



How to Grow Employment in PNG?

Early findings

December 2016

Introduction

What is this research all about?

The issue of skill shortages is well known. But what is not as well known is the specific skills that the business community needs in order to grow their business. This survey is about filling that information gap which ultimately will benefit policy makers and the business community alike.



This is a summary document to give a high level overview of survey results. In depth analysis of results will commence in early 2017

Emerging findings

1. Skills shortages occur throughout PNG, and are particularly prescient outside of major population centers
2. Behind general economic conditions skills shortages are the single biggest factor that impedes hiring
3. Regional disparities are widening between Port Moresby and the rest of the country
4. Women remain under-represented -over 60% of firms report less than half their staff are female
5. "Ability" and "Willingness" to work are two sides of the same coin – 'able' workers need also to be 'willing' workers
6. 60% of firms surveyed do not expect their headcount to increase over the next 12 months.

Skill factors and human factors affect hiring

- 80% say skills shortages are impeding hiring
- 70% say human factors (poor staff productivity and attendance) affect the hiring decision
- Addressing skills shortages and human factors will go a long way to growing employment.



Summary Results

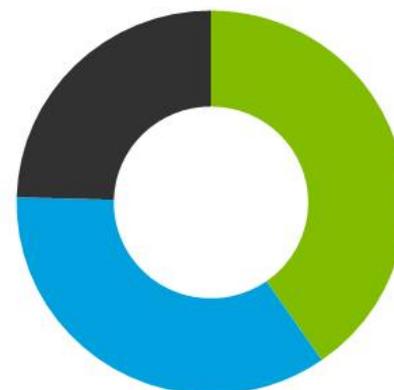
Over 230 responses received...

Three key elements to the survey

- *Hiring intentions* – which businesses are hiring, in which industry and where?
- *Hiring barriers* – which factors prevent businesses from hiring, and to what extent?
- *Hiring needs* – which skills do businesses have the most difficulty in recruiting?

Overview of survey diagnostics

- Location of respondents' Head Quarters:
 - 156 from Port Moresby
 - 42 from Lae and Madang
 - 32 from other locations
- Industry of respondents' main operations:
 - 92 white collar
 - 80 blue collar, and
 - 56 wholesale, hospitality and retail.

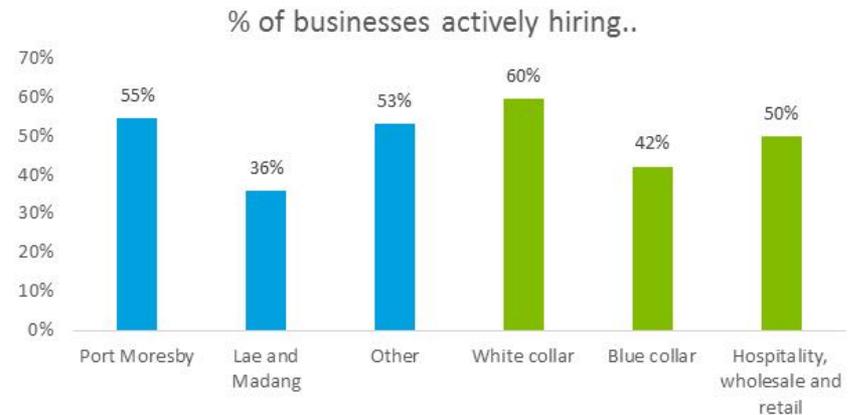


■ White collar ■ Blue collar ■ Hospitality, wholesale and retail

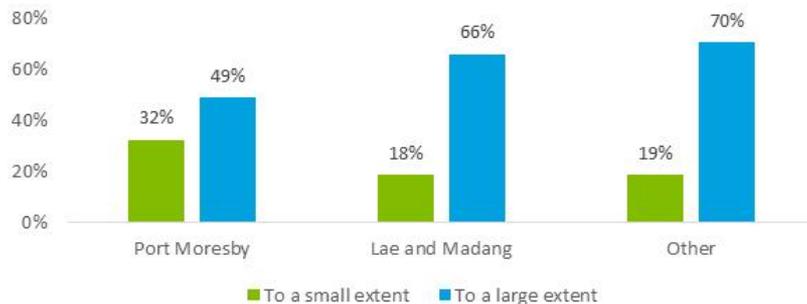
A tale of two economies

POM and white collar respondents show strongest growth potential...

- 55% of POM businesses are currently hiring; compared with
- Only 36% of businesses in Lae and Madang currently hiring
- 60% of white collar businesses hiring
- 42% of blue collar businesses hiring
- 50% of hospitality, wholesale and retail businesses hiring.



To what extent do skills shortages impact hiring decisions

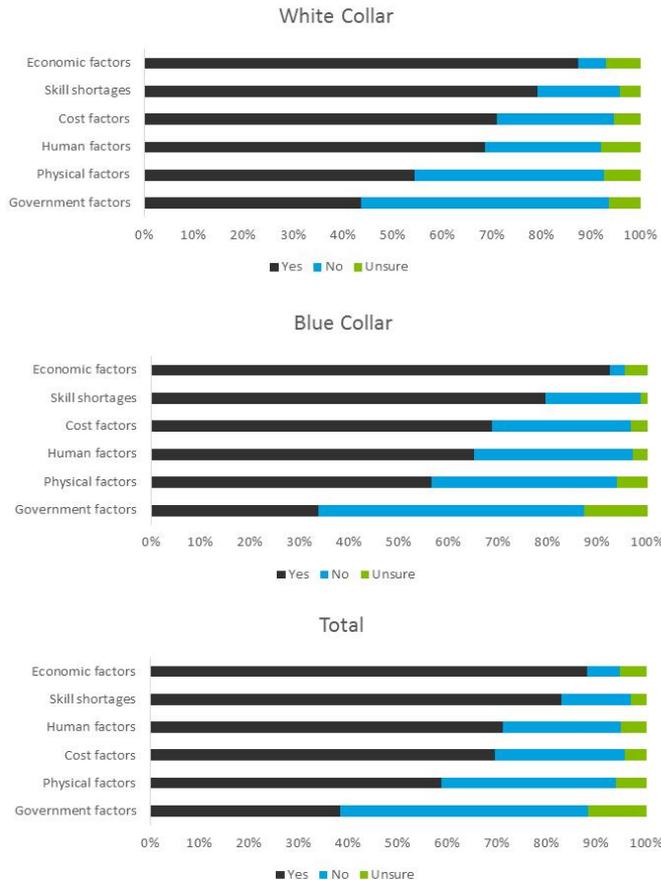


...but skill shortages are felt all over PNG:

- Skill shortages bite throughout the country,
- But the bite is far more severe outside of major population centres
- 49% of businesses in POM say skills shortages impede hiring to a large extent; 66% in Lae and Madang; 70% elsewhere.

Behind the economy skills shortages are the biggest factor impeding hiring

% of respondents indicating whether factor impedes hiring by industry

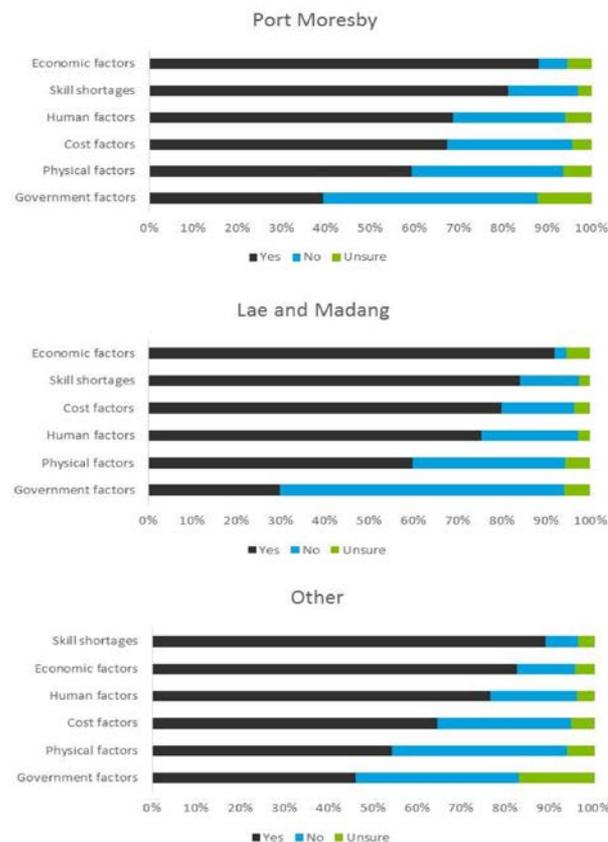


- Both white and blue collar industries face the same factors that impeded hiring and to similar extents
- The economy, skills shortages and cost factors are the three largest impediments to growing employment:
 - 90% of respondents say the economy impedes hiring
 - 80% of respondents say skill shortages impedes hiring
 - 70% say human factors (poor staff productivity and attendance) impedes hiring
- Addressing skills shortages and human factors will go a long way to growing employment in both industries.

Skills shortages particularly impeded employment growth outside of main population centres

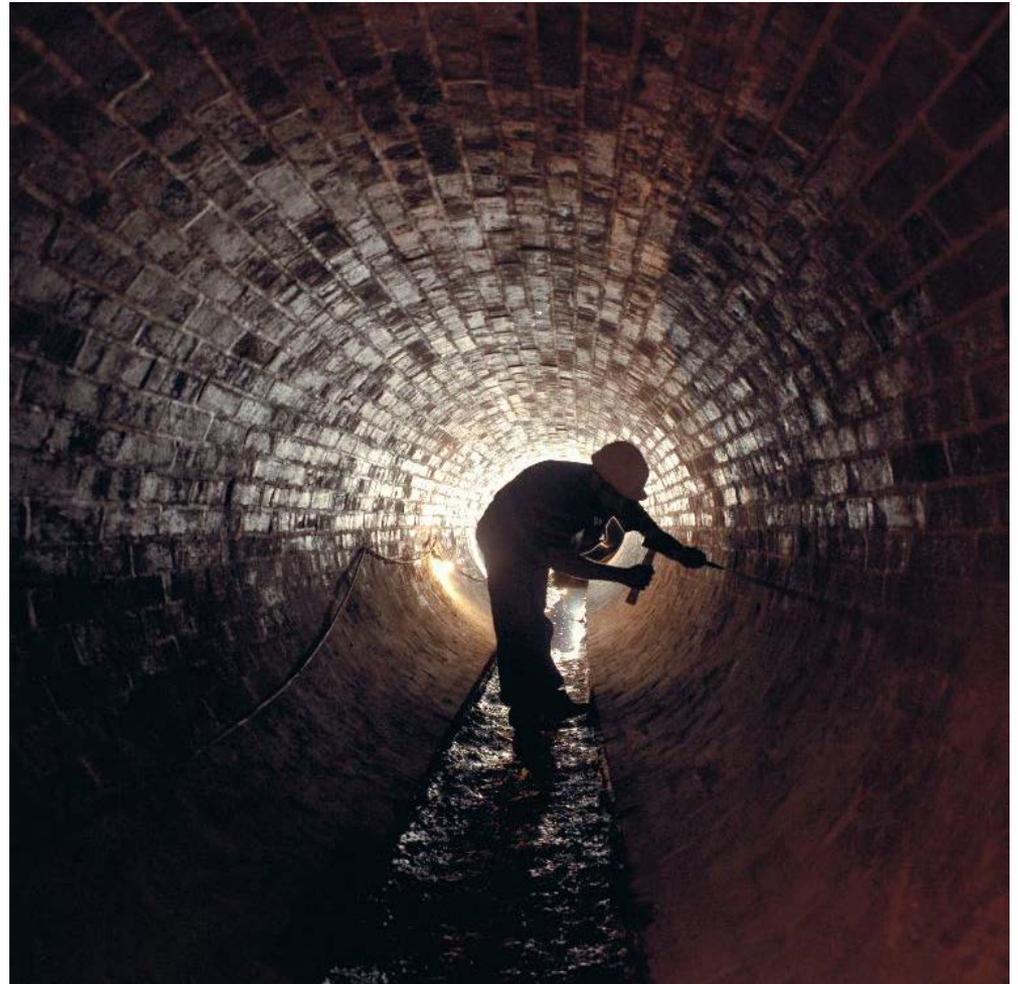
- Skills shortages occur throughout PNG, and are particularly prescient outside of major population centres
- Regional disparities are widening between Port Moresby and the rest of the country
- Employers outside of Port Moresby, Lae and Madang find skills shortages the largest impediment to employment growth, more so than the economy
 - Over 90% of respondents say skill shortages impede hiring
- Human factors (poor staff productivity and attendance) are more of an impediment to growing employment than cost factors in locations, including Port Moresby.

% of respondents indicating whether factor impedes hiring by location



Next Steps...

1. Analyse further the specific skills needs of businesses
2. Compare and contrast results with other research publications
3. Explore possible solutions to skills needs and growing employment based on experiences within PNG and from the rest of the world
4. Final report expected to be released early 2017.





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