

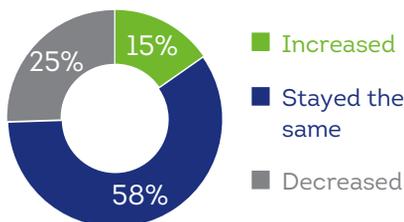
HIE BUSINESS PANEL SURVEY

WORKFORCE, SKILLS AND YOUNG TALENT

OPTIMISM, PROSPECTS AND PERFORMANCE

Overall confidence in the economy remained low. However, most businesses were again positive about their own performance and optimistic about their prospects.

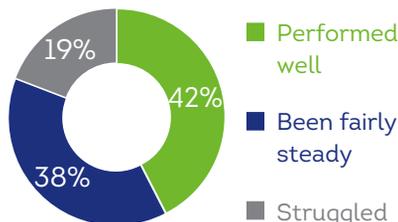
Economic confidence



Higher than average confidence

Tourism sector
Those who had performed well
Those who were optimistic about their prospects

Performance in past 12 months



More positive

Large businesses (25+ staff)
Tourism sector
HIE account managed

Less positive

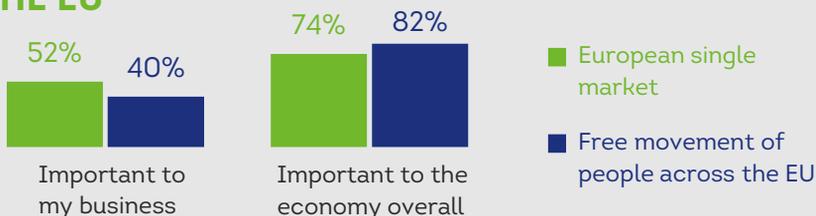
Small businesses (0-4 staff)
Food and drink sector

81% 
very/fairly optimistic about their future prospects

40% 
expect growth in the next year or two

RELATIONSHIP WITH THE EU

The single market and free movement of people were once again viewed as more important to the economy overall than to their own business.



SKILLS FOR THE FUTURE

Most businesses were confident they had the skills they needed for the next two years, but were less certain about the long term.

% confident about skills for next...

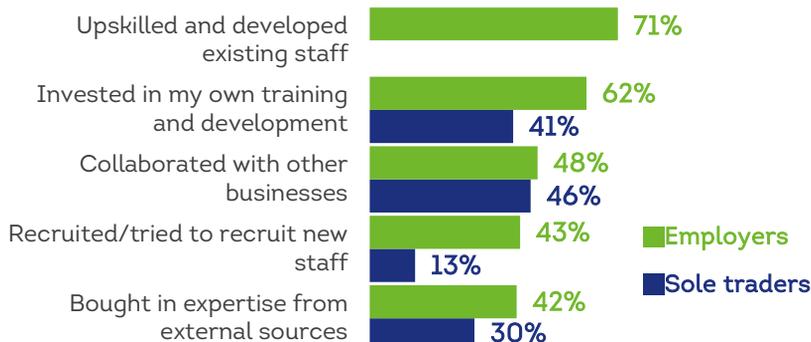


More confident

Smaller businesses (0-4; 5-10 staff)
Financial and business services sector
Non-HIE account managed

The top skills-related concern among employers was **being able to attract new staff (48%)**. Among sole traders it was **keeping pace with new skills requirements (28%)**.

Actions taken by those concerned



Among those *not concerned* about skills, the top reason was:

“I continually develop my staff/my own skills so am prepared for changes”
55% employers
60% sole traders

IMPORTANCE OF YOUNG TALENT*

79% said recruitment of young talent was important

More important among large (25+ staff), creative industries, food and drink, and HIE account managed businesses.

Benefits of young talent (top 4)

FRESH PERSPECTIVE	CAN BE FOSTERED & DEVELOPED	REPLACE LOST SKILLS	NEW SKILLS
79%	68%	57%	56%

RETAINING YOUNG TALENT

Of those employing young talent **38%** found them **difficult to retain**.

Difficulties retaining young talent



Businesses in **fragile areas** were more likely to face difficulties in terms of location (66%), lack of accommodation (42%), employment for partners (41%) and access to childcare (34%).

Steps taken to retain young talent (top 5)



Tourism businesses were more likely than average to have helped source accommodation (53% vs 32% overall) and employment for partners (25% vs 11%) in an effort to retain young talent.

*defined as "employees in the early stages of their careers".

CHARACTERISTICS SOUGHT IN YOUNG TALENT

Top 4:

- 88%** attitude & work ethic
- 77%** communication skills
- 77%** desire to continue learning
- 76%** timekeeping/time management

However, **73%** felt it would be **difficult to recruit** young talent with the characteristics they needed.

In the previous wave, a majority were confident about recruiting permanent (74%) and temporary (80%) staff, suggesting that **businesses anticipate more challenges recruiting young talent specifically than recruiting staff in general**.

RECRUITMENT OF YOUNG TALENT

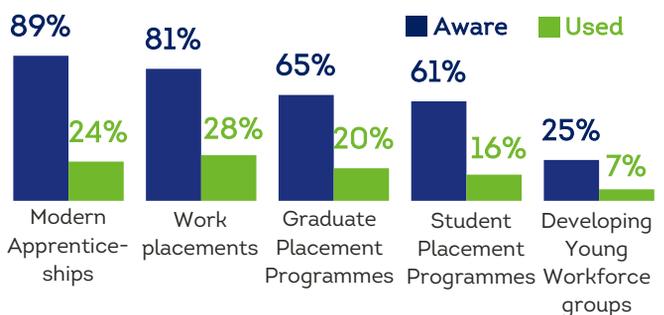
48% of businesses had recruited or tried to recruit young talent in the past two years. **65%** of these had **found it difficult** to do so

Top 2 challenges faced recruiting young talent



APPRENTICES AND GRADUATES

Among those who had recruited or tried to recruit young talent, **around a quarter had used Modern Apprenticeships and fifth had used Graduate Placement Programmes**.



Among those who had recruited, tried, or were likely to recruit young talent, **55% were likely to specifically recruit apprentices or graduates in the future**.

Among those that had recruited or were likely to recruit apprentices or graduates, **61% viewed them as employees they hoped to retain and develop**.

NOTES: Survey fieldwork was conducted between 4th and 29th June 2018, using telephone interviewing. In total 1,000 businesses and social enterprises participated. For more detail visit www.hie.co.uk/business-panel. Findings are weighted to ensure a representative sample of the regional business base.