

A Sheffield City Region Combined Authority Report on skills shortages and hard to fill vacancies.

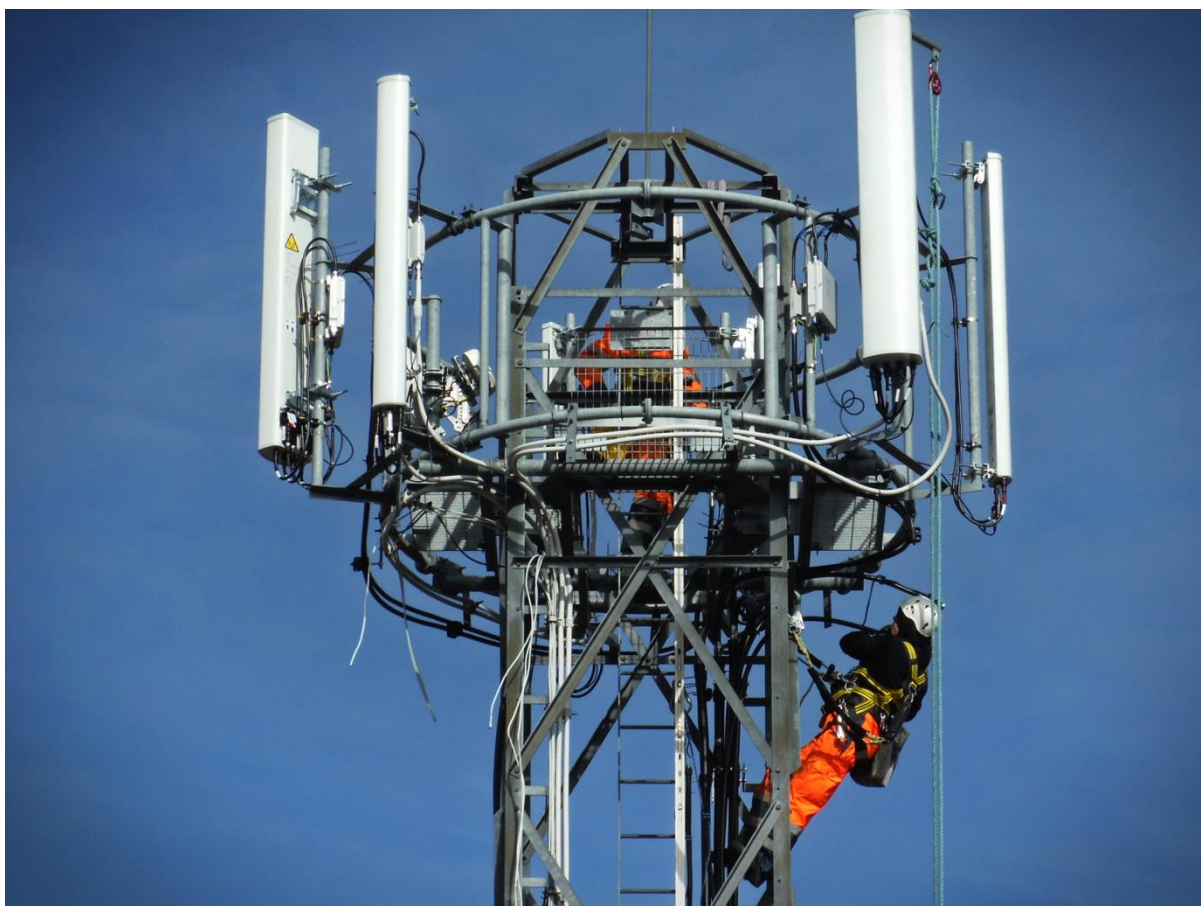
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As the UK Mobile Telecommunications technology advances so does the need for riggers with the technical and practical knowledge to deliver Mobile Telecommunications requirements.

The issue we faced in attracting and developing young people was that there was no formal qualification for UK telecom riggers and no standardised apprenticeship in this field. 8point8 made the decision to address this skills shortage and develop a rigging specific apprenticeship. We brought together likeminded Employers to form a Trailblazer Group. The Group's proposal for a Wireless Rigging apprenticeship has been approved and the standard is now in development. The introduction of this apprenticeship will enable us to further invest in our workforce, develop young talent locally and contribute to the growth of the local economy.

Case Study: 8point8 Group

Foreword

Just why are some vacancies hard to fill? This report provides an in-depth look at the problem, and how we as a Local Enterprise Partnership can help both Applicants looking for work, and Employers looking for the right staff.

The issue of hard-to-fill vacancies isn't confined to this region. Nationwide, the average number of hard-to-fill vacancies is 33 per cent, compared to 31 per cent in the Sheffield City Region.

To research the problem, we collaborated extensively with more than 250 Employers and over 250 jobseekers, and came to some very useful conclusions.

We need to change the culture. We need to be proactive about helping Applicants find work. Let's make sure that schools and colleges, Employers, jobseekers and local authorities know what job opportunities are available. We've made a great start with the Sheffield City Region Jobs Board where employers ranging from McLaren and Tesco to SMEs are finding the right candidates. But we can do more.

We need to make sure that Applicants have the skills they need to find and get jobs, and then to progress in their careers. Employers have been vocal about the skills that Applicants leave academia with, compared to what industry requires. Curriculums are perceived to be outdated, and lacking the appropriate scope and depth.

Equally, Applicants felt that interviews had not given them the best opportunity to present their full skill set, and they felt that transferable skills were overlooked by employers. Responses also showed that soft skills such as innovation, critical thinking and time management are key to employers, but not currently prioritised by young Applicants. A single, simple solution doesn't exist.

Employers such as McLaren and Boeing have chosen to locate here, which is a huge tribute to our reputation, but we still need to attract more jobseekers. We know that Sheffield City Region is a great place to live, work and be educated – but we need to keep on shouting about it!

You can tailor this report it to meet your own needs as an action plan. It is very concise, with relevant case studies and useful hyperlinks. Please use it as a prompt to review your own situation and gain some help from it.

This is a living document and we want YOU to read it and get benefit from it.

Sir Nigel Knowles, Chair, Sheffield City Region Local Enterprise Partnership.

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1 Glossary of Terms

Applicants: current or future employees, who are active in the SCR job seeking market.

Causal Models: visual representations of what Employers and Applicants perceive to be the underlying causes of hard to fill vacancies and skills shortages in Sheffield City Region, and how these issues interact.

Educators: all parties that teach including academia (schools, colleges and universities), training providers, apprenticeship providers and mentors.

Employers: all types of organisation across Sheffield City Region that employs Applicants.

Focus Groups: facilitated sessions where Employers or Applicants from across Sheffield City Region discussed their perceptions of the under-lying issues around hard to fill vacancies and skills shortages.

Policy Intervention: an act of positive intervention by a public sector authority.

Sheffield City Region (SCR): the geographical area of Sheffield City Region LEP, which includes Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham, Sheffield.

Sheffield City Region Combined Authority (SCR CA): comprises a formal membership of Sheffield, Rotherham, Barnsley and Doncaster whilst also including the councils of Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire as “non-constituent” members. The Combined Authority is made up of Leaders of each local council.

Sheffield City Region Local Enterprise Partnership (SCR LEP): the Board is made up of 19 members – ten business leaders and nine local authority leaders.

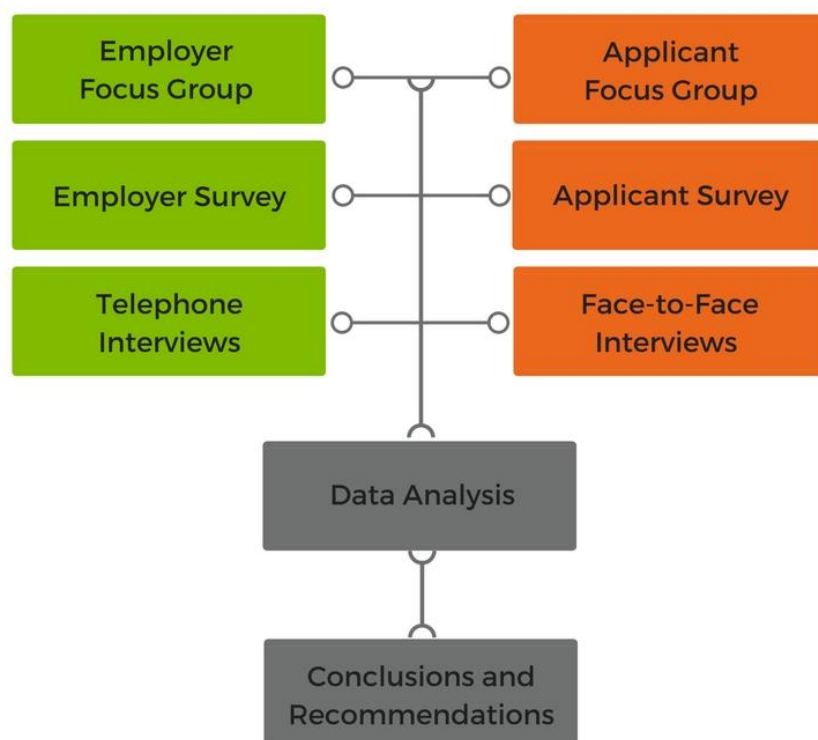
Survey Panel: presentation of the survey data, in chart form, in a way that increases insight into the issue of hard to fill vacancies and skills shortages.

Themes: six inter-connected themes that have been devised through research analysis and are concerned with creating, attracting and retaining the skills Employers in Sheffield City Region require.

2 Executive Summary

A 2015 study found that 2,345 Employers in Sheffield City Region had a vacancy that they considered 'hard to fill'; that is they were struggling to fill the vacancy for some reason, be it the Employer's location, the job's working hours or the skills required to do the job. In 2015 the Sheffield City Region Local Enterprise Partnership launched a Strategic Economic Plan concerned with creating 70,000 new jobs by 2025, and sees these 'hard to fill' vacancies as a contribution to this target. The Sheffield City Region Combined Authority, which forms part of the Sheffield City Region Local Enterprise Partnership, commissioned this report to help understand the issues perceived by Employers and job Applicants that underlie these 'hard to fill' vacancies, so that provisions to address them can be put in place. This report focuses on the Construction, Manufacturing, Creative & Digital and Business, Professional & Financial sectors.

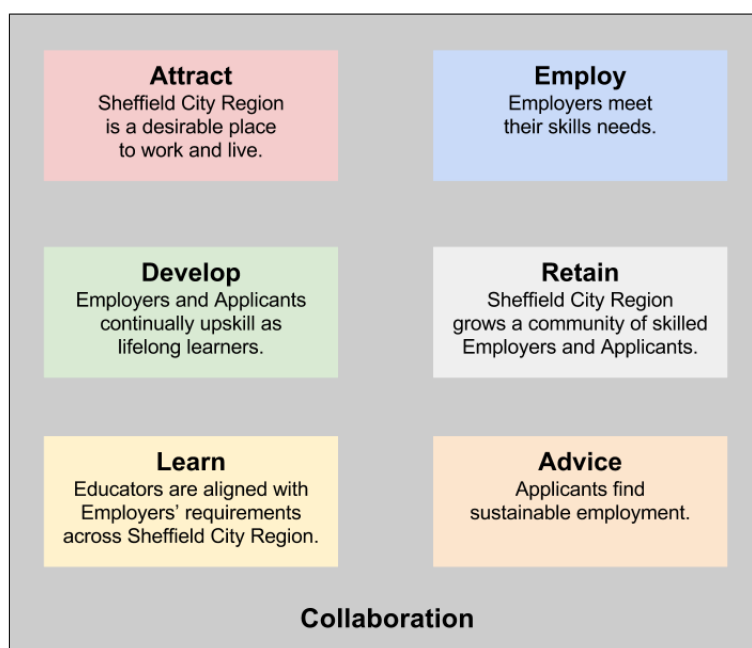
To understand the issues perceived to underlie these 'hard to fill' vacancies a literature review was completed, the findings of which were used to inform the primary research undertaken. To collect quantitative data, over 250 Employers and 250 Applicants from across Sheffield City Region and the four sectors completed surveys (there was a survey for SCR Employers and a different survey for UK Applicants who had experienced some form of interaction with the SCR job market). A number of these Employers and Applicants accepted an invitation to attend focus groups, during which qualitative data was collected.



The research methodology.

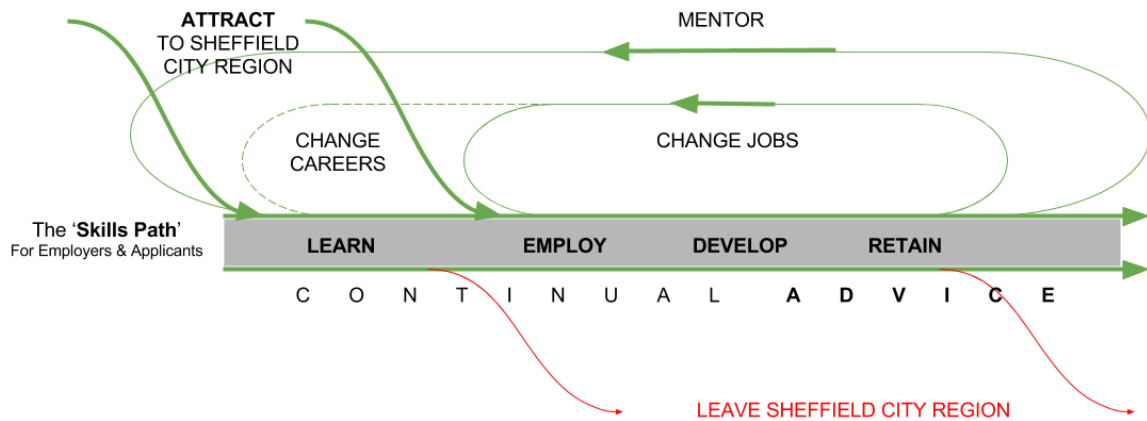
The data was then collated and presented: eight 'panels' display the survey data, four for each of the Employers and Applicants; two 'causal models' show the focus group data, one for each of the Employers and Applicants.

On analysing the data, six 'Themes' emerged which are perceived to underlie the issues of these 'hard to fill' vacancies.



The six Themes and their outcomes, under which recommendations have been grouped.

The individual Themes draw on the relevant research data and include recommendations on how to address the 'hard to fill' vacancies. While the Themes can be actioned in isolation it is in practicing the six Themes in a holistic and coordinated manner that greatest progress can be made in addressing 'hard to fill' vacancies. The 'Skills Creation Cycle' below shows how the six Themes interconnect, and in doing so create economic growth for Employers and Applicants.



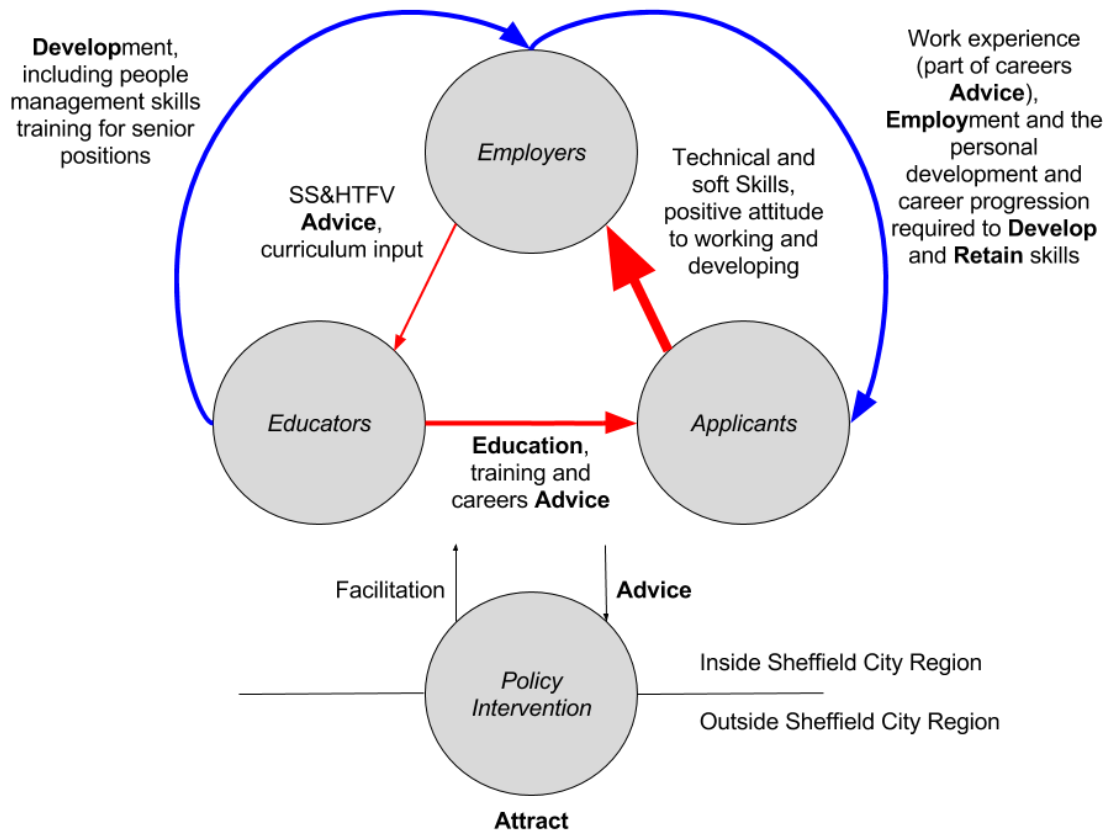
*The Skills Creation Cycle
shows how the six Themes interconnect to create socio-economic gain.*

The Skills Creation Cycle is concerned with:

- attracting Applicants to Sheffield City Region,
- providing Applicants with advice on the employment opportunities across Sheffield City Region and their associated skills requirements,
- equipping Applicants with the technical and soft skills required by Employers,
- the sustainable employment, development and retention of skilled Applicants,
- retaining a pool of skilled Employers and Applicants.

The Cycle also recognises the important role that mentors play in the provision of advice, education and training. Mentees, who can be school children through to experienced Employers and Applicants, benefit from receiving their mentor's experience and knowledge.

The Cycle can also be viewed from the various stakeholders' perspective as shown below.



How collaboration across the stakeholders connects the Themes and so triggers the cyclical effect of growth shown in the Skills Creation Cycle.

Operating in a collaborative manner it can be seen how advice in one direction enables the supply of training, skills and facilitation in the other. This creates the cyclical effect that will enable the long-term economic growth of Sheffield City Region as per the Sheffield City Region Local Enterprise Partnership's Strategic Economic Plan.

The six Themes and their abridged recommendations follow.

Attract

Employers should:

- Connect with local schools, colleges and universities, donating time and expertise in support of the development and delivery of the curriculum and syllabus.
- Share their opportunities with schools, colleges and universities through platforms such as U Explore and The Enterprise Advisor Network.

Policy intervention should:

- Create and promote a Sheffield City Region message / brand.
- Promote the replication of initiatives such as 'BID' and their 'Live after Five' project.
- Ensure Housing and Planning policies across Sheffield City Region provide a diverse range of homes.
- Collaborate with Employers to ensure that transport links to areas of employment are affordable, accessible and efficient.
- Collaborate with Employers and Educators to create world class centres of excellence.

Schools, colleges and universities should:

- Share the Sheffield City Region message / brand with students to help them make a fully informed decision about where to seek employment on graduating.

Learn

Employers should:

- Share their skills requirements with Educators and collaborate with them using consistent terminology to enrich curricula and syllabi.
- Consider developing their own apprenticeship / training programmes (possibly in collaboration with other Employers) with the support of training / academic institutions.

Policy intervention should:

- Collaborate with Employers on the creation of 'skills and work ready initiatives' for the Business, Professional & Financial sector.
- Consider collaborating with Sheffield Hallam University on extending its South Yorkshire Futures programme to Sheffield City Region.
- Further explore how the Employers' perception of the underlying factors that lead to hard to fill vacancies varies across the different academic levels achieved.

Employ

Employers should:

- Review their employment packages and perks of the job and effectively communicate the benefits to existing and potential Applicants.
- Review their current recruitment and induction processes.
- Should review their recruitment criteria to allow for consideration of applicants from outside of their own sector who have transferable skills. These Applicants could be adaptable and bring in valued skills, and 'giving an Applicant a chance' will likely increase loyalty and so support retention.
- Consider extending the available Skills Pool by targeting the passive Applicant market through professional recruiters, wider use of social media or recruitment boards with chargeable click-through options.

Policy intervention should:

- Collaborate with Employers on the provision of subsidised public transport that enables wider access to work destinations (e.g. rural industrial estates) with low paid vacancies, for which current transport costs may be relatively high.

Develop

Employers should:

- Be clear about their expectation of Applicants to positively engage in training and development by identifying and communicating their development requirements and corresponding training needs. Employers should foster an attitude of lifelong learning in Applicants and facilitate this through the consistent implementation of personalised development plans that include regular appraisals.
- Provide development training to their senior personnel on both leadership and management.
- Support the delivery of core training through SCR CA's Growth Hub¹ and Skills Bank².
- Look at collaborating with other Employers on training, so called "Coopertition" - two or more Employers collaborating in one market whilst competing in another space

¹ <https://www.scrgrowthhub.co.uk/>

² <http://sheffieldcityregionskillsbank.co.uk/>

(partners and competitors)

- Consider developing their own qualifications (or collaborating with local training providers) in order to bring their Applicants up to the required standard.
- Consider supporting Applicants with regards to undertaking training in their own time.

Retain

Employers should:

- Continually engage Applicants on job satisfaction and identify, or create as required and where possible, career progression opportunities.
- Use salary benchmarking tools to obtain advice on the salary they should be paying to remain competitive.
- Consider whether they can improve other aspects of employment (e.g. working environment, culture, leadership and management) to increase retention and/or become more attractive to new Applicants.
- Consider taking a chance on employing Applicants that have the right attitude, aptitude and transferable skills over and above specific sectoral experience.

Policy intervention should:

- Inwardly promote to Applicants the full spectrum of job opportunities that exist within Sheffield City Region, together with the world class culture and recreational opportunities.

Advice

Educators, Employers, Applicants and their Family / Carers should:

- Engage in SCR CA's latest CEIAG (Careers Education, Information, Advice & Guidance) Strategy.

Policy intervention should:

- Collaborate with SMEs and Educators from across Sheffield City Region on a careers fair for SMEs only.

Further Recommendations

Policy intervention should:

- Explore whether Applicants' perception of the careers advice they've received has changed over time to help understand whether it is perceived as getting better.
- Consider including requirements regarding hard to fill vacancies and skills shortages in supply chain procurement activities. Employers should do likewise.
- Consider developing a single platform that makes it easy for Applicants and Employers to obtain information and resources that are relevant to their particular requirements

3 Introduction

In 2015 the UKCES Employer Skills Survey found that 7,566 Employers (6%) in the Sheffield City Region had at least one 'hard to fill vacancy', that is the Employers were finding it difficult to fill a vacancy for any reason - hard to reach location, unsociable hours, lack of Applicants with the right skills etc.

This report was subsequently commissioned by the Sheffield City Region Combined Authority (SCR CA) to fully understand the current issues around 'hard to fill vacancies' and skills shortages within the Sheffield City Region, with a view to informing future training provision, supporting Employers and Employees (hereafter referred to as 'Applicants') and highlighting other concerns in the pursuit of enhanced economic performance across Sheffield City Region.

While focusing on the Manufacturing, Construction, Creative & Digital, and Business, Professional and Financial sectors, this report identifies skills that Employers find hard to fill, and examines the perceptions of Employers and Applicants as to why some vacancies are hard to fill.

The report goes on to draw conclusions and recommendations under six inter-connected themes. Some recommendations are concerned with 'local' actions, such as improving business process, whilst others stimulate 'global' actions, such as engaging with a local school through the provision of work experience. All the recommendations will combine to build a pool of skilled Employers and Applicants capable of reacting to the opportunities that arise, and growing as they do so into successful Employers and individuals.

The SCR CA is incredibly grateful to the Employers and Applicants that shared their opinions on hard to fill vacancies and skills shortages, as well as those that contributed case studies, relevant material and thoughts on the matter. A number of these Employers pledged their involvement in the growth of Sheffield City Region, some of which can be found on the following page.

Growth Pledge Examples

"Encourage more employment from Sheffield based/educated candidates, whilst being willing to up-skill where necessary and provide insight work/life balance and culture."

Alex Hill, SEO Works

"My pledge is to reach out to local sixth form colleges to engage with A level students giving them a credible alternative to university"

Sam Leeder, Actus Insurance

"I will look to support digital within schools and shout from the rooftops about the opportunity within the city region."

Ross Bray, Ask4

"I will speak to the CIPD re linking with the SCR CA to scale up coaching and retaining model (beyond HR) to other business leaders, young Applicants, and those returning to work."

Matt Corbishley, Ashgate Hospicecare

"Find the best way to fast track locally with digital government programmes and company's own digital platforms. Launch a better communication reference to share knowledge, resources, ideas cyber security to the region to build new talent pool with the universities and young Applicants."

Kathy McKay, Consultant

4 Background

4.1 Sheffield City Region

Sheffield City Region includes the areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield, with a total population of about 1.84 million Applicants. It includes the city of Sheffield and the large towns of Barnsley, Chesterfield, Doncaster and Rotherham. The population is largely concentrated in these urban centres.

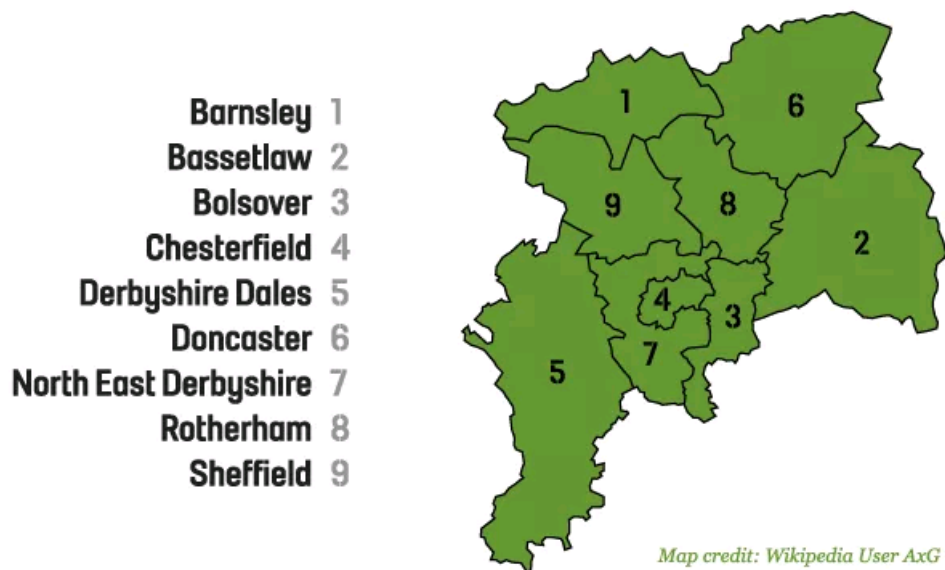


Figure 1: The areas that form Sheffield City Region.

4.2 Sheffield City Region Growth

The Sheffield City Region Local Enterprise Partnership (SCR LEP), which consists of ten private and nine public sector leaders, developed a Strategic Economic Plan in 2015 that is concerned with creating 70,000 new jobs and 6,000 new Employers across Sheffield City Region by 2025. Working with the SCR CA, which is the nine local authorities from across Sheffield City Region, the LEP has created 37,000 jobs to date. To continue this growth the SCR LEP will retain skills training at the heart of the Strategic Economic Plan (SEP). This report will inform the skills training section of the SEP.

Currently, the SCR SEP is being updated to account for recent, successful growth.

4.3 Skills Demand

In 2015 there were 126,100³ Employers in Sheffield City Region, 6% (7,566)⁴ of which had a vacancy. Of these, 31% (2,345) of Employers considered their vacancy hard to fill.

87% of Employers were classed as micro (0-9 Employees), so 2,041 micro Employers had hard to fill vacancies in 2015.

This data is significant as the skills training an SME requires, and how it is funded and delivered, is likely to be different to a large organisation's requirements. Other relevant factors taken from the 2016 Labour Market Information are:

- Most sectors seem to be losing larger Employers (1000+ Employees) and gaining SMEs (0-9 Employees).
- 16% (118,000) of Sheffield City Region's existing workforce are aged 55+ and may look to retire within the next 10 years.
- Estimates predict that there will be 23,232 new jobs in Sheffield City Region by 2020. Of these jobs future skills requirements will be focussed around NVQ levels⁵ 1-3 and degree level qualifications, with a gap in between (Level 4-5 are not in demand).

Of note here is the research currently being undertaken within Leeds University Business School, partially detailed within a 2014 paper titled 'The Demand-Side of Active Labour Market Policies: A Regional Study of Employer Engagement in the Work Programme'. The paper identifies that, against a general trend of disengagement with the Work Programme, Employers with hard to fill vacancies will engage with the Work Programme out of necessity. This is an ongoing area of study, which incorporates 'Coopertition' and the factors underlying recruitment (which mirror our own findings) that will be monitored throughout the implementation of this report.

4.4 Skills Supply

In July 2014, SCR CA secured a £320m 'Growth Deal' from Government. As part of the Growth Deal Government committed to:

- Investing £21.7m over a six-year period to design, deliver and evaluate the SCR CA's Skills Bank⁶, a service that invests in skills and expertise to drive growth;

³ Inter Departmental Business Register

⁴ 2015 UKCES Employer Skills Survey

⁵ <http://www.cityandguilds.com/qualifications-and-apprenticeships/qualifications-explained/qualification-comparisons>

⁶ <http://sheffieldcityregionskillsbank.co.uk/>

- Devolve £18m of Skills Capital funding to SCR CA to invest in the infrastructure and facilities of its skills provider base as below.

In January 2015 the SCR CA secured 'Growth Deal 2' which increased the SCR CA's Skills Capital investment fund to £28m.

Sheffield City Region's skills provider base includes:

- 112 Funded Schools with Sixth Forms, including 1 University Technical College
- 2 Sixth Form Colleges
- 7 General Further Education Colleges
- 2 Universities
- Multiple Independent training providers

These skills providers will supply a range of Applicants in the form of school leavers, apprentices, those in Further Education, and graduates. Some will be home grown talent while other Applicants will be from outside of Sheffield City Region who have come to study in the Region.

5 Literature Review

A literature review was carried out prior to undertaking the hard to fill vacancies and skills shortage research to gain a clear view of the existing studies on employment and skills. The review informed the research approach and prompted key qualitative and quantitative questioning.

The study focussed on existing research material into hard to fill vacancies and skills shortages on a local and national level. The review assessed material available to assist in uncovering where the key skills gaps lie in the Sheffield City Region's labour market, the perceived reasons why, for both Employers and Applicants, plus realistic suggestions for areas of improvement.

Nationally data was attained from key sources including the Office for National Statistics' (ONS) UK Labour Market Report June 2017, the UK Employer Skills Survey 2015 (ESS 2015), ONS Annual Survey of Hours and Earnings 2016, The Labour Market Story, and the State of UK Skills 2014.

Material was assessed on a local level specifically looking at data produced by the local Chambers of Commerce and relevant Sheffield City Region studies. This included the SCR CA's Quarterly Economic Survey's, the SCR CA's Economic Bulletin, Sheffield City Region's Labour Market Information and the Sheffield City Region 25 Year Vision Report. All of the studies worked to provide a local perspective and assess the climate surrounding the current workforce and future workforce needs.

In addition, for each sector (Business, Professional & Financial; Creative & Digital; Construction and Manufacturing) research was carried out with particular focus on uncovering the future skills need. This helps improve understanding of whether current skills provisions will satisfy Employers' requirements.

Research showed a lack of current specific data for Applicants applying for hard to fill vacancies in the Sheffield City Region and even within the UK more broadly. This lack of data demonstrated the importance of this research and the need for this information to assist growth in Sheffield City Region. The literature review assisted in key questioning and areas of focus for each survey where information was not already readily available, including the following:

5.1 Employer Survey

- Identify specific skills sets Employers struggle to find and the impact on Employers of hard to fill vacancies.
- Focus on sector requirement.
- Assess how education equips Applicants with the right skill sets.
- Assess the hiring process and engagement with the Applicants.

- Distinguish between hard to fill vacancies and skills shortages.

5.2 Applicant Survey

- The communications process for Applicants during the hiring process.
- Location, travel costs and accessibility.
- Salary expectations and benefits.
- Induction and training.
- Management and leadership.
- Progression and development.
- Awareness of Employers and opportunities in Sheffield City Region.

6 Methodology

The methodology for the hard to fill vacancies and skills shortage research focused on implementing techniques that maximised interaction with Employers and Applicants from across the Sheffield City Region.

The use of targeted qualitative and quantitative research ensured an accurate understanding of the current issues surrounding skills and employment as perceived by Employers and Applicants. Two quantitative surveys were devised for Employers and Applicants to drill down into the reasons each party believed there were hard to fill vacancies, the impact of the shortages and Employer/Applicant perceptions of underlying issues. Alongside this, separate Focus Groups were held for both Employers and Applicants to ascertain further detail into the results of the surveys, thereby providing qualitative data.

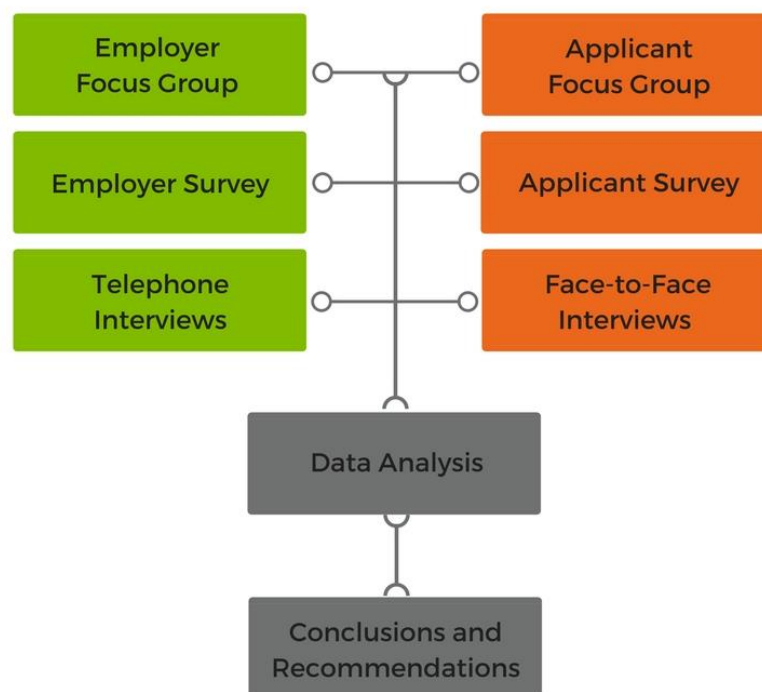


Figure 2: The research methodology.

6.1 Employer Survey (Quantitative)

Within a comprehensive set of questions, the Employer survey collected the following information about the responding Employers:

- Industrial Sector
- Size (by number of Employees)
- Location (by Local Authority District within the Sheffield City Region)

This helps to identify and understand possible correlations between Employers' perception of the underlying issues of hard to fill vacancies and skills shortage and their sector and size etc. For example, Employers in the Creative & Digital sector may perceive the issues to be different to Employers in the Construction sector. These two scenarios can then be addressed accordingly.

In order to maximise the results of the Employer survey and access a large pool of respondents, promotion of both surveys was carried out online and offline.

Note: The list of skills used in the Employer Survey are taken from definitions within the extensive O*NET⁷ Database. This was to ensure that we gave Employers the opportunity to describe the skills that they require as accurately as possible, using recognised sets of skills.

6.1.1 Online Promotion

The survey was emailed to decision makers across Sheffield City Region locations and sectors to request their participation. It was ensured the mailing list was inclusive of all Employers, from micro SME's to large corporates, plus across the key sectors (Business, Professional, Financial, Creative & Digital, Construction and Manufacturing) and all local authority districts.

Alongside Benchmark Recruit's bespoke mailing list, the Chamber of Commerce for each locality provided additional lists of sector specific Employers such as Construction and Manufacturing, which were contacted accordingly. The Chamber of Commerce for each area also supported the research by widely promoting the survey.

Business networks also distributed the survey and these included Common Purpose, The Institute of Directors (IOD), The Federation of Small Employers (FSB), Construction Industry Training Board (CiTB) and Dale Carnegie.

Social media was utilised to generate interest in the survey from an initial launch in partnership with the Sheffield City Region marketing team, and ongoing activity maintained throughout with relevant hashtags targeted at specific industries.

6.1.2 Offline Promotion

A press release was issued to key media at the start of the project with a news story running in the Sheffield Star and Sheffield Telegraph helping to raise the profile of the research.

Proactive telephone calling by a team of consultants resulted in increasing the completed Employer surveys. Although these Employers were initially emailed the survey, speaking to them one-to-one was a call to action to participate, as after explanation they understood the value of the research. Responses were monitored and Employers in areas where there was

⁷ <https://www.onetcenter.org/overview.html>

a poor sample size were contacted directly to try and increase uptake and ensure balanced views.

Face-to-face interviews were conducted at key locations with micro SMEs in the construction sector. This was a particularly effective method to communicate with those Employers that operate onsite or offline. For example, the Benchmark team approached construction Employers of 0-4 Applicants at locations such as significant local material suppliers.

6.2 Employer Focus Groups (Qualitative)

Five focus groups were held in Sheffield (2), Rotherham, North East Derbyshire and Doncaster to gather qualitative research. By having a geographical spread of focus groups this gave Employers from across Sheffield City Region an opportunity to attend. The focus groups were marketed via the SCR CA's news channels, Benchmark database, Chamber newsletters and via social media.

The focus groups were open to all to attend. Participants included business owners with hard to fill vacancies and Educators, both of which felt passionate about the topics discussed and recognised their role in the future of addressing skills needs.

The sessions were structured as follows:

- Current skills shortages and hard to fill vacancies
- Why there's a skills shortage and what makes a vacancy hard to fill
- Methods used to combat skills shortages and hard to fill vacancies

In addition, the sessions were utilised to plot where Employers felt key changes could be made in the education and employment eco-system, plus relevant case studies were collected.

6.3 Applicant Survey (Quantitative)

Amongst a large set of questions, the survey collected the following information about the responding Applicants:

- Sex
- Age
- Current salary
- Location (by Local Authority region in SCR)

This helps to identify and understand possible correlations between Applicants' perception of the underlying issues of hard to fill vacancies and skills shortage and their age etc. For

example, young Applicants in Sheffield may perceive the issues to be different to older applicants in the Derbyshire Dales. These two scenarios can then be addressed accordingly.

Whilst data was collected regarding specific location by Local Authority, this report analyses responses across the whole of SCR and does not identify issues or recommendations for underlying geography. Such detailed analysis could be undertaken when considering local implementation of recommendations.

The Applicant survey replicated the Employer survey, with online activity focusing on getting a large breadth of respondents from varied social backgrounds, across Sheffield City Region locations and across the full spectrum of salaries - from apprenticeships and graduates to senior positions.

6.3.1 Online Promotion

The approach to the Applicant survey mirrored that of the Employer; Benchmark utilised their database to contact Applicants they knew were actively seeking work or had looked for work in the past 18 months within the Sheffield City Region. In addition, the survey was distributed via each Chamber of Commerce across Sheffield City Region, Educators including Universities, Colleges, Apprenticeship and Training Providers and Key Employment Hubs all across The Sheffield City Region.

Social media was again used with relevant hashtags to engage with Applicants across Sheffield City Region and encourage participation. Key influences including the Chamber of Commerce, Colleges, UTCs, Apprenticeship and Training Providers and Key Employment Hubs were also involved in targeted social media activity.

6.3.2 Offline Promotion

A team of sales consultants were active in contacting Applicants via the phone to encourage participation in the survey. This approach was used to ensure a true picture of views across roles, locations and salary brackets.

6.4 Applicant Focus Group (Qualitative)

An Applicant focus group was held in Sheffield to ascertain Applicants' views of the employment market and the barriers they faced in finding work. The event was marketed via the Benchmark Applicant database and enabled Applicants to share their views on vacancies they had applied for and been unsuccessful with, and reasons why they felt roles were hard to find in the area. Mirroring the Employer focus groups the Applicants were also asked to plot where they felt changes could be made in the education and employment ecosystem.

6.5 Presentation of Data

The extensive data collected through the Surveys and Focus Groups has been collated, analysed and presented as explained below. The resulting Employer charts are presented in **green** and the Applicant charts are presented in **orange**.

6.5.1 Survey Panels & Narrative

Both the Employer and Applicants surveys had over 250 responses. The findings are presented in eight survey panels, four for each survey. The findings have been presented in a way that increases insight into the issue of hard to fill vacancies and skills shortages by presenting Employers' feedback against their sector and size. Applicants' feedback is set against their age, sex, location and current income accordingly. Employers' feedback is set against their size, sector and location accordingly. See the example below, which shows why Applicants, by sex and salary band, last applied for a job.



Figure 3: An example of how the charts that present the Survey data are laid out.

Relevant charts have been extracted from the panels and included in the Themes, together with accompanying narrative.

In both the Employer and Applicants surveys, where the data has been correlated to subgroups such as age ranges and salary bands, there are cases where the number of

Sheffield City Region predominantly consists of SMEs. Obtaining feedback from these Employers was challenging, possibly because they operate as lean Employers and have limited capacity for providing feedback. This operating style may be reflected in their hiring patterns.

6.5.2 Causal Models

Legend:

- Green circle:** This network has been identified as a key player in the network.
- Grey circle:** This network has been identified as a key player in the network.
- White circle:** This network has been identified as a key player in the network.
- Dark grey circle:** This network has been identified as a key player in the network.

Network Structure:

The network consists of numerous nodes, each representing a specific entity. The nodes are interconnected by lines, indicating relationships or interactions. The nodes are arranged in a complex, non-linear fashion, with some nodes having many connections (hubs) and others having fewer. The nodes are color-coded according to the legend, with green nodes being the most prominent. The network is highly interconnected, with many nodes having multiple connections to other nodes. The nodes are arranged in a way that suggests a hierarchical or clustered structure, with some nodes acting as central hubs and others as peripheral nodes. The network is a complex web of relationships, with many nodes having multiple connections to other nodes. The nodes are arranged in a way that suggests a hierarchical or clustered structure, with some nodes acting as central hubs and others as peripheral nodes. The network is a complex web of relationships, with many nodes having multiple connections to other nodes.

'Skills Shortages and Hard to Fill Vacancies' Report

The causal models show the inter-connection of factors as follows:

- the larger the circle the greater the number of other factors that influence the factor represented by the circle;
- the thicker the border the greater the number of other factors that are influenced by the factor represented by the circle;
- the brighter the border of the circle the more that factor connects other factors, and so the greater its influence in the network of factors.

Two causal models have been created: one for the Employers' focus groups and another for the Applicants' focus group.

7 Feedback Analysis

This report was commissioned by the SCR CA in order to fully understand the current issues around hard to fill vacancies and skills shortages within Sheffield City Region, with a view to informing future training provisions and other initiatives addressing issues raised. What became apparent (through the literature review, collection of feedback and subsequent data analysis) is that there's a range of interconnecting issues contributing to the current situation and corresponding range of solutions, from simple quick-wins to more complex long-term enablers. For example, Employers can easily check whether they are offering the going market rate salary for a current vacancy and amend as they see appropriate, or separately policy intervention can facilitate the collaboration of Educators (schools, colleges and universities) with Employers to develop a curriculum that supports meaningful employment and economic growth across Sheffield City Region.

7.1 Six Themes

When the full spread of issues and solutions were digested, six over-arching Themes emerged. These Themes have been used to structure the conclusions and subsequent recommendations, which have been devised through feedback analysis and are concerned with creating, attracting and retaining the skills Employers in Sheffield City Region require, and which will enhance economic prosperity and social wellbeing across the Region.

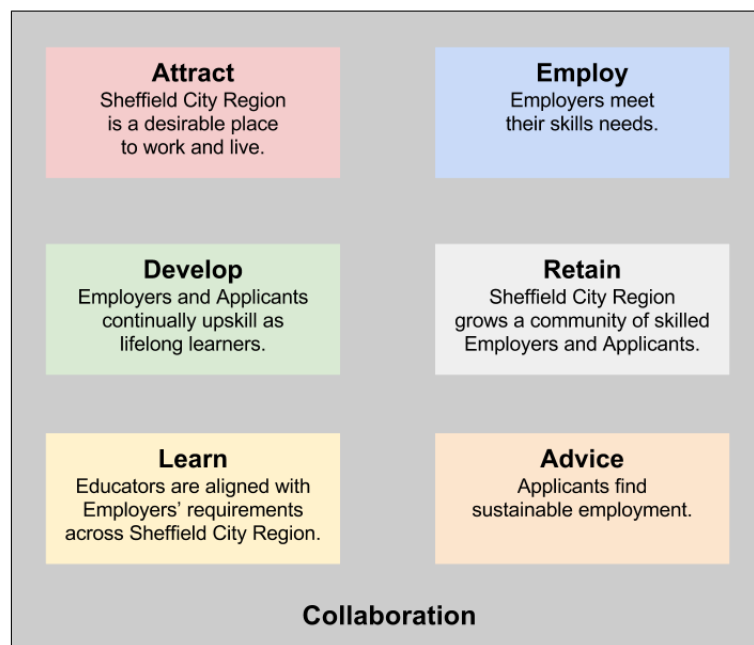


Figure 5: The six Themes and their outcomes, under which recommendations have been grouped.

The Themes interconnect, with Themes themselves being enablers and outcomes - for example, Learn enables Employ. In order to connect the Themes in a productive way (i.e.

effectively and efficiently), they should be approached in a spirit of collaboration. For example, if Employers collaborate with Educators in delivering the curriculum then Educators benefit as the Applicants are more employable and Employers benefit as they have a larger pool of more skilled Applicants from which to recruit.

7.2 Skills Creation Cycle

Practicing the six Themes in isolation will help to address the skills shortage and reduce the number of hard to fill vacancies. Practicing the six Themes in a holistic and coordinated manner will create a cyclical effect that supports the exponential creation of economic and social value, as demonstrated in Figure 6.

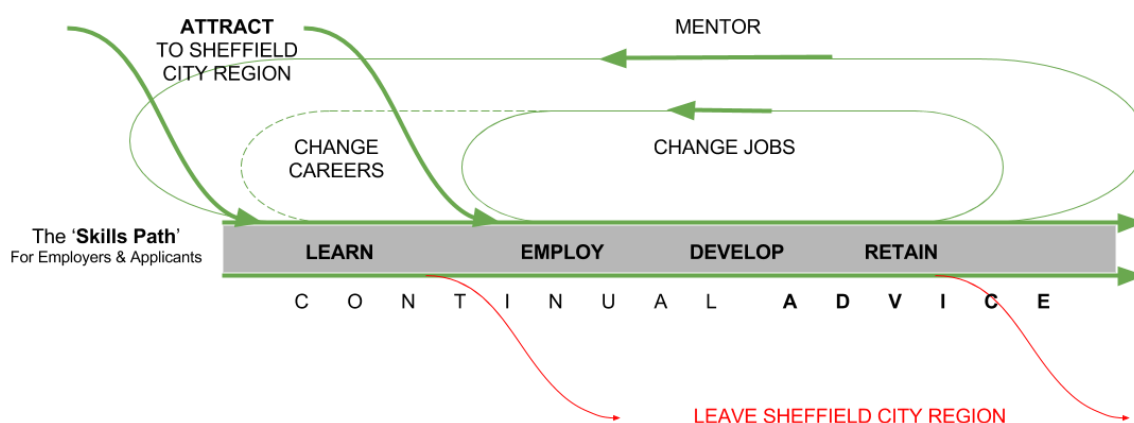


Figure 6: The Skills Creation Cycle shows how the six Themes interconnect to create socio-economic gain.

Central to the 'Skills Creation Cycle' (Cycle) is the **Learn > Employ > Develop > Retain** 'Skills Path'. Supporting the progression of all Applicants in Sheffield City Region along the Skills Path is key to addressing the skills shortages and hard to fill vacancy issues in Sheffield City Region, and so stimulating personal and economic growth. Equally critical is that the various stakeholders collaborate so as to make the Skills Path straight and clear - collaboration connects the six Themes and stimulates the cyclical effect as follows:

- By informing Educators (academia, training providers and mentors) of their hard to fill vacancies and skills shortages and assisting in the delivery of the curriculum, Employers will help Educators assist Applicants in **Learning** the skills required for the world of work, and enable Educators to provide **Advice** to Applicants on the opportunities available and associated skills required. In turn this helps Employers **Employ** the Applicants required to address their hard to fill vacancies and skills shortages.

- With knowledge of Employers' hard to fill vacancies and skills shortages, Educators can supply relevant education and training, including in Management for staff in senior positions. This will help Employers **Develop** and **Retain** Applicants, further addressing their hard to fill vacancies and skills shortages.
- With strong academia, timely and accurate careers advice and a wealth of meaningful employment opportunities, Sheffield City Region will be an **Attractive** place to work. Should Applicants wish to change job / career they will then seek a new position in the Region, helping **Retain** the pool of skilled Applicants. However, furnished with the right information by Educators and Employers, policy intervention will be well equipped to proactively **Attract**, and ultimately **Retain** Applicants with desirable skills from a wider geographical area. This will further stimulate the cyclical effect, growing Sheffield City Region's Skills Pool and so turning a weakness into a strength.

The Themes and their respective recommendations are discussed in more detail later in the report. Below, the Themes, and their interaction, are considered from the Stakeholders' perspective.

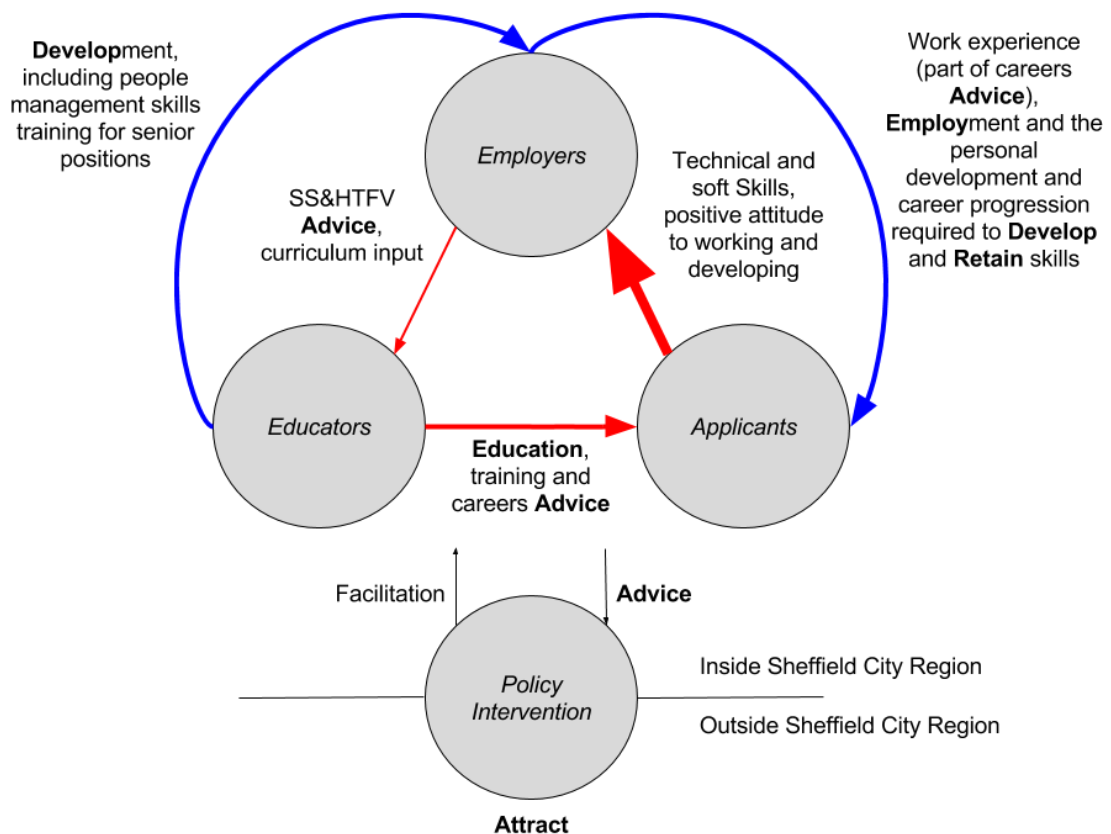


Figure 7: How collaboration across the stakeholders connects the Themes and so triggers the cyclical effect of growth shown in the Skills Creation Cycle.

The **inner cycle** shows how the stakeholders - *Employers, Educators and Applicants* - collaborate in a way that addresses hard to fill vacancies and skills shortages, and so creates exponential socio-economic value, which Attracts further required skills to Sheffield City Region. This is enhanced by the **outer aspects** and the supporting contribution of *Policy Intervention*.

Mentoring programmes⁸ provide great benefit: mentors get the satisfaction of using their knowledge and experience to support Employers and Applicants in their growth; conversely mentees benefit from the knowledge and experience their mentor has obtained through practice. The benefits of mentoring can be realised at all stages of the Skills Path, helping children in primary school through to experienced Applicants and Employers Learn and Develop.

7.4 Indirect Benefit

It must be acknowledged that a party's investment in recommendations will not always *directly* lead to benefit. For example, Employer A invests in an Applicant by providing Time Management training only for the Applicant to leave the business shortly after the training is complete; as such organisation A may not benefit from the training of its Applicant. However, Employer B that the Applicant joins next will benefit from the training, and if Employer B has trained its Applicants in Time Management, one of which has subsequently left to join Employer C, then Employer C will benefit; and if Employer C has also trained its Applicants in Time Management, only for one to leave and join Employer A, then Employers A, B and C have all invested in Time Management training and all have Applicants that have received the training, albeit not the Applicants they put through the training.

The recommendations can carry a risk and it is the role of policy intervention to support growth by reducing the risk faced by the stakeholders, e.g. if policy intervention subsidises Time Management training the risk to Employers of putting their Applicants through such training is reduced. Stakeholders can also manage such risk, e.g. an Employer can make it a condition of providing the training that if the receiving Applicant leaves the Employer within two years of receiving the training they will pay a prorated charge to the Employer. The Applicant's new Employer may pick up this charge as they will receive the benefit of the training.

⁸ E.g. <https://www.scrgrowthhub.co.uk/launchpad/mentoring/>
<https://www.sheffield.ac.uk/ssid/mentoring/index>

8 Attract

This section expands on the Attract Theme. It includes:

- A figure showing where Attract fits into the Skills Creation Cycle.
- An introduction to the Attract Theme.
- The outcome of the Attract Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Attract Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

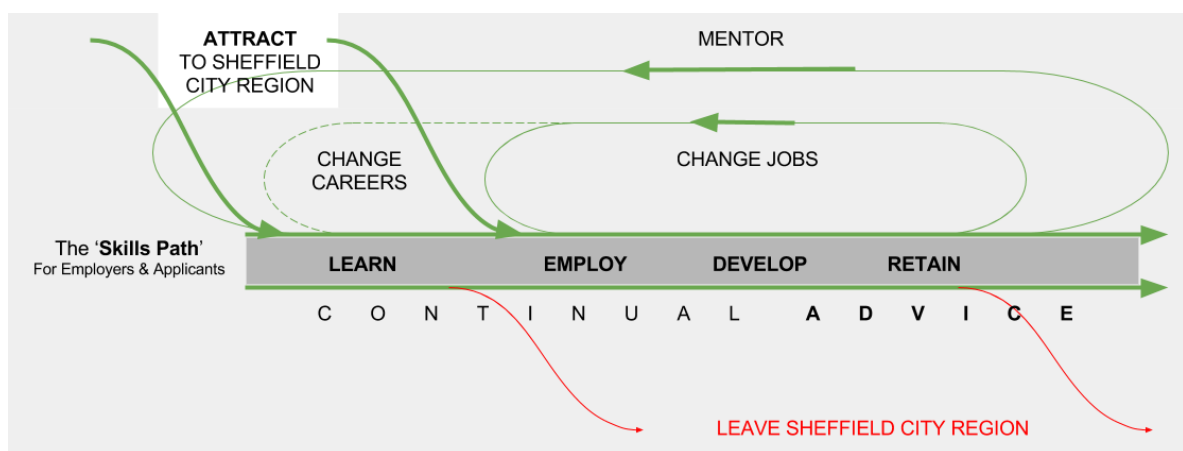


Figure Attract 1: Where the 'Attract' Theme fits into the Skills Creation Cycle.

The Attract theme is concerned with ensuring Sheffield City Region is a desirable place to work and live, attracting Applicants with the skills required by Employers across the Region. As well as attracting desirable Applicants into Sheffield City Region the Attract Theme also serves to retain home-grown Applicants in the Region.

The outcome of Attract is that Sheffield City Region is a desirable place to work and live.

Attract was covered in the Applicants survey and was discussed at the Employer and Applicant Focus Groups. The full Attract data follows.

8.1 Attract Data & Narrative

8.1.1 Employers' Perspective

Employers – Survey

It is noted that this theme was not raised in the Employer survey, but became an area of interest in the Focus Groups. In future research, this could be area that is explored further in Employer surveys.

8.1.1.1 Employers – Focus Groups

During the focus group sessions there was much discussion and debate about Sheffield City Region as a place to live and work. Below are three key factors that Employers believe will contribute to enhancing the attractiveness of Sheffield City Region as a place to live and work.

- **Infrastructure** – providing the homes, transport, schools, health and leisure facilities that make Sheffield City Region a desirable long-term option.
- **Opportunity** – making Applicants and Employers from inside and outside Sheffield City Region aware of all the employment and leisure-related offerings.
- **Investment** – stimulating inward investment that contributes to the enhancement of the region

8.1.2 Applicants' Perspective

8.1.2.1 Applicants – Survey

The following relevant charts and accompanying narrative have been taken from the Applicants' survey feedback.

6.1.1 How would you rate Sheffield City Region?

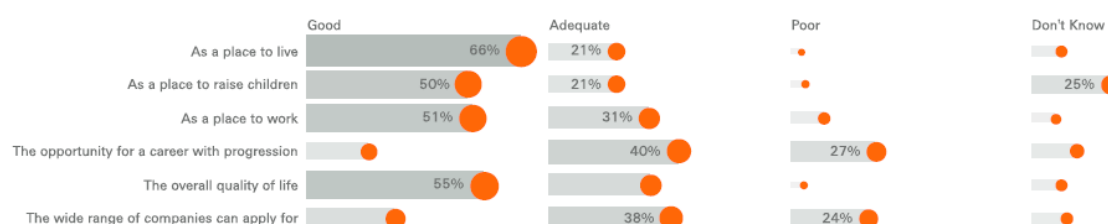


Figure Attract 2: Applicants' rating of the Sheffield City Region.

This figure displays answers to a fundamental question about the perceptions of the lifestyle on offer to prospective Applicants.

Most Applicants rated Sheffield City Region as having a good overall quality of life and being a good place to live and bring up children.

As a place to work the majority of Applicants rated Sheffield City Region as 'Good', but a quarter rated career progression opportunities and range of Employers to apply for as 'Poor', albeit these Applicants were in the minority.

Some of the responses may be biased by historical and regional perceptions but given that career progression is a major reason that Applicants change jobs (see later) then this must be a concern for Employers.

The responses generally show that Applicants want to live in Sheffield City Region but state there is a lack of perceived career opportunity. Employers want to grow their businesses but claim they can't attract Applicants. There's a disconnect between these two perspectives which provides an opportunity for growth.

A shared understanding of what 'career progression opportunities' means to Employers and Applicants might lead to longer term interventions which benefit both stakeholders and Sheffield City Region as a whole.

Quote: Tracey Bush – Managing Director, Relocate2Sheffield

"Employers in Sheffield City Region, especially in certain sectors and at certain levels, are finding it hard to recruit. The problem is often not the job itself but the lack of inclination to move to / live in Sheffield or "The North" as there is not enough well-presented PR information available online. There should be one well designed and maintained central resource. Most of the time when I get clients here and show them around they are amazed at how nice the area is."

c1.3 When you last applied for a job, why were you looking for a new role?

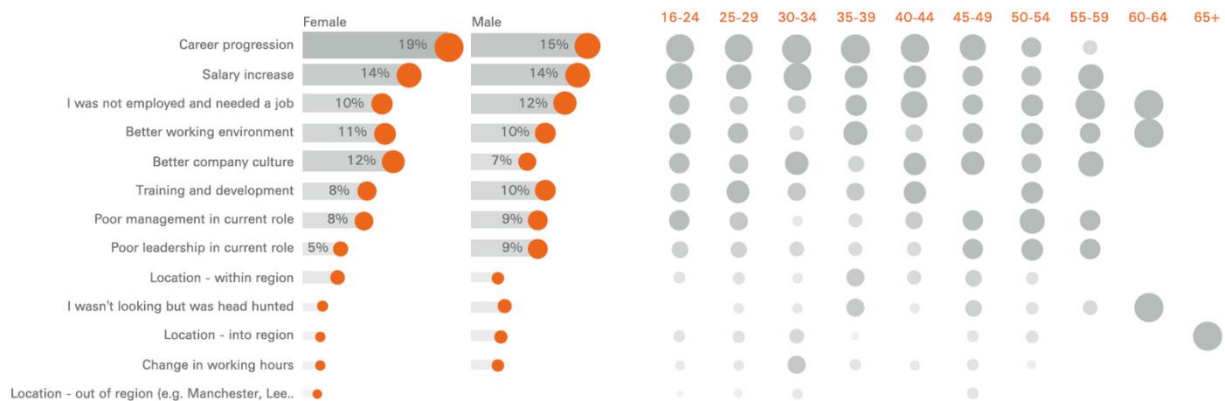


Figure Attract 3: Why Applicants were looking for their last job change.

When Applicants were questioned on their drivers for seeking a new job, 'Career Progression' and 'Salary' were the top responses, but this was only a third for female respondents and a little less for males. There may be a strong association between 'Career Progression' and 'Salary' (for those seeking an increase). 'Career Progression' could also encompass those wanting more responsibility or status.

The gender of responding Applicants was a distinctive factor in the way this question was answered. Female Applicants were more likely to move roles for career progression and a better company culture. These responses signal issues which could be addressed by Employers looking to balance the gender distribution.

The survey identified that the majority of responding Applicants who indicated they were out of work and looking for a new job were male.

'Poor Leadership' and 'Management', and the desire for 'Training and Development', were an important part of the mix. These might be considered as essential drivers of 'Career Progression' and 'Culture and Working Environment'.

The characteristics of different age bands were less obvious. More senior Applicants in the £45k+ salary bracket may become less interested in career progression and salary and more frustrated with leadership and management for example. Some analysis of which factors occurred together and how different groups compared could offer more insights.

Perhaps the most potent observation is that across all age groups and genders, there is never just the one-dimensional factor of salary. The uncomfortable truth is that the most frequent reasons why Applicants look elsewhere (i.e. career progression, salary increase and better working environment) sit squarely under the influence of Employers.

e3.2 What is your primary reason for wanting to work for your employer

Up to 3 selections from multiple response options ranked within salary bands.

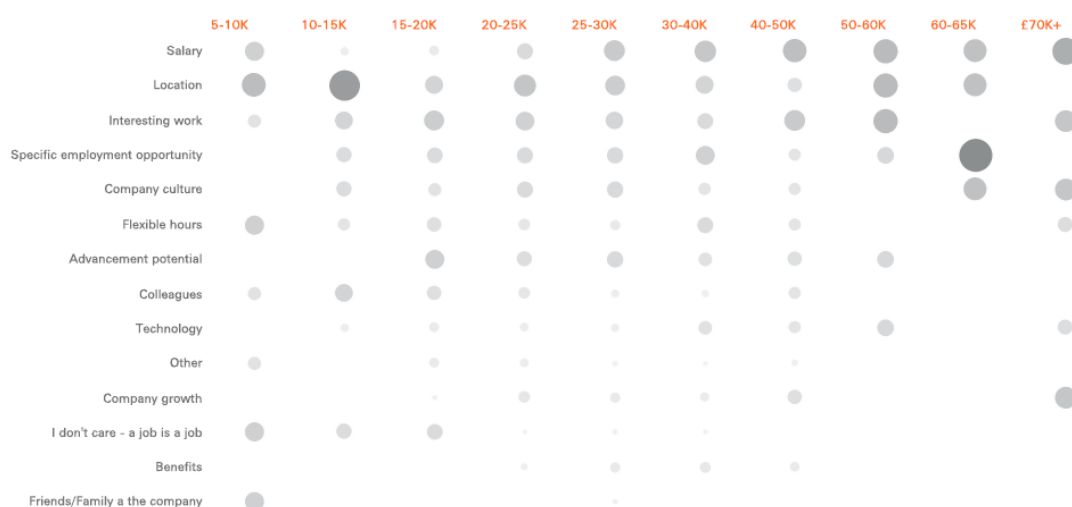


Figure Attract 4: Why Applicants want to work for their Employer.

When responding on motivations for working for their current Employer, 'Location' and 'Salary' were the most popular responses followed by 'Interesting Work'. 'Location' could be a 'travel to work' factor or an echo of the positive perception of the geographic region.

Responses show subtle gender differences: female Applicants seemed to favour interesting work over salary, whilst for male Applicants this was reversed; 'Flexible Hours' and 'Advancement Potential' were favoured more by male Applicants too. Generally, male Applicants were more drawn to technology and company growth, and for some male Applicants 'a job is a job'.

The differences between age bands were less pronounced than for gender, and the sizes of the subgroups make reliable comparisons more difficult.

Further analysis of this feedback, together with Applicants' feedback on how long they'd be willing to travel to work could yield insights about what factors motivate different Applicant groups to stay with an Employer. Sweeping claims about generational cohorts (generation X, generation Y etc.) would otherwise be premature.

QUOTE: Alastair Reid - Partner, Taylor and Emmet

"Sheffield has enjoyed an enviable graduate retention rate for the first post qualification job, but for many employees they often need to look elsewhere if they are to advance their careers, this is due to the lack of more senior positions that are available. When these positions do become available attracting candidates can be challenging as other city's often appear more attractive from a career point of view, but often not from one of lifestyle and quality of life which is where our strength lies in The Sheffield City Region."

c1.8 How long would you be willing to travel to your place of work?

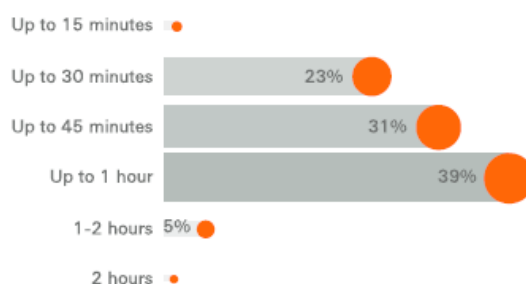


Figure Attract 5: How long Applicants would be willing to travel to their place of work.

At least 44% of Applicants would be willing to travel up to 1 hour, opening up the potential pool of available Applicants to target for employment to include those within an hour's travel of the work location. This is of particular relevance for Employers that feel they cannot get the skills they need within the existing Skills Pool; extending their search to a wider geography may yield stronger results. It is worth noting that whilst this provides opportunities, there is a risk of Applicants in the Sheffield City Region that are willing to commute for 1 hour being attracted to alternative destinations, such as Leeds or Manchester, in pursuit of career progression or higher salaries.

It is also worth noting that the large majority of Applicants would prefer a commute of less than 1 hour, which implies that good (or poor) access to geographically separated locations in the SCR would be a significant factor in choice of employment for an Applicant.

8.1.2.2 Applicants – Focus Group

During the Applicants' Focus Group, retention of Applicants within Sheffield City Region was a strong discussion point, with Applicants expressing their frustration with:

- **Opportunity** – the lack of jobs for graduates
- **Support** – little assistance available to help Applicants remain in Sheffield City Region
- **Transport** – the ability to get to where the work is

8.2 Conclusions & Recommendations

8.2.1 Promote the Opportunities

The current perception of Applicants currently living / working in Sheffield City Region is very positive and is seen as having many lifestyle opportunities, with the majority of Applicants

rating the Region as a 'Good' place to live, work and raise children, and the overall quality of life is rated as 'Good'. However, with regards to the opportunity for a career with progression, over half the Applicants rated Sheffield City Region as 'Adequate' or 'Poor'. There was a similar perception from Applicants with regards the range of Employers they can apply for jobs with, whilst other Applicants talked of the 'minefield' of navigating the SMEs (particularly micro SMEs) across Sheffield City Region during their Focus Groups. As such it could be assumed that there are a number of vacancies not being brought to potential Applicants' attention, which is contributing to the perceived skills shortage.

Sheffield City Region has traditionally had strong rates of graduate retention but concerns were raised about the number of graduates that leave the Region for their second or third job. With career progression being the most common reason Applicants change jobs, a lack of awareness of the opportunities in Sheffield City Region may be a contributing factor.

8.2.2 Develop the Infrastructure

Employers agreed that in order for desirable Applicants to find Sheffield City Region a viable long-term option there were factors others than career prospects at play. Affordable and desirable housing needs to be on offer, with schemes that help Applicants purchase homes to encourage them to lay down permanent roots. A good example is a Chesterfield Borough Council housing development that includes a business centre, the aim of which is to encourage entrepreneurs to live and work in Chesterfield.

Additionally, transportation and easy access to centres of employment is a factor for Applicants to be attracted into the City Region.

8.2.3 Stimulate Inward Investment

When prestigious Employers such as Rolls Royce, Boeing, McClaren, Perkbox and Jet2 open facilities in the Sheffield City Region it directly creates new employment opportunities, and enhances the region's status and standing as a vibrant economic zone. The general consensus at the employer focus groups was that continuing to attract larger employers to the region was crucial to maximising the opportunity for individuals looking to ensure long term career pathways in the Sheffield City Region.

Attract Recommendation 1: policy intervention should create a Sheffield City Region message / brand that promotes the world class work, leisure and cultural opportunities that exist across the Region, and promote it to targeted desirable Applicants, both within and outside the region, e.g. recent Computer Science graduates in Nottingham that are looking for a second job; skilled Applicants that are looking to relocate from London.

Attract Recommendation 2: Schools, colleges and universities should share the Sheffield City Region message / brand with students to help them make a fully informed decision about where to seek employment on graduating. To support this Employers should share

their opportunities with schools, colleges and universities through platforms such as U Explore and The Enterprise Advisor Network, which is an existing Sheffield City Region facility that enables Employers to directly engage with schools and colleges in order to share their skills requirements and help Applicants prepare for the world of work. Employers may also be able to do this by connecting with their respective sector's 'skills and work ready initiatives', such as work-wise² for manufacturing, GoConstruct³ for construction and Sheffield Digital⁴ for creative and digital, which provide an established infrastructure that enables Employers to collaborate with Educators.

Attract Recommendation 3: the 'after hours' offer is considered vital to retain young Applicants in Sheffield City Region, particularly as the Region is competing with nearby cities that boast a lively and varied programme of cultural offerings. Initiatives such as 'BID' and their 'Live after Five' project in Sheffield are already focused on improving and promoting the city centre evening offerings. The BID model is beginning to be replicated in other areas of Sheffield City Region. Policy intervention should promote the replication of such initiatives to relevant Employers in major conurbations across Sheffield City Region with a view to enhancing the appeal of the leisure offerings of the Region to Applicants with desirable skills.

Attract Recommendation 4: Employers looking to attract local 'home grown' talent back to Sheffield City Region after time away studying / working should connect with local schools, colleges and universities, donating time and expertise in support of the development and delivery of the curriculum and syllabus, and in doing so providing visibility of career options and developing relationships. This approach promotes Employers to potential future Applicants. CMS have developed this model with a great success rate.

Attract Recommendation 5: policy intervention should ensure Housing and Planning policies across Sheffield City Region include the provision of homes for Applicants that have desirable skills. With such a broad range of salaries paid in Sheffield City Region these policies must provide a range of housing options.

Attract Recommendation 6: policy intervention should collaborate with Employers to ensure that transport links to areas of employment are affordable, accessible and efficient to allow Applicants to travel with ease. Employers spoke of business parks which have insufficient public transport services, especially during unsociable hours, making it impractical for Applicants without private transport to consider working there. This recommendation supports Employ Recommendation 1.

Attract Recommendation 7: policy intervention should collaborate with Employers and Educators to continue to create world class centres of excellence such as the Advanced Manufacturing Research Centre and National College for High Speed Rail for the industries that exist across Sheffield City Region.

9 Learn

This section expands on the Learn Theme. It includes:

- A figure showing where the Learn Theme fits into the Skills Creation Cycle.
- An introduction to the Learn Theme.
- The outcome of the Learn Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Learn Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

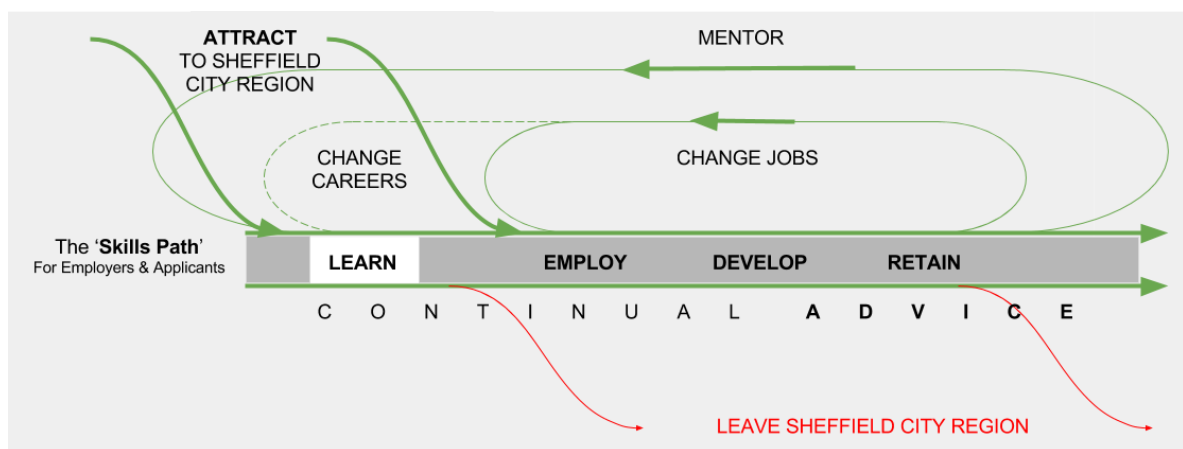


Figure Learn 1: Where the 'Learn' Theme fits into the Skills Creation Cycle.

Learn sits at the start of the 'Skills Path'. It includes academia (primary school, secondary school, college and university), apprenticeships, training, mentoring and any other way that Applicants can learn new, and strengthen existing, skills. In this context, skills may be technical (e.g. using a CNC machine) or soft (e.g. communication). Applicants at the Learn stage of the Skills Path are not employed, with the exception of apprentices; employed Applicants that are learning new skills are in the Develop stage.

The outcome of the Learn Theme is that Applicants are equipped with the skills required by Employers across Sheffield City Region.

Learn was covered in both the Employer and Applicant surveys and was touched on in the Employer and Applicant Focus Groups. The full Learn data follows.

9.1 Learn Data & Narrative

9.1.1 Employers' Perspective

9.1.1.1 Employers - Survey

With regards to quantitative data, the following charts and accompanying narrative express the Employers' perception

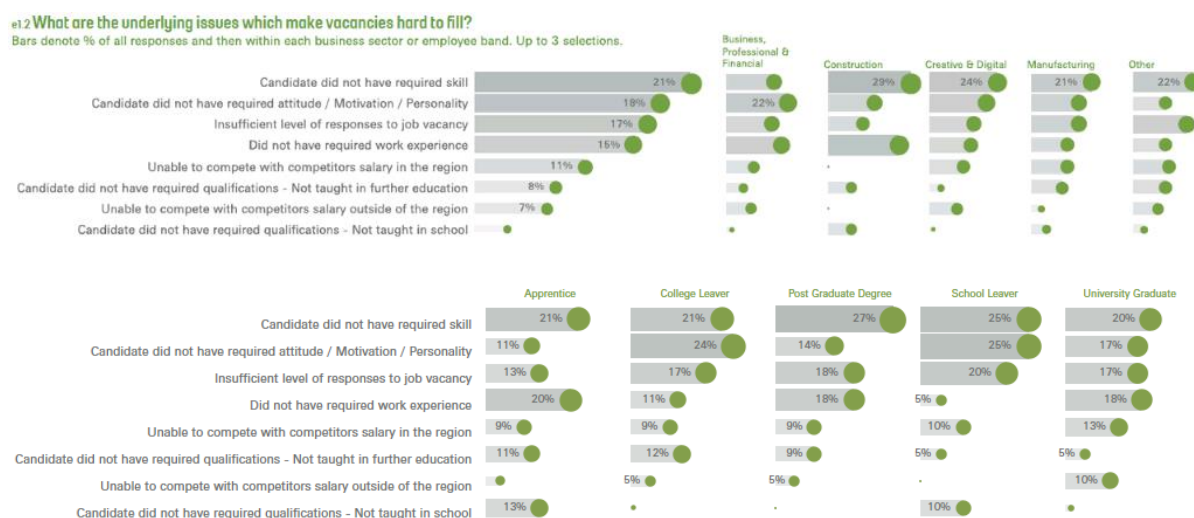


Figure Learn 2: Employers' perception of the underlying issues that make vacancies hard to fill, by sector and education level.

Employers were able to select up to three responses to this question. Overall 'Candidate did not have required skill' was the response selected the most. Other notable Applicant attributes were 'Did not have the required attitude/motivation/personality' (2nd and more prevalent in school and college leavers) and 'Did not have the required work experience' (4th).

"Absence of qualifications" and "salary competition" were issues lower down on the list. The inference is that Applicants may have qualifications but still lack a hoped-for skill.

The lack of a required skill was less of a factor in the Business, Professional & Financial sector and a lack of work experience was most prominent in Construction. There could be a little more salary competition in Creative & Digital and Manufacturing.

With regards issues associated with education levels, lacking the 'required skill' is the main issue at all levels with the exception of College Leaver, for which

'attitude/motivation/personality' is the main issue, which is also the joint main issue for School Leavers. After these two issues there are no clear patterns when looking at underlying issues against education level.

Quote: Martin McKervey - CMS

"We made a decision to work with local schools to provide an opportunity to educate individuals about the legal field and to allow us the opportunity to promote our industry to bright young local minds. By giving the individuals commercial work experience and real time projects to work on they can engage in a way they cannot in a classroom. We have found that the retention rates of people who are born and bred in the region are higher than those that come here for University, so engaging and pipelining individuals at this early stage is a long term strategy that works well for us but is equally rewarding and fulfilling for the students."

e1.4 Do you offer Work Experience?
Bars denote % of all responses



Figure Learn 3: Whether Employers offer work experience.

Over half of Employers stated that they offer work experience overall, but this was reversed in Construction. As a comparison, within the UKCES Employer Perspectives Survey 2014, only 31% of businesses stated that they had someone on work experience in the 12 months prior to the survey, but that 70% cited that work experience was a critical factor in recruitment.

Quote: Kevin Davies - BHP

"At BHP Corporate Finance we have in recent years recruited sandwich course university students for year-long intern programmes. This has proved to be an extremely successful initiative for both the students and ourselves.

They have gained invaluable experience of being at the "coal face" of deal making, involved in live research assignments, financial analysis and client meetings. From BHP's perspective, they have formed an important part of the team. Having a year working together provides a real opportunity to give support and guidance and to see qualities (outside of academic ability) such as attitude and character come to the fore. These are as important to us in a team environment as the technical knowledge to do the job.

This has ultimately resulted in us offering graduate positions to placement students before finishing their year-long internship. They start their final university year in the knowledge that they haven't got a graduate recruitment process to go through, and we know that we have another member joining the team in a year's time with a great attitude who will fit in really well. A fantastic result all round."

If your business offers work experience, please tell us to whom.



Figure Learn 4: Who Employers offer work experience to.

16 - 18 year-old Applicants are most likely to be offered work experience, typically unpaid and for up to one month. More employers are now offering work experience than in the past, with graduates seeing the most significant increase in opportunity.

Quote: Ben Folkes – 3DFolkes

3D Folkes Ltd is a Sheffield based company that provides 3D printing and CAD services. To support our growth, we've taken on 2 members of staff, an under graduates and graduate, both on 12 month work experience placements. Will is currently on his placement year (he's studying at Nottingham Trent University) so that he can develop his CAD skills, and in exchange we pay him a small wage and help guide him through what working life is like. Max has graduated from university, but after struggling to find employment due to a lack of experience, has volunteered to work for us over the next 12 months on an unpaid basis.

At the end of his time with us Will shall return to university, but if Max has proven to us that he's a capable designer we will consider taking him on in a full time paid role. The work experience placements have helped us tremendously to grow the business by working with clients as well as covering all of the CAD work. We have experienced a great return on our investment in the placements and now, knowing the designers as well as we do we've got a great shortlist of possible employees that have the skills 3D Folkes needs to continuing growing.

e16 What is the typical educational level of candidate you try to recruit?

Bars denote % of all responses in each education and experience category and then within each sector or employee band.

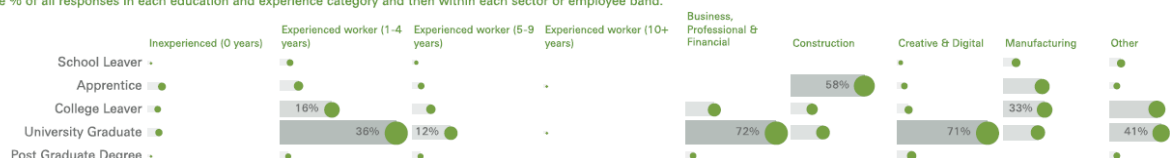


Figure Learn 5: Typical education level that Employers seek, combined with commercial experience and by sector.

Overall responding Employers typically seek graduates with 1-4 years of commercial experience. This was skewed by the Business, Professional & Financial and Creative & Digital sectors, for which these were the dominant types of hires (over 70%).

Manufacturing Employers hire for similar experience but from a more even spread of academic backgrounds. Construction is very different, with a typical Applicant sought being an apprentice with no experience.

Micro-Employers (0-4 Employees) may be less tethered to this education/experience combination. Any interventions for hiring less experience graduates will need to be sensitive to these sectoral differences.

Note: This question solicits a 'typical' level of education and experience as opposed to making a statement about the most difficult demographic to hire.

Within the survey, Employers were asked to detail the specific skills set that they find a struggle to hire. At the highest level, Employers gave detail on:

1. Field of Work
2. Skills
3. Work Styles
4. Abilities

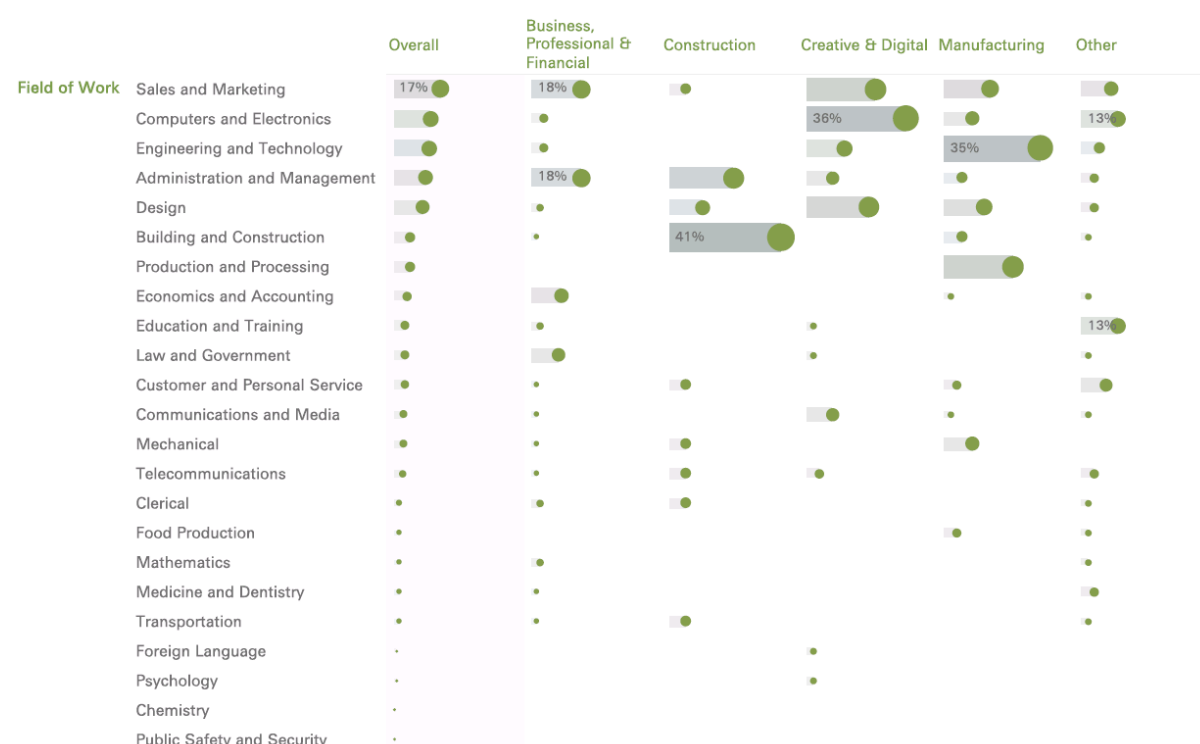


Figure Learn 6: Applicants' 'Fields of Work' that are a struggle to hire, by sector.

The 'Field of Work' chart breaks down the type of work in each sector which Employers state is a struggle to hire for. Overall 'Sales & Marketing' topped the ranking, being prominent in most sectors apart from Construction. A primary work type in each sector is visible together with related clusters of fields and then low frequency 'tails' of other fields.

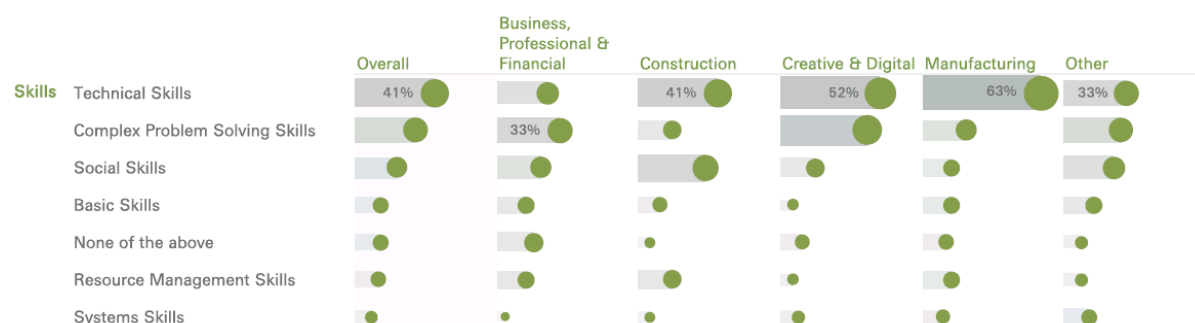


Figure Learn 7: Applicants' 'Skills' that are a struggle to hire, by sector.

The 'Skills' question solicited summary level responses about the broad skill areas. The response to a Technical Skill gap isn't distorted by the specific list of skills.

Manufacturing Employers reported the largest Technical skills gap, followed by Creative & Digital and then Construction.

Employers stated that Complex Problem Solving skills were a struggle to hire in both Business, Professional & Financial and Creative & Digital, whereas Social Skills provided a problem in Construction.

These would seem to be the main focus of the skills struggle as there was a much lower frequency of gaps in other areas. Within the survey, optional questions were asked relating to specific detail below each of these "skills" sets. These are detailed separately later in this section, to provide more breakdown.

It should be noted that it was possible for Employers to leave all options blank if they felt none were relevant for their business.

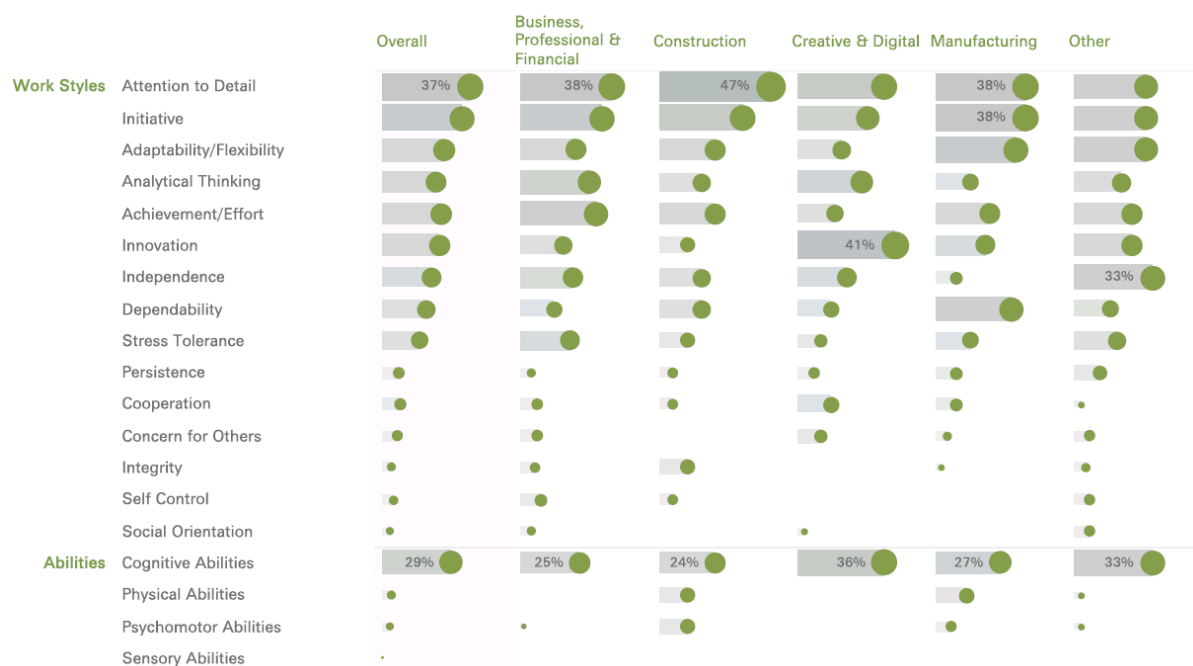


Figure Learn 8: Applicants' 'Work Styles' and 'Abilities' that are a struggle to hire, by sector.

Attention to Detail and Initiative were clearly the two 'Work Styles' that Employers find the greatest barriers for all but the Creative & Digital sector, for which Innovation was the greatest struggle to hire followed by Attention to Detail.

Of the 'Abilities' options Cognitive Abilities was mentioned most often; near-exclusively in Creative & Digital and Business, Professional & Financial. Physical and Psychomotor Abilities emerged for both Construction and Manufacturing.

9.1.1.2 Employers - Focus Groups

Below are the key issues Employers believe to be the underlying causes of the skills shortages and number of hard to fill vacancies in Sheffield City Region that can be addressed through education

- **Curriculum** - must be relevant to Employers' current and future skills requirements
- **Approach to learning** - Applicants would be more 'work ready' if Academia used teaching / training methods that reflect how Applicants work.
- **Work ready** - depending on the level at which Applicants leave education, they should have the appropriate skills and attitude required by Employers

Case Study: Jackie Freeborn, Co-Founder and Senior Associate, Work-Wise Foundation

The work-wise Foundation is an example of how the private sector have taken their own initiative to help address skills shortages. Attracting young Applicants, both male and female, into the Advanced Manufacturing, Engineering and Technology based sector for the Sheffield City Region to address an imminent long-term problem of skills shortages, with an ageing workforce, is viewed by many employers as essential; yet many did not know how to do this, and against a backdrop of a lack of awareness and value of apprenticeships by educators, many parents and young Applicants, the flow of young Applicants had almost stopped.

Founders of the charity collaborated with local employers, many small and medium Employers, and with their commitment developed an employability competency framework based on their expectations for entry level for young Applicants into the world of work, as well as designing experiential employer led careers information/activities. Over the past seven years, around 10,000 young Applicants have benefited from accessing these opportunities, and since inception the ratio between girls and boys has almost balanced out.

A small charity like work-wise is fleet-of-foot and responds quickly to opportunities and gaps; the continuous obstacle to the charity is the necessity to redirect expertise into fundraising. In a geographical area where many employers are SMEs, financial resources to support the charity's work are finite. This model which bridges education into employment is helping provide a solution to the city region's skills shortage problems, it is transferable across all sectors - its problem is that preparing young Applicants for the world of work slips between education, skills and economic strategies, and thus no one takes responsibility for it.

9.1.2 Applicants' Perspective

9.1.2.1 Applicants - Survey

The interface between Educators and the world of work was a discussion point at the Applicant Focus Group and was also covered in the Applicants' Survey as shown by the following charts and accompanying narrative.

e2.2 Please rate the following skills you feel education has given you

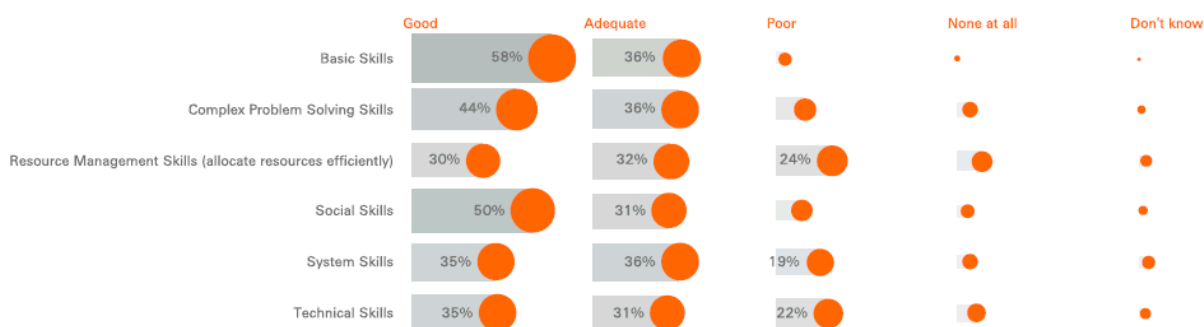


Figure Learn 9: How Applicants rate the skills Academia has given them.

Most Applicants felt that education has given them a spread of predominantly Good, or at least Adequate, skills across all areas. However, more than half of the Applicants felt that education has only given them 'Good' skills in the Basic Skills category with Resource Management the lowest at 30%. Applicants were least comfortable with their level of 'Technical', 'System' and 'Resource Management' skills.

The majority of Applicants felt that education was 'Adequate' or 'Poor' at preparing them for the world of work.

When related to the Employer survey, just Adequate or Poor 'Technical Skills' would be a barrier in some sectors, Creative & Digital and Manufacturing in particular.

Employers in all sectors hoped for strong 'Problem Solving' skills but Applicants felt that their 'Basic' or 'Social' skills were stronger. A self-identification as Adequate or even Good in 'Problem Solving' may fall short of Employers' expectations.

Case Study; Ian Goodall - Aardvark Swift, Managing Director

I firmly believe that the more employer experiences a child has during their education, the better aware they will be of the options available to them and what's required to secure one of these roles. This knowledge opens up new ideas, new pathways, and broadens their horizons. It also creates a motivated and aspirational child, which in turn creates a better student.

This is why I opted to become an Enterprise Advisor. My role is to partner with a member of staff and help them to devise and organise events that create a larger number of employer experiences for all children in St. Bernard's (Rotherham secondary school). We've managed this by inviting speakers in to form periods, running CV Focus Groups days with local Employers, careers days with local HE and Apprenticeship providers....and we have other ideas for the future. It's very rewarding for me and I'm sure many kids have been inspired to think differently about their futures.

e2.3 Please rate how the following prepared you for the world of work

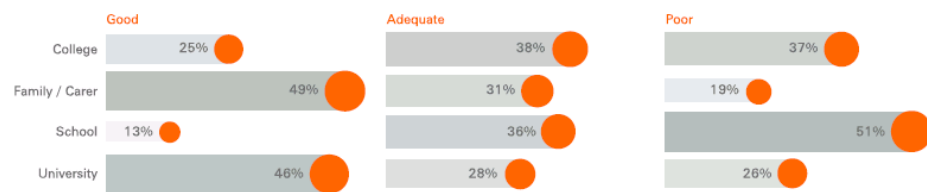


Figure Learn 10: How Applicants feel education and their Family / Carer has prepared them for the world of work.

Responses here echo the 'Career Advice' question. Over half of the Applicants rated 'School' and 'Poor' at preparing them for the world of work, with nearly half rating 'Family / Carers' as 'Good'.

74% of graduates felt their preparation for the world of work during their studies was 'Good' or 'Adequate'. Given the dominant preference for graduate-hiring expressed in the Employer survey it would be interesting to understand this perception more deeply. Whilst Applicants feel that university prepares them well for the world of work, the Employer perception is that graduates are still not work-ready, and that there is a missing link in ensuring there is value in employing them straight away.

9.1.2.2 Applicants - Focus Group

During the Focus Group Applicants felt that the following issues were key to improving the Learn Theme within Sheffield City Region.

- **Work experience** - Employers should not discount Applicants because of a lack of work experience, but rather help them get it.
- **Collaboration** - universities and Employers should form stronger links to build a pathway into employment

UK Workspace – Matt Jackson UK Workspace

"When looking to recruit we are keen to bring young Applicants into the company so we can be in tune with the up and coming generation and the markets they will create. The biggest problem we have is the attitude and aptitude of the majority of Applicants we come across; many have little knowledge of how business works or how to behave in business. It would be useful if education at school, further and higher education levels taught commercial acumen and behaviours so they could hit the ground running. Academia has its place but a large majority of Applicants coming through will work in a commercial environment, therefore such a focus from an early age would surely make the UK's economy stronger in the future."

9.2 Conclusions & Recommendations

From the feedback collected the main underlying issue that Employers believe makes vacancies hard to fill is that Applicants do not have the required skills (this tends to be a soft skill rather than a technical skill), closely followed by an inappropriate attitude / motivation / personality, insufficient response rate and lack of work experience. The University of Phoenix (US) recently published the following graphic, which supports what Employers say are the soft skills they struggle to hire.



Figure Learn 11: The soft skills successful Applicants will need in the 21st century according to The University of Phoenix (US).

Within the evidence, there seems to be a general agreement between Employers and Applicants (specifically school leavers) on Educator's shortcoming in doing a good job

preparing Applicants for the world of work. This notion was supported by discussions during the Focus Group, and is supported by the Government's 2017 green paper 'Building our Industrial Strategy' and the Youth Employment UK's 2017 'Employability Review'. The latter identifies the many different employability skills that Employers desire and refines them down into five core skills in order to avoid the confusion about the required skills that is a likely component of this shortcoming. Sheffield Hallam University's 'South Yorkshire Futures' programme sets out an approach to improving the performance of academia, from primary school through to higher education, with regards equipping Applicants with the skills required for the world of work and an attitude of lifelong learning (which is an area of focus for the UKCES⁹).

The data suggests that Applicants that have achieved a level of education may lack a certain skill set. The Business, Professional & Financial and Creative & Digital sectors have a strong preference for hiring Graduates and cite similar underlying issues for finding vacancies hard to fill. Construction tends to hire Apprentices and cites a different set of underlying factors.

Whilst around half of Employers that completed the survey state that they provide work experience (in the form of up to one month's unpaid work for 16-18 year-olds), well over half the Employers in three of the four focus areas (Construction was the exception) are seeking candidates with 1-4 years' commercial experience. Generally speaking, Employers want what they are not currently helping to provide.

The following recommendations are concerned with Employers, Applicants and Educators working together to improve Applicants' preparation for the world of work by developing lifelong learners with a range of evolving required skills.

Learn Recommendation 1: Employers should share their skills requirements (technical and soft) with Educators, and collaborate with them using consistent terminology to enrich curricula and syllabi with content and activities (which Employers should help deliver and provide, such as work experience, placements, projects and meaningful engagements) that support the learning of required skills and the development of an attitude of lifelong learning. This collaboration should also review qualifications and learning methods to ensure appropriateness, e.g. is a vocational or academic learning method the most productive for a particular role?

The Enterprise Advisor Network¹⁰ is an existing national service (with local provision) that enables Employers to directly engage with schools and colleges in order to share their skills requirements and help Applicants prepare for the world of work. Employers may also be able to do this by connecting with their respective sector's 'skills and work ready initiatives', such as work-wise¹¹ for Manufacturing, GoConstruct¹² for Construction and Sheffield Digital¹³ for

9

<http://webarchive.nationalarchives.gov.uk/20130701152331/http://www.ukces.org.uk/assets/ukces/docs/publications/evidence-report-3-employee-demand-for-skills.pdf>

¹⁰ <http://enterpriseadviserscr.org.uk/>

¹¹ <http://www.work-wise.co.uk/what-we-do/>

¹² <https://www.goconstruct.org/information-for-employers/>

Creative & Digital, which provide an established infrastructure for collaborating with Educators.

Learn Recommendation 2: policy intervention should collaborate with Employers on the creation of 'skills and work ready initiatives' for the Business, Professional & Financial sector to support Learn Recommendation 1. (The Construction, Creative & Digital and Manufacturing sectors already have GoConstruct, Sheffield Digital and work-wise respectively.)

Learn Recommendation 3: to help ensure that Applicants have the right skills, Employers / group of Employers should consider developing their own apprenticeship / training programmes with the support of training / academic institutions. See the 8Point8 example.

Learn Recommendation 4: policy intervention should consider collaborating with Sheffield Hallam University on extending its South Yorkshire Futures programme to Sheffield City Region.

Learn Recommendation 5: policy intervention should further explore how the Employers' perception of the underlying factors that make vacancies hard to fill varies across the different education levels achieved, with a view to influencing future academic provisions. For example, do school leavers lack the same skills as graduates, apprentices etc, and if not how do they differ?

¹³ <https://sheffield.digital/>

10 Employ

This section expands on the Employ Theme. It includes:

- A figure showing where Employ fits into the Skills Creation Cycle.
- An introduction to the Employ Theme.
- The outcome of the Employ Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Employ Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

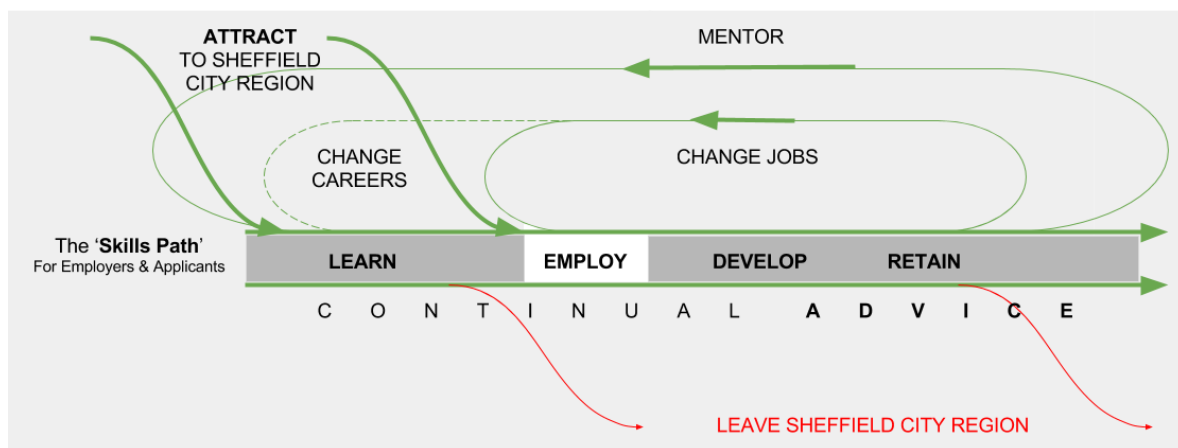


Figure Employ 1: Where the 'Employ' Theme fits into the Skills Creation Cycle.

Employ is the second stage of the Skills Path. It sees Applicants enter the world of work as an employee rather than on a work experience basis. Employ is focused on helping Employers identify, attract and employ Applicants with the skills they need. While employment involves a contract between the Employer and Applicant it may be facilitated by a third party, such as a 'skills and work ready initiative' like work-wise¹⁴, or a recruitment agency.

The outcome of the Employ Theme is that Employers meet their skills requirements.

¹⁴ <http://www.work-wise.co.uk/what-we-do/>

This theme was approached in both the Employer and Applicant surveys and covered in the Employer and Applicant Focus Groups.. The data relevant to this theme will be discussed next.

10.1 Employ Data & Narrative

10.1.1 Employers Perspective

10.1.1.1 Employers - Survey

The above qualitative statements are supported by the data taken from the Employers' survey and give clarity from an Employer's perspective. Displayed below are the core findings, the implications for Employers, and the associated skills shortages and hard to fill vacancies.

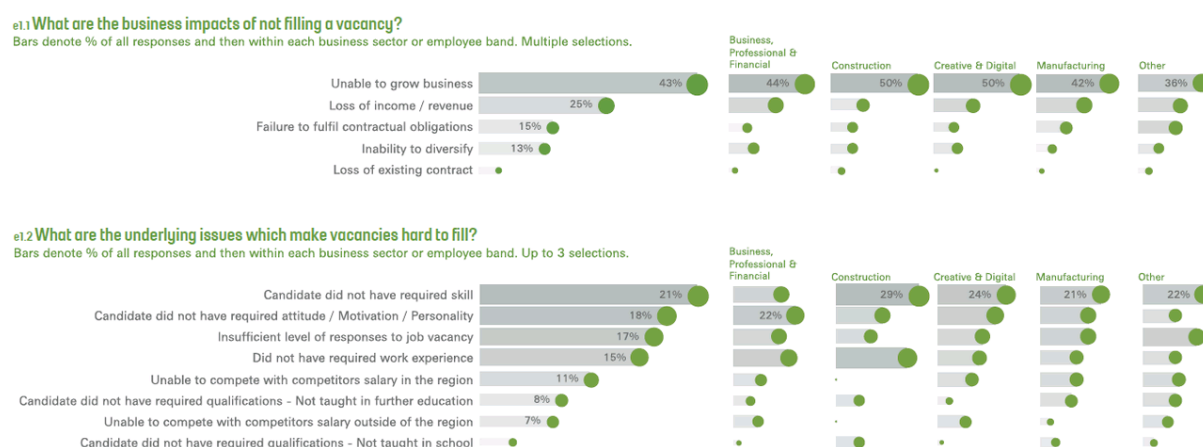


Figure Employ 2: What Employers perceive to be the impacts of not filling a vacancy, and the underlying issues that make vacancies hard to fill.

Most responding Employers (43%) consider the inability to grow the business is the biggest impact of not filling vacancies.

Whilst a common choice across all sectors, it becomes less dominant for Employers beyond 250 Employees, perhaps shifting to a concern about a loss of revenue or unmet contractual obligations as can be seen on the Hiring Impact panel.

Although loss of income/revenue (25%) was described as the second most likely impact overall, few felt that this would lead to the loss of contract. This suggests a failure to capture new revenue opportunity (for growth) rather than the loss of existing revenue streams. One implication is that SME Employers with a headcount of below 250 are more likely to have an ambition for growth which is contingent on hiring. Being 'unable to grow business' in revenue/profit terms might constrain regional GVA but non-financial growth might not. It

should be noted that a successful growth strategy (such as the SCR SEP) depends on both increase in revenue (GVA) and in employment (number of jobs).



Figure Employ 3: The commercial experience desired by Employers, by education levels and sector.

Overall Employers typically seek Graduates with 1-4 years of commercial experience. This was skewed by the Business, Professional & Financial and Creative & Digital sectors, for which these were the dominant types of hires. Manufacturing prefers College Leavers and Construction prefers Apprentices.

However, the typical education level didn't reveal a strong link to hiring difficulty. For example, it cannot be claimed with confidence that Employers find it harder to hire Graduates than College Leavers.

Note: This question solicits a 'typical' level of education and experience as opposed to making a statement about the most difficult demographic to hire.

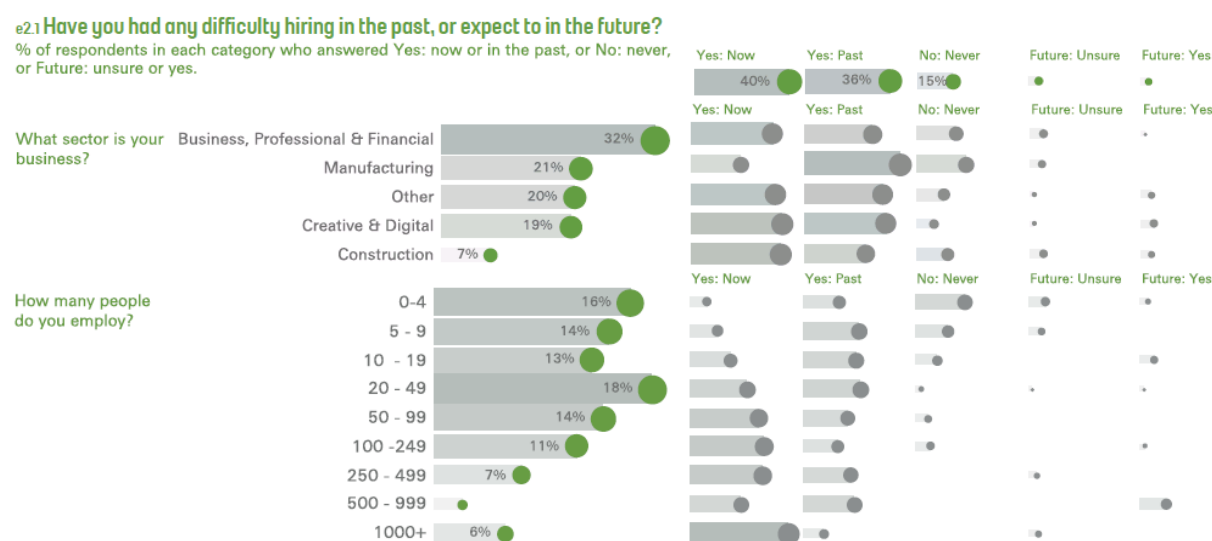


Figure Employ 4: Employers' perception of whether they've had difficulty hiring past and present, by sector and size.

Overall, 76% of Employers have experienced some kind of hiring difficulty, with 40% currently struggling. This doesn't reveal the proportion of vacancies that were considered hard to fill, and it is possible that any hard to fill vacancies are an ongoing challenge for Employers.

Manufacturing might be somewhat less beset with hiring difficulties but there wasn't much to separate the sectors.

The proportion of Employers reporting a current difficulty increased with the number of Employees. This signal could be expected because larger Employers are more likely to have vacancies - hard or otherwise - simply through staff turnover (anecdotally 15% of the workforce annually). The complement of this signal appears for SMEs, who were less likely to have any difficulty at all.



Figure Employ 5: Whether Employers normally provide training

95% of Employers responded with 'Yes' in answering the question as to whether they normally provide training to upskill successful Applicants. All still reported having some hiring difficulty.

However, just because Employers offer some form of training it is not given that they are using this as an explicit hiring strategy. Applicants may also have a different perspective on the value of this training for their career development

Quote: Jeffrey A. Joerres, Manpower chairman and CEO

"As the global economy slowly recovers, employers will remain focused on maintaining financial flexibility and doing more with less. Applying the same mind-set to their workforce, employers have gotten more specific about the combination of skill sets that they are looking for, not only seeking technical capabilities in a job match, but holding out for the person that possesses the additional qualities above and beyond that will help drive their organisation forward. This conundrum is upsetting to the ubiquitous job seeker, who will need to take more responsibility for his or her skills development in order to find ways to remain relevant to the market. "

e3.1 Who in your business is responsible for hiring a new staff member?

% of respondents selecting hiring roles from multiple options, a breakdown of the most frequent roles selected by headcount and the past, current or expected future hiring struggles linked to these roles.

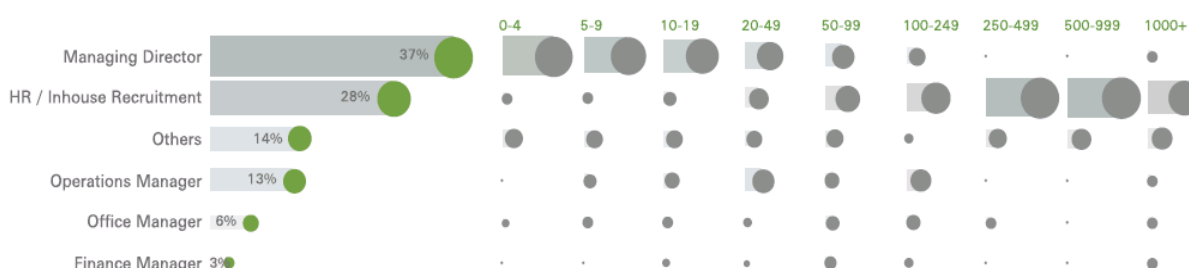


Figure Employ 6: Who is responsible for hiring a new staff member.

Managing Directors (MDs) were mentioned as most involved in hiring new staff members in smaller Employers (less than 20 Employees). At around 50 - 99 Employees, HR/In House Recruitment are referred to more than MDs together with a smattering of other hiring manager roles. HR eventually dominate as Employers get bigger.

In a separate analysis, the number of hiring roles involved was relevant. It was more likely that multiple individuals would be responsible in hiring for Employers between 20-250, with up to four individuals in the 50-250 range.

e3.3 Does your recruitment process include the following areas?

How often a recruitment process area was mentioned by companies as being used or not at all, multiple selections.

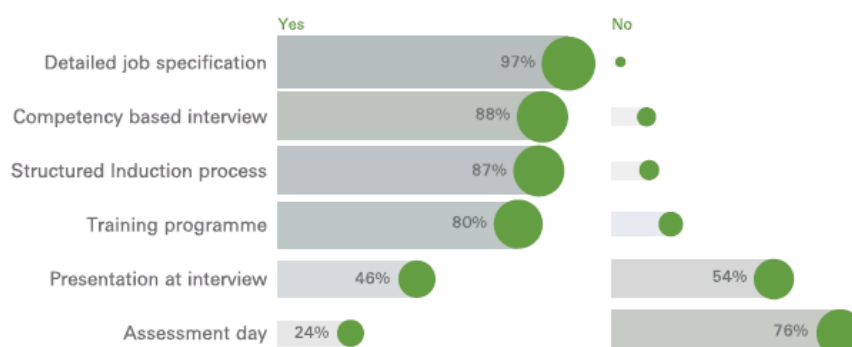


Figure Employ 7: Employers' perception of what is included in the recruitment process.

Beyond the consistent mentions of a 'Detailed job specification' (97%), other process elements were mentioned with decreasing frequency. Assessment days – a chance for Employers and Applicants to get to know each other and assess transferable skills – was the least used by Employers (24%).

Given that 95% of Employers offer training, it was interesting that 20% didn't mention a training programme during their recruitment process. Is this an opportunity missed?

10.1.1.2 Employers - Focus Groups

During the Focus Groups, Employers from across Sheffield City Region outlined their key concerns and their perception of the underlying causes of the skills shortages and hard to fill vacancies. Below are the three core areas for improvement taken from the Employer's Causal Model.

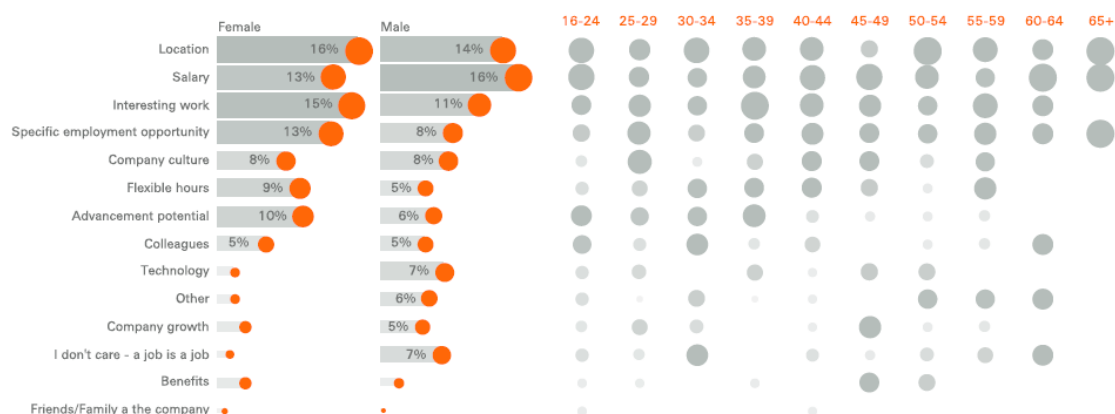
- **Location & Transport** - moving the Applicants with the skills Employers need to their place of work.
- **Remuneration** – payment of salaries that compete with those from outside the Region.
- **Recruitment** - the effectiveness of current practices.

10.1.2 Applicants' Perception

10.1.2.1 Applicants - Survey

c1.2 What is your primary reason for wanting to work for your employer

Up to 3 selections from multiple response options.



c3.2 What is your primary reason for wanting to work for your employer

Up to 3 selections from multiple response options ranked within salary bands.

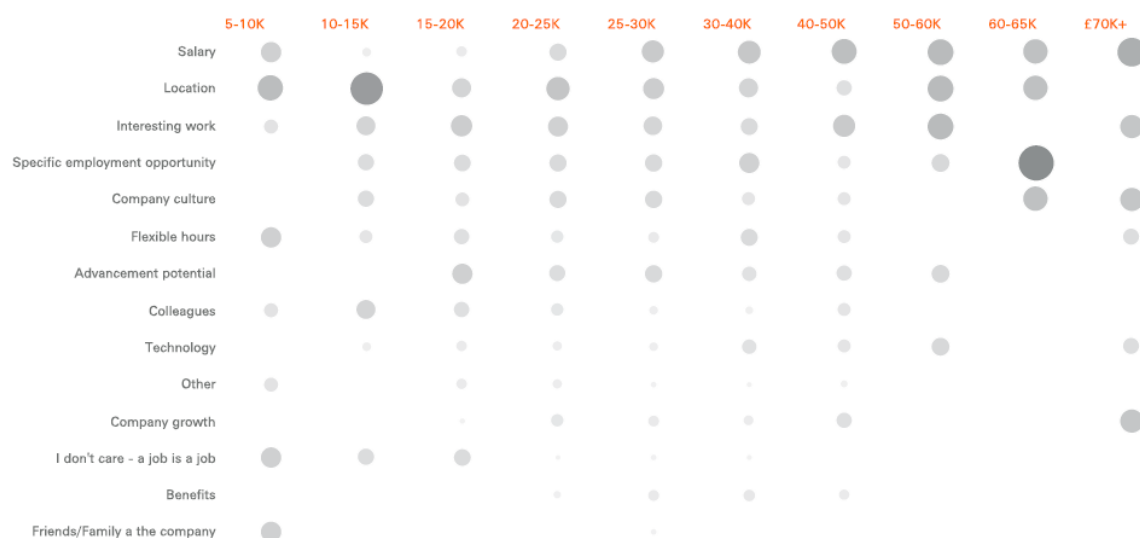


Figure Employ 8: Applicants' primary reason for wanting to work for their Employer, by sex, age and salary range.

'Location' and 'Salary' were the most popular reasons for Applicants wanting to work for their Employer, followed by 'Interesting Work'. 'Location' could be a commuting factor or an echo of the positive perception of the geographical region.

As salary increases it appears to become a stronger reason for staying with an Employer - it appears to do so from the £25 - £30k bracket upwards. It's not possible to determine how these salaries compare with the market but there is likely to be corresponding sense of status, security, and loss aversion which discourage Applicants from changing job.

At the lower salary bands, 'Location' may be a compensating criterion, as are 'Flexible Hours', 'Colleagues' and the narrative that 'A job is a job'

There were subtle gender differences: female Applicants seemed to favour 'Interesting Work' over 'Salary', whilst for males this was the reverse. 'Flexible Hours and 'Advancement Potential' were favoured more by females too. Males were slightly more drawn to 'Technology' and 'Company Growth', whilst for some it would appear that 'A job is a job'

The differences between age bands were less pronounced than for gender, additionally the sizes of the subgroups make reliable comparisons more difficult.

Further analysis of this question and the next could yield insights about what factors motivate different demographics to stay with an Employer. Sweeping claims about generational cohorts (generation X, generation Y etc) would otherwise be premature.

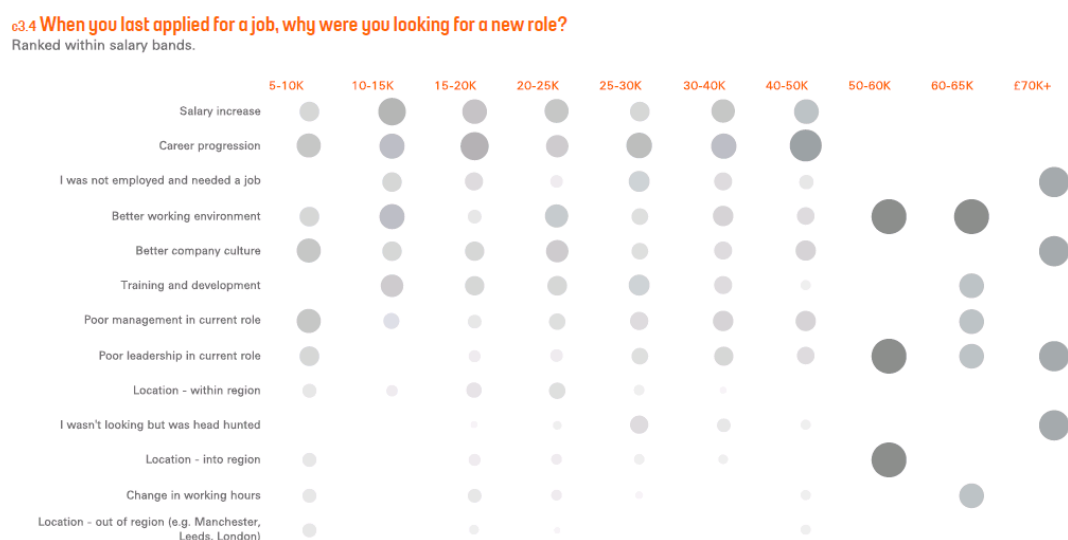
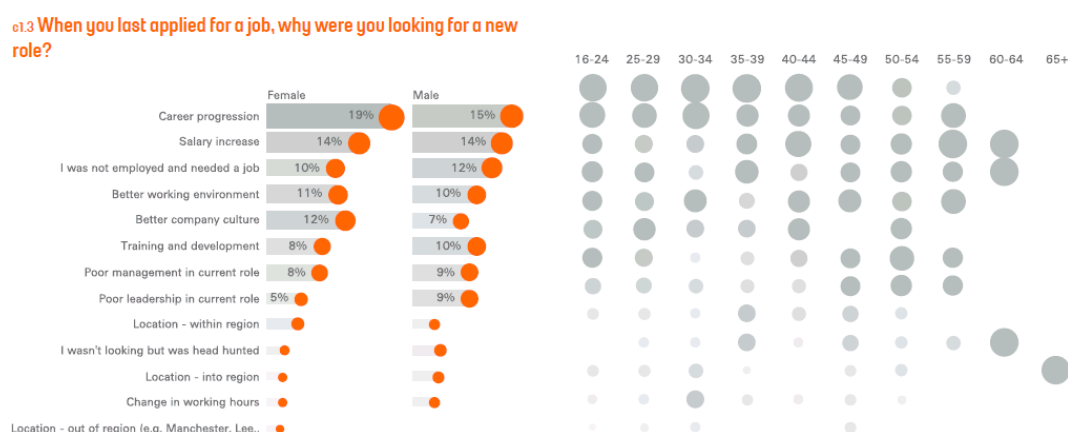


Figure Employ 9: What Applicants were looking for when they last applied for a job.

‘Career Progression’ and ‘Salary’ were the dominant responses. There may be a strong association between ‘Career Progression’ and ‘Salary’, however ‘Career Progression’ may also have a distinct meaning for those Applicants wanting more responsibility or status.

The responses indicated that gender was a defining factor. Females were more likely to change roles for ‘Career Progression’ and a better company culture. These are signals for Employers addressing a gender imbalance. The majority of Applicant whose primary reason for looking for a new job was due to being unemployed were male.

‘Poor Leadership’ and ‘Management’ and the desire for ‘Training and Development’ were important motivators to change jobs. These might be considered as essential drivers of ‘Career Progression’, ‘Better Company Culture’ and ‘Better Working Environment’.

Again, the characteristics of different age bands were less obvious. More senior Applicants aged 45+ may become less interested in career progression and salary and more frustrated with leadership and management for example.

Perhaps the most potent observation is that across all age groups and genders, there is not just the one-dimensional factor of salary. The uncomfortable truth is that the most frequent reasons why Applicants look elsewhere can be influenced by Employers.

There may be a signal that Applicants in the lower salary bands up to £20k were more likely to have looked for a job for salary reasons.

‘Career Progression’ was consistently selected across all salary bands.

Looking for a better culture, working environment, training, better management and leadership may also be associated with lower-salaried roles.

These hypotheses could probably be explored further with secondary datasets however it would be surprising if this were peculiar to Sheffield City Region.

The predominance of smaller Employers has however been proposed as a possible factor in the region. There’s plausibility to a claim that leaders of smaller Employers might be less able to craft career progression opportunities and ‘culture’



Figure Employ 10: How Applicants prefer to travel to work.

When asked about the travel preference (rather than “How do you...?”) the responses yielded an interesting result: a quarter of Applicants would prefer to walk. For Employers able to locate near residential centres, this result could be a strong force for attraction and retention.

63% of Applicants prefer not to drive. Bus, train and tram routes and schedules are a factor for the 26% of Applicants preferring these options. Transport provision appeared to be a significant factor both the Employer and Applicant Focus Groups.

c1.8 How long would you be willing to travel to your place of work?

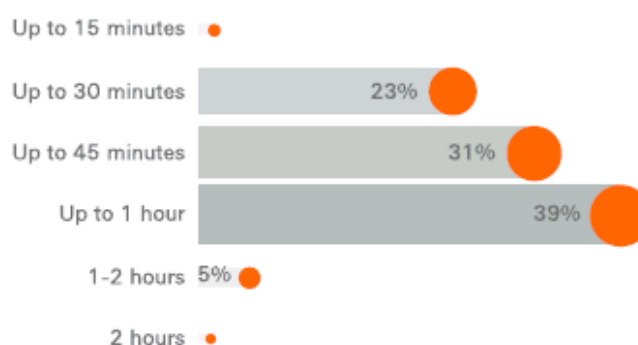
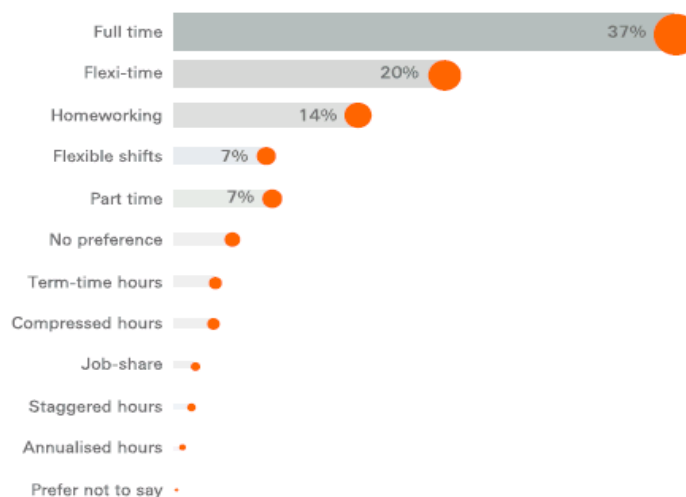


Figure Employ 11: Commute times acceptable to Applicants.

Most Applicants (75%) were willing to travel up to 45 minutes, with 44% willing to travel up to an hour.

c1.7 What is your desired working pattern?

Frequency of selections from multiple options.



e3.3 What is your desired working pattern?

Frequency of selections from multiple options ranked within salary bands.

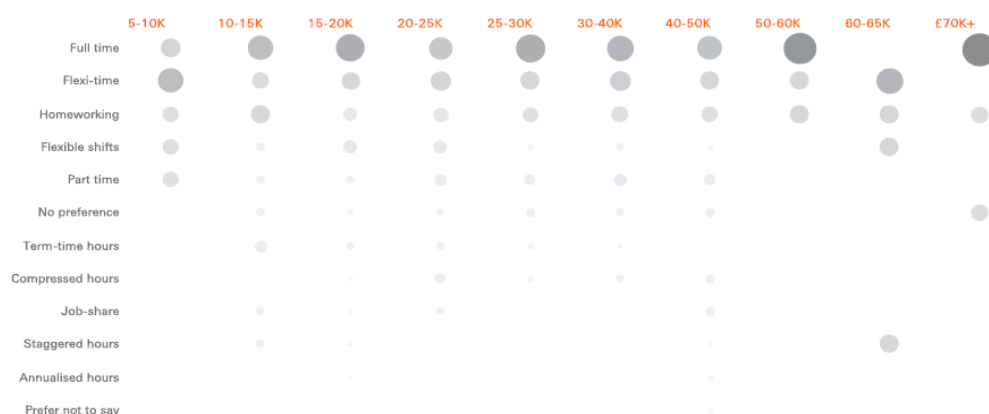


Figure Employ 12: Applicants' desired working patterns, by salary.

Although over a third of Applicants chose 'Full time' work, the remainder responded to a range of other work patterns, with 'Flex-time' and 'Homeworking' being the next most popular. It would be interesting to look at how the multiple responses were clustered to help Employers tailor roles to Applicants' circumstances.

There wasn't a great deal of variation amongst salary bands for this question. Even at the higher salary levels (£40 - £50K) there was some interest in 'Part-time', and 'Job Share'

e2.4 How many years experience in the work place do you have? ie. placement or paid work

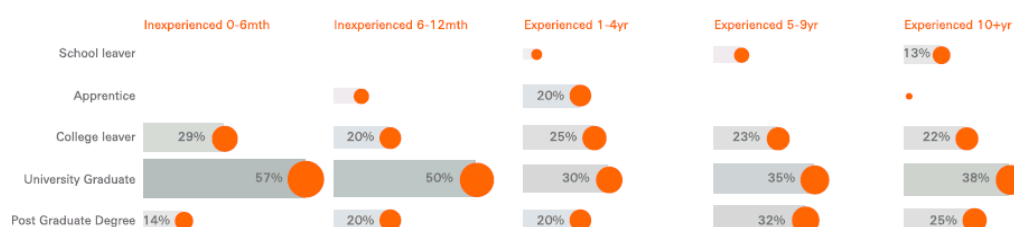


Figure Employ 13: Applicants' amount of experience of the world of work.

This question was linked to Applicants' highest attained level of education. The responses were naturally biased towards the sample but it was interesting that most of the voices were those of Graduates, most of whom were inexperienced.

e2.6 Prior to a full time job, what kind of work experience had you had?

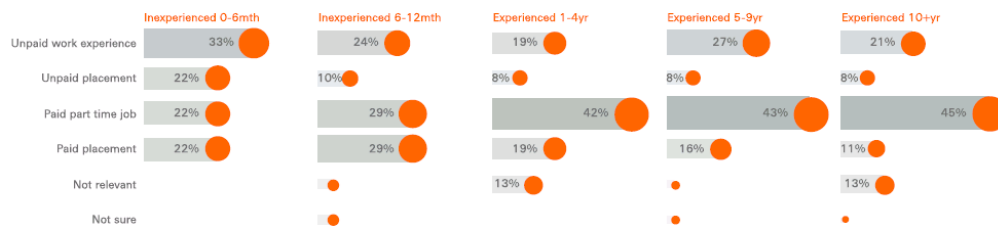


Figure Employ 14: Applicants' type of work experience and how long they've been employed for.

Most Applicants had experienced paid work through part time jobs rather than say, university placements, but the number decreases as the full-time job experience increases.

About a quarter had unpaid work experience but the nature of that is unknown - this may produce spin-off benefits for the region with regards personal development.

The nature of paid part time work might be an interesting topic because of where this fits in the transition from education to the world of work - perhaps the skills gained through this process may be valued by future Employers.

e4.1 How do you look for vacancies?

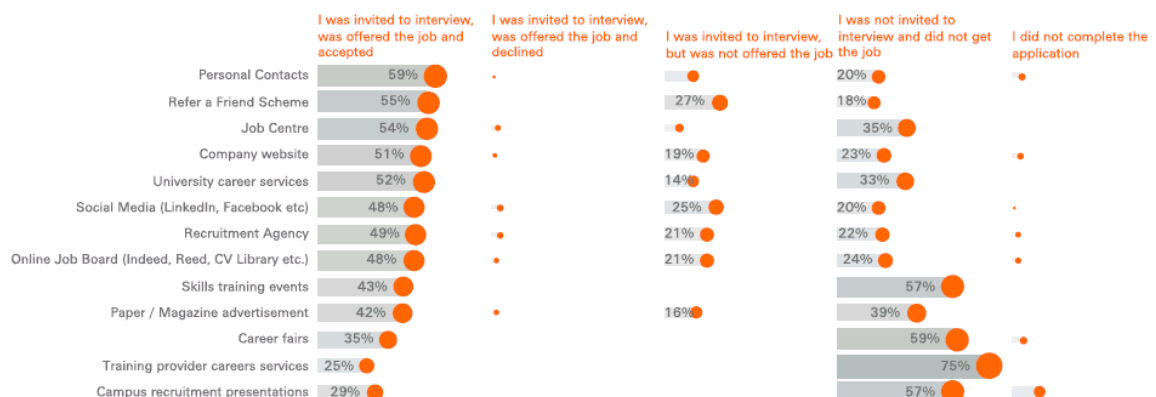


Figure Employ 15: How Applicants look for vacancies and how effective these approaches are at securing a job.

The two most popular methods of finding and securing a job were Personal Contacts and Refer a Friend Scheme, both of which have a personal touch. University Careers Services, Recruitment Agencies and Online Job Boards were around 50% successful, as was Social Media

Note: These reported experiences may neglect a base rate of application which didn't progress in the process e.g. Applicants never heard back. This is an endemic yet mostly hidden form of waste in recruitment, something which Employers can address to limit brand damage and develop talent pipelines

Employers ranked personal contacts as being the most used but formal referral schemes less-so. Refer-a-friend schemes would seem to be an opportunity worth exploring, especially if that referral network can reach into an under-served Applicants segment (e.g. recent graduates)

Applicants did look for vacancies on 'Company Websites' and around half secured jobs as a result. This raises the question: "How did Applicants choose which Employers websites to look at?". It is possible that Applicants either had prior knowledge of local Employers or brands, or were driven by job postings on an external source, possibly social media.

'Skills Training Events' could be under-used on both sides and are perhaps less successful than expected given the perception of skills gaps. A 'boot camp' offer which is targeted at specific sector skills gaps with close Employer guidance and involvement ought to be a plausible idea.

Although there weren't many Applicants, 'Careers Fairs', 'Training Provider Services' and 'Campus Recruitment Events' all fared rather poorly. Applicants fed back that Careers Fairs tend to only be attended by larger Employers, with little presence of Sheffield City Region's many SMEs. This likely distorts the Applicants' perception of the vacancies in Sheffield City Region and restricts the ability of the Employers to fill their vacancies.

c4.4 Did the recruitment process include the following areas?

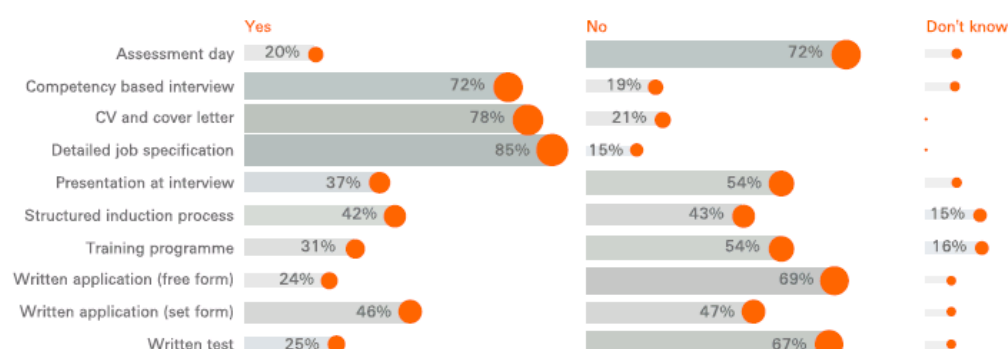


Figure Employ 16: What the Applicants perceive the recruitment process include.

Applicants experienced a different recruitment process to the one claimed by Employers. The detailed job specification and competency-based interview were common elements but a structured induction process and training programme were less present. Whilst this question examines different hiring events, there could be a disconnect here - even one of communication - which gives Applicants a different perception of career opportunities.

c4.8 Please tell us about the onsite interview

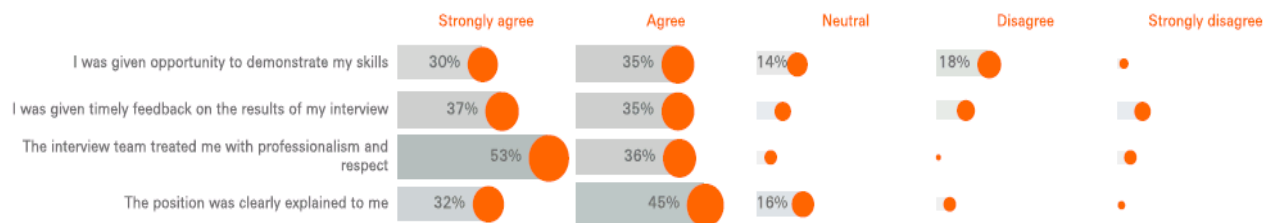


Figure Employ 17: What the Applicants thought of the onsite interview.

There was a net-positive response to all four parts of this question, especially in terms of professionalism and respect.

Given Employers' concerns about Applicants not having the required skills it may seem surprising that 20% of Applicants feel they weren't given an opportunity to demonstrate their skills.

c4.7 How many people interviewed you in total?



Figure Employ 18: How many individuals interview the Applicants.

c4.9 How did the company do in the overall process?

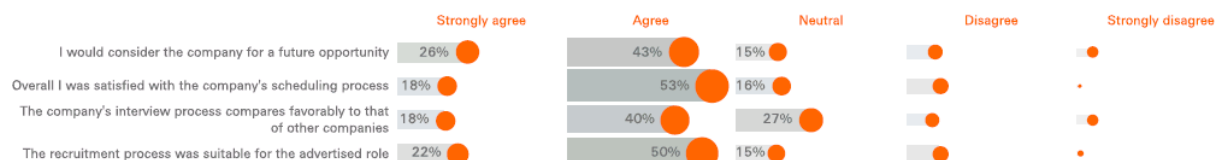


Figure Employ 19: Applicants' rating of how Employers did in the overall recruitment process.

There was a net-positive response to all four parts of this question which suggests it's likely that the recruitment processes generally left Applicants with some goodwill towards the Employer.

c4.5 How likely are you to share your experience, positive or negati..

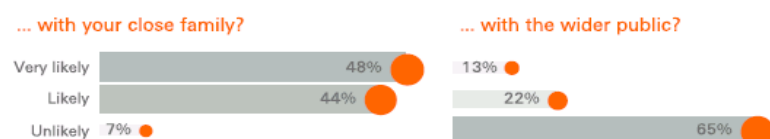


Figure Employ 20: How likely Applicants are to share their interview experience

Applicants were more likely to share their experience with family than with the wider public. If a negative hiring experience - not getting the job - is embarrassing and feels like a personal failure, then this may not be surprising. This may seem to insulate Employers from public brand damage but the Applicant's family could still become detractors and transmit this to a trusting network.

10.1.2.2 Applicants - Focus Group

The main issues that Applicants perceive to be under-lying factors with regards employing for hard to fill vacancies and skills shortages are:

- **Transport** – accessing the work opportunities.
- **Visibility** – Applicants spoke of feeling disappointed with the reality of a role in comparison to the description during recruitment.
- **Chance to shine** – Applicants felt that they were unable to communicate / demonstrate their suitability for a role during the recruitment process.

10.2 Conclusions & Recommendations

In the main Employers are seeking university graduates with 1-4 years' commercial experience, making these a very desirable calibre of Applicants. There are marginally more vacancies for new roles than a replacement of staff, and in the majority, these are permanent roles. Particularly evident with smaller Employers (up to 9 employees) is the limited overall training budget (but possibly larger per head), which has declined over recent years possibly due to time constraints and cost. As the demand for training is naturally limited in small Employers due to their size they do not benefit from economies of scale the way larger Employers might.

The three main drivers in attracting Applicants to a vacancy are salary, location and interesting work. Notably, Applicants weight the importance of location as strongly as salary. The fourth driver is a vacancy presenting an opportunity for an Applicant to progress within their chosen field. Company culture is fifth, with flexible hours and advancement potential in joint place or sixth. Full time was the preferred working pattern for less than half the Applicants, with flexi time the next more preferred.

In an Applicant-driven market it is essential Employers communicate to existing and potential Applicants all the benefits of working for them, making it an attractive and desirable place to work. For example, SMEs provide an excellent opportunity for Applicants to be involved in all stages of the delivery cycle (as opposed to larger Employers where Applicants tend to be specialists in one stage of the process). For SME Applicants this can make the work more appealing, supports career progression and provides the Applicants with transferrable skills.

Health and wellbeing options are also appealing to potential Applicants so Employers can make themselves more attractive with simple low-cost benefits such as registering for the Cycle scheme and providing cycle facilities (secure storage, shower and changing facilities), and / or providing facilities to store and prepare fresh food.

The following could be considered to form an employment package:

- Job Specification
- Salary
- Bonus
- Pension
- Working Hours - Volume
- Working Hours - Pattern
- Holidays
- Location
- Career Progression / Personal Development Plan
- Company Culture

'Perks of the job' that Employers might be able to provide include:

- A comfortable working environment - comfortable light and heating, chairs that support good posture.
- Travel support, e.g. car parking; the Cyclescheme, bike storage and shower facilities.

10.2.1 Recruitment

Employers' most popular way of recruiting is the use of personal contacts (which significantly reduces the size of the Skills Pool from which Applicants are selected) followed by the company's website. Applicants cited online job boards as their preferred method of finding vacancies, with company websites third and personal contacts fifth. An 'insufficient level of response' was the third most common reason for a vacancy to be considered hard to fill; this could be reflective of the disparity between how Employers advertise vacancies and how Applicants look for them. With graduates being Employers' preferred level of education for Applicants, it is surprising that university careers services are used so little. This is especially true for SMEs, as candidates reported that most university careers fairs only represent companies with more than 1,000 employees.

For Employers with under 20 Employees, the recruitment process typically involves a job specification and competency-based interview, with the Managing Director usually responsible for recruitment. Managing Directors and business owners tend to be highly driven and highly ambitious individuals, with potentially high expectations of Applicants that in reality are hard to achieve.

The main underlying issue Employers cited as making vacancies hard to fill was "Applicant did not have the required skill" (soft rather than technical skills); notably a similar proportion of Applicants surveyed did not feel they were given the opportunity to demonstrate their skills

during interview. In this respect, it seems interviews restrict Applicants to 'telling rather than showing' what they can do, which could hamper their progression, and ultimately chance of employment.

Job searching methods with a personal touch (Personal Contacts, Refer-a-Friend schemes) were the most effective way for Applicants of securing a job and Personal Contact was the most preferred route for Employers seeking new employees. However, this method naturally limits the available Skills Pool for Employers and is unlikely to be the most effective method in finding the best recruits

Employers who consider their vacancies 'hard to fill' need to ensure their recruitment practices are productive, quick and communicative to reduce the chance of losing out on desirable Applicants. Employers risk losing Applicants with in-demand skills to alternative opportunities if they do not communicate effectively during the interview process, or simply take too long.

10.2.2 Transport

Although transport was not a pre-determined topic in the Employer survey it was a common discussion point at the focus group events, with Employers expressing strong concern about the inability of Applicants to get to where the work is.

The Applicants survey data shows over a third would be willing to travel an hour to work, with over 76% willing to travel 45 minutes.

Applicants indicated that the car is the preferred method of travel, but over a third would like to walk or cycle to work.

Employ Recommendation 1: Employers should review their employment packages and perks of the job, enhance them where possible considering the items listed above, and effectively communicate the benefits to existing and potential Applicants. Employers should consider asking a third party to review their packages so that easy alterations are not missed.

As part of this process it is recommended that Employers research similar packages (perhaps via online tools¹⁵) to ensure they are competitive in their offering.

Employers should consider their physical location when determining their employment packages and recruitment strategies. For example, Employers may inadvertently create a hard to fill vacancy by paying a relatively low salary for a job that requires high travel costs (high costs could include running a car to travel to work where there is no option of public transport). Employers may also target local residential areas, from which Applicants would be able to walk / cycle to work.

¹⁵ <https://www.totaljobs.com/jobs?s=header>

Employ Recommendation 2: Employers should review their current recruitment and induction processes, with input from supply chain partners where possible (see the Robert Woodhead example¹⁶) to ensure they are:

- Involving individuals (both internal and external) that understand the value an Applicant could bring to the business, and who will enable things to move quickly and effectively as delays can lead to Applicants leaving the process due to disengagement or other offers;
- Assessing relevant Applicants using appropriate methods and giving due consideration to their employment in a timely manner;
- Clear about what is expected of the Applicants, including the need to be a lifelong learner
- Providing an effective and positive induction process.

The interview phase presents an opportunity to promote the employment package, explain the induction process and set out the career progression possibilities. This helps to get buy-in from the Applicants, who in return are able to demonstrate their existing or potential value (which may be indirect, e.g. an experienced Applicant that would enjoy training junior staff, therefore adding value by supporting succession management).

Alternative recruitment techniques such as Focus Groups or assessment days are a proven format for Applicants to demonstrate their soft skills. In addition, half-day trials are a good way to assess capability and productivity in the workplace, whilst also giving the Applicants an experience of the company culture.

Employ Recommendation 3: Employers should review their recruitment criteria to allow for consideration of applicants from outside of their own sector who have transferable skills. These Applicants could be adaptable and bring in valued skills, and 'giving an Applicant a chance' will likely increase loyalty and support retention. Wider advertisement of the vacancy could assist in this aim.

Employ Recommendation 4: when recruiting for hard to fill vacancies, Employers should consider targeting the passive Applicants market through professional recruiters, wider use of social media or recruitment boards with chargeable click-through options. Recruiters use head hunting techniques to target Applicants with a specific skill set that may not be accessible to an Employer.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/505263/2302_PC2_BrochureWEB.pdf

Employ Recommendation 5: policy intervention to collaborate with Employers on the provision of subsidised public transport that enables access to work destinations (e.g. rural industrial estates) with low paid vacancies.

11 Develop

This section expands on the Develop Theme. It includes:

- A figure showing where Develop fits into the Skills Creation Cycle.
- An introduction to the Develop Theme.
- The outcome of the Develop Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Develop Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

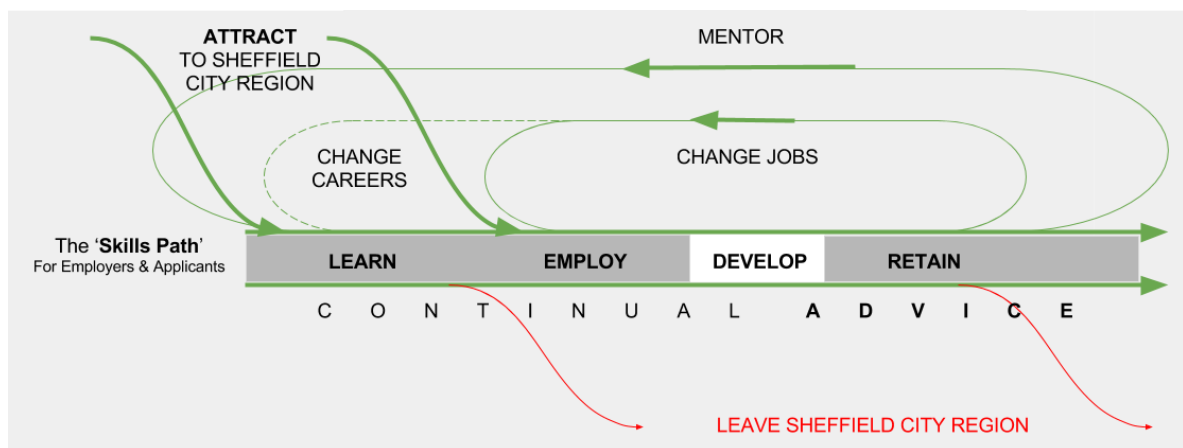


Figure Develop 1: Where the 'Develop' Theme fits into the Skills Creation Cycle.

Develop is the third stage of the Skills Path. It is concerned with the continual development of Employers and Applicants, and supporting their lifelong learning so their skills evolve with the requirements of industry and their Employers respectively. Employers and Applicants may develop their skills through internal means or through external provision such as trainers and academic institutions. Training brokers such as SCR CA's Skills Bank might assist with the delivery of the training and help secure its funding.

The outcome of the Develop theme is that Employers and Applicants are continually upskilled.

Develop was covered in both the Employer and Applicant surveys and covered in the Employer and Applicant Focus Groups. The full Develop data follows.

11.1 Develop Data & Narrative

11.1.1 Develop: Employers' Perspective

11.1.1.1 Employers – Survey

e3.3 Does your recruitment process include the following areas?

How often a recruitment process area was mentioned by companies as being used or not at all, multiple selections.

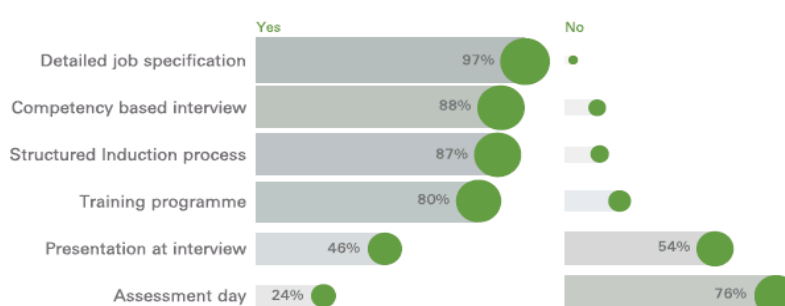


Figure Develop 1: Employers' perception of what is included in the recruitment process.

Beyond the consistent mentions of a 'Detailed job specification' (97%), other process elements were mentioned with decreasing frequency. Assessment days – a chance for Employers and Applicants to get to know each other and assess transferable skills – was the least used by Employers (24%).

Given the claim that 95% of Employers offer training, it was interesting that 20% didn't mention a training programme during their recruitment process. Is this an opportunity missed?



Figure Develop 2: The percentage of Employers that provide training.

95% of Employers responded with 'Yes' to the question about whether they normally provide training to upskill successful Applicants. All still reported having some hiring difficulty which might seem like a contradiction. However just because Employers offer some form of training may not mean that they are using this as an explicit hiring strategy. Applicants may also have a different perspective on the value of this training for their career development.

What is your training budget?

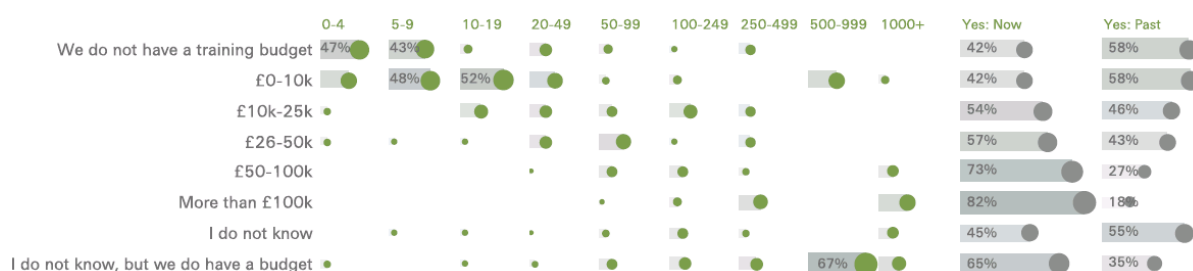


Figure Develop 3: Employers' training budgets.

Company training budgets increased with headcount, though typically they remain below £1000 per Employee.

Unsurprisingly, current hiring difficulty appeared to rise with increasing training budgets because of the link to the number of Employees - larger Employers tend to have bigger training budgets but also the biggest number of vacancies due to natural Employee turnover.

Example of best practice: in addition to in-house training provision, local company Sky Betting and Gaming provide their Employees with a personal development fund. This can be put towards courses / training of their own choice. In addition to the personal development fund, Applicants are encouraged to spend some of their working hours (typically on a Friday afternoon) pursuing personal development.

e1.3 If you were/are unable to upskill an employee, what are the reasons behind this?

Bars denote % of all responses and then within each business sector or employee band. Up to 3 selections.

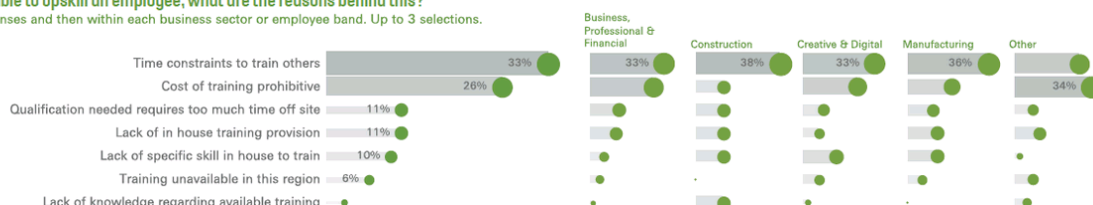


Figure Develop 4: Why Employers were unable to upskill Employees.

Overall, the 'Time constraints to train others' followed by the 'Cost of training prohibitive' far out-weighed all other reasons. Only in Construction did the cost of training receive less attention. This implies that members of staff within Construction companies would need to commit time to delivering in-house training for other employees. This could be a signal that investing management time in developing Employees is under-valued, and not just at the smaller end of the company spectrum.

11.1.1.2 Employers – Focus Group

The Employers' Focus Groups provided the opportunity for Employers to voice concerns they have which are important to this study. The following topics were raised as underlying factors that affect the availability of skills in Sheffield City Region:

- **Inspiration** – access to role models, mentors and brands.
- **Investment** – in training and development, including providing the time to acquire on the job learning of technical and soft skills.
- **Leadership** – ability and capacity of Employers' leaders to manage and improve performance, including company culture.

11.1.2 Develop: Applicants' Perspective

11.1.2.1 Applicants - Survey

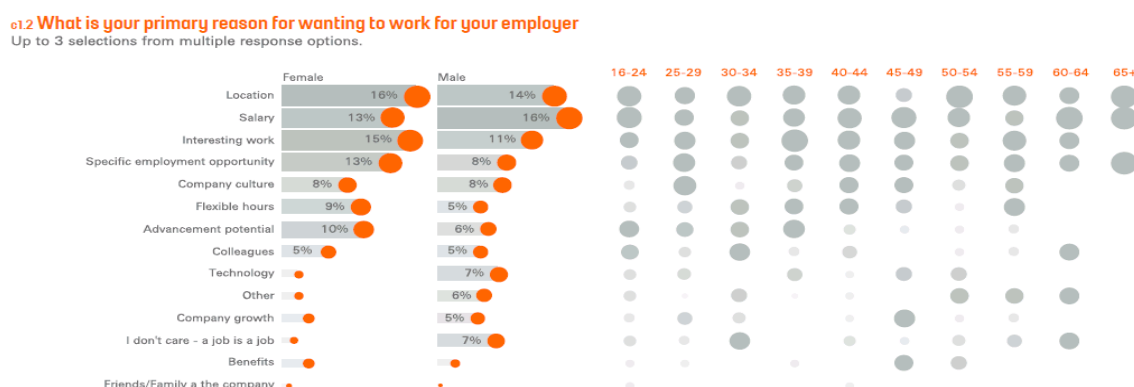


Figure Develop 5: Applicants' primary reason for wanting to work for an Employer.

'Location' and 'Salary' were the most popular reasons for Applicants wanting to work for their Employer, followed by 'Interesting Work'. 'Location' could be a commuting factor or an echo of the positive perception of the geographical region.

As salary increases it appears to become a stronger reason for staying with an Employer and appears to do so from the £25-30k bracket upwards. It's not possible to determine how these salaries compare with the market but there is likely to be a corresponding sense of status, security, and loss aversion which discourage Applicants from changing job.

At the lower salary bands, 'Location' may be a compensating criterion, as are 'Flexible Hours', 'Colleagues' and the narrative that 'A job is a job'.

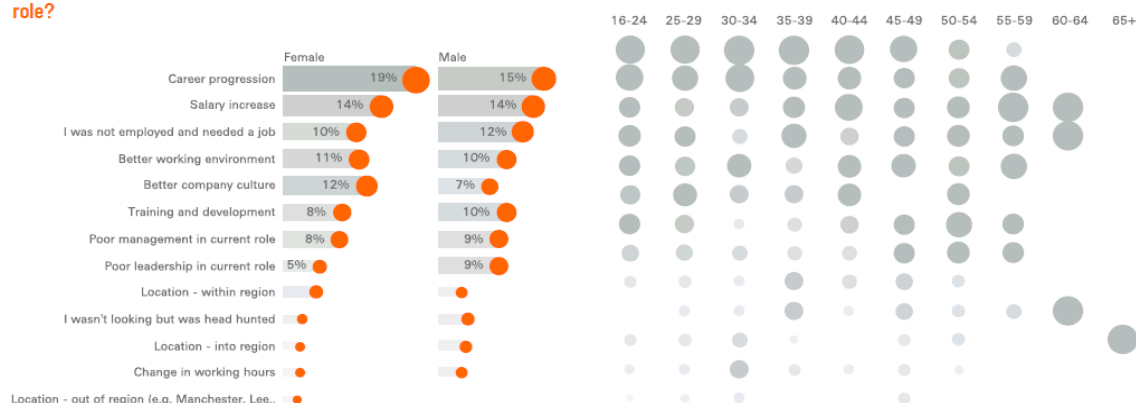
There were subtle gender differences: female Applicants seemed to favour 'Interesting Work' over 'Salary', whilst for males this was the reverse. 'Flexible Hours' and 'Advancement

Potential' were favoured more by females too. Males were slightly more drawn to 'Technology' and 'Company Growth', whilst for some it would appear that 'A job is a job'.

The differences between age bands were less pronounced than for gender, additionally the sizes of the subgroups make reliable comparisons more difficult.

Further analysis of this question and the next could yield insights about what factors motivate different demographics to stay with an Employer. Sweeping claims about generational cohorts (generation X, generation Y etc) would otherwise be premature.

e1.3 When you last applied for a job, why were you looking for a new role?



e3.4 When you last applied for a job, why were you looking for a new role? Ranked within salary bands.

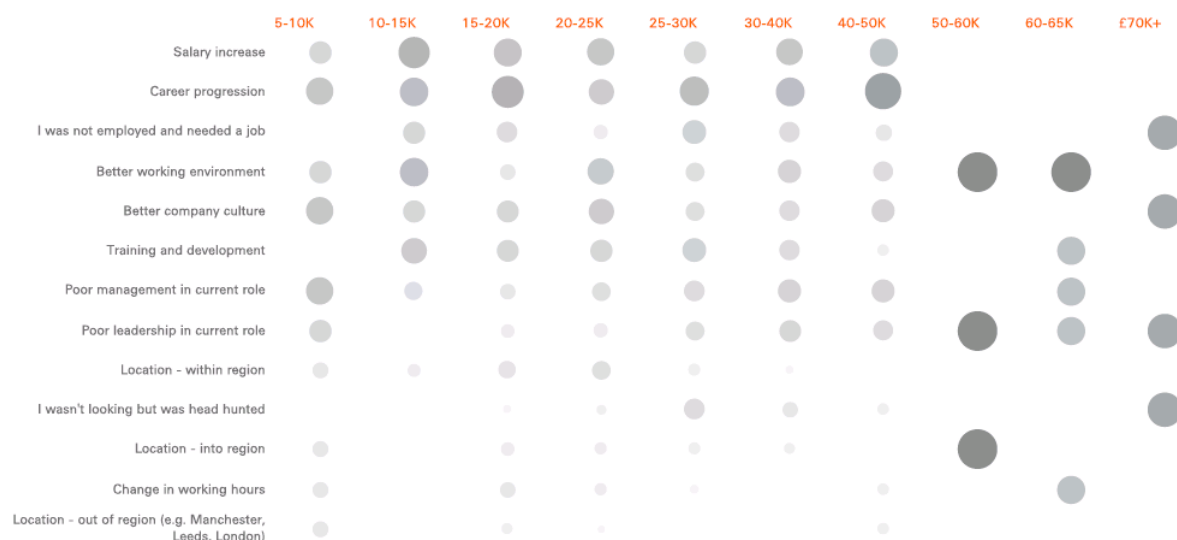


Figure Develop 6: Why Applicants changed jobs last time round.

'Career Progression' and 'Salary' were the dominant responses. There may be a strong association between 'Career Progression' and 'Salary', however 'Career Progression' may also have a distinct meaning for those Applicants wanting more responsibility or status.

The responses indicated that gender was a defining factor. Females were more likely to change roles for 'Career Progression' and a better company culture. These are signals for

Employers addressing a gender imbalance. The majority of Applicants whose primary reason for looking for a new job was due to being unemployed were male.

'Poor Leadership and Management' and the desire for 'Training and Development' were important motivators to change jobs. These might be considered as essential drivers of 'Career Progression', 'Better Company Culture' and 'Better Working Environment'.

Again, the characteristics of different age bands were less obvious. More senior Applicants aged 45+ may become less interested in career progression and salary and more frustrated with leadership and management for example.

Perhaps the most potent observation is that across all age groups and genders, there is not just the one-dimensional factor of salary. The uncomfortable truth is that the most frequent reasons why Applicants look elsewhere can be influenced by Employers. Across the UK, 34% of Employers with less than 50 staff provided management training, while 72% of those with more than 50 staff did.¹⁷ With 87% of the Employers in Sheffield City Region being SMEs this could be a significant statistic.

There may be a signal that Applicants in the lower salary bands (up to £20k) were more likely to have looked for a job for salary reasons. 'Career Progression' was consistently selected across all salary bands. Looking for a better culture, working environment, training, better management and leadership may also be associated with lower-salaried roles.

These hypotheses could probably be explored further with secondary datasets; however it would be surprising if this was peculiar to Sheffield City Region.

The predominance of SMEs has however been proposed as a possible factor in the Region. There's plausibility to a claim that leaders of smaller businesses might be less able to craft career progression opportunities and 'culture'.

e1.4 How long would you expect to stay with a company?
Before seeking new employment.

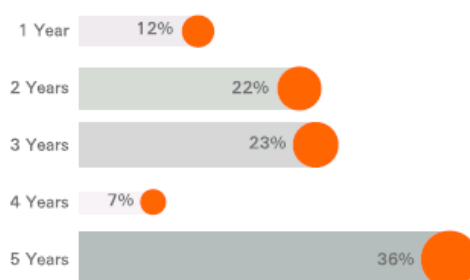


Figure Develop 7: How long Applicants would expect to stay in a job, by sector.

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The responses to this question can be split by four pieces of additional information: age band, education level, industrial sector and length of experience. We refer the reader to the complete panel (c1.4) for the full breakdown.

The evidence provided may challenge a few broad beliefs about generational differences; the so-called Gen-X and Millennial cohorts.

The majority of Applicants expected to stay with a company for 5+ years. This proportion is slightly higher for an older demographic (40+) but this also dominates age groups under 40. There may be unobserved factors such as family responsibilities, social influence and expectations.

A stand out statistic is that 16-24 year-olds seemed more likely to expect just a two-year term compared with all other age bands.

A contradiction arises because the distribution of the expected employment term appears bi-modal - there's a more 'normal' distribution across 1-4 years but a bump at 5+ years.

Best Practice Case Study: Ian Snow - Central Technology

“As a rapidly growing service provider, recruiting talented, highly qualified, IT engineers is critical to our success, yet, it is an on-going business issue, which has at times been a battle, and time-consuming process.

We need engineers with a wide knowledge base, the aptitude to learn new systems and the ability to adapt to unique situations quickly, often under significant time pressure. The right type of experience and/or ability is therefore critical if an engineer is going to fit into the team and enjoy working with us.

In 2013 we made the decision to invest for the long term and re-introduced an IT apprenticeship programme. By teaming up with a local apprenticeship provider we now had the opportunity to train our engineers from scratch. Since then, five young engineers have been through the programme and two are in the final stages of the course. The move to find young, local, talented engineers has been a resounding success, not only has every apprentice remained on our team and develop their career, our first apprentice even won the Derbyshire Times Apprentice of The Year.

Our medium-term aim is to only recruit engineers at apprenticeship level and provide bespoke training and career paths to ensure each one will remain with CT for the long term.”

c4.4 Did the recruitment process include the following areas?

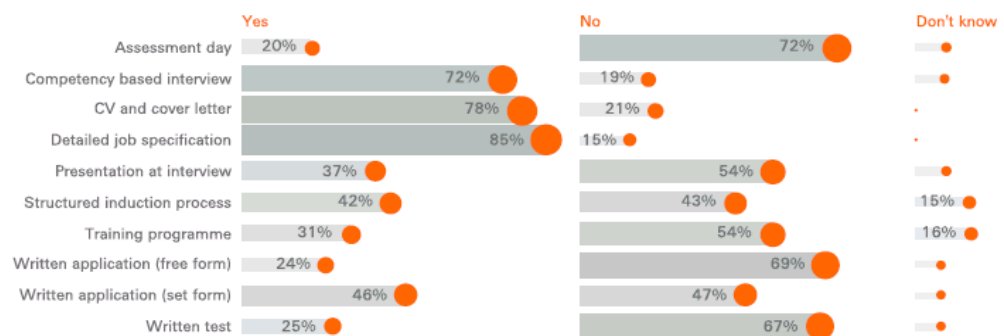


Figure Develop 8: What Applicants perceived to have been included in the recruitment process.

Applicants experienced a different recruitment process to the one claimed by Employers. The detailed job specification and competency-based interview were common elements but a structured induction process and training programme were less present. Whilst this question examines different hiring events, there could be a disconnect here – even one of communication - which gives Applicants a different perception of career opportunities.

11.1.2.2 Applicants – Focus Group

Applicants voiced significant concerns about development, with the main under-lying factors identified as below.

- **Commitment** – deliver the development that was agreed during recruitment and which is required for the ongoing fulfilment of the role.
- **Clarity** – be clear about the development that will be required during the recruitment process.

Best Practice Case Study: Matt Corbishley, Director of HR and Support Services – Ashgate Hospicecare

"It has arguably never been more important for Employers to deliver what they promise when it comes to investing in their Applicants. With low unemployment and demand for talent rising, we have to ensure this remains a priority, for our Employers and for our region.

At Ashgate Hospicecare, care and compassion is our core business, and this ethos applies as equally to our workforce as it does our patients and families. A thorough induction or on-boarding process and regular feedback is essential, but it's not enough. We have found that in discussion with potential recruits and new appointments (as well as reviews with existing staff), the desire to be able to grow and develop, to study, qualify and progress is increasingly important.

We have worked hard to start to map out career pathways and have created numerous 'development posts' across the business, helping us grow and retain our own talent, and build loyalty. Whilst some Employers view the Apprenticeship Levy with some cynicism, this has been a key development for us in being able to invest in a greater number of staff, taking advantage of the Government's 90% subsidy. We have even managed to negotiate co-delivery of training with other providers to ensure we get paid for the elements of apprenticeship training we deliver. And it's not just the trainees who benefit; we are also able to utilise those funds to deliver coaching and mentoring training to their supervisors and managers.

It's an increasingly tough climate but it's vital to ensure that your Learning & Development budget does not bear the brunt of any cost savings, as can often be the case."

11.2 Conclusions & Recommendations

11.2.1 Leadership

Nearly all Employers said they provide training to upskill their Employees and mentioned it during the recruitment process, despite the majority of small Employers having modest training budgets. Applicants had a slightly different view, with only around a third reporting training to have been included in recruitment discussions.

Employers gave 'Time Constraints' and 'Cost' as two main reasons why they were unable to upskill an Applicant, which is consistent with the UKCES report titled 'Review of Employer Collective Measures: Evidence Report 10 (2009)'. There appears to be a disconnect between the training and development that Employers claim they give and what Applicants perceive they receive.

While 'Career Progression' was the main reason Applicants applied for their last job, 'Training & Development' was ranked sixth, with those aged 30-40 showing the least interest in it. For this age group 'Advancement Potential' was the main reason why they wanted to work for their current employer ('Training & Development' was not an option). As such it could be taken that Applicants in the 30-40 age group look to change job for career progression rather than personal development.

Employers should be aware of how the provided training and development supports the wider Sheffield City Region by helping to grow its Skills Pool. For example, while Applicant A may leave Employer A shortly after receiving time management training, if the replacement Applicant, Applicant B, has been given time management training by their previous Employer, Employer B, then Employer A will benefit from the training provided by Employer B. Applicant A may join Employer C to replace Applicant C, who was given time management training from Employer C and from which Employer B will now benefit. Over time Sheffield City Region's Skills Pool will grow through the investment of all and for the benefit of all.

11.2.2 Alternative Approaches

A number of Employers from across the Sheffield City Region have developed innovative training and development solutions, which not only address their skills needs but also enhance Employees' job satisfaction and ultimately staff retention, thus eliminating one of the needs to recruit (nearly half of vacancies are concerned with replacing staff).

Develop Recommendation 1: Employers should be clear about their expectation of Applicants to positively engage in training and development (in order to meet the Employer's skills requirements for growth and facilitate succession management) by identifying and communicating their development requirements and corresponding training needs. Employers should foster an attitude of lifelong learning in Applicants and facilitate this

through the consistent implementation of personalised development plans that include regular appraisals. Such a structured approach for all staff will make clear the need for Applicants to be lifelong learners and fully engage in their development (see the UKCES's report 'Employee Demand for Skills: A Review of Evidence & Policy (2009)'. Employers may consider the approach adopted by AT&T where business leaders define where the company is going and develop nano-degrees in collaboration with academia that provide the relevant training; it is the Employees' responsibility to identify the relevant training and complete it in their own time.

Develop Recommendation 2: in support of Develop Recommendation 1, Employers should provide development training to their leadership and management personnel, and identify existing staff that would like to coach less experienced colleagues and 'train the trainers' (mentoring / coaching can be a source of job satisfaction for some Employees, particularly at a more senior / experienced level.)

Develop Recommendation 3: policy intervention should support the delivery of core training through SCR CA's Growth Hub¹⁸ and Skills Bank¹⁹ that supports Develop recommendations 1 and 2, e.g. appraisal training for line managers, time management training for Employees etc.

Develop Recommendation 4: Employers should look at collaborating with other Employers on training, with a view to achieving economies of scale and consistent training of Employees in Sheffield City Region's Skills Pool. This collaborative approach can be extended to sharing staff in the interest of addressing temporary skills shortages, which may also lead to further collaboration in the winning and delivery of projects.

Develop Recommendation 5: Employers should consider developing their own qualifications (or collaborating with local training providers) in order to bring their Employees up to the required standard. This may be of particular interest to those Employers that pay the Apprenticeship Levy.

Develop Recommendation 6: bearing in mind a lack of time being the main training constraint, Employers should consider supporting their employees with regards to undertaking training in their own time, ideally securing them a place on training which is funded / subsidised by policy intervention (see Develop Recommendation 4) and would overcome the hurdle of the cost of training. Employers might consider subsidising such training as appropriate.

¹⁸ <https://www.scrgrowthhub.co.uk/>

¹⁹ <http://sheffieldcityregionskillsbank.co.uk/>

Develop Recommendation 7: large Employers involved in the Apprenticeship Levy should consider developing their own qualifications (possibly in collaboration with local education / training providers) in order to bring their Employees up to the required standard.

12 Retain

This section expands on the Retain Theme. It includes:

- A figure showing where Retain fits into the Skills Creation Cycle.
- An introduction to the Retain Theme.
- The outcome of the Retain Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Retain Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

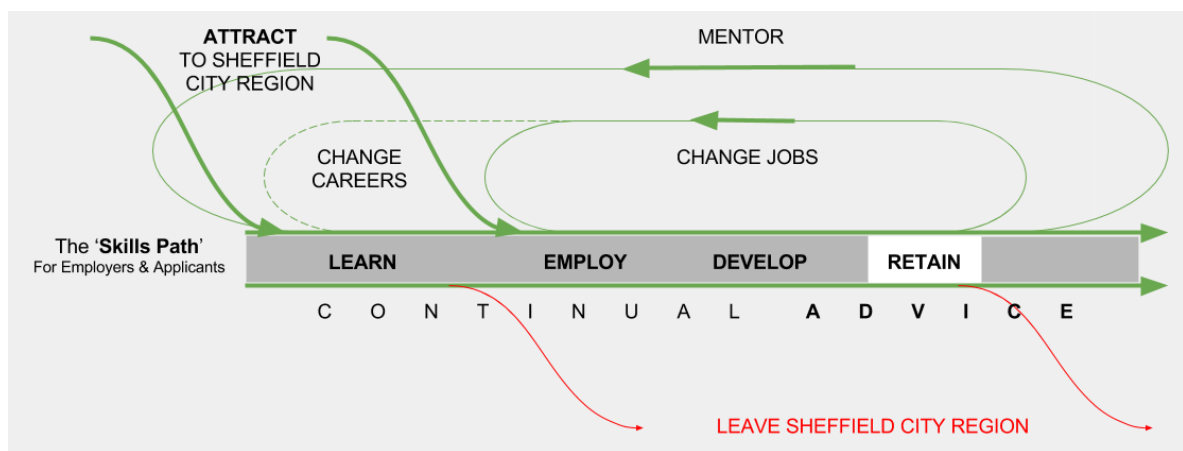


Figure Retain 1: Where the 'Retain' Theme fits into the Skills Creation Cycle.

Retain is the fourth and final stage of the Skills Path. It is concerned with helping Employers, and ultimately Sheffield City Region, retain skilled Applicants. At Employer-level Retain is a continuation of Develop and at regional level it is a continuation of Attract. This is reflected in the conclusions and recommendations and as such the Retain Theme should be read in conjunction with the Develop and Attract themes. For this reason, the survey charts in Develop and Attract are not repeated in the Retain section but the conclusions and recommendations do draw on them.

The outcome of the Retain theme is that Employers retain the skills they need and Sheffield City Region grows a community of skilled Employers and Applicants.

Retain was covered in both the Employer and Applicant surveys and covered in the Employer and Applicant Focus Groups. Some of the Retain data follows, with other relevant data found in the Attract and Develop Themes as noted above.

12.1 Retain Data & Narrative

12.1.1 Retain: Employers' Perspective

12.1.1.1 Employers - Focus Groups

The following themes emerged from the Employer focus group events as those which contribute to the retention of Applicants with desirable skills, at both Employer and regional level:

- **The Sheffield City Region Brand** - the perception of the Brand and the attractiveness of work opportunities and lifestyle in the region.
- **Career Progression** - commitment to development, presence of a positive work culture and management of expectations.
- **Leadership** - the ability and capacity of leaders to manage performance improvement and retain Employees with the skills and mind-set needed for growth, including payment of market rate salaries.

Quote: Hugh Facey, Gripple Chairman

A positive company culture in which all employees are shareholders and therefore feel engaged and appreciated - it is essential for success, both for the business and the individual. At Gripple we have worked tirelessly to create an environment that promotes openness, inclusiveness and the input and feedback of employees is welcomed and embraced. This has been a major factor in the retention and development of our people and the success of our business.

12.1.2 Retain: Applicants' Perspective

12.1.2.1 Applicants - Survey

Further to the charts shown in Attract and Develop the following charts show the Applicants' perception of issues concerned with Retain, as captured through the survey.

c3.5 How is current salary related to how long people expect to stay with a company?
% in a salary band within each expected employment term.

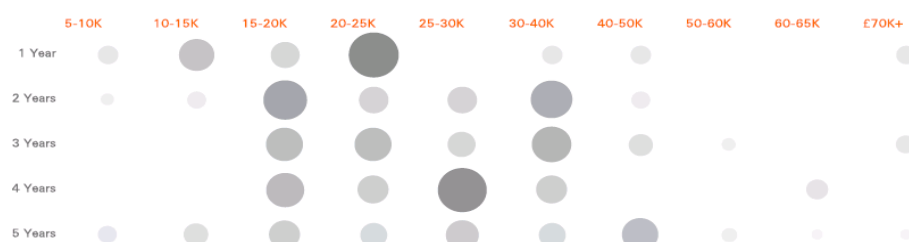


Figure Retain 2: The relationship between salary and the duration Applicants remain with an Employer.

This compares the expected employment term with salary bands. Broadly this visual pattern may agree with the hypothesis that increasing salary leads to higher retention.

Perhaps most interesting was the difference between the one-year term of those on a £20-25K salary (predominately respondents were school or college leavers and apprentices) and the four-year term of those on £25-30K (mainly university graduates and post-graduates). Overall, those in this £25-30K bracket seem to expect the longest tenure of any group.

There was a polarisation of those on the lowest salaries between one-year and a five-year tenure. Maybe the former are on a genuinely low wage whilst the others are happy with a part-time arrangement.

Within the theme Attract, it was observed that around 25% of Applicants rated Sheffield City Region “poor” for both the “opportunity for a career with progression” and the “wide range of companies” they perceive they can apply for. This naturally affects retention rates. As employees become more skilled and experienced within the world of work, they are likely to look for a step up in their career. The response to this question implies they would be tempted to look outside of the City Region for better, or more, employment opportunities.

12.1.2.1 Applicants - Focus Group

Retention was a much-discussed topic at the Applicant Focus Group, with the following factors identified.

- **Commitment** – to continually develop the right individuals in pursuit of enhanced business performance, including those from other sectors with transferable skills -

don't offer and then fail to provide. Consider a personal development budget that the Employee can invest accordingly.

- **Loyalty** – is earned by giving Applicants a chance, supporting and developing them.
- **Support** – those that express a desire to stay in Sheffield City Region.

12.2 Conclusions and Recommendations

Employers had a relatively holistic view of retention (Sheffield City Region brand, training and develop, salary etc.) whereas Applicants focused on training and development, but just less than a third of Applicants perceived a personal development plan to be included in the recruitment process. Whilst salary is the main reason for Applicants wanting to work for their Employer, career progression is the main reason for looking for a new job (closely followed by salary). When last applying for a job, more Applicants looked to move into or remain in Sheffield City Region than leave.

12.2.1 Employment

The evidence suggests that creating interesting work with ongoing training and development and clear career progression opportunities, coupled with a competitive salary and sound management, could be the optimum way for Employers to recruit, develop and retain Applicants with the skills they need.

12.2.2 Sheffield City Region

Whilst Sheffield City Region may be viewed from the outside as still labouring under its industrial past, those within it see it as a friendly, diverse, innovative, creative, active and safe place to live and work. Whilst there may be a number of Graduates leaving the Region in pursuit of a second job that offers better opportunity for pay and career progression (with full visibility of, and access to, all the opportunities that exist), this should not be the case.

Retain Recommendation 1: further to Develop Recommendation 1, Employers should continually engage Applicants on job satisfaction and identify, or create as required and where possible, career progression opportunities. As well as reducing Applicant turnover this will support succession management.

Retain Recommendation 2: Employers should use salary benchmarking tools²⁰ to obtain advice on the salary they should pay to be competitive (particularly for existing employees

²⁰ <https://www.totaljobs.com/jobs?s=header>

who have gained further experience since starting the job), and so prevent remuneration becoming a reason for Applicants to look for a new job. Employers should then establish the cost of refilling a position and, as appropriate, consider whether a salary increase for an existing Applicant may be a suitable action to avoid a potential vacancy and the associated costs, direct (e.g. recruitment costs) and indirect (e.g. disruption).

Retain Recommendation 3: further to Employ Recommendation 1 and 2, Employers should consider whether they can improve other aspects of employment (e.g. working environment, culture, leadership and management) to increase retention. This may involve supporting personal development outside work, e.g. allowing flexible working hours to enable Applicants to attend work related training, carer responsibilities or more community orientated activities such as being a scout leader, running a club or charity work.

Retain Recommendation 4: Employers should consider taking a chance on employing Applicants that have the right attitude, aptitude and transferable skills over sector specific experience. Applicants value Employers taking a chance on them and backing this up with training and development, and this appreciation will likely be demonstrated with loyalty. Such an approach also gives the Employer a 'clean slate' to work with, with the Applicant free of industry specific bad practice.

Retain Recommendation 5: policy intervention to inwardly promote to Applicants the full spectrum of job opportunities that exist within Sheffield City Region, together with the world class culture and leisure opportunities so that those considering leaving the Region can make a fully informed decision.

13 Advice

This section expands on the Advice Theme. It includes:

- A figure showing where Advice fits into the Skills Creation Cycle.
- An introduction to the Advice Theme.
- The outcome of the Advice Theme.
- The Employers' and Applicants' perceptions of the under-lying issues that fall under the Advice Theme and which contribute to hard to fill vacancies and skills shortages in Sheffield City Region. These perceptions were captured through the Focus Groups and Surveys, and are presented as a series of bullet points and charts with accompanying narrative, with the Employers' perception followed by the Applicants' perception.
- The conclusions and recommendations drawn from the literature review and the Employers' and Applicants' perceptions (which is primary research).

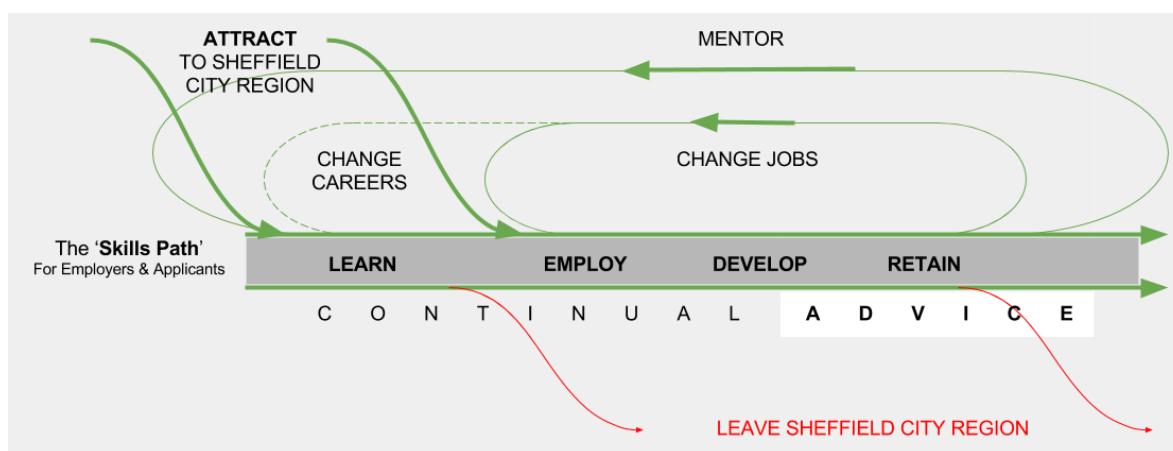


Figure Advice 1: Where the 'Advice' Theme fits into the Skills Creation Cycle.

The Advice Theme runs continually in parallel with the Skills Path that contains Learn, Employ, Develop and Retain. It is concerned with ensuring that Applicants who may be considering, or are actively seeking, employment receive appropriate and timely advice on the opportunities available, the associated skills requirements and the ways of obtaining these. Advice starts with children in the latter years of primary school as they start to become aware of the world of work and the opportunities it presents.

The outcome of the Advice Theme is that Applicants find sustainable employment.

Advice was covered in the Employers' and Applicants' surveys and was discussed in the Employers' and Applicants' Focus Groups. The full Advice data follows in the next section.

13.1 Advice Data & Narrative

13.1.1 Advice: Employers' Perspective

13.1.1.1 Employers – Survey

The Employers' survey feedback that relates to Advice is shown in the following charts and accompanying narrative.

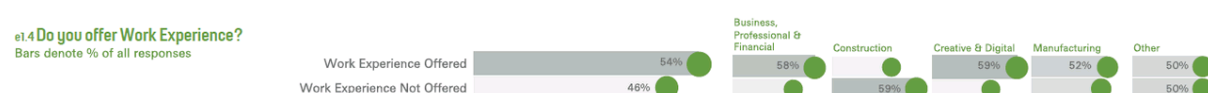


Figure Advice 2: What percentage of Employers offer work experience.

Over half of Employers offer work experience overall but this was reversed in Construction. The nature of this work experience is explored below.

If your business offers work experience, please tell us to whom.



Figure Advice 3: Who Employers offer work experience to and whether it's paid or not.

The number of Employers providing work experience has increased, with the greatest growth in opportunities for Graduates.

Unpaid work experience for 16-18 year-olds that lasts up to one month is the most common opportunity, with Further Education Students receiving the least opportunities.

13.1.1.1 Employers – Focus Groups

The advice that Applicants receive regarding education, training and employment opportunities, as well as the resulting impact on Employers, was much discussed at the Employer Focus Group events. The prominent causal statements are stated below:

- **Access** - to relevant, timely careers advice about skills in demand, employment opportunities and mentoring programmes, and the role of family / friends in providing this advice.
- **Work Readiness** - knowledge about expected behaviour in a work setting, and the effectiveness of work experience guidance and coordination.
- **Further & Higher Academia** - the perceived value of apprenticeships and vocational qualifications, and the pressure / targets for keeping young people in academia.
- **Skills Funding** - the complexity of the system.

13.1.2 Advice: Applicants' Perspective

13.1.2.1 Applicants – Survey

'Careers advice' was discussed at the Applicants' Focus Group, thought it was not a significant topic. However, this issue featured in the survey feedback as per the following charts and accompanying narrative.

e2.1 Please rate the careers advice that was available to you while in education.

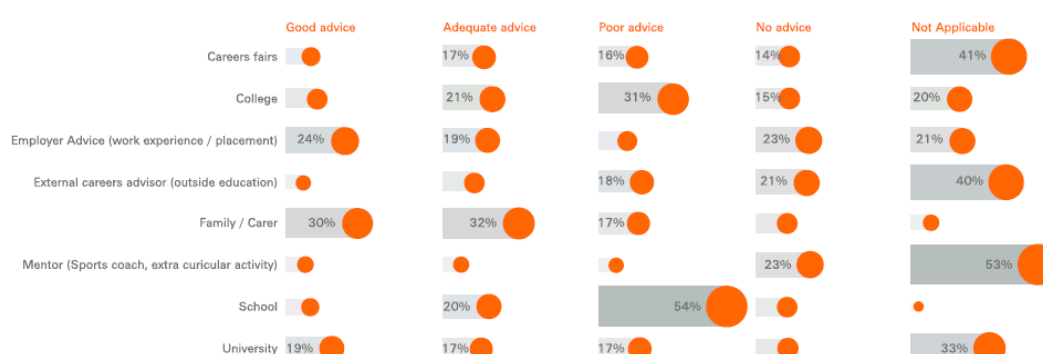


Figure Advice 4: Applicants' ratings of the career advice available to them from different sources.

Applicants perceive 'Family / Carers' to be the best source of careers advice while in education (it has the highest 'Good' and 'Adequate' ratings), closely followed by Employers. 54% of Applicants apply the 'Poor' rating to 'School', which suggests they have a significant improvement opportunity.

Quote: Lisa Pogson, Joint Managing Director at Airmaster

“As a local business person, I have been asked to visit local schools many times. Sometimes to help with employability skills, or enterprise challenges, or even telling a class ‘my story’. In my experience, the most successful times have been with primary school children. These classes already have challenges, but the children are generally still full of wonder and soak up information like a sponge. By the time I am seeing teenagers, they often think they have all the answers and information they need.”

Given that survey Applicants were all above school-leaver age their perceptions of careers advice may range from recent to historical.

2.3 Please rate how the following prepared you for the world of work

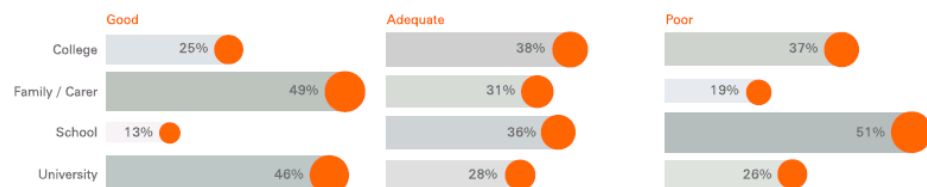


Figure Advice 5: How Applicants felt education prepared them for work.

This echoes the 'Career Advice' question. 'School' and 'College' are perceived as doing less well in equipping Applicants with the skills required for the world of work, with 'Family / Carers' perceived to perform better. Approximately three quarters of Graduates felt their preparation for work by University was 'Good' or 'Adequate'. Given the dominance of Graduate hiring on the Employer survey it would be interesting to understand this perception more deeply. If Graduates are truly ready for the world of work, why aren't Employers hiring them? Apart from technical skills and experience, which work-ready attributes do recent Graduates believe they have which Employers don't? Is Applicants' perception of preparation for the world of work not appropriate or misaligned with reality?

13.1.2.2 Applicants – Focus Group

The Advice issue discussed during the Applicant Focus Group, with the following being the subject of discussion:

- **Work Experience** - a desire for more opportunities, and that these opportunities are promoted better.

13.2 Conclusions & Recommendations

SCR CA has an existing strategy to provide careers advice to all Applicants, be they entering the world of work for the first time or changing careers. SCR CA's CEIAG (Careers Education, Information, Advice & Guidance) Strategy has the following priorities:

- **Employer Leadership** -employers to effectively collaborate with their local communities.
- **Infrastructure** - maintain a robust infrastructure that supports adoption of the Gatsby Standards² (for young people) and the Matrix Standard³ (for adults), and which maximises investment.
- **Core Offer** - effective career development support for young people and adults.

Although sound careers advice is dependent on the involvement of Employers and Educators across Sheffield City Region, it is 'Family / Carer' that Applicants perceive to offer the best advice. As such it is vital that these Family / Carers recognise and fulfil their roles in providing sound careers advice.

After 'Family / Carer' Applicants perceive 'Employer Advice (work experience / placement)' as the next highest source of 'Good' careers advice. Just over half of Employers provide opportunities for work experience, usually in the form of up to one month's unpaid work for 16-18 year-olds. Work experience is often limited to two weeks in the same environment with no ability to make a comparison, and therefore, an informed choice about suitable careers is limited.

Advice Recommendation 1: Educators, Employers, Applicants and their Family / Carers should engage in SCR CA's CEIAG Strategy, the purpose of which is to *inspire* Applicants to take their next step into and within the world of work; help those Applicants taking action to *aspire* to fulfil their potential; and to deliver support that will help those Applicants to *achieve*. Further details can be found in the SCR CA's CEIAG Strategy, which is included in the attached documents.

Advice Recommendation 2: policy intervention should collaborate with SMEs and Educators from across Sheffield City Region on a careers fair for SMEs only, with a view to giving them an affordable platform from which they can promote their vacancies and wider opportunities through direct, face-to-face engagement with Applicants.

14 Summary

Based on the primary and secondary research conducted for this report there are many different factors that can combine to make a vacancy hard to fill – sector, location, salary, required skills, careers advice and transport links are just some of them. Within this research, six underlying Themes were identified (Attract, Learn, Employ, Develop, Retain, Advise) that in collaboration can be tackled to ameliorate the situation.

The key stakeholders (Employers, Applicants and Educators, and policy intervention, as well as Family / Carers to a lesser extent) must collaborate on the creation of a growing Skills Pool (made up of Employer, Applicants and indeed Educators) through the implementation / practice of the six Themes in a co-ordinated and holistic manner: continually develop skilled home-grown Applicants together with Applicants attracted to Sheffield City Region, and retain them through meaningful employment, rewarding career progression and world-class infrastructure and leisure facilities.

The research has identified further opportunities to improve the issue of hard to fill vacancies and skills shortages better. These are covered in the following recommendations.

Summary Recommendation 1: policy intervention should explore what 'career progression' means to Applicants and Employers with a view to aligning and enhancing the offering provided across Sheffield City Region.

Summary Recommendation 2: policy intervention should explore whether Applicants' perception of the careers advice they've received has changed over time to help understand whether it is perceived as getting better.

Summary Recommendation 3: policy intervention and Employers should consider including requirements regarding hard to fill vacancies and skills shortages in supply chain procurement activities. For example, in order to win policy intervention contracts, a pre-requisite is that there will be a number of work experience opportunities provided in the delivery of the contract.

Summary Recommendation 4: to make it easy for Applicants and Employers to circumnavigate the broad range of 'skills services' that are available (e.g. Enterprise Advisors Network, work-wise, South Yorkshire Futures, Venture Matrix, National College for High Speed Rail etc) and rapidly address their requirements, Policy intervention should consider developing a single platform that makes it easy for Applicants and Employers to obtain information and resources that are relevant to their particular requirements. For example, an Applicant can enter their attributes (skills, qualifications, full driving license etc) and requirements (Manufacturing, Project Manager, £30k salary, up to 1 hour travel time) and receive information about the opportunities available and any corresponding skills gaps, and how these skills gaps can be addressed (e.g. academic courses, training,

apprenticeships). Likewise, an Employer might enter a work experience placement or vacancy that they have and be directed to the relevant resources to enhance and / or promote the opportunity.

15 Attachments

- CEIAG Strategy
- SCR Applicant Causal Model
- SCR Applicant Survey Panels
- SCR Employer Causal Model
- SCR Employer Survey Panels
- SCR Literature Review
- Employer and Applicant Survey Questions

