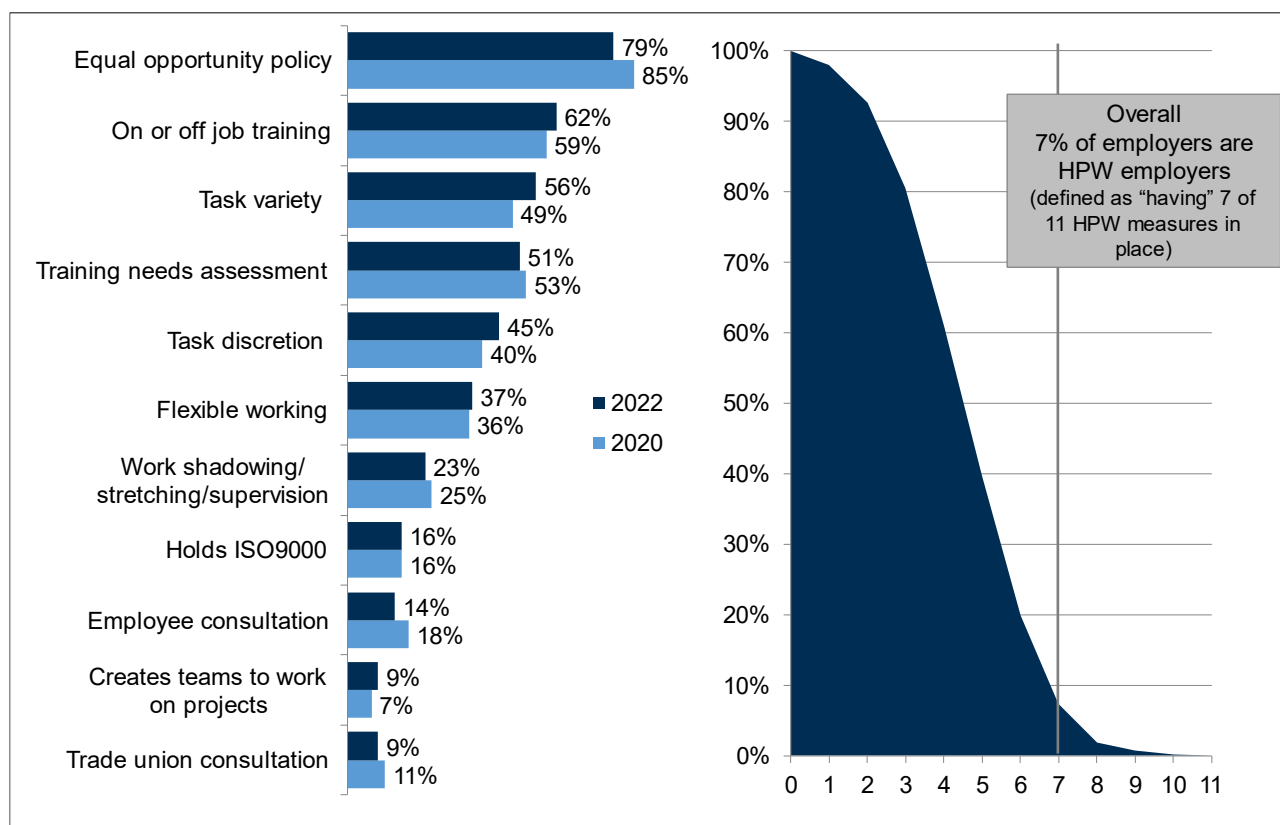
## The proportion of employers classed as High Performance Working employers and change over time

Overall, 7% of employers adopted 7 or more High Performance Working practices (classified as a High Performance Working employer).

This proportion has not changed since 2020. The proportion of establishments offering some specific HPW practices has, however, decreased since 2020. For example, the proportion of establishments with an equal opportunity policy has decreased from 85% to 79%, those with a training needs assessment from 53% to 51% and those offering work shadowing from 25% to 23%. The proportion offering several other HPW practices has increased, with 62% offering on- or off-job-training compared with 59% in 2020, 56% having task variety compared with 49% in 2020, and 45% having task discretion compared with 40% in 2020.

**Overall, 7% of employers were classed as High Performance Working employers. The most common High Performance Working practice was having an equal opportunities policy**

**Figure 30: Prevalence of High Performance Working Practices, 2022 compared to 2020**



Base: All establishments in Scotland (2022: (Module D) 1,213; 2020: 3,497).

The proportion of HPW employers increased substantially with establishment size, from 3% of employers with 2 to 4 employees up to 51% of employers with 100 or more employees.

The proportion with some specific practices in place also varied substantially by establishment size. Larger establishments with 100 or more employees were more likely to have an equal opportunity policy (97%), provide on- or off-the-job training (92%) and have a training needs assessment (78%) compared with the average (79%, 62% and 51% respectively). Larger employers with 100 or more employees were also more likely than average to hold an ISO9000 (44%), have employee consultation (89%) and have trade union consultation (59%) (compared to averages of 16%, 14% and 9% respectively).

In contrast, smaller establishments of 2 to 4 staff were more likely than average to have task variety (62%), task discretion (56%) and work shadowing (31%) (compared to averages of 56%, 45% and 23% respectively).

By sector, employers in Public Administration (24%), Health and Social Work (13%), Information and communications (12%) and Arts and Other Services (11%) were more likely to be HPW employers compared to those in other sectors.

# National Occupational Standards (NOS)

National Occupational Standards (NOS) describe the knowledge, skills and understanding needed to do a particular job to a nationally recognised level of competence.

NOS can be used by awarding bodies which can create qualifications to train individuals for a job, to create job descriptions and by individuals who can research different types of job and match their skills and experience to those needed.

In ESS 2022, Scottish employers were asked about their awareness and use of NOS.

## Awareness of NOS

Overall, nearly half of Scottish employers (49%) had some awareness of NOS.

This includes nearly a third (31%) that had at least some knowledge of what they involve, with just over one in ten (11%) deeming themselves to have 'good knowledge' of what they are. Overall, 48% had not heard of NOS.

It was more common for larger establishments with 100 or more employees to be aware of NOS (64%) compared with smaller establishments (46% of those with 2 to 4 employees). Around a fifth (21%) of the largest establishments with 100 or more employees perceived themselves to have good knowledge of NOS, double the proportion of those with 2 to 4 employees (10%).

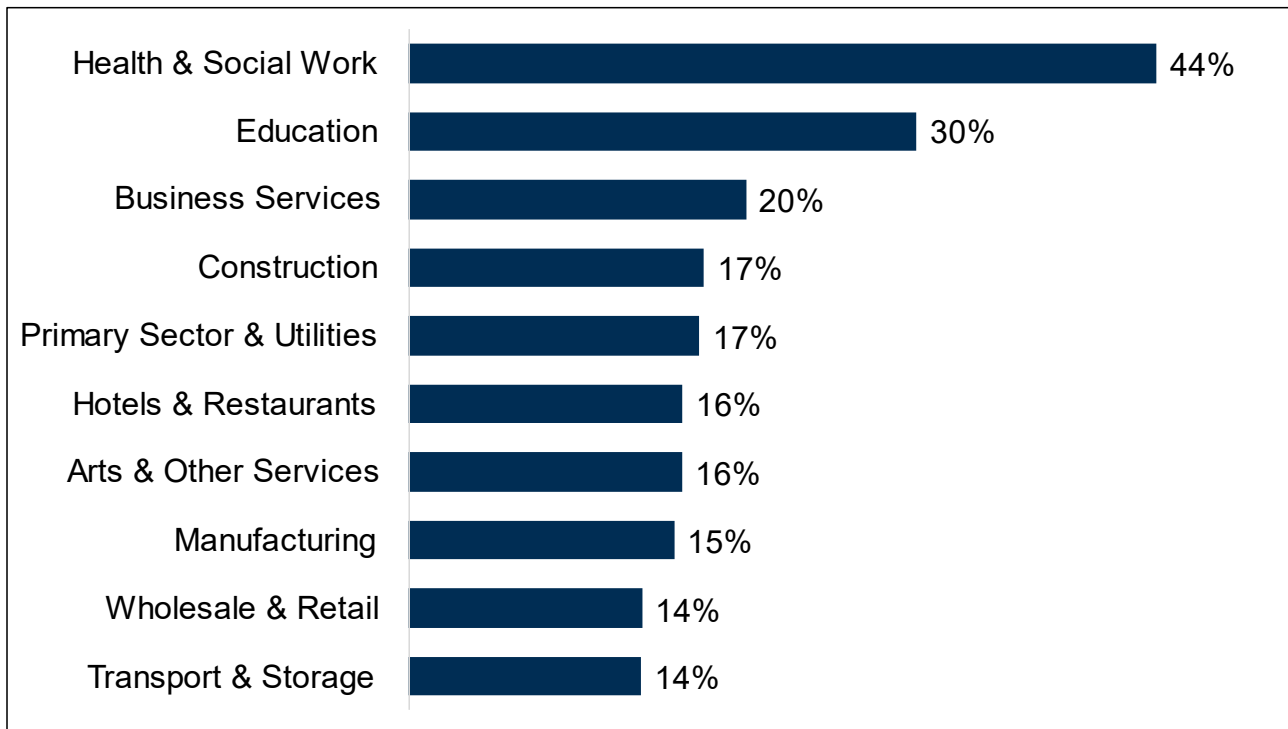
## Use of NOS

The majority of employers (79%) had not used NOS, with 19% using them in some way. The most common ways NOS were used were to develop training plans to meet their establishment's skills needs (14%), to develop job descriptions or guide recruitment criteria (11%) and for staff appraisals or performance (11%).

As shown in Figure 31, by sector, use of NOS was most common among establishments in the Health and Social Work (44%) and Education (30%).

**The Health and Social Work sector had the highest proportion of establishments using National Occupational Standards.**

**Figure 31: Use of National Occupational Standards by sector in 2022**



Base: All establishments in Scotland (Module D) (1,213). Figures from Information and Communications, Financial Services and Public Administration sectors not shown due to low base sizes.

## Data and Methodology

The 2022 ESS survey is the second time ESS findings have been published as Official Statistics by the Scottish Government (the first was the Scottish ESS 2020). The Scottish Government have also previously published EPS 2019 and EPS 2021 as Official Statistics. ESS 2011, 2013, 2015 and 2017 figures referred to in this publication were published in research reports by the UK Government Department for Education (DfE).

The population from which the sample was taken based on all 'establishments' in Scotland 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 5,207 interviews were achieved with Scottish employers. Large sections of the survey were modularised to ensure that ESS and EPS legacy questions 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 modules, while modular questions were assigned to one or more modules, depending on the needed sample size. Table 14 shows the number of completed interviews in each module, for Scottish establishments.

**Table 14: Interviews achieved in Scotland, per module**

<b>Module A</b>	<b>Module B</b>	<b>Module C</b>	<b>Module D</b>	<b>Module E<sup>3</sup></b>
1,325	1,334	1,332	1,213	3

The overall response rate for Scotland was 52%, 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%), Northern Ireland (53%), and Wales (57%).

Further detailed technical information is available in the accompanying 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. Further data can be accessed in published data tables accompanying this report on the Scottish Government website. Accompanying ‘Background Tables’ include underlying data used in the report.

<sup>3</sup> The Scottish establishments that completed module E were initially sampled as English establishments. Their geography was amended in line with the information they provided in the survey.

# Appendix A – Glossary

## **Vacancy density**

The number of vacancies as a proportion of all employment.

## **Hard-to-fill vacancies**

Vacancies that employers struggle to fill.

## **Skill-shortage vacancy (SSV)**

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

## **SSV density**

The number of SSVs as a proportion of all vacancies.

## **Skills gaps**

Skills gaps 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.

### **Regional Outcome Agreement (ROA) definitions**

Throughout the report we breakdown results by region using ROA categories. The constituent local authorities for each ROA region category are shown below. Note, some local authorities appear in more than one ROA; for instance, East Renfrewshire is included both in the Glasgow ROA region and the West ROA region.

- **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 City, Midlothian
- **Fife:** Fife
- **Forth Valley:** Clackmannanshire, Falkirk, Stirling
- **Glasgow:** East Dunbartonshire, East Renfrewshire, Glasgow City
- **Highlands and Islands:** Argyll and Bute, Na h-Eileanan Siar, Highland, Moray, Orkney Islands, Shetland Islands
- **Lanarkshire:** East Dunbartonshire, North Lanarkshire, South Lanarkshire
- **Tayside:** Angus, Dundee City, Perth and Kinross
- **West:** East Renfrewshire, Inverclyde, Renfrewshire, West Dunbartonshire
- **West Lothian:** West Lothian

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

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## **How to access background or source data**

The data collected for this statistical publication:

are available in more detail through <https://statistics.gov.scot>

are available via background excel tables published on the SG website alongside this report.

may be made available on request, subject to consideration of legal and ethical factors. Please contact [FHEstatistics@gov.scot](mailto:FHEstatistics@gov.scot) for further information.

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