Shetland Islands Skills Survey 2024

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Overview of findings

In-depth interviews with **49 employers**

- Almost two-thirds were micro or small businesses (63%)
- Feedback gathered from across 24 sectors of the economy

Workforce Development

- 69% of employers have a training plan specifying in advance the level and type of training their employees require for the coming year and over half have a specific budget for training expenditure and/or a dedicated in-house training manager/co-ordinator.
- Almost all employers (90%) arranged/ funded off-the-job training for their employees over the last 12 months.

Vacancies and Recruitment (over the last 12 months)

- 82% of employers had recruited at least one individual.
- 80% had at least one Full Time vacancy, while 47% had at least one part time vacancy.
- 69% of employers stated that they had a vacancy that was 'hard to fill', mainly due to lack of applicants with the required skills (91%).
- Staff retention is an issue for 53% of employers, mainly due to competition from other employers (73%), offering lower wages than competitors (42%), and location/accessibility of site (38%).

Training (over the last 12 months):

- 63% of employers arranged training with a local provider, mostly short courses. Top reasons for not using a local training provider: Training was unavailable (56%) or unaware of what was available locally (39%)
- 14% have used Business Gateway training
- 73% have arranged training with a provider outside of Shetland

Skills

- Around two-thirds of employers (65%) stated that there are skills gaps within their business as they are unable to recruit or retain staff with the required skills
- These skills gaps are having a significant impact in terms of increased workload and operating costs, and requirements to outsource work.

Apprenticeships

- 65% already employ either an apprentice or an intern.
- Of those who do not currently employ an apprentice or intern, 76% stated that they would consider it.

Displacement →

- Over one-third of employers (39%) stated that they had been impacted by displacement, with around half of the employers reporting that they are concerned about displacement (49%).
- 83% of employers who are concerned about displacement have introduced workplace changes to try and counteract displacement, including changes to working hours (flexible working), pay reviews/increases, increased annual leave and greater incentives (pension)

Net Zero

- 49% of employers have considered how the move to net zero may impact their workforces training needs.
- 55% of employers believe the move to net zero will affect their current skills requirement.
- 53% foresee a need to upskill and/or reskill their workforce as part of the transition to net zero.

Other wider points

- Employers should be involved in the co-design of the local education and skills provision (75% strongly agree/agree).
- Almost two-thirds of employers know how to access local skills and training (including apprenticeships) (63%).
- There were low levels of agreement with pipeline being well prepared for the world of work (university leavers 39%; college leavers 24%; and school leavers 10%)
- Only one-third felt that communication and consultation between colleges and local employers is good (33%).

Key Findings 2017 vs 2024

The below table summarises and compares some key findings from the Shetland Skills Survey in 2017 to the 2024 survey.

Summary of Shetland Skills Survey Key Findings

Recruitment, Retention, Vacancies and Skills Shortages	2017	2024	Change
% of businesses with any vacancies	88%	86%	-2%
% of employers with a 'hard to fill vacancy'	61%	69%	8%
% who reported 'Low number of applicants with the required skills' as a main cause for having a hard to fill vacancy	70%	91%	21%
% who reported one of the main impacts of not filling a vacancy was 'Increased workload for other staff'	97%	88%	-9%
% who reported one of the main difficulties in retaining staff was 'Location/accessibility of site'	65%	38%	-27%
Workforce Development	**2017**	**2024**	**Change**
% of employers who utilise a staff training plan	80%	69%	-11%
% of employers with a budget for training staff	50%	55%	5%
% of employers with an in-house training manager	50%	53%	3%
Apprenticeships	**2017**	**2024**	**Change**
% of employers that currently employ a Modern Apprentice	45%	57%	12%
Training Provision	**2017**	**2024**	**Change**
% of employers that had funded and/or arranged off the job training over the past 12 months	89%	90%	1%
% of employers who stated they were aware of how to access local skills and training	78%	63%	-15%

Base: 2024: 49 employers; 2017: 44 employers

Note: Only survey questions with exactly the same wording were compared. Care sould be taken with direct comparisons between the two surveys as a whole due to question modification for the 2024 questionnaire.

1   Introduction

1.1 Background

EKOS Ltd were commissioned by Shetland Islands Council (SIC) to conduct a skills survey of employers on Shetland. The aim of the survey is to help SIC (and other local partners) better understand the demand for, and type of skills, businesses on the islands need and want. The results will help inform skills policy, planning and provision going forward.

This survey provides an update to a similar exercise that was carried out in 2017, which gathered information on skills and training issues for local employers, as well as identifying key areas where local training provision and business support services needed developed, strengthened or supported.

Research aims

The aims of the research were to:

- Update the previous 2017 Shetland Skills Survey.
- Refine and update the 2017 questionnaire in collaboration with SIC. For example, an additional module on the transition to a net zero economy and its impact on skills was added.
- Update the desk-based research from the previous 2017 report.
- Identify local employers of different scale and type to engage with. This was done in collaboration with SIC.

EKOS Ltd worked in partnership with Research Resource (RR) to conduct 49 in-depth telephone and/or MS Teams calls (8 by EKOS, and 41 by RR) with a broad range of employers on the islands.

The Supporting Role of the Research

The research will support the work of a number of strategic groups in Shetland, who are involved in the skills and employability agenda. This includes Shetland Local Employability Partnership (SLEP), Developing the Young Workforce and Shetland Green Skills Group.

Whilst there is some skills data available for Shetland (for example, NOMIS and Skills Development Scotland's Regional and Sector Skills Assessments), a more comprehensive primary data exercise is required to provide the level of granularity required – this will allow the Council and other community planning partners to be well informed on specific Shetland skills issues.

The report is structured as follows:

- **Section One**: Introduction and need for the survey
- **Section Two**: Overview of the Shetland economy
- **Section Three**: Results of the Shetland Skills Survey
- **Section Four**: Conclusions and recommendations

2 Overview of Shetland Economy

This section provides a brief socio-economic profile of the Shetland Islands in terms of population, employment and socio-economic factors such as the business base and educational attainment. The data contextualises areas where Shetland outperforms, underperforms or performs similar to, Scotland as a whole and will help focus the efforts of skills planning policymakers.

2.1 Population

In 2022, over 23,000 people lived in Shetland, **Table 2.1**. In the decade from 2012-2022, Shetland's population has remained broadly stable, exhibiting just a minor reduction of 180 people over the period (-0.8%). Conversely, over the same period Scotland's population has increased by 2.6%.

Table 2.1: Population change 2012-2022 (Shetland and Scotland)

Area	2012	2017	2022	Change (2012-22)
Shetland	23,200	23,110	23,020	-0.8%
Scotland	5,308,500	5,389,900	5,447,700	2.6%

Source: National Records of Scotland – Mid-Year Population Estimates 2022, 2011-2021.

While Shetland has a broadly similar age profile to Scotland as a whole, there is a slightly higher proportion of the population who are 'dependents' (i.e. children under 16: 18% compared to 16%; and pensionable age 65+: 22% compared to 20%), **Table 2.2**.

Table 2.2: Population by age group (2022) (Shetland and Scotland)

Age group	Shetland	% of Shetland's population	Scotland	% of Scotland's population
Under 16	4,158	18.1%	891,892	16.4%
16-24	2,002	8.7%	580,861	10.7%
25-49	6,499	28.2%	1,637,418	30.1%
50-64	4,993	21.7%	1,170,419	21.5%
65+	5,035	21.9%	1,097,395	20.1%

Source: National Records of Scotland – Mid-Year Population Estimates 2022.

The population of the Shetland Islands is projected to decline by 6% between 2018 and 2043.[1]

In addition, the area has an older age profile compared to the national average, which is likely to impact workforce availability in the future. This is supported by data from National Records of Scotland, which suggests that every age category under the age of 65 will see falls in population between 2018 and 2043, with the age category of 65+ predicted to see a 32% increase, see **Figure 2.1** below.

Figure 2.1: Shetland Population by age group (2018 vs 2043)
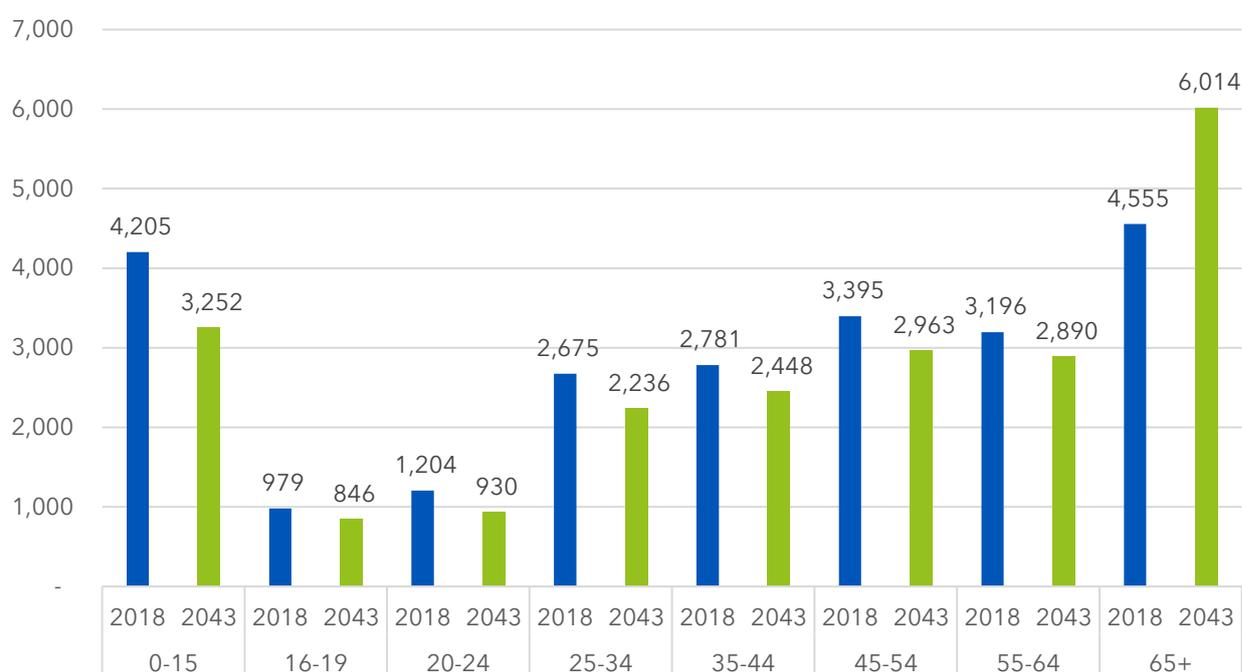
2.2 Employment in Shetland

In 2022, around 16,000 people were in employment in Shetland. The number of people in employment has remained broadly static from 2017-2022. Employment across Scotland has increased by 1.9% over the same period, although it should be noted that Scotland has also increased its population over this period, while Shetland has witnessed a small decline.

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[1] THE IMPACT OF COVID-19, Area Profiles (hie.co.uk)

In Shetland, the highest levels of employment are noted within:

- Agriculture, forestry and fishing (22%, equivalent to 3,500 people)
- Health (13%, equivalent to 2,000 people)
- Construction (8%, equivalent to 1,250 people)
- Education (8%, equivalent to 1,250 people)

See **Table 2.4** below for a full list of employment categories.

Table 2.4: Employment by sector - Shetland (2022)

Sector	Number	% of total jobs
Agriculture, forestry & fishing	3,500	22%
Health	2,000	13%
Construction	1,250	8%
Education	1,250	8%
Retail	1,000	6%
Arts, entertainment, recreation & other services	1,000	6%
Manufacturing	900	6%
Transport & storage (incl. postal)	900	6%
Accommodation & food services	900	6%
Public administration & defence	900	6%
Professional, scientific & technical	600	4%
Business administration & support services	600	4%
Wholesale	350	2%
Mining, quarrying & utilities	300	2%
Information & communication	200	1%
Motor trades	150	1%
Property	75	1%
Financial & insurance	40	0.3%

Source: National Records of Scotland – Mid-Year Population Estimates 2022.

The employment rate in the Shetland Islands is relatively high, with 84.3% of people aged 16 to 64 (i.e. working age) employed as of December 2023[2]. This is higher than the

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[2] Shetland Islands' employment, unemployment and economic inactivity - ONS

national average for Scotland at the time (74.7%). As a result, the Unemployment Rate stands at 2.2% which is lower than across Scotland as a whole[3].

However, there has been an increase in the overall unemployment rate from 2.0% in 2022 to 2.2% in 2023[4]. This may represent a small number but for rural and island communities this can have a greater impact, and understanding the increase will be important for policymakers. Youth unemployment has also been a concern with rates higher than the overall unemployment rate (although this is also true across Scotland)[5].

Economic inactivity is a critical area that affects both individuals and the broader economy. In 2024, the economic inactivity rate in Shetland (15.7%) is considerably lower than the national rate (22.5%)[6].

Since 2020, economic inactivity in the UK has risen by a staggering 900,000 people. 85% of this increase is attributed to those who are long-term sick[7]. In Scotland, the main reason (31.7%) given for being inactive was "long-term sick"[8]. The proportion of the inactive population who were "long-term sick" had been gradually decreasing over time but has seen a substantial increase in recent years. Unfortunately, equivalent data is not available for Shetland specifically, but it is likely these national trends are also affecting Shetland.

Beyond the economic implications, economic inactivity due to ill health has serious impacts on individuals' well-being. It creates a social need for action. Economically inactive individuals also impose significant costs on the economy and public finances. Therefore, tracking and keeping an eye on the data should be a priority for any local government.

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[3] Shetland Islands' employment, unemployment and economic inactivity - ONS
[4] Shetland Islands' employment, unemployment and economic inactivity - ONS
[5] THE IMPACT OF COVID-19 (hie.co.uk)
[6] Individuals are classified as being "economically inactive" if they are not in employment but don't meet the criteria for being "unemployed" i.e., they have not been seeking work within the previous four weeks or were unable to start work within the next two weeks.
[7] INAC01 SA: Economic inactivity by reason (seasonally adjusted) - Office for National Statistics (ons.gov.uk)
[8] Economic inactivity - Scotland's Labour Market Overview: December 2023 - gov.scot (www.gov.scot)

2.3 Business Base

Table 2.6 shows the business base in Shetland, including the number of active businesses, new businesses, and business deaths between 2017 and 2022. The number of active businesses was lowest in 2020, most likely due to the COVID-19 pandemic. The number of businesses has been steadily increasing since the pandemic, with 150 new businesses on Shetland since the start of 2021. The number of active businesses now surpasses pre-COVID-19 levels.

There is a reasonable amount of business churn with **c. 5%** of the business base facing closures each year, **Table 2.6**. It will be important for local policymakers to understand any skills factors or implications involved in these business closures.

Table 2.6: Business base - Shetland (2017-2022)

Year	Active Businesses	Business Births	Business Deaths	Net (+/-)
2017	950	80	80	0
2018	935	70	65	+5
2019	930	55	75	-20
2020	915	70	60	+10
2021	935	75	45	+30
2022	960	75	65	+10
Total (17-22)	-	**425**	**390**	**+35**

Source: ONS Business Statistics

2.4 Education

The proportion of school leavers going on to positive destinations is broadly in line with the national average, with 95.1% of individuals in Shetland going onto positive destinations (i.e., education, employment, training or voluntary work), compared to 95.9% nationally, **Table 2.7**.

However, Shetland has a higher proportion of school leavers who directly enter the workforce after leaving secondary school (38.5%) than the Scottish average (25.1%), with a lower proportion going onto higher or further education. Ensuring appropriate volumes and relevant sector skills pathways from school to 'positive destination' will be key going forward to ensure Shetland can match or look to better the Scottish average.

Table 2.7: Positive school leaver destinations 2021-2022

Area	Shetland	Scotland
Higher Education	35.4%	41.2%
Further education	15.4%	25.5%
Employment	38.5%	25.1%
Total Positive Destinations	95.1%	95.9%

Source: Scottish Government Initial Leaver Destinations
Note: Information on other destinations, and unemployment, was unavailable.

3   Skills Survey

3.1 Introduction

The Shetland Skills Survey was developed through a collaborative process between EKOS and SIC. The questionnaire was based on the previous 2017 skills survey design to ensure that there was an element of continuity and to allow comparisons to be made across time periods. Additional questions have been added on the transition to a net zero economy, an area of increasing importance for both government and business since the last survey was carried out in 2017.

A total of **49 in-depth telephone interviews** were carried out using the questionnaire. The raw data was cleaned, analysed, synthesised and harmonised.

The questionnaire (attached in **Appendix A**) contained the following modules:

1. Employer Characteristics
2. Section A: Recruitment, Retention, Vacancies and Skills Shortages
3. Section B: Workforce Development
4. Section C: Training Provision
5. Section D: Net Zero and the Energy Transition

The population of employers for the Shetland Skills Survey 2024 included all businesses that had at least two people working at them (including owners and working proprietors). For businesses with multiple sites, interviews were carried out with an individual at the local Shetland office (rather than a single head office location with a respondent answering on behalf of the whole organisation). This reflects the fact that skills issues are felt most acutely at a local level, and continues the approach taken by previous 2017 survey.

Employers were selected to include a wide range of sectors and organisational sizes, ensuring that the views of the main employers within Shetland were captured.

Sector Classification

A total of 49 employers were interviewed, covering c. 24 sectors operating across the Shetland Islands. The survey is anonymised but covered a broad range of industries, which are listed below:

- Manufacturing
- Agriculture, forestry, and fishing
- Construction
- Business administration and support services
- Transportation and storage
- Wholesale
- Accommodation and food services
- Education
- Health and care
- Information and communication
- Professional, scientific and technical
- Public administration and defence
- Retail
- Arts, entertainment, recreation, and other services
- Financial and insurance
- Life sciences
- Mining, quarrying, and utilities
- Motor trades
- Property
- Childcare
- Community development
- Oil and gas
- Aerospace
- Other

Business Base

Businesses interviewed ranged in employee size from micro (1-9 employees) to large businesses (250+ employees) - almost two-thirds of the businesses interviewed were micro or small businesses (63%), **Table 3.1**.

Table 3.1: How many employees does your business have?

Business Size	Number	Percentage
Micro (1-9)	11	22%
Small (10-49)	20	41%
Medium (50-249)	13	27%
Large (250+)	5	10%

N=49

Most businesses interviewed only had one to four establishments (80%), with 10 (20%) of the interviewed businesses having five or more sites, **Table 3.2**.

Table 3.2: How many establishments (sites) does your business have?

Number of sites	Number	Percentage
1 to 4	39	80%
5 to 24	6	12%
25-49	1	2%
50+	3	6%

N=49

3.2 Recruitment and Retention/Vacancies and Skills Shortages

This section considers employer recruitment in the last 12 months, number of vacancies by job type in the last 12 months and whether or not they were hard to fill. Most employers (82%) have recruited over the past 12 months, **Table 3.3**.

Table 3.3: Has your organisation recruited anyone new in the last 12 months?

	Number	Percentage
Yes	40	82%
No	9	18%

N=49

Only seven employers reported that they had had no vacancies over the past 12 months. The majority reported having full-time vacancies (80%) with around half (47%) having had at least one part-time vacancy, **Table 3.4**.

Table 3.4 Which type of vacancies have you had in the last 12 months?

	Number	Percentage
Full-time	39	80%
Part-time	23	47%
None	7	14%

N=49
Multiple responses were allowed, as a result, totals may be greater than 100%.

In total, the employers interviewed had 624 full-time and 601 part-time vacancies over the past 12 months. It should be noted that the part-time vacancies total includes seasonal roles.

Of those employers with vacancies, the vacancies ranged from entry level roles to senior management positions. The most common category of vacancy was for 'Administrative and Secretarial occupations,' with 36% noting they had had at least one vacancy under this category over the last 12 months, **Figure 3.1**.

Figure 3.1: Vacancies by job type

N=42 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.

Recruitment was identified as a challenge by employers, with over two-thirds stating that some of their vacancies were proving hard to fill (69%), **Table 3.5**.

Table 3.5: Are any of your vacancies proving hard to fill?

	Number	Percentage
Yes	34	69%
No	8	16%

N=42 due to routing.

For employers with hard to fill vacancies, the most common reason given for recruitment challenges was a low number of applicants with the required skills (91%), followed by candidates lacking the necessary experience (79%), **Table 3.6**.

Table 3.6: What for you, are the main causes of having a hard to fill vacancy?

	Number	Percentage
Low number of applicants with the required skills	31	91%
Lack of applicants with necessary experience	27	79%
Low number of applicants for post	25	74%
Remote location/accessibility and travel/transport issues	24	71%
Competition from other employers	23	68%
Lack of applicants with necessary qualifications	22	65%
Low number of applicants with the required attitude or motivation	16	47%
Sector is not considered attractive enough to workers	14	41%
Shift work/unsociable hours	8	24%
Seasonal/temporary work	7	21%
Poorer terms and conditions (e.g. pay)	6	18%
Poor career progression/development opportunities in this role/sector	5	15%
Don't know	0	0%
Other	3	9%

N=34 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: lack of accommodation; disconnect between enthusiasm and gaining qualifications; and people unsuitable for visa sponsorship.

Those who reported a lack of applicants with the necessary qualifications were asked to provide additional feedback on these qualifications. Responses varied due to the wide range of sectors surveyed, qualifications included:

- Necessary school qualifications
- Necessary further education qualifications
- Specific qualifications for the role (e.g., trade qualifications, boating tickets)
- Necessary degree qualifications

3.2.1 Skills Shortage Vacancies

This section explores the proportion of employers with vacancies over the past 12 months, and if they experienced difficulties filling these vacancies. It looks at instances where these difficulties were caused by a lack of skilled applicants, and the impact that this had on employers.

Most employers reported that where vacancies were hard to fill it was due to a lack of applicants with the required technical or practical skills. In terms of specific skills, around three-quarters stated these were 'specialist skills required to carry out the role in question' (76%) – see **Table 3.7** for the full list of responses.

Table 3.7: Were any of your vacancies over the past 12 months hard to fill due to a lack of applicants with the requisite technical or practical skills?

	Number	Percentage
Specialist skills required to carry out the role in question	26	76%
Knowledge of your organisation and/or industry sector	14	41%
Adapting to new equipment, processes, materials, etc.	13	38%
Problem solving	10	29%
Complex numerical/statistical skills and understanding	10	29%
Knowledge of your organisation and products/services offered	10	29%
Writing reports, emails, etc.	8	24%
Manual dexterity – i.e. skills with which to repair, mend, assemble, etc.	7	21%
Reading and understanding instructions, guidelines, manuals, reports, etc.	6	18%
Advanced/specialist IT skills	5	15%
Basic numerical skills and understanding	5	15%
Computer literacy/basic IT skills	3	9%
Communicating in another language	3	9%
Other	3	9%
Don't know/unsure	0	0%
None of the above	1	3%

N=34 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: vocational skills; lack of overall work experience, due to age; and applying before sanctioned.

When asked specifically about people and personal skills, 44% identified that they had a lack of applicants who were able to 'manage their own time and prioritise tasks', **Table 3.8**.

Table 3.8: Were any of your vacancies over the past 12 months hard to fill due to a lack of applicants with the requisite people and personal skills?

	Number	Percentage
Ability to manage own time and prioritise tasks	15	44%
Customer handling skills	12	35%
Team working	11	32%
Creative and innovative thinking	10	29%
Persuading, influencing and/or negotiating	10	29%
Instructing, teaching or training people	9	26%
Managing and/or motivating others	9	26%
Presentation skills	8	24%
Setting objectives for others	6	18%
Managing their own feelings and/or the feelings of others	6	18%
Sales skills	5	15%
Other	3	9%
Don't know/unsure	8	24%
None of the above	2	6%

N=34 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: general customer care skills.

3.2.2 Skills Gaps in Your Existing Workforce

Around two-thirds (65%) of employers interviewed stated they currently have skills gaps within their business due to being 'unable to recruit or retain staff with the required skills', **Table 3.9**.

Table 3.9: Do any of the following currently cause skills gaps within your business?

	Number	Percentage
Unable to recruit or retain staff with the required skills	32	65%
Staff are new to role	24	49%
Staff have not received the appropriate training	14	29%
Staff lack motivation	13	27%
Staff training is only currently partially completed	11	22%
Staff members have been on training, but their performances have not improved sufficiently	9	18%
The introduction of new workplace practices	7	14%
Don't know/unsure	0	0%
None of the above	10	20%
Other	3	6%

N=49
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: finding skilled individuals; additional training needed for staff to cover other roles; staff covering for sickness in other departments; and obtaining required training.

Of the businesses which had difficulty filling vacancies, the most commonly reported impacts of this were:

- Increased workload for other staff (88%)
- Increased operating costs (54%)
- Required to outsource work (51%) – see **Table 3.10**

Table 3.10: What have been the main impacts of not filling vacancies/current skills gaps over the last 12 months?

	Number	Percentage
Increased workload for other staff	36	88%
Experience increased operating costs	22	54%
Requirement to outsource work	21	51%
Have difficulties introducing new working practices	18	44%
Lose business or orders to competitors	17	41%
Delay developing new products or services	17	41%
Have difficulties introducing technological change	13	32%
Have difficulties meeting quality standards	11	27%
Discontinue certain products or services	11	27%
Reduced quality of customer service	9	22%
Don't know	0	0%
Other	8	20%

N=41 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: a reduction in services; having to reduce workload to cover absences/vacancies; increased costs; logistical delays and issues; and increased wait times.

On the difficulties of retaining staff, respondents were fairly 50/50, with 53% of employers citing that there are some jobs in which they have difficulties retaining staff, **Table 3.11**.

Table 3.11: Are there any particular jobs in which you have difficulties retaining staff?

	Number	Percentage
Yes	26	53%
No	23	47%

N=49

Job roles with retention difficulties include:

- Administrative staff
- Canteen staff
- Accountants
- Customer service roles
- Electricians
- Community development officers

By far the most commonly reported challenge in retaining staff was due to 'competition from other employers' (73% of businesses). Furthermore, over one-third of these

employers stated that their challenge in retaining staff was in-part caused by lower wages and location/accessibility issues (42% and 38% respectively), **Table 3.12**.

Table 3.12: What are the main reasons for having difficulties retaining staff?

	Number	Percentage
Competition from other employers	19	73%
Wages offered are lower than those offered by other employers	11	42%
Location/accessibility of site	10	38%
Staff don't want long term commitment	8	31%
Lack of training opportunities	6	23%
Seasonal/temporary work	6	23%
Impact of changes to benefits system	5	19%
Poor career progression/development opportunities	5	19%
Lack of training opportunities	5	19%
Unattractive conditions of employment	3	12%
Don't know	0	0%
Other	7	27%

N=26 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: zero-hour contracts; transport issues; cost of accommodation; cost of living; issues with Brexit; and individuals leaving the industry.

Over one-third of employers (39%) stated that they had been impacted by displacement, with around half of the employers reporting that they are concerned about displacement (49%).

Those who were concerned about displacement highlighted the challenge of costs and time to train staff with the risk of losing them after training, as they are either looking to pursue better pay and/or another career elsewhere. As a result, 83% of these employers have implemented changes to their terms and conditions/workplace practices/etc. as a way in which to help retain staff.
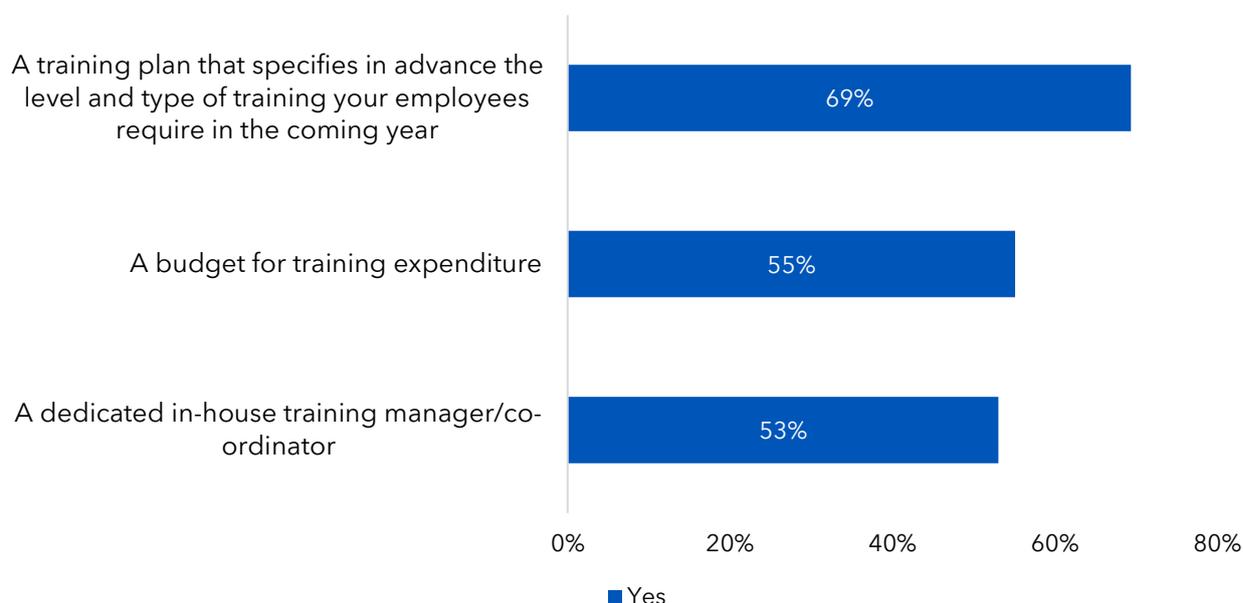
Some of the most common changes implemented include:

- Changes to working hours (including flexible working and changing shift patterns).
- Increased/reviewed rate of pay.
- Increased the number of holidays.
- Offered greater incentives (including improving pension schemes).

3.3 Workforce Development

This section explores the training landscape in Shetland in 2024, covering how many employers had funded or arranged training and for how many staff. It goes on to discuss the types of training required by employers, barriers to providing training and their use of apprenticeships.

Over half of employers have plans, budgets and staff dedicated to training and development. Most notably, over two-thirds of employers have a training plan for employees for the coming year (69%).

Figure 3.4: Does your organisation have any of the following?

A training plan that specifies in advance the level and type of training your employees require in the coming year — 69%

A budget for training expenditure — 55%

A dedicated in-house training manager/co-ordinator — 53%

■ Yes

N=49

The vast majority of employers have arranged or funded off-the-job training for their employees in the past 12 months (90%).

Most commonly, employers arranged/funded off-the-job training in first aid (65%), job/role specific training (65%), and health and safety (63%), **Table 3.13**. Job/role specific training includes induction training; sales training; management courses; licensing, software and administration training; HGV licenses.

Table 3.13: Have you arranged or funded any of the following off-the-job training for employees over the last 12 months?

	Number	Percentage
First Aid	32	65%
Job/role specific training (please specify)	32	65%
Health and Safety	31	63%
Training in new technology/equipment	28	57%
Management training	20	41%
Finance training	15	31%
Supervisory training	14	29%
IT training	12	24%
Training to do with HR issues	10	20%
None of the above	5	10%
Other	0	0%

N=49. Multiple responses were allowed, as a result, totals may be greater than 100%.

Only five employers had not arranged any off-the-job training over the last 12 months, with no budget for training being the main reason given, **Table 3.14**.

Table 3.14: What are your reasons for not arranging off-the-job training in the past 12 months?

	Number	Percentage
No budget for training	2	40%
No training available in relevant subject area	1	20%
Relevant courses are not available locally	1	20%
Quality of courses and/or local training providers is not satisfactory	1	20%
Difficult to get information about courses locally	1	20%
I don't know what provision is available locally	1	20%
Managers/team leaders do not have time to organise training	1	20%
Employees are too busy to undertake training	1	20%
Training is not a priority	1	20%
No need for training at this time	1	20%
Timing of courses is inconvenient	0	0%
Location of courses is inconvenient	0	0%
External courses are too expensive	0	0%
Other	1	20%

N=5 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: training is done in-house.

Four-fifths (80%) of employers stated that they currently require technical or practical skills to ensure their staff are fully proficient.

Table 3.15: For existing staff, do you require any of the following technical or practical skills to ensure they are fully proficient?

	Number	Percentage
Specialist skills required to carry out the role in question	33	67%
Knowledge of your organisation and/or industry sector	28	57%
Knowledge of your organisation and products/services offered	24	49%
Adapting to new equipment, processes, materials, etc.	21	43%
Problem solving	19	39%
Computer literacy/basic IT skills	16	33%
Advanced/specialist IT skills	15	31%
Reading and understanding instructions, guidelines, manuals, reports, etc.	15	31%
Writing reports, emails, etc.	12	24%
Manual dexterity – i.e. skills with which to repair, mend, assemble, etc.	12	24%
Basic numerical skills and understanding	10	20%
Complex numerical/statistical skills and understanding	9	18%
Communicating in another language	3	6%
None – our staff are all fully proficient	10	20%
Other	1	2%

N=49
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: UK legislation training.

More than two-fifths of employers require their existing staff to have skills in managing and/or motivating others, time management and prioritising tasks, as well as team working to ensure that they are fully proficient, **Table 3.16**.

Table 3.16: For existing staff, do you require training in any of the following people and personal skill areas to ensure they are fully proficient?

	Number	Percentage
Managing and/or motivating others	22	45%
Ability to manage own time and prioritise tasks	22	45%
Team working	21	43%
Instructing, teaching or training people	19	39%
Customer handling skills	16	33%
Setting objectives for others	15	31%
Managing their own feelings and/or the feelings of others	15	31%
Creative and innovative thinking	14	29%
Persuading, influencing and/or negotiating	14	29%
Sales skills	12	24%
Presentation skills	12	24%
Other	2	4%
Don't know/unsure	8	16%
None	12	24%

N=49
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: mental health, first aid.

Apprenticeships

Around two-thirds of employers already employ an individual(s) on an apprenticeship or internship (65%). Of those who do not currently employ an apprentice or intern, 76% stated that they would consider it.

Table 3.17 below provides a detailed breakdown of the specific types of apprentices/internships employers either already employ or would consider employing in the future. Notably, over half of employers already employ individuals who are undertaking a Modern Apprenticeship (57%), with a further 29% stating that while they do not currently, they would consider it.

Table 3.17: Would you consider any of the following as part of your recruitment and/or workforce development plans for the future?

	Yes	No	Already employ
Modern Apprenticeship (N=49)	29%	14%	57%
Foundation Apprenticeship (N=48)	35%	46%	19%
Graduate Apprenticeship (N=49)	39%	33%	29%
Graduate Placement (N=48)	48%	27%	25%
Internships (N=48)	42%	44%	15%

3.4 Training Provision

This section covers the types of training accessed by employers and who provided that training. It goes on to discuss their engagement with local training provision and discusses any barriers to engaging with local providers.

Around two-thirds of employers have arranged training with a local training provider over the past 12 months (63%). The training arranged by these employers was most commonly a certified short course (65%) followed by a Modern Apprenticeship (39%) or SVQ (39%), **Table 3.18**.

Table 3.18: What type of training did you arrange?

	Number	Percentage
Short course – certified	20	65%
Modern Apprenticeship	12	39%
SVQ	12	39%
Degree level qualification or above	5	16%
Other	5	16%
Graduate Placement	4	13%
Foundation Apprenticeship	3	10%
Graduate Apprenticeship	3	10%
HNC/HND	3	10%
Internships	2	6%

N=31 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: consultation with strategy specialists; website training; specialist training for the role.

Use of local training services (excluding Business Gateway) was fairly high, with 63% reporting that over the past 12 months they had arranged training with a local provider.

Those who did not arrange training with a local provider cited reasons such as the training they required was not available through a local provider (56%), and they are unaware of what training is available locally (39%), **Table 3.19**.

Table 3.19: What was the reason for not using a local training provider?

	Number	Percentage
Training required was not available	10	56%
Not aware of what is available locally	7	39%
Inconvenient timing of training courses	5	28%
Lack of communication from colleges/training providers	5	28%
Training provision not of sufficient quality	3	17%
Training requirements changed	3	17%
Training required was too expensive	3	17%
Inconvenient location of training courses	2	11%
Previous bad experience	1	6%
Other	6	33%

N=18 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: fully proficient and no training required; college provides all relevant training; and necessary training only available in Glasgow.

Employers were asked what training provision is not currently available that they feel should be a priority for local training providers. The range of employers interviewed meant that answers varied greatly across sectors, with some more generic examples including:

- Management training
- Finance training
- IT training
- Career advice services for school leavers
- Renewable energy and technology training
- Communication and teamworking training

Use of Business Gateway services over the past 12 months was fairly low, with only 14% saying they had utilised its services for staff training. However, it should be noted that many of the employers surveyed would not traditionally be expected to access Business Gateway services. Those who had arranged training via Business Gateway had done so in a variety of ways, namely, in person, online and hybrid (43% each).

Table 3.20: What mode of training did you arrange?

	Number	Percentage
In person event	3	43%
Online tutorial	3	43%
Hybrid (mix of both online and F2F)	3	43%
Webinar	2	29%
Other	0	0%

N=7 due to routing.

The most common reasons for employers not using Business Gateway include:

- being unaware of what was available - 40%
- the training they required was not available - 36%

Table 3.21: What was the reason for not using Business Gateway?

	Number	Percentage
Not aware of what is available	17	40%
Training required was not available	15	36%
Lack of communication from Business Gateway	11	26%
Not aware that Business Gateway offers services to existing businesses	10	24%
Inconvenient location of training courses	5	12%
Inconvenient timing of training courses	5	12%
Training provision not of sufficient quality	4	10%
Training requirements changed	2	5%
Training required was too expensive	2	5%
Other	10	24%

N=42 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: training was not needed; and training did not fit needs.

Around three-quarters (73%) of employers have arranged staff training with a provider outside of Shetland within the last 12 months, **Table 3.22**.

Table 3.22: In the last 12 months have you arranged any staff training with a training provider outside of Shetland?

	Number	Percentage
Yes	36	73%
No	13	27%

N=49

The most common form of training (outside of Shetland) was a short course (61%), followed by a modern apprenticeship (17%) – **Table 3.23**.

	Number	Percentage
Short course – certified	22	61%
Modern Apprenticeship	6	17%
Graduate Placement	5	14%
SVQ	5	14%
Graduate Apprenticeship	4	11%
Degree level qualification or above	4	11%
HNC/HND	2	6%
Foundation Apprenticeship	1	3%
Internships	1	3%
Other	5	14%

N=36 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: heat pump training; product development training; software training; and authorised person certificates.

Of those who did not arrange staff training with a provider outside of Shetland the most commonly cited reason for this was due to the 'travel costs' and 'travel times' making it too expensive to justify (54% each), **Table 3.24**.

Table 3.24: What was the reason for not arranging any staff training with a training provider outside of Shetland?

	Number	Percentage
Travel costs involved made it too expensive	7	54%
Time required to travel to attend course made it unviable	7	54%
Inconvenient location of training courses	6	46%
Inconvenient timing of training courses	6	46%
Not aware of what is available	5	38%
Lack of communication from colleges/training providers	4	31%
Training required was too expensive	4	31%
Training requirements changed	3	23%
Training provision not of sufficient quality	1	8%
Training required was not available	1	8%
Previous bad experience	0	0%
Other	6	46%

N=13 due to routing.
Multiple responses were allowed, as a result, totals may be greater than 100%.
Other includes: training was not required; training is typically done online; and training needs to be local.

Wider Skills Issues

As part of the survey, various statements were put to employers, with the extent to which they either agreed, disagreed, or neither agreed nor disagreed with the statement assessed. The findings are presented in **Table 3.25** below. Key points include:

- Three-quarters of employers agree that employers should be involved in the co-design of the local education and skills provision (75%).
- Over half of employers agree that they knew how to how to access local skills and training (including apprenticeships) (63%).
- Three-fifths state that they do not feel school leavers are well prepared for the world of work (60%) - this reduced significantly to 27% for college leavers and 20% for university leavers.

It should be noted that some employers caveated their responses on work readiness of school leavers stating that whilst school leavers, in their view, were not well prepared for the world of work they also did not expect them to be well prepared for the world of work given they may have had very limited work experience.

Table 3.25: Do you agree with any of the following statements?

	Strongly agree/ Agree	Neither agree nor disagree	Strongly disagree/ Disagree
Employers should be involved in the co-design of the local education and skills provision (N=48)	75%	15%	10%
We know how to access local skills and training (including apprenticeships) (N=49)	63%	16%	20%
University leavers are well prepared for the world of work (N=49)	39%	41%	20%
Communication and consultation between colleges and local employers is good (N=49)	33%	24%	43%
College leavers are well prepared for the world of work (N=49)	24%	49%	27%
School leavers are well prepared for the world of work (N=48)	10%	29%	60%

3.5 Net Zero and the Energy Transition

Scotland has ambitious climate change legislation which sets a target date for net zero emissions of all greenhouse gases by 2045. As a result, the final section of the interview focused on the move towards a net zero economy and the energy transition for Shetland's businesses and is an additional module from the 2017 survey.

Views were evenly split from employers on whether they had considered how the move to a net zero economy could impact their training needs, **Table 3.26**.

Table 3.26: Have you considered how the move to a net zero economy may impact your workforce's training needs?

	Number	Percentage
Yes	24	49%
No	25	51%

N=49

Employers highlighted that the transition to net zero will have many impacts, with some of these being sector specific. Most notably, the impact on transport and travel for businesses, including the transition to electric vehicles (EVs), reducing air travel, etc. was highlighted. Others reported that it will change the equipment they use within their organisation, and there will be a requirement to re-evaluate and source new equipment, which in-turn will require an element of re-training.

Just over half (55%) felt the move to net zero will affect their current skills requirement, **Table 3.27**.

Table 3.27: Do you think the move to a net zero economy will affect your current skills requirement?

	Number	Percentage
Yes	27	55%
No	22	45%

N=49

Around half of these employers (53%) foresee the need to upskill or reskill their workforce due to the transition to a net zero economy.

Table 3.28: Do you foresee any requirement for you to upskill and/or reskill your workforce in the transition to a net zero economy?

	Number	Percentage
Yes	26	53%
No	23	47%

N=49

The move to a net zero economy may generate numerous opportunities for employers and their workers in Shetland. The employers interviewed highlighted a range of potential opportunities, including:

- Reducing carbon footprint
- Gaining knowledge on recycled materials and recycling processes
- Learning about and using new technologies (upskilling)
- Becoming an example of good practice within their sector

However, it should be noted that around two-fifths of employers (39%) reported that they were unsure or felt there would be no opportunities generated from moving to a net zero economy.

Employers reported a range of skills challenges which may arise from the transition to a net zero economy:

- Not every organisation will be able to make changes due to factors such as accessibility and availability of sustainable materials/equipment.
- There will be costs associated with changing technologies and training/upskilling staff.
- There will be difficulties in making changes in some areas (e.g., transport).
- May be challenges in training and adapting to new technologies/equipment.
- Sourcing appropriate training.

However, one third of employers (33%) stated that they do not foresee any skills challenges within their businesses in moving to a net zero economy.

4   Conclusions

Conclusion 1: Vacancies increasingly hard to fill

Over the last 12 months, 82% of employers have recruited at least one individual. Recruitment was identified as a challenge by employers, with over two-thirds stating that some of their vacancies were proving hard to fill (69%) – this was mostly caused by *a low number of applicants with the required skills* (91%; an increase of 21 percentage points compared to 2017 survey).

Conclusion 2: Retaining staff is an increasing problem

Over half of employers (53%) reported that staff retention is an issue. These employers stated the main reasons for this were: *Competition from other employers* (73% of respondents), *Wages offered are lower than those offered by other employers* (42%), and *Location/accessibility of site* (38%).

Conclusion 3: Displacement is on the rise and a real cause for concern

Around 39% of employers had experienced displacement at some point over the last 12 months, with 49% concerned about it going forward. As a result, 83% of employers with concerns about displacement have introduced workplace changes to try and counteract the challenge, most commonly: *changes to working hours, increased/review of pay, increased number of holidays* and *greater incentives (pensions etc)*.

Conclusion 4: Skills gaps having a significant impact for employers and their workforce

The majority of employers stated they currently have skills gaps within their business (**Table 3.9**). These skills gaps are having a significant impact on their existing workforce and operating costs, particularly in terms of increased workload, increased operating costs and requirements to outsource work.

Conclusion 5: Investing in training remains a high priority for Shetland's businesses

Of the 49 employers interviewed, 44 had arranged/funded off-the-job training for their employees in the past 12 months, over two-thirds (69%) have a training plan for the coming year, 55% have a specific budget for training expenditure and 53% have a dedicated in-house training manager/co-ordinator.

Conclusion 6: Training required is not always available locally

Over the last 12 months, 63% of employers have arranged training with a local provider and 73% with a provider outside of Shetland.   Of the 18 employers who did not use a local training provider the top reason cited was *Training was not available* (56%). Employers stated this adds to the costs and time for both the employer and the staff to travel to the mainland for training. Some employers reported that the training required is often highly skilled using technical equipment which requires highly trained tutors but more needs to be done to either build capacity and partnerships within local learning institutions or for bespoke arrangements to be brokered by SIC and other public partners. Employers cited this desire for sectors forecast to grow in the energy transition.

Conclusion 7: Apprenticeships are considered a key product for skills solutions with Shetland employers

Around two-thirds of employers already employ an individual(s) on an apprenticeship or internship (65%). 57% employ a modern apprentice, with 29% employing a graduate apprentice. Of those who do not currently employ an apprentice or intern, 76% stated that they would consider it.

Conclusion 8: Views were evenly split from employers on how the move to a net zero economy will impact their training needs

Employers interviewed highlighted that the transition to net zero will have many impacts, with some of these being sector specific including transport and travel for businesses, decarbonising their fleet with electric vehicles (EVs), reducing air travel, etc. Others reported that it will change the equipment they use within their organisation, and there will be a requirement to re-evaluate and source new equipment, which in-turn will require an element of re-training.

Of the employers interviewed, 49% have considered how the move to net zero may impact their workforce training needs. Just over half (55%) felt the move to net zero will

affect their current skills requirement and 53% foresee a need to upskill and/or reskill their workforce as part of the transition to net zero.

Conclusion 9: Involving employers in the skills landscape could be improved

As part of the survey, employers were asked how strongly they agreed or disagreed with a set of statements. Below are the percentages who either strongly agreed or agreed with the given statements

- Employers should be involved in the co-design of the local education and skills provision (75% strongly agree/agree).
- We know how to access local skills and training (including apprenticeships) (63%).
- University leavers are well prepared for the world of work (39%).
- Communication and consultation between colleges and local employers is good (33%)
- College leavers are well prepared for the world of work (24%)
- School leavers are well prepared for the world of work (10%)

It should be noted that several employers who felt school leavers were not well prepared for the world of work stated that this was due to school leavers having a lack of work experience.

5   Recommendations and Suggested Actions

Challenge	Recommendation and Suggested Actions
Vacancies increasingly hard to fill	• Explore ways to improve, extend, and increase pathways into these jobs for young people and job changers. • Work with employers on their recruitment strategy i.e. grow their own, use different skills pathways, more flexible recruitment methods and terms, support for business branding. • Continued promotion of hard to fill vacancies to workers outwith Shetland.
Retaining staff is an increasing problem	• Work with employers to understand employee satisfaction and implementing employee retention strategies.
Displacement is on the rise and a real cause for concern	• Raise awareness of the rise in displacement and its impact on business productivity and viability.
Skills gaps having a significant impact for employers and their workforce	• Explore ways to increase collaboration with schools and industry with a focus on current and emerging skills gaps. • Work with industry to promote these occupations to key influencers for young people who are the future workforce. • Greater focus needed on (1) the volume and variety of workplace products (e.g. apprenticeships) and (2) Recognition of Experiential Prior Learning (REPL) to increase skills system agility and worker mobility.
Investing in training remains a high priority for Shetland's businesses	• Celebrate and share as good news and as a good place to live, work and do business. Shetland employers have a well-trained workforce and invest in skills for a changing landscape.
Training required is not always available locally	• Explore the possibility of capacity building local learning institutions for emerging and growth sectors and/or new partnerships with other institutions.
Apprenticeships are considered a key product for skills solutions with Shetland employers	• Continue to promote apprenticeships and share case studies and good news • Work with industry to increase the volume and scope of apprenticeships required on Shetland
Views were evenly split from employers on how the move to a net zero economy will impact their training needs	• Work with employers to help them both understand potential barriers within the transition to net zero and support their preparedness to grasp opportunities.
Involving employers in the skills landscape could be improved	• Explore ways for employers to be involved in the co-production of education and skills curriculum, including course content development

Appendix A: Shetland Skills Survey 2024 Questionnaire

Shetland Islands Council Skills Survey 2024

TELEPHONE SURVEY: FOR THE INTERVIEWER, PLEASE COVER THE FOLLOWING AREAS IN YOUR INTRODUCTIONS

Survey Background: What is the purpose of the survey?

EKOS have been commissioned by Shetland Islands Council (SIC) to carry out a survey of 50 employers across Shetland. Employers have been invited to take part in this training survey to help Shetland Island Council understand the current skills needs, priorities and skills issues for employers across Shetland. This survey builds on the previous skills survey carried out in 2017. Responses will be used to inform a report by EKOS for SIC on skills issues and priorities for Shetland employers, to identify key areas for skills development by SIC and partner agencies in the employability partnership.

Who is the survey for?

A broad mix of employers across Shetland covering different industries, sectors, size, and scale.

How long will the survey take?

The survey should take no more than 20/25 minutes to complete.

For further information

If you would like any further information on the survey or evaluation, please contact Alison Cairns at EKOS on alison.cairns@ekos.co.uk or sita.goudie@shetland.gov.uk

Your Privacy

Your personal information will be anonymised in reporting. This means any information that can directly identify you will not be included in any published reports nor in the final survey results data. You can find the privacy policy here.

To proceed with the survey, please indicate consent to taking part:

- I consent to taking part

- I do not consent to taking part

For the interviewer

- Introduce yourself, your role and ask the employer how they would like to be addressed. i.e. first name or Mr/Mrs/Ms.
- Ensure as much of the personal details are completed before starting. Check names, address and contact emails are correct.
- Remind them of the purpose of the survey and how their information will be used in the research.
- State approximately how long it will take, and that if for any reason the call drops you will call them back.
- Should they wish any further information on the survey or the results they can contact EKOS or SIC. Please provide them with contact names/details if they say yes.

Inform the employer that we are reporting back to SIC in aggregate form only and the information they provide will be anonymised and used for research purposes only. Whilst SIC don't intend to publish this research, it may be subject to a Freedom of Information (FOI) request and therefore the research may find its way into the public domain via that route.

THANK THEM FOR AGREEING TO PARTICIPATE IN THE SURVEY TODAY. WE KNOW THEIR TIME IS PRECIOUS BUT THEIR INPUT AND VIEWS ARE IMPORTANT TO SIC AND ENSURING THAT SKILLS DEVEOPMENT IN SHETLAND GOING FORWARD MEETS THEIR NEEDS.

Employer Characteristics

INTERVIEWER: Complete as much of this as possible before the call. Check details are correct during the call.

A1	Name of Business	
A2	Role of person undertaking the interview	
A3	Name of individual being interviewed	
B1	Address	
B2	Town / settlement	
B3	Postcode	
C1	Telephone	
C2	Email	

D. What is the main industry sector in which your business or organisation operates?

D1	Accommodation and food services	
D2	Agriculture, forestry, and fishing	
D3	Arts, entertainment, recreation, and other services	
D4	Business administration and support services	
D5	Construction	
D6	Education	
D7	Financial and insurance	
D8	Health and care	
D9	Information and communication	
D10	Life sciences	
D11	Manufacturing	
D12	Mining, quarrying, and utilities	
D13	Motor trades	
D14	Professional, scientific and technical	
D15	Property	
D16	Public administration and defence	
D17	Retail	
D18	Transportation and storage	

D19	Wholesale	
D20	Other (please specify)	

E. How many employees does your business have?

E1	1-9	
E2	10-49	
E3	50-249	
E4	250+	

F. How many establishments (sites) does your business have?

F1	1-4	
F2	5-24	
F3	25-49	
F4	50+	

Section A: Recruitment and Retention/Vacancies and Skills Shortages

TELEPHONE: We want to start by asking a few questions about your vacancies and any perceived skills shortages over the last 12 months. Can we start by asking you if…

1. Your organisation has recruited anyone new in the last 12 months?

1A1	Yes	
1A2	No	

2. How many vacancies have you had in the last 12 months? AND. (b) Can you tell me if they were part time (less than 32 hours) or full time (35 hour or more)

2A1	None (please tick) (please go to Question 8)	
2A2	a) Full-time (specify number) (please go to Question 3)	
2B1	b) Part-time (specify number) (please go to Question 3)	

3. In which specific occupations did you have vacancies? Job titles are sufficient if they have no specific occupation e.g. development manager.

3A1	

4. Are any of your vacancies proving hard to fill?

4A1	Yes (please go to Question 5)	
4A2	No (please go to Question 8)	

INTERVIEWER: Please explain to the employer why the study is looking at SSVs*. The employer may wish to know why you are asking if the vacancy was hard to fill.

*Vacancies which are hard to fill because of difficulties finding applicants with the requisite skills, knowledge and/or experience are known as "skill-shortage vacancies", or "SSVs". Looking at the level of skill-shortage vacancies in the market is a good indicator of skill supply issues in an area.

5. What for you, are the main causes of having a hard to fill vacancy?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.
PROMPT: Ask if there were any other causes such as - **READ** through the list and tick the response.

		Tick all that apply
5A1	Competition from other employers	
5A2	Lack of applicants with necessary experience	
5A3	Lack of applicants with necessary qualifications	
5A4	Low number of applicants with the required skills	
5A5	Low number of applicants with the required attitude or motivation	
5A6	Low number of applicants for post	
5A7	Poor career progression/development opportunities in this role/sector	
5A8	Poorer terms and conditions (e.g. pay)	
5A9	Sector is not considered attractive enough to workers	
5A10	Remote location/accessibility and travel/transport issues	
5A11	Seasonal/temporary work	
5A12	Shift work/unsociable hours	
5A13	Don't know	
5A14	Other (please specify)	

5B1. You highlighted you have had difficulty filling vacancies due to a lack of applicants with the necessary qualifications. Can you specify which qualifications you were lacking? (Only ask if **Q5 = 5A3**)

5B1	

Skills Shortage Vacancies

INTERVIEWER: Please explain to the employer skills shortages they perceived to be lacking in applicants can be grouped into two categories.

Skills that employers perceive to be lacking among applicants to their roles can be grouped into two broad categories: technical and practical skills, which are specific skills required to perform the particular functions of a job role, and people and personal skills which are the "softer", less tangible skills required to manage oneself and interact with others in the workplace. Looking first at technical and practical skills.

6. You highlighted that your vacancies have been hard to fill due to a lack of applicants with the requisite skills or experience. Firstly, can I ask if any of the following technical or practical skills have been hard to find? Such as: (Only ask if **Q5 = 5A2** or **5A4**)

		Tick all that apply
6A1	Computer literacy/basic IT skills	
6A2	Advanced/specialist IT skills	
6A3	Problem solving	
6A4	Reading and understanding instructions, guidelines, manuals, reports, etc.	
6A5	Writing reports, emails, etc.	
6A6	Communicating in another language	
6A7	Basic numerical skills and understanding	
6A8	Complex numerical/statistical skills and understanding	
6A9	Manual dexterity – i.e. skills with which to repair, mend, assemble, etc.	
6A10	Adapting to new equipment, processes, materials, etc.	
6A11	Specialist skills required to carry out the role in question	
6A12	Knowledge of your organisation and/or industry sector	

| **6A13** | Knowledge of your organisation and products/services offered | |
| **6A14** | Other (please specify) | |

7. And secondly, can now I ask if your vacancies have been hard to fill due to a lack of applicants with the requisite people and personal skills, such as: (Only ask if **Q5 = 5A2** or **5A4**)

		Tick all that apply
7A1	Creative and innovative thinking	
7A2	Instructing, teaching or training people	
7A3	Sales skills	
7A4	Customer handling skills	
7A5	Persuading, influencing and/or negotiating	
7A6	Team working	
7A7	Managing and/or motivating others	
7A8	Ability to manage own time and prioritise tasks	
7A9	Setting objectives for others	
7A10	Managing their own feelings and/or the feelings of others	
7A11	Presentation skills	
7A12	Other (please specify)	

Skills gaps in your existing workforce

8. Do any of the following currently cause skills gaps within your business?

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
8A1	Staff are new to role	
8A2	Staff lack motivation	
8A3	The introduction of new workplace practices	
8A4	Staff training is only currently partially completed	
8A5	Staff members have been on training, but their performances have not improved sufficiently	
8A6	Staff have not received the appropriate training	
8A7	Unable to recruit or retain staff with the required skills	
8A8	Don't know	
8A9	None of the above	
8A10	Other (please specify)	

9. What have been the main impacts of not filling vacancies/current skills gaps over the last 12 months? (Only ask if **Q4 = 4A1** OR **Q8 = 8A1~8A7, 8A10**)

INTERVIEWR: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
9A1	Lose business or orders to competitors	
9A2	Increased workload for other staff	
9A3	Delay developing new products or services	
9A4	Experience increased operating costs	
9A5	Have difficulties meeting quality standards	
9A6	Have difficulties introducing new working practices	
9A7	Have difficulties introducing technological change	
9A8	Requirement to outsource work	
9A9	Discontinue certain products or services	
9A10	Reduced quality of customer service	
9A11	Don't know	
9A12	Other (please specify)	

10. Are there any particular jobs in which you have difficulties retaining staff?

10A1	Yes (please go to Question 11)	
10A2	No (please go to Question 13)	

11. With which jobs do you face the most difficulty retaining staff?

INTERVIEWER: please note occupations and/or job titles.

11A1	

12. What are the main reasons for having difficulties retaining staff?

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
12A1	Wages offered are lower than those offered by other employers	
12A2	Impact of changes to benefits system	
12A3	Location/accessibility of site	
12A4	Unattractive conditions of employment	
12A5	Poor career progression/development opportunities	
12A6	Lack of training opportunities	
12A7	Shift work/unsociable hours	
12A8	Competition from other employers	
12A9	Staff don't want long term commitment	
12A10	Seasonal/temporary work	
12A11	Don't know	
12A12	Other (please specify)	

13. Have you experienced any displacement, that is the poaching of your skilled staff to another local/similar competitor/employer, in the last 12 months?

13A1	Yes	
13A2	No	

14. Are you concerned about displacement?

14A1	Yes (please go to Question 15)	
14A2	No (please do to Question 18)	

15. Please specify your concerns regarding displacement

15A1	

16. Have you implemented any changes to your terms and conditions/workplace practices etc to help retain staff?

16A1	Yes (please go to Question 17)
16A2	No (please do to Question 18)

17. If yes, please describe these changes. **PROMPT IF NECESSARY**: increased salary, introduced special benefits e.g. gym membership, increased holidays, other terms/special leave. Provided transport, own van, covered mileage etc.

17A1	

Section B: Workforce Development

18. Does your organisation have any of the following?

		Yes	No
18A1	A training plan that specifies in advance the level and type of training your employees require in the coming year		
18A2	A budget for training expenditure		
18A3	A dedicated in-house training manager/co-ordinator		

19. Have you arranged or funded any of the following off the job training for employees over the last 12 months? (If 19A1~19A9, 19A11 go to **Question 21**) (If 19A10 go to **Question 20**).

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
19A1	Finance training	
19A2	First Aid	
19A3	Health and Safety	
19A4	IT training	
19A5	Job/role specific training (please specify)	
19A6	Management training	
19A7	Supervisory training	
19A8	Training in new technology/equipment	
19A9	Training to do with HR issues	
19A10	None of the above	
19A11	Other (please specify)	

20. What are your reasons for not arranging off-the-job training in the past 12 months?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if there were any other causes such as - **READ** through the list and tick the response.

		Tick all that apply
20A1	No training available in relevant subject area	
20A2	Relevant courses are not available locally	
20A3	Quality of courses and/or local training providers is not satisfactory	
20A4	Difficult to get information about courses locally	
20A5	I don't know what provision is available locally	
20A6	Timing of courses is inconvenient	
20A7	Location of courses is inconvenient	
20A8	No budget for training	
20A9	External courses are too expensive	
20A10	Managers/team leaders do not have time to organise training	
20A11	Employees are too busy to undertake training	
20A12	Training is not a priority	
20A13	No need for training at this time	
20A14	Other (please specify)	

21. For existing staff, do you require training in any of the following **technical or practical skills** to ensure they are fully proficient?

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
21A1	Computer literacy/basic IT skills	
21A2	Advanced/specialist IT skills	
21A3	Problem solving	
21A4	Reading and understanding instructions, guidelines, manuals, reports, etc.	
21A5	Writing reports, emails, etc.	
21A6	Communicating in another language	
21A7	Basic numerical skills and understanding	
21A8	Complex numerical/statistical skills and understanding	
21A9	Manual dexterity – i.e. skills with which to repair, mend, assemble, etc.	
21A10	Adapting to new equipment, processes, materials, etc.	
21A11	Specialist skills required to carry out the role in question	
21A12	Knowledge of your organisation and/or industry sector	
21A13	Knowledge of your organisation and products/services offered	
21A14	None – our staff are all fully proficient	
21A15	Other (please specify)	

22. For existing staff, do you require training in any of the following **people and personal skill** areas to ensure they are fully proficient?

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Tick all that apply
22A1	Creative and innovative thinking	
22A2	Instructing, teaching or training people	
22A3	Sales skills	
22A4	Customer handling skills	
22A5	Persuading, influencing and/or negotiating	
22A6	Team working	
22A7	Managing and/or motivating others	
22A8	Ability to manage own time and prioritise tasks	
22A9	Setting objectives for others	
22A10	Managing their own feelings and/or the feelings of others	
22A11	Presentation skills	
22A12	Other (please specify)	

23. Would you consider any of the following as part of your recruitment and/or workforce development plans for the future?

INTERVIEWER: PLEASE READ THROUGH THE LIST AND TICK ALL THAT APPLY

		Yes	**No**	**Already employ**
23A1	Modern Apprenticeship			
23A2	Foundation Apprenticeship			
23A3	Graduate Apprenticeship			
23A4	Graduate Placement			
23A5	Internships			

Section C: Training Provision

INTERVIEWER: Please inform the employer that you now have a few questions on training provision.

24. In the last 12 months, have you arranged any staff training with a local training provider, not including Business Gateway?

24A1	Yes	(go to **Question 25**)
24A2	No	(go to **Question 26**)

25. What type of training did you arrange?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if there were any other training organised such as - **READ** through the list and tick the response. (On answering please go to **Question 27**)

		Tick all that apply
25A1	Modern Apprenticeship	
25A2	Foundation Apprenticeship	
25A3	Graduate Apprenticeship	
25A4	Graduate Placement	
25A5	Internships	
25A6	SVQ	
25A8	HNC/HND	
25A9	Degree level qualification or above	
25A10	Short course – certified	
25A11	Other (please specify)	

26. What was the reason for not using a local training provider?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if there were any other reasons such as - **READ** through the list and tick the response.

		Tick all that apply
26A1	Inconvenient location of training courses	
26A2	Inconvenient timing of training courses	
26A3	Lack of communication from colleges/training providers	
26A4	Not aware of what is available locally	
26A5	Previous bad experience	
26A6	Training provision not of sufficient quality	
26A7	Training requirements changed	
26A8	Training required was not available	
26A9	Training required was too expensive	
26A10	Other (please specify)	

27. What training provision that is not currently available do you think should be a priority for local training providers?

27A1	

28. Do you agree with any of the following statements?

		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
28A1	College leavers are well prepared for the world of work					
28A2	Communication and consultation between colleges and local employers is good					
28A3	Employers should be involved in the co-design of the local education and skills provision					
28A4	School leavers are well prepared for the world of work					
28A5	University leavers are well prepared for the world of work					
28A6	We know how to access local skills and training (including apprenticeships)					

29. Is there anything further you would like to add to your response to the previous question i.e. why they believe they are well prepared or less well prepared? Is there anything skills providers could do to help prepare them for work?

29A1	

30. In the last 12 months, have you used Business Gateway services for any of your staff training?

INTERVIEWER: Please explain that Business Gateway is a Scottish Government initiative which provides a range of support measures to existing businesses as well as people looking to start a new business. The Council's Economic Development Service operates the Business Gateway service in Shetland.

30A1	Yes	(go to **Question 31**)
30A2	No	(go to **Question 32**)

31. What mode of training did you arrange? That is the way in which the training was delivered. **PROMPT:** Read out list to help employer identify the correct mode/s. (On answering please go to **Question 33**)

		Tick all that apply
31A1	In person event	
31A2	Online tutorial	
31A3	Webinar	
31A4	Hybrid (mix of both online and F2F)	
31A5	Other (please specify)	

32. What was the reason for not using Business Gateway?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if there were any other reasons such as - **READ** through the list and tick the response.

		Tick all that apply
32A1	Inconvenient location of training courses	
32A2	Inconvenient timing of training courses	
32A3	Lack of communication from Business Gateway	
32A4	Not aware that Business Gateway offers services to existing businesses	
32A5	Not aware of what is available	
32A6	Training provision not of sufficient quality	
32A7	Training requirements changed	
32A8	Training required was not available	
32A9	Training required was too expensive	
32A10	Other (please specify)	

33. In the last 12 months, have you arranged any staff training with a training provider outside of Shetland?

33A1	Yes	(go to **Question 34**)
33A2	No	(go to **Question 35**)

34. What type of training did you arrange?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if they arranged any other training such as - **READ** through the list and tick the response. (On answering please go to **Question 36**)

		Tick all that apply
34A1	Modern Apprenticeship	
34A2	Foundation Apprenticeship	
34A3	Graduate Apprenticeship	
34A4	Graduate Placement	
34A5	Internships	
34A6	SVQ	
34A7	HNC/HND	
34A8	Degree level qualification or above	
34A9	Short course – certified	
34A10	Other (please specify)	

35. What was the reason for not arranging any staff training with a training provider outside of Shetland?

INTERVIEWER: please allow the employer to respond initially if they wish to do so.

PROMPT: Ask if there were any other reasons such as - **READ** through the list and tick the response.

		Tick all that apply
35A1	Inconvenient location of training courses	
35A2	Inconvenient timing of training courses	
35A3	Lack of communication from colleges/training providers	
35A4	Not aware of what is available	
35A5	Previous bad experience	
35A6	Training provision not of sufficient quality	
35A7	Training requirements changed	
35A8	Training required was not available	
35A9	Training required was too expensive	
35A10	Travel costs involved made it too expensive	
35A11	Time required to travel to attend course made it unviable	
35A12	Other (please specify)	

Section D: Net Zero and the Energy Transition

INTERVIEWER: Please inform the employer that you now have a few questions on the transition to a net zero economy.

36. Have you considered how the move to a net zero economy may impact your workforce's training needs?

36A1	Yes	
36A2	No	

37. Do you think the move to a net zero economy will affect your current skills requirement? In what way?

37A1	Yes (please go to **Question 38**)
37A2	No (please go to **Question 39**)

38. If yes, please specify.

38A1	

39. Do you foresee any requirement for you to upskill and/or reskill your workforce in the transition to a net zero economy?

39A1	Yes (please go to **Question 40**)
39A2	No (please go to **Question 41**)

40. If yes, please specify.

40A1	

41. What do you see as the main skills **opportunities** for you/your workers in moving to a net zero economy?

41A1	

42. What do you see as the main skills **challenges** for you/your workers in moving to a net zero economy?

42A1	

Section E: Conclusion

Do you have any other thoughts on skills and training that we have not covered today?

43A1	

INTERVIEWER: Thank you for participating today. Remind them of the purpose of the survey, how their information will be used and where they can find out more inform.