

EMPLOYER SURVEYS

PRODUCING THE RIGHT SKILLS FOR THE RIGHT EMPLOYERS & ENTERPRISES



In a context of dynamic and complex labour markets, matching the right workers and skills with the right jobs becomes increasingly difficult. Policy-makers need to know current and future skills needs in a constantly changing job environment as well as the skills require for their economies. One of the tools frequently used to identify current and future labour market demand is the employer survey, which generates data on employers' needs for skills and investment in them. The rationale for such surveys is based on the assumption that employers and enterprises know their labour and skill needs best, so they should be asked about them.

The main objective of employer surveys is to obtain a clear picture of the skills required by enterprises and to determine whether workers have these skills. They help to define the type, level and composition of skills that individuals need to perform the work demanded by enterprises. They have the

potential not only to identify current vacancies, skill needs and skill gaps at workplace level, but also future needs for skills, competences, occupations and qualifications. By documenting the skill content of current occupations, they lay the ground for an investigation of future needs.



The surveys' findings (information on current and future skills demand) are useful for education and training, employment and migration policies. For the public sector, the results feed into the identification of skills gaps and labour shortages, curricula design in VET and higher education, training programmes

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and standards for continuing (adult) training, and the design of active labour market programmes. Migration policy could be adjusted in line with information on actual skill needs. For employers, such surveys provide an opportunity to review their skills gaps and training investments, while understanding broader human resources (HR) practices in the sector. Such surveys also provide career guidance information (on future demand) for the professional lives of individuals.



TYPES OF EMPLOYER SURVEY

There are many different types of employer survey depending on the information needed from employers. The focus determines the survey's scope, questions, length, method and timing. As a result, different terms can be used such as 'vacancy monitor', 'jobs barometer', 'labour market demand survey', 'occupational demand survey', 'employer demand survey', 'enterprise skills survey', 'establishment skills survey' or even 'training needs analysis (TNA)'. Moreover, surveys can be conducted at national or regional/ local levels or in a certain economic sector/ industry.

Several analytical approaches can be used to measure skills in employer surveys. While these are not mutually exclusive, only one can be used as the 'driving source of information', otherwise the survey will be too long. The number of questions per survey varies greatly (from 5 to 50 questions). They can be classified as follows:

- occupational-based approach,
- vacancies-based approach,
- skills-based approach,
- training-based approach, and
- task-based approach (Table 1).

The exact name of survey is chosen based on the analytical approach selected.

A typical employer survey generally includes the 'skills approach' as the 'driving source of information', with questions on skills use. However, decisions have to be made on what typology of skills and which occupations to include. Examples

TABLE 1: ANALYTICAL APPROACHES USED TO MEASURE SKILLS IN EMPLOYER SURVEYS

APPROACH	DESCRIPTION
Occupational structure approach	A detailed description (map) of the occupational structure of an organization, focusing on two elements: workforce composition in terms of occupational structure and changes in this structure over time. Assuming that each occupation is related to a specific type/level of education and concrete skills needs, one can "translate" occupations into current and future uses of skills. The main advantage is operational, as the category "occupation" is usually well known and most respondents will have an idea of what is meant by the term.
Vacancies approach	Employers are asked about current vacancies and the reasons for these vacancies. In particular, vacancies that are hard to fill due to a lack of skills and competences among the job applicants could serve as a forecasting indicator for skills gaps and needs. This approach provides timely information on employer skills needs and provides the most immediate way to assess the current needs of enterprises. Questions on expected future vacancies are usually included, but replies are not always reliable.
Skills approach	The idea is to inquire directly about the use of a specific list of skills. Respondents typically rate the answers on a scale, in terms of either importance or frequency. Employers should know this information, not perhaps through direct observation of what employees do, but rather because they set the working conditions (work organization, technology, etc.) from which the skill needs emerge. The main problem with this approach is that the list of skills must be rather basic and mainly generic, which rules out the investigation of occupation-specific skills.
Training approach	This describes the training activities of enterprises, providing information on current and future skills needs based on current or planned training measures. For obvious reasons, training activities are usually split into those that focus on employees already working in the enterprise and those that focus on newly recruited employees.
Task approach	This is based on the idea that tasks and skills are closely related, i.e., skills are used when workers carry out tasks. Operationally, employers are asked about the tasks undertaken by a particular employee (usually defined by an attached occupation), and this provides a characterization of the skills needed to perform the tasks adequately. It has been claimed that the task approach has the advantage that employers find it easier to think in terms of production processes, tasks to be performed and objectives to achieve.

include theETF/ILO/Cedefop template questionnaire, the Cedefop questionnaire, and the World Bank questionnaire. The basic section on skills is complemented by other sections to gather information on the occupational structure of

the workforce (including basic demographics and educational levels); recruitment experience (hiring activity and vacancies); and training activities (the type and intensity of training activities).

1 Occupation is defined as a 'set of jobs whose main tasks and duties are characterised by a high degree of similarity'. Most common classification of occupations is the International Standard Classification of Occupations (ISCO), developed and revised by ILO (last time in 2008). A newly developed alternative to ISCO is the European Skills, Competences, Qualifications and Occupations (ESCO) within the European Union, but it is still work in progress. For more information, see <https://ec.europa.eu/esco/portal/home>



TYPES OF SKILLS SURVEYED

Specific attention needs to be given to terminology when asking employers about the skills needed in their companies. ‘Skill’ is defined as the ability to apply knowledge and knowhow to complete tasks and solve work-related problems. The term therefore refers to cognitive, practical and social dimensions and may also refer to innate talents. Surveying skills is not easy since there is not a standard international typology or framework for describing the skills required in the workplace. Indeed, numerous lists of skills and abilities have been identified as necessary to attain, retain and advance in employment. However, most of these lists take a generic approach that stresses the development of transferable generic skills required for most jobs (so-called “employability skills”). A typology of skills that are often considered or used in employer surveys are given in Table 2.

TABLE 2: A TYPOLOGY OF SKILLS FOR THE WORLD OF WORK

TYPE	DESCRIPTION
Basic/ foundation skills (sometimes called core/ cognitive skills)	Widely considered part of core or cognitive skills, these are essentially foundational skills for further learning and enable people generate new skills such as reading, writing and numeracy skills. Some include IT, foreign language, and learning to learn skills in this group since they are necessary in today’s world for constant learning.
Vocational and/ or technical skills	Specialized skills, knowledge or know-how needed to perform specific duties and tasks, both theoretical and practical, sometimes linked with the use of special machinery or techniques.
Employability skills (soft/ generic skills)	These are not specific to a particular occupation or industry, but important for work, education and life such as communication skills, teamwork and collaboration, problem-solving, adaptability, critical analysis, creativity, conflict resolution, time management, working under pressure, etc. Some include ‘learning to learn skills’ in this group.
Personal attributes/ skills	Individual attributes that impact work habits, such as honesty, integrity, work ethics, reliability, loyalty, devotedness, selfishness, aggressiveness, obsessiveness.





IMPLEMENTING EMPLOYERS SURVEYS

Quantitative or qualitative methods can be used to design an employer survey. More often a quantitative method is chosen to quantify attitudes, opinions and behaviour. In this case, data collection methods are well-structured and include various forms of questionnaire, such as online surveys, paper surveys, telephone interviews, online polls, or systematic observations. The research population consists of all the enterprises from which information is needed - a large and representative sample is selected to generalize the results to the whole research population. One of the limits of sample design is the lack of reliable and up-to-date

establishment census data and an adequate sample frame (usually taken from statistics institutes). The existence of a complete and updated census facilitates the selection of a 'random sample' which is the most adequate method for statistical inference.

Sometimes qualitative method is chosen for a deeper understanding of underlying reasons, opinions and motivations. In this case, the survey methods are unstructured or semi-structured, such as focus groups (group discussions), individual interviews, and participation/observations. In this case, the sample size is much smaller and not representative.

A combination of both quantitative and qualitative methods is ideal so as to get the advantages of both. In this case, the survey is generally designed in two phases; the first starts with a large quantitative (representative) survey, and is followed by a qualitative survey. An important advantage of the combined method is the use of more than one analytical approach (i.e. combining skills approach, occupational approach and training approach), which helps to minimize the shortcomings of either method.

The design and implementation of a survey typically includes the steps overleaf.





- 1** Deciding on the objectives and scope: checking for resources and time availability: for example quantitative surveys are more expensive and take longer to implement. However, the results can be generalised and applied extensively.
- 2** Deciding on the sample: identification of research population (universe) requires full knowledge of existing enterprises in a given country, which is generally collected by statistical institutes through business surveys (census). Surveys can cover all existing enterprises (census) or a representative sample.
- 3** Deciding on frequency and continuity: the results of surveys are more valuable and reliable when they are conducted regularly, because this can detect changes over time, help monitoring and evaluation of policies, and help researchers to infer causation from the data.
- 4** Defining target groups: geographical area (national, regional, local); economic sectors (all or some sectors, based on the International Standard Industrial Classification, ISIC Rev.4); firm size (small, medium, large companies); specific adjustments of survey/ target groups according to country context (e.g. large informal economy, large share of micro and small companies, sectoral/ geographical diversity).
- 5** Defining occupational levels to be included in survey: (one/two/three/four digit occupations, based on the International Standard Classification of Occupations, ISCO-2008); defining education levels (usually based on the International Standard Classification of Education, ISCED-2011); defining skills typology (usually a selection of basic/foundation skills, technical& vocational skills, employability/ soft skills, personal attributes).
- 6** Adding information on drivers of skill needs: for gaining a better understanding of the relationship between certain elements of enterprise and skill contents of jobs, questions can be added on business strategy such as the introduction of new products or services, new working practices, new technology or equipment, increased competitive pressure in general, and new legislative or regulatory requirements.
- 7** Completing data collection and data analysis: once the design of employer survey is done, piloting and field work must be conducted based on the survey method chosen. Data collection is followed by data analysis (mostly in statistical programmes such as STATA, SPSS or internet-based free software, e.g. QTAFL) and reporting of the findings. Discussions could be organised on the results of surveys for wider validation and dissemination.

SUCCESS FACTORS

Employers have a key role in ensuring the success of a survey. Surveys aimed at employers must be well designed to encourage respondents to participate and obtain high response rates and quality information. Employers may be reluctant to participate in surveys due to time constraints or for privacy reasons (they may not want to disclose information they consider relevant to their business, are afraid of competitors, fiscal or labour control authorities, or are simply reluctant for cultural reasons). In developing countries, this is even more significant due to a lack of tradition in participating in this kind of survey and frequently there is a low level of trust in public sector institutions. There are some strategies that can help to alleviate the impact of these problems:

- Establishing contacts with employers' representatives to build trust and partnership. It is important to understand perceptions as to the relevance of skills for their development and which kinds of skills they value right at the beginning.
- Designing the questionnaire in consultation with employers (or their representatives). It is important to include clear and simple questions that can be easily understood by employers and provide relevant information.
- Keeping the questionnaire as simple and short as possible. It is very important to balance the need for data (information) against the time needed to answer the survey.
- Designing specific outputs that target employers. The outputs of the survey should give something interesting and useful back to the employers involved.
- Implementing actions to help develop a sense of "ownership" of the data among the employers. The survey data and its results must be accessible, easily understandable and usable by employers and the broader public.





EXAMPLES

United Kingdom: An 'Employer Skills Survey (ESS)' is conducted annually at the request of the UK Commission for Employment and Skills (UKCES). It is based on over 90,000 telephone interviews with employers and it provides a comprehensive picture of skills needs and training investment, including vacancies and skills shortages, employee skills gaps and the recruitment of education leavers and young people. The summary results of the 2015 Employer Skills Survey can be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525449/UKC004_Summary_Report__May_.pdf

Cedefop carries out a pan-European employer survey on skills needs and it provides a comprehensive picture of skills needs and training investment, including vacancies, skills shortages and employee skill gaps. For a user guide on developing an employer survey, see <http://www.cedefop.europa.eu/node/11964>, and a pilot European employer survey on skill needs, see <http://www.cedefop.europa.eu/node/11966>. Another simpler tool is the 'European vacancy Monitor', which collects and regularly disseminates the vacancies in the European job market (<http://ec.europa.eu/social/main.jsp?catId=955>).

USA: Every state in the USA carries out an employer survey every two years through Workforce Development Boards. In Washington, the Workforce Training and Education Coordinating Board, in cooperation with the Association of Washington Business and the Washington Chamber of Commerce Executives, surveys employers, asking about their hiring challenges, skills gaps and training practices. See 'Washington Employer Survey' at <http://www.wtb.wa.gov/employersurvey.asp>. Another 'Employer Needs Survey' is done by the North Carolina Association of Workforce Development Boards: <https://www.nccommerce.com/Portals/11/Documents/Commission/2014%20Employer%20Needs%20Survey.pdf>

ILO: In its different country programmes or projects, the ILO supports the conduct of 'employer skills needs surveys' at the request of different countries. One such example is the employer skills needs survey in 2013 in Cambodia that gave information on skills shortages and skills gaps in the Cambodian labour market. For more info, see http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_231862.pdf

World Bank: During its 'Skills Towards Employability and Productivity (STEP)' programme, the World Bank has developed and implemented 'STEP Skills Measurement Surveys' as a tool for assessing skills with two sides: employer survey and household survey on skills. For more info, see <http://microdata.worldbank.org/index.php/catalog/step/about>

REFERENCE READING:

ETF-Cedefop-ILO (2016): A practical Guide on Establishment Skills Surveys, Volume 5, Guide to Anticipation and Matching Skills and Jobs, Luxembourg (forthcoming)



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