Labour Market Intelligence: Refresh – 2023 Highlights – The employer view

**Sector profile**

- **276,000** workers operate in the electrotechnical sector.
- **20%** of workers are aged under 25 – up from **17%** in 2018.
- **97%** are UK citizens, **2%** from Ireland, **1%** EU and **0.2%** beyond.

More work associated with Net Zero agenda compared to 2020 – increased number of businesses undertaking related activities, such as:

- Heat pump installations (15% vs 7%)
- Micro renewables (18% vs 12%)
- Grid-sized renewables (11% vs 6%)
- Electrical performance certification (23% vs 3%)

**Recruitment**

- **49%** are ‘more likely’ to recruit on a PAYE direct employment basis compared to pre-Covid vs **17%** saying this in 2020. **38%** more likely to recruit apprentices.
- The most commonly advertised-for roles are **skilled roles** (e.g. electricians) and **apprentices/trainees**.
- Hardest roles to fill are **supervisors (73%)**, **apprentices (53%)**, and **directors/managers (50%)**. Highest volumes of hard-to-fill roles are for **skilled electricians** and **apprentices**.

**Main recruitment barriers**

- **20%**: Lack of required qualifications and/or skills
- **16%**: Lack of specific specialist skillsets
- **13%**: Elevated market competition and cost of living i.e., salary demands have increased
- **12%**: Unwillingness to undertake hard tasks or travel for work, post-Covid
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**Boosting recruitment**

The best methods of attracting more people into the industry, as suggested by businesses, include:

- Greater promotion of electrotechnical careers via schools, careers fairs, work placements and advertisement campaigns (49%).
- Improve standard of teaching in colleges and increase quantity of courses offered (36% and 28% respectively).
- Increase number of apprenticeship places offered, and new/emerging tech should be integrated into the content (29% and 22% respectively).

**Impact of COVID-19 on ways of working**

- 52% of employers reported COVID-19 increased technology use in their business.
- 49% see an increased client demand for technology.
- 82% feel the pandemic did not result in a significant increase in homeworking.
- 77% reported no substantial increase in employees’ willingness to travel.

Diversity is limited due to a shortage of applicants. Businesses suggest boosting diversity through:

- Targeted promotion to diverse candidates
- Use of diversity shortlists
- Closer engagement with local schools/colleges
- More workforce diversity training

Base: 467 surveyed employers (supported by 12 depth interviews with employers)
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Future of the sector

Main future challenges employers highlight include labour pool and skills shortages, new technologies, Net Zero targets and rising costs.

Barriers to Net Zero technology adoption include lack of available training, upskilling costs and insufficient Government guidance and funding.

53% foresee no challenges in adopting new technology, up from 19% in 2018/19 – indicates increased business confidence.

The biggest challenge is lack of finance and/or resource (18%, down from 24% in 2018/19).

What new technology will have the most significant impact over the next 3 years?

- 38% Energy efficiency management
- 31% EV or vehicle to grid infrastructure
- 21% Automation
- 20% Network/Wi-Fi enabled devices

Base: 467 surveyed employers (supported by 12 depth interviews with employers)

*Answers given for a 10-year forecast indicate a similar level of significance
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**Future workforce and upskilling**

54% and 49% respectively expect demand for qualified electricians and apprentices to increase over next two to three years.

Employers predict slight overall growth in workforce size over next five years.

‘Green skills’ are a priority for upskilling in new technologies – including EV chargepoints and solar PV.

A minority (28%) feel an aging workforce cannot keep up with upskilling demands and are unwilling to adapt.

26% feel training courses are a barrier to upskilling and are not appropriate for current workforce needs.

**Workforce projections**

Sector growth over the next five years will depend on several variables:

1. Further technological developments
2. General UK economic growth performance
3. Preparatory actions of the industry
4. Level of political interest in the sector
5. Consumer demand
6. Investment levels (i.e., infrastructure, research etc.)

**BEST CASE SCENARIO:**

Sector growth requiring an additional 33,000 workers by 2027*

**WORST CASE SCENARIO:**

Slight contraction, which may see the loss of up to 17,500 workers by 2027

Base: 467 surveyed employers (supported by 12 depth interviews with employers)

*Not including natural churn; based on economic projections