



## Employer Attitudes & Motivations to Learning & Training Research (Employer Panel Consultation) Wave 15

### SUMMARY OF RESULTS

**CITB NI carries out a regular programme of employer research to provide up-to-date intelligence and the evidence needed to underpin policy making and strategic decisions.**

The Employer Panel Consultation (EPC) research acts as a regular programme of consultation with employers on hot topics of the moment and allows a reality check

on anecdotal reports. The research also helps to enhance our understanding of behavioural issues influencing employers' training decisions.

This flyer summarises the findings from Wave 15 of the EPC research, which involved 109 telephone interviews with NI construction employers (contractors and professional services) in August 2015.

### Headlines

Construction employers are reporting signs of economic recovery with 96% seeing growth opportunities in the next 12 months. However, 36% of employers have seen a decrease in turnover and 73% reported lower profit levels than before the recession.

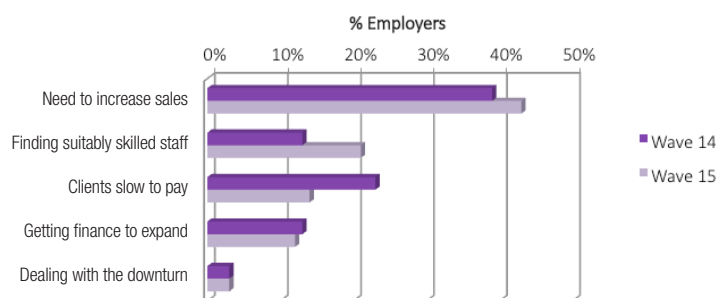
Some 27% of construction employers are recruiting apprentices, graduates and interns and the majority rated candidates skills and attributes as good / very good. However, 21% of construction employers have experienced difficulty finding suitably qualified staff leading to wage inflation in a number of trades, as reported by 22% of employers.

### Key Business Challenges

The survey results on key business challenges show signs of economic recovery. The proportion mentioning the need to increase sales has remained fairly consistent at 43% (vs. 39% in 2014), although it remains the most common business challenge. Finding suitably skilled staff has increased from 13% in 2014 to 21% in 2015. Clients being slow to pay (14%) has dropped from 23% in 2014.

The proportion mentioning the economic downturn as a challenge has continued to fall (3%, down from 10% in 2013) and more firms say they are not currently facing any particular business challenges (15%, up from 3% in 2013 and 2014).

**Main Key Challenges (spontaneous)**



## The Economic Downturn and Recent Business Performance

Despite signs of improvement from the findings above, other economic indicators are less positive – more employers (36%) have indicated a decrease in turnover over the last 12 months than an increase (24%). This is less positive than results in 2014 when 37% reported an increase, though still higher than 2013 (13%).

Optimism about turnover in the next 12 months was reasonably high: the majority felt their turnover would stay at about the same level (39%), whilst more expect turnover to increase (39%) than decrease (17%).

Three-quarters (73%) of respondents reported that their profit levels were still lower than before the recession (no change from 2014, 72%). Over a third (35%) said profit levels were significantly lower. Only 7% said profit levels were higher.

Promisingly, the vast majority of companies saw growth opportunities for the next 12 months (96%). This was most often in work for the general public (52%, though heavily influenced by the prevalence of small firms in the survey). A significant minority (31%) felt growth opportunities would come from commercial clients. Fewer employers anticipated opportunities working as sub-contractors (18%) or in working for the public sector (17%).



## Apprentices and Graduate Recruitment

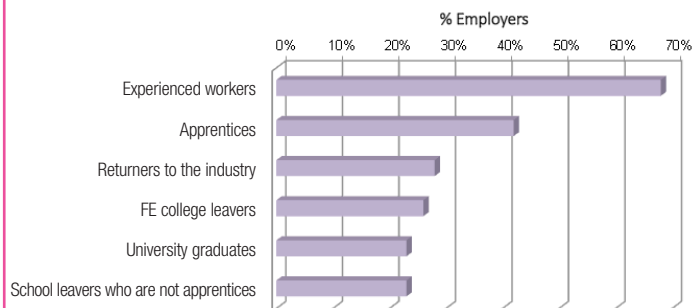
The proportion of employers recruiting apprentices, graduates and interns has remained stable at 27% of NI employers doing so in the last 12 months (30% in 2014). Of those who had recruited apprentices, graduates & interns, 89% rated their skills and attributes as good or very good.

32% of firms are likely to take on apprentices, graduates and interns in the next 12 months, similar to 2014.

The majority of construction companies recruit experienced workers (68%), mainly as they need new staff to be up to speed straight away (44%).



### Recruitment of Apprentices, Graduates and FE College Leavers



## Training Progression

Half of firms in Northern Ireland (49%) reported having a written training or development plan in place. In most cases this covered all employees (39%). New entrants are offered an induction (by 91% of employers), a formal review session a few weeks / months after they start (91%), informal mentoring (83%) and toolbox talks (74%). Training for new entrants is influenced by regulations or clients for 93% of employers.

Experienced staff are commonly offered training based on the immediate needs of the business: 67% trained in areas where work was coming in, particularly amongst those with commercial (79%) and public sector clients (83%). A third of employers (36%) reported offering training to experienced staff that was over and above what was required by regulations or clients (sub-contractors (47%) and those with public sector clients (50%) were more likely to do so).

## Recruitment and Recruitment Barriers

Three in ten companies interviewed (30%) had recruited or tried to recruit staff in the last 12 months. The most commonly used method to recruit staff was word of mouth (45%) followed by recruitment via schools and colleges (32%).

Companies are more likely to report that their recruitment costs per employee recruited had increased in the last 2-3 years (27%) than to say it had decreased (3%). On average, recruiters spent £1,475 on 'out of pocket' recruitment costs over the last 12 months and £1,370 on time costs, both higher than the UK average.

Amongst those that had recruited, or had tried to recruit staff in the last 12 months, seven in ten (70%) reported challenges in doing so. The greatest challenge was a shortage of good applicants (67%), while a further 8% mentioned a shortage of applicants in general.

**Types of Employee Tried to Recruit**

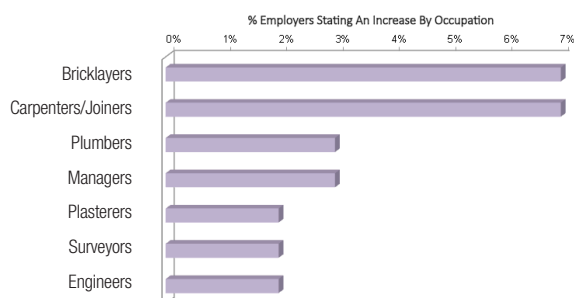


The main impact resulting from recruitment challenges was recruitment taking longer than desired (25 respondents). However recruitment challenges also impacted on the ability to undertake projects: 19 respondents said projects took longer to complete because of staff shortages and a further 8 mentioned having to turn work down.

## Earnings

Over a fifth (22%) feel there have been occupations where pay has increased over the last 12 months due to a shortage of candidates or high demand in the industry (similar to UK, 25%).

**Construction occupations where pay has increased over the last 12 months**



## Revised CDM Regulations

The revised CDM Regulations only apply to Great Britain and those Northern Ireland companies working there (43) were asked questions relating to this. Of these almost one-fifth (18%) were aware of the CDM Regulations 2015. Nearly all of these had a good (8) or reasonable (5) understanding while only 2 felt their understanding was poor. Of those aware, 8 had sought information or guidance about them through training courses (3), searching the press (3) or carrying out a general internet search (2).

## Non-UK Workers

In total 4% of businesses in Northern Ireland currently employed non-UK workers, with a further 1% reporting they had done so in the last 12 months. Those who had employed non-UK workers most commonly reported these workers being experienced people with high level technical / craft skills (10) or experienced site labourers (10). A further 6 respondents said their workers included people with no previous experience in the construction sector.

The reasons given for employing non-UK workers were to keep costs down (37%), non-UK workers have a better work ethic (13%) or there being a shortage of highly-skilled candidates from the UK (12%). A similar proportion each mentioned a shortage of unskilled labour (6%) and a shortage of technical or craft skills in the UK workforce (5%). However, a fifth (19%) of firms said there was no particular reason other than their being the best candidates for the job.

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