

SOLOMON ISLANDS
SKILLS FOR ECONOMIC GROWTH (S4EG) PROGRAM

Summary Publication Version

**SECOND ANNUAL
LABOUR MARKET STUDY
AND SURVEY ANALYSIS**

20 September 2017

Executive Summary - Labour Market Needs Fact Sheet 2017

Solomon Islands Labour Market Needs Survey (LMS) – 2017

Background	In March 2016, an initial scoping activity was undertaken to determine the potential for the development and implementation of a Labour Market Information System (LMIS) to assist SIG to determine an effective strategy for identifying current and emerging human resource needs and, future employment gaps and priorities. In June 2016, the first Annual Labour Market Survey (LMS) was conducted, followed by the second LMS in 2017, in a slightly different format and with more targeted survey questions - based on lessons learned from the 2016 MS process.																																																														
Progress	The 2016 Labour Market Survey was used to inform the DRAFT National Tertiary Education and Skills Plan (NTESP) In July 2017 the interim results of the 2017 LMS informed (in part) the development of the 2017 SIG Scholarships “Opportunities List” now including ‘skills’ based (TVET) courses. In 2017, analyses of both the first and second Labour Market Surveys (and other data) will inform the 2017 NTESP.																																																														
Results	The, 2017 Labour Market Survey results indicate that professionals, managers and skilled tradespersons are likely to be most in demand in the Solomon Islands over the next one to five years. In the ANZCOS <i>Technicians and Tradespersons</i> area, where domestic SI tertiary institutions are able to make the greatest impact, skilled tradespersons required are expected to include: carpenters, mechanics, electricians, plumbing and sanitation workers, and trained tourism and hospitality workers. As in 2016, the 2017 LMS also indicated a growing need for employees skilled in business, finance, and customer service.																																																														
Graphic data samples	<div data-bbox="355 913 866 1261"> <p>2017 Labour Market Survey Respondents</p> <table border="1"> <caption>2017 Labour Market Survey Respondents</caption> <thead> <tr> <th>Sector</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Private sector (for profit)</td> <td>61%</td> </tr> <tr> <td>Public sector / government (and State-Owned Enterprises - SOE)</td> <td>26%</td> </tr> <tr> <td>Non-Government sector (charities, community organisations)</td> <td>13%</td> </tr> </tbody> </table> </div> <div data-bbox="355 1272 866 1608"> <p>Current skill training needs (prioritised) EXCLUDES LOW TRAINING NEEDS</p> <table border="1"> <caption>Current skill training needs (prioritised) EXCLUDES LOW TRAINING NEEDS</caption> <thead> <tr> <th>Occupation</th> <th>Extensive training needs (%)</th> <th>Training needed in parts of their job (%)</th> <th>Some training needs (%)</th> </tr> </thead> <tbody> <tr> <td>Professionals</td> <td>~15</td> <td>~25</td> <td>~60</td> </tr> <tr> <td>Clerical and Administrative Workers</td> <td>~10</td> <td>~25</td> <td>~65</td> </tr> <tr> <td>Managers</td> <td>~10</td> <td>~25</td> <td>~65</td> </tr> <tr> <td>Technicians & Trade Workers</td> <td>~15</td> <td>~25</td> <td>~60</td> </tr> <tr> <td>Sales Workers</td> <td>~10</td> <td>~15</td> <td>~75</td> </tr> <tr> <td>Machinery Operators & Drivers</td> <td>~10</td> <td>~15</td> <td>~75</td> </tr> <tr> <td>Labourers</td> <td>~5</td> <td>~10</td> <td>~85</td> </tr> <tr> <td>Community & Personal Services Workers</td> <td>~5</td> <td>~10</td> <td>~85</td> </tr> </tbody> </table> </div> <div data-bbox="890 913 1445 1608"> <p>Planned Employments</p> <table border="1"> <caption>Planned Employments</caption> <thead> <tr> <th>Occupation</th> <th>Number of Planned Employments</th> </tr> </thead> <tbody> <tr> <td>Professionals</td> <td>44</td> </tr> <tr> <td>Technicians & trade workers</td> <td>35</td> </tr> <tr> <td>Managers</td> <td>28</td> </tr> <tr> <td>Clerical and admin</td> <td>27</td> </tr> <tr> <td>Sales workers</td> <td>16</td> </tr> <tr> <td>Machinery operators & drivers</td> <td>14</td> </tr> <tr> <td>Labourers</td> <td>12</td> </tr> <tr> <td>Community & personal services</td> <td>10</td> </tr> </tbody> </table> </div>	Sector	Percentage	Private sector (for profit)	61%	Public sector / government (and State-Owned Enterprises - SOE)	26%	Non-Government sector (charities, community organisations)	13%	Occupation	Extensive training needs (%)	Training needed in parts of their job (%)	Some training needs (%)	Professionals	~15	~25	~60	Clerical and Administrative Workers	~10	~25	~65	Managers	~10	~25	~65	Technicians & Trade Workers	~15	~25	~60	Sales Workers	~10	~15	~75	Machinery Operators & Drivers	~10	~15	~75	Labourers	~5	~10	~85	Community & Personal Services Workers	~5	~10	~85	Occupation	Number of Planned Employments	Professionals	44	Technicians & trade workers	35	Managers	28	Clerical and admin	27	Sales workers	16	Machinery operators & drivers	14	Labourers	12	Community & personal services	10
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Next steps	2017 was the second year of implementation of the LMS, which was expanded to include a greater number of Public Sector organisations. Future LMS should build on the survey responses increase achieved to date to gain a wider range of perspectives from both the Private and Public Sectors, and also seek to include increased representation by NGOs and Tertiary Education Providers in the annual LMS. Also, as noted above, the 2016 and 2017 LMS data will advise the 2017 NTESP; and future LMS will continue to inform subsequent updates of the NTESP.																																																														

Background to the Labour Market Study (LMS)

In March 2016, an initial scoping activity was undertaken to determine the potential for the development and implementation of a *Labour Market Information System* to assist the Solomon Islands Government to determine an effective strategy for identifying current and emerging human resource needs; and therefore to establish effective processes for predicting in which sectors and industries the country's future employment gaps and priorities are likely to arise.

The report of that activity recommended that a Labour Market Information System (LMIS) be established, and that such a system should have the following attributes:

- (a) Regularly updated and accurate quantitative and qualitative Solomon Islands employment and tertiary graduates' data;
- (b) Information on local labour market regulations, policies, organisations, training institutions and SIG agencies, policies and regulations;
- (c) A clear description of the methodology for collecting, analysing and circulating data;
- (d) Systems and tools for training staff and LMIS end-users;
- (e) M&E strategies, including tools for feedback and assessment, further research, and evaluation methodology development;
- (f) A timeline / schedule for regular data collection, analysis and reporting; and
- (g) An in-built process for regular (annual) review of the LMIS to ensure it is fit for purpose, meets SIG needs, and is cost-effective.

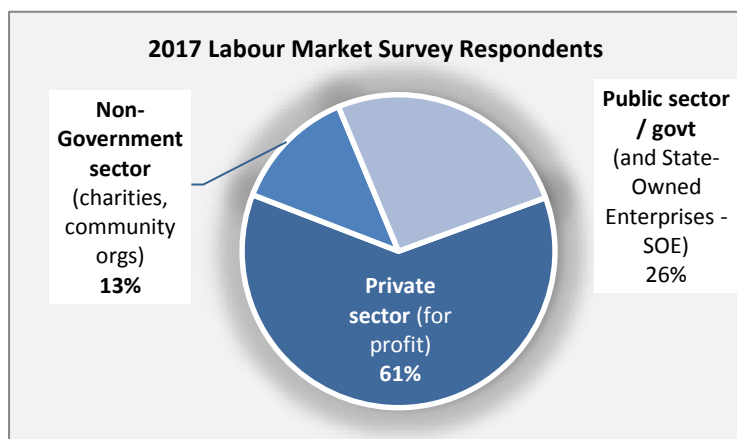
In May and June 2016, the first Labour Market Survey (LMS) was undertaken with (mainly) private sector organisations asked to complete and return the survey. By mid-June, 47 responses had been received, and initial analysis completed. A Report of the findings of that first LMS was published and distributed to key stakeholders and clients, including Solomon Islands Government (SIG) agencies, private sector organisations, and community service organisations.

Although some changes were made to questions and survey structure in 2017 to allow for continuing alignment with ICSED categories and definitions, and increased alignment with the Australian and New Zealand Standard Classification of Occupations (ANZSCO), data correlation between 2016 and 2017 (and with future Labour Market Survey years) remains strong and therefore increases the accuracy and validity of data analysis.

This year saw more collaboration with partners and stakeholders including SICCI, Ministry of Education and Human Resources Development (MEHRD), Ministry of Development Planning and Aid Coordination (MDPAC), Ministry of Public Service (MPS) and other SIG Agencies, private sector organisations and Community Services Organisations (and NGOs) for the June LMS Survey 2017. Thank you to all partners, stakeholders, donors, organisations and agencies who participated and contributed to the June 2017 LMS Survey. This report is a compilation of the Survey data and results gathered and analysed from the recent June 2017 LMS Survey.

2017 LMS Methodology

The June 2017 Labour Market Survey was sent as an on-line (Survey Monkey) web link or in hard copy format to private sector member organisations through SICCI; to SIG agencies through the Ministry of Public Service, Human Resource (MHR) Directors Forum, supported by the Ministry of Development Planning and Aid Co-ordination (MDPAC) personnel; and to Community Services organisations (and NGOs). Further (print) copies were distributed to other individuals involved in the Solomon Islands private and tertiary training sectors – by SE4G team members. Seventy-two responses were received in 2017 – 57 on-line responses and 15 in hard copy format. A profile of those 72 respondents is shown below (Note that a small proportion of survey respondents identified with more than one industry sector.)



In total, respondents' organisations employed almost 7,500 people, of whom the majority (58%) were male, and 17 employees were males or females with a disability (compared with two (2) in the 2016 LMS). In the 2016 LMS, there were around one-third the total number of employees represented (2840) by responding organisations when compared with the 2017 LMS; and the employees represented in this year's LMS now represent approximately 18% of *all* Solomon Island formal sector employees.

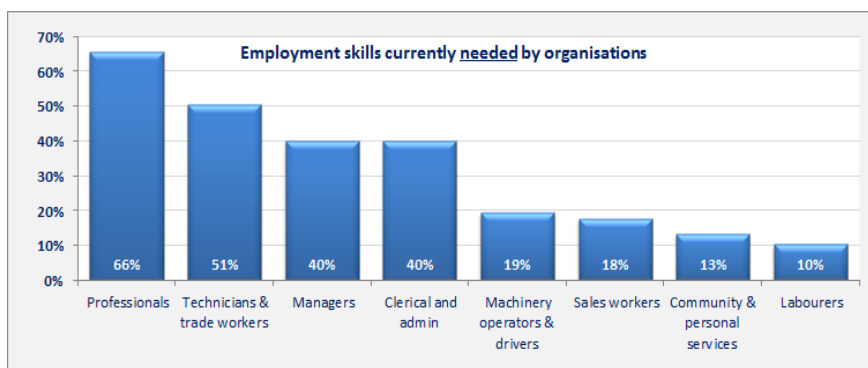


Survey questions sought participants' responses on a number of issues relevant to the Solomon Islands Labour Market; these issues included recent employment patterns, areas of greatest skilling needs and levels, and respondents' perceptions of their organisational status – whether planning expansion, maintenance or reduction modes. Approximately equal proportions of respondents stated that they were either expecting to expand in the near future (48%), or to remain at their current size (47%). Five percent (5%) of respondents said that they expected to downsize soon.

In the 2016 Survey, almost two-thirds of organisations stated that they were currently in an expansion mode. However, with an increased proportion of Government Sector organisations participating in the 2017 Survey, where changes to organisation / department size is usually impacted by policy decisions rather than market forces, the smaller proportion expecting to increase in size is understandable). Nineteen percent (19%) of 2017 organisational respondents had appointed new staff who had graduated recently from a regional institution (Australia, Fiji, New Zealand) - of whom two-thirds were male. A similar percentage of responding organisations had appointed graduates of a Solomon Islands tertiary institution in the past year (17%) and, as with the employment of international graduates, approximately two-thirds of local graduates were males. These data reflect a change over 2016 survey results where more organisations had employed local graduates than regional graduates (In 2016, 23% Solomon Islands' graduates compared with 17% regional graduates).

The types of skills currently in demand were “professionals” and “technicians and trade workers”, suggesting a strong need for skilled workers – whether at the Bachelor and Masters Levels, or at the Diploma and Certificate levels.

Current employment skills needed



Similar results in the 2016 survey analysis which also indicated employer’s focus on skilled staff suggest that traditional trade skilling and accreditation - as well as at the “professional” levels is going to be a significant need in coming years.

Professionals

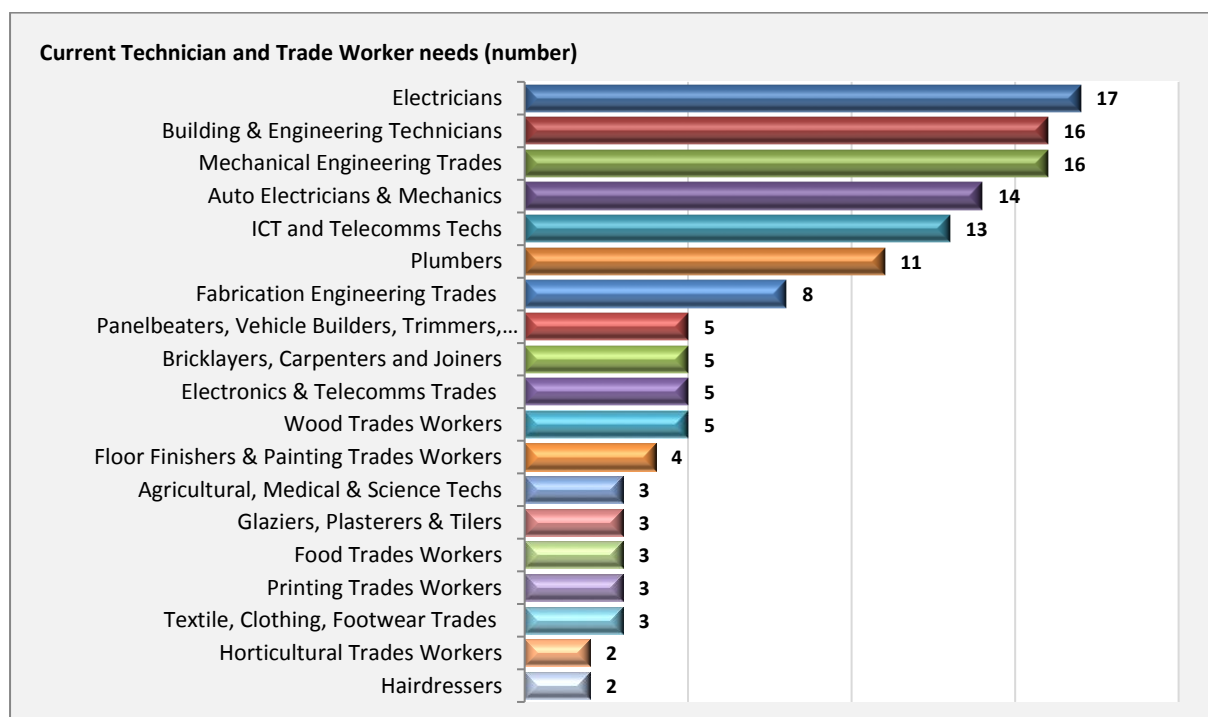
Data from the 2017 Survey supports the results of the 2016 LMS in identifying the labour market the need for skilled professionals in the *finance* and *human resource* sectors.



The data arising from this question is especially relevant to the SIG and donors/ partners, when identifying priority areas for undergraduate and postgraduate scholarships to be awarded over the next few years. And while the annual survey needs to grow the number of respondents in future years so that the data becomes more reliable and valid, the figure above does indicate the sectors where *Professionals* are seen as needed.

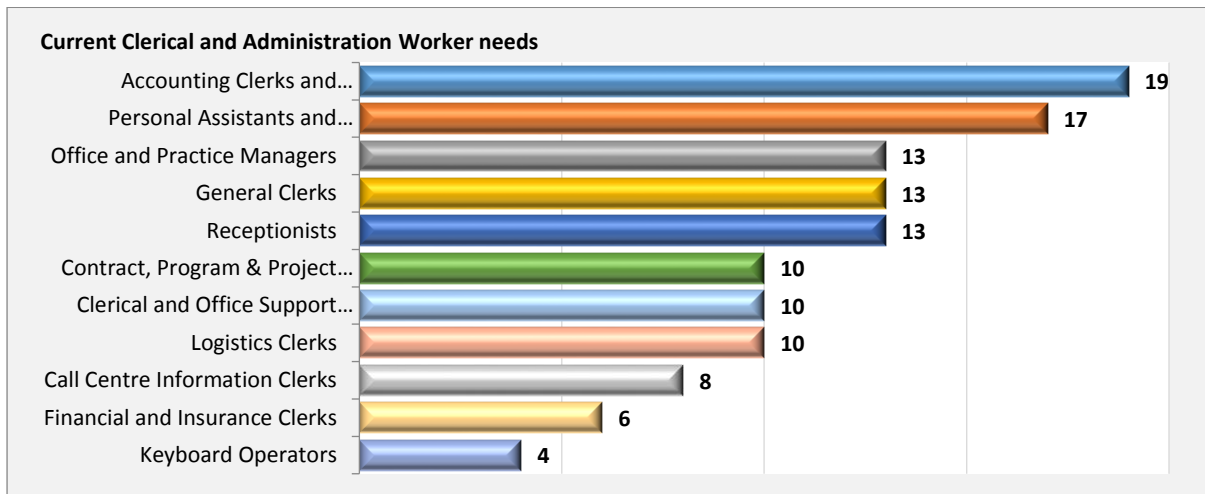
Technicians and Trade Workers

The 2016 Labour Market Survey identified the need skilled tradespersons (*Technicians and Trade Workers*) as an emerging priority for Solomon Island *private sector* employers. This perceived need was reinforced in this year’s survey, where respondents again noted that skills in “traditional” tradespersons (such as Electricians, Builders, Mechanics, Plumbers and related areas) were currently needed, and if such skilled person were available, would be employed now. Of lesser importance to survey respondents is the need for *Trade Workers* in the agriculture, horticulture, food and clothing industries. Interestingly, these industries were also rated and similarly low levels by organisations seeking skilled employees in 2016.



Clerical and Administrative Workers

While employing organisations identified some need for skilled workers in clerical and administration roles, these needs were certainly not as strongly voiced as were the needs for Technicians and Trades workers, *at this clerical and administrative level.*



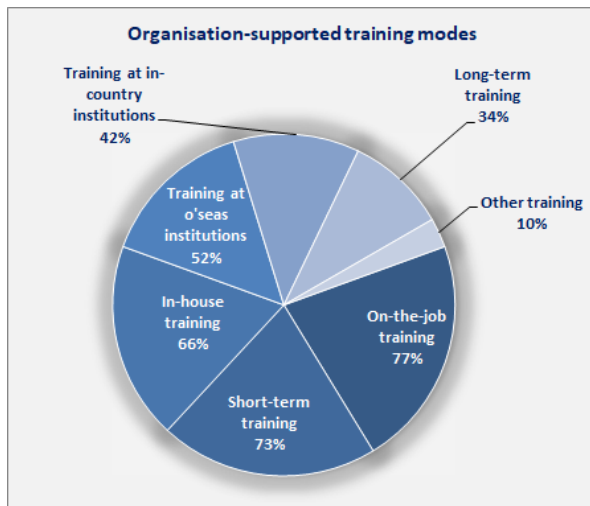
Training needs - priorities

Training needs appear to fall into two distinct cohorts: the first cohort where substantial training is perceived as needed for *Professionals, Clerical and administrative workers, Managers* and for *Technicians and Trade workers*. The second cohort demonstrates significantly lower training need perceptions – for *Sales workers, Machinery operators and Drivers, Labourers* and for *Community and Personal Services Workers*.



Supported training modes

On-the-job training was the preferred mode by around three-quarters of respondents. Given that most organisations involved in the 2017 Labour Market Survey were small operations, this preferred



(current) training mode is understandable. For similar reasons, the next highest preferences for most respondents (*Short-term Training* and *In-house training*) are also indicative of small organisations that cannot afford to have personnel absent from their workplace for extended periods.

Training at domestic or international institutions were supported by roughly the same proportion of respondents (42% - 52%), while only one-third of respondents were supportive of long-term training – a further indication of the human and financial resources faced by smaller organisation, most of which are from the private sector.

Linking the LMS to the National Tertiary Education and Skills Plan

The *National Tertiary Education and Skills Plan (NTESP)* provides the background to, and rationale for, participation by a wide range of stakeholders in the Solomon Islands' post-secondary education sector, and identifies where individual and/or shared responsibilities for implementing the Plan reside.

While each of the Plan's stakeholders are expected to undertake their individual responsibilities, overall accountability for maintaining and *implementing* the overall NTSEP and Annual Plans, *reporting* to Government and the community, and ensuring this Plan remains *current and responsive* to the needs of the Solomon Islands' employers and employees lies with the Solomon Islands Tertiary Education and Skills Authority (SITESA).

To fulfil these accountabilities, the roles of SITESA are defined clearly in the 2017 SITESA Act which created the Authority. In summary, SITESA will support the tertiary education and skilling priorities identified for the forthcoming year in each Annual Training Plan; it will identify what the priorities are (based on labour market analyses, stakeholder consultation, and research) and recommend the courses, levels, delivery mode(s), targets, and institutions for delivery of those identified training priorities.

It is important to remember that the SITESA Labour Market Survey (LMS), conducted with the support of SICCI, MDPAC, MCILI and other SIG agencies, is *only one contributor* to an efficiently functioning Labour Market Information System. The accuracy of survey results and their analysis are constrained (or stimulated) by factors which impact on all consultation processes.

Further, any survey of employer needs, irrespective of its sophistication or complexity, must be supported by other data validation sources. Foremost amongst these is the need for face-to-face consultation – not only with employers, government and tertiary providers, but also with those most likely to be affected by decisions on education and training priorities – the current and future workers themselves, sector training experts, and institutional trainers and program managers.

For the second year of formal Labour Market Surveys, these earlier research findings above have been confirmed, as areas where an increased emphasis on skilling is needed. Nevertheless (and as noted also in 2016), care must be taken in interpreting the results of each Annual Labour Market Survey that preconceived ideas about skill shortages and over supply do not skew the analysis of survey results.

Other Key Findings

Regular survey implementation

Labour Market data is only of practical and strategic use when it is current. And while, as noted above, there are similarities between the results of earlier studies (2011/12 & 2013) and this current (2016) study, regular surveys need to be conducted – so that time-period data can be compared and any emerging trends identified. Regular surveys also have the added benefit of demonstrating to major stakeholder groups a SIG commitment to maintaining current and accurate data – and therefore increases response rates.

Extending initial survey

The first Labour Market Survey includes only data from respondents in the private sector. To ensure that the analysis takes into account the opinions of the broader Solomon Islands social, economic and community structure, the LM Survey should be distributed to the Government and NGO sectors also.

Opportunities List development

The SIG Opportunities List (to be renamed SETP under new legislation) continues to be prepared, negotiated and funded in an *ad hoc* manner – in a way which bears little logical relation to accurate and evidence-based assessments of labour needs in the Solomon Islands. While MDPAC, and to a lesser extent MEHRD and MPS, acknowledge that the current approach is not fair or transparent nor sustainable, they will need support in convincing key SIG legislators of the need for reform.

Responsive tertiary courses constrained by existing staffing skills and capacity

A continuing constraint on the capacity of Solomon Islands Tertiary Institutions (especially SINU) is the existing academic structures within individual faculties / schools. Until such time as SINU can offer courses that are shown by evidence to be needed in the Solomon Islands, the University will not be meeting a national educational or economic need.