Construction Industry Training Board (NI)

Research into Training and Skills Needs

Final Summary Report

February 2007

Acknowledgements

We would like to express our thanks to representatives of the 508 companies who willingly took part in our survey and particularly to the representatives of the firms, and industry stakeholders, who provided us with in-depth interviews on their views and experience of training within the Northern Ireland construction industry as part of our research.

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Foreword

Construction is the UK's biggest industry with more than 2 million employees, an estimated 80,000 of whom are employed in the Northern Ireland construction industry.

The industry is enjoying particularly strong growth in Northern Ireland, but there are challenges ahead. The Investment Strategy for Northern Ireland (ISNI) has pledged almost £16 billion of new infrastructure over the next decade. When combined with the Republic of Ireland's National Development Plan (NDP), the Island of Ireland will benefit from an unprecedented €100 billion of infrastructure investment.

The Northern Ireland construction industry is on the move and adding value as well as employment to the local economy. In 2005, construction output in the province was worth £2.1 billion at 2000 prices and the sector's output is forecast to grow at an average annual rate of approximately 4% between 2007 and 2011. Consequently, total employment in the Northern Ireland construction industry is set to increase by almost 11% between 2007 and 2011.

Our industry needs to be ready; not just to capitalise on these exciting opportunities, but to do so efficiently, effectively and in a manner that will portray construction and its allied trades as a profession of choice for school-leavers, graduates and returners, regardless of gender, ethnicity and background.

This survey will be a great help in our preparation for the future. It is the most comprehensive and far-reaching survey of the construction industry, ever undertaken in Northern Ireland. It has been enthusiastically welcomed by key industry stakeholders and the high level of response to the survey team illustrates the commitment of the industry to contribute to its future.

The survey is more than a mere snapshot of the Northern Ireland construction industry; it is a comprehensive portrait of a diverse and complex sector with many strengths, some weaknesses and a growing number of challenges. It portrays a large industry, but with many small players. An industry where we under-invest in apprentices and training and where potential recruits – and particularly women – hold a perception of the industry as unattractive and lacking in career progression. Addressing these issues is amongst our greatest challenges.

This publication gives a real insight into our industry and is a benchmark against which we should measure ourselves in the future. I am indebted to all 508 companies that took time to participate in the survey and those who willingly gave of their time for the workshops. Their time has been well invested.

This industry is doing well; but it can, and must, do better.

Allan McMullen
Chief Executive CITB (NI)

1 Executive summary

Background

1.1 Improving skills for employment amongst the general workforce has been a government policy goal since Labour came to power in May 1997. Despite the importance given to raising the skills set of the economy, there are still concerns that skills gaps are present within the construction industry.

1.2 The Construction Industry Training Board (CITB) in Northern Ireland (NI) is working in partnership with CITB-ConstructionSkills and the Construction Industry Council (CIC) as ConstructionSkills, the Sector Skills Council (SSC) for the UK construction industry.

1.3 ConstructionSkills is one of 25 independent Sector Skills Councils set up by Government in 2003. SSCs are intended to be UK-wide employer led organisations with the broad remit of tackling the skills and productivity needs of industry in the UK.

1.4 ConstructionSkills' overriding aim is to ensure the training and learning infrastructures across the UK reflect the needs of the industry in terms of quantity, quality and location of training, mode of learning and funding mechanisms. The three specific strategic objectives of ConstructionSkills across the UK are:

- Improving business performance (supporting companies to plan ahead and regard investment in learning and skills as essential to improving business performance);
- Qualifying the existing workforce; and
- Recruiting new entrants (ensuring an adequate supply of industry-ready entrants at all levels to address current and future recruitment needs).

1.5 Recognising that skills levels play a vital role in raising productivity and increasing competitiveness, the Department for Employment and Learning (DEL) published its '*Skills Strategy for Northern Ireland*' in February 2006. The Strategy focused on raising essential, employability and work-based skills in Northern Ireland by establishing a clearer set of goals and action plans. A key building block of this strategy was to identify the demand-driven needs of the local economy. As such, the use of Labour Market Information and Research to improve the understanding of the demand for skills was identified as a key action.

1.6 Locally, CITB (NI) is committed to the ongoing training and development of both the existing workforce and of new entrants entering the Northern Ireland construction industry for the first time.

1.7 Consequently, CITB (NI) has commissioned PricewaterhouseCoopers LLP (PwC) to undertake a programme of employer-based research with representatives of the construction industry in Northern Ireland in order to augment the sector intelligence research previously undertaken by CITB (NI); which in turn, will help to inform future strategic policy.

1.8 This report presents the highlights and represents a small selection drawn from a huge range of data available to CITB (NI), based on the information captured through one of the largest surveys ever undertaken within the Northern Ireland construction industry.

Terms of reference

1.9 The overarching aim of the research was to gather up-to-date information to provide an insight into each of the following:

- Skills gaps and skills shortages;
- The variety and sources of learning and training used by employers;
- Employer attitudes and motivation towards learning and training;
- New entrant information;
- Migrant workers; and
- The provision of an industry profile in terms of company size and type of work undertaken.

1.10 The specific objective of the research was to inform the development and improvement of learning and training provision and delivery, through the identification, quantification and analysis of each of the following:

- The level of skills gaps and skills shortages within the NI construction industry;
- The preferred methods and sources of learning and training provision;
- The barriers, as well as the drivers and motivators, behind the decision to provide and/or access continued learning and training;
- The sources of new entrants to the industry, the training carried out by new entrants and employer attitudes to the employment of new entrants;
- The levels of migrant workers employed in the construction industry and the implications in terms of training needs and provision; and
- The composition of the NI construction industry in terms of main company activity, gender and occupational profile of employees.

Our approach

1.11 A dual methodology consisting of both qualitative and quantitative research was used for this particular study. This approach combines the statistical rigour of a quantitative survey with the additional insight obtained through qualitative discussion workshops. The primary research was conducted over a three month period from June to September 2006.

1.12 An initial phase of desk research was undertaken to identify previous studies conducted in the area of training and skills needs and/or development. The information obtained from the desk research was subsequently used to inform the qualitative and quantitative phases of the project.

1.13 The first qualitative session was held with employers representing various facets of the construction industry. The information acquired during this exercise was used to help design the questionnaire used for administering the quantitative survey.

1.14 The subsequent phase of the qualitative research was a series of depth-interviews undertaken with key stakeholders of the Northern Ireland construction industry. Once again, the information obtained during the depth-interviews was used to further inform the questionnaire design phase of the quantitative survey.

1.15 The quantitative survey was undertaken using a telephone methodology. Based on previous experience of conducting research within the construction industry, a telephone methodology was considered to be the most economical and efficient method of conducting the research. The initial target of 500 completed interviews was exceeded, with 508 interviews completed at the end of the fieldwork period. Over 3,000 telephone calls were made to firms within the construction industry to achieve the 508 interviews, thus representing a strike rate of 1 in 6. The strike rate for this survey was better than that of previous studies undertaken within the sector which would typically stand at one successful interview for every 10 calls made. This would suggest that the industry is willing to support research which seeks to improve the standards and/or service delivery within the construction industry.

1.16 The final stage of the assignment was a post-survey qualitative workshop conducted with representatives from the CITB (NI) Board and Committee members. The aim of the workshop discussion was to obtain the views and opinions of the participants with respect to the training and skills needs of the industry; and how these compared with the views of the respondents included within the survey.

Key findings

Company profile

1.17 The profile of firms, in terms of employee size, closely reflected that of the overall population of the Northern Ireland construction industry. Approximately 21% of all respondents surveyed did not have any direct employees. Just over 40% stated that they have between one and four employees, with a further 27% reporting to have between five and nineteen employees. Just under 10% of respondents stated that they currently employ 20 or more individuals within their company.

1.18 Almost one-fifth of all firms surveyed were from the building services engineering sector, with approximately 10% of respondents representing each of the following sectors: general building contracting, joinery and house building. The remainder was made up of various sectors including, plastering and painting and decorating.

1.19 Based on the information provided by respondents, PwC calculated that almost 60% of all employees included within the survey were employed within the craft/trade occupations. Just over 10% were employed within a managerial/supervisory function, with 18% employed within a professional/technical capacity.

1.20 In addition it was estimated from the survey findings that 10% of the total workforce was female. This corresponds closely with the 11% stated within the DETI's Northern Ireland Quarterly Employment Survey Supplement[+] findings published in 2006.

1.21 Almost 80% of the female population within the construction industry were employed in a clerical capacity, with only 7% employed within the craft/trade occupations. Just over 10% of all females had managerial/supervisory roles, with even fewer (3%) operating in a professional/technical role.

- Females accounted for 10% of total workforce, with the vast majority (79%) performing a clerical role.

Skills shortages, gaps and hard to fill vacancies

1.22 When questioned, almost 70% of respondents were of the opinion that their current workload was sufficient for their existing workforce. Just over 20% of respondents believed that they did not have enough skilled workers to accommodate the current workload; whilst a small proportion (7%) stated the contrary in that they did not have enough work for their existing workforce.

1.23 In terms of recruitment experiences over the past year, just under half (46%) reported that they had not recruited during the past 12 months. Whilst approximately 20% of respondents had undertaken a successful recruitment campaign without difficulty, approximately 30% of respondents reported that they did experience difficulty during their recruitment programme.

[+] Northern Ireland Quarterly Employment Survey Supplement, Department of Enterprise Trade and Investment (NI). Published March 2006.

1.24 Of those respondents that did experience recruitment problems, approximately one-third reported that general operatives/labourers were difficult to source. Just less than 20% held the view that recruiting staff from the wood trades was difficult, with approximately 10% stating plasterers, bricklayers and plumbers as difficult to source occupations.

1.25 The main reasons highlighted by respondents for the difficulties experienced during the recruitment process were the lack of applicants with the required skills (48%), an insufficient number of applicants with the required experience and/or qualifications (28%) and a lack of interest in the particular job type (23%).

1.26 Of those firms that had experienced difficulties recruiting in the last year, over 60% had indicated that the applicants applying for the positions advertised lacked practical/technical or job-specific skills. Moreover, only 5% believed that the problem was a result of a lack of literacy/numeracy ability.

1.27 When questioned if current staff lacked the skills required to perform their job to their maximum potential, only 5% of respondents stated ‘yes’. It was further calculated that this represents 2% of the total workforce having a skills gap.

1.28 Participants of the qualitative workshop, however, were of the opinion that this is just the tip of the iceberg and that they could think of a development need for all of their employees. The group also stated that employers often think only in terms of the basic or mandatory training required and not necessarily in terms of the continuous development when they are questioned on the subject of training or training provision.

1.29 Those respondents stating that skills gaps existed within their firm (33 firms) were asked to indicate which skills required improvement. The overwhelming majority (67%) were of the opinion that technical/practical or job-specific skills required improvement, followed by management skills (12%) and IT skills (12%).

- Approximately 30% of all respondents encountered recruitment difficulties over the past 12 months.
- Of such respondents, the majority (31%) reported that general operatives/labourers were difficult to recruit.
- Over 60% of firms who had experienced recruitment difficulties stated that the applicants did not posses the technical/practical or job-specific skills required.
- 2% of the total workforce was reported to have gaps in their skills base; with technical/practical or job-specific skills highlighted as the main area for improvement.

Apprentices and trainees

1.30 29% of all construction firms surveyed currently have apprentices or trainees on formal training programmes which lead to recognised qualifications.

1.31 Of those respondents that currently have apprentices or trainees on formal training programmes, approximately 40% reported that their main reason for taking on apprentices and/or trainees was to provide more workers/craftspeople for the future. A further 25% believed that the shortage of skilled workers has resulted in the need to take on apprentices/trainees as additional resources. ‘Tradition or habit’, ‘to help the industry’ and ‘as a favour to friend/relative’ were also cited by over 10% of respondents as the primary reason for taking on apprentices/trainees.

1.32 Of the 136 firms that currently have apprentices and/or trainees attending college, just under half (45%) stated that they were satisfied with the training provided by the college or training provider. A further 29% reported that they were neither satisfied nor dissatisfied and 20% cited that they were dissatisfied with the training provision.

1.33 Of those that do not currently have apprentices or trainees, approximately one-third have adopted this position as they believe there is no need to do so at the present time. Almost 20% reported that apprentices and/or trainees are 'more hassle than they are worth', with a further 12% stating 'the company is too small to take on apprentices'.

1.34 For those that do not have apprentices or trainees at present, greater financial incentive was reported as the main way in which to encourage such respondents to take on apprentices or trainees in the future (24%). A further 17% of respondents reported that apprentices would be recruited if the workload of the company was to increase.

1.35 Improvements in the motivation levels and reliability of the candidates would be a key driver for an additional 15% of respondents to take on apprentices or trainees. Moreover, high quality training courses would help to encourage a further 8% of respondents. Approximately one-fifth of respondents firmly believed that nothing would encourage them to recruit apprentices.

- Just under 30% of all respondents currently have apprentices or trainees on formal training courses.
- 20% of firms that currently have apprentices and/or trainees at college were dissatisfied with the quality of training provided to apprentices by colleges and/or private training providers.
- The majority of those dissatisfied reported the need for more practical-based training. This was also supported by the qualitative findings.
- A greater financial incentive was cited as the main form of encouraging firms to recruit apprentices.

Recruitment of new employees

1.36 It was calculated that 20% of the existing workforce was recruited over the past year. However, it is not possible to say whether or not this is as a result of expansion within the industry or the replacement of staff as a result of employees leaving the firm. Respondents were not asked to provide the number of staff that had left the firm over the past 12 months.

1.37 The overwhelming majority of newly recruited staff over the past year (59%) were experienced and/or qualified workers. 16% of recruits were recruited via apprenticeships or training programmes, with an additional 16% entering the industry without any previous experience. Only 8% of new employees were recruited through college or university non-apprenticeship routes.

1.38 When questioned on the likelihood of taking on apprentices and/or trainees in the next three years, 37% of all firms, irrespective of whether they currently have apprentices and/or trainees, reported that they are either very likely or quite likely to do so. In contrast, almost 45% of respondents stated that they are unlikely to take on any apprentices.

- Almost 60% of new recruits were experienced/qualified workers.
- Almost 45% of all respondents stated that they are unlikely to take on apprentices and/or trainees in the next three years.

Training undertaken and preferred suppliers

1.39 42% of respondents reported that either they or their staff, excluding apprentices and/or trainees, received on-the-job training over the past year. Similarly, 45% of all firms reported that either they or their employees had received structured or formal training over the same time period. When the raw figures were analysed in terms of the total number of employees that received structured or formal training over the past year, it was calculated that 42% of the total workforce had received formal training in the last year.

1.40 The three main topics covered during the formal training sessions were health and safety training, as reported by 93% of all those that had provided training over the past year, the use of new materials and/or techniques (45%) and induction training (41%).

1.41 Of those firms that had provided training to their workforce in the last year, almost 60% had provided training delivered by a private training provider. Just over 40% reported that they had provided training delivered by TASC (Training and Assessment Services for Construction), CITB (NI)'s direct training division. Approximately 30% reported that they had provided training to staff in the form of self-paced learning including books and CD-Roms. A further 20% cited that their workforce had received formal training directly from a manufacturer or supplier.

1.42 Satisfaction with the quality of training provided by the majority of the aforementioned training mechanisms was very positive, particularly in relation to the training delivery by TASC.

1.43 64% of firms with staff that had received training over the past year stated that they were satisfied with the range and relevance of training provided locally. On the contrary, a significant proportion (12%) stated they were dissatisfied.

- Just over 40% of all respondents reported that they, or their employees, had received on-the-job training in the last year.
- It was calculated that 42% of the total workforce had received structured or formal training over the past year.
- The training undertaken was primarily in the areas of health and safety (93%), the use of new materials and/or techniques (45%) and induction training (41%).

Barriers and motivators to training

1.44 The survey findings indicated that legislation was the primary factor in influencing the decision to provide training for staff, with 52% of respondents stating this reason. Approximately 20% of respondents reported that staff health and safety and the professional development of employees were the key reasons for providing training.

1.45 Only 10% of respondents referred to the economic benefits of training in terms of increased productivity, increased competitiveness or operational effectiveness of the business.

1.46 For those that have provided training, a highly skilled workforce (26%) or reductions in the number of accidents at work (24%) were cited as the principal benefits that training has brought to the company. Approximately 20% cited compliance with legislation and increased productivity as key benefits that training has brought to the company.

1.47 On the contrary, 'time constraints' was considered by the majority of respondents that have not provided training (38%) as a major deterrent to training provision. In addition, the cost of training was deemed as a significant barrier to training by approximately one-fifth of such respondents. 16% of firms that do not currently provide training to staff were of the opinion that their staff have the necessary skills to do the job required and therefore do not require training.

1.48 Of those respondents that have not provided training to staff over the past year, or have not received training themselves, one-third reported that increased funding for training provision would encourage them to provide more training. The second most common incentive was the provision of more on-the-job training (12%), followed by more flexibility with course timings/dates (7%). Approximately 40% were unable to provide a definitive response to this question.

- Of those respondents that have provided training to their workforce, 52% cited compliance with the law/legislation as the main motivation for providing training. Only 10% cited the financial benefit or improved operational effectiveness as the main incentive.
- Only 10% of respondents referred to the economic benefits of training such as increased productivity, increased competitiveness or operational effectiveness of the business.
- Of those respondents that have not provided training in the past year, 'time constraints' (38%), followed by 'the cost of training' (18%) were the key reasons for not doing so.
- One-third of firms that had not provided training to their workforce reported that 'increased funding' would be the greatest form of encouragement to do so in the future. However, it is important to note that almost 40% of respondents to this question could not offer a solution.

Migrant workers

1.49 Of all firms with employees surveyed for this study (402), 16% reported that they currently employ non-national workers within their workforce. Employers were asked to exclude Republic of Ireland workers from their responses as the remit of the assignment was to investigate the proportion of non-UK and Ireland workers only.

1.50 Based on the actual number of non-national employees, as provided by respondents, it was calculated that 5% of the total workforce of those included in the study were non-national workers.

1.51 Half of all respondents that currently employ non-national workers reported that they employed Polish workers. Moreover, 27% had Lithuanian workers and 14% had Latvian workers; with the remainder coming from Slovakia, Czech Republic, Portugal, Switzerland, Brazil and Palestine.

1.52 For those firms that currently employ non-national workers, the primary reasons for doing so was the lack of UK workers (32%), followed by higher levels of motivation (21%) and non-national workers being more highly skilled (19%). Only 10% considered non-national workers as a cheaper source of labour.

1.53 Over half of those respondents that currently employ non-national workers do not believe that there have been any additional training needs as a result of hiring such staff. Contrastingly however, approximately one-quarter of such respondents reported that health and safety and language training was required as additional training.

1.54 It was calculated that approximately 37% of the non-national workforce has difficulty speaking English based on the raw figures provided by respondents. It appears that employers have primarily adopted an informal approach to dealing with the language issues such as the use of on-site translators (27%) and the use of signs/show-cards and phrase books (21%). 18% of those that employ non-national workers reported that they organised or enrolled the worker(s) in a language course.

- 5% of the total workforce included within the survey was non-national workers.
- The majority of employers reported that their non-national workers were of Polish, Lithuanian or Latvian origin.
- The key reason for employing non-national workers was the lack of UK workers.
- 37% of the non-national workforce has difficulty with the English language.

Conclusion

1.55 The quantitative survey and the qualitative workshops have indicated that 'training' for most firms refers to equipping an individual with the appropriate knowledge or skill to do a particular job, or as a means of complying with current legislation, and is often reactive rather than pro-active. Very few respondents appear to think of training in terms of the continuous professional development of the individual nor do they regularly think about the economic or financial benefit training can bring to a company. This study suggests that many firms view training as an expenditure, either in terms of money or time, and this is reflected in the responses provided to the barriers and motivators to training.

1.56 In order to encourage more training within the industry, the distinction must be made between basic or mandatory training and ongoing learning and development of the individual. It has been suggested by a number of representatives in the industry that the mindset of the sector needs to change and that the benefits of training, in terms of mutual benefit to the employee and the employer, must be clearly and effectively communicated to firms of all sizes. The communication strategy, however, should be sensitive to the financial constraints that many smaller firms face which are often perceived as a major obstacle to training provision.

Recommendations

1.57 This study has generated a comprehensive set of data which can be used as a basis for the development of training initiatives and strategies in the construction industry. PwC have made some initial recommendations based on the evidence arising out of this research and these are outlined below.

1.58 This research has focused primarily on the demand side of the construction training market. Another key element on the formulation of a training strategy would be to undertake a programme of research on the supply side.

- We recommend that further research should be carried out on the supply of training across Northern Ireland; looking at the strengths, weaknesses, opportunities and constraints and considering best practice elsewhere.

1.59 Based on this study, the CITB (NI) may wish to consider initiating the process of developing an overall strategy for training for the construction industry in Northern Ireland.

- We recommend that CITB (NI) in its role as a partner in ConstructionSkills consider initiating the development of a co-ordinated strategy for training within the industry, covering all levels from apprenticeship training through to management training.

1.60 It is clear from the research that attitudes to training within the construction industry are not all positive. There is a need to demonstrate more clearly the benefits of training to employers. There is also an opportunity to view training as an investment in individuals rather than a necessary cost.

- We recommend that CITB (NI), in association with its stakeholders, should develop a communications strategy designed to improve employer attitudes to training. This could be based on practical case studies demonstrating the benefits to the firm of investing in training.

1.61 There is a strong view within the industry that the current training provision should have a greater balance of practical construction skills training as well as general training in areas such as basic literacy and numeracy.

- We recommend that CITB (NI) should review with training providers the content of existing training provision to ensure that it meets the needs of the industry.

1.62 There are two important minority groups within the industry – females and migrant workers; it is therefore important that training is also tailored to meet the needs of these groups.

- We recommend that CITB (NI) and its stakeholders should consider how existing training provision can be better tailored to meet the needs of females and migrant workers within the industry.

1.63 Finally, this research provides a benchmark against which subsequent progress can be measured.

- We recommend that this survey should be repeated in 2-3 years time to investigate what changes have taken place throughout the industry.

1.64 CITB (NI) is currently involved in a range of activities which address a number of the recommendations highlighted above. Further information on these areas of work can be obtained from CITB (NI).

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