



CIOB

Skills Shortages in the UK Construction Industry

Survey 2006



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In 2005 the CIOB carried out a pilot study looking at the issue of skills shortages in the UK construction industry. This 2006 survey aimed to follow on from the original pilot and examine the issue from the perception of those working in the industry. The results show that respondents felt that while construction demand would increase over the coming year, there would not be a sufficient number of skilled workers to meet it. Most respondents had experienced difficulties in recruitment especially at senior management and craft and trade levels. This survey also suggests that while the numbers of migrant workers, particularly those from Eastern Europe, is increasing, it is not sufficient to plug the skills gaps, particularly at management level.

The issue of skills shortages in the UK construction industry is one that is debated often. The construction skills network report 'Blueprint for UK construction 2006-2010' forecasts that UK construction output is set to average 3% growth annually between 2006 and 2010. At the end of 2006 just over 2.5 million people are expected to be employed in construction across all occupations. It predicts that in order to deliver this growth, the amount of workers needed is likely to increase by approximately 245,000 throughout the UK. This will mean that an average of 88,000 new recruits will be required each year.

In 2005, the CIOB carried out a pilot survey on skills shortages which found that 91% of respondents anticipated that there would be skills shortages beyond 2005. It also found that 65% of respondents felt that the workforce was not sufficiently skilled. This was a small scale study, however it strongly suggested a need for further research in this area.

These findings were supported by the London Annual Business Survey 2005 (available at www.lda.gov.uk) which found that a lack of skilled workers was the biggest factor affecting the performance of businesses in London. It found that construction was one of the industries most affected by this.

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PURPOSE OF THE STUDY

The purpose of this study was to follow up the 2005 pilot study on skills shortages. It aimed to examine the perceptions of those working in the built environment on the current status of skills in the industry. It also looked at the issue of migrant workers in order to better understand how they fit into the UK workforce.

The survey was conducted using a web-based questionnaire which respondents could access through the CIOB website (www.ciob.org). The survey was open to anyone regardless of whether they were a CIOB member or not.

Respondents were first asked general demographic questions including age, employment status, area of work and level of responsibility in order to ensure that the sample was representative of the broader population.

The majority of the questions were closed and forced choice, requiring respondents to choose an answer from the available options.

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THE SAMPLE

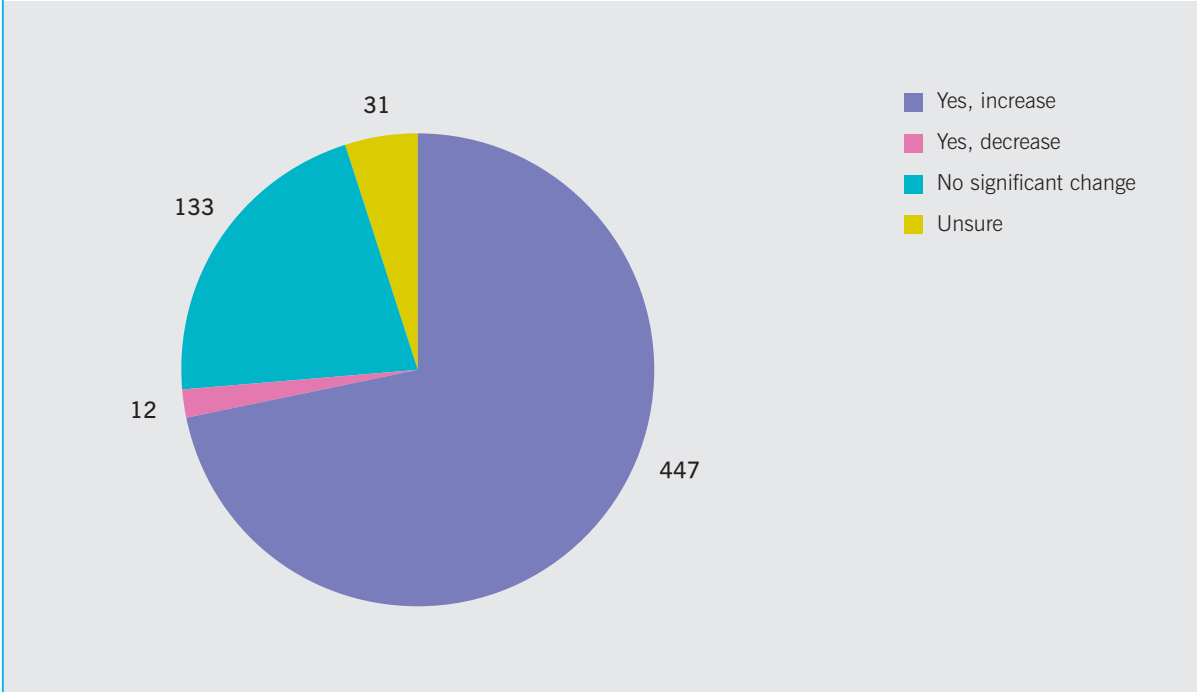
The sample consisted of 623 respondents, 96% of which were members of the CIOB and currently working at the management level within the built environment sector. 60% of respondents worked in companies with more than 200 employees. Respondents were representative of all areas of the UK and were predominantly male. All age ranges were well represented with a slightly higher proportion (30%) aged between 36 and 45.

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FINDINGS

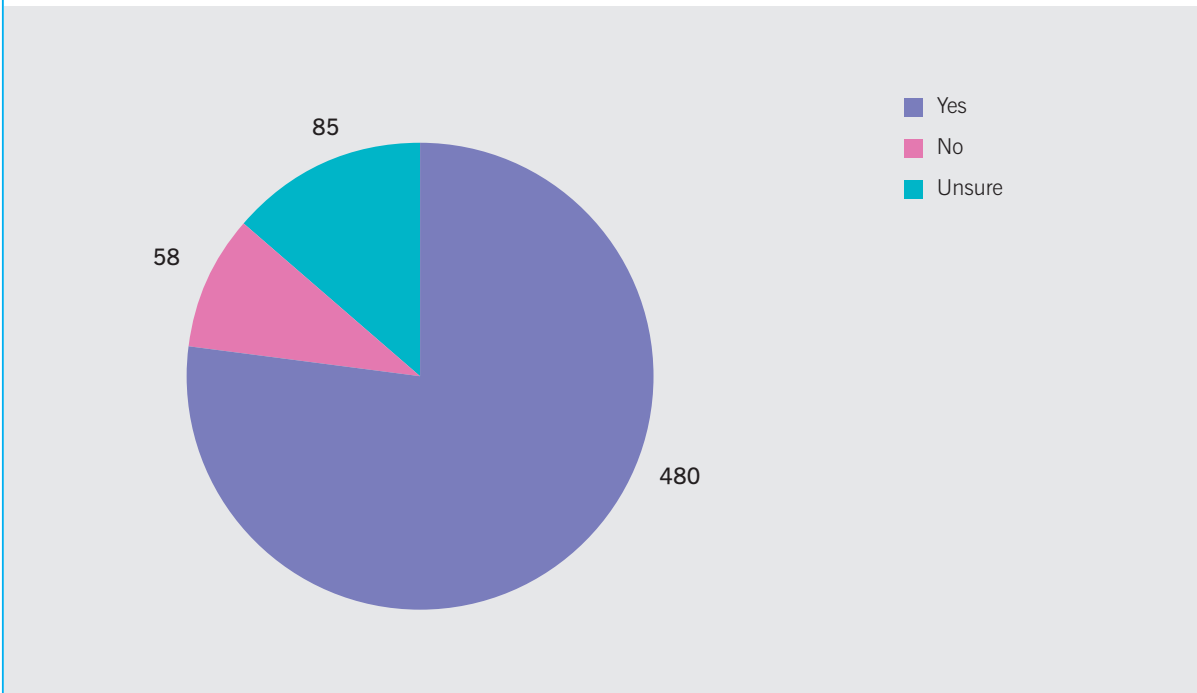
Do you think that there will be a change in construction demand next year?

The majority of respondents (72%) felt that construction demand would increase over the coming year.



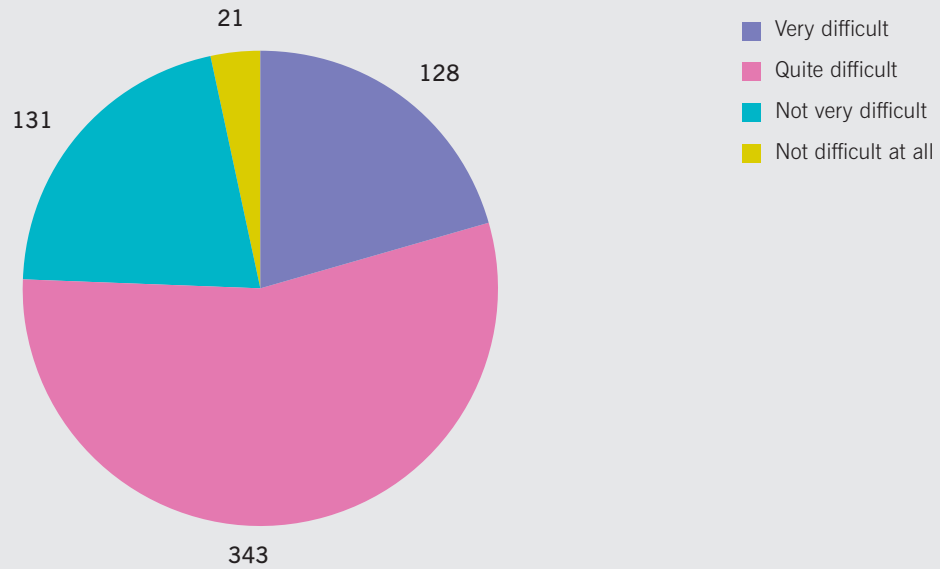
Were there problems in the recruitment of labour in 2006?

More than three quarters of the sample had experienced problems with recruitment in 2006.

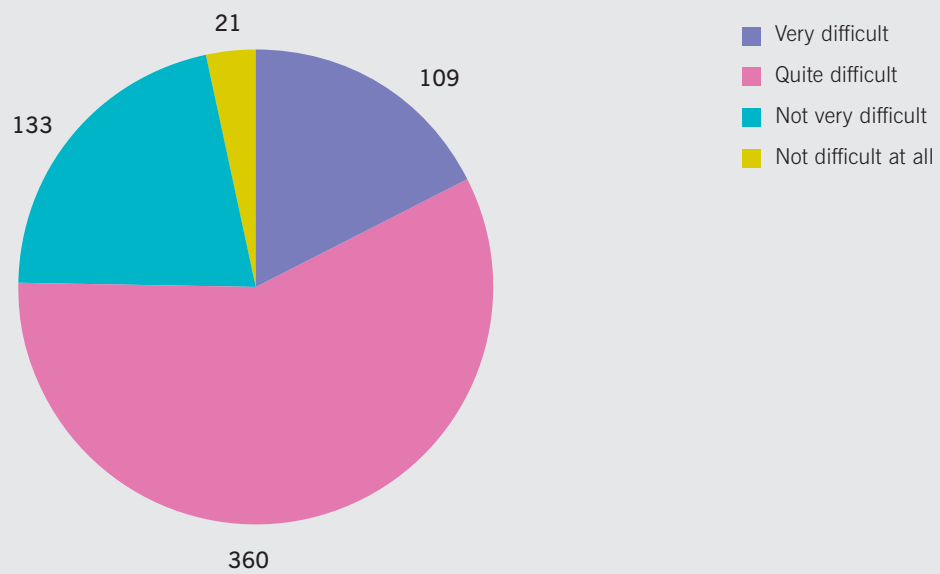


Please rate the difficulty of recruiting workers for the following:

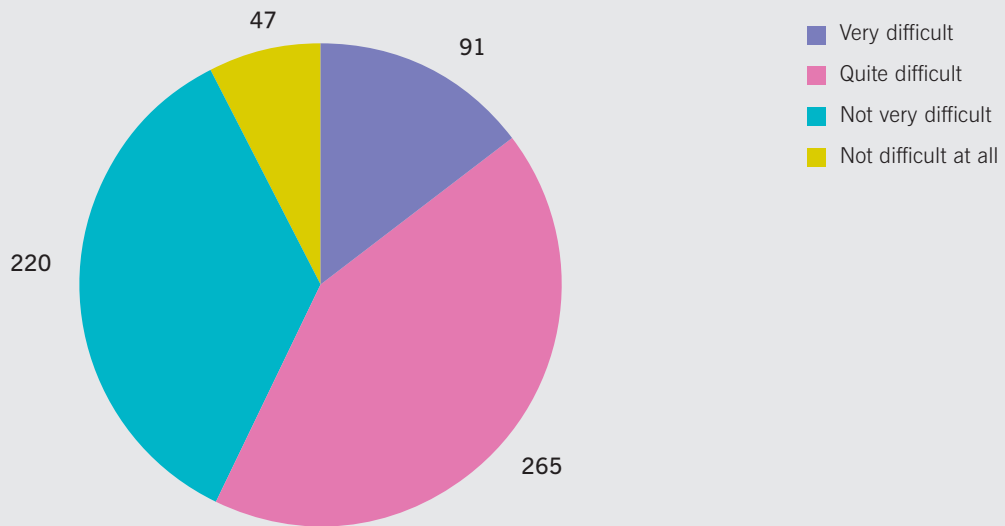
Senior management



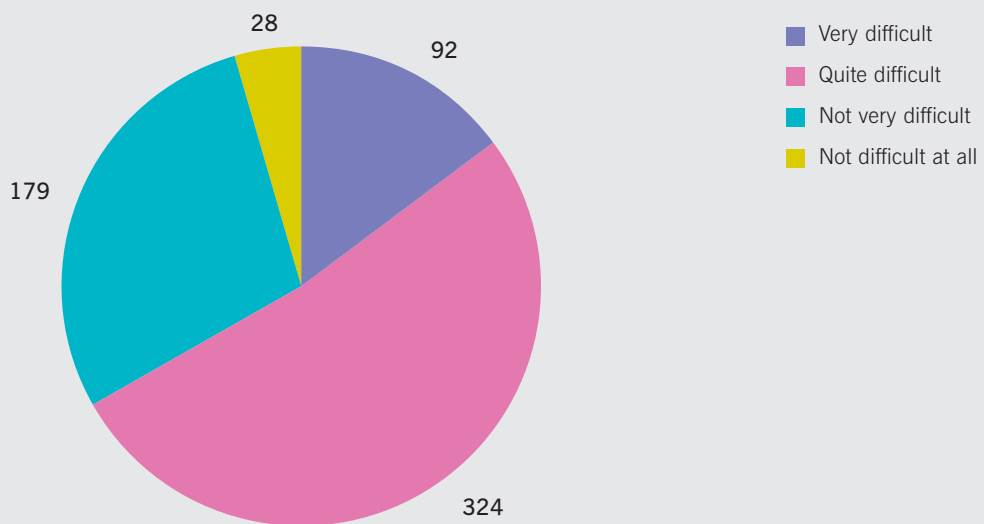
Middle management



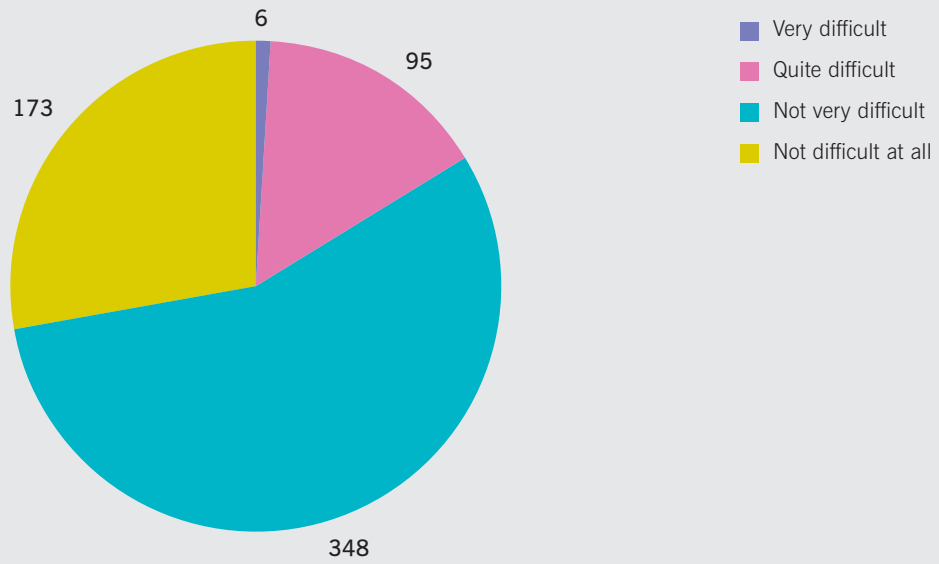
Junior management



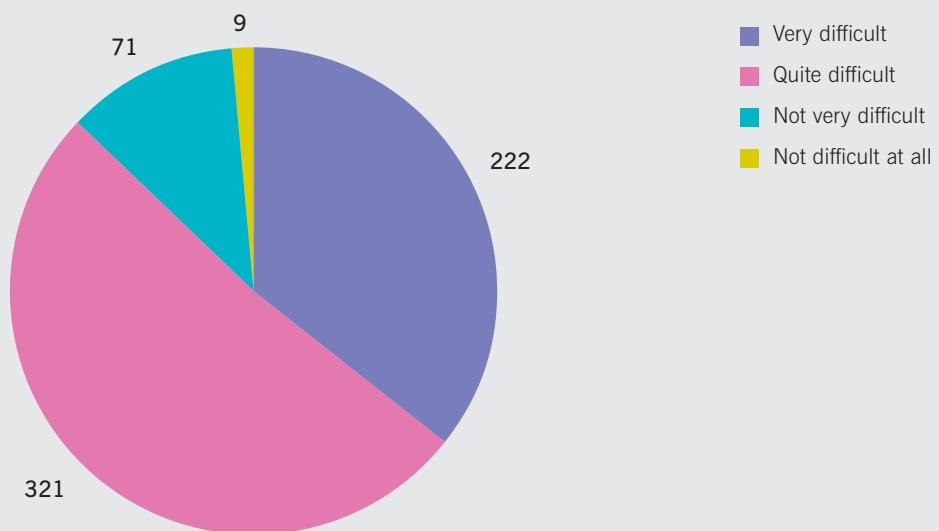
Supervisors



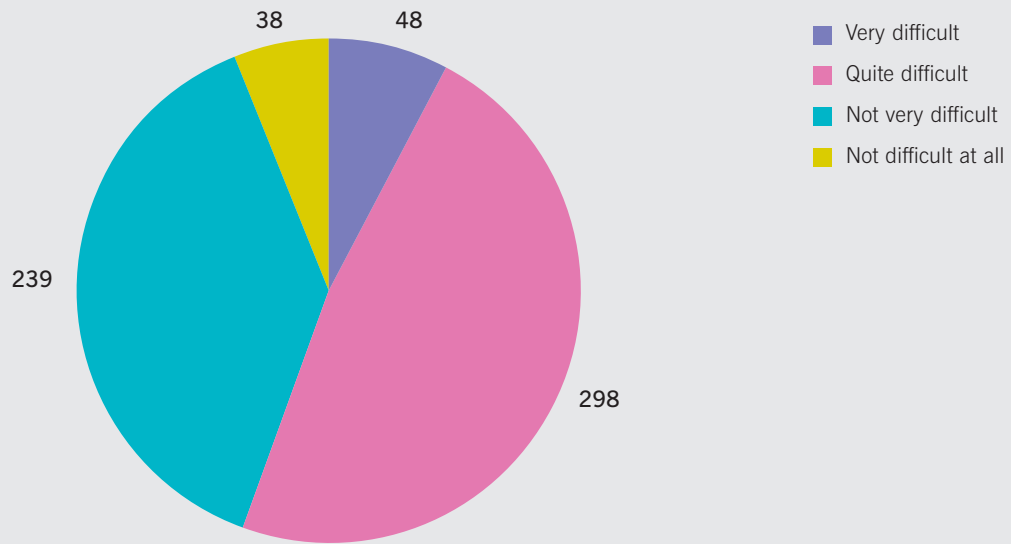
Admin and clerical



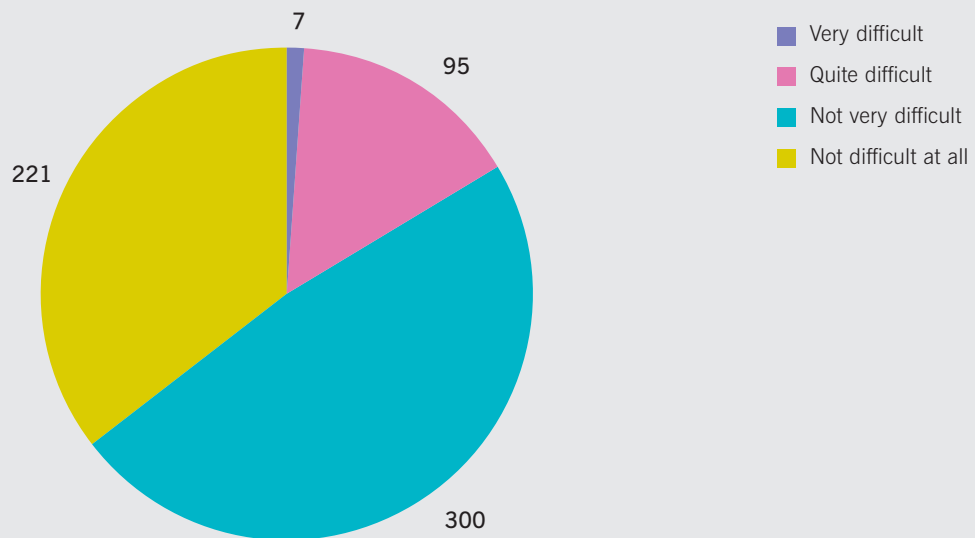
Crafts/trades



Semi-skilled workers

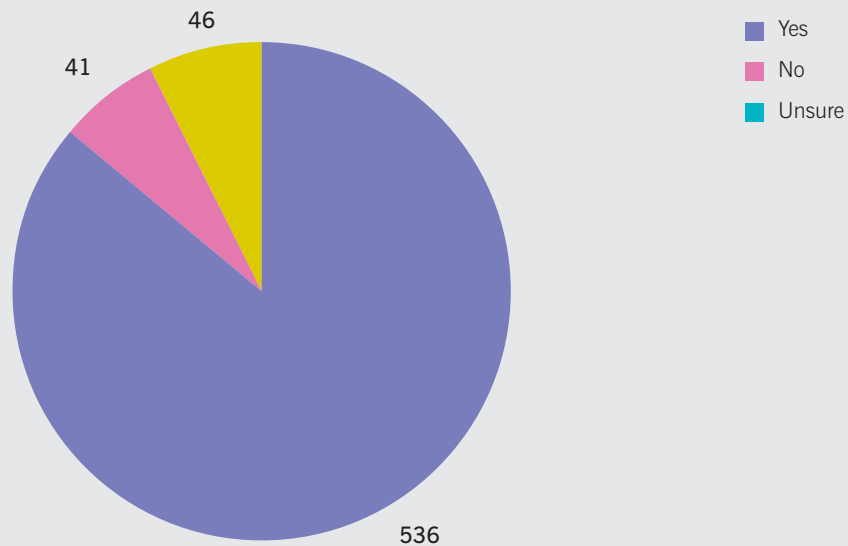


Labourers



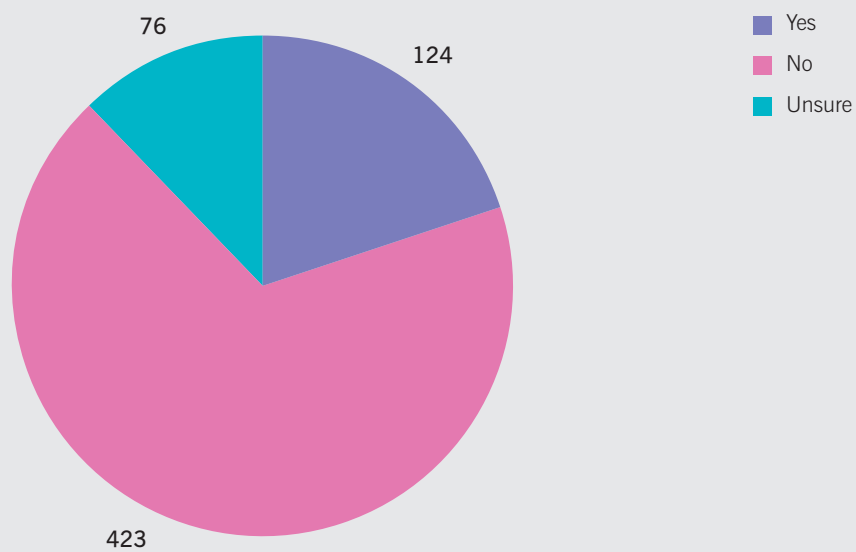
Difficulties were experienced in recruitment at all levels with the exceptions of admin/clerical staff and labourers which were recorded as being significantly less difficult to recruit. The most difficulty was experienced in recruiting for craft/trade workers: 88% of respondents said this was very or quite difficult.

Do you expect there to be a shortage of skilled workers over the coming year?



The vast majority of respondents did expect that there would be a shortage of skilled workers in 2007.

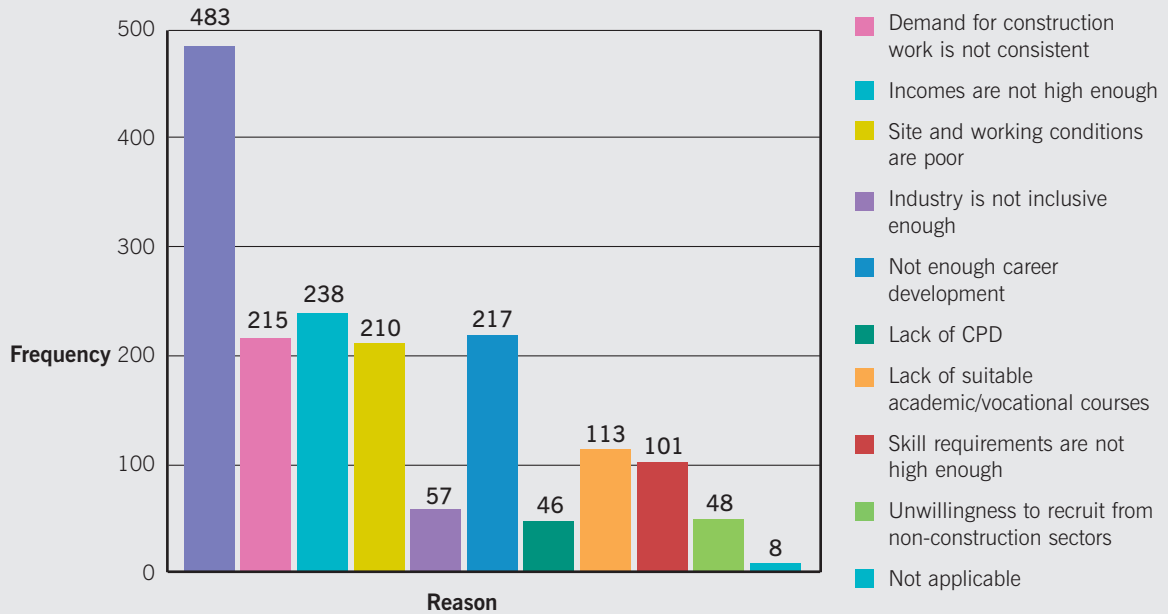
Is the existing workforce sufficiently skilled?



Over two thirds of the sample felt that the existing workforce is not sufficiently skilled.

What do you see as being the main reason for skills shortages?

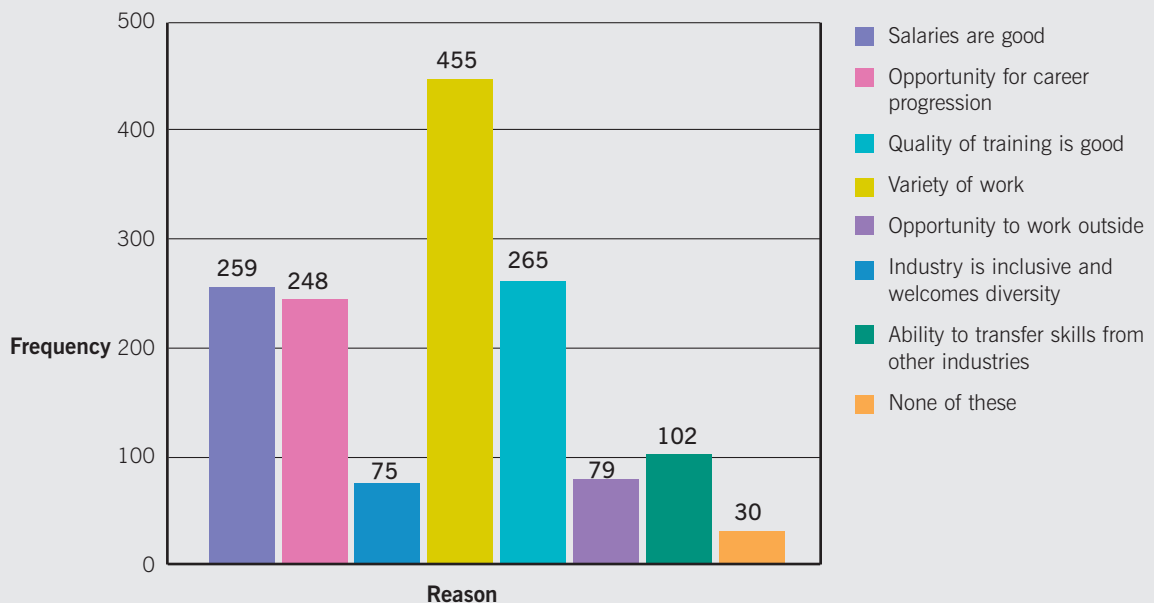
(Respondents were asked to select up to three reasons)



The most commonly selected reason for skill shortages was that the construction industry is not as attractive as other sectors. This was felt to be the case by 77.5% of the sample.

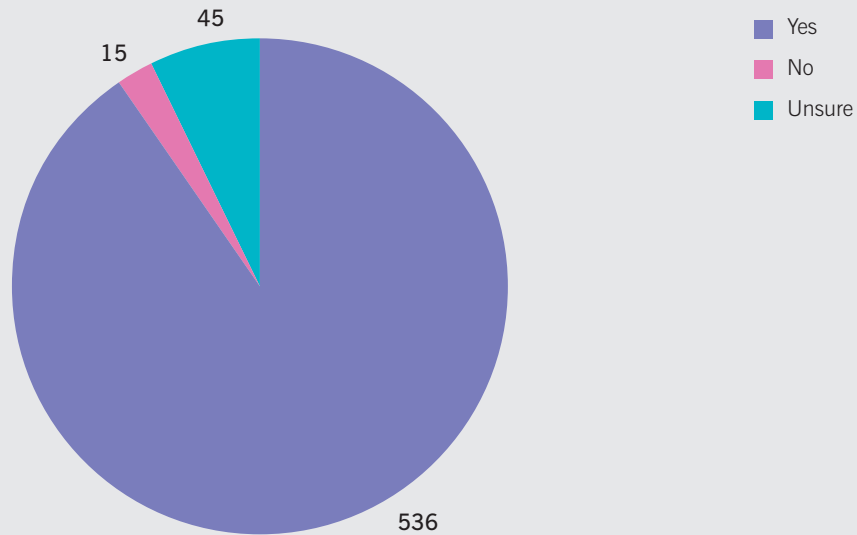
Which of the following do you see as being factors that attract people into the construction industry?

(Respondents were asked to select up to three reasons)



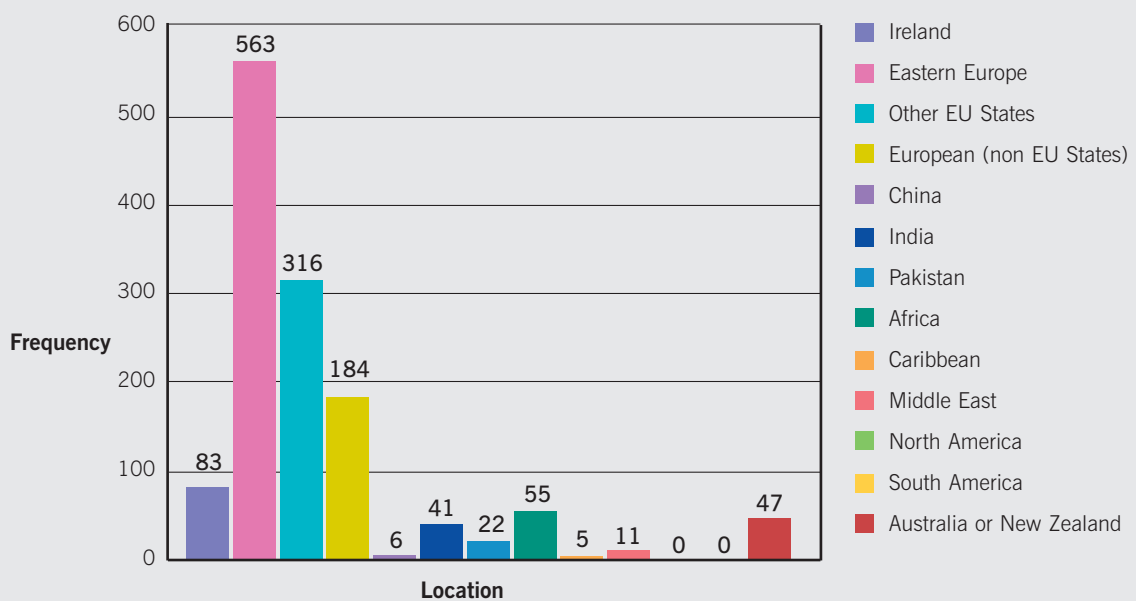
The most commonly cited reason (cited by 73% of respondents) for joining the construction industry is the variety of the work.

Do you think there has there been an increase in the number of construction workers from outside of the UK over the last year?



Respondents felt that there had been an increase in migrant workers during 2006.

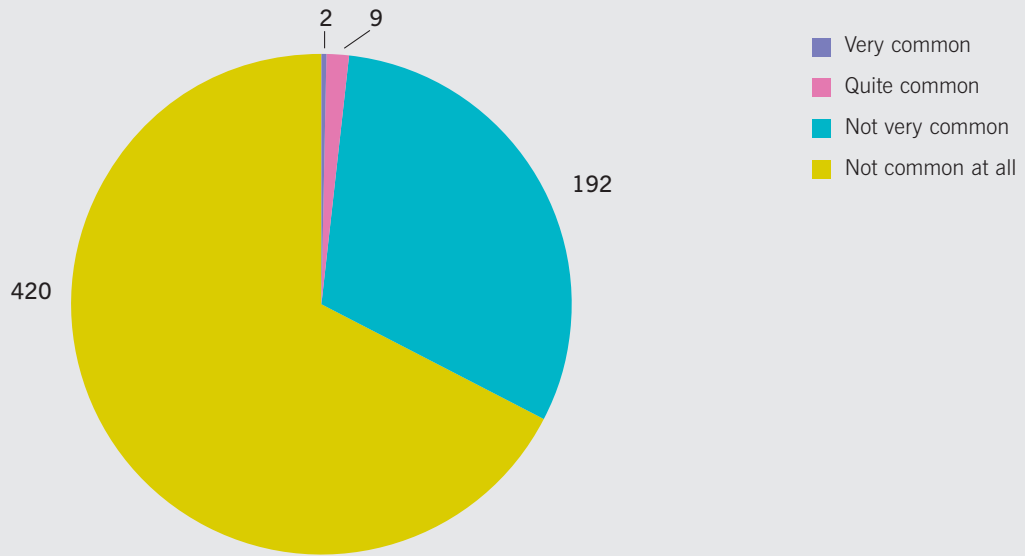
Which of the following areas do you think migrant workers are most likely to come from? (Respondents could tick up to three)



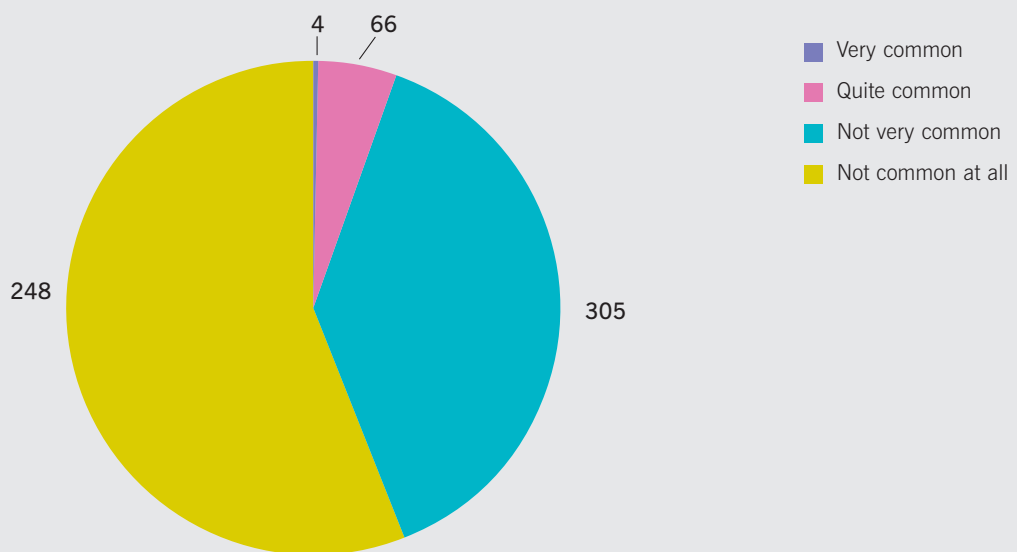
90% of respondents felt that migrant workers were likely to come from Eastern Europe. Other EU states were also felt to be a key source of migrant workers.

How common do you think migrant workers are in each of the following areas?

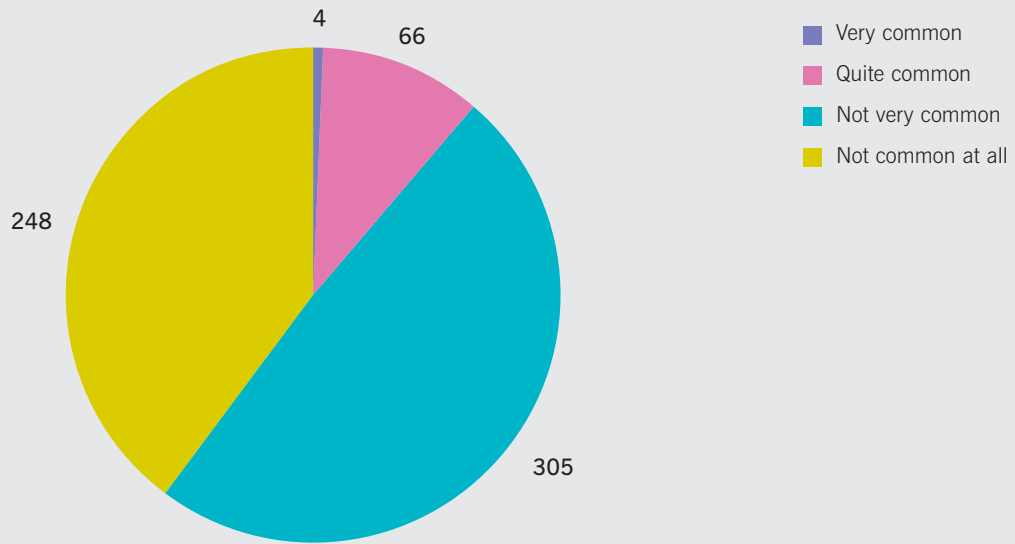
Senior management



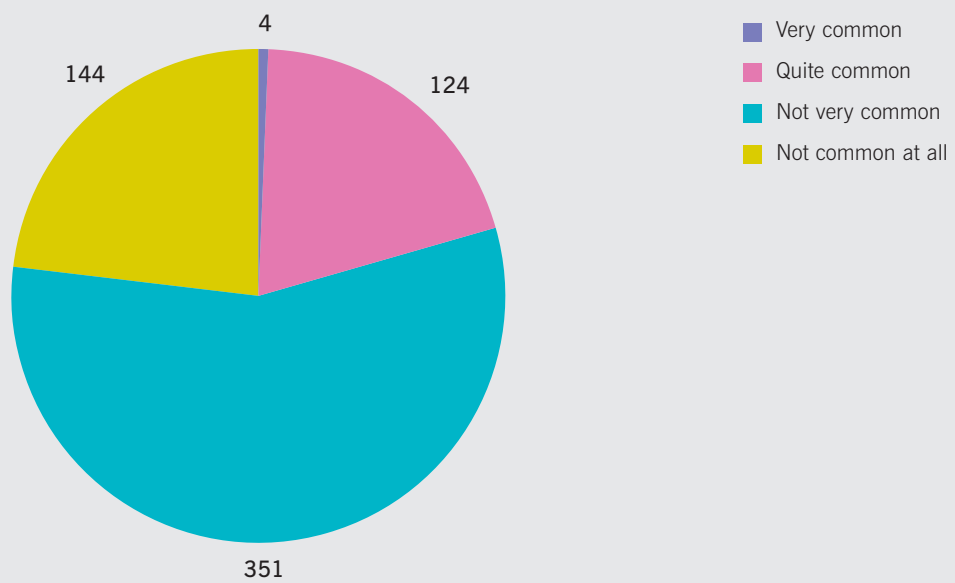
Middle management



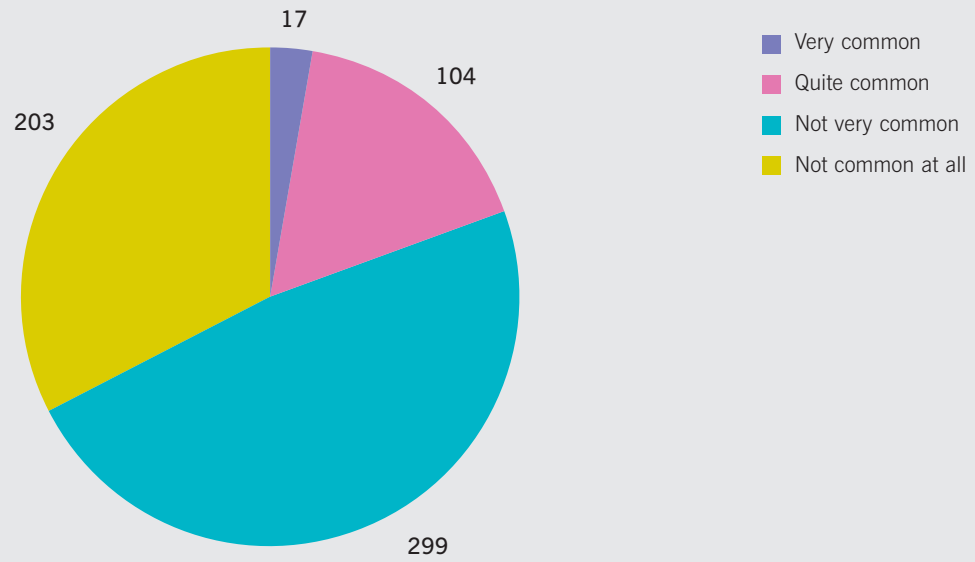
Junior management



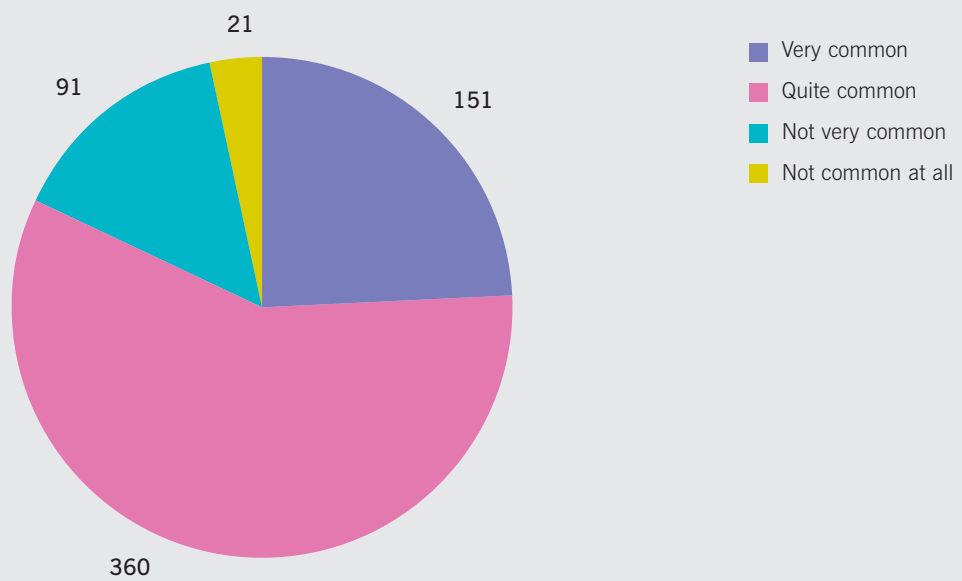
Supervisors



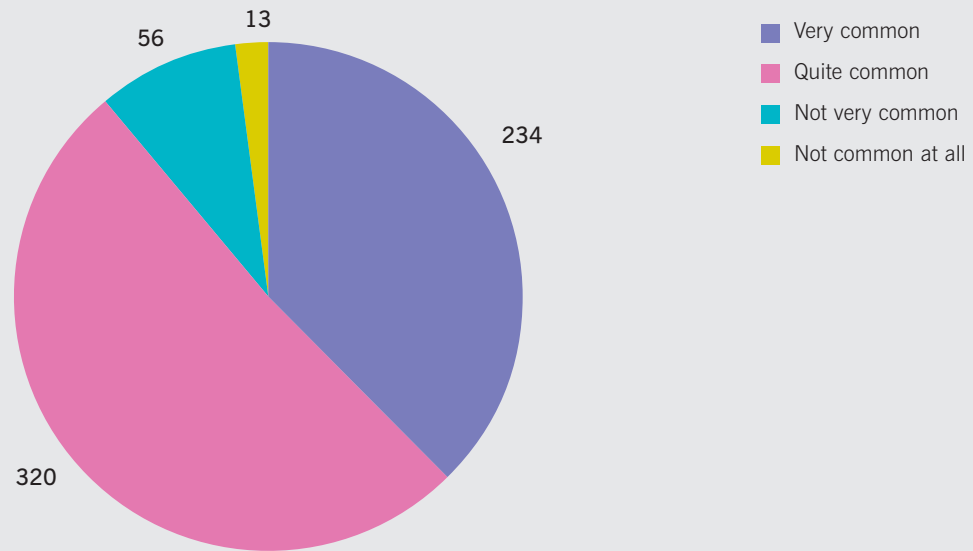
Admin and clerical staff



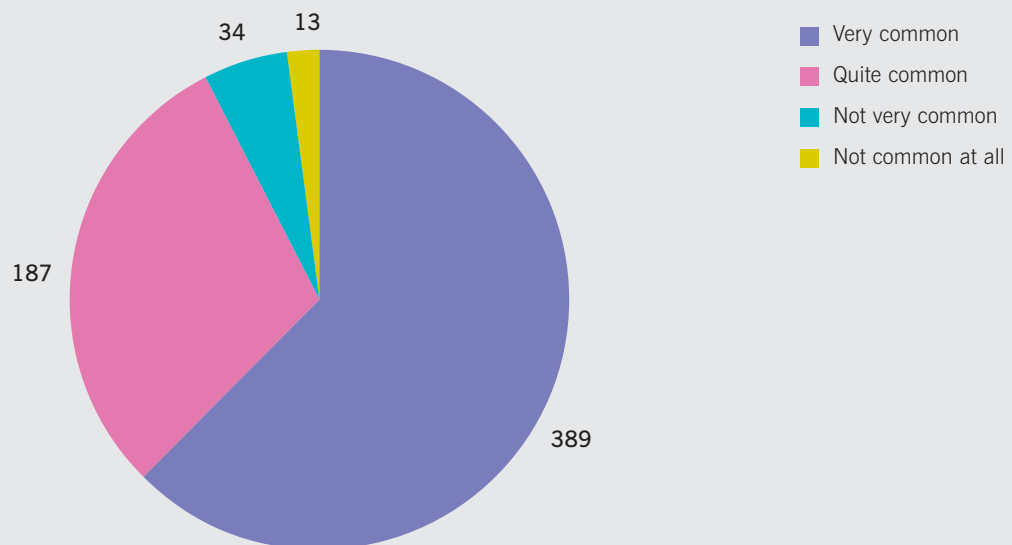
Crafts/trades



Semi-skilled workers

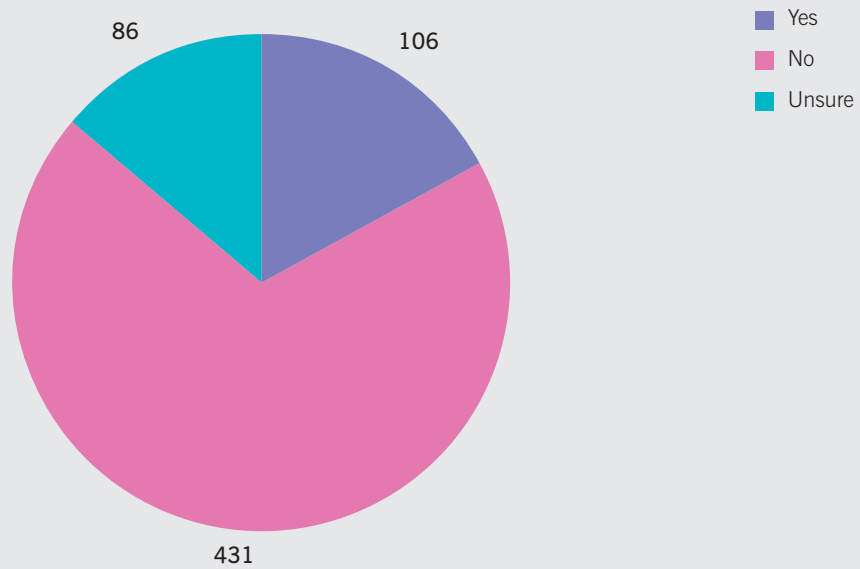


Labourers



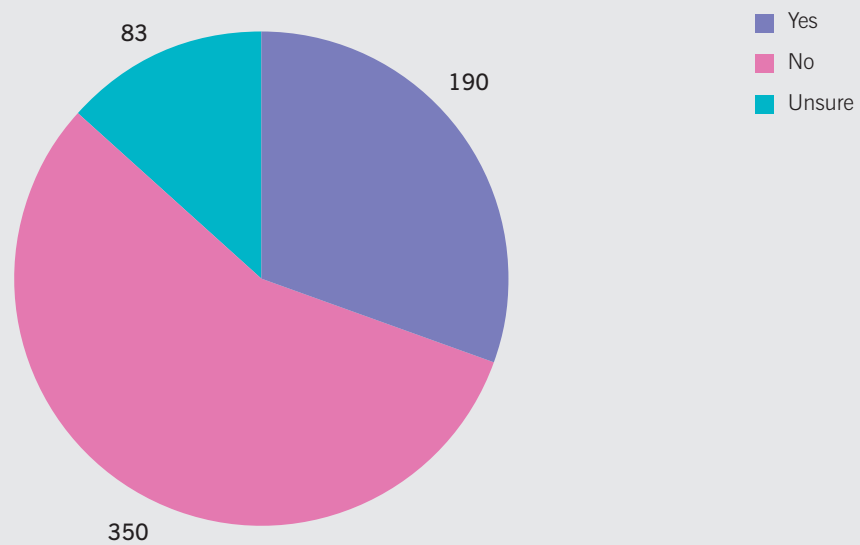
The responses suggest that migrant workers are more common among labourers and semi-skilled workers than at management level.

Do you think that there are enough training placements in the industry?



The majority of respondents felt that there are not sufficient training placements in the industry.

Do you think that there is enough ongoing training or CPD in the industry?



Over half of respondents felt that there isn't enough ongoing training or CPD in the industry.

The results have supported other data that there is a significant skills shortage in the UK construction industry. Respondents expected that demand for construction would increase over the coming year and that they would not be able to recruit enough skilled workers to meet it. Many respondents had experienced problems in recruitment over 2006.

Some difficulties in recruitment were reported at all levels in the industry but the greatest problems were reported at both management and at craft/trade levels. The reasons given for this were varied but most commonly respondents felt that the construction industry was simply not attractive enough to potential recruits.

The survey also looked at issues of migrant workers in the industry. The majority of respondents felt that the numbers of migrant workers in the industry had increased during 2006, and that the bulk of these workers came from Eastern Europe. When the patterns in employment levels of migrant workers were examined however, it seems that these workers are not necessarily plugging skills gaps in the areas that require them the most. Migrant workers were reported to be most commonly found among labourers where recruitment appears to be less of an issue and were perceived as very rare among senior management where recruitment is seen as very difficult. However, this is not the case at craft and trade level where recruitment is seen as very difficult but migrant workers are common according to respondents.

Some caution is required when looking at these results as it is not possible to determine causation. It may be the case that the workers arriving from outside of the UK do not possess the correct skills for senior management roles or it may be that senior management in the UK is less attractive to migrant workers and therefore the people with the right skills are not applying. It may also be the case that recruitment is less difficult at labourer level because there are more workers available due to immigration.

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REGIONAL VARIATIONS

Although the majority of the responses were consistent, there were some differences when looked at regionally. For example, respondents from London were more likely to feel that construction demand would increase in 2007 - 93% of London respondents felt this was the case compared to an average of 70% over the whole sample.

Similarly, Scottish respondents reported higher levels of difficulty in recruitment during 2006, while respondents from the North West were more likely to blame low incomes for skills shortages than respondents from other areas.

Views on the quality of training in the industry also varied to some degree - on average, 12% of the sample felt that good quality training was one of the factors that attracted people to the construction industry. However in the East of England, 21% of respondents felt that this was the case while in the South West, only 5% of respondents marked this as an incentive.

Respondents in the East of England were also more content with the amount of CPD and ongoing training in the industry - 41% of respondents from the East felt the amount was sufficient while the average across the sample who felt there was enough CPD was only 30%.

On the whole, the trends in the results of this study are broadly similar to those in the 2005 pilot study. In both studies, respondents were predicting ongoing skills shortages and had experienced difficulties in recruiting staff. In both cases, they also felt that the current workforce was not sufficiently skilled. A notable difference, however, was that in the pilot study 89% of respondents felt that there was a shortage of training placements in the industry compared to only 69% this time. The two studies are not entirely comparable, however, as this research used a significantly higher volume of participants

The CIOB would like to see a strategic approach taken to the education and training of the construction workforce. This should be based on projections of industry demand, and recruitment to universities and colleges to reflect the requirements of the industry.

Construction employers must take the lead for future industry manpower requirements, through adequate training of apprentices, technicians, managers and other professionals. In addition, the industry needs to take responsibility for the development, and retention, of our existing staff and their careers by growing managers rather than viewing recruitment as a main solution provider.

The CIOB provides 'Training Partnerships' which are a joint venture between a company and the CIOB with the common aim to have a fully-trained workforce operating on construction sites throughout the country. They are specifically tailored to match the requirements of the staff of the company concerned, and all staff identified as being part of the training programme can be catered for regardless of their age, experience and qualifications.

The respondents did highlight some of the positive aspects of the industry such as the variety of work available. It may be the case that more could be done to promote these aspects of the industry to potential new recruits.

Further research is needed on migrant workers to establish whether workers are not sufficiently skilled for management positions or if only labour levels are being attracted into the UK industry. This could lead to the identification of training needs.

www.bconstructive.co.uk - Construction careers information

www.constructionskills.net - Construction Skills Network

www.change-construction.org - Change the Face of Construction project website

www.employingmigrantworkers.org.uk - Information and support for employers of migrant workers

www.lda.gov.uk - London Development Agency

www.trainingfoundation.com - The Training Foundation



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