

Summary of 'The Scottish Labour Market 2006' (Futureskills Scotland)

'The Scottish Labour Market 2006' report was published by Futureskills Scotland in September 2006. These reports are produced annually and provide labour market intelligence across Scotland's entire workforce. 'The Scottish Labour Market 2006' employs a variety of sources to produce data relating to 2004 – 2006 and to make forecasts for the future. (NB: forecasts offer estimates and indications of what is likely to happen based on previous data – figures should not be treated as definitive). Each statement below is followed by the relevant page reference for more information.

This report should be read in conjunction with the summary of 'Scotland's Social Services Labour Market Report: 2nd report of National Workforce Group' which focusses on workforce intelligence information in social services. Links to both reports and the summary documents are accessible from the publications page on the Workforce Unit's website: (www.ccpscotland.org/workforceunit)

Overview

Scotland's labour market is "relatively buoyant" and continues to perform well. (p9). In 2005 Scottish employment reached an all-time high and unemployment fell to the lowest rate on record. For the first time in a decade Scotland's unemployment rate is comparable to that of the UK. (p4) 'The Scottish Labour Market 2006' suggests that the "greater challenges of promoting economic growth lie in areas other than the labour market and the supply of skills." (p9.) Various key findings are identified;

Key findings

Employment

Female participation in the labour market has increased more rapidly than male participation – the gap in participation rates between the two genders continues to narrow. (p3).

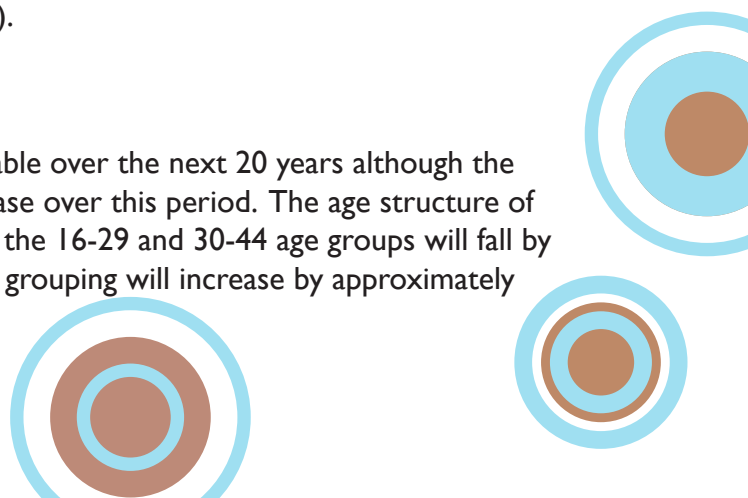
There have been significant contractions in manufacturing and fishing posts between 1998 – 2004. Four sectors experienced major expansions in employment:

- Health and Social Work;
- Education;
- Financial Intermediation;
- Real Estate, Renting and other business activities.

NB: Health and Social work workforce currently employs 295,000 people – it is anticipated that this figure will rise to approximately 305,000 by 2009. (p45).

Population

The Scottish working age population should remain stable over the next 20 years although the average age of those in the workforce is likely to increase over this period. The age structure of the workforce will change – the number of workers in the 16-29 and 30-44 age groups will fall by 8% and 14% respectively, while the 45 - retirement age grouping will increase by approximately 19%. (p13).



Qualifications

People with no qualifications are almost twice as likely to be out of work than those with higher education or degree level qualifications. Scotland has approximately 500,000 graduates – this number has grown by half since the early 1990s. One in three young people now go to University (Page 26) and almost 25% of the 25-34 age group are graduates. p27). Approximately 924,000 individuals hold an SVQ Level 4 or above as of 2004 – it is anticipated that this figure will exceed 1.1 Million by 2009. The numbers of individuals without any qualifications will fall from 502,000 to 343,000 over this five year period. (p46).

Employment rates for graduates are higher than for non-graduates, although this gap has narrowed in recent years. A higher proportion of men (18%) are graduates than women (14%), and the gap is narrowing. (p26).

Female graduates earned 64% more than women with sub-degree level 3 or level 4 qualifications – male graduates earn 47% more than their equivalents. p28)

Recruitment

Approximately 20% of Scottish establishments reported at least one vacancy in 2004. Vacancy rates are highest in jobs which require lower levels of skills or qualifications or offer lower rates of pay. p37)

Skills

Skills shortages (“i.e. where an employer has a hard-to-fill vacancy because applicants lack necessary skills, qualifications or experience for the job”) are relatively uncommon in Scotland, affecting around 1 in 20 Scottish workplaces. The most commonly cited impact of skills shortages is an inability to meet customer service objectives. p39)

Skills gaps (i.e. “where an employer considers an employee not to be fully proficient at their job”) affect 1 in 5 Scottish workplaces. Most skill gaps (approximately 67%) are transitory and disappear as employees gain experience and undertake training. Skills gaps occur for various reasons, including the development of new services or the introduction of new technology. (p39). The most common skills that workers lack are ‘soft’ skills such as planning, organising, communication and team working. p5)

Staff training

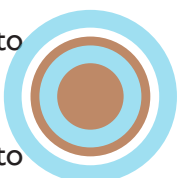
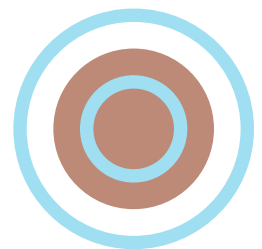
Approximately two-thirds of employers provide training for their staff. People in “lower-skilled” jobs are more likely to be considered “not proficient” by their employer, but are the least likely to receive any form of training. (p5 + p41)

The top five industries which offer training to staff:

- Public administration and defence (90%)
- Education (90%)
- Energy and water (90%)
- Financial Intermediation (83%)
- Health and Social Work (82%)

Only two sectors (Financial Intermediation and Health and Social Work) provided off-the-job training to more than half of the workforce in 2004 – both supported 53% of their respective workforces. (p41)

Larger workplaces are more likely to provide training than smaller organisations, and are more likely to provide a mix of off-the-job and on-the-job training. Approximately 37% of Scottish employees received off-the-job training in 2004. (p41).



Various reasons were cited as to why employers did not offer staff training – the most common observation being that ‘staff are already fully proficient’, followed by ‘no training is necessary in this business’, or ‘no training is available in this subject area.’ (p42).

Training provision

Approximately 90% of employers are satisfied with the training supplied by colleges and training providers.

‘The Scottish Labour Market 2006’ can be downloaded from [here](#).

