LABOUR MARKET UPDATE
EMPLOYMENT AND SKILLS PANEL, 2 MARCH 2018

Overview

- The "real-time" nature of online job postings data means that we can review local trends in labour demand on an ongoing basis.
- The following analysis focuses on our three priority skill areas of digital, engineering / manufacturing and construction skills.
- It uses job postings data to understand which occupations / jobs are in greatest demand within each broad skill area and which types of skill are most commonly required.

Context

- Local prosperity is hampered by under-performance on productivity, which in turn is linked to a skills deficit
- There is a high prevalence of skill shortages, more acute than the national average
- Shortages are most acute for skilled trades and higher level technical roles within our three priority skill area (engineers, digital professionals, technicians)
- Labour market conditions remain robust with growth in employment and reducing unemployment, suggesting a continuing tightening in some segments of the market
- The economy is entering an uncertain period as Brexit nears.

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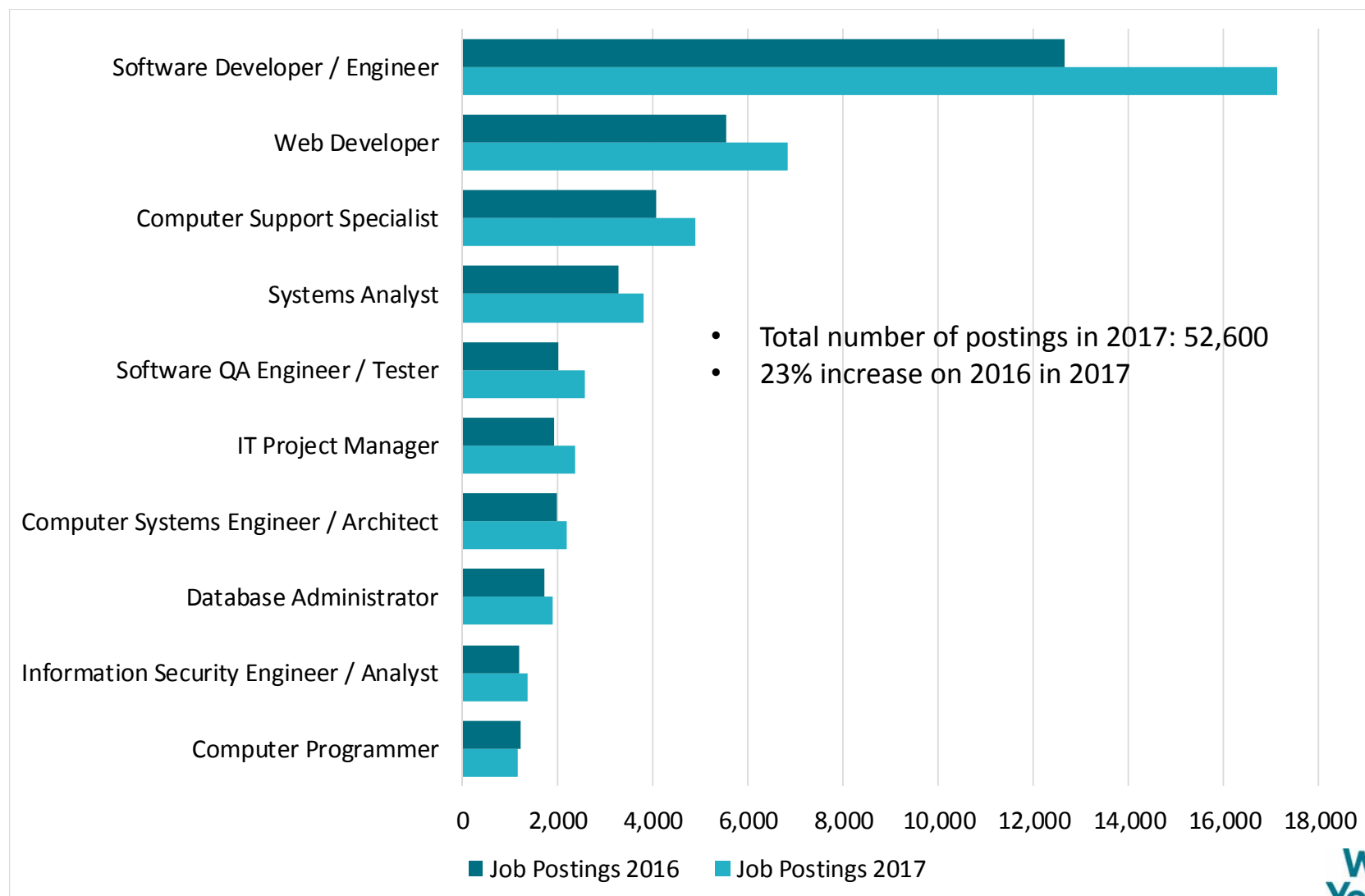
A note on the data

- The following analysis is based on data drawn from Burning Glass' Labour Insight tool. This is widely recognised to be a market leader in the job postings analytics field.
- The three skill areas are defined in terms of occupations that fall within the specialist disciplines of engineering / manufacturing, construction and digital, rather than vertical industry sectors that encapsulate non-specialist roles (e.g. cleaners working in the manufacturing sector)
- The focus of the analysis is on higher level occupations in each of the priority areas: management, professional and associate professional / technical level occupations. This is because vacancies for lower skilled occupations are much less likely to be advertised online and are therefore under-represented in this data source.
- In spite of ongoing improvements in the parsing approach data from Labour Insight are known to contain a quantity of duplicate postings (multiple postings of the same job opening).

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Digital skills

Strongest area of demand for digital occupations continues to be for developers

Figure: Top 10 digital <u>occupations</u> with greatest number of online job postings
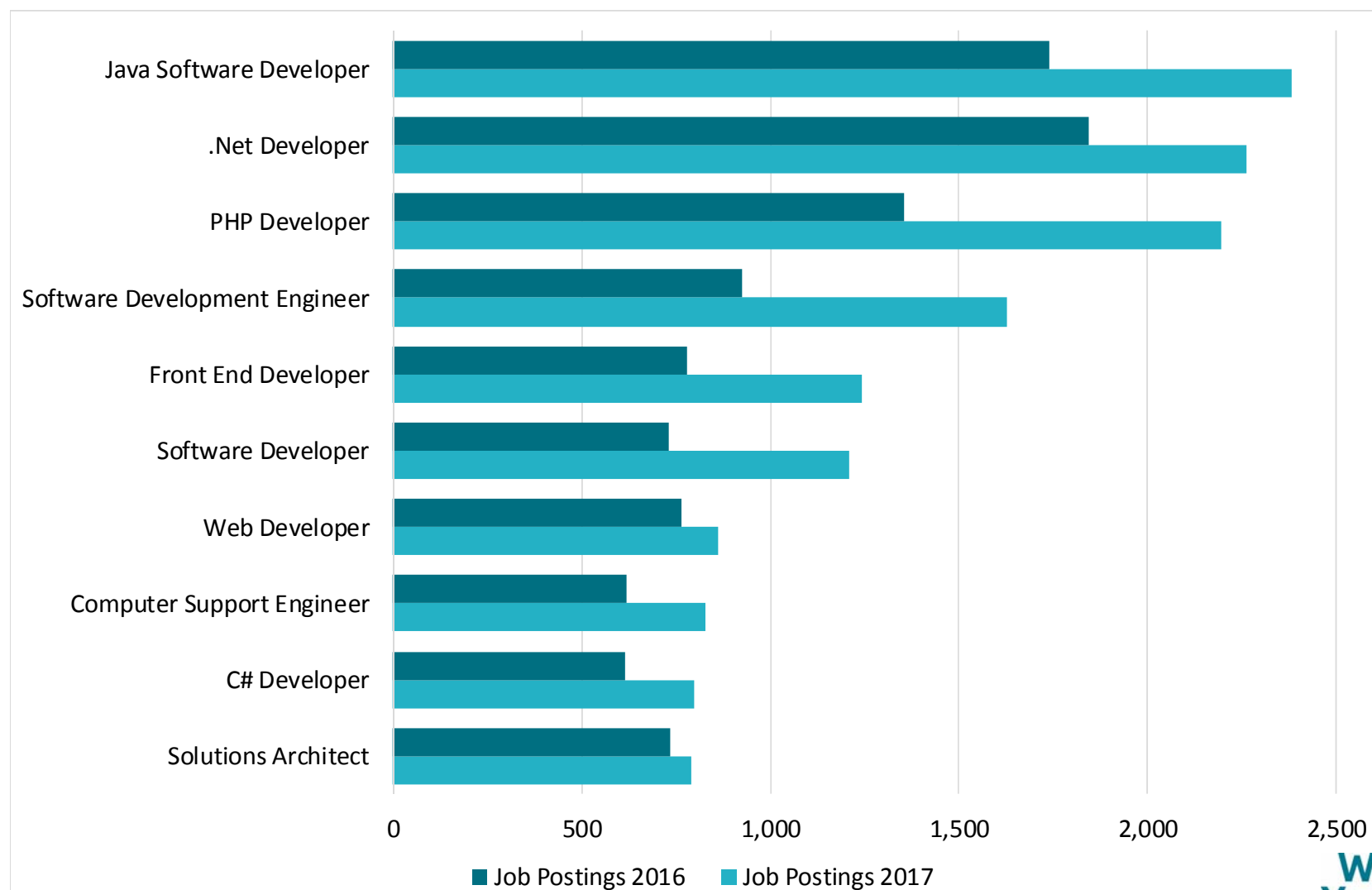

- Total number of postings in 2017: 52,600
- 23% increase on 2016 in 2017

Legend: ■ Job Postings 2016 ■ Job Postings 2017

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Within developer occupation many of postings are for specialist job titles

Figure: Top 10 digital job titles with greatest number of online job postings

Java Software Developer
.Net Developer
PHP Developer
Software Development Engineer
Front End Developer
Software Developer
Web Developer
Computer Support Engineer
C# Developer
Solutions Architect
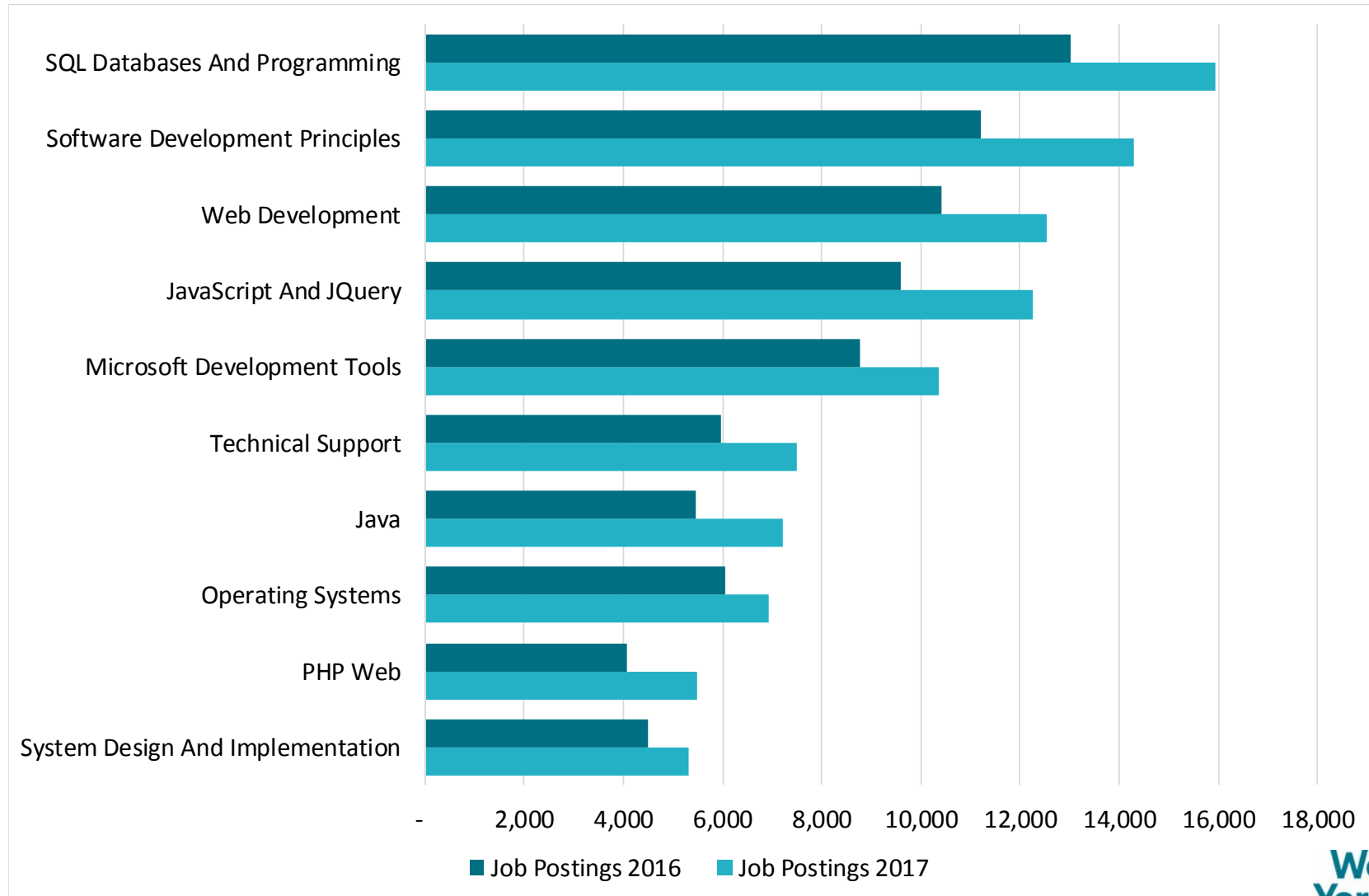
■ Job Postings 2016   ■ Job Postings 2017

Source: Labour Insight, job openings posted Jan – Dec 2016, 2017
Note: Analysis limited to management, professional and associate professional occupations

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Strong requirement for developer skills relating to specific languages and platforms

Figure: Top 10 digital <u>skill requirements</u> with greatest number of online job postings

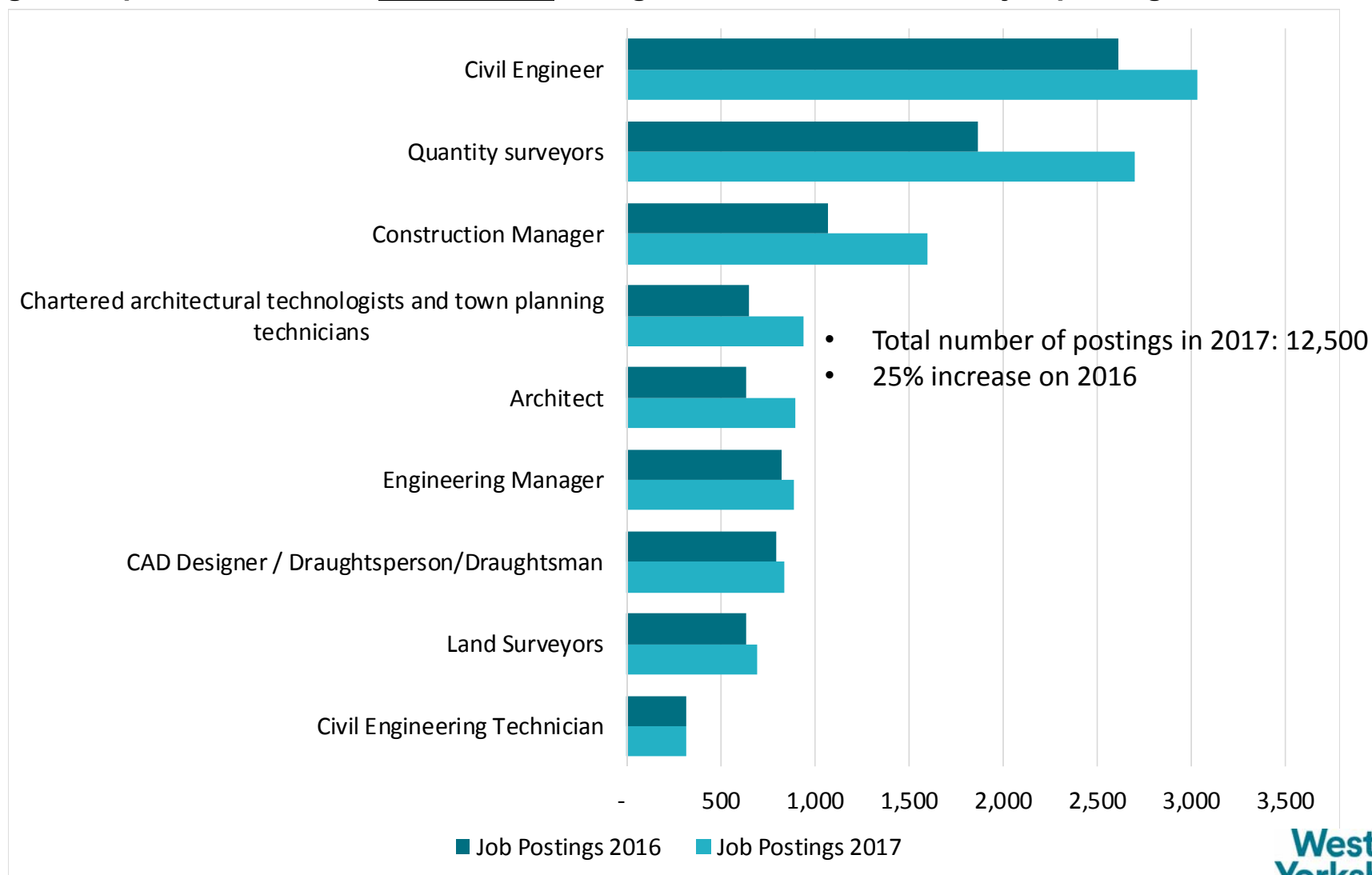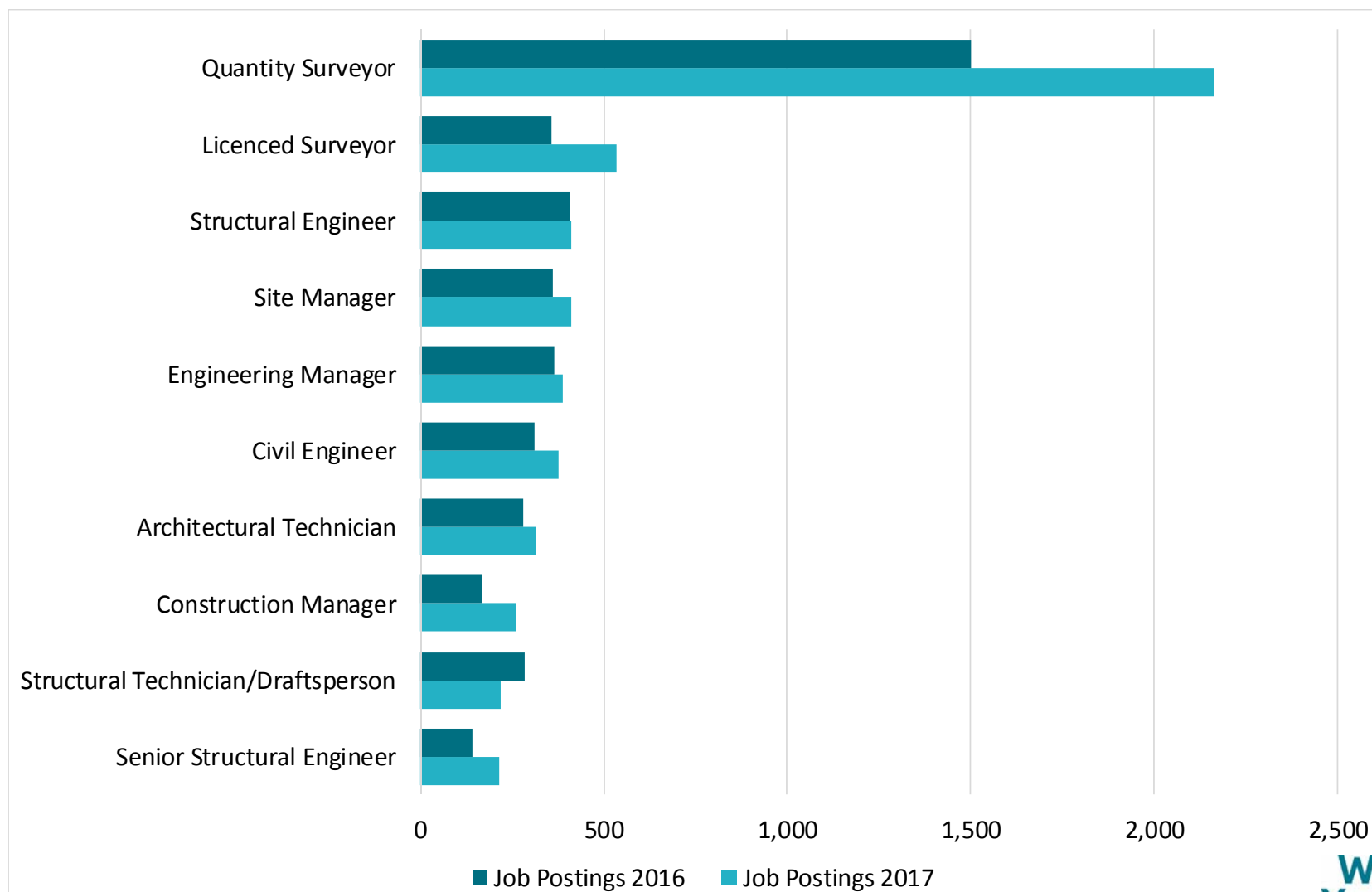Source: Labour Insight, job openings posted Jan – Dec 2016, 2017
Note: Analysis limited to management, professional and associate professional occupations

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Construction skills

Civil engineer most in-demand occupation in construction

Figure: Top 10 construction <u>occupations</u> with greatest number of online job postings

- Total number of postings in 2017: 12,500
- 25% increase on 2016

■ Job Postings 2016 ■ Job Postings 2017

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Quantity surveyor most in-demand job title

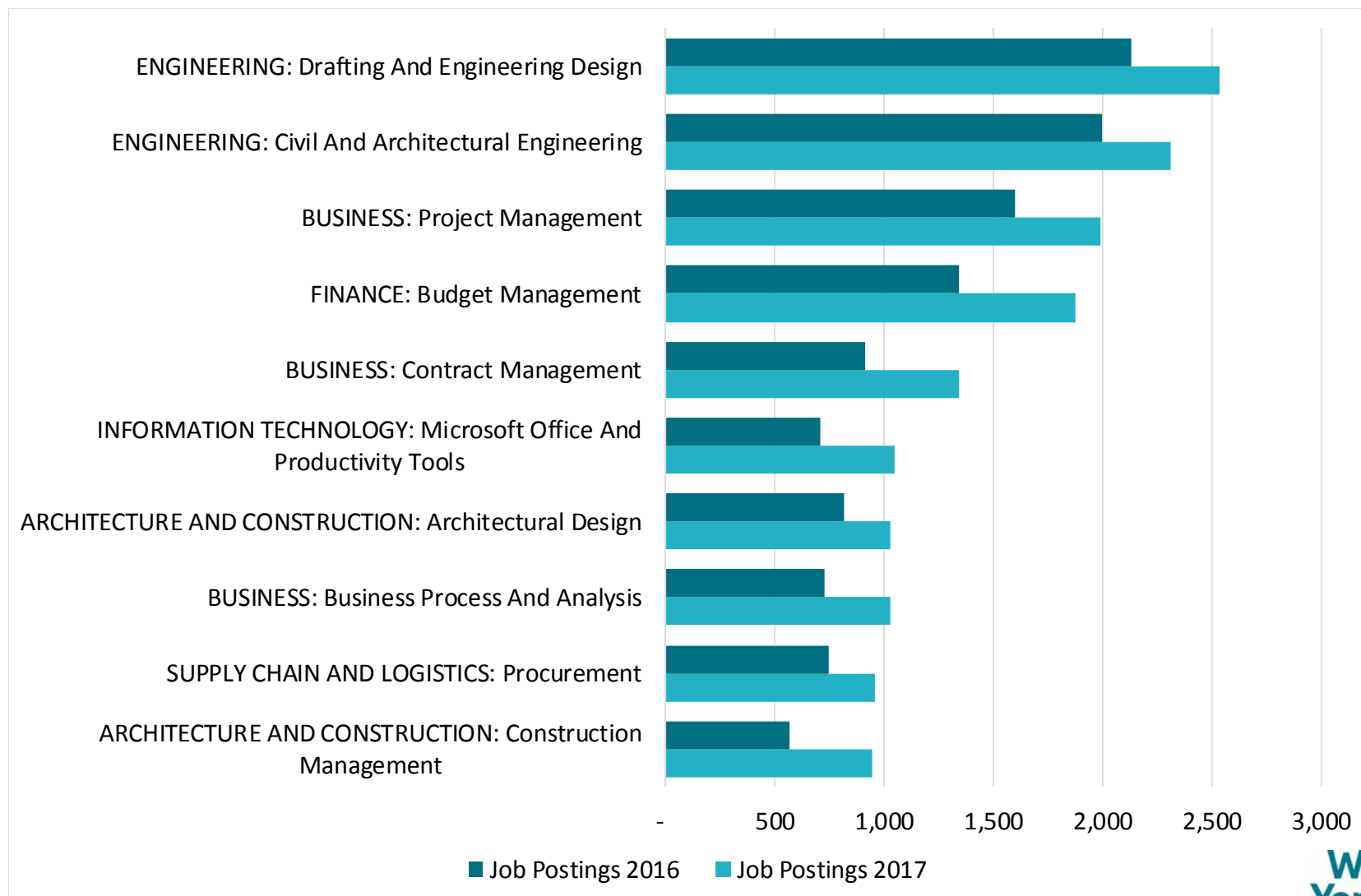**Figure: Top 10 construction job titles with greatest number of online job postings**

Source: Labour Insight, job openings posted Jan – Dec 2016, 2017
Note: Analysis limited to management, professional and associate professional occupations

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Engineering and business skills of key importance to high level construction roles

Figure: Top 10 construction <u>skill requirements</u> with greatest number online job postings

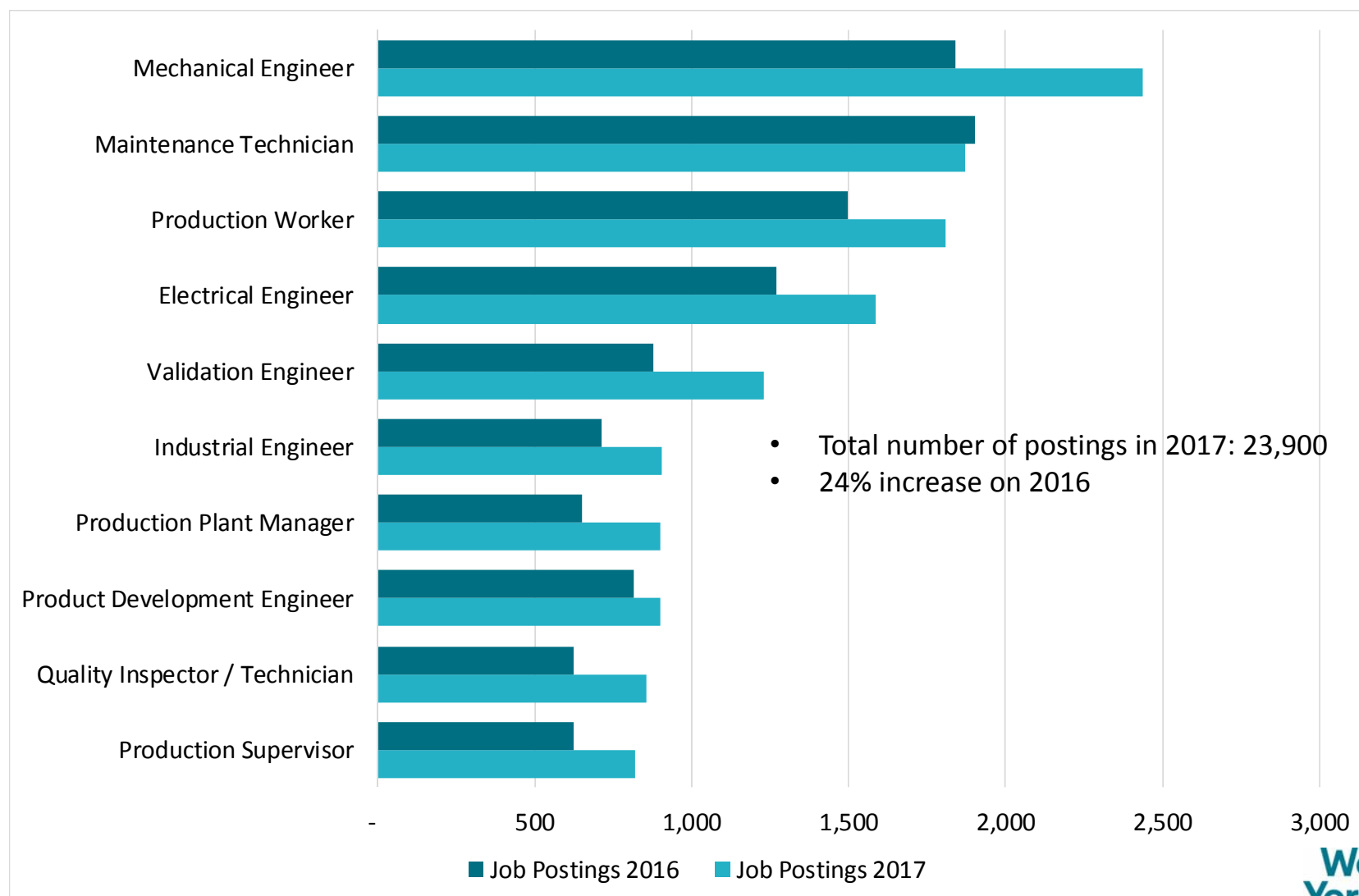Source: Labour Insight, job openings posted Jan – Dec 2016, 2017
Note: Analysis limited to management, professional and associate professional occupations

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Engineering and manufacturing skills

Mechanical engineers most in-demand occupation

Figure: Top 10 engineering / manufacturing <u>occupations</u> with greatest number of online job postings

- Total number of postings in 2017: 23,900
- 24% increase on 2016

Legend: ■ Job Postings 2016 ■ Job Postings 2017

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Virtually all top job titles relate to engineer roles

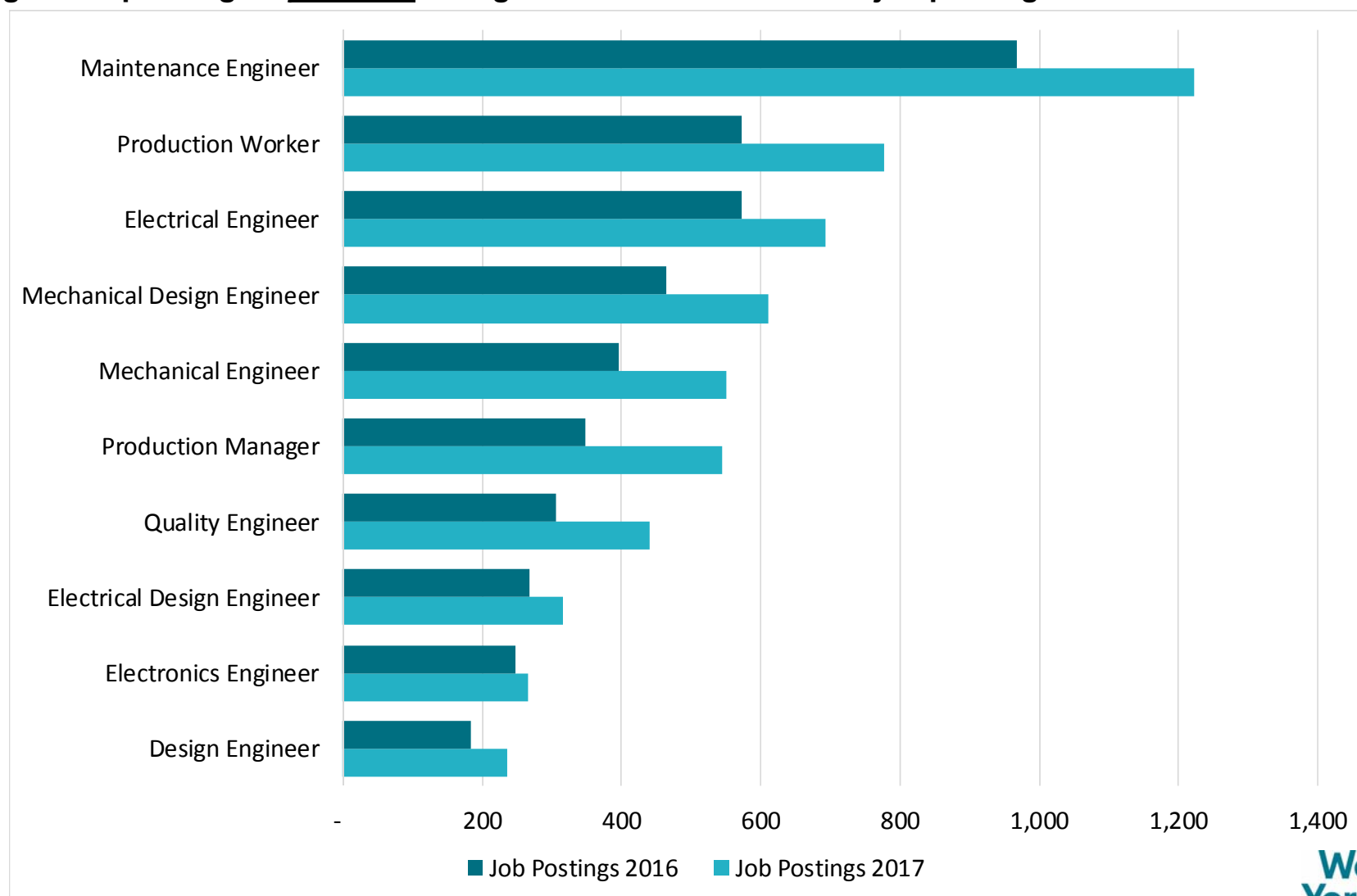**Figure: Top 10 digital <u>job titles</u> with greatest number of online job postings**
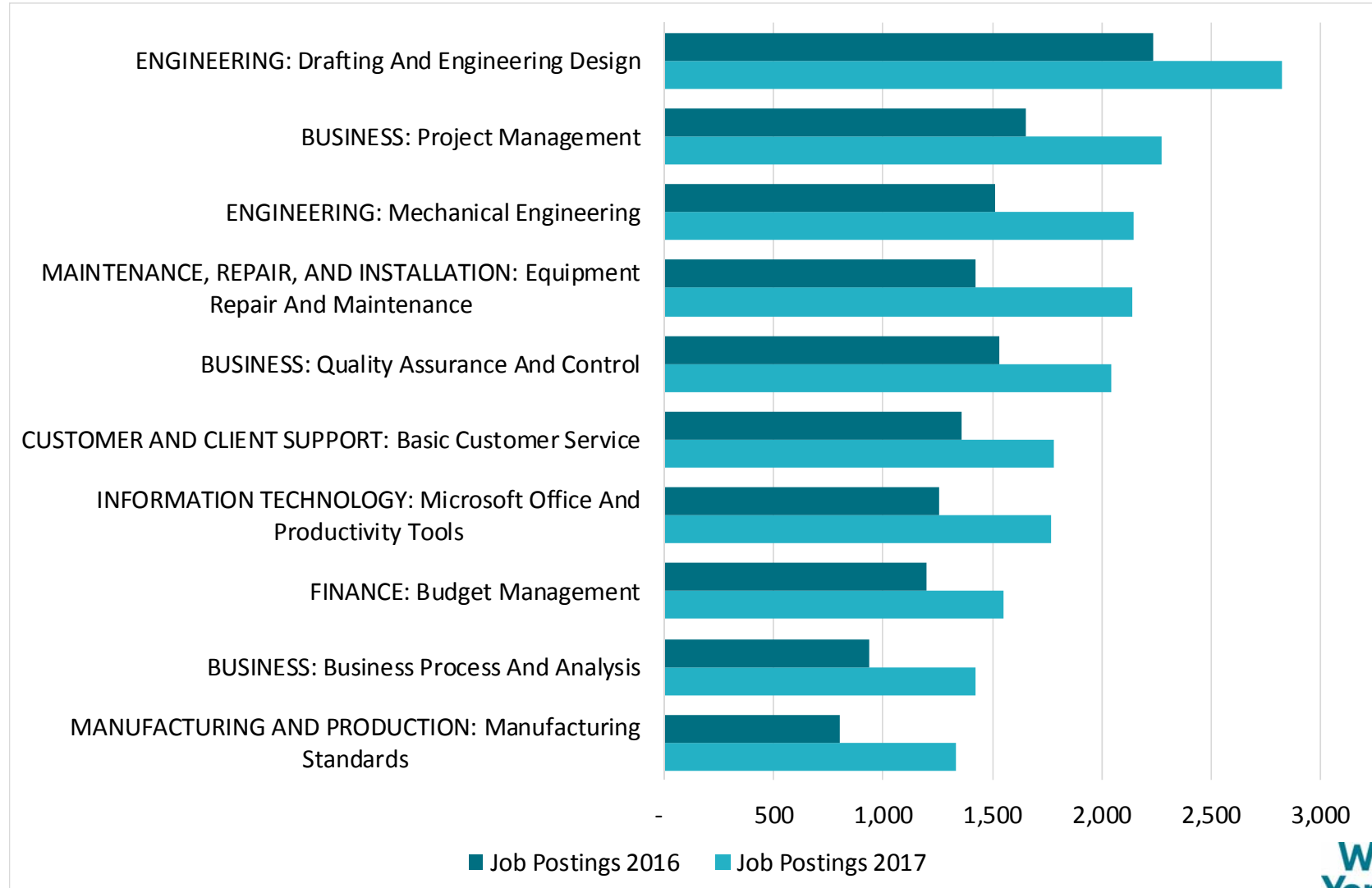

Source: Labour Insight, job openings posted Jan – Dec 2016, 2017
Note: Analysis limited to management, professional and associate professional occupations

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Clear demand for business skills as well as technical disciplines

Figure: Top 10 engineering / manufacturing skill requirements with greatest number online job postings

Job Postings 2016 ■   Job Postings 2017 ■

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Conclusions

- Demand for labour is consistently strong across priority skill areas and occupational areas contained within them
- Digital demand is dominated by developer jobs and a requirement for a range of core digital technical skills, mostly developer-related – reflects division of labour and specialised nature of developer roles?
- Strong demand for candidates familiar with specific programming languages but also for individuals who understand broader principles
- Profile of construction demand shows important cross-over with engineering – civil engineers most in-demand occupation and engineering skills key within skill requirements
- Mechanical engineer is foremost occupation within engineering and manufacturing
- In contrast to digital construction and engineering employers are both looking for a combination of core technical skills plus business and other more generic skills.

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