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Main results of the first cycle of Cyprus' National Employers' Skills Survey (2023)

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REPUBLIC OF CYPRUS
MINISTRY OF EDUCATION
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Abbreviations

Abbreviation	Description
DHE	Department of Higher Education
ECTS	European Credits Transfer and Accumulation System
EEA	European Economic Area
EES	European Employment Strategy
EeOW	Employee-Based Occupation Weights
EeW	Employee-Based Weight
EHEA	European Higher Education Area
EQF	European Qualifications Framework
ErW	employer-based weight
ESGs	Standards and Guidelines for Quality Assurance
EU	European Union
GDPR	General Data Protection Regulation
HE	Higher Education
HEIs	Higher Education Institutions
HRDA	Human Resources Development Authority
ISCED	International Standard Classification of Education
ITE	Institutions of Tertiary Education
L&D	Learning & Development
MESY	Ministry of Education, Sport, and Youth
NESS	National Employers' Skills Survey
NGTS	National Graduate Tracking Survey
NQF	National Qualifications Frameworks
PwC	PricewaterhouseCoopers Ltd.
UW	Unweighted

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Executive summary

Skills mismatches and skills shortage are increasingly recognised as major challenges for European labour markets. According to CEDEFOP (2023), these challenges concern not only improving overall skill levels but also ensuring better alignment between the skills individuals possess and the requirements of the jobs they occupy. Skills mismatch can take several forms, including skills shortage, skills gaps, over- and under-skilling, and skill obsolescence. At EU level, the Union of Skills, adopted by the European Commission in March 2025, aims to strengthen competitiveness by improving skills and reducing shortages and gaps across Member States. It also calls for better skills intelligence, including a new European Skills Intelligence Observatory, which makes reliable national data on skills demand and supply all the more important.

In Cyprus, skills mismatches have been identified as an important policy concern, particularly with respect to labour market efficiency, productivity, and the transition from education to employment. Addressing these challenges requires robust evidence on employers' skill needs, recruitment difficulties, and the extent to which employees' skills meet current and future labour market demands. To respond to this need, the Department of Higher Education (DHE) of the Ministry of Education, Sport and Youth (MESY) implements the project "Development of a National Graduate Tracking Mechanism and Design and Implementation of an Employers' Skills Survey" under the Cyprus Recovery and Resilience Plan (RRP). Within this framework, two complementary surveys have been developed: the National Graduate Tracking Survey (CYGraduates), focusing on skills supply through graduates' experiences and outcomes, and the National Employers' Skills Survey (CYEmployers), focusing on skills demand through employers' perspectives. Together, the two surveys provide a robust evidence base on skills demand and supply in Cyprus, allowing skills needs and mismatches to be monitored over time and informing policy in education, training and employment. Data were collected between 24 May 2024 and 10 January 2025. In the Private Sector, a stratified random sample of 12,840 organisations was drawn from a target population of 29,567 organisations; 1,395 provided valid responses (a response rate of approximately 11%), and results were weighted to represent the employer population (employer-weighted) or the workforce (employee-weighted). In the Public Sector, no sampling frame exists and employer units cannot be defined consistently. A mapping exercise identified 916 senior officials, of whom 221 responded (a response rate of 24%). Public sector employer-level results are therefore unweighted and reflect the views of the responding senior officials. For employee-based estimates, weights were derived from 2023 Cyprus Statistical Service data on employment in the broad public sector. Findings reflect what employers and senior officials reported and perceived and not independent measurements. Moreover, the survey identifies patterns rather than establishing their causes.

As the two sectors rest on different rely on different methodological approaches (a stratified random sample in the Private Sector, and on unweighted responses from senior officials in the Public Sector) cross-sector comparisons are more meaningful when employee-based weighting is applied. In all other cases comparisons are indicative only, and observed differences should not be read as precise differences.

Employment and workforce profile. Employment was broadly stable in both sectors: 55% of Private Sector employers and 48% of Public Sector senior officials reported no change in employee numbers between January 2023 and January 2024 (private 26% increase / 19% decrease; public 28% increase / 24% decrease). The educational profiles are not weighted on the same basis: Private Sector employers reported that close to half of their staff (48%) holds a Higher Education qualification, compared with 71% of staff in responding Public Sector entities (unweighted). Occupational structures also differ– Private Sector employment is spread across Managers, Professionals and Service and Sales Workers account for around a fifth of their staff (employer weighted), while the responding Public Sector officials reported a concentration in Professionals (48%) and Clerical Support Workers (26%). Part-time work is limited in the Private Sector (68% of employers reporting none). The Public Sector questionnaire measured non-permanent rather than part-time employment (36% of senior officials reported none, 36% between 1% and 20%, 28% above 20%).

Recruitment demand. Among employers and senior officials aware of or involved in recruitment, 49% of Private Sector employers (employer-weighted, N = 900) and 71% of Public Sector senior officials (unweighted, N = 129) reported at least one vacancy since January 2023; Vacancy density, which relates vacancies to the

size of the staff, was broadly similar in the two sectors (17% and 18% respectively). Respondents reported an average of 2.58 vacancies per organisation in the Private Sector and 10.4 per entity in the Public Sector, including those with no vacancies. Recruitment criteria differ in emphasis: Private Sector employers prioritise work experience (70%), enthusiasm for the job (63%) and relevant hard skills (59%), whereas Public Sector recruitment prioritises particular qualifications (73%), hard skills (67%) and work experience (66%) consistent with regulated selection procedures.

Hard-to-fill vacancies and their impact. Among employers with at least one vacancy, 71% (N= 527) reported that some posts were proving hard to fill, compared with 41% (N=92) of responding Public Sector senior officials. Where difficulties occurred, a noticeable impact was reported in both sectors – 89% of Private Sector employers (44% a major and 45% a minor effect; N = 376) and 95% of Public Sector senior officials (66% a major and 29% a minor effect; N = 38). In both sectors, the most common consequence was increased workloads for other staff the dominant consequence (80% and 85% respectively). Hard-to-fill vacancies were most often reported for Professionals, Service and Sales Workers, Technicians and Associate Professionals and Clerical Support Workers in the Private Sector, and for Professionals, Technicians and Associate Professionals and Clerical Support Workers in the Public Sector. Public Sector findings rest on small bases and should be treated as indicative.

Nature of the recruitment difficulties. Recruitment difficulties reflect both the attractiveness of the jobs on offer and shortages of suitably skilled applicants. In both sectors, employers and senior officials attributed recruitment difficulty more often to the lack of interest in the type of job (68% in the Private Sector and 50% in the Public Sector). In the Private Sector, this was followed by a limited number of applicants generally (58%) and a limited number of applicants with the required skills (53%). In the Public Sector, lack of interest was followed by poor employment terms and conditions, including remuneration (42%), and a limited number of applicants with the required skills (39%).. The skills hardest to find among applicants are predominantly soft and self-management skills in both sectors: willingness to learn, effective communication and time management in the Private Sector and in the Public Sector taking a proactive approach and solving complex problems, followed by willingness to learn, time management, teamwork and communication.

Recent graduates. In the Private Sector, 39% of employers with at least one vacancy recruited a recent graduate (N = 526), with recruitment more common in larger organisations and in knowledge-intensive sectors such as Non-Marketed Services, IT Services and Other Business Services. In the Public Sector, 36% of senior officials reported that a recent graduate had joined their entity or division (N = 219). Among those that had recruited graduates from Cyprus Higher Education institutions, 82% in both sectors rated them as at least moderately prepared for employment. Public Sector senior officials were more likely to rate graduates as well or very well prepared (49%, N = 54) than Private Sector employers (33%, N = 165), Both sectors rated graduates comparatively strongly on reading and writing in Greek, basic numeracy, applied digital skills and willingness to learn, and comparatively weakly on leadership, complex problem-solving and taking a proactive approach. Advanced quantitative skills were also rated relatively low in the Private Sector.

Work-based learning. Private sector engagement is limited: 76% of employers provided no placements or internships during the reference period, only 15% provided internships for Higher Education graduates and 12% placements for students (N = 972). Among employers that provided them, 30% reported that none of their interns or placement students were paid, and 31% had subsequently employed someone who had completed a placement or internship with them (N = 271).. Work-based learning was not covered in the Public Sector questionnaire.

Proficiency of existing staff. Employers considered between 14% and 23% of employees across occupational categories not to be fully proficient in the Private Sector, and senior officials between 12% and 33% in the Public Sector (employee based weights) The lowest shares of fully proficient employees were reported for Craft and Related Trades Workers (77%), and for Service and Sales Workers and Elementary Occupations (79% each) in the Private Sector, and for Elementary Occupations (67%, small base) and Clerical Support Workers (69%) in the Public Sector. Among those reporting less than full proficiency, 70% of Private Sector employers (employer-weighted; 30% major, 40% minor; N = 580) and 89% of Public Sector senior officials (unweighted; 43% major, 46% minor; N = 128) reported an effect on performance.. The occupational categories where proficiency gaps pose the greatest constraint on organisational performance are Service and Sales Workers (25%) and Professionals (19%) in the Private Sector (employer-weighted) and for,

Professionals (36%) and Clerical Support Workers (27%) in the Public Sector (unweighted). As for the reasons why staff were not fully proficient, in the Private Sector the most common reason across most occupational groups was difficulty recruiting staff with the required skills, with the introduction of new technology most cited for Managers. In the Public Sector, a lack of motivation was most often cited for Professionals (55%), followed by staff not having the required skills and being new to the role (both 36%), while for Clerical Support Workers the main reasons were new technology (42%) and new policies and procedures (33%).

Underutilisation of skills. Shortage coexists with underutilisation in both sectors. Among those that had recruited recent graduates, 34% of Private Sector employers (employer-weighted; N = 246) and 58% of Public Sector senior officials (unweighted; N = 77) reported appointing Higher Education graduates to posts that did not require a Higher Education qualification. Over-skilling was reported by 45% of Private Sector employers (employer-weighted) and 69% of responding Public Sector of senior officials (unweighted). Under employee-based weighting 61% of Private Sector employees and 91% of Public Sector employees work in organisations reporting some over-skilling. Within the Public Sector, over-skilling is more extensive in the Wider Public Sector (median employee in an entity reporting 20–30% over-skilled staff than in Government (1–10%) under employee-based weighting).

Future outlook. A majority in both sectors expect skills shortage over the next five years: 56% of Private Sector employers (25% at a high level, employer weighted) and 63% of Public Sector senior officials (21% at a high level, unweighted). On an employee-based basis, the expected skill mix differs between the two sectors: in the Private Sector, the largest share of employees work in organisations expecting shortages in soft skills (31%), followed by hard, sector-specific skills (20%), whereas in the Public Sector shortages are expected primarily in digital skills (60%, rising to 86% in the Wider Public Sector), followed by soft skills (21%). Upskilling priorities for existing staff are similar, led by soft skills (36% Private, 40% Public) and followed by digital skills (22% and 26%). Views on skill obsolescence diverge: 58% of Private Sector employees but only 36% of Public Sector employees work in organisations where all skills currently required are expected to remain necessary, while a quarter of Public Sector employees work in entities expecting basic digital skills to become obsolete. These findings are based on open-ended questions

The evidence points to a mismatch rather than a simple shortage of educated labour. Both sectors employ many people with higher education and rate recent graduates from Cyprus HEIs as at least moderately prepared. Yet employers in both still struggle to find the right mix of skills, while at the same time recruiting graduates into posts below their level and reporting staff whose skills exceed what their jobs require. Two findings stand out across both sectors: recruitment difficulties are not only about skills supply as respondents often link them to how attractive the jobs are, and in the Public Sector also to employment terms. Second, the skills that are hardest to find, and most often named as priorities for improvement, are transversal ones such as communication, teamwork, willingness to learn, time management, taking initiative, problem-solving and leadership.

Future needs differ mainly in one respect: the Public Sector expects a much stronger need for digital skills, while in the Private Sector expected shortages are spread more widely across soft, sector-specific and other skills. In both sectors, soft skills are the priority for upskilling existing staff. The implications are therefore threefold: The first is stronger skills anticipation, making fuller use of employer evidence when planning education and training. The second is targeted upskilling and reskilling, together with wider access to quality-assured work-based learning. The third is better use of the skills people already have, through job design, progression pathways and, particularly in the Public Sector, a review of the terms on which persistently hard-to-fill posts are offered. For Higher Education Institutions, the priorities are to build transversal competences explicitly into programs of study, to develop digital preparation beyond routine ICT use, and to review programme portfolios and career guidance against the occupations where demand actually exists..

These findings should be interpreted in light of several limitations. Private sector findings are weighted to the known structure of the national employer population (by sector and size). However, with a response rate of around 11%, weighting cannot fully correct for differences between responding and non-responding organisations In the Public Sector, no sampling frame exists and the size of the employer population is unknown. Employer-level results are therefore unweighted and describe the views of the 221 responding senior officials only, among whom Government entities are over-represented (48% of respondents against 31% of the sample). Employee-based results in the public sector are weighted to official workforce totals. As

the two sectors rest on different bases, comparisons between them are most meaningful under employee-based weighting and otherwise indicative. Moreover, in both sectors results based on small analytical samples should be treated as indicative. More broadly, the findings capture employers' and senior officials' reported views and estimates, rather than independently verified measures of skills, reflect a single point in time and reveal patterns without demonstrating causality.

1 Introduction

1.1 Context of the project - Theoretical Background

The Department of Higher Education (DHE) of the Cyprus Ministry of Education, Sport, and Youth (MESY) commissioned PwC Cyprus through the tender procedure (DHE 17-21), for the implementation of the project "Development of a National Graduate Tracking Mechanism and Design and Implementation of an Employers' Skills Survey" which is funded by the Recovery and Resilience Facility instrument of the European Commission as well as by national funds. The project aims to strengthen the evidence base for policymaking by generating robust, systematic data on graduate outcomes and labour market needs. Within this framework, the National Employers' Skills Survey (NESS) objective is to systematically capture employers' perspectives on current and future skill needs in the Cypriot labour market.

The survey was designed in response to growing concerns regarding persistent skills mismatches, recruitment difficulties, and the evolving nature of skill demands driven by technological developments, and the green transition. Skills mismatches, defined broadly as the misalignment between the skills individuals possess and those required by their jobs, are increasingly recognised as a multidimensional phenomenon affecting organisational productivity, workforce adaptability, and economic competitiveness. From an employers' perspective, such mismatches manifest in the form of skills gaps, underutilisation of existing skills, difficulties in recruitment, skills shortage and the need for continuous upskilling and reskilling of personnel. At the same time, digitisation, automation, and the green transition are constantly reshaping occupational profiles and skill requirements, increasing the need for adaptability, continuous learning, and upskilling across the workforce (IMF, 2024).

In the Cypriot context, employers across both the Private and Public Sector have been identified as facing persistent challenges in sourcing and developing appropriately skilled personnel, particularly in relation to transversal, digital, and technical skills that are increasingly in demand across occupations and sectors (Zebra, 2025). Recent labour market analyses indicate that these challenges are not primarily driven by an overall shortage of graduates, but rather by a misalignment between the skills produced by the education and training system and the skills required by employers in a rapidly evolving economic environment (CECC, 2021).

Evidence from European skills anticipation frameworks such as CEDEFOP's Skills Forecast and Skills Intelligence tools, ESCO, the EU Skills Agenda, and European Semester skills monitoring, indicates that the absence of structured employer-based data constrains the capacity to anticipate labour market developments and weakens the effectiveness of skills matching and workforce development (Zebra, 2025). As a result, the alignment of education, training, and upskilling policies with real-world labour market demand has been hindered, limiting the ability of policymakers and stakeholders to design targeted and forward-looking interventions that respond to employers' evolving skill needs (IMF, 2024).

Despite the recognised importance of skills intelligence for understanding and anticipating employers' needs, Cyprus has historically relied mainly on existing but relatively fragmented sources of labour market evidence, including official labour market statistics produced by the Statistical Service of Cyprus, Human Resources Development Authority (HRDA) employment and training needs analyses, EU-level forecasts and skills intelligence tools such as CEDEFOP skills forecasts and the European Skills Panorama, as well as employer-related surveys focused on specific areas such as continuing vocational training. However, these sources are not equivalent to a comprehensive, continuous and dedicated employer-based skills survey. NESS was therefore designed to complement existing evidence by providing direct and systematic information on recruitment demand, hard-to-fill vacancies, graduate recruitment and preparedness, skills gaps, skills utilisation and future workforce needs across the private, Government and Wider Public Entities.

The NESS is also closely aligned with broader European policy priorities, including the Union of Skills, the European Skills Agenda, and the European Education Area. These initiatives emphasise the need for stronger skills intelligence systems, which are designed to provide robust and timely information about the evolving requirements of the labour market, educational outcomes, and workforce development. By adopting

methodologies and frameworks inspired by these European initiatives, the NESS ensures that its findings are not only relevant for Cyprus but also consistent with pan-European standards and expectations. For instance, the European Skills Agenda calls for improved anticipation of skill needs and better matching of education with labour market demands, while the European Education Area promotes greater collaboration between countries to support lifelong learning and adaptability. Through its structured approach, the NESS contributes to these objectives by offering comprehensive employer-based evidence that can inform both national and European policy decisions, thereby facilitating a more responsive and future-oriented education and training system.

In this context, the NESS aims to address this critical evidence gap by providing employers' insights regarding the present and anticipated skill requirements within the Cypriot labour market. This will be achieved by gathering structured, demand -side information from a sample drawn from the Business Register and weighted to the known structure of the employer population by sector and size; and for the Public and Wider Public Entities, responses from participating senior officials that describe the entities that took part rather than the sector as a whole. Through this demand side evidence, the survey seeks to identify skills gaps, skills shortage, and areas where existing personnel require upskilling or reskilling, as well as to anticipate skills that are expected to gain importance in the coming years. The information generated by the survey supports evidence-based policymaking and contributes to improving the alignment between labour market demand and education and training provision, strengthening workforce development and enhancing the responsiveness of Cyprus' education and training system to evolving economic and technological needs.

1.2 International practices in Employers' Surveys

International employer skills surveys are widely used as demand-side instruments for monitoring recruitment difficulties, skills gaps, training activity and future workforce development needs. The UK Employer Skills Survey (Department for Education, 2024), one of the most established examples, collects representative employer-level evidence on vacancies, hard-to-fill vacancies, skill-shortage vacancies, skills lacking among applicants and existing employees, training provision and future upskilling needs. Similarly, the World Bank STEP Skills Measurement Program (Pierre, Sanchez Puerta, & Valerio, 2014) includes an employer-based survey designed to capture workforce structure, skills used in jobs, skills sought when hiring, training provision and employers' satisfaction with the available education and skills supply. These international practices show that employer surveys are not limited to measuring vacancies but are increasingly used to generate systematic skills intelligence on both external recruitment challenges and internal workforce development needs, supporting evidence-based education, training and labour-market policy.

In addition to the UK Employer Skills Survey, the review of international practices considered other employer-based instruments and methodological frameworks already reflected in the survey design. Employer surveys implemented in Serbia and Georgia, provide relevant examples of instruments capturing firm background, workforce skills, hiring practices, training and compensation. CEDEFOP's methodological guidance also offers a useful reference point for the design of employer surveys, particularly in relation to structured data collection, use of comparable skills concepts, and representative sampling differentiated by organisation size and sector. Together, these sources show that employer surveys increasingly combine evidence on recruitment difficulties with information on workforce skills, training, skills gaps and organisational responses to changing labour-market needs.

1.3 Existing national initiatives and the added value of NESS

Existing national initiatives in Cyprus provide valuable labour-market and training-related evidence, but they do not fully substitute for a dedicated employer skills survey. Sources such as official labour-market statistics from the Statistical Service of Cyprus (CYSTAT), HRDA employment and training needs analyses, and employer-related surveys such as the Continuing Vocational Training Survey contribute important information on workforce trends, training activity and sectoral needs. However, these sources are more fragmented and do not systematically combine evidence on recruitment demand, hard-to-fill vacancies, graduate preparedness, skills gaps, skills utilisation, over-skilling and future upskilling needs within a single employer-based framework.

The added value of NESS is therefore that it provides direct, structured and comparable demand-side evidence from employers and senior officials, complementing existing national data sources and strengthening the evidence base for aligning Higher Education, training provision and labour-market policy with current and anticipated skills needs.

2 Research Methodology

This section presents the research methodology underpinning the National Employers' Skills Survey (NESS), outlining the design, implementation, and analytical framework adopted to generate robust and reliable evidence on labour market demand in Cyprus. It describes the development of the survey instrument, including the preparatory work (literature review of best practices, other employee's related surveys, feedback from stakeholders' sessions), the structure of the questionnaire and the differentiation between private and Public Sector approaches to ensure relevance and comparability across organisational contexts.

The section further details the definition of the target population and the sampling strategy applied to secure coverage of the Private Sector employer population that can be weighted to its known structure by sector and size, alongside the procedures followed to address challenges specific to the Public Sector. In addition, it explains the analytical processes applied to the collected data, including data cleansing, weighting methodologies, and statistical techniques used to support both employer-based and employee-based inference. Overall, the methodology is designed to ensure the validity, consistency, and policy relevance of findings, enabling a comprehensive and integrated understanding of employers' skills needs and labour market dynamics.

2.1 Design of the National Employers' Skills Survey

2.1.1 Preparatory work

The design of the NESS was preceded by three complementary activities, reviewing methodologies and questionnaires from existing surveys, a series of sessions (including meetings, focus group and interviews) with key Cypriot stakeholders, in order to identify national skills priorities, capture stakeholder perspectives, and ensure that the survey design reflected the needs and characteristics of the Cypriot labour market. Together, these produced a pool of indicative questions and methodological recommendations for the designing the final NESS questionnaire.

2.1.1.1 Review of methodologies of existing surveys

The literature review served as the first step, identifying existing surveys both at a national and international level, best practices, and potential challenges associated with designing an Employers' Skills Survey. The United Kingdom's (England, Northern Ireland, Wales and Scotland) survey has an established track record in capturing employers' recruitment difficulties, skill-shortage vacancies, skills gaps among existing staff, training activity and workforce development needs, and several of these core concepts informed the structure and thematic coverage of the NESS questionnaire. The review also examined surveys run in the UK, Serbia, and Georgia, along with the methodologies promoted by CEDEFOP and the World Bank's STEP (Skills Toward Employment and Productivity) programme.

The UK and Scotland surveys both use telephone and virtual interviews, run on a biennial cycle, and employ a disproportionate stratified random sampling strategy. UK fieldwork ran for eight months (averaging 23-minute interviews), while Scotland's ran two months (averaging 26 minutes). Their question areas covered firmographics, recruitment and skill-shortage vacancies, workforce composition and skills gaps, underutilisation, upskilling, workforce development, training, apprenticeships, and national occupational standards—with Scotland adding COVID-19 questions.

The STEP surveys in Serbia and Georgia relied on lengthy (60–70 minutes) paper-and-pencil personal interviews with two-stage stratified random sampling, covering firm background, workforce skills, hiring practices, training, and compensation. CEDEFOP (2013) offered a hybrid approach (telephone/CATI)

averaging 20 minutes, recommending stratified random sampling differentiated by size-class and sector to ensure representativeness.

The review also considered the Cypriot context, drawing on surveys tools, methodologies and evidence from employer-related surveys and studies undertaken by the Statistical Service of Cyprus (CYSTAT) and the HRDA. These sources provided important insights into employer skills needs, recruitment challenges and workforce development priorities, which informed the design and thematic coverage of the questionnaire. The review also highlighted the need for a broader instrument capable of capturing aspects that are not systematically examined in existing surveys, including graduate preparedness, skills utilisation, hard-to-fill vacancies and future skills needs. In addition, it emphasised the need for the questionnaire to reflect local labour market specificities and highlighted potential risks, including non-objective employer responses and challenges in securing a representative sample.

The UK's Employer Skills Survey served as an important reference point for the NESS because of its well-established methodology for assessing recruitment demand, skills shortage and workforce skills needs. Its conceptual framework and questionnaire structure informed the development of several modules and indicators included in the NESS.

2.1.1.2 Stakeholder Sessions

The stakeholder sessions were held in April 2023, lasting 1-3 hours each, with discussions centred on four pillars: the NESS's relevance to each organisation, its content and design, labour market knowledge/skills/qualifications needs, and existing training actions. The sessions comprised:

- 2 sessions with Ministries/Deputy Ministries (17 participants)
- 2 session with Higher Education Institutions (HEIs) (15 participants)
- 1 session with the HRDA (9 participants)
- 1 session with CYSTAT (1 participant)
- 1 session with KEBE and OEB (3 participants)

Key insights emerged for the design and methodology of the NESS. Ministries stressed alignment with their employability objectives but noted past surveys mapped occupations rather than skills and faced challenges identifying skills needs and achieving high response rates. The HRDA provided further details on its existing "Employment and Training Needs Survey," highlighting differences (the NESS aims to capture perceptions and future projections) and recommending a ~10-minute duration. HEIs suggested topics on soft/hard skills, job-shadowing, non-formal learning, and supported a 2–3-year frequency. KEBE and OEB offered help in distributing the NESS to their members, stressed the need for differentiating the NESS from other surveys, and recommended a short questionnaire targeting HR departments, with results communicated back as an incentive. CYSTAT outlined their operational details regarding the labour market studies, for which CYSTAT maintains its own company register (company's contact details, number of employees, activity sector). Additionally, CYSTAT runs a "Continuing Vocational Training Survey" (CYSTAT, 2025) every 5 years completed by CEOs via Computer Assisted Web Interviewing (CAWI), targeting 1,600 companies with 10+ FTEs. CYSTAT datasets use NACE classification. Finally, CYSTAT noted that they have not implemented an Employers/Skills/Employability Survey through which they extract specific data for the Cypriot Public Sector.

2.1.2 Questionnaire Design

The design and structure of the NESS questionnaire were informed by the preparatory work described above, including the review of existing employer and skills surveys at international and national level, consultations with key Cypriot stakeholders, and benchmarking of labour market demand through employment portals. Drawing on these inputs, the questionnaire was organised around five thematic areas: 'Workplace

Characteristics', 'Employment Levels and Occupational Structure', 'Recruitment Activity and Hiring Difficulties', 'Recruitment of Higher Education Graduates' and 'Internal Skill gaps.'

This structure supports the systematic monitoring of key indicators on a longitudinal basis, including changes in employment levels and workforce composition, recruitment activity and vacancy levels, hard-to-fill and skill-shortage vacancies, graduate recruitment and preparedness for employment, skills gaps among existing staff, over-skilling, and future skills shortage and upskilling priorities.

The NESS targets employers from Private Sector and Government and Wider Public Entities thus two separate versions were developed to reflect fundamental differences in organisational structures, employment arrangements, recruitment processes, and performance objectives across sectors. This approach ensures that sector-specific characteristics, challenges, and practices are appropriately addressed, allowing for a more nuanced and relevant analysis of employers' skills needs and recruitment experiences. At the same time, both versions are built around a common conceptual framework and percentage core indicators, and a common skills taxonomy, ensuring comparability and coherence across the survey results. In particular, the Public Sector operates within formal statutory frameworks governing appointments, salary scales, service schemes, and employment contracts, while performance outcomes are primarily linked to service delivery and regulatory implementation rather than market-based outputs.

Adapting question wording, response options, and units of analysis (organisation, workplace, or division) was therefore essential to ensure relevance, respondent comprehension, and data accuracy. At the same time, strict alignment was maintained across both questionnaires in terms of occupational classifications, skills dimensions, reference periods, and analytical constructs, thereby safeguarding comparability and enabling integrated analysis of skills needs across the Cypriot labour market.

Although separate questionnaire versions were developed for the Private Sector and for Government and Wider Public Entities, substantial overlap was retained to support comparability across sectors. Both versions followed the same core analytical logic and used common reference periods, occupational groupings, skills categories and key indicators wherever possible. Differences were introduced only where necessary to reflect sector-specific realities, such as the definition of the responding unit, the wording of recruitment and employment questions, and the interpretation of organisational performance.

Both the public and Private Sector questionnaires gather a mix of quantitative and qualitative data, combining measurable indicators with more descriptive, context-rich responses. The quantitative element is collected through structured, closed-format questions, including numeric counts (such as employee numbers and job vacancies), banded percentages (for example, the proportion of part-time, temporary, or over-skilled staff), percentage distributions of the workforce by educational level, and rating scales used to assess graduate preparedness and skill levels. These formats, drawing on international standardised taxonomies for economic activity (NACE taxonomy) occupations (ISCO), fields of study (ISCED), and qualification levels (ISCED. For skills, covering core, digital, soft, self-management, manual, hard, green and operational skills, we used our own taxonomy based on existing taxonomies

Qualitative data was captured through open-ended questions and "other, please specify" fields, which invite respondents to describe issues in their own words, such as the specific job titles that are hardest to fill, the most important future skills, and the skills expected to become obsolete. This combination ensures that the surveys produce comparable, statistically robust indicators while also preserving the depth and nuance needed to understand emerging skill needs and inform Higher Education and training policy.

The questionnaire was administered online through the DESAN platform and made available in two languages (Greek and English) to ensure broad coverage.

2.1.3 Defining the Target Population

Defining the target population is the basis for inference from the NESS and determines how far its findings can be generalised. In this report, special attention was given to defining the population in both the Private and Government and Wider Public Entities, with the aim of ensuring coverage of all employer types that play an

important role in the Cypriot economy. By applying well-defined criteria and referencing official registries, the survey is designed to provide a structured account of employment patterns, recruitment needs and skills requirements within these sectors.

2.1.3.1 Private Sector

For the purposes of the first cycle of the NESS, a stratified random sampling approach was conducted. The Business Register of the Cyprus Statistical Service served as the main sampling frame for employers in the Private Sector. The Business Register includes statistical units engaged in economic activity based on the European Classification of Economic Activities (NACE Rev. 2) and covers a broad range of institutional sectors, including financial and non-financial corporations, general government entities, households, and non-profit Institutions serving households. The Business Register is maintained and updated annually by the Statistical Service of Cyprus using administrative data sources and statistical surveys.

The target population for the Private Sector was defined as employers from enterprises operating within the Private Sector and registered in the Business Registry, employing two or more employees, and not classified as "households" (i.e. individuals or groups of individuals usually living in a single dwelling, who act jointly as consumers or entrepreneurs). Based on this definition, the total target population comprised of 29,567 enterprises.

A stratified random sampling approach was conducted in order to draw the sample for the survey. Specifically, two stratification variables were used to select the sample. One was NACE Code (i.e. economic activity) and the other one the Size Band (i.e. total number of employees). An allocation of approximately 42% per stratum was randomly selected for employers with less than 50 employees (i.e. size bands 2-9 and 10-49). A census-based approach was applied for employers having 50 employees or more (i.e. size bands 50-249, 250 and over), resulting in a total sample of 12,840 employers. Regarding the selection of the sample, the Ministry of Labour and Social Insurance provided the contact details of the employers included in the survey, enabling their participation in the data collection process.

2.1.3.2 Government and Wider Public Entities

For Government and Wider Public Entities defining the appropriate sampling unit proved particularly challenging due to the complexity and diversity of organisational structures within these sectors. For example, it was not always clear whether a ministry should be treated as a single employer, whether each department or subdivision within a ministry should be considered a separate employer, or whether individual units with managerial or administrative autonomy should be regarded as distinct employing entities. Moreover, comprehensive information on the organisational structure of ministries, deputy ministries, independent authorities, and other entities within the Government and Wider Public Entities was not readily available, nor was a complete sampling frame.

Given that the primary objective of the NESS was to collect detailed information on skills and employment related outcomes and in light of the afore mentioned challenges, it was decided to administer the questionnaire to senior officials or heads of different types of subdivisions (such as departments, offices, units, and services) who supervised two or more employees within their organisations. This approach ensured that responses were collected from individuals with direct knowledge of the skills required to perform the jobs under their responsibility. For this purpose, a mapping exercise was undertaken to identify the senior officials responsible for the supervision of all kinds of subdivisions within the Government and Wider Public Entities. Specifically, the Ministry of Education, Sport and Youth (MESY), through an official circular, requested all organisations within the Public Sector to identify the relevant persons and provide their contact details (email addresses), in order to facilitate their participation in the survey and completion of the questionnaire. However, it should be noted that this mapping exercise may not have captured all relevant subdivisions and therefore does not constitute a complete or fully reliable sampling frame for the government entities.

2.1.4 Data collection

Invitations for participation in the NESS were sent to employers and senior officials across both the Private sector and the Government and Wider Public sectors, on the 24th of May 2024. These invitations were distributed to the official work email addresses of managerial staff previously provided to the PwC project team. This approach ensured that individuals in positions of responsibility received the communication facilitating the efficient dissemination of the survey to those best placed to provide informed responses regarding their organisations. For the Government and wider Public Sector, managerial staff responsible for leading Directorates, Services, Departments, Units, Offices, Authorities, Committees, Bodies, Councils, or Organisations were specifically targeted as respondents. This approach ensured that individuals with direct oversight and knowledge of organisational practices and needs were included in the survey, thereby enhancing the quality and relevance of the collected data. The PwC project team was responsible for monitoring the data collection process on the DHE's survey platform, ensuring its smooth progress. During the data collection cycle, the PwC project team was responsible for monitoring the number of responses of employers on the platform tracking the number of responses in real time and providing support to employers who encountered difficulties or required clarification regarding the questionnaire. Regular progress reviews were conducted to identify any issues or bottlenecks in the response flow, enabling timely interventions such as reminder communications or technical troubleshooting. This comprehensive approach ensured that the data collection process remained efficient, inclusive, and responsive to participant needs.

As an additional measure to support data collection and assess the effectiveness of alternative contact methods, postal invitations were sent in November 2024 to a selected sample that had not responded to the survey by that time despite previous email communications. This targeted intervention was undertaken to evaluate the potential impact of postal correspondence on response rates among non-responding organisations. While the initiative resulted in some additional engagement, its overall effect on survey participation appeared limited, with no substantial improvement observed in response rates. Furthermore, feedback received during the process indicated that a significant number of postal addresses recorded in the relevant Registry were outdated or inaccurate, which may have constrained the effectiveness of this approach.

By systematically monitoring the procedures outlined above, the PwC project team maintained a well-structured and organised process for managing data collection throughout the duration of the survey. The data collection phase concluded on 10th of January 2025, encompassing a period of over seven months, which allowed sufficient time for the employers to participate.

2.2 Analysis

Following the completion of data collection, data analysis was undertaken to explore the main trends, patterns, and relationships emerging from the survey findings. Prior to data processing, the dataset underwent data cleaning and validation procedures to ensure the quality, consistency, and reliability of the data. The procedures followed are described in greater detail below.

2.2.1 Data Cleaning

Following the completion of data collection, several data cleaning activities were carried out before starting data analysis to improve the dataset's quality and ensure it is accurate and usable. The following data cleansing activities were performed:

1. **Initial exploration of the data:** An initial exploration of the dataset using descriptive statistics, and summaries in SPSS was performed to get a better understanding of the data, gain insights into the data's distribution and identify potential issues.
2. **Classification of Valid Cases according to the non-response rate.** To ensure that the quality of responses provided is good, cases having a high proportion (greater than 20%) of non-response values (i.e. question was seen by respondent, no answer was selected or indicated) were considered as invalid and were removed from the dataset.
3. **Manual recoding of open text fields:** Some variables in the dataset were open text fields that required manual recoding. This meant that all text responses in these variables were read by the research team and a decision was made on how to categorize the open responses into a workable set of categories.
4. **Definition of missing values:** Different types of missing values were defined, so that any missing values within the sample could be identified. The different types of missing values are described below:
    - Non-response: Question was seen by respondent, no answer was selected or indicated.
    - System missing: Question was not seen by respondent due to target group or question filter.
    - Implausible value: Question was seen by respondent; an implausible/ not credible answer was indicated.
    - Don't know: Question was seen by respondent, a "don't know" option was selected or indicated (if available).

2.2.2 Weighting

Survey data is generally weighted based on population data to improve representativeness where some groups are over- or under-represented among respondents. This is a necessity with almost all surveys and a common quality standard.

Different weighting methods were used between the Private Sector and the Government and Wider Public Entities due to differences in the sampling methods employed and the availability of an appropriate sampling frame. In addition, different weighting approaches were applied depending on the unit of analysis. Employer-based weights were used for questions relating to organisational practices and employers' perspectives, while employee-based weights were applied for analyses intended to reflect the distribution and characteristics of employees across the workforce.

It should be noted that, where employee-based weighting was applied in the Government and Wider Public Entities, the corresponding employee-based weighting approach was also applied in the Private Sector in order to support comparability between sectors.

The weighting methodologies applied for the two sectors are described in greater detail below.

2.2.2.1 Private Sector

- **employer-based weight (ErW):** This weight supports inference about the population of private employers (29,567 units) as per the information provided from Cyprus Business Register for 2023. It is applied to survey questions where the interest lies in estimating the proportion of employers exhibiting a given characteristic. Because employers with fewer than 50 employees (size bands 2–9 and 10–49) had an inclusion rate of approximately 42%, a design weight was first calculated to account for unequal selection probabilities. Subsequently, a calibration (raking) adjustment was applied to correct for over- and under-representation across NACE Code and Size Band, ensuring that the weighted sample aligns with known population distributions.
- **Employee-Based Weight (EeW):** This weight supports inference about the distribution of the workforce employed within the Private Sector. It is applied to questions where the objective was to estimate the percentage of employees affected by a particular issue. The weight is derived by multiplying the employer-based weight by the total number of employees reported by each organisation. This ensures that larger organisations, which employ more people, have a proportionally greater contribution to workforce-level estimates, allowing the results to better represent the overall employee population within the Private Sector. However, where the number of responding large organisations is small (for example, in the "over 249" band), these estimates rest on a limited base and should be read as indicative.
- **Employee-Based Occupation Weights (EeOW):** In cases where inference should be made about the different ISCO Occupations of the workforce, the Employee-based Weight was further adjusted using the percentage of employees reported under each ISCO occupational category. This approach allows the findings to better reflect the distribution of employees across occupations within the Private Sector workforce.

2.2.2.2 Public Sector

- **Unweighted (UW):** No employer-based weighting was applied for the Government and Wider Public Entities due to the absence of a comprehensive and reliable sampling frame, as well as the difficulty in consistently defining distinct employer units within these sectors. As a result, survey responses relating to employers' perspectives in the Government and Wider Public Entities are presented unweighted and reflect only the views of the organisations and entities that participated in the survey. Therefore, these findings should be interpreted with caution and cannot be generalised to the wider population of public-sector senior officials.
- **Employee-Based Weight (EeW):** The employee-based weight was used for survey questions examining the proportion of employees affected by a particular issue or characteristic. The weight was constructed using official workforce distribution data for 2023 provided by the Cyprus Statistical Service, which includes population totals by type of Public Sector entities within six distinct categories as per below:
    - Government entities: Ministries and Deputy Ministries, Constitutional Powers and Services, and Independent Services, Offices, and Funds;
    - Wider Public entities: Non-profit organisations, Local Authorities, and Publicly Owned Enterprises and Companies.

  The employee counts reported by respondents were adjusted to align with the known workforce distribution across these six categories of the Government and Wider Public Entities ensuring that weighted estimates more accurately reflect the overall composition of the total Government and Wider Public Sector workforce.
- **Employee-Based Occupation Weights (EeOW):** In cases where inference should be made about the different ISCO Occupations of the workforce, the Employee-based Weight was further adjusted using the percentage of employees reported under each ISCO occupational category. This approach

allows the findings to better reflect the distribution of employees across occupations within the Public Sector workforce.

2.2.3 Data Processing

Following the completion of the data cleansing and weighting phases, several data processing methods were applied to statistically explore the data to gain insights, identify patterns, and explore relationships between variables. These methods included:

1. **Descriptive Statistics**: Indicators of central tendency (such as mean, median) and measures of dispersion (such as standard deviation) were used to summarize and provide an overview of the distribution and variability of variables in the dataset.
2. **Tables and Data Visualization:** Frequency tables, crosstabs and various types of diagrams were created to visualize the distribution of variables and to highlight potential patterns and relationships between different variables. For statistical reliability purposes, results for subgroups comprising fewer than 10 respondents are suppressed and therefore not reported. For subgroups with a respondent count between 10 and 29, results are displayed but are accompanied by a cautionary note, indicating that the findings should be interpreted with care given the limited sample size.
3. **Inferential statistics:** Various parametric (e.g. one-way ANOVA) and non-parametric (e.g. Chi-square test of independence, Mann-Whitney U Test, Kruskal-Wallis Test) inferential statistics were used (on the weighted data where applicable) to determine statistically significant differences or relationships between variables or between sub-groups of employers. For weighted inferential analyses, the weights were rescaled to sum to the number of respondents. This preserved the relative weights and weighted percentages while preventing population-scaled weights from inflating weighted counts and, in tests that treat those counts as observed frequencies, overstating statistical significance. Rescaling does not account for the effects of unequal weights or other survey-design features on sampling variability, so findings classified as statistically significant in weighted analyses should be interpreted with this limitation in mind. These analyses supported the identification of statistically significant patterns within the data and, in the case of the Private Sector where a sampling frame was available, enabled inferences and generalisations to be made from the sample to the wider target population. For the Government and Wider Public Entities, which were surveyed without a sampling frame, the tests are descriptive and they identify differences within the responding sample. The level of statistical significance applied throughout the analysis was set at 0.05. For analyses involving multiple-response questions, where respondents could select more than one option, Bonferroni correction was applied where relevant to adjust for multiple comparisons and to reduce the risk of Type I error.
4. **Margins of Error:** To support the interpretation and reliability of the survey findings, a comprehensive breakdown of the margins of error is provided in Appendix II: Margins of Error . Because the precision of survey estimates varies depending on the sample size of specific breakdown groups (such as sector size band), these tables serve as a guide for assessing the statistical confidence of the reported data. Generally, larger sample sizes yield a lower margin of error, indicating higher precision in those specific findings.

2.3 Challenges and Limitations

The NESS was designed to generate systematic employer-based evidence on skills demand in Cyprus. Nevertheless, as with all large-scale surveys, the findings should be interpreted in light of a number of methodological and practical limitations relating to survey design, data collection, analysis and interpretation.

Sampling frame and coverage limitations: In the Private Sector, the survey was based on the Business Register and therefore provides a clear sampling frame for employer-based inference. In the government and wider Public Sector, the absence of a complete and consistently defined sampling frame represents a more substantive limitation. The mapping exercise used to identify senior officials was necessary and appropriate given the organisational complexity of the sector, but it may not have captured all relevant subdivisions, departments or units. Consequently, employer-level Public Sector findings are descriptive of responding entities and should not be interpreted as statistically representative of the full Public Sector population.

Weighting approaches: Private sector results are weighted and, where appropriate, support inference to the target population of employers. By contrast, Public Sector employer-level results are unweighted due to the lack of a reliable employer-level sampling frame. These differences limit the extent to which results can be directly compared across sectors. Comparisons between the Private and Public Sector are therefore most meaningful where the weighting approach is comparable (e.g. employee-based weighting); other comparisons are indicative only

Response and non-response limitations. Participation in the survey was voluntary, and the achieved sample may differ from the full sampled population in ways that are not fully observable. In the Private Sector, the response rate (approximately 11%) and the observed differences between the sample and responding organisations indicate that some types of employers, particularly smaller organisations, may have been less likely to participate. Although weighting was applied to reduce imbalances across known population characteristics, weighting cannot fully eliminate the possibility of non-response bias where respondents and non-respondents differ on unobserved characteristics related to skills needs, recruitment challenges or workforce development practices. In the Public Sector, response patterns may similarly reflect the availability, engagement or institutional position of senior officials invited to participate. When response rates are low, there is an increased risk of nonresponse error. Additionally, missing data to certain questions of the questionnaire may have introduced nonresponse error at question level.

Self-reported and perception-based information. The survey relies on information provided by employers and senior officials. As a result, the findings reflect respondents' knowledge, perceptions and estimates at the time of completion. Some questions required respondents to estimate percentages of staff, vacancies, occupational composition, skills gaps, over-skilling and future skills needs. These estimates may be affected by recall limitations, interpretation differences, availability of internal records, and respondents' subjective understanding of concepts such as proficiency, preparedness, skills shortage and over-skilling. The survey therefore captures employer perceptions and reported experiences rather than independently verified measures of skills or job performance.

Small analysis bases and subgroup interpretation. Several analyses are based on subgroups of respondents because questions were routed only to employers or senior officials with relevant experiences, such as those involved in recruitment, those reporting vacancies, or those recruiting recent graduates. In addition, some sector, size-band or occupational subgroups contain small numbers of respondents. Results for subgroups with fewer than 10 respondents are suppressed, while results based on 10 to 29 respondents are presented with cautionary notes. Findings based on small bases should be treated as indicative and should not be over-interpreted, particularly where percentages may be sensitive to the responses of a small number of organisations.

Time reference and causal interpretation. The survey captures responses for a specific reference period and reflects labour market conditions, organisational circumstances and respondent perceptions during that period. Skills needs; recruitment pressures and workforce development priorities may change over time in response to economic, technological, regulatory or organisational developments. In addition, the analysis identifies associations and reported patterns but does not establish causal relationships. For example,

observed differences across sectors or organisation sizes should be interpreted as descriptive patterns rather than evidence that the sector or size of an organisation directly causes a specific skills outcome.

Use of findings. These limitations do not undermine the value of the NESS as a structured source of employer-based skills intelligence. Rather, they define the appropriate boundaries for interpretation. The results should be used as evidence of reported employer and senior official experiences, perceptions and expectations, interpreted alongside sample bases, weighting notes and sector-specific methodological differences. Where feasible, future survey cycles could strengthen the evidence base further through improved Public Sector mapping, continued efforts to raise response rates, refinement of selected questionnaire items, and linkage with complementary administrative or labour-market data sources.

2.4 Structure of the Report

The report is divided into two main sections. The first section presents the population, sample and respondent profile, as well as the main findings from employers in the Private sector. The second section presents the respondent profile and findings from senior officials in the Government and Wider public entities. This structure was adopted in order to reflect the different organisational and employment characteristics across sectors, while maintaining a common analytical framework that allows for comparability of key findings. The implications of these findings are then brought together, which sets out their relevance for skills policy, Higher Education provision, workforce development and future labour-market planning.

3 Private sector

KEY FINDINGS

The main findings for the Private Sector are summarised below. All figures are employer-weighted unless otherwise stated, and the analysis base for each finding is reported in brackets, since several questions were addressed only to subgroups of respondents.

Employer population structure. The employer population is dominated by micro-organisations: 82% of all organisations employ 2–9 people, compared with 15% employing 10–49, 2% employing 50–249 and 0.4% employing more than 249 (target population of 29,567 employers defined as enterprises registered in the Business Register of the Cyprus Statistical Service that employ two or more employees and are not classified as households). Almost half of all organisations are concentrated in "Distribution and Transport" (28%) and "Other Business Services" (19%), while "Primary and Utilities" (3%), "IT Services" (4%) and "Financial and Insurance" (4%) account for the smallest shares.

Employment dynamics. Most employers (55%) reported no change in their total number of employees between January 2023 and January 2024, while 26% reported an increase and 19% a decrease (N = 1,395). Among employers reporting a change, growth was most often attributed to an increase in the overall level of demand (46%), whereas workforce reductions were most commonly associated with difficulties in attracting and recruiting staff (28%) (N = 710).

Workforce profile. Employers reported that close to half of their workforce (48%) holds a Higher Education qualification, with a marked divide between knowledge-intensive sectors, where more than three quarters of employees are Higher Education graduates, and sectors such as Construction and Manufacturing, where a substantial share of the workforce has below upper secondary education (N = 1,395). Part-time work is limited, with 68% of employers reporting no part-time employees, the main exception being Hospitality (N = 1,395).

Recruitment demand. Among organisations aware of or involved in recruitment, 49% reported at least one vacancy since January 2023, with an average of 2.58 vacancies per organisation and a vacancy density of 17% of existing employment (N = 900). Employers prioritised work experience (70%), enthusiasm for the job (63%), relevant hard skills (59%), willingness to acquire new skills (53%) and soft skills (49%) when recruiting (N = 900).

Hard-to-fill vacancies. Among employers with at least one vacancy, 71% reported that at least some vacancies were hard to fill (N = 527). Of those reporting hard-to-fill vacancies, 89% reported an effect on organisational performance (N = 376). Among employers reporting a major or minor effect the most common consequences were increased workloads for other staff (80%), delays in developing new products or services (38%) and loss of business or orders (37%) (N = 326). Hard-to-fill vacancies were concentrated among Professionals, Service and Sales Workers, Technicians and Associate Professionals, and Clerical Support Workers (N = 376).

Nature of the shortage. Recruitment difficulties were attributed primarily to a lack of interest in the type of job (68%), a limited number of applicants generally (58%) and a limited number of applicants with the required skills (53%) (N = 376). Where difficulties were skills-related, employers cited a lack of required skills (57%), qualifications (42%) and experience (41%) (N = 374). The skills hardest to find among applicants were predominantly soft and self-management skills, notably willingness to learn (43%), the ability to communicate effectively (35%) and time management (31%) (N = 376).

Recruitment and preparedness of recent graduates. Of employers with at least one vacancy, 39% recruited a recent graduate (N = 526), with graduate recruitment more common in knowledge-intensive sectors. Most employers who recruited graduates did so from Cyprus Higher Education Institutions (N = 248). Almost half of employers (49%) assessed recent graduates from Cyprus Higher Education Institutions as moderately prepared for employment and around a third as well or very well prepared, while 19% considered them slightly or not at all prepared (N = 165). Graduates were rated comparatively strongly on core literacy, basic numeracy,

applied digital skills and willingness to learn, and comparatively weakly on leadership, complex problem-solving, proactivity, analytical and critical thinking and green skills (N = 166).

Underutilisation of skills. Alongside skills shortage, 34% of employers who recruited graduates reported employing Higher Education graduates in jobs that do not require a Higher Education qualification (N = 246). Over-skilling was reported by 45% of employers, who estimated on average that around one fifth of their employees are over-skilled, with managers and professionals most frequently identified as the occupations concerned (N = 1,382).

Work-based learning. Employer engagement in work-based learning is limited: 76% of employers provided no placements or internships during the reference period (N = 972). Among employers that did provide them, 30% reported that none of their interns or placement students were paid, and 31% had offered employment to someone who previously completed a placement or internship in the organisation (N = 271).

Proficiency of existing staff. Employers considered between 13% and 23% of employees across occupational categories not to be fully proficient in their roles (N = 1,395). Among employers reporting less than full proficiency, seven in ten reported an effect on organisational performance, with 30% reporting a major effect (N = 580). The most common consequences were increased workloads for other staff (65%), delays in developing new products or services (40%), difficulties meeting quality standards (39%) and higher operating costs (39%) (N = 422). Proficiency gaps were most often located among Service and Sales Workers (25%), Professionals (19%) and Technicians and Associate Professionals (16%) (N = 582). The skills identified as most in need of improvement among existing staff were willingness to learn (46%), teamwork (40%), time management (40%), effective communication (37%) and the applied use of information and communication technologies (37%) (N = 551).

Future outlook. A majority of employers (56%) expect to face skills shortage over the next five years, including 25% anticipating shortages at a high level (N = 1,383). Among those expecting shortages (N=309), these relate primarily to hard skills (28%), followed by soft skills (18%), manual skills (17%), digital skills (15%) and self-management skills (14%) (N = 309). At the same time, 58% of employers expect all skills currently required in their organisation to remain necessary (N = 900), indicating that the challenge is one of broadening existing skill sets rather than wholesale skill replacement.

3.1 Population, sample and respondents

In this section, a comprehensive overview of the target population and sample is presented, as well as of the organisations that responded to the survey. Understanding the characteristics of the surveyed population and the composition of the respondents is crucial for interpreting the findings of this survey accurately.

From the 29,567-target population of employers, invitations were sent to a sample of 12,840 (described in section 2.1.3 above). From these, 1,395 employers responded to the questionnaire (11% response rate) and are considered valid for analysis purposes.

It should be noted that, in certain sections of the questionnaire, questions were addressed only to specific subgroups of respondents, depending on their previous answers. As a result, some analyses are based on subsets of the overall sample. The number of respondents included in each analysis is indicated in the note below the corresponding figure.

3.1.1 Description of the Population

Findings presented in this report are categorised and compared by variables such as NACE sector, size band and ISCO Skill Level providing a systematic framework for organising economic activities into different sectors and sub-sectors. The NACE code classification is standardised across European Union (EU) member states to ensure consistency and comparability in economic data reporting and analysis. Academic researchers and analysts use NACE sectors to conduct studies and compile reports on sector trends, sector performance, and economic forecasting.

Table 1 presents the NACE classification of economic activities, which is the standard classification system used in the European Union (EU), as defined by the European Commission (EuropeanCommission, EC, 2010). The NACE classification is structured hierarchically across four levels. Table 1 presents the first level of this classification, which consists of 21 sections identified by alphabetical codes (A–U); Table 1 lists sections A to S, of which section O (Public Administration and Defence) falls outside the Private Sector population.

Table 1: Sectors/Categories of economic activities in the NACE taxonomy

Section	Name of the NACE Codes
A	Agriculture, Forestry and Fishing
B	Mining and Quarrying
C	Manufacturing
D	Electricity, Gas, Steam, and Air Conditioning Supply
E	Water Supply; Sewerage, Waste Management and Remediation Activities
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles and motorcycles
H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities

Section	Name of the NACE Codes
L	Real Estate Activities
M	Professional, Scientific, and Technical Activities
N	Administrative and Support Service Activities
O	Public Administration and Defence; Compulsory Social Security
P	Education
Q	Human Health and Social Work Activities
R	Arts, Entertainment and Recreation
S	Other Service Activities

For the purposes of analysis, the 18 NACE sections in the Private Sector target population (A to S, excluding O) were regrouped into a smaller number of broader sectoral categories. This aggregation was undertaken to ensure consistency with the sectoral classification used by CEDEFOP for skills forecasting, which groups economic activities into six broad sectors, adapted here into ten categories (1. Primary and Utilities, 2. Manufacturing, 3. Construction, 4a. Distribution and Transport, 4b. Hospitality, 5a. IT Services, 5b. Financial and Insurance, 5c. Other Business Services, 5d. Other Marketed Services, and 6. Non-Marketed Services). Building on this framework, the CEDEFOP classification was further adapted to reflect the underlying distribution of employment across sectors within the Cypriot economy. Specifically, sectors with a significant contribution to employment and economic activity were disaggregated to ensure adequate representation of important components of the Cypriot economy. As a result, "Distribution and Transport" and "Hospitality" were treated as distinct categories, while "Business and Other Services" was further divided into "IT Services", "Financial and Insurance Activities", "Other Business Services", and "Other Marketed Services". As a result, the original six CEDEFOP sectoral groupings were expanded into 10 sectoral categories due to the initial plan to link the current results to CEDEFOP's forecasts for Cyprus. This approach allows the analysis to more accurately reflect the structure of employment across sectors, while maintaining alignment with the broader CEDEFOP classification framework. Throughout this report, the initial disaggregation into 18 categories is referred to as "NACE codes", while the final aggregated classification into 10 groups is referred to as "NACE sectors".

Figure 1 provides a combined overview of the population distribution of organisations in Cyprus by the NACE sector groups and organisation size group. The figure displays the percentage of organisations operating within each sector, further disaggregated by size bands (2–9, 10–49, 50–249, and over 249 employees).

When analysing population distribution by sector, the goal is to understand the economic landscape of Cyprus labour market represented in the data.

Overall, the distribution reveals a high degree of concentration across a limited number of NACE sector groups. Almost half of the total organisation population in Cyprus are embedded within "Distribution and Transport" (28.40%) and "Other Business Services" (19.38%) sectors. The sectors which the least organisations are embedded within, are "Primary and Utilities" (2.77%), "IT Services" (3.85%), and "Financial and Insurance" (4.36%).

The distribution of the population by size group is heavily skewed towards smaller organisations, with the "2–9" category accounting for 82% of all organisations, compared with 15.38% in the "10–49" group, 2.27% in the "50–249" group, and 0.35% in the "over 249" group. This pattern underlines the central role of small organisations in the Cypriot economy.

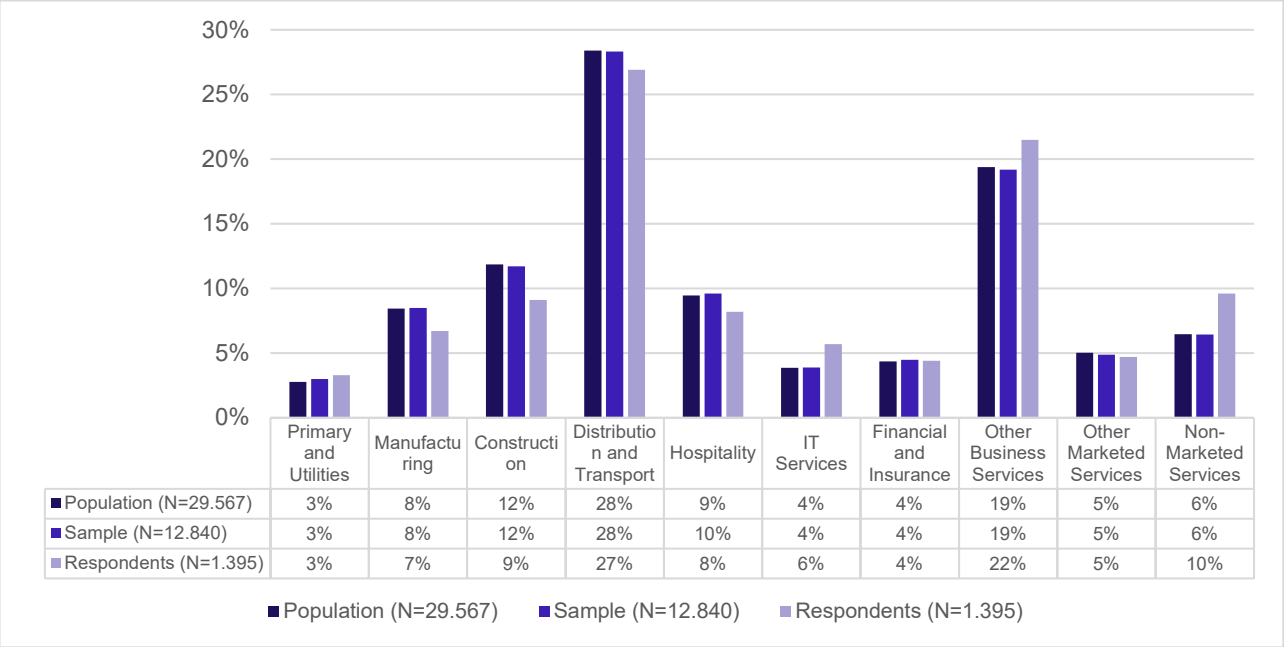
Figure 1. Population distribution of the target population of 29,567 employers by Sector (including NACE Sector) and Size Band

Sector/Nace Sector	Size Band				Total
	0-9	10-49	50-249	Over 249	
1. Primary and utilities	**2.26%**	**0.48%**	**0.03%**	**0.00%**	**2.77%**
A. Agriculture, Forestry and Fishing	1.86%	0.30%	0.01%	0.00%	2.18%
B. Mining and Quarrying	0.06%	0.06%	0.00%	0.00%	0.13%
D. Electricity, Gas, Steam, and Air Conditioning Supply	0.05%	0.01%	0.00%	0.00%	0.06%
E. Water Supply; Sewerage, Waste Management and Remed	0.28%	0.10%	0.02%	0.00%	0.40%
2. Manufacturing	**6.37%**	**1.76%**	**0.29%**	**0.03%**	**8.45%**
C. Manufacturing	6.37%	1.76%	0.29%	0.03%	8.45%
3. Construction	**9.69%**	**1.93%**	**0.21%**	**0.01%**	**11.85%**
F. Construction	9.69%	1.93%	0.21%	0.01%	11.85%
4a. Distribution and Transport	**23.94%**	**3.77%**	**0.60%**	**0.10%**	**28.40%**
G. Wholesale and Retail Trade; Repair of Motor Vehicles and	21.46%	3.19%	0.40%	0.08%	25.13%
H. Transportation and Storage	2.47%	0.58%	0.19%	0.02%	3.27%
4b. Hospitality	**6.83%**	**2.23%**	**0.31%**	**0.08%**	**9.45%**
I. Accommodation and Food Service Activities	6.83%	2.23%	0.31%	0.08%	9.45%
5a. IT Services	**3.04%**	**0.68%**	**0.10%**	**0.03%**	**3.85%**
J. Information and Communication	3.04%	0.68%	0.10%	0.03%	3.85%
5b. Financial and Insurance	**3.51%**	**0.63%**	**0.20%**	**0.02%**	**4.36%**
K. Financial and Insurance Activities	3.51%	0.63%	0.20%	0.02%	4.36%
5c. Other Business Services	**16.58%**	**2.49%**	**0.26%**	**0.05%**	**19.38%**
L. Real Estate Activities	1.83%	0.15%	0.00%	0.00%	1.98%
M. Professional, Scientific, and Technical Activities	11.57%	1.80%	0.14%	0.02%	13.53%
N. Administrative and Support Service Activities	3.18%	0.54%	0.13%	0.03%	3.87%
5d. Other marketed services	**4.43%**	**0.53%**	**0.08%**	**0.00%**	**5.04%**
R. Arts, Entertainment and Recreation	1.74%	0.28%	0.04%	0.00%	2.07%
S. Other Service Activities	2.69%	0.25%	0.04%	0.00%	2.97%
6. Non-marketed Services	**5.36%**	**0.89%**	**0.19%**	**0.02%**	**6.46%**
P. Education	1.74%	0.38%	0.09%	0.01%	2.22%
Q. Human Health and Social Work Activities	3.63%	0.51%	0.09%	0.01%	4.24%
Total	**82.00%**	**15.38%**	**2.27%**	**0.35%**	**100.00%**

3.1.2 Description of the Sample and Respondents

This section compares the distribution of sample (12,840) with that of respondents (1,395) across key organisational characteristics, including NACE sector and organisation size. Figure 2 presents the distribution of the sample and responding organisations across the 10 NACE sector groups. The majority of both the sample and respondents are concentrated within a limited number of sector groups. In particular, “Distribution and Transport” represents the largest percentage (28% of the sample and 27% of respondents), followed by “Other Business Services” (19% and 22%, respectively), and “Construction” (12% and 9%, respectively). Additional notable percentages were observed in “Hospitality” (10% and 8%, respectively) and “Manufacturing” (8% and 7%, respectively). The remaining sector groups account for smaller proportions of both the sample and respondents, with relatively low representation in “Primary and Utilities” (3% for both), “IT Services” (4% and 6%, respectively), “Financial and Insurance” (both 4%), “Other Marketed Services” (both 5%) and “Non-Marketed Services” (6% and 10%, respectively).

Figure 2: Population, Sample and Respondents distribution by NACE SECTOR

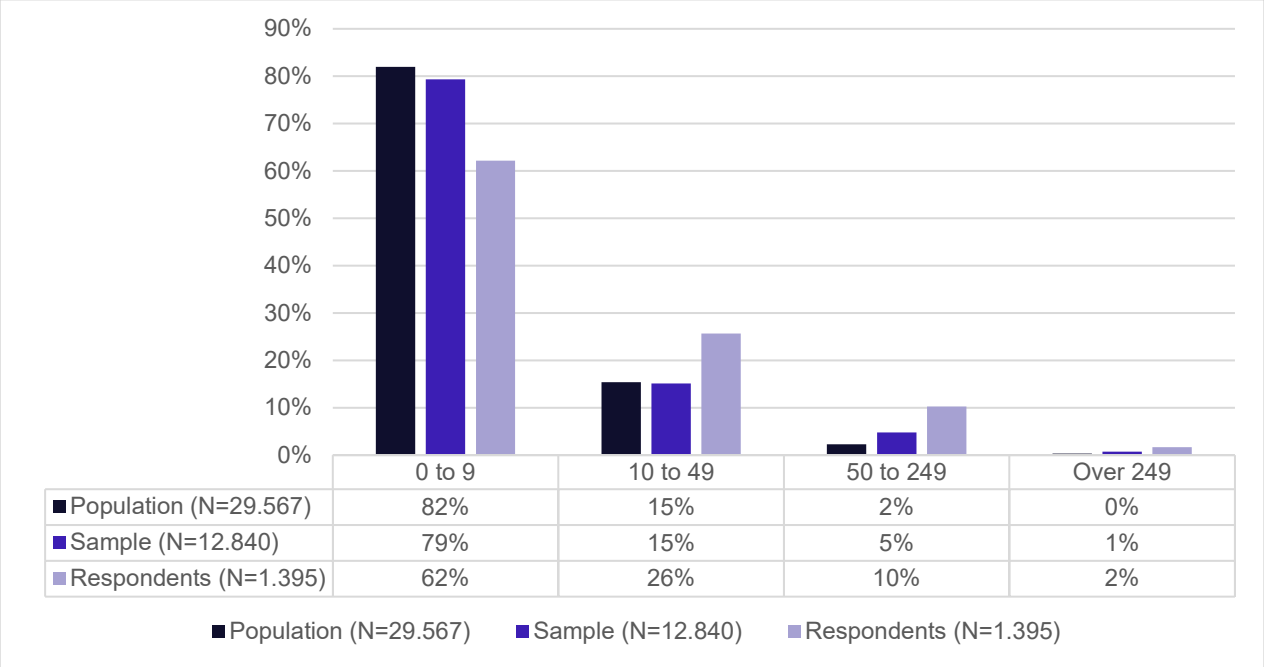


	Primary and Utilities	Manufacturing	Construction	Distribution and Transport	Hospitality	IT Services	Financial and Insurance	Other Business Services	Other Marketed Services	Non-Marketed Services
Population (N=29.567)	3%	8%	12%	28%	9%	4%	4%	19%	5%	6%
Sample (N=12.840)	3%	8%	12%	28%	10%	4%	4%	19%	5%	6%
Respondents (N=1.395)	3%	7%	9%	27%	8%	6%	4%	22%	5%	10%

Notes:
1) The Population refers to the full set of employers considered in the study,
2) The Sample consists of employers drawn from the target population and invited to participate in the survey, and
3) Respondents refer to the employers who completed the questionnaire and whose responses were considered valid for analysis.

The size group categorisation used throughout the analysis is based on the Cyprus Statistical Service classification, which distinguishes four categories according to the number of employees: 0–9, 10–49, 50–249, and 250 or more employees. Figure 3 presents the total population and sample distribution by Size group. As presented before, the vast majority (82%) of private organisations in the population is small-sized organisations. As expected, the sample follows the same distribution across size groups with that of population as a stratified sampling approach was applied. The vast majority of organisations within the sample are organisations of 2-9 people (79%). The remaining 21% of organisations within the sample is divided into the three remaining size groups (10-49: 15%, 50-249: 5%, and Over 249: 1%). The distribution of responding organisations follows generally the structure of the overall sample but with some notable differences observed across size groups. Small organisations (2-9 employees) account for 62% of respondents, compared with 79% of the sample and 82% of the overall population, indicating lower participation among the smallest employers. In contrast, organisations with 10-49 employees represent 26% of respondents, compared with 15% of the sample and population. Overall, medium-sized and larger employers are overrepresented among respondents relative to their share in both the sample and the target population, while the smallest employers are underrepresented.

Figure 3: Sample distribution by Size Group



Notes:
1) The Population refers to the full set of employers considered in the study,
2) The Sample consists of employers drawn from the target population and invited to participate in the survey, and
3) Respondents refer to the employers who completed the questionnaire and whose responses were considered valid for analysis.

Another key variable used for the description of the sample, in addition to organisation NACE sector and group size, was the skill level where the majority of each organisation's workforce belonged. This categorisation was derived from the information provided by employers in the questionnaire regarding the distribution of their current workforce across ISCO major occupational categories. Specifically, employers were asked to indicate what percentage of employees at their workplace/location belonged to each occupational category, with responses summing to 100%.

The International Standard Classification of Occupations (ISCO) served as a reference, outlining nine major occupational categories (with Armed Forces Occupations excluded) and their associated skill levels, as shown in Table 2. Based on employers' responses, organisations were classified according to whether the majority of their workforce was concentrated in higher-skill occupational categories (ISCO Skill Levels 3–4) or in lower/intermediate-skill categories (ISCO Skill Levels 1–2). It is important to note that this skill level of the organisation's workforce variable was not used for weighting purposes due to the lack of population data.

Table 2. Workforce skill levels by ISCO major occupational categories (ILO, 2012)

Major Groups	Skill Level
1 Managers	3 and 4
2 Professionals	4
3 Technicians and Associate Professionals	3
4 Clerical Support Workers	2
5 Service and Sales Workers	2

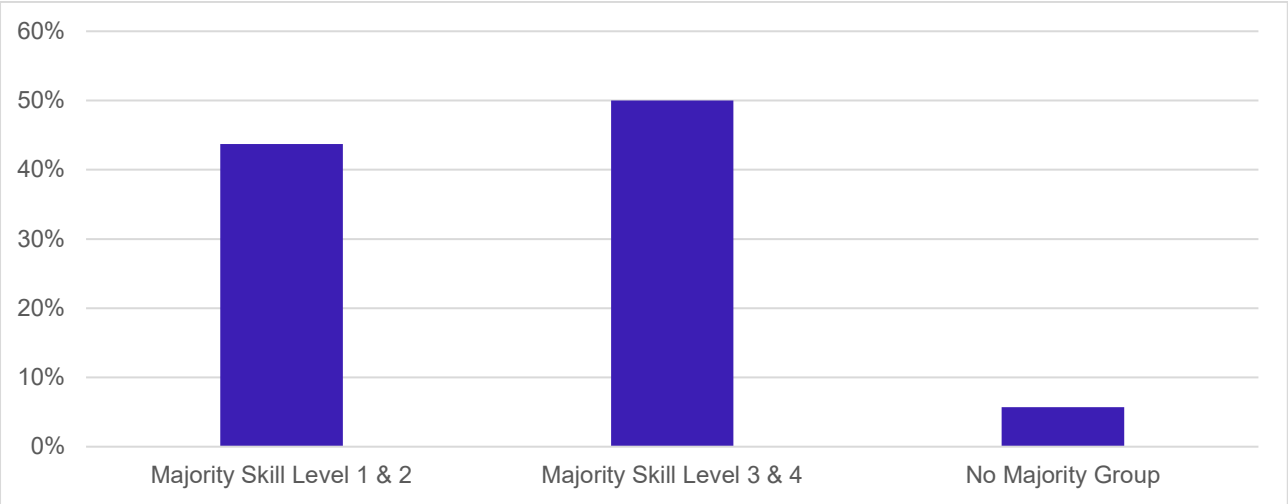
Major Groups	Skill Level
6 Skilled Agricultural, Forestry and Fishery Workers	2
7 Craft and Related Trades Workers	2
8 Plant and Machine Operators, and Assemblers	2
9 Elementary Occupations	1

For interpretation purposes, it is important to clarify what these ISCO Skill Levels broadly represent. Skill Level 3 & 4 correspond to occupations typically requiring Higher Education. These include short-cycle Higher Education programmes, first-degree university education, and postgraduate qualifications. In contrast, Skill Level 1 & 2 correspond to occupations generally requiring qualifications below Higher Education. These include lower to upper secondary education, including lower secondary and upper secondary.

In essence, organisations classified as Majority Skill Level 3 and 4 have workforces concentrated in higher-skilled, tertiary-educated occupation groups, while those classified as Majority Skill Level 1 and 2 are dominated by roles requiring lower or intermediate educational attainment.

To determine the primary skill level within each organisation, employers were asked to report the percentage distribution of their workforce across ISCO major occupational categories. Based on these responses, the reported percentages were grouped into two categories: higher-skill occupations (comprising “Managers”, “Professionals”, and “Technicians and Associate Professionals”) and lower/intermediate-skill occupations (comprising the remaining ISCO categories). Organisations were then classified according to the category in which the majority of their workforce was concentrated. Specifically, where more than 50% of employees were employed in higher-skill occupations, the organisation was classified as Majority Skill Level 3&4, while those with more than 50% of employees in lower/intermediate-skill occupations were classified as Majority Skill Level 1&2. In cases where neither category exceeded 50% (i.e. the distribution is 50-50), organisations were classified as having no majority skill level. The results of this classification are presented in Figure 4.

Figure 4. Classification of organisations by ISCO Skill Level



3.2 Organisation Overview

This section presents statistical information regarding the profile of organisations, particularly the employment structure and occupational composition, from which employers participating in the survey were coming from. The employment structure is examined through data on the change in organisation size between 2023-2024, (as well as the reasons behind these changes in organisation size), the percentage of part-time employment within the organisation, the distribution of qualification levels among staff, within the organisation. Occupational composition is examined through the distribution of ISCO occupational categories among staff within the organisation. These variables offer valuable insights into workforce composition and recent employment developments during the period 2023-2024. Monitoring employment trends is a key aspect of the European Employment Strategy (EES), which emphasises the need to promote stable job creation and adaptability to economic transitions (European Commission, EC, 2023a). Within this framework, changes in the workforce of organisations in Cyprus changes provide valuable insights into broader labour market dynamics.

3.2.1 Change in employee numbers from 2023 to 2024

Examining the change in employee numbers between 2023 and 2024 was important to assess recent labour market dynamics and identify patterns of workforce expansion or contraction across organisations. Figure 5 presents the percentage distribution of employers reporting an increase, decrease, or no change in the total number of employees between January 2023 and January 2024, disaggregated by NACE sector, group size, and ISCO Skill Level. All employers were asked to report their total number of employees for both reference years. Statistically significant differences were observed across economic sectors, organisation size categories, and ISCO Skill Levels.

Overall, the majority of employers (55%) reported no change in their total number of employees over the period examined. A further 26% reported an increase in employee numbers, while 19% indicated a decrease. Analysis by NACE sector reveals statistically significant differences in employment trends. Across most sectors, the majority of employers reported stable employment levels. The highest proportions of employers reporting no change were observed in the “Primary and Utilities” (65%), “Distribution and Transport” (60%), and “Other Marketed Services” (59%) sectors, indicating relatively greater employment stability. Comparatively high percentages of employers in the “Hospitality” (32%) and “Financial and Insurance” (26%) sectors reported a decrease in employee numbers between January 2023 and January 2024. Conversely, higher proportions of employers reporting an increase in employee numbers were observed in the “Manufacturing” (33%) and “Non-Marketed Services” (31%) sectors.

A clear relationship emerges between organisation size and changes in employee numbers. Specifically, organisation size is positively associated with the likelihood of reporting an increase in employee numbers, rising from 22% among micro-enterprises (2–9 employees) to 40% among small enterprises (10–49), 61% among medium-sized enterprises (50–249), and 60% among large enterprises (over 249). Conversely, the proportion of employers reporting no change declines as organisation size increases, from 60% among micro-enterprises to 16-20% among medium-sized and large enterprises. The percentage of employers reporting a decrease in employee numbers remained relatively consistent across all size categories.

Across ISCO Skill Levels groups, the majority of employers (ranging between 52% and 60%) reported no change in employee numbers over the reference period. The highest proportion of employers reporting an increase was observed among organisations associated with ISCO Skill Level 1 & 2 (28%), which are typically easier to expand in response to changes in demand, resulting in a higher proportion of employers reporting increases in employment. In contrast, the highest proportion reporting a decrease was recorded among organisations within No Majority ISCO Skill Level group, which may be associated with greater organisational adjustments, including reductions in staff, leading to a higher proportion of employers reporting decreases.

Figure 5. The distribution of employers who reported a decrease, no change or increase in employee numbers in organisations during 2023-2024 (ErW)

Change in number of employees between January 2023 and January 2024				
	n=	Decrease	No Change	Increase
TOTAL POPULATION	1395	19%	55%	26%
BY SECTOR*				
Primary and Utilities	46	13%	65%	22%
Manufacturing	93	20%	47%	33%
Construction	127	21%	55%	24%
Distribution and Transport	375	14%	60%	26%
Hospitality	114	32%	40%	28%
IT Services	79	22%	52%	26%
Financial and Insurance	61	26%	50%	23%
Other Business Services	300	21%	56%	23%
Other Marketed Services	66	15%	59%	26%
Non-Marketed Services	134	17%	52%	31%
BY SIZE GROUP*				
2 to 9	868	18%	60%	22%
10 to 49	359	25%	35%	40%
50 to 249	144	23%	16%	61%
Over 249	24(i)	20%	20%	60%
BY ISCO GROUP*				
Majority Skill Level 1 & 2	610	20%	52%	28%
Majority Skill Level 3 & 4	705	18%	56%	25%
No Majority Group	80	22%	60%	19%

Note:

1) *This question was answered by all respondents (N=1,395),*
2) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *The «n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 6 presents the median decrease and increase (%) in employee numbers in organisations between organisations between January 2023 and January 2024, calculated based on employers reported total number of employees in each year, categorised by NACE sector, size category, and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables. Percentages are based on employers who reported either an increase or a decrease in employee numbers (N = 710 out of a total of N = 1,395 respondents).

Overall, employers who reported a decrease indicated a median decrease of 23% in employee numbers within their organisations, while those who reported an increase indicated a median increase of 20%. Comparing the median decrease in employee numbers by sector, employers in the "Financial and Insurance" reported the largest median decrease during 2023-2024, (44%), while employers within the remaining sectors reported median decreases ranging from 14 to 25%. On the other hand, employers within the "Manufacturing" and "Other Marketed Services" sectors reported the largest median increase in employee numbers between 2023-2024 (both 33%), within the other sectors reported median increases ranging from 16 to 22%.

Looking at median decrease and increase in employee numbers between 2023-2024 by organisations' size, it is observed that both the largest median increase (25%) and the largest median decrease (25%) was reported by employers with 2-9 employees. Medium sized employers (10-249 people) reported a median decrease of 10% and a median increase ranging from 8 to11% during 2023-24. Employers in very large

organisations (over 249 employees) reported smaller changes in employee numbers with a median increase of 6%.

In terms of employers' responses categorised by ISCO Skill Level, low-skill workplaces (Skill Level 1 & 2) reported a 17% median decrease and a 20% median increase in employee numbers during 2023-24. Organisations within Skill Level 3 & 4, reported a 25% median decrease and a 21% median increase. Finally, organisations within No Majority ISCO Skill Level group reported the largest changes with both the median decrease and increase at 33% in employee numbers during 2023-24.

Figure 6. The median decrease/increase (%) in employee numbers for employers who reported a decrease/increase in their workforce during 2023-2024 (ErW)

	Decrease		Increase	
	n=	Median Decrease	n=	Median Increase
TOTAL POPULATION	277	23%	433	20%
BY SECTOR				
Primary and Utilities	3(s)	-	15(i)	16%
Manufacturing	20(i)	22%	35	33%
Construction	28(i)	20%	37	22%
Distribution and Transport	58	25%	116	21%
Hospitality	32	22%	40	19%
IT Services	18(i)	25%	23(i)	17%
Financial and Insurance	18(i)	44%	20(i)	18%
Other Business Services	67	22%	79	20%
Other Marketed Services	13(i)	14%	17(i)	33%
Non-Marketed Services	20(i)	20%	51	17%
BY SIZE GROUP		*		*
2 to 9	152	25%	193	25%
10 to 49	86	10%	147	11%
50 to 249	37	10%	79	8%
Over 249	2(s)	-	14(i)	6%
BY ISCO GROUP		*		*
Majority Skill Level 1 & 2	128	17%	197	20%
Majority Skill Level 3 & 4	132	25%	220	21%
No Majority Group	17(i)	33%	16(i)	33%

Note:

1) *This question was answered by 710 respondents reported an increase or a decrease in their workforce,*
2) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 7 illustrates the reasons reported by employers for changes in employee numbers between January 2023 and 2024, disaggregated by type of change (decrease and increase). More than half of respondents (55%) reported no change in their employee numbers. Respondents who experienced changes (45%) were allowed to select more than one reason. Percentages are based on employers who reported either an increase or a decrease in employee numbers (N = 710 out of a total of N = 1,395 respondents).

Overall, a minority (277 out of 710) of employers reported a decrease in employee numbers during the reference period. Among these employers, workforce reductions were most commonly associated with difficulties in attracting and recruiting staff (28%), changes in the way work is organised (20%), and changes in the overall level of demand (18%). Other factors, such as cost pressures, changes in production or service delivery processes, and external shocks, were reported less frequently.

Employers who experienced workforce growth (433 out of 710) most frequently attributed this to increases in the overall level of demand (46%), alongside organisational changes, such as adjustments in the way work is organised (15%) or the introduction of new products or services (15%).

Notably, some factors—particularly recruitment-related issues—were reported by employers experiencing both increases and decreases in employment, indicating that similar challenges may be associated with different employment outcomes depending on organisational circumstances.

Overall, the overlap in reported reasons across different types of employment change underscores the complexity of workforce dynamics. The same underlying factors, e.g. change in demand, may contribute to employment growth in some organisations while constraining workforce expansion or leading to reductions in others, depending on their capacity to respond to changing demand, organisational needs, and labour-market conditions.

Figure 7: Reasons regarding the changes in employee numbers by the type of change between 2023-2024 (i.e. decrease/increase), reported as % of employers (ErW)

If there was a change in the number of employees between January 2023 and January 2024, what were the main reasons for the change?		
Reason	**Decrease (n=277)**	**Increase (n=433)**
Changes in overall level of demand	18%	46%
Introduction of new products or services	5%	15%
Implementation of new regulation or law	1%	2%
Changes to way in which products are produced or services delivered	5%	5%
Transfers of personnel to other functions of the organisation	2%	3%
Increased costs of producing goods or delivering services	7%	4%
COVID-19	3%	1%
The introduction of new technologies, such as automation	4%	1%
Changes to the way in which work is organised	20%	15%
Difficulties in attracting and recruiting staff	28%	9%

Notes:

1) *This question was answered by 710 respondents who reported an increase/decrease in their workforce,*
2) *Percentages related to changes may not sum to 100%, as respondents were permitted to select multiple answers and*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.2.1.1 Part-time employment percentage

Part-time employment is defined as people in employment who usually work less than 30 hours per week in their main job (OECD, 2022) categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024.

The prevalence of part-time employment serves as a key indicator of labour market flexibility, reflecting both the operational adaptability of organisations and the diverse needs of the workforce. Monitoring trends in part-

time work provides valuable insights into broader economic shifts and evolving operational demands across sectors. The analysis of these patterns, by sector, organisation size, and ISCO Skill Level, offers a detailed view of employment landscape in Cyprus.

Figure 8 presents the percentage of part-time employees within organisations. All employers were asked to report approximately what percentage of employees were working part-time between January 2023 and 2024. The comparisons across sectors, organisation sizes and ISCO Skill Level groups, reveal statistically significant differences in the prevalence of part-time employees.

Overall, the vast majority (68%) of all employers who completed the survey, reported that they have no part-time employees within their organisation. Meanwhile 18% of the employers reported that part-time employees make up 1-20% of their workforce and 15% of employers reported that over 20% of their workforce is employed part-time. This distribution points to a modest but notable segment of the workforce engaged in part-time roles.

It is evident that employers' responses differ widely across sectors in terms of the percentage of part-timers in their organisations. The sectors with the highest percentage of employers reporting no part-timers are "Primary and Utilities" (90%), "Financial and Insurance" (77%), and "Manufacturing" (76%). There is substantial variation across sectors in the proportion of employers reporting that more than 20% of their total workforce is employed on a part-time basis. For example, only 3% of employers in "Primary and Utilities" reported having over 20% part-time staff, compared to 36% of employers in "Hospitality". This pattern may reflect sector-specific operational requirements as well as fluctuating demand, seasonality, and irregular working hours.

There is a clear trend regarding the organisations' sizes and the percentage of part-time employees. Smaller organisations were more likely to report no part-time employees indicating a full-time workforce (2-9: 70%, 10-49: 60%, 50-249: 55%, and Over 249: 27%). In contrast, the percentage of employers reporting that between 1% and 20% of their workforce is employed on a part-time basis increase with organisation size (2-9: 14%, 10-49: 32%, 50-249: 40%, and Over 249: 64%). The highest percentage of employers reporting more than 20% part-time workers was observed among small organisations (16%), while in larger organisations this percentage remained below 10%. These findings may reflect greater variability in employment practices among smaller organisations.

When categorising the responses by ISCO Skill Level, higher proportions of employers reporting no part-time employees were observed among organisations whose workforce is primarily concentrated in Skill Level 3 & 4 (75%), as well as among organisations within No Majority ISCO Skill Level group (74%). In contrast, a lower proportion of employers reporting no part-time employees is observed among organisations with a workforce primarily in Skill Level 1 & 2 (59%). This pattern may suggest that organisations with predominantly higher-skill occupational structures were more likely to rely on full-time employment arrangements.

Figure 8: Part-time employment (%) (ErW)

In January 2024, approximately what percentage of employees in this workplace/location were working part-time?				
	n=	0%	1% to 20%	Over 20%
TOTAL POPULATION	1395	68%	18%	15%
BY SECTOR*				
Primary and Utilities	46	90%	7%	3%
Manufacturing	93	76%	17%	7%
Construction	127	72%	15%	13%
Distribution and Transport	375	73%	17%	10%
Hospitality	114	42%	22%	36%
IT Services	79	69%	20%	11%
Financial and Insurance	61	77%	20%	3%
Other Business Services	300	69%	17%	13%
Other Marketed Services	66	50%	18%	32%
Non-Marketed Services	134	57%	23%	20%
BY SIZE GROUP*				
2 to 9	868	70%	14%	16%
10 to 49	359	60%	32%	8%
50 to 249	144	55%	40%	5%
Over 249	24(i)	27%	64%	9%
BY ISCO GROUP*				
Majority Skill Level 1 & 2	610	59%	20%	21%
Majority Skill Level 3 & 4	705	75%	16%	10%
No Majority Group	80	74%	14%	12%

Notes:

1) *This question was answered by all respondents (N=1,395)*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable,*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.2.1.2 Qualification levels of staff

Following the analysis of employment arrangements, this section shifts focus to the educational composition of the workforce by examining the qualification levels of staff. Employers were asked to indicate the distribution of their workforce according to the highest level of educational attainment. Specifically, they were asked to indicate the proportion of employees whose highest qualification corresponds to each the following four education levels: (i) not having completed compulsory education, (ii) completion of lower secondary education, (iii) completion of upper secondary education, or (iv) completion of Higher Education. The reported percentages add up to a total of 100%.

Figure 9 presents employers' responses regarding the distribution of education levels of within their workforce overall but also categorised by organisations' NACE sector, organisation size group, and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024.

Overall, participating employers reported that, on average, 7% of their workforce had not completed compulsory education, 12% had completed lower secondary education, 33% had completed upper secondary education, and 48% held Higher Education qualifications.

Employers in “Primary and Utilities” reported the highest average proportion of workforce with below upper secondary education, with 27% not having completed compulsory education and 19% having completed lower secondary education. Construction employers also reported a relatively high proportion of workforce with below upper secondary education, at 38% in total. By contrast, employers in “Financial and Insurance” reported the highest average share of staff with Higher Education qualifications, at 80%, followed by employers in sectors such as “IT Services”, “Other Business Services” and “Non-Marketed Services”, where Higher Education also accounted for a substantial share of the reported workforce composition.

When examining differences by organisation size, employers across all size groups reported a substantial presence of workforce with Higher Education qualifications. However, the reported percentage of Higher Education tends to be higher among smaller and medium-sized organisations than among the largest organisations. Employers with 2-9 employees reported that, on average, around half of their workforce held Higher Education qualifications, while the respective percentage stood at 42% for organisations with 10-49 employees, 43% for organisations with 50-249 employees, and 36% for organisations with more than 249 employees. These findings are broadly consistent with Labour Force Survey data (CYSTAT, 2024) for Cyprus, which indicate a relatively highly educated employed population.

Clear differences are also observed by ISCO Skill Level groups. Employers whose workforce was mainly associated with Skill Levels 1 & 2 reported a higher average concentration of workforce with upper secondary education or lower, with these categories jointly accounting for 70% of their workforce composition. In contrast, employers whose workforce was mainly associated with Skill Levels 3 & 4 reported a considerably higher average percentage of workforce with Higher Education qualifications, at 65%. Organisations with no majority ISCO Skill Level group displayed a more balanced qualification profile, with 51% of their reported workforce composition corresponding to Higher Education and the remaining share distributed across lower levels of educational attainment.

Figure 9: Education level of workforce (ErW)

What percentage of your workforce have the following as the highest level of qualification?	n=	Have not completed compulsory education	Lower Secondary Education Apolyterion or equivalent	Upper Secondary Education Apolyterion or equivalent	Higher Education degrees
TOTAL POPULATION	1395	7%	12%	33%	48%
BY SECTOR*					
Primary and Utilities	46	27%	19%	25%	29%
Manufacturing	93	10%	19%	43%	28%
Construction	127	14%	24%	33%	29%
Distribution and Transport	375	5%	12%	45%	38%
Hospitality	114	4%	13%	57%	26%
IT Services	79	3%	0%	10%	87%
Financial and Insurance	61	1%	3%	16%	80%
Other Business Services	300	1%	3%	20%	76%
Other Marketed Services	66	3%	19%	32%	46%
Non-Marketed Services	134	2%	5%	16%	77%
BY SIZE GROUP*					
2 to 9	868	6%	11%	33%	50%
10 to 49	359	5%	12%	41%	42%
50 to 249	144	4%	17%	36%	43%
Over 249	24(i)	3%	17%	44%	36%
BY ISCO GROUP*					
Majority Skill Level 1 & 2	610	8%	17%	45%	30%
Majority Skill Level 3 & 4	705	4%	7%	24%	65%
No Majority Group	80	2%	11%	36%	51%

Notes:

1) *This question was answered by all respondents (N=1,395).*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.2.2 Occupational Composition

Understanding the distribution of employment across occupational categories is an essential aspect of European labour market analysis, as outlined in the Employment and Social Developments in Europe 2023 reported (European Commission, EC, 2023b). Occupation along with qualification are proxy measures of skills. Monitoring occupational composition provides valuable insights into the structure of national economies, the demand for particular skills, and the potential risks of polarisation between high- and low-skilled jobs. In this context, employers in Cyprus were asked to indicate the occupational groups that constitute the largest percentages of their workforce, based on the International Standard Classification of Occupations (ISCO). Responses were collected across the major categories, including managers, professionals, technicians and associate professionals, clerical support workers, service and sales workers, and occupations in crafts, trades, and elementary roles.

3.2.2.1 Presence of specific occupational categories

Employers were asked to indicate whether employees in specific occupational groups were present in their organisation, Figure 10 presents the distribution of organisations reporting the presence of different occupational categories within their workplace or location. The responses were categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024.

Across the total employer population, the presence of "Managers", "Professionals", "Technicians and Associate Professionals", "Clerical Support Workers", and "Service and Sales Workers" were reported by a large percentage of organisations, indicating that these occupational categories form the core organisational structure across most workplaces in Cyprus. In contrast, "Skilled Agricultural, Forestry and Fishery Workers", "Plant and Machine Operators", and "Craft and Related Trades Workers" were reported by a more limited proportion of organisations overall, reflecting their concentration in specific sectors and organisational contexts. Specifically, "Managers" were reported as part of the workforce in 62% of organisations. More than one-third of organisations reported having employees classified as "Professionals" (36%), "Clerical Support Workers" (35%), and "Service and Sales Workers" (34%). By contrast, relatively small proportions of organisations reported having employees in occupational categories such as "Skilled Agricultural, Forestry and Fishery Workers" (2%), "Plant and Machine Operators and Assemblers" (5%), and "Craft and Related Trades Workers" (8%).

Comparing responses by NACE sectors, it is evident that employers in the "Primary and Utilities" sector reported a markedly higher presence of "Skilled Agricultural, Forestry and Fishery Workers", with nearly half of organisations in this sector indicating at least one employee in this occupational category. In contrast, only a very small percentage of employers in other sectors reported the presence of this occupation, reflecting its strong sector-specific concentration. Similarly, approximately one-third of employers in both the "Manufacturing" and "Construction" sectors reported the presence of "Craft and Related Trades Workers", while considerably smaller percentages of organisations in other sectors indicate having employees in this occupational category.

The data further show that a high proportion of organisations in the "Distribution and Transport" and "Hospitality" sectors reported having "Managers" (64% and 61%, respectively) and "Service and Sales Workers" (56% and 60%, respectively) as part of their workforce, highlighting the managerial and service-oriented nature of activities in these sectors. Across most remaining sectors, a substantial percentage of organisations reported the presence of "Managers", "Professionals", "Technicians and Associate Professionals", "Clerical Support Workers", and "Service and Sales Workers", while markedly fewer organisations reported having "Skilled Agricultural, Forestry and Fishery Workers", "Craft and Related Trades Workers", "Plant and Machine Operators and Assemblers", or "Elementary Occupations". "Elementary Occupations" were most commonly reported by organisations in the "Primary and Utilities" sector, where a relatively large percentage of employers (70%) indicate the presence of at least one employee in this occupational category, compared to other sectors.

The figure reveals a clear and consistent relationship between organisation size and occupational coverage. As organisation size increases, employers were more likely to report the presence of a broader range of occupational categories, reflecting higher organisational complexity and functional differentiation. Smaller organisations (2–9 employees) were less likely to report the presence of a wide range of occupational categories, particularly "Managers", "Professionals", "Technicians and Associate Professionals", and "Clerical Support Workers", "Service and Sales Workers" and "Elementary Occupations". Employers in the largest size group (> 249 employees) universally reported the presence of "Managers" (100%), and very high percentages also reported having "Professionals" (64%), "Clerical Support Workers" (69%), and "Service and Sales Workers" (72%). Compared to smaller organisations, larger ones were also more likely to report the presence of "Craft and Related Trades Workers", "Plant and Machine Operators and Assemblers", and "Elementary Occupations", indicating highly differentiated workforce structures that encompass managerial, professional, technical, administrative, and operational roles within the same organisation.

When examined by ISCO Skill Level composition, as expected, organisations whose workforce was predominantly classified under Majority Skill Level 3 & 4 exhibited a strong presence of "Managers",

"Professionals", and "Technicians and Associate Professionals". In contrast, organisations dominated by Majority Skill Level 1 & 2 were more likely to report the presence of "Service and Sales Workers", "Elementary Occupations", and "Craft and Related Trades Workers". Organisations without a dominant ISCO Skill Level displayed a more mixed occupational profile, suggesting more heterogeneous workforce structures.

Figure 10: Distribution of occupational categories within the organisations (ErW)

Within your workplace/location, are there employees with the following occupations?										
	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	1395	62%	36%	26%	35%	34%	2%	8%	5%	16%
BY SECTOR*										
Primary and Utilities	46	52%	22%	25%	27%	13%	47%	4%	28%	70%
Manufacturing	93	53%	30%	43%	38%	28%	2%	30%	22%	32%
Construction	127	53%	20%	42%	32%	19%	2%	29%	5%	25%
Distribution and Transport	375	64%	20%	26%	33%	56%	0%	5%	4%	14%
Hospitality	114	61%	21%	12%	29%	60%	0%	3%	2%	22%
IT Services	79	75%	70%	30%	31%	18%	0%	0%	0%	4%
Financial and Insurance	61	85%	67%	20%	29%	23%	0%	3%	0%	1%
Other Business Services	300	66%	55%	20%	44%	18%	1%	1%	2%	5%
Other Marketed Services	66	54%	45%	24%	28%	39%	0%	6%	3%	8%
Non-Marketed Services	134	63%	73%	15%	42%	9%	1%	0%	0%	8%
BY SIZE GROUP*										
2 to 9	868	58%	35%	23%	29%	31%	2%	7%	4%	13%
10 to 49	359	79%	41%	35%	56%	47%	2%	14%	10%	26%
50 to 249	144	96%	50%	61%	79%	54%	1%	13%	17%	42%
Over 249	24(i)	100%	64%	39%	69%	72%	0%	13%	9%	41%
BY ISCO GROUP*										
Majority Skill Level 1 & 2	610	53%	11%	13%	47%	58%	4%	15%	9%	29%
Majority Skill Level 3 & 4	705	70%	60%	38%	24%	12%	0%	2%	2%	5%
No Majority Group	80	72%	26%	26%	33%	46%	1%	13%	3%	9%

Notes:

1) *This question was answered by all respondents (N=1,395).*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers and*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.2.2.2 Percentage of employees in each category

Employers were asked to allocate the full composition of their workforce across occupational categories, with reported percentages summing to 100. Figure 11 presents the distribution of current employees across occupational categories, based on employers' estimates of the percentage of their workforce belonging to each occupation group, categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024.

Overall, employers reported that "Managers", "Professionals" and "Service and Sales Workers" account for the largest average percentage of their workforce composition (22%, 20% and 20% respectively). By contrast, "Skilled Agricultural, Forestry and Fishery Workers", "Plant and Machine Operators and Assemblers", and "Craft and Related Trades Workers" were reported as representing comparatively small percentages of workforce composition (1%, 1% and 4%, respectively).

Employers operating in the "Primary and Utilities" sector reported workforce structures largely concentrated in three occupation groups: "Elementary Occupations" (33%), "Skilled Agricultural, Forestry and Fishery Workers" (27%) and "Managers" (22%). Employers in the "Manufacturing" and "Construction" sectors reported relatively higher percentages of "Craft and Related Trades Workers" compared with most other sectors (14% and 17%, respectively). Employers in "Other Marketed Services", "Distribution and Transport" and "Hospitality" and reported comparatively larger percentages of "Service and Sales Workers" within their workforce composition (24%, 34% and 47%, respectively). In contrast, employers in "IT Services", "Financial and Insurance", "Other Business Services" and "Non-Marketed Services" reported workforce structures characterised by relatively high proportions of "Professionals" and "Managers".

The distribution of employees across occupational categories also varies systematically by organisation size. While the occupational mix varies by organisation size, employers across all size categories reported a workforce composition containing a substantial proportion of managerial, professional and technical occupations. In small organisations (2–9 employees), employers reported that, on average, "Managers" accounted for 23% of their workforce composition, with this percentage decreasing across larger size groups. In contrast, the reported proportion of "Service and Sales Workers" increased with organisation size, rising from 20% in small organisations to 33% in organisations with more than 249 employees. Employers reported a similar proportion of "Technicians and Associate Professionals" in organisations with up to 249 employees (around 11–12%), although this proportion was substantially lower among organisations with more than 249 employees (4%). The reported proportion of "Elementary Occupations" increased with organisation size, reaching 18% among organisations with 50–249 employees before decreasing slightly among the largest organisations (12%). Other occupational categories, including "Skilled Agricultural, Forestry and Fishery Workers" and "Plant and Machine Operators and Assemblers", accounted for relatively small average proportion of workforce composition across all organisation size groups.

Finally, marked differences were observed when employers' reported workforce composition was examined by ISCO Skill Level groups. Employers whose workforce was predominantly associated with Majority Skill Level 3 & 4 reported allocating a substantial proportion of their workforce composition to "Professionals", "Managers", and "Technicians and Associate Professionals", while lower-skilled occupations accounted for only a relatively small share of the reported workforce composition. In contrast, employers whose workforce was predominantly associated with Majority Skill Level 1 & 2 reported higher proportion of "Service and Sales Workers", "Elementary Occupations", and "Craft and Related Trades Workers", alongside lower reported shares of professional and technical roles. Organisations without a dominant ISCO Skill Level group reported a more balanced occupational composition across categories, indicating more heterogeneous workforce structures.

Figure 11: Percentage of current employees embedded in occupation categories by group size (ErW)

What percentage of current employees at your workplace/location belong to each of the following occupation categories?	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	1395	22%	20%	12%	11%	20%	1%	4%	1%	7%
BY SECTOR*										
Primary and Utilities	46	22%	3%	2%	4%	4%	27%	0%	4%	33%
Manufacturing	93	12%	13%	20%	8%	14%	1%	14%	6%	13%
Construction	127	16%	7%	26%	6%	10%	2%	17%	2%	14%
Distribution and Transport	375	23%	10%	12%	11%	34%	0%	2%	1%	6%
Hospitality	114	20%	11%	2%	8%	47%	0%	2%	0%	10%
IT Services	79	21%	43%	14%	10%	7%	0%	0%	0%	2%
Financial and Insurance	61	36%	36%	4%	12%	10%	0%	1%	0%	1%
Other Business Services	300	27%	35%	8%	19%	7%	0%	0%	0%	2%
Other Marketed Services	66	23%	29%	9%	7%	24%	0%	2%	1%	6%
Non-Marketed Services	134	19%	49%	6%	17%	5%	1%	0%	0%	2%
BY SIZE GROUP*										
2 to 9	868	23%	21%	12%	11%	20%	1%	4%	1%	6%
10 to 49	359	16%	18%	11%	12%	23%	1%	6%	3%	11%
50 to 249	144	14%	20%	11%	16%	15%	0%	4%	3%	18%
Over 249	24(i)	13%	20%	4%	11%	33%	0%	5%	2%	12%
BY ISCO GROUP*										
Majority Skill Level 1 & 2	610	9%	2%	2%	19%	40%	3%	8%	3%	15%
Majority Skill Level 3 & 4	705	32%	39%	21%	5%	3%	0%	0%	0%	1%
No Majority Group	80	29%	10%	10%	15%	22%	1%	7%	1%	3%

Notes:

1) *This question was answered by all respondents (N=1,395).*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3 Vacancies Recruitment Practices and Employers' Skills Needs

This section presents findings on job vacancies, employers' recruitment practices and the skills most difficult for employers to identify among job applicants and by this way providing insights into workforce demand, hiring activity among Private Sector organisations, recruitment challenges, and evolving skills needs among Private Sector organisations. Specifically, the analysis covers key recruitment criteria, number and type of vacancies, job vacancies by occupational group, hard-to-fill vacancies and their level of impact, the main causes of recruitment challenges, and most challenging-to-find digital skills amongst applicants. These results are essential for identifying skills mismatches, improving the alignment between education and labour-market needs, strengthening career guidance, and supporting evidence-based education and employment policy.

Recruitment practices refer to the processes through which organisations identify, attract, and select candidates to fill job vacancies. In this survey, recruitment practices are examined with reference to employers' experiences over the year past the survey, that is, since 1 January 2023. Employers were asked about the number and type of job vacancies they experienced, the occupational categories in which vacancies arose, and whether any of these vacancies proved difficult to fill. For vacancies identified as hard to fill, additional questions explored the extent of the challenge, its impact on organisational performance, the underlying causes of recruitment difficulties, and the specific skills, qualifications, or experience that were most difficult-to-find among applicants. The recruitment findings in this section are based on the 900 respondents who were aware of or involved in recruitment at their organisation — approximately 65% of all respondents. These figures therefore describe recruiting-aware employers rather than the Private Sector as a whole. Some findings rest on smaller sub-bases, where questions were filtered further — for example, to employers reporting at least one vacancy (N = 527) or hard-to-fill vacancies (N = 376).

3.3.1 Recruitment of people

Examining employers' recruitment activity provides valuable insights into the demand for labour, the types of occupations sought, and the challenges organisations face in attracting suitable candidates. In the context of the Employers' Skills Survey, recruitment is examined as a means of understanding both short-term staffing needs and broader structural pressures within the labour market. Employers were asked to report on their recruitment activity, including whether they attempted to recruit staff, the occupational categories targeted during recruitment, and the extent to which vacancies were filled or proved difficult to fill. Analysing recruitment patterns helps to identify areas of labour demand, potential skill shortages, and mismatches between the skills supplied by the workforce and those required by employers.

3.3.1.1 Key recruitment criteria

The analysis of recruitment criteria is essential for understanding the factors employers consider when selecting candidates. These data provide valuable insight into the relative importance of qualifications, skills, and work experience, and help identify potential skills gaps and mismatches. In the context of the current survey, employers were presented with eleven key recruitment criteria, and they were asked to indicate the five most important when recruiting new employees, allowing for multiple responses.

Figure 12 presents the distribution of employers' responses regarding the most important criteria considered when recruiting new employees, categorised by organisations' NACE sector, size group and ISCO Skill Level. all grouping variables. These comparisons reveal statistically significant differences across NACE sectors and ISCO Skill Levels, for the reference period between January 2023 and 2024. Percentages are based on respondents who reported being aware of or involved in recruitment activities (N = 900 out of a total of N = 1,395 respondents).

Overall, the criteria selected by a large percentage of employers were “Work experience" (70%), “Passion/interest and enthusiasm for the job" (63%), “Possession of relevant hard skills" (59%), “Willingness to acquire new skills (53%) and “Soft Skills” (49%). Digital skills were identified as a key recruitment criterion by 29% employers indicating that digital competencies were valued but not yet uniformly prioritised. The recruitment criteria that were considered important by only a small proportion of employers, were “Participation in an internship in another organisation" (2%), “Participation in voluntary work" (3%), and “Participation in an internship at this organisation" (7%). Experiential activities such as internships and voluntary work were less frequently considered decisive recruitment criteria. While internships and voluntary work can contribute to skills development and employability, this finding may suggest that work-based learning is not yet widely used as a recruitment criterion.

Looking into NACE sectors, there was a similar pattern across, but with clear differences. For example, employers in “Primary and Utilities” place greater importance on candidates’ participation in an internship in another organisation (12%) than employers in other occupations. Only 27% of employers in the “Primary and Utilities” place strong emphasis on passion, interest and enthusiasm for the job, a lower percentage than in most other occupations. It should be noted, however, that these findings are based on a relatively small analysis base (n=28).

Similarly, employers in digital intensive sectors such as “IT Services”, “Other Business Services” and “Financial and Insurance” place a stronger emphasis on Digital/IT Skills well above the norm (66%, 41% and 39%, respectively). Furthermore, a relatively high percentage of employers in “Manufacturing”, “Other Marketed Services” and “Construction” place strong emphasis on participation of an internship in their organisation (14%, 12% and 10%, respectively). The low internship percentages signal that work-based learning is not yet a recognised high valued recruitment criteria.

The importance of recruitment criteria also varies by organisation size. In large organisations (over 249 employees), recruitment decisions were most strongly driven by passion/interest and enthusiasm for the job (87%), good soft skills (79%) and work experience (72%). However, this finding is based on a small analysis base and should therefore be interpreted with caution. Smaller organisations do not place so strong emphasis on soft skills, but they are driven more by the possession of relevant hard skills.

When examined by ISCO Skill Level composition, further differences emerge. Organisations within Skill Level 3 & 4 place particularly strong emphasis on the possession of hard skills (66%), work experience (65%) and passion/interest and enthusiasm for the job (61%). On the contrary, organisations within Skill Level 1 & 2 place stronger emphasis on the willingness to acquire new skills and less emphasis on the possession of hard skills. Organisations with no dominant ISCO Skill Level place a very strong emphasis on work experience (83%), passion/interest and enthusiasm for the job (73%), and willingness to acquire new skills (64%).

Figure 12: Key recruitment criteria, as indicated by employers (ErW)

When your organisation is looking to recruit new employees, what are the five most important criteria for candidates?														
	n =	Possession of relevant hard skills	Good soft skills	Participation in voluntary work	Participation in an internship at this organisation	Participation in an internship in another organisation	Passion/interest and enthusiasm for the job	Digital/IT skills	Willingness to acquire new skills	Possession of particular qualifications	Work experience	Having a specific foreign language qualification	Other	Don't know
TOTAL POPULATION	900	59%	49%	3%	7%	2%	63%	29%	53%	35%	70%	15%	3%	1%
BY SECTOR		*	*				*	*		*		*	*	
Primary and Utilities	28(i)	55%	26%	1%	2%	12%	27%	7%	29%	11%	67%	5%	18%	0%
Manufacturing	62	68%	31%	2%	14%	5%	59%	23%	56%	21%	69%	5%	0%	0%
Construction	69	67%	35%	0%	10%	1%	51%	16%	54%	23%	73%	3%	7%	2%
Distribution and Transport	225	50%	44%	5%	8%	3%	70%	26%	55%	25%	69%	14%	3%	3%
Hospitality	79	37%	47%	3%	8%	0%	64%	19%	47%	22%	82%	14%	0%	0%
IT Services	52	78%	67%	0%	5%	1%	56%	66%	56%	35%	61%	15%	2%	0%
Financial and Insurance	41	80%	66%	0%	0%	0%	72%	39%	37%	62%	77%	12%	4%	0%
Other Business Services	209	62%	61%	2%	4%	0%	60%	41%	61%	52%	68%	24%	0%	1%
Other Marketed Services	41	61%	51%	5%	12%	2%	70%	23%	53%	28%	59%	25%	3%	0%
Non-Marketed Services	94	63%	53%	5%	6%	2%	66%	29%	46%	64%	66%	16%	2%	0%
BY SIZE GROUP														
2 to 9	509	57%	47%	3%	8%	2%	62%	30%	53%	33%	67%	14%	3%	2%
10 to 49	255	63%	50%	2%	5%	2%	66%	28%	55%	43%	81%	16%	2%	0%
50 to 249	115	74%	66%	1%	4%	3%	67%	27%	59%	44%	73%	24%	2%	0%
Over 249	21(i)	45%	79%	0%	7%	2%	87%	28%	56%	35%	72%	19%	2%	0%
BY ISCO GROUP		*								*				
Majority Skill Level 1 & 2	393	50%	46%	3%	7%	2%	64%	26%	52%	24%	72%	14%	4%	2%
Majority Skill Level 3 & 4	460	66%	51%	3%	8%	1%	61%	31%	53%	44%	65%	16%	2%	1%
No Majority Group	47	57%	49%	2%	4%	6%	73%	34%	64%	41%	83%	12%	0%	0%

Notes:

1) *This question was answered by 900 respondents (after adjusting for any non-response or invalid cases) who were aware of/involved in any way in recruitment at their workplace/location (approximately 65% of respondents),*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3.1.2 Number and type of vacancies for the reference period 2023-2024

Exploring the number and type of vacancies in an employer survey is essential in providing insight into current labour demand and hiring activity across organisations. Figure 13 presents three complementary indicators related to vacancies reported by employers: vacancy incidence, vacancy volume, and vacancy density. Vacancy incidence refers to the percentage of organisations reporting at least one vacancy. Vacancy volume captures the average number of vacancies reported by employers. Vacancy density measures the number of vacancies relative to total employment. Together, these indicators provide a multidimensional view of recruitment demand, capturing both the prevalence and the intensity of vacancies across sectors, organisation sizes, and ISCO Skill Levels. These comparisons reveal statistically significant differences across organisations within different NACE sectors, organisation size groups and ISCO Skill Level. Percentages are based on respondents who reported being aware of or involved in recruitment activities (N = 900 out of a total of N = 1,395 respondents).

Vacancy incidence

Across respondents that are aware of/involved in recruitment at their workplace, 49% reported having at least one vacancy, indicating that recruitment activity is widespread across the Cypriot labour market. However, sectors differ markedly in their vacancy rates. A substantial percentage of employers in “Financial and Insurance” (70%), “IT Services” (61%), and “Hospitality” (58%) displayed the highest vacancy incidence, suggesting that a large proportion of organisations in these sectors are actively seeking to recruit. In contrast, “Primary and Utilities” reported a notably lower incidence of vacancies (29%), indicating more limited recruitment activity at the organisational level.

As expected, vacancy incidence increases sharply with organisation size, as organisations typically operate across a wider range of roles and functions, making it more likely that at least one position is vacant at any given point in time. Specifically, in this figure, the vacancy incidence increases from 42% among organisations with 2–9 employees to 97% among organisations with more than 249 employees. However, this finding is based on a small analysis base and should therefore be interpreted with caution.

When examined by ISCO Skill Level, organisations dominated by Skill Level 1 & 2 reported a slightly higher vacancy incidence (52%) compared to those dominated by Skill Level 3 & 4 (47%) and organisations with no dominant ISCO Skill Level group (48%).

Vacancy volume

While vacancy incidence captures whether organisations are recruiting, vacancy volume reflects the intensity of recruitment demand indicate stronger expansionary demand, higher turnover, or greater difficulty in filling positions. Across the total population, employers reported an average of 2.58 vacancies per organisation. Sectoral differences are again evident. “Hospitality” (5.87) and “IT Services” (3.73) stand out with a markedly higher vacancy volume while organisations in “Primary and Utilities” reported very low vacancy volumes (0.64).

Vacancy volume rises substantially with size, from 1.21 vacancies among organisations with 2–9 employees to 81.92 vacancies among organisations with more than 249 employees. This increase was expected, as larger organisations typically require greater staffing levels and may recruit continuously across multiple roles.

Across ISCO Skill Levels, organisations dominated by Majority Skill Level 1 & 2 reported higher vacancy volumes (3.16) compared to those dominated by Majority Skill Level 3 & 4 (2.21), while organisations with no dominant skill group reported the lowest average volume (1.48).

Vacancy density

Vacancy density places vacancies in relation to total employment, providing insight into the relative pressure vacancies exert on organisations’ workforce capacity. Across organisations engaged in recruitment., vacancy density stands at 17%,

Organisations within “Financial and Insurance” record the highest vacancy density (36%), followed by organisations in the fields of “Hospitality” (24%) and “IT Services” (20%), suggesting particularly strong recruitment pressures relative to workforce size in these sectors. By contrast, “Primary and Utilities” exhibited very low vacancy density (5%), indicating limited vacancy pressure relative to employment levels.

When examining vacancy volume alongside vacancy density by sector, sectors such as “Hospitality” and “IT Services” reported relatively high vacancy volumes, and also elevated vacancy density, suggesting that vacancies represent a significant percentage of their existing workforce. In contrast, sectors such as “Primary and Utilities” displayed both low vacancy volume and low vacancy density, suggesting more stable workforce structures and limited recruitment pressure. Even though the “Financial and Insurance” sector indicated the highest vacancy density (36%) and a high vacancy incidence (70%), the average vacancy volume was relatively low (2.38), indicating that while many employers were recruiting, they were typically seeking only a small number of employees.

Vacancy density ranges between 16% and 19% across size groups, suggesting that, although large organisations reported many more vacancies in absolute terms, vacancies represent a broadly comparable percentage of employment across organisations of different sizes.

Compared by ISCO Skill Level, vacancy density is highest among organisations within No Majority ISCO Skill Level group (31%). Organisations within Skill Level 3 & 4 and organisations within Skill Level 1 & 2 exhibited similar vacancy density (17% and 15% respectively).

Figure 13: Vacancy incidence, volume and density for the reference period 2023-2024 (ErW)

	n=	**Vacancy incidence** Share of organisations with at least one vacancy.	**Vacancy Volume** The number of vacancies experienced by employers	**Vacancy density** Number of vacancies relative to total employment
TOTAL POPULATION	900	49%	2.58	17%
BY SECTOR*				
Primary and Utilities	28(i)	29%	0.64	5%
Manufacturing	62	55%	2.12	16%
Construction	69	42%	2.02	11%
Distribution and Transport	225	45%	1.66	13%
Hospitality	79	58%	5.87	24%
IT Services	52	61%	3.73	20%
Financial and Insurance	41	70%	2.38	36%
Other Business Services	209	49%	2.95	17%
Other Marketed Services	41	45%	1.82	20%
Non-Marketed Services	94	50%	2.39	17%
BY SIZE GROUP*				
2 to 9	509	42%	1.21	17%
10 to 49	255	71%	4.62	19%
50 to 249	115	89%	13.61	16%
Over 249	21(i)	97%	81.92	19%
BY ISCO GROUP*				
Majority Skill Level 1 & 2	393	52%	3.16	15%
Majority Skill Level 3 & 4	460	47%	2.21	17%
No Majority Group	47	48%	1.48	31%

Notes:

1) *The sample only includes 900 respondents that are aware of/involved in any way in recruitment at their workplace/location,*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 14 presents the distribution of reported job vacancies across occupational categories. Results are shown for employers who reported at least one job vacancy (N = 527 out of a total of N = 1,395 respondents) and disaggregated by NACE sector, organisation size group, and ISCO Skill Levels. These comparisons reveal statistically significant differences across organisations across all three grouping variables (NACE sector, organisation size, and ISCO Skill Level).

Across organisations that reported at least one job vacancy, the highest average number of reported vacancies is observed among “Professionals” (3.2), and “Service and Sales Workers” (2.4). By contrast, relatively few vacancies were reported “Plant and Machine Operators and Assemblers” (0.4), “Craft and Related Trades Workers” (0.7) and “Managers” (0.7) and no vacancies were reported for “Skilled Agricultural, Forestry and Fishery Workers” (0.0),.

In “IT Services” and “Other Marketed Services”, vacancies are heavily concentrated among “Professionals” (8.3 and 5.9, respectively), underscoring the specialised and knowledge-intensive nature of recruitment demand in these sectors. In “Primary and Utilities” (interpret with caution due to small analysis base) and “Hospitality”, vacancies were predominantly concentrated among “Service and Sales Workers” (18.5 and 6.5, respectively), reflecting the sector’s strong reliance on customer-facing roles.

Small (2–9 employees) and medium organisations (10-49 employees) reported relatively few vacancies, on average, across all occupational categories. Large organisations (50-249 employees) reported higher vacancy volumes across a broader range of occupational categories, particularly among “Professionals” (5.5) and “Elementary Occupations” (2.6). The most pronounced differences were observed among very large organisations (over 249 employees), which reported much higher vacancy volumes across a broader range of occupational categories, particularly among “Managers” (6.3), “Professionals” (20.6), “Service and Sales Workers” (39.9) and “Elementary Occupations” (11.1).

Organisations within Skill Level 3 & 4, experience the highest number of vacancies among “Professionals” (6.2) and “Technicians and Associate Professionals” (2.1), indicating strong demand for higher-skilled roles. In contrast, organisations within Skill Level 1 & 2 reported higher vacancy volumes among “Service and Sales Workers” (4.6) and “Elementary Occupations” (2.1), consistent with recruitment needs concentrated in operational and service-oriented occupations. Organisations within No Majority ISCO Skill Level group reported relatively low vacancy volumes across most occupational categories.

Figure 14: Average Job vacancies in occupation categories (ErW)

Approximately, how many job vacancies you have had during 2023, by Occupation category?										
	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	527	0.7	3.2	1.2	1.3	2.4	0.0	0.7	0.4	1.1
BY SECTOR*										
Primary and Utilities	13(i)	0.0	0.0	0.2	0.0	18.5	0.4	0.4	0.1	1.4
Manufacturing	42	0.1	4.7	3.2	0.6	0.7	0.0	1.5	1.3	0.8
Construction	36	0.1	0.6	1.4	0.2	0.3	0.0	1.6	0.1	0.9
Distribution and Transport	123	0.2	0.6	0.5	3.4	2.6	0.0	1.5	0.6	2.4
Hospitality	51	0.4	5.2	0.1	0.7	6.5	0.0	0.1	0.0	1.1
IT Services	35	1.8	8.3	2.0	0.3	1.2	0.0	0.0	0.0	0.0
Financial and Insurance	32	0.4	2.0	0.4	0.5	0.2	0.0	0.0	0.0	0.0
Other Business Services	120	1.6	3.7	2.1	1.4	2.0	0.1	0.0	0.1	0.6
Other Marketed Services	18(i)	0.6	5.9	0.4	0.2	2.8	0.0	0.1	0.8	1.0
Non-Marketed Services	57	0.6	5.0	0.2	0.3	0.2	0.0	0.1	0.0	0.0
BY SIZE GROUP*										
2 to 9	219	0.6	3.2	1.0	1.4	1.6	0.0	0.7	0.1	0.8
10 to 49	187	0.5	2.2	1.5	1.2	3.1	0.0	0.5	1.0	1.1
50 to 249	101	1.1	5.5	2.0	1.2	2.8	0.0	0.6	1.1	2.6
Over 249	20(i)	6.3	20.6	1.0	1.6	39.9	0.0	3.0	0.4	11.1
BY ISCO GROUP*										
Majority Skill Level 1 & 2	240	0.3	0.5	0.3	1.6	4.6	0.1	1.4	0.8	2.1
Majority Skill Level 3 & 4	261	1.0	6.2	2.1	1.1	0.5	0.0	0.0	0.0	0.2
No Majority Group	26(i)	0.3	0.6	0.4	1.2	0.4	0.0	0.1	0.0	0.1

Notes:

1) *This question was answered by 527 respondents who reported at least one job vacancy at their workplace/location since 1st January 2023*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3.2 Hard-to-fill vacancies

Collecting evidence on hard-to-fill vacancies and their impact provides valuable insight into skills shortage and recruitment difficulties faced by employers. These data help identify occupations and sectors where labour demand exceeds the available supply of suitably qualified candidates supporting evidence-based policy for improving the alignment between education, training systems, and labour-market needs. The findings presented in this section are based on the 527 survey respondents who reported at least one job vacancy at their workplace/location since 1 January 2023.

3.3.2.1 Hard-to-fill Vacancies Incidence and Impact

Figure 15 presents the incidence of hard-to-fill job vacancies across organisations by NACE sector, group size, and ISCO Skill Level. These comparisons reveal statistically significant differences across organisations within all grouping variables. Percentages are based on respondents who reported at least one job vacancy since 1 January 2023 (N = 527 out of a total of N = 1,395 respondents).

Overall, 71% of employers reported that at least some of their job vacancies are proving hard to fill, indicating that recruitment difficulties are widespread across the labour market. In contrast, 25% of employers reported no hard-to-fill vacancies, while a small percentage remained uncertain.

Clear differences emerge across NACE sectors. The highest incidence of hard-to-fill vacancies is observed in "Other Marketed Services" (88%) (interpret with caution due to small analysis base), "Non-Marketed Services" (84%), "Manufacturing" (76%), "Distribution and Transport" (76%), and "Construction" (71%), indicating particularly pronounced recruitment challenges in these sectors. By contrast, organisations in "Primary and Utilities" (interpret with caution due to small analysis base) and "Financial and Insurance" displayed a more divided pattern, with roughly equal percentages of employers reporting and not reporting hard-to-fill vacancies.

A similar trend was observed across organisations of all size categories, with the majority of employers reporting challenges in filling vacancies. Notably, 100% of surveyed employers in very large organisations (Over 249) reported challenges in filling roles (interpret with caution due to small analysis base). These findings suggest that recruitment difficulties are widespread and affect organisations regardless of their size.

Comparing the responses by ISCO Skill Level, more employers in organisations within Skill Level 1 & 2, reported more difficulties in filling job vacancies, compared to organisations categorised as Skill Level 3 & 4. Organisations with no majority skill level reported a somewhat lower incidence (66%), although this result rests on a small base and should be interpreted with caution. These findings indicate that employers in organisations characterised by lower overall occupational skill levels (Skill Level 1 & 2) more frequently reported difficulties in filling job vacancies compared to organisations employing workers primarily in higher skill levels (Skill Level 3 & 4). This may reflect challenges in attracting candidates to lower-skilled positions.

Figure 15: Hard-to-fill vacancy incidence: Percentage of employers reporting recruitment difficulties and are experiencing Hard-to-fill vacancies (ErW)

Are any of the job vacancies proving hard to fill?				
	n=	Yes	No	Don't know
TOTAL POPULATION	527	71%	25%	4%
BY SECTOR*				
Primary and Utilities	13(i)	50%	50%	
Manufacturing	42	76%	17%	7%
Construction	36	71%	24%	5%
Distribution and Transport	123	76%	23%	1%
Hospitality	51	69%	18%	13%
IT Services	35	62%	24%	14%
Financial and Insurance	32	45%	55%	
Other Business Services	120	65%	33%	2%
Other Marketed Services	18(i)	88%	13%	
Non-Marketed Services	57	84%	13%	3%
BY SIZE GROUP*				
2 to 9	219	70%	25%	4%
10 to 49	187	69%	27%	4%
50 to 249	101	76%	21%	3%
Over 249	20(i)	100%		
BY ISCO GROUP*				
Majority Skill Level 1 & 2	240	74%	21%	5%
Majority Skill Level 3 & 4	261	68%	28%	4%
No Majority Group	26(i)	66%	34%	

Notes:

1) *This question was answered by 527 respondents that reported at least one job vacancy at their workplace/location since 1st January 2023*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Employers who reported having hard-to-fill vacancies were asked to select the occupational categories proved hard to fill. Figure 16 presents employers' responses regarding the occupational categories in which employers reported hard-to-fill vacancies (multiple responses allowed), categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 376 out of a total of N = 1,395 respondents).

Across employers who reported experiencing hard-to-fill vacancies, hard-to-fill vacancies were most often reported for "Professionals" (36%), "Service and Sales Workers" (25%), "Technicians and Associate Professionals" (20%), and "Clerical Support Workers" (17%). On the other hand, relatively very few employers reported "Skilled Agricultural, Forestry and Fishery Workers" (0%) as hard to fill.

There are clear sectoral differences in which occupations are hardest to fill. "Managers" showed relatively high percentages of hard-to-fill vacancies in two sectors, "IT Services" (22%) and "Other Marketed Services" (23%). "Professionals" were most frequently reported among hard-to-fill vacancies in "Non-Marketed Services" (87%), "IT Services" (68%), "Financial and Insurance" (59%), "Other Business Services" (49%) and "Other Marketed Services" (43%) (interpret with caution due to small analysis base). "Technicians and Associate Professionals" were most commonly reported as hard to fill in "Manufacturing" (50%) and "Construction" (52%). "Service and

Sales Workers" dominate hard-to-fill vacancy reports in "Hospitality" (66%) and "Distribution and Transport" (39%). "Craft and Related Trades Workers" were reported as hard to fill in "Construction" (26%) and "Manufacturing" (22%) (interpret with caution due to small analysis base).

Among small organisations (2–9 employees), recruitment difficulties were most frequently associated with "Professionals" (39%), "Service and Sales Workers" (23%), "Technicians and Associate Professionals" (19%) and "Clerical Support Workers" (18%). As organisation size increases, "Managers", "Service and Sales Workers" and "Elementary Occupations" become increasingly prominent among hard-to-fill vacancies. In very large organisations (over 249 employees), employers most commonly reported "Service and Sales Workers" (50%) and "Managers" (42%) among hard-to-fill vacancies.

When examined by ISCO Skill Level, clear differences emerge. Organisations within Skill Level 3 & 4 most often report hard-to-fill vacancies for "Professionals" (63%), highlighting shortages in higher-skilled roles. In contrast, organisations within Skill Level 1 & 2 more frequently reported "Service and Sales Workers" (38%), "Elementary Occupations" (21%) and "Clerical Support Workers" (21%) as the main recruitment bottlenecks, reflecting labour supply challenges in lower- and medium-skilled occupations. Organisations within No Majority ISCO Skill Level group displayed a more dispersed pattern.

Figure 16: Hard-to-fill job vacancies by occupation categories (ErW)

Please indicate which job vacancies proved hard to fill from the following occupation categories. Select all that apply.										
	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	376	7%	36%	20%	17%	25%	0%	8%	6%	12%
BY SECTOR			*	*		*	*	*	*	
Primary and Utilities	9(s)	-	-	-	-	-	-	-	-	-
Manufacturing	34	4%	32%	50%	22%	7%	0%	22%	27%	14%
Construction	26(i)	0%	23%	52%	11%	7%	0%	26%	1%	18%
Distribution and Transport	93	6%	13%	16%	20%	39%	0%	7%	6%	17%
Hospitality	38	7%	15%	2%	9%	66%	0%	5%	0%	21%
IT Services	24(i)	22%	68%	38%	5%	8%	0%	0%	0%	0%
Financial and Insurance	15(i)	10%	59%	14%	32%	0%	0%	0%	0%	0%
Other Business Services	76	8%	49%	13%	28%	23%	0%	0%	4%	3%
Other Marketed Services	15(i)	23%	43%	14%	7%	20%	0%	7%	16%	18%
Non-Marketed Services	46	1%	87%	3%	0%	7%	0%	4%	0%	3%
BY SIZE GROUP		*								
2 to 9	155	4%	39%	19%	18%	23%	1%	8%	4%	9%
10 to 49	130	6%	29%	24%	16%	29%	0%	8%	7%	19%
50 to 249	72	34%	33%	25%	9%	29%	0%	6%	24%	21%
Over 249	19(i)	42%	14%	9%	20%	50%	0%	12%	0%	22%
BY ISCO GROUP			*	*		*		*	*	*
Majority Skill Level 1 & 2	183	6%	8%	12%	21%	38%	1%	15%	12%	21%
Majority Skill Level 3 & 4	175	8%	63%	27%	11%	13%	0%	1%	1%	4%
No Majority Group	18(i)	4%	46%	37%	27%	22%	0%	9%	0%	0%

Notes:

1) This question was answered by 376 respondents who reported hard-to-fill job vacancies,

2) *Percentages may not sum to 100% as respondents were permitted to select multiple occupation categories and*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 17 highlights the impact of hard-to-fill job vacancies on the overall organisational performance, categorised by NACE sector, Size group and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sectors and ISCO Skill Levels, for the reference period between January 2023 and 2024. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 376 out of a total of N = 1,395 respondents).

Overall, 89% of employers who reported experiencing hard-to-fill vacancies also reported that their job vacancies had an impact on the organisation's overall performance: 44% indicated that the impact was major, while 45% reported a minor impact. These findings highlight the significant operational consequences of hard-to-fill vacancies.

Comparing responses by NACE sector, it is evident that most of the employers in all sectors reported a major or minor impact of job vacancies to the overall performance of their organisation. The sectors with the highest percentage of employers reporting a major impact, were "Other Marketed Services" (62%) (interpret with caution due to small analysis base), and "Construction" (54%) (interpret with caution due to small analysis base), "Hospitality" (46%), "Manufacturing" (46%), "Other Business Services" (45%) and "Non-Marketed Services" (44%).

Comparing the responses by ISCO Skill Level, approximately half of the employers in organisations within Skill Level 1 & 2 reported major impact of hard-to-fill job vacancies, while 1/3 reported minor impact. Among organisations classified within Skill Level 3 & 4, the majority of employers reported a minor impact of hard-to-fill vacancies on performance, while a smaller percentage reported a major impact. This differs from organisations within Skill Level 1 & 2, where a larger percentage reported major impacts. The big difference is observed in organisations within No Majority ISCO Skill Level group. Only 18% of the employers reported major impacts, while 76% reported minor impacts.

Figure 17: Level of impact of hard-to-fill job vacancies (ErW)

Have the challenges in filling these job vacancies had any impact on the overall performance of your organisation?				
	n=	Yes, a major impact	Yes, a minor impact	No impact
TOTAL POPULATION	376	44%	45%	11%
BY SECTOR*				
Primary and Utilities	9(s)	-	-	-
Manufacturing	34	46%	39%	14%
Construction	26(i)	54%	36%	10%
Distribution and Transport	93	38%	52%	10%
Hospitality	38	46%	36%	18%
IT Services	24(i)	32%	58%	10%
Financial and Insurance	15(i)	25%	61%	14%
Other Business Services	76	45%	47%	8%
Other Marketed Services	15(i)	62%	21%	17%
Non-Marketed Services	46	44%	49%	7%
BY SIZE GROUP				
2 to 9	155	45%	44%	10%
10 to 49	130	38%	48%	14%
50 to 249	72	51%	36%	13%
Over 249	19(i)	38%	50%	13%
BY ISCO GROUP*				
Majority Skill Level 1 & 2	183	49%	38%	13%
Majority Skill Level 3 & 4	175	41%	48%	11%
No Majority Group	18(i)	18%	76%	5%

Notes:

1) *This question was answered by 376 respondents who reported hard-to-fill job vacancies*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 18 presents employers' responses regarding the type of impacts associated with hard-to-fill job vacancies categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences only across NACE sectors for the reference period between January 2023 and 2024. Percentages are based on respondents who reported a major or minor impact of hard-to-fill job vacancies on organisational performance (N = 326 out of a total of N = 1,395 respondents).

Across employers who reported a major or minor impact of hard-to-fill job vacancies on organisational performance, the most commonly reported consequence of hard-to-fill job vacancies was increased workloads for other staff, reported by 80% of employers. This potentially has a negative impact on job quality where existing employees have an increased workload. This was followed by delays in developing new products or services (38%), loss of business or orders (37%).

Statistically significant differences across sectors were observed specifically in relation to the impact of difficulties in introducing new working practices, systems and tools. Employers in "Other Marketed Services" (49%), "Financial and Insurance" (45%) and "Hospitality" (35%) reported the highest incidence of this impact, indicating that hard-to-fill vacancies in these sectors were more likely to constrain organisational adaptation and process improvements. In contrast, considerably lower percentages were observed in sectors such as "Construction" (5%), suggesting that the impact of vacancies on operational transformation was less pronounced.

Figure 18: Perceived Impact of Hard-to-fill Job Vacancies on Organisational Performance (ErW)

This impact has led the organisation to...									
	n =	Loss of business or orders	Delay developing new products or services	Difficulties meeting set quality standards	Higher operating costs	Difficulties introducing new working practices, systems and tools	Increased workloads for other staff	Partial and/or full outsourcing of certain pieces of work	Other
TOTAL POPULATION	326	37%	38%	28%	20%	22%	80%	17%	0%
BY SECTOR						*			
Primary and Utilities	4(s)	-	-	-	-	-	-	-	-
Manufacturing	29(i)	51%	43%	16%	31%	16%	92%	24%	1%
Construction	24(i)	42%	47%	20%	11%	5%	63%	18%	0%
Distribution and Transport	82	38%	36%	19%	15%	15%	88%	12%	0%
Hospitality	32	43%	60%	45%	29%	35%	84%	16%	0%
IT Services	21(i)	18%	62%	26%	13%	25%	61%	31%	0%
Financial and Insurance	12(i)	15%	25%	36%	0%	45%	69%	16%	0%
Other Business Services	68	37%	37%	31%	14%	24%	82%	19%	1%
Other Marketed Services	12(i)	33%	25%	35%	52%	49%	67%	16%	0%
Non-Marketed Services	42	29%	9%	44%	19%	8%	76%	7%	1%
BY SIZE GROUP									
2 to 9	140	40%	42%	27%	18%	22%	78%	18%	0%
10 to 49	109	35%	35%	27%	17%	16%	82%	15%	2%
50 to 249	60	17%	12%	47%	46%	39%	95%	19%	0%
Over 249	17(i)	20%	16%	44%	47%	8%	71%	0%	7%
BY ISCO GROUP									
Majority Skill Level 1 & 2	155	41%	34%	27%	21%	24%	86%	18%	1%
Majority Skill Level 3 & 4	155	34%	44%	30%	20%	21%	74%	16%	0%
No Majority Group	16(i)	27%	21%	27%	4%	10%	84%	17%	0%

Notes:

1) *This question was answered by 326 respondents who reported a major or minor impact of hard-to-fill job vacancies on organisational performance,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple options*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3.2.2 Recruitment Difficulties

Collecting evidence on the main reasons for recruitment difficulties provides important insight into the factors that prevent employers from successfully filling job vacancies. These data help distinguish between challenges related to skills, qualifications, experience, and broader labour-market conditions, while also highlighting structural barriers that affect employers' ability to attract suitable candidates. Understanding the underlying

causes of recruitment difficulties supports evidence-based policy aimed at addressing skills shortage, improving workforce preparedness, and strengthening the alignment between labour-market demand and available supply. A skill shortage vacancy is defined as any hard to fill vacancy that proves difficult to fill because of a shortage of applicants with the skills, experience or qualifications required.

Employers with hard-to-fill vacancies were asked to indicate all applicable reasons, allowing for multiple responses.

Figure 19 presents employers' responses regarding whether hard-to-fill job vacancies are attributable to shortages of applicants with the required skills, qualifications, or work experience categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal no statistically significant differences across any of the grouping variables. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 374 out of a total of N = 1,395 respondents).

Across employers who reported experiencing hard-to-fill vacancies, the most frequently cited reason is the lack of required skills, reported by 57% of employers. This was followed by lack of required qualifications (42%) and lack of experience (41%). Interestingly, almost one quarter of employers indicated uncertainty regarding the underlying cause (24%). This represents a substantial proportion of employers and is a significant finding, suggesting that many organisations may struggle to clearly diagnose the factors contributing to their hiring challenges.

Figure 19: Skill-shortage vacancy incidence (ErW)

Are any of the hard-to-fill vacancies a result of a shortage of applicants with the skills, qualifications or experience required to do the job?					
	n=	Lack of required skills	Lack of required qualifications	Lack of experience	Don't know
TOTAL POPULATION	374	57%	42%	41%	24%
BY SECTOR					
Primary and Utilities	9(s)	-	-	-	-
Manufacturing	34	58%	55%	52%	16%
Construction	26(i)	58%	52%	61%	24%
Distribution and Transport	93	53%	43%	40%	27%
Hospitality	37	60%	25%	47%	24%
IT Services	24(i)	94%	47%	51%	1%
Financial and Insurance	15(i)	58%	22%	27%	39%
Other Business Services	75	63%	47%	42%	19%
Other Marketed Services	15(i)	48%	19%	21%	36%
Non-Marketed Services	46	35%	49%	18%	30%
BY SIZE GROUP					
2 to 9	155	57%	41%	42%	23%
10 to 49	129	61%	46%	41%	24%
50 to 249	71	42%	38%	31%	33%
Over 249	19(i)	64%	58%	40%	21%
BY ISCO GROUP					
Majority Skill Level 1 & 2	181	52%	38%	41%	29%
Majority Skill Level 3 & 4	175	63%	47%	42%	17%
No Majority Group	18(i)	56%	32%	43%	31%

Notes:

1) *This question was answered by 374 respondents reporting hard-to-fill vacancies, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% because respondents were permitted to select multiple responses.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*

4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3.2.3 Occupational Categories Experiencing the Greatest Difficulty in Filling Vacancies

To explore the reasons underlying hard-to-fill job vacancies in greater depth, employers were asked to focus on a single occupational category. Specifically, employers who reported vacancies that were difficult to fill were asked to select the one occupational category for which they experienced the greatest recruitment difficulty. Subsequent questions then examined the reasons for recruitment challenges, the specific causes contributing to these difficulties, and the skills that proved most challenging to identify among applicants within the selected occupation. This approach allows for a more detailed and focused analysis of recruitment difficulties at the occupational level.

Employers who reported having hard-to-fill vacancies were asked to select one occupational category only, corresponding to the occupation for which recruitment difficulties were most pronounced. Figure 20 presents the employers' responses on the occupational category with the hardest-to-fill job vacancies categorised by organisations' NACE sector, size group and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables, for the reference period between January 2023 and 2024. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 376 out of a total of N = 1,395 respondents).

Across employers who reported experiencing hard-to-fill vacancies, "Professionals" were most frequently identified as the occupation associated with the greatest recruitment difficulty (30%). This was followed by "Service and Sales Workers" (22%), "Technicians and Associate Professionals" (15%), and "Clerical Support Workers" (11%). Smaller percentages of employers reported "Elementary Occupations" (8%), "Craft and Related Trades Workers" (6%), "Plant and Machine Operators and Assemblers" (4%), "Managers" (2%) and "Skilled Agricultural, Forestry and Fishery Workers" (<0.5%) as the most difficult occupations to fill.

Clear sectoral patterns emerge regarding the occupational categories most affected by hard-to-fill vacancies. A very substantial percentage of employers in the fields of "Non-Marketed Services" and "IT Services" reported "Professionals" as the most hard-to-fill occupation (86% and 65% respectively). A substantial percentage of employers in the field of "Hospitality" reported "Service and Sales Workers" as the most hard-to-fill occupation (65%). Finally, a substantial percentage of employers in the fields of "Construction" (interpret with caution due to small analysis base) and "Manufacturing" reported the occupation of "Technicians and Associate Professionals" as the most hard-to-fill occupation (43% and 36% respectively).

The occupational category identified as most difficult to fill also varies by organisation size. As organisation size increase, recruitment difficulties become more concentrated in "Managers" (2-9 employees: 1% and over 249 employees: 25%). Contrary, as organisation size increase, recruitment difficulties become less concentrated in "Professionals" (2-9 employees: 34% and over 249 employees: 13%) and "Clerical Support Workers" (2-9 employees: 14% and over 249 employees: 0%). The highest percentage of employers in very large organisations reported "Service and Sales Workers" as the single most hard-to-fill occupation (38%).

Differences were also observed by ISCO Skill Level composition. Half the employers within organisations within Skill Level 1 & 2 reported "Service and Sales Workers" and "Elementary Occupations" as the most difficult occupation to fill (34% and 16%, respectively). In contrast, more than half of the employers in organisations within Skill Level 3 & 4, reported "Professionals" as the most difficult occupation to fill (54%). Organisations with no dominant ISCO showed mixed distribution across four occupational categories – "Technicians and Associate Professionals" (37%), "Professionals" (34%), "Service and Sales Workers" (21%) and "Clerical Support Workers" (8%).

To further contextualise recruitment difficulties, employers were asked to specify one concrete job title within the occupational category they identified as the hardest to fill. The responses highlight the specific roles underlying the broader occupational groups reported in the figure and provide additional insight into the

granularity of recruitment challenges faced by employers. For Managers, employers most frequently reported difficulties in recruiting Administrative and Commercial Managers. For Professionals, employers most frequently reported difficulties in recruiting Business and Administration professionals, Science and Engineering professionals. Among Technicians and Associate Professionals, reported job titles are primarily Science and Engineering Associate Professionals. For Clerical Support Workers, employers most commonly identify difficulties in recruiting General and Keyboard Clerks, while for Service and Sales Workers, reported job titles are concentrated in Personal Service Workers and Sales Workers. In craft related occupations, recruitment difficulties are mainly associated with Building and Related Trades Workers and Metal, Machinery and Related Trades Workers. For Plant and Machine Operators and Assemblers, employers most often reported hard-to-fill positions among Drivers and Mobile Plant Operators and Stationary Plant and Machine Operators, while for Elementary Occupations, shortages were most frequently linked to roles such as Cleaners and Helpers.

Figure 20: Occupational Categories with the Most Difficult-to-Fill Job Vacancies as identified by employers (ErW)

Choose only one of the occupation categories for which you have experienced the most difficulties to fill in job vacancies.

Occupation:	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
Key Mentions:		Administrative and Commercial Managers	Business and Administration Professionals	Science and Engineering Associate Professionals	General and Keyboard Clerks	Personal Service Workers		Building and Related Trades Workers	Drivers and Mobile Plant Operators	Cleaners and Helpers
			Science and Engineering Professionals			Sales Workers		Metal, Machinery and Related Trades Workers	Stationary Plant and Machine Operators	
TOTAL POPULATION	376	2%	30%	15%	11%	22%	0%	6%	4%	8%
BY SECTOR*										
Primary and Utilities	9(s)	-	-	-	-	-	-	-	-	-
Manufacturing	34		16%	36%	6%	4%		19%	14%	6%
Construction	26(i)		14%	43%	10%			19%		14%
Distribution and Transport	93	3%	11%	14%	12%	34%		5%	5%	16%
Hospitality	38	1%	14%	1%	5%	65%		5%		9%
IT Services	24(i)	6%	65%	19%	3%	6%				
Financial and Insurance	15(i)	7%	46%	14%	32%					
Other Business Services	76	1%	44%	9%	20%	20%			2%	3%
Other Marketed Services	15(i)	7%	28%	7%	7%	21%		7%	16%	7%
Non-Marketed Services	46		86%	3%		7%		3%		
BY SIZE GROUP*										
2 to 9	155	1%	34%	14%	14%	21%	1%	7%	3%	6%
10 to 49	130	3%	22%	20%	7%	26%		6%	4%	13%
50 to 249	72	5%	26%	14%	2%	21%			21%	12%
Over 249	19(i)	25%	13%			38%		13%		13%
BY ISCO GROUP*										
Majority Skill Level 1 & 2	183	1%	7%	7%	14%	34%	1%	12%	8%	16%
Majority Skill Level 3 & 4	175	3%	54%	21%	8%	10%		1%	1%	1%
No Majority Group	18(i)		34%	37%	8%	21%				

Notes:

1) This question was answered by 376 respondents who reported hard-to-fill job vacancies

2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 21 presents the main causes underlying difficulties in filling job vacancies for the occupational category identified as most difficult to recruit. Employers with hard-to-fill vacancies were asked to select all applicable causes, allowing for multiple responses. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 376 out of a total of N = 1,395 respondents).

Overall, the most frequently cited causes were "Not enough people interested in doing this type of job" (68%), "Limited number of applicants generally" (58%), and "Limited number of applicants with the required skills" (53%). On the contrary, the least reported causes for challenges in filling job vacancies include factors such as "Job entails shift work/unsociable hours (6%), "Remote location/poor public transport" (5%), and "Work is seasonal or temporal" (5%).

By occupation selected, clear differences emerge in the main causes of recruitment difficulties for the hardest-to-fill vacancies. For Professionals, the most frequently reported cause is limited number of applicants with the required skills (67%), followed by limited number of applicants in general (61%). For Technicians and Associate Professionals, employers most often cite not enough people interested in the job (78%). In contrast, for Clerical Support Workers, the dominant challenge is limited number of applicants with the required attitude, motivation or personality to fulfil duties (66%), followed by not enough people interested in doing this type of job (61%). For Service and Sales Workers, the most frequently reported causes were not enough people interested in doing this type of job (71%) and limited number of applicants generally (64%). For Elementary Occupations, employers most frequently cite not enough people interested in the job (94%) and limited number of applicants in general (63%).

Figure 21: Main causes of recruitment challenges for hardest-to-fill job vacancies (ErW)

What are the main causes of the challenge to fill the job vacancies for the occupation category															
	n =	Competition from other employers	Not enough people interested in doing this type of job	Poor employment terms and conditions (e.g., remuneration) offered	Limited number of applicants with the required skills	Limited number of applicants with the required attitude, motivation or personality to fulfil duties	Limited number of applicants generally	Limited number of applicants having the required work experience	Limited number of applicants having the required academic qualifications	Limited number of applicants having the required professional qualifications	Poor career progression/lack of prospects	Job entails shift work/unsociable hours	Work is seasonal or temporary	Remote location/poor public transport	Other
TOTAL POPULATION	376	29%	68%	7%	53%	40%	58%	28%	7%	21%	7%	6%	5%	5%	2%
BY OCCUPATION SELECTED		*	*		*								*	*	
Managers	14(i)	50%	27%	0%	82%	47%	38%	55%	6%	26%	0%	5%	0%	0%	0%
Professionals	122	46%	51%	8%	67%	35%	61%	28%	15%	24%	7%	7%	1%	3%	5%
Technicians and Associate Pı	56	16%	78%	3%	59%	33%	57%	33%	3%	20%	5%	4%	1%	4%	0%
Clerical Support Workers	32	28%	64%	6%	58%	66%	42%	38%	14%	28%	9%	2%	0%	0%	0%
Service and Sales Workers	85	26%	71%	9%	39%	47%	64%	25%	1%	14%	7%	11%	12%	8%	0%
Skilled Agricultural, Forestry	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades Wo	17(i)	25%	100%	8%	58%	27%	61%	27%	0%	27%	16%	0%	8%	4%	0%
Plant and Machine Operator	13(i)	2%	72%	2%	66%	20%	54%	15%	6%	30%	0%	3%	25%	0%	0%
Elementary Occupations	36	9%	94%	9%	11%	32%	63%	16%	0%	6%	14%	3%	0%	15%	10%

Notes:

1) *This question was answered by 376 respondents who reported hard-to-fill job vacancies and refers to the occupation selected as most difficult to recruit,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers,*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.3.2.4 Skills Shortages in Hardest-to-Fill Occupational Categories

Examining skills shortage in the occupational categories that employers find hardest to fill provides important insight into the specific skill gaps contributing to recruitment difficulties. Employers were asked to indicate the skills that were most difficult-to-find among applicants for the occupational category identified as having the hardest-to-fill vacancies.

Figure 22 presents the percentage of employers who reported which skills were most difficult-to-find among applicants for hardest-to-fill vacancies This figure is presented as a heat map, where darker blue indicates higher percentages, lighter shades indicate average levels, and darker red indicates lower percentages, helping to highlight relative patterns across size groups. Percentages are based on respondents who reported experiencing hard-to-fill vacancies (N = 376 out of a total of N = 1,395 respondents).

Overall, the skills most frequently reported as difficult to identify among applicants are related to self-management and soft skills. In particular, “Willingness to learn” (43%), “Time management” (31%) and “Ability to communicate effectively” (35%) emerge as the most commonly cited challenges. Other frequently reported skills include “Teamwork skills” (28%) and “Analytical and critical thinking” (28%).

By occupation selected, differences were observed in the skills reported as most challenging to identify among applicants, particularly for leadership and manual competencies. “Leading others” is most challenging to identify in occupations such as Plant and Machine Operators and Assemblers (23%) and Professionals (20%). Parallel, “Manual dexterity” is significantly more challenging to identify in Craft and Related Trades Workers (51%) compared to the other occupation categories.

For Professionals, the greatest difficulty was related to “Willingness to learn” (40%), followed by “Ability to communicate effectively” (34%), and “Analytical and critical thinking skills” (32%). Technicians and Associate Professionals face challenges related to” Willingness to learn” (52%), “Ability to rapidly acquire new knowledge” (31%), and “Time management” (30%). For Service and Sales Workers, employers most frequently reported difficulties finding applicants with “Willingness to learn (47%), “Ability to communicate effectively” (41%), “Time management” (35%), and “Teamwork skills” (35%). Among Clerical Support Workers, the most challenging skills were the “Ability to communicate effectively” (53%), “Ability for applied use of ICT” (51%), “Analytical and critical thinking” (46%), and “Willingness to learn” (46%).

Figure 22: Skills that have been proven most challenging to identify in interested applicants for the job vacancy in the occupation category (ErW)

Which of the following skills have proven most challenging to identify in interested applicants for the job vacancy in the selected occupation category?																											
		Digital Skills		Soft Skills									Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Operational Skills	Other
	n =	Ability for applied use of information and communication	Ability for advanced use of information and communication	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals	Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy	Specialist skills or knowledge needed to perform the role	Knowledge of how the organisation works	Other skills
TOTAL POPULATION	376	29%	13%	27%	35%	28%	18%	14%	28%	26%	20%	25%	43%	31%	20%	11%	6%	18%	12%	12%	10%	4%	14%	6%	14%	17%	4%
BY OCCUPATION SELECTED							*																*				
Managers	14(i)	33%	29%	62%	44%	18%	76%	10%	40%	17%	39%	59%	18%	41%	17%	6%	2%	13%	26%	6%	8%	30%	7%	11%	2%	22%	0%
Professionals	122	27%	17%	32%	34%	23%	20%	12%	32%	20%	25%	27%	40%	29%	23%	11%	7%	18%	15%	17%	8%	5%	3%	6%	16%	20%	3%
Technicians and Associate	56	21%	26%	27%	20%	25%	11%	13%	26%	31%	18%	19%	52%	30%	13%	8%	6%	23%	6%	11%	4%	2%	23%	3%	24%	15%	2%
Clerical Support Workers	32	51%	14%	38%	53%	45%	12%	13%	46%	29%	10%	28%	46%	33%	26%	12%	6%	15%	8%	8%	13%	0%	11%	1%	9%	15%	3%
Service and Sales Workers	85	33%	3%	21%	41%	35%	16%	18%	23%	29%	19%	32%	47%	35%	20%	8%	1%	17%	16%	17%	16%	3%	10%	7%	6%	18%	3%
Skilled Agricultural, Forest	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades \	17(i)	29%	15%	39%	21%	21%	18%	18%	18%	31%	26%	18%	47%	24%	21%	18%	18%	18%	18%	8%	9%	9%	51%	16%	21%	12%	4%
Plant and Machine Operat	13(i)	22%	0%	3%	28%	3%	23%	15%	9%	17%	11%	0%	9%	6%	17%	11%	0%	0%	0%	11%	0%	0%	11%	0%	29%	0%	25%
Elementary Occupations	36	20%	2%	7%	34%	21%	8%	10%	20%	22%	13%	14%	38%	32%	14%	15%	15%	22%	7%	0%	10%	0%	26%	5%	4%	15%	5%

Notes:

1) *This question was answered by 376 respondents who reported hard-to-fill job vacancies,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

In the previous question, employers identified the skills that were most difficult to find among applicants for the occupational category experiencing the greatest recruitment difficulties. Employers who indicated either hard or digital skills (basic or advanced) were subsequently asked to specify the particular skills that applicants lacked. However, only a very small number of employers identified hard skills as the most difficult skills to find, resulting in an insufficient analysis base for meaningful reporting. Consequently, the findings presented below focus only on the specific digital skills reported by employers (N = 122 out of a total of N = 1,395 respondents) (Figure 23).

Specifically, 40% of employers believe that the most commonly lacking digital skill among applicants is basic Microsoft Office skills (e.g., Word, Excel, PowerPoint, Outlook), while 31% reported that advanced proficiency in these same programs is also frequently missing. Communicating via email (28%), foundation of digital skills (25%) and Artificial Intelligence- Machine Learning (22%) were also reported as challenging to find among applicants. Some higher-level digital skills, such as cybersecurity, animation, and web development, received drastically fewer responses (11–12%), possibly because only a small minority of employers actively seek these competencies.

Figure 23: Most challenging-to-identify digital skills amongst applicants (ErW)

Which of the following Digital Skills have proven most challenging to identify in interested applicants for the job vacancy in the selected occupation category? (n=122)	
Skill	**Yes**
Foundation digital skills – such as, turning on devices, typing, changing passwords, connecting to the internet	25%
Communicating via email	28%
Basic Microsoft Office skills (Word, Excel, PowerPoint, Outlook, etc.)	40%
Advanced Microsoft Office skills (Word, Excel, PowerPoint, Outlook, etc.)	31%
Completing transactions online	13%
Using the internet to find solutions to problems	20%
Being safe and legal online – e.g., understanding online risks and threats	17%
Animation skills	11%
Multimedia production skills	13%
Graphic design / design engineering skills (incl. Computer Aided Design [CAD] skills)	15%
Building and maintaining IT systems and networks	18%
Web development skills	11%
Application ("app") programming and development skills	19%
Data analysis/ analytics/ data science skills (using software such as R, SPSS, SAS, SQL, etc.)	17%
Artificial Intelligence – Machine Learning	22%
Cybersecurity	12%

Notes:

1) *This question was answered by 122 respondents who identified digital skills – among other – as most challenging-to-identify skills amongst applicants,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4 Recruitment of Recent Graduates

Facilitating the transition of young people from education into the labour market is a core priority of the European youth employment policy framework – "Youth Guarantee", which emphasises the importance of graduate employability and entry-level opportunities (EUR-LEX, 2020). Ensuring that HEI equip graduates with relevant skills, and that employers actively provide pathways for hiring them, is vital to fostering inclusive and sustainable growth. In this context, recent graduates are defined as employees who have earned a Certificate, Diploma, Bachelor's, Master's or PhD degree from Higher Education in 2018 or later.

The hiring of recent graduates from HEIs is a critical aspect of labour market dynamics, with implications for both employers and educational stakeholders. Understanding the recruitment practices of various sectors helps illuminate the changing landscape of job opportunities for new entrants into the workforce. Recent data reveals substantial differences in hiring trends based on sector classifications outlined by the NACE sector, the size of organisations, and the overall organisations' skill levels of existing employees. The differences may reflect broader economic trends and highlight the importance of aligning educational programmes with labour market needs to ensure that graduates are adequately prepared for diverse career paths. As the job market continues to evolve, understanding these recruitment practices becomes crucial for facilitating successful transitions from education to employment. Statistical information is presented in this section regarding the employers' views regarding the recruiting of recent graduates for the reference period and more specifically regarding level of qualifications required, the fields of study which HEIs' graduate recruits were required to be qualified on, preparedness of graduates from Cyprus HEIs for employment. Additionally, the section explores the skills demonstrated by graduates recruited in 2023, the provision of internships or placements by organisations for the reference period between January 2023 and 2024, whether these internships or placements were paid, and the proportion of organisations that subsequently recruited students or graduates following their placement or internship.

3.4.1 Recruitment of Recent Graduates

Employers were asked to indicate whether they had recruited at least one recent graduate during the reference period. Figure 24 presents employers' responses categorised by NACE sector, organisation size category, and ISCO Skill Level classification. Statistically significant differences in employers' responses were observed across all grouping variables. Percentages are based on respondents who reported at least one job vacancy since 1 January 2023 (N = 526 out of a total of N = 1,395 respondents). Overall, 39% of employers who reported at least one job vacancy at their workplace/location recruited recent graduates in their organisation.

When examined by NACE sector, employers across all sectors reported recruiting recent graduates from HEIs for the reference period 2023-2024. The highest percentage of employers reporting such recruitment is observed in the "Non-Marketed Services" sector (61%). In the "IT Services" (52%), "Other Marketed Services" (50%), and "Other Business Services" (52%) sectors, approximately half of employers reported recruiting recent graduates. Lower percentages were observed in the "Construction" (23%), "Hospitality" (24%), and "Primary and Utilities" (29%) sectors.

Most employers in smaller organisations (2-9 people: 67%, and 10-49 people: 55%) reported not recruiting recent graduates while the majority of employers within medium to larger organisations reported recruiting recent graduates (50-249: 71%, and Over 249: 78% (interpret with caution due to small analysis base)).

When examining employers' responses by organisations' ISCO Skill Level, a higher proportion of employers in organisations classified within higher ISCO Skill Levels (Skill Level 3 & 4) reported recruiting recent graduates during the reference period (2023–2024), compared to employers in organisations classified within lower ISCO Skill Levels (Skill Level 1 & 2). This finding was consistent with expectations, as occupations requiring higher skill levels organisations were more likely to require Higher Education qualifications.

Figure 24: Recruitment of recent graduates in the Private Sector for the reference period 2023-2024 (ErW)

Since January 2023, have you recruited at your organisation anyone who has recently graduated from Higher Education Institutions?		
	n =	Yes
TOTAL POPULATION	526	39%
BY SECTOR*		
Primary and Utilities	13(i)	29%
Manufacturing	42	42%
Construction	36	23%
Distribution and Transport	123	28%
Hospitality	50	24%
IT Services	35	52%
Financial and Insurance	32	32%
Other Business Services	120	52%
Other Marketed Services	18(i)	50%
Non-Marketed Services	57	61%
BY SIZE GROUP*		
2 to 9	218	33%
10 to 49	187	45%
50 to 249	101	71%
Over 249	20(i)	78%
BY ISCO GROUP*		
Majority Skill Level 1 & 2	239	29%
Majority Skill Level 3 & 4	261	46%
No Majority Group	26(i)	45%

Notes:

1) *This question was answered by 526 respondents who reported at least one job vacancy at their workplace/location since 1st January 2023, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.1.1 Field-of-study requirements for recently recruited graduates in the Private Sector

Employers who reported recruiting recent graduates were asked to indicate whether they required Higher Education graduates to hold a qualification in a specific field of study. Figure 25 presents employers' responses. Analysis by organisations' NACE sector, size group, and ISCO Skill Level group, revealed statistically significant differences only by NACE sector suggesting that field of study qualification requirements vary substantially across different sectors. Percentages are based on respondents who reported recruiting recent graduates during 2023 (N = 247 out of a total of N = 1,395 respondents). Overall, 76% of employers who reported recruiting recent graduates also reported that they required Higher Education graduates to hold a qualification in a specific field of study.

Specifically, the majority of employers in most sectors reported requiring recent graduate recruits to possess qualifications in a specific field of study, highlighting the importance of field-specific knowledge in these sectors. Notably, most employers within the sectors of "Manufacturing" (83%), "Distribution and Transport" (79%), "Other Business Services" (74%) and "IT Services (73%)" reported that they needed graduates to hold

a qualification in a specific field of study. In contrast, employers in the “Hospitality” sector were less likely to report such requirements, with the minority indicating that a specific field-of-study qualification was necessary. The results reported though should be interpreted with caution due to small analysis base.

Across organisation size categories, the majority of employers reported requiring candidates to hold a qualification relevant to the role when recruiting graduates. Similar proportions were observed across ISCO Skill Levels, with organisations classified within Skill Level 3 & 4 reporting slightly higher rates than those within Skill Level 1 & 2, although these differences were not statistically significant. Comparable proportions were also observed among organisations not classified within a specific ISCO Skill Level.

Figure 25: Recruited Graduates’ requirement for a qualification in a specific field of study (ErW)

Did you require Higher Education graduates to have a qualification in a specific field of study?				
	n =	Yes	No	Don't know
TOTAL POPULATION	247	76%	20%	4%
BY SECTOR*				
Primary and Utilities	3(s)	-	-	-
Manufacturing	19(i)	83%	13%	5%
Construction	13(i)	68%	21%	11%
Distribution and Transport	47	79%	19%	2%
Hospitality	22(i)	38%	46%	15%
IT Services	17(i)	73%	19%	8%
Financial and Insurance	13(i)	60%	35%	5%
Other Business Services	70	74%	23%	3%
Other Marketed Services	8(s)	-	-	-
Non-Marketed Services	35	86%	9%	5%
BY SIZE GROUP				
2 to 9	79	78%	18%	3%
10 to 49	86	69%	25%	6%
50 to 249	66	80%	17%	2%
Over 249	16(i)	67%	33%	
BY ISCO GROUP				
Majority Skill Level 1 & 2	91	69%	24%	8%
Majority Skill Level 3 & 4	143	79%	19%	2%
No Majority Group	13(i)	81%	15%	4%

Notes:

1) *This question was answered by 247 respondents who reported recruiting recent graduates during 2023, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 26 presents the fields of study in which Higher Education (HE) graduate recruits were required to be qualified categorised by organisations’ NACE sector, size group and ISCO Skill Level. Employers were presented 19 fields of study based on internationally recognised classifications of fields of education (e.g. ISCED fields of study). Percentages are based on respondents who reported requiring Higher Education

graduates to hold a qualification in a specific field of study (N = 182 out of a total of N = 1,395 respondents). Multiple responses were allowed in this question.

The majority of employers indicated requiring qualifications in “Business and Administration” (42%), followed by “Engineering, Manufacturing and Construction” (19%), “Services” (16%) “ICT” (12%) and “Law” (10%). The prominence of these fields indicates that employers prioritise qualifications that support operational efficiency, managerial capacity, and sector specific technical expertise. In contrast, very few employers reported requiring qualifications in fields of “Agriculture, Forestry, Fisheries and Veterinary” (1%), “Welfare” (1%), “Psychology” (2%), Health (2%), and “Medicine and Dental Studies” (2%).

Clear sectoral patterns emerge in the fields required for HE graduate recruitment. As expected, in “Manufacturing” and “Construction”, employers predominantly required qualifications in “Engineering, manufacturing and construction” (60% and 91%, respectively. In “Hospitality” and “Distribution and Transport”, employers predominantly required qualifications in “Business and administration” (88% and 64%, respectively). Additionally, in “IT Services”, 90% of employers required an “ICT” degree. These findings should be interpreted with caution due to small analysis base. Finally, 52% of employers in “Other Business Services” required a qualification in “Business and Administration”.

Organisations’ size shows similar patterns across size groups. A significant difference is observed in the responses of employers regarding the “Engineering, Manufacturing, Construction” as a field of study in which the graduate recruits were required to be qualified, across size groups. As organisation size increases, higher percentage of employers required their graduate recruits to be qualified on “Engineering, Manufacturing, and Construction”. Additionally, among organisations of all size groups a considerable percentage requires Business Administration degree.

Differences were also observed by ISCO Skill Level groups. Organisations within Skill Level 1 & 2 were more likely to require qualifications in “Business and Administration” (36%), “Engineering, manufacturing, construction” (34%) and “Services” (21%). Organisations within Skill Level 3 & 4 were more likely to require qualifications in “Business and Administration” (46%). Employers in organisations embedded in no majority ISCO Skill Level, were more likely to require qualifications in “Business and Administration” (35%), “Engineering, manufacturing, and construction” (26%), “Services” (23%), “Health” (22%), and “Architecture and town planning” (20%).

Figure 26: Subject areas which HEIs' graduate recruits were required to be qualified on (%) (ErW)

In what subject areas (fields of study) did you require new joiners to be qualified?																				
	n =	Education Science	Teacher Training	Arts	Humanities	Languages	Social sciences, journalism, and information	Psychology	Business and administration	Law	Natural sciences, mathematics and statistics	ICT	Engineering, manufacturing, construction	Architecture and town planning	Agriculture, forestry, fisheries, veterinary	Medicine, Dental Studies	Health	Pharmacy	Welfare	Services
TOTAL POPULATION	182	9%	4%	3%	3%	5%	5%	2%	42%	10%	9%	12%	19%	5%	1%	2%	9%	2%	1%	16%
BY SECTOR									*											
Primary and Utilities	3(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	13(i)	6%	0%	6%	0%	0%	0%	0%	31%	0%	8%	8%	60%	16%	0%	0%	0%	0%	0%	16%
Construction	11(i)	5%	0%	0%	5%	0%	5%	0%	5%	0%	0%	0%	91%	2%	0%	0%	0%	0%	0%	0%
Distribution and Transpor	33	1%	1%	5%	8%	12%	1%	1%	64%	0%	4%	15%	22%	0%	1%	1%	17%	7%	1%	18%
Hospitality	12(i)	0%	0%	0%	0%	0%	4%	0%	88%	6%	4%	4%	8%	0%	0%	0%	0%	0%	0%	37%
IT Services	13(i)	0%	0%	10%	0%	0%	10%	0%	8%	0%	2%	90%	10%	0%	0%	0%	0%	0%	0%	0%
Financial and Insurance	7(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Business Services	52	5%	0%	3%	0%	4%	6%	0%	52%	27%	15%	7%	3%	13%	0%	0%	3%	3%	0%	24%
Other Marketed Services	7(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Marketed Services	31	32%	17%	4%	8%	9%	10%	15%	15%	4%	13%	3%	1%	0%	0%	12%	32%	0%	4%	2%
BY SIZE GROUP													*							
2 to 9	61	9%	5%	2%	3%	6%	6%	2%	41%	8%	10%	9%	13%	9%	0%	1%	10%	4%	1%	15%
10 to 49	61	9%	1%	7%	1%	3%	5%	1%	44%	15%	4%	18%	22%	0%	4%	3%	6%	0%	0%	17%
50 to 249	49	6%	5%	3%	5%	8%	4%	3%	41%	10%	10%	11%	40%	0%	2%	2%	14%	0%	2%	21%
Over 249	11(i)	0%	0%	0%	5%	0%	9%	0%	55%	13%	44%	42%	38%	5%	0%	0%	0%	0%	0%	17%
BY ISCO GROUP										*			*							
Majority Skill Level 1 & 2	58	4%	1%	6%	1%	3%	1%	1%	36%	1%	7%	10%	34%	6%	5%	3%	9%	0%	1%	21%
Majority Skill Level 3 & 4	114	12%	5%	3%	2%	6%	8%	3%	46%	15%	11%	15%	11%	3%	0%	1%	8%	1%	1%	13%
No Majority Group	10(i)	0%	7%	0%	15%	15%	5%	0%	35%	5%	2%	0%	26%	20%	0%	0%	22%	15%	0%	23%

Notes:

1) *This question was answered by 182 respondents who require their HEIs' graduates to have a qualification in a specific field of study,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers,*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.1.2 Recruitment of recent graduates into non-graduate roles in the Private Sector

Employers were asked to indicate whether , since January 2023, they had recruited recent Higher Education graduates into jobs that did not require a Higher Education qualification. This is an indication of vertical mismatch reflecting an underutilisation of graduates' educational qualifications in the labour market. Figure 27 presents employers' responses by NACE sector, organisation size and ISCO Skill Level. Statistically significant differences were observed in employers' responses across all grouping variables. Percentages are based on respondents who reported recruiting recent graduates during 2023 (N = 246 out of a total of N = 1,395 respondents).

Overall, 34% of employers reported that they had recruited some (27%) or many (7%) recent Higher Education graduates into jobs that do not require a Higher Education qualification, while 51% reported no such

recruitment. A further 15% of employers selected “Don’t know”. Organisations focused on “Hospitality” and “Financial and Insurance” showed the highest uncertainty (30% and 20% respectively).

When examined by NACE sector, most of the employers in the “Hospitality” sector reported employing Higher Education graduates in non-graduate jobs, indicating the presence of very high mismatch (51%) (interpret with caution due to small analysis base), followed by the fields of “Distribution and Transport” (46%), and “Financial and Insurance” (40%) (interpret with caution due to small analysis base). These findings may reflect a mix of skilled and non-skilled labour needs. The organisations with the least mismatch (i.e. recent graduate recruits working in non-graduate jobs), were embedded within “Non-Marketed Services” (68%), “Manufacturing” (67%) and “IT Services” (62%), which may reflect the nature of roles in these sectors, where job tasks were more closely aligned with specialised knowledge, technical competencies and higher qualification requirements typically acquired through Higher Education.

Differences were also observed by organisation size. Organisation size is strongly associated with the reported extent of HE graduates working in non-graduate jobs. Small organisations (2–9 employees) were most likely to report that they do not employ HE graduates in non-graduate roles. Specifically, the percentage of employers reporting mismatch increases with organisation size, from 25% among organisations with 2–9 employees to 72% among organisations with more than 249 employees. Larger organisations typically employ a wider range of occupations, including both high-skill and lower-skill roles, increasing the likelihood that graduates may be employed in positions that do not fully match their level of education. In contrast, smaller organisations have more limited and specialised workforce structures, where recruitment was more targeted and closely aligned with specific job requirements.

Finally, when examined by ISCO Skill Level group, as expected, employers in organisations classified within Skill Level 1 & 2 reported higher levels of mismatch (43%). Unexpectedly, organisations classified within Skill Level 3 & 4 (29%) showed higher extent of mismatch than organisations not embedded within a specific ISCO Skill Level (19%) (interpret with caution due to small analysis base).

Figure 27: Recruitment of recent Higher Education graduates into non-graduate jobs , (ErW)

Since the 1st of January 2023, have you recruited Higher Education graduates into jobs which do not require that a Higher Education qualification?					
	n=	Yes, we have many Higher Education graduates working in non-graduate jobs	Yes, we have some Higher Education graduates working in non-graduate jobs	We do not have any Higher Education graduates working in non-graduate jobs	Don't know
TOTAL POPULATION	246	7%	27%	51%	15%
BY SECTOR*					
Primary and Utilities	3(s)	-	-	-	-
Manufacturing	19(i)	8%	10%	67%	15%
Construction	13(i)	5%	32%	47%	16%
Distribution and Transport	48	5%	41%	42%	12%
Hospitality	22(i)	19%	33%	19%	30%
IT Services	17(i)	8%	15%	62%	15%
Financial and Insurance	13(i)	10%	30%	40%	20%
Other Business Services	70	8%	25%	61%	7%
Other Marketed Services	8(s)	-	-	-	-
Non-Marketed Services	33		25%	68%	8%
BY SIZE GROUP*					
2 to 9	78	5%	20%	60%	16%
10 to 49	87	7%	35%	48%	9%
50 to 249	65	12%	39%	24%	24%
Over 249	16(i)	29%	43%	14%	14%
BY ISCO GROUP*					
Majority Skill Level 1 & 2	92	13%	30%	36%	20%
Majority Skill Level 3 & 4	141	4%	25%	59%	12%
No Majority Group	13(i)		19%	65%	15%

Notes:

1) *This question was answered by 246 respondents who reported recruiting recent graduates, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.2 Recruiting Recent Graduates from Cyprus Higher Education Institutions and their Preparedness for Employment

Exploring whether employers recruit recent graduates from Cyprus Higher Education Institutions provides important evidence on the link between the Higher Education system and the labour market. It also indicates the extent to which local Higher Education Institutions produce graduates whose skills and qualifications meet employers' needs. This information complements graduate survey data by providing the employer perspective on graduate recruitment and preparedness (European Commission, EC, 2020).

Figure 28 presents the percentage of employers who have recruited recent graduates from Cyprus HEIs categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses across NACE sector and ISCO Skill Level group. Overall, 58% of employers who reported that they had recruited recent graduates they also reported recruiting from Cyprus HEIs for the reference period 2023-2024. A further 11% reported that they had recruited recent graduates only from non-Cyprus HEIs, while 31% of employers selected "Don't know".

Half or more than half of employers in most NACE sectors reported recruiting recent graduates from Cyprus HEIs. The higher percentages were recorded for "Non-Marketed Services" sector (71%), "IT Services" (65%) and "Other Business Services" (62%) recruited recent graduates from Cyprus HEIs. Employers within the "Financial and Insurance" sector reported the highest percentage of recruiting recent graduates from non-Cyprus HEIs.

Finally, employers' responses were explored by organisations ISCO Skill Level group. A lower percentage of employers in organisations classified within Skill Level 1 & 2 reported recruiting recent graduates from Cyprus HEIs (49%), compared with organisations classified within Skill Level 3 & 4 (62%). A higher percentage is observed among organisations No Majority ISCO Skill Level group (65%). Lower levels of uncertainty were observed among organisations classified within Skill Level 3 & 4 (7%), compared with organisations classified within Skill Level 1 & 2 (17%) and organisations within No Majority ISCO Skill Level group (15%).

Higher recruitment levels in knowledge intensive sectors such as "Non-Marketed Services" (71%), "IT Services" (65%) and "Other Business Services" (62%) indicate that Cyprus HEIs are an important source of recruits for these sectors. The finding that the "Financial and Insurance" sector reported the highest recruitment of graduates from non-Cyprus HEIs may reflect the international nature of this sector and the demand for specialised financial, regulatory, or technical expertise.

Figure 28: Employers reporting recent graduates recruits from Cyprus HEIs (ErW)

Since January 2023, have you recruited recent graduates from Cyprus Higher Education Institutions?				
	n=	Yes	No	Don't know
TOTAL POPULATION	248	58%	31%	11%
BY SECTOR*				
Primary and Utilities	3(s)	-	-	-
Manufacturing	19(i)	50%	43%	8%
Construction	13(i)	50%	40%	10%
Distribution and Transport	48	58%	28%	14%
Hospitality	22(i)	54%	31%	15%
IT Services	17(i)	65%	19%	15%
Financial and Insurance	13(i)	47%	53%	
Other Business Services	70	62%	28%	10%
Other Marketed Services	8(s)	-	-	-
Non-Marketed Services	35	71%	29%	
BY SIZE GROUP				
2 to 9	79	54%	34%	12%
10 to 49	87	58%	29%	13%
50 to 249	66	69%	24%	7%
Over 249	16(i)	100%		
BY ISCO GROUP*				
Majority Skill Level 1 & 2	92	49%	34%	17%
Majority Skill Level 3 & 4	143	62%	31%	7%
No Majority Group	13(i)	65%	19%	15%

Notes:

1) *This question was answered by 248 respondents, reported recruiting recent graduates during 2023.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 29 presents the percentages of Private Sector organisations recruiting recent graduates from Cyprus Universities, Institutes of Tertiary Education or both for the reference period 2023-2024, categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses across all grouping variables. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 162 out of a total of N = 1,395 respondents).

Overall, 66% of employers reported recruiting graduates exclusively from Universities, while only 8% reported recruiting graduates exclusively from ITEs. A further 25% of employers reported recruiting graduates from both types of Institutions, and 1% selected "Don't know". These findings suggest that Universities are the primary source of graduate recruitment for most employers.

The strong majority of employers within "IT Services" (88%), recruit graduates only from local Universities indicating a strong preference for University graduates. "Hospitality" sector, is the only sector with the largest proportion of recruits from ITE (36%), and the lowest proportion of recruits from Universities (14%), a finding that is likely associated with the availability of a large number of short-cycle and vocationally oriented programmes offered by ITEs in hospitality-related fields. More specifically, a notable percentage of employers within "Hospitality" reported recruiting recent graduates who graduated from both a university and an ITE (50%). "Hospitality" recorded the largest proportion of recruits from both University and ITE. These findings may be related to the number, and type of programmes of study offered by Cyprus Universities and ITEs, with Universities typically providing more academically oriented programmes aligned with professional and managerial roles, while ITEs offer more applied and vocational programmes that are closely aligned with technical and operational occupations. These findings should be interpreted with caution due to small analysis base.

Organisations of all size groups, recruit mainly University students, except the organisations with 50-249 people which recruit from both a University and an ITE. Employers in small, medium and very large organisations were much more likely to recruit graduates from a university (2-9: 72%, 10-49: 65%, Over 249: 60%, than large organisations (50-249: 48%). Large organisations exhibited a different pattern as approximately half of the employers reported recruiting graduates only from Universities and the other half reported recruiting graduates (45%) from both Universities and ITE.

As expected, most of the employers from organisations which belong to the high skill level category (Skill Level 3 & 4) reported recruiting graduates only from universities (77%). Parallel, 47% of employers within Skill Level 1 & 2 reported recruiting graduates exclusively from universities, while a further 37% reported recruiting graduates from both Universities and ITEs. This pattern may reflect that higher-skill occupational structures rely more heavily on university-specific knowledge and credentials, while lower-skill structures draw from a wider range of Higher Education pathways.

Figure 29: Recent graduates recruited from Cyprus HEIs by type of Higher Education Institution (ErW)

These recruits graduated from...					
	n=	A University	An Institution of Tertiary Education	Both	Don't know
TOTAL POPULATION	162	66%	8%	25%	1%
BY SECTOR*					
Primary and Utilities	2(s)	-	-	-	-
Manufacturing	9(s)	-	-	-	-
Construction	9(s)	-	-	-	-
Distribution and Transport	30	51%	11%	31%	6%
Hospitality	16(i)	14%	36%	50%	
IT Services	12(i)	88%		12%	
Financial and Insurance	8(s)	-	-	-	-
Other Business Services	45	73%	8%	19%	
Other Marketed Services	4(s)	-	-	-	-
Non-Marketed Services	27(i)	66%	7%	28%	
BY SIZE GROUP*					
2 to 9	42	72%	10%	18%	
10 to 49	55	65%	3%	29%	3%
50 to 249	52	48%	3%	45%	3%
Over 249	13(i)	60%	20%	20%	
BY ISCO GROUP*					
Majority Skill Level 1 & 2	57	47%	13%	37%	3%
Majority Skill Level 3 & 4	97	77%	5%	18%	
No Majority Group	8(s)	-	-	-	-

Notes:

1) *This question was answered by 162 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 30 presents the ISCED level of qualifications of recent graduates recruited from Cyprus HEIs for the reference period between January 2023 and 2024. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 166 out of a total of N = 1,395 respondents).

The majority of employers participating in the survey (73%) reported recruiting primarily Bachelor's degree graduates (ISCED level 6). This was followed by employers recruiting Master's degree graduates (ISCED level 7) and short-cycle Higher Education graduates (ISCED level 5), reported by 38% and 37% of employers, respectively. In contrast, only a small proportion of employers (4%) reported recruiting PhD graduates (ISCED level 8). These findings suggest that Bachelor's degree graduates represent the main entry point into the labour market. The lower demand for recruits with postgraduate qualifications may partly reflect the fact that many individuals holding such qualifications were already in employment, reducing their presence among recent graduate recruits. This finding is consistent with results from the National Graduate Tracking Survey (NGTS), which show that Bachelor's degree graduates represent a large percentage of labour market entrants and displayed strong employment outcomes in the early post-graduation period.

Figure 30: Reported recruits from Cyprus HEIs by Private Sector organisations, by level of qualification (ErW)

Have these recruits graduated from programs of study at… (n=166)	
ISCED Level	
Level 5 (A Diploma or Certificate)	37%
Level 6 (A Bachelor Level Degree)	73%
Level 7 (A Postgraduate Degree - Master)	38%
Level 8 (A Doctorate Degree - PhD)	4%
Don't Know	3%

Notes:

1) *This question was answered by 166 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100%, as respondents were permitted to select multiple qualification levels,*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.2.1 Perceived preparedness and skills assessment of recently recruited graduates from Cyprus Higher Education Institutions

Employers were asked to rate the level of preparedness of recruited graduates using for employment using a five-point scale ranging from "Not prepared at all" to "Very well prepared". Figure 31 presents the perceived preparedness of recent graduates from Cyprus HEIs categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses only across NACE sectors. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 165 out of a total of N = 1,395 respondents).

Overall, nearly half of employers (49%) assessed graduates as moderately prepared for employment, while approximately one-third of employers reported that graduates were well prepared or very well prepared. In contrast, 19% of employers assessed graduates as slightly prepared or not prepared at all. These findings suggest that graduates from Cyprus HEIs are generally perceived as moderately prepared for employment, and there is scope for strengthening their job readiness.

When exploring graduates' preparedness by economic sector, the majority of employers in "IT Services" (59%), and "Distribution and Transport" (42%) sectors assessed recruits well prepared or very well prepared. More concerning findings were observed within some sectors where employers reported high levels of moderate preparedness. These sectors were "Hospitality" (67%) and "Other Business Services" (54%) whose majority of employers assessed their recent graduates moderately prepared.

Figure 31: Perceived preparedness of recent graduates from Cyprus HEIs for the labour market (ErW)

Overall, how well prepared for employment were recruits from Cyprus Higher Education Institutions?						
	n=	Not prepared at all	Slightly prepared	Moderately prepared	Well prepared	Very well prepared
TOTAL POPULATION	165	4%	15%	49%	29%	4%
BY SECTOR*						
Primary and Utilities	2(s)	-	-	-	-	-
Manufacturing	9(s)	-	-	-	-	-
Construction	9(s)	-	-	-	-	-
Distribution and Transport	32		14%	44%	42%	
Hospitality	18(i)		7%	67%	20%	7%
IT Services	12(i)	12%	6%	24%	47%	12%
Financial and Insurance	8(s)	-	-	-	-	-
Other Business Services	44	3%	17%	54%	25%	
Other Marketed Services	4(s)	-	-	-	-	-
Non-Marketed Services	27(i)	3%	23%	50%	13%	10%
BY SIZE GROUP						
2 to 9	41	2%	15%	52%	29%	3%
10 to 49	56	8%	19%	48%	22%	3%
50 to 249	53		11%	43%	43%	4%
Over 249	15(i)		17%	50%	33%	
BY ISCO GROUP						
Majority Skill Level 1 & 2	60	5%	13%	52%	29%	2%
Majority Skill Level 3 & 4	97	3%	17%	46%	29%	5%
No Majority Group	8(s)	-	-	-	-	-

Notes:

1) *This question was answered by 165 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 32 presents employers' ratings of the level of skills demonstrated by recent graduates from Cyprus HEIs recruited for the reference period between January 2023 and 2024, using a seven-point scale ranging from 1 ("Very low") to 7 ("Very high"). Employers assessed graduates' skills across eight key skill categories: Digital Skills (2 items), Soft Skills (8 items), Self-management Skills (4 items), Core Skills (7 items), Manual Skills (1 item), Green Skills (1 item), Hard Skills (1 item), and Operational Skills (1 item). Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 166 out of a total of N = 1,395 respondents).

Overall, on average, the recent graduates from Cyprus HEIs possessed, comparatively, high level of Core and Digital skills. Conversely, they possessed comparatively low levels of Soft and Green Skills. Generally, Soft Skills received a range of ratings with the highest proportions in the "moderate" category (4) and lower proportions in the "very high" (7) and "high" (6) categories. Skills related to 'Teamwork skills (ability to work with others toward a shared goal)' and 'Adapting to changes and new equipment' appeared more developed than others, as suggested by the higher percentages in the upper ratings (levels: 5, 6, and 7). On the other hand, skills related to 'Leading others (build team spirit, delegate responsibilities, motivate others, coaching, mentoring)' were much underdeveloped than others, as suggested by the higher percentages in the lower ratings (levels: 1, 2, and 3).

The Core Skills categories showed a notable performance, with high scores in reading and understanding written text and in writing various texts (instructions, guidelines, manuals or reports), particularly in Greek, and in basic numerical skills. This could signify that graduates possess solid literacy skills, which are essential for a variety of professional environments. Lower levels of skills were observed in 'Communicating orally and in written in another language' and 'Advanced numerical or statistical skills (Use of graphical, spatial, statistical and algebraic concepts)'.

The Self-Management Skills of recently graduated employees were mixed but generally leaned toward the "moderate" level. Particularly, the willingness to learn showed notable performance while taking a proactive approach may need further development for effective job performance. The other two indicators showed mixed results.

The Digital Skills observed were expected. The separation between applied use of ICT and advanced use of ICT shows that while many recruits may feel comfortable with standard tools, the advanced skills (such as programming) could be lacking. Positively, both skills were not evaluated into lower levels (1,2 and 3) as much.

Manual Skills and Green Skills showed lower overall ratings. Hard Skills showed a notable performance amongst recent graduates with the highest proportion (57%) being in the 5, 6, and 7 categories. Operational Skills showed a spread across high and moderate ratings, with 46% of ratings in the upper range (5–7) and 16% at "high" or "very high" (6–7).

Overall, recruits appear to enter employment with comparatively strong literacy, basic numeracy, applied digital skills and willingness to learn. The main areas for further development relate to leadership, complex problem-solving, critical and innovative thinking, proactivity and green skills.

Figure 32: Employers' assessment of the skills of recently recruited graduates from Cyprus HEIs (ErW)

Please evaluate the level of skills demonstrated by recent graduates from Cyprus Higher Education Institutions that you recruited in the past year on a 7-point scale (n=166)									
		1 - very low	2	3	4 - moderate	5	6	7 - very high	0% 20% 40% 60% 80% 100%
Digital Skills	Ability for applied use of information and communication technologies (ICT)	1%	2%	2%	25%	33%	27%	9%	
	Ability for advanced use of information and communication technologies (ICT)	2%	6%	4%	34%	25%	22%	6%	
Soft Skills	Identifying and solving complex problems	7%	6%	6%	45%	20%	12%	4%	
	Ability to communicate effectively	1%	8%	8%	36%	29%	10%	8%	
	Teamwork skills	1%	6%	9%	25%	23%	27%	10%	
	Leading others	10%	18%	20%	27%	11%	9%	5%	
	Adapting to changes and new equipment	2%	3%	7%	29%	36%	17%	6%	
	Analytical & critical thinking	5%	5%	20%	32%	20%	14%	5%	
	Ability to rapidly acquire new knowledge	1%	5%	10%	31%	29%	15%	8%	
	Think creatively and innovatively	4%	7%	10%	40%	21%	13%	5%	
Self-Management Skills	Taking a proactive approach	5%	6%	12%	41%	22%	11%	4%	
	Willingness to learn	1%	3%	10%	20%	28%	22%	16%	
	Time management	1%	5%	11%	29%	33%	15%	6%	
	Organising information, object and resources	1%	3%	9%	29%	32%	19%	6%	
Core Skills	Reading and understanding written text in Greek	0%	2%	3%	14%	19%	33%	29%	
	Writing various texts (instructions, guidelines, manuals or reports) in Greek	2%	0%	4%	21%	25%	29%	18%	
	Reading and understanding written text in English	1%	2%	3%	30%	21%	32%	11%	
	Writing various texts (instructions, guidelines, manuals or reports) in English	1%	3%	5%	30%	27%	24%	11%	
	Communicating orally and in written in another language	9%	8%	8%	25%	27%	15%	7%	
	Basic numerical skills	0%	2%	2%	31%	22%	27%	16%	
	Advanced numerical or statistical skills	3%	5%	12%	35%	21%	15%	10%	
Manual Skills	Manual dexterity	2%	4%	13%	33%	29%	11%	8%	
Green Skills	Implementing practices to reduce the use of raw materials, energy, water and limit pollution and waste	6%	7%	9%	37%	23%	11%	6%	
Hard Skills	Specialist skills or knowledge needed to perform the role	1%	3%	7%	33%	35%	13%	9%	
Operational Skills	Knowledge of how the organisation works	2%	1%	13%	37%	30%	12%	4%	

Notes:

1) *This question was answered by 166 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.3 Work-Based Learning Opportunities Offered by Employers

Promoting work-based learning opportunities is a central priority of the Council Recommendation on a European Framework for Quality and Effective Apprenticeships (EUR-LEX, 2018). Embedding practical experiences into education and training systems is viewed as essential for equipping learners with job-ready skills and easing the transition from studies to the labour market. For Cyprus, the extent to which employers provide and value such opportunities offers important insights into the alignment of education with workplace realities. To explore this issue, employers were asked to report whether their organisations offered work-based learning experiences such as internships, apprenticeships, or student placements, and to indicate whether they hired students from their internship pools.

3.4.3.1 Internships and Work Placement Opportunities Offered by Employers

All employers were asked to indicate all applicable types of placements or internships offered, including placements for Higher Education (HE) students, internships for HE graduates, other types of placements, or whether none were provided. Figure 33 presents the percentage of organisations that provided internships and work placements opportunities to graduates and students for the reference period, categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses across all grouping variables.

The majority of employers (76%) reported that their organisation did not provide any placements or internships for the reference period between January 2023 and 2024. Only a small percentage of employers reported that their organisations provided either placements or internships for the reference period between January 2023 and 2024 (12% placements, 15% internships), and 3% other type of placement. These findings may reflect that employer engagement in work-based learning is limited, which may reduce opportunities for students and graduates to acquire practical experience and develop job-relevant skills prior to entering the labour market. This limited provision of internships and placements may contribute to the moderate levels of graduate preparedness reported by employers and underscores the importance of expanding work-based learning opportunities to improve graduate employability and reduce skills mismatches.

Looking at NACE sectors, 37% of organisations in "Primary and Utilities", 37% of organisations in "Other Marketed Services" and 36% of organisations in "Non-Marketed Services", provided placements or internships or other type of placement for HE students and graduates. The least percentage of organisations that offered placement, internships or other type of placement are in the fields of "Financial and Insurance" (15%), "Construction" and "Hospitality" (16% each) and "Distribution and Transport" (17%).

Organisation size is strongly associated with placement provision. Large organisations were most likely to offer both placements for students and internships for graduates (39% and 46% respectively), compared to smaller organisations (interpret with caution due to small analysis base).

Organisations within Skill Level 3 & 4 were more likely to provide placements and internships, particularly for HE graduates (14% and 16% respectively), compared to organisations within Skill Level 1 & 2 (10% and 14% respectively). Organisations within No Majority ISCO Skill Level group were least likely to offer placements or internships, and more frequently reported not providing any such opportunities.

Figure 33: Internships/work placements provided by private organisations (ErW)

Since the 1st of January 2023, has your workplace/location provided any placements/interships?					
	n=	A placement, either paid or unpaid, for Higher Education students	An internship, either paid or unpaid, for Higher Education graduates	Other type of placement	No
TOTAL POPULATION	972	12%	15%	3%	76%
BY SECTOR		*	*		*
Primary and Utilities	33	21%	37%	4%	63%
Manufacturing	65	12%	14%	5%	75%
Construction	84	8%	11%	2%	84%
Distribution and Transport	253	9%	8%	3%	83%
Hospitality	79	7%	10%	2%	84%
IT Services	59	22%	20%	1%	68%
Financial and Insurance	43	4%	11%	0%	85%
Other Business Services	218	14%	22%	4%	69%
Other Marketed Services	42	22%	23%	5%	63%
Non-Marketed Services	96	18%	19%	5%	64%
BY SIZE GROUP		*	*		*
2 to 9	580	11%	12%	3%	79%
10 to 49	253	15%	21%	4%	68%
50 to 249	117	33%	40%	4%	46%
Over 249	22(i)	39%	46%	12%	41%
BY ISCO GROUP					
Majority Skill Level 1 & 2	411	10%	14%	4%	78%
Majority Skill Level 3 & 4	506	14%	16%	3%	74%
No Majority Group	55	9%	11%	0%	85%

Notes:

1) *This question was answered by 972 respondents, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100%, as respondents were permitted to select multiple answers.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.4.3.2 Remuneration status of Internships and Work Placements

Employers were asked to specify whether the internships or work placements provided by their organisation were remunerated. Figure 34 presents the remuneration status of internships and work placements provided by employers, categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses across all grouping variables, except size group. Percentages are based on respondents who reported providing internships and/or work placements for Higher Education graduates (N = 271 out of a total of N = 1,395 respondents).

More than half of employers reported that all students and graduates undertaking internships or placements in their organisation were paid. In contrast, 30% of employers reported that none of the students or graduates

they hosted on internships or placements were paid. These findings suggest that while a substantial proportion of employers provide paid work-based learning opportunities, unpaid internships and placements remain relatively common. This may limit access to practical work experience for some students and graduates, particularly those who cannot afford to undertake unpaid positions.

The majority of employers in the "Hospitality" (79%), "Manufacturing" (68%), "Construction" (65%), and "Distribution and Transport" sectors reported that students and graduates undertaking internships or placements in their organisations were remunerated. On the other hand, the majority of employers within organisations in sectors "Primary and Utilities" (73%), "Other Marketed Services" (63%) and "Non-Marketed Services" (44%) sectors reported that none of their interns or placement students received remuneration, indicating that unpaid placements remain relatively common.

In terms of ISCO Skill Level, a higher percentage of employers in organisations classified within Skill Level 1 & 2 reported paying all students or graduates undertaking internships or placements (63%), compared with employers in organisations classified within Skill Level 3 & 4 (48%). This finding suggests that organisations employing a higher proportion of lower- and medium-skill occupations may be more likely to offer paid placements, while organisations with predominantly higher-skill occupations appear less consistent in providing remuneration.

Overall, these findings highlight the need to promote more consistent and equitable remuneration practices across sectors and organisational types to ensure fair access to work-based learning opportunities and to strengthen the transition from education to employment.

Figure 34: Remuneration status of internships and work placements provided by employers in the Private Sector (ErW)

Have any of these students or graduates you had on placements or internships been paid whilst working for you?				
	n=	All	Some	None
TOTAL POPULATION	271	55%	15%	30%
BY SECTOR*				
Primary and Utilities	11(i)	27%		73%
Manufacturing	15(i)	68%		32%
Construction	19(i)	65%	9%	26%
Distribution and Transport	47	61%	20%	19%
Hospitality	24(i)	79%	18%	4%
IT Services	19(i)	46%	25%	29%
Financial and Insurance	8(s)	-	-	-
Other Business Services	76	59%	13%	28%
Other Marketed Services	14(i)	28%	9%	63%
Non-Marketed Services	38	35%	21%	44%
BY SIZE GROUP				
2 to 9	109	54%	14%	33%
10 to 49	81	55%	17%	28%
50 to 249	66	63%	22%	16%
Over 249	15(i)	60%	20%	20%
BY ISCO GROUP*				
Majority Skill Level 1 & 2	103	63%	13%	24%
Majority Skill Level 3 & 4	158	48%	18%	34%
No Majority Group	10(i)	65%	4%	30%

Notes:

1) *This question was answered by 271 respondents who provided a placement and/or an internship for HEI graduates*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*

4) The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.

3.4.3.3 Employers' recruitment from Internship programmes

Employers were asked to indicate whether their organisation had offered employment to individuals who had previously undertaken an internship or work placement within the organisation. This question aimed to assess the extent to which internships and placements serve as pathways to employment and contribute to the recruitment of future staff. Figure 35 presents the percentage of organisations that hired students/graduates after doing a placement or an internship in the organisation, for the reference period 2023-2024, categorised by NACE sector, size group and ISCO Skill Level. Statistically significant differences were observed in employers' responses across all grouping variables, except ISCO Skill Level. Percentages are based on respondents who reported providing internships and/or work placements for Higher Education graduates (N = 271 out of a total of N = 1,395 respondents).

Overall, 31% of employers reported that they had offered employment to students or graduates following a placement or internship for the reference period (2023–2024) while the majority of employers (55%) reported that they had not. These findings may reflect that while placements provide valuable work experience and opportunities for skills development, they do not always lead to direct employment outcomes in most organisations.

Placement-to-employment conversion is most common in sectors such as "Non-Marketed Services" (53%), "IT Services" (39%) and "Other Business Services" (39%) are most likely to have recruited individuals following a placement or internship, while "Primary and Utilities" records the lowest incidence (13%) (interpret with caution due to small analysis base). Across all sectors, however, employers are more likely to report not having recruited anyone through this pathway (55%). Differences were also observed by organisation size. The highest rates of offering employment to individuals who had previously undertaken internships or placements is observed among organisations with more than 249 employees (80%) (interpret with caution due to small analysis base). This percentage decreases by organisation size (52% among organisations with 50–249 employees, 37% among those with 10–49 employees and 26% among organisations with 2–9 employees). These findings suggest that larger organisations might use internships and placements as a recruitment pathway, likely due to their greater workforce needs, structured recruitment processes, and capacity to integrate and retain interns within their organisation.

Figure 35: Percentage of organisations that hired students/graduates after doing a placement or an internship in the organisation, for the reference period 2023-2024 (ErW)

Since the 1st of January 2023, has your organisation taken on as an employee anyone who has been on a placement or internship?				
	n=	Yes – at the end of their placement or after they finished their education/ course/ degree	No	Don't know
TOTAL POPULATION	271	31%	55%	14%
BY SECTOR*				
Primary and Utilities	11(i)	13%	74%	13%
Manufacturing	15(i)	8%	57%	35%
Construction	19(i)	21%	53%	26%
Distribution and Transport	47	23%	60%	17%
Hospitality	24(i)	36%	61%	4%
IT Services	19(i)	39%	61%	
Financial and Insurance	8(s)	-	-	-
Other Business Services	76	39%	47%	15%
Other Marketed Services	15(i)	34%	57%	9%
Non-Marketed Services	38	53%	45%	2%
BY SIZE GROUP*				
2 to 9	110	26%	58%	15%
10 to 49	81	37%	50%	13%
50 to 249	66	52%	39%	9%
Over 249	15(i)	80%	20%	
BY ISCO GROUP				
Majority Skill Level 1 & 2	103	32%	49%	19%
Majority Skill Level 3 & 4	159	31%	58%	11%
No Majority Group	10(i)	27%	55%	18%

Notes:

1) *This question was answered by 271 respondents who provided a placement and/or an internship for HEI graduates*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5 Current Staff Proficiency and Future Outlook

This section presents findings regarding the current proficiency levels of staff and the anticipated future skills needs within organisations, providing insight into workforce capabilities and projected developments. Analysing staff proficiency and future skill requirements is vital for understanding skills mismatches within workplaces. Such mismatches do not arise only when employers face difficulties recruiting suitable candidates from the external labour market; they can also occur internally, where existing employees may lack full proficiency in their current roles, require upskilling or reskilling to meet evolving job demands, or possess skills that are not being fully utilised. Examining these internal dimensions of mismatch enables employers to assess whether employees possess the competencies required to perform effectively and to identify priority areas for workforce development. This, in turn, supports organisations in maintaining competitiveness and adapting to evolving labour market demands.

In the current study, general staff proficiency is examined across different occupational categories within organisations, followed by a more detailed analysis of the specific occupational category for which insufficient proficiency represents the most significant barrier to carrying out day-to-day tasks or supporting organisational growth. For this selected occupational category, employers were asked to assess the current proficiency levels of their staff across eight key skill categories. This approach provides both a broad overview of workforce capabilities and a deeper understanding of critical skills gaps.

3.5.1 Proficiency of current staff in the Private Sector

Assessing the current proficiency levels of the workforce is central to the European Skills Agenda (European Commission, EC, 2020) which highlights the importance of ensuring that employees' competencies remain aligned with emerging labour market demands. This section examines employers' assessment of the proficiency levels of their current staff across key occupational categories and skill areas. Staff proficiency reflects the extent to which employees possess the knowledge, technical abilities, and transversal skills required to perform their roles effectively. Assessing current proficiency levels enables organisations identify strengths and weaknesses of the workforce and helps identify areas where further investment in training and development is required.

3.5.1.1 Perceived proficiency levels of employees

In the questionnaire, employers were asked to indicate the proportion of the employees within each occupation category who are fully proficient at their job. Figure 36 presents the employees' proportions considered to be fully proficient in their roles, by occupational category as per the employers' assessment, while applying two weighting methods. Using employer-based weights, high percentages of full proficiency were reported across most occupation categories, indicating that employers generally perceive their staff as having the necessary skills and competencies to perform their roles effectively. The proportion of fully proficient employees reported by employers ranged from 71% to 88%.

Using employee-based weights, the percentages represent the estimated proportion of employees within each occupational category who were considered fully proficient by their employers. Therefore, across the Private Sector workforce, the proportion of employees considered fully proficient in their roles, ranged between 77% and 87% across all occupation groups. These findings may reflect that a considerable percentage ranging from 13% to 23% is considered not fully proficient in their roles. Perceived proficiency was highest among "Skilled Agricultural, Forestry and Fishery Workers" (87%), "Clerical Support Workers" (86%), and "Technicians and Associate Professionals" (85%) and lowest in "Craft and Related Trades Workers" (77%), "Service and Sales Workers" (79%), and "Elementary Occupations" (79%).

Figure 36: Perceived proficiency levels of employees in the Private Sector, by occupational category (ErW and EeW)

What percentage of employees within each occupation category would you consider to be fully proficient at their job , i.e., they demonstrate the required level of skills needed to do the job?			
Occupation	**n=**	**Employers-based Weight**	**Employee-based Occupation Weights**
Managers	955	88%	84%
Professionals	589	86%	83%
Technicians and Associate Professionals	403	80%	85%
Clerical Support Workers	583	86%	86%
Service and Sales Workers	496	82%	79%
Skilled Agricultural, Forestry and Fishery Workers	25(i)	85%	87%
Craft and Related Trades Workers	114	78%	77%
Plant and Machine Operators, and Assemblers	92	71%	81%
Elementary Occupations	241	76%	79%

Notes:

1) This question was answered by all respondents (N=1,395),

2) The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.

3.5.1.2 Perceived effect of low proficiency levels among current staff on organisational performance

Employers were asked to indicate whether having some personnel who are not fully proficient has a major impact, a minor impact, no impact, or whether they do not know. Figure 37 presents the perceived effect of low staff proficiency on the overall performance of the organisation, disaggregated by NACE sector, organisation size group, and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables. Percentages are based on respondents who reported less than full proficiency among their employees (N = 580 out of a total of N = 1,395 respondents).

Overall, 30% of employers reported that having personnel who are not fully proficient has a major impact on organisational performance, while a further 40% reported a minor impact. At the same time, 23% of employers reported that low staff proficiency has no impact on overall organisational performance, indicating that not all organisations are equally affected by proficiency gaps.

Statistically significant differences were observed across NACE sectors. In particular, 48% of employers in the "Primary and Utilities" sector reported that low staff proficiency does not have an impact on organisational performance. Across most remaining sectors, however, employers were more likely to report that low staff proficiency has either a minor or major impact. The majority pattern across sectors points towards a minor impact, particularly in "Other Marketed Services" and "Construction", where (48% and 45%, respectively). "Hospitality" represents the key exception, with a higher proportion of employers reporting a major impact than a minor impact, at 45% compared with 27%. In "Non-Marketed Services", employers reported equal levels of major and minor impact. The perceived impact of low staff proficiency also varies systematically by organisation size. Among small organisations (2–9 employees), a relatively high percentage of employers reported that low staff proficiency has no impact on organisational performance (26%), compared to larger organisations (10-49 employees: 16%, 50-249 employees: 13%). In contrast, no employers among very large organisations (over 249 employees) reported no impact. Parallel, 63% of employers in very large organisations reported a major impact.

Differences were also evident by ISCO Skill Level composition. A higher proportion of organisations within Skill Level 1 & 2 reported a major impact of low staff proficiency (33%) compared to organisations dominated by Skill Level 3 & 4 (27%). Furthermore, a substantial percentage of organisations within no dominant ISCO Skill Level group reported that low staff proficiency has no impact on organisational performance (42%).

Figure 37: Perceived Impact of low staff proficiency's level on organisation's performance (ErW)

Does the fact that some of the personnel are not fully proficient has an impact on the overall performance of your workplace/location?					
	n=	A major impact	A minor impact	No	Don't Know
TOTAL POPULATION	580	30%	40%	23%	7%
BY SECTOR*					
Primary and Utilities	20(i)	11%	34%	48%	7%
Manufacturing	45	37%	46%	13%	5%
Construction	54	28%	45%	21%	6%
Distribution and Transport	158	27%	39%	28%	6%
Hospitality	65	45%	27%	21%	7%
IT Services	25(i)	24%	46%	16%	14%
Financial and Insurance	24(i)	17%	33%	30%	20%
Other Business Services	108	26%	46%	23%	4%
Other Marketed Services	27(i)	33%	48%	14%	5%
Non-Marketed Services	54	37%	38%	16%	9%
BY SIZE GROUP*					
2 to 9	275	30%	38%	26%	6%
10 to 49	192	28%	46%	16%	9%
50 to 249	94	40%	40%	13%	6%
Over 249	19(i)	63%	25%		13%
BY ISCO GROUP*					
Majority Skill Level 1 & 2	288	33%	40%	21%	5%
Majority Skill Level 3 & 4	262	27%	42%	22%	8%
No Majority Group	30	22%	30%	42%	5%

Notes:

1) *This question was answered by 580 respondents who reported less than 100% proficiency of their occupations.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 38 presents employers' perceived consequences of low staff proficiency on organisational performance among employers indicating a major or minor impact, disaggregated by NACE sector, organisation size group, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sectors and size groups. Percentages are based on respondents who reported a major or minor impact of low staff proficiency on organisational performance (N = 422 out of a total of N = 1,395 respondents). Multiple responses were allowed.

Overall, among employers reporting a major or minor impact, the most commonly reported consequence of low staff proficiency is increased workloads for other staff (65%), followed by delays in developing new products or services (40%), difficulties meeting set quality standards (39%), and higher operating costs (39%). A substantial percentage of employers also reported loss of business or orders (36%), while fewer indicate difficulties introducing new working practices, systems, and tools (31%) or partial or full outsourcing of certain pieces of work (19%).

Statistically significant differences were observed across NACE sectors. In "Financial and Insurance" and "Hospitality", a substantial percentage of employers reported that low staff proficiency results in loss of business or orders (55% and 48%, respectively). In "IT Services" and Primary and Utilities, more than half of

employers indicate that delays in developing new products or services constitute one of the key consequences of low staff proficiency (65% and 54%, respectively). Furthermore, a majority of employers in “Hospitality” and “Non-Marketed Services” reported difficulties meeting set quality standards as a result of low proficiency (62% and 53%, respectively). In “Financial and Insurance” and “Manufacturing”, a high proportion of employers reported higher operating costs (71% and 65%, respectively). Finally, a substantial percentage of employers in “Primary and Utilities” and “Hospitality” reported having difficulties introducing new working practices, systems and tools as a consequence of low staff proficiency.

The reported consequences also vary by organisation size. In general, some consequences become more and some less common as organisation size increases, however most of them do not differ significantly. The only consequences that differ significantly across size groups is the increased workloads for other staff, having difficulties meeting standards and inverse relationship for delays developing new products. This affects more the larger organisations (interpret with caution due to small analysis base), likely due to their more complex organisational structures and greater division of labour, where proficiency gaps can place additional pressure on multiple teams and functions, leading to a broader redistribution of tasks across the workforce. In contrast, smaller organisations may already operate with more flexible and multi-task roles, meaning that additional workload was more inherent to their structure and less likely to be reported as a distinct impact.

Figure 38: Reported consequences of low staff proficiency on organisational performance among employers indicating a major or minor impact (ErW)

Is the fact that some of the personnel are not fully proficient causing this workplace/location to…?									
	n=	Lose business or orders	Delay developing new products or services	Have difficulties meeting set quality standards	Have higher operating costs	Have difficulties introducing new working practices, systems and tools	Experience increased workloads for other staff	Partially and/or fully outsource certain pieces of work	Other
TOTAL POPULATION	422	36%	40%	39%	39%	31%	65%	19%	0%
BY SECTOR		*	*	*	*	*	*		
Primary and Utilities	10(i)	43%	54%	28%	42%	54%	55%	27%	3%
Manufacturing	36	39%	44%	22%	65%	17%	72%	23%	0%
Construction	41	27%	45%	41%	48%	26%	52%	30%	0%
Distribution and Transport	114	45%	37%	33%	30%	33%	66%	14%	0%
Hospitality	49	48%	48%	62%	30%	44%	60%	20%	1%
IT Services	17(i)	17%	65%	40%	37%	33%	64%	8%	8%
Financial and Insurance	15	55%	44%	20%	71%	21%	63%	17%	0%
Other Business Services	75	23%	35%	44%	35%	33%	72%	14%	0%
Other Marketed Services	23(i)	24%	39%	37%	30%	32%	74%	22%	0%
Non-Marketed Services	42	26%	17%	53%	30%	33%	62%	29%	0%
BY SIZE GROUP							*		
2 to 9	188	36%	44%	37%	39%	29%	61%	21%	0%
10 to 49	143	36%	35%	43%	40%	37%	72%	17%	0%
50 to 249	76	26%	27%	50%	33%	45%	78%	14%	5%
Over 249	15(i)	26%	14%	60%	38%	31%	83%	17%	0%
BY ISCO GROUP									
Majority Skill Level 1 & 2	220	39%	40%	37%	42%	33%	69%	20%	0%
Majority Skill Level 3 & 4	186	33%	39%	40%	36%	30%	60%	18%	1%
No Majority Group	16(i)	24%	58%	49%	39%	22%	71%	24%	0%

Notes:

1) *This question was answered by 422 respondents who reported a major or minor impact,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5.1.3 Occupational Categories Most Constrained by Lack of Required Proficiency

Employers who indicated that not all staff in at least one occupational category are fully proficient were asked to select one occupational category only, corresponding to the area where proficiency gaps are perceived to have the greatest impact. Figure 39 presents the distribution of respondents' single most significant occupational category, where a lack of staff proficiency was identified as most hindering everyday work and organisational growth, disaggregated by NACE sector, organisation size group, and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables. Percentages are based on respondents who reported less than full proficiency among their employees (N = 582 out of a total of N = 1,395 respondents).

Overall, "Service and Sales Workers" were most frequently identified as the occupational category where lack of proficiency poses the greatest barrier, accounting for 25% of responses, along with "Professionals" (19%) and "Technicians and Associate Professionals" (16%). By contrast, only a very small percentage of employers identify "Skilled Agricultural, Forestry and Fishery Workers" and "Plant and Machine Operators and Assemblers" as the occupational categories where lack of proficiency represents the most significant barrier (0% and 1%, respectively).

Clear sectoral differences are observed. In "Hospitality" and "Distribution and Transport", employers most frequently identify "Service and Sales Workers" (54% and 36%, respectively) as the occupational category where lack of proficiency poses the greatest barrier. In "Manufacturing" and "Construction", "Technicians and Associate Professionals" (25% and 32% respectively) and "Craft and Related Trades Workers" (17% and 21%, respectively) were more commonly identified. Furthermore, in the fields of "IT Services", Other Business Services, "Other Marketed Services" and "Non-Marketed Services", employers predominantly identify "Professionals" as the occupational group where lack of proficiency presents the most significant barrier (47%, 34%, 43% and 54%, respectively). Finally, "Primary and Utilities" displayed a distinct pattern, with a large percentage of employers identifying "Elementary Occupations" as the main area where proficiency gaps constrain operations (60%).

Among larger organisations, "Managers" were most frequently identified as the occupational category where lack of proficiency poses the greatest barrier, while "Technicians and Associate Professionals" were least frequently identified. Among smaller organisations "Service and Sales workers" were most frequently identified as the occupational category where lack of proficiency poses the greatest barrier.

Organisations within Skill Level 1 & 2 most frequently identify "Service and Sales Workers" (41%) as the primary proficiency barrier. In contrast, organisations within Skill Level 3 & 4 identify "Professionals" (36%) and "Technicians and Associate Professionals" (30%). Organisations within No Majority ISCO Skill Level group displayed a more mixed pattern, with responses spread across all occupational categories.

Figure 39: Occupational category where a lack of staff proficiency was identified as most hindering everyday work and organisational growth (ErW)

As you have indicated, not all staff in specific categories of occupations are fully proficient in their jobs. Please select only ONE occupational category for which the lack of proficiency poses the most significant barrier for carrying out every day's work or growth at this location

	n =	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	582	10%	19%	16%	10%	25%	0%	7%	1%	11%
BY SECTOR*										
Primary and Utilities	20(i)	18%		13%		7%			2%	60%
Manufacturing	45		13%	25%	9%	22%		17%	4%	10%
Construction	54	4%	8%	32%	2%	10%	3%	21%		21%
Distribution and Transport	160	15%	9%	15%	8%	36%		6%	2%	8%
Hospitality	65	15%	8%	2%	10%	54%		3%		8%
IT Services	25(i)	11%	47%	17%		22%				3%
Financial and Insurance	24(i)	26%	23%	23%	13%	15%				
Other Business Services	108	7%	34%	10%	26%	14%		3%	2%	5%
Other Marketed Services	27(i)	10%	43%	19%	5%	21%			2%	
Non-Marketed Services	54	7%	54%	10%	15%	6%				7%
BY SIZE GROUP*										
2 to 9	277	10%	20%	17%	9%	24%	0%	8%	1%	10%
10 to 49	192	9%	13%	14%	14%	28%		5%	3%	13%
50 to 249	94	17%	26%	6%	17%	23%			2%	9%
Over 249	19(i)	38%	25%			25%				13%
BY ISCO GROUP*										
Majority Skill Level 1 & 2	288	6%	3%	4%	12%	41%	1%	12%	3%	18%
Majority Skill Level 3 & 4	263	15%	36%	30%	7%	8%		1%		3%
No Majority Group	31	13%	17%	10%	12%	25%		13%		10%

Notes:

1) *This question was answered by 582 respondents who reported less than 100% proficiency of their occupations.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 40 presents the main reasons why existing staff are not fully proficient in the selected occupational category— that is, the occupational group previously identified as posing the most significant barrier to day-to-day work or organisational growth, among employers reporting less than 100% proficiency in at least one occupation (N=550). Employers were permitted to select multiple reasons; therefore, percentages do not sum to 100%. The figure reports results by occupational group selected.

Among employers who identified “Managers” as the occupational category where lack of proficiency poses the most significant barrier, the most frequently reported reasons were “the introduction of new technologies, such as new systems and tools” (32%), followed by “they have not received the appropriate training” (29%) and “the introduction of new policies, procedures and working practices” (28%), suggesting that technological change may be a key driver of perceived proficiency gaps at managerial level.

For employers reporting “Professionals”, “Technicians and Associate Professionals”, “Service and Sales Workers”, “Craft and Related Trades Workers”, “Plant and Machine Operators and Assemblers” and “Elementary Occupations” as the occupational group most affected by lack of proficiency, “unable to recruit staff with the required skills” emerges as the most common explanatory factor. For Professionals, employers also reported that some lack of full proficiency was due to employees being “new to the role”, suggesting that proficiency gaps may partly reflect an initial adjustment period.

For employers reporting “Clerical Support Workers” as the occupational group most affected by lack of proficiency, “they have received training, but their performance has not improved sufficiently” emerges as the most common explanatory factor, suggesting that existing training may not be fully translating into the expected proficiency gains for clerical roles.

Figure 40: Reasons for lack of proficiency grouped by occupational group selected (ErW)

What are the main reasons for existing staff not being fully proficient in the selected occupation?													
	n =	The introduction of new products and services	The introduction of new policies, procedures and working practices	The introduction of new technology (e.g., new systems, new tools)	They are new to the role (either because they have recently started the job or have recently been promoted to a higher level role)	They have not received the appropriate training	Their training is currently only partially completed	They have received training, but their performance has not improved sufficiently	Unable to recruit staff with the required skills	Problems retaining staff	Personnel lacks motivation	Other reason	No particular cause
TOTAL POPULATION	550	16%	19%	23%	27%	14%	13%	26%	39%	19%	19%	5%	9%
OCCUPATION SELECTED		*	*	*	*	*	*	*	*	*			*
Managers	61	27%	28%	32%	24%	29%	15%	15%	21%	15%	20%	6%	16%
Professionals	123	10%	23%	18%	38%	16%	13%	28%	39%	17%	23%	2%	6%
Technicians and Associate Professional	75	22%	11%	21%	12%	16%	7%	15%	42%	19%	16%	4%	8%
Clerical Support Workers	68	12%	30%	32%	27%	6%	8%	36%	26%	6%	9%	4%	6%
Service and Sales Workers	128	17%	17%	22%	31%	13%	16%	30%	43%	22%	22%	7%	9%
Skilled Agricultural, Forestry and Fishe	1(s)	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades Workers	28(i)	16%	13%	28%	18%	20%	23%	37%	58%	19%	21%	13%	2%
Plant and Machine Operators, and Asse	10(i)	19%	11%	21%	19%	19%	17%	19%	34%	29%	10%	3%	7%
Elementary Occupations	56	7%	15%	14%	33%	5%	7%	21%	42%	26%	18%	4%	17%

Notes:

1) *This question was answered by 550 respondents who reported less than 100% proficiency of their occupations, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 41 presents the skills that existing personnel who are not fully proficient need to improve on, focusing on the occupational category previously identified as posing the most significant barrier to everyday work or organisational growth. Percentages are based on respondents who reported less than full proficiency among their employees (N = 580 out of a total of N = 1,395 respondents). Employers were asked to indicate which of the following skills require improvement among existing personnel who are not fully proficient. Employers were presented with the same skills taxonomy, which consists of eight broad skill categories used throughout the survey. This figure is presented as a heat map, where darker blue indicates higher percentages, lighter shades indicate average levels, and darker red indicates lower percentages, helping to highlight relative patterns across size groups.

As reported by the employers, across all occupational categories, the skills most commonly identified as requiring improvement among existing personnel were predominantly soft, digital and self-management skills: “Willingness to learn" (46%), “Teamwork Skills" (40%), “Time management” (40%), “Ability to communicate effectively" (37%), “Ability for applied use of information and communication technologies (ICT)” (37%), “Identifying and solving complex problems” (33%), “Analytical & critical thinking” (33%), and “Ability to rapidly acquire new knowledge” (33%). These findings highlight the importance of strengthening the development of transversal, digital, and self-management skills through education, training, and workplace learning initiatives.

A high percentage of employers reported that “Managers” need to improve their digital skills (53% and 42%), and the soft skill of “Leading others” (46%). Among “Professionals”, skills that need to be improved are distributed across several self-management skills, and several soft skills such as “Identifying and solving complex problems (46%) and “Teamwork Skills” (44%). For “Technicians and Associate Professionals”, employers place strong emphasis on improving “Teamwork Skills” (37%), digital skills, and “Willingness to learn” (36%). For “Clerical Support Workers”, employers place strong emphasis on improving most soft skills, all digital skills, and several self-management skills. For “Service and Sales Workers”, employers place strong emphasis on improving “Ability to communicate effectively” (48%), “Teamwork Skills” (45%), “Willingness to learn” (50%) and “Time management” (42%). Interestingly, for “Craft and Related Trades Workers” and “Elementary occupations”, a high percentage of employers, place strong emphasis on improving Manual Skills such as “manual dexterity” (70% and 49%, respectively).

Figure 41: Skills that employers identified for improvement among not-fully-proficient personnel in the selected occupation (ErW)

Thinking about the seleceted occupation where existing personnel is NOT fully proficient, please indicate which of the following skills they need to improve on		Digital Skills		Soft Skills								Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Operational Skills	Other
	n =	Ability for applied use of information and communication technologies (ICT)	Ability for advanced use of information and communication technologies (ICT)	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals or reports) in Greek	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals or reports) in English	Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy, water and	Specialist skills or knowledge needed to perform the role	Knowledge of how the organisation works	Other skills
TOTAL POPULATION	551	37%	23%	33%	37%	40%	20%	27%	33%	33%	22%	23%	46%	40%	22%	14%	8%	19%	12%	12%	11%	9%	23%	12%	8%	22%	3%
OCCUPATION SELECTED		*	*	*	*		*	*	*	*			*			*					*		*		*	*	
Managers	62	53%	42%	31%	32%	36%	46%	27%	28%	25%	16%	24%	28%	33%	26%	22%	9%	18%	16%	11%	13%	13%	12%	13%	6%	17%	1%
Professionals	124	37%	33%	46%	36%	44%	19%	22%	36%	30%	30%	30%	48%	43%	23%	14%	14%	11%	15%	11%	9%	12%	15%	11%	10%	24%	5%
Technicians and Associate Profes	75	37%	25%	32%	31%	37%	16%	21%	31%	33%	17%	18%	36%	30%	15%	8%	4%	19%	7%	5%	3%	11%	18%	9%	12%	9%	7%
Clerical Support Workers	67	50%	33%	44%	42%	32%	12%	42%	52%	47%	26%	28%	44%	52%	28%	8%	9%	18%	16%	8%	5%	15%	9%	8%	2%	28%	0%
Service and Sales Workers	128	33%	13%	22%	48%	45%	20%	24%	34%	33%	24%	26%	50%	42%	27%	12%	6%	19%	9%	17%	9%	6%	16%	10%	5%	23%	3%
Skilled Agricultural, Forestry and	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades Workers	28(i)	28%	14%	31%	40%	44%	30%	30%	28%	40%	25%	16%	59%	39%	23%	12%	9%	25%	16%	13%	37%	5%	70%	21%	16%	32%	2%
Plant and Machine Operators, an	10(i)	36%	11%	19%	29%	18%	1%	30%	26%	29%	10%	20%	42%	38%	38%	19%	0%	39%	1%	19%	11%	19%	48%	29%	53%	30%	3%
Elementary Occupations	56	25%	7%	29%	22%	34%	5%	30%	22%	27%	15%	14%	52%	40%	11%	28%	6%	27%	7%	18%	13%	6%	49%	16%	3%	29%	0%

Notes:

1) *This question was answered by 551 respondents who reported less than 100% proficiency of their occupations, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers,*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 42 presents the skills that not-fully-proficient personnel need to improve on, using employee-based occupation weights for the occupational category previously identified as posing the most significant barrier to everyday work or organisational growth. In contrast to employer-based results, responses are weighted by the proportion of employees within each occupational category, allowing inference at the workforce level. Employers were permitted to select multiple skills; therefore, percentages do not sum to 100%. Results reflect the distribution of skill gaps across employees. Across the weighted employee population, the skills most identified as requiring improvement remained concentrated in soft, digital, and self-management domains. This figure is presented as a heat map, where darker blue indicates higher percentages, lighter shades indicate average levels, and darker red indicates lower percentages, helping to highlight relative patterns across size groups. Percentages are based on respondents who reported less than full proficiency among their employees (N = 540 out of a total of N = 1,395 respondents).

The employee-weighted results indicate that "leading others" is the most widespread skill gap, affecting around 80% of the managerial workforce in organisations where "Managers" are the most proficiency-constrained occupation. For "Professionals", employee-weighted results indicate that "ability to communicate effectively" and "Teamwork skills" are the most widespread skill gaps, affecting around 60% and 52% respectively of the professional workforce in organisations where professionals are the most proficiency-constrained occupation.

For “Technicians and Associate Professionals”, employee-weighted results indicate that “Teamwork skills”, “Ability to communicate effectively” and “Time management” are the most widespread skill gaps, affecting 55%, 52% and 52% respectively of the technical workforce in organisations where “Technicians and Associate Professionals” are the most proficiency-constrained occupation.

For “Clerical Support Workers”, employee-weighted results indicate that “Teamwork skills”, and “Willingness to learn” are the most widespread skill gap, affecting around 62% and 57% respectively of the clerical workforce in organisations where clerical support workers are the most proficiency-constrained occupation. For “Service and Sales Workers”, employee-weighted results indicate that ‘Willingness to learn’ is the most widespread skill gap, affecting around 61% of the service-and-sales workforce in organisations where “Service and Sales Workers” are the most proficiency-constrained occupation. For “Craft and Related Trades Workers”, employee-weighted results indicate that “Manual dexterity” is the most widespread skill gap, affecting around 64% of the craft-and-trades workforce in organisations where craft and related trades workers are the most proficiency-constrained occupation. For “Elementary Occupations”, employee-weighted results indicate that “Teamwork skills” and “ability to communicate effectively” are the most widespread skill gap, affecting around 60% and 54% respectively of the elementary workforce in organisations where elementary occupations are the most proficiency-constrained occupation.

Figure 42. Skills identified for improvement among not-fully-proficient personnel in the selected occupation (EeOW)

Thinking about the seleceted occupation where existing personnel is NOT fully proficient, please indicate which of the following skills they need to improve on																											
		Digital Skills		Soft Skills									Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Operational Skills	Other
	n =	Ability for applied use of information and communication technologies (ICT)	Ability for advanced use of information and communication technologies (ICT)	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals or reports) in Greek	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals or reports) in Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy, water and	Specialist skills or knowledge needed to perform the role	Knowledge of how the organisation works	Other skills
OCCUPATION SELECTED																											
Managers	62	46%	27%	52%	48%	42%	80%	41%	46%	27%	31%	41%	49%	42%	22%	31%	13%	30%	29%	6%	26%	20%	22%	30%	12%	28%	1%
Professionals	124	44%	29%	60%	38%	52%	35%	17%	35%	23%	20%	34%	36%	39%	22%	5%	11%	28%	11%	14%	8%	10%	8%	9%	10%	22%	1%
Technicians and Associate Professior	75	30%	23%	32%	52%	55%	13%	16%	45%	23%	10%	12%	29%	52%	10%	8%	5%	18%	8%	8%	6%	8%	15%	10%	6%	8%	6%
Clerical Support Workers	67	41%	27%	44%	56%	44%	10%	38%	54%	53%	25%	24%	57%	62%	32%	6%	10%	10%	7%	4%	7%	7%	2%	7%	5%	31%	0%
Service and Sales Workers	128	18%	14%	16%	49%	46%	12%	29%	20%	34%	20%	22%	61%	41%	13%	4%	1%	15%	6%	26%	6%	7%	13%	11%	1%	13%	2%
Skilled Agricultural, Forestry and Fish	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades Workers	28(i)	5%	4%	11%	12%	18%	9%	9%	6%	13%	9%	7%	19%	33%	27%	3%	2%	6%	3%	2%	6%	2%	64%	4%	5%	28%	0%
Plant and Machine Operators, and As	10(i)	79%	23%	7%	25%	41%	23%	46%	9%	23%	0%	30%	26%	15%	58%	9%	0%	38%	23%	7%	23%	7%	17%	9%	24%	32%	1%
Elementary Occupations	56	15%	3%	43%	54%	60%	4%	16%	37%	31%	6%	8%	37%	23%	37%	47%	2%	36%	2%	7%	4%	1%	48%	9%	1%	22%	0%

Notes:

1) *This question was answered by 540 respondents who reported less than 100% proficiency of their occupations,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *All results are based on Employee-based Occupation Weights, where occupation-specific weights were applied separately within each occupation category selected by employers. Given that the analysis was conducted independently for each occupation using its corresponding weight, cross-occupational statistical comparisons (e.g., tests of association between skills and occupations) were neither appropriate nor performed.*
4) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5.2 Over-skilling in existing personnel

Over-skilling describes situations in which employees possess skills or competencies that exceed those required to perform their current job roles. While surplus skills may, to some extent, support organisational adaptability, persistent over-skilling may also indicate inefficiencies in skills utilisation and suboptimal alignment between workforce capabilities and job requirements. This subsection examines employers' assessments of the extent of over-skilling within their existing personnel, based on estimates of the proportion of staff whose skills were more advanced than those required for their roles. In addition, employers are asked to identify the occupational category within their organisation that exhibits the highest concentration of over-skilled employees. Assessing over-skilling provides important insights into potential skill mismatches and complements the analysis of current proficiency levels, by highlighting areas where employees' capabilities may be underutilised.

3.5.2.1 Extent of over-skilling among existing staff

Over-skilling among existing staff represents an important dimension of skills mismatch, reflecting situations where employees possess higher levels of skills than those required for their current roles. While lack of proficiency reflects skills gaps within the workforce, over-skilling reflects skills under-utilisation given that the skills are relevant to the workplace. Findings from the National Graduate Tracking Survey (CYGraduates) reveal a substantial prevalence of overqualification and over-skilling among recent graduates. This indicates that significant levels of skills underutilisation in the labour market exist.

Figure 43 presents employers' perceptions of the extent to which existing staff at their organisation are over-skilled, disaggregated by NACE sector, organisation size group, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sectors. The figure indicates the distribution of employers across over-skilling bands, while the mean score summarises the average estimated share of over-skilled employees.

Overall, two in five employers (40%) reported that none of their staff are over-skilled, while 45% reported over-skilling in their workforce. The mean score provides an additional indication of the scale of the issue, showing that employers estimate, on average, that around 21% of their workforce is over-skilled. A substantial percentage of employers in "Non-Marketed Services" (50%), "Distribution and Transport" (46%) and "Hospitality" (45%) reported none over-skilling, while the highest percentage of over-skilling is observed in "Primary and Utilities", "Construction" and "Financial and Insurance". The results suggest that the magnitude of over-skilling is meaningful but unevenly distributed. Skills under-utilisation is a relevant issue in the Private Sector, although it appears to be concentrated in specific sectors and organisational contexts rather than experienced uniformly across all employers.

In addition, the estimated mean of 21% suggests that employers reported, on average, that approximately one-fifth of their workforce was over-skilled. However, the median category (1%-10%) was lower than the mean, indicating that the typical employer experienced lower levels of over-skilling. This difference suggests a positively skewed distribution whereby relatively high levels of over-skilling are concentrated among a smaller number of employers, while most employers report little or no over-skilling. Employers in the "Financial and Insurance" sector reported the highest estimated level of over-skilling (mean: 35%), followed closely by employers in "Primary and Utilities" (mean: 34%). The "Financial and Insurance" sector is particularly noteworthy because its median category (21%-30%) was considerably higher than that observed in other sectors. This indicates that elevated levels of over-skilling are not confined to a small number of employers but appear relatively widespread across the sector.

Figure 43. The extent of over-skilling among existing staff in Private Sector (ErW)

To what extent is existing staff at this workplace/location over-skilled?						
		Statistics		Responses		
	n=	Mean	Median Category	0%	1-100%	Don't know
TOTAL POPULATION	1382	21%	1% - 10%	40%	45%	14%
BY SECTOR*						
Primary and Utilities	46	34%	11% - 20%	26%	53%	21%
Manufacturing	93	24%	1% - 10%	37%	46%	17%
Construction	126	27%	1% - 10%	29%	53%	18%
Distribution and Transport	372	18%	0%	46%	42%	12%
Hospitality	112	15%	0%	45%	42%	13%
IT Services	78	19%	1% - 10%	37%	48%	15%
Financial and Insurance	61	35%	21% - 30%	25%	50%	25%
Other Business Services	295	23%	1% - 10%	41%	47%	12%
Other Marketed Services	66	22%	1% - 10%	41%	45%	14%
Non-Marketed Services	133	16%	0%	50%	38%	13%
BY SIZE GROUP						
2 to 9	860	22%	1% - 10%	43%	43%	14%
10 to 49	356	18%	1% - 10%	33%	55%	12%
50 to 249	143	13%	1% - 10%	19%	59%	22%
Over 249	23(i)	13%	1% - 10%	20%	60%	20%
BY ISCO GROUP						
Majority Skill Level 1 & 2	607	19%	1% - 10%	41%	45%	14%
Majority Skill Level 3 & 4	696	23%	1% - 10%	39%	47%	14%
No Majority Group	79	22%	0%	47%	38%	15%

Notes:

1) *This question was answered by 1382 respondents, following the exclusion of non-response and invalid cases.*
2) *Means are estimated using midpoint approximation from equal-width banded response categories (e.g. 1%-10% into 5.5%, 11%-20% into 15.5% etc.) and with 0% treated discretely. Results should be interpreted as indicative rather than precise.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 44 presents the distribution of over-skilled existing staff using employee-weighted data, reflecting the percentage of the workforce employed in organisations reporting different levels of over-skilling, compared across NACE sector, group size, and ISCO Skill Level. These comparisons reveal statistically significant differences across size groups and ISCO Skill Level groups. Compared with the employer-based results shown in Figure 43, the employee-based perspective places greater emphasis on how over-skilling is distributed across the workforce.

Overall, 26% of employees worked in organisations without any over-skilled staff, while the majority of employees (61%) were employed in organisations where over-skilling is present to some extent. The estimated mean proportion of Private Sector employees considered over-skilled was 16%. The median category across the total population remained between 1%–10%, indicating that over-skilling most commonly affects a limited percentage of staff within organisations.

Smaller organisations (2–9 employees) accounted for a substantial proportion of employees in organisations reporting not over-skilling (37%); however, this proportion declines significantly as organisation size increases.

Regarding ISCO Skill Levels, all groups showed similar percentages regarding employers' responses reporting no over-skilling (Skill Level 1 & 2: 28%, Skill Level 3 & 4: 24%, No majority group: 26%). However, clearer differences emerged when considering the distribution of employees working in organisations which reported some extent of over-skilling. A higher percentage of employees in organisations classified within the No Majority group (67%) and Skill Level 3 & 4 (65%) were employed in organisations reporting over-skilling, compared to those in Skill Level 1 & 2 group (57%). This indicates that over-skilling, while similarly reported by employers, affects a larger percentage of employees in organisations with more diverse or higher skilled workforce structures.

For ISCO Skill Level 1 & 2 and Skill Level 3 & 4, the median category is 1%–10%, indicating that, from an employee weighted perspective, the typical worker is employed in an organisation where over-skilling is present but affects only a small proportion of staff. However, 38% of employees worked in establishments which reported don't know.

Figure 44. The extent of over-skilling among existing staff in Private Sector (EeW)

To what extent is existing staff at this workplace/location over-skilled?						
		Statistics		Responses		
	n=	Mean	Median Category	0%	1-100%	Don't know
TOTAL POPULATION	1382	16%	1% - 10%	26%	61%	13%
BY SECTOR						
Primary and Utilities	46	22%	1% - 10%	24%	64%	12%
Manufacturing	93	17%	1% - 10%	25%	52%	22%
Construction	126	16%	1% - 10%	30%	52%	18%
Distribution and Transport	372	14%	1% - 10%	28%	63%	9%
Hospitality	112	17%	11% - 20%	26%	67%	7%
IT Services	78	14%	1% - 10%	27%	58%	15%
Financial and Insurance	61	21%	1% - 10%	28%	54%	18%
Other Business Services	295	14%	1% - 10%	22%	69%	10%
Other Marketed Services	66	24%	1% - 10%	23%	42%	35%
Non-Marketed Services	133	15%	1% - 10%	33%	55%	12%
BY SIZE GROUP*						
2 to 9	860	18%	1% - 10%	37%	49%	14%
10 to 49	356	14%	1% - 10%	26%	64%	10%
50 to 249	143	14%	1% - 10%	17%	64%	19%
Over 249	23(i)	13%	1% - 10%	10%	85%	5%
BY ISCO GROUP*						
Majority Skill Level 1 & 2	607	14%	1% - 10%	28%	57%	15%
Majority Skill Level 3 & 4	696	17%	1% - 10%	24%	65%	10%
No Majority Group	79	21%	21% - 30%	26%	67%	7%

Notes:

1) *This question was answered by 1382 respondents, following the exclusion of non-response and invalid cases.*
2) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated,*
3) *Means are estimated using midpoint approximation of categorical ranges (e.g. 1%-10% into 5.5%, 11%-20% into 15.5% etc.). 'Don't Know' responses are excluded from the calculation. Results should be interpreted as indicative rather than precise.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*

5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Employers who reported the presence of over-skilling in their workplace were also asked to indicate which occupational category had the largest proportion of over-skilled employees. Figure 45 presents employers' assessments using both employer-based and employee-based weighting. In both analyses, a substantial proportion of employers, reported uncertainty regarding which occupational category has the largest percentage of over-skilled staff. Specifically, 47% of employers in the employer-based results and 38% in the employee-based results select the option "Don't know", indicating that many employers were unable to identify the occupational group most affected. This finding does not necessarily imply absence of over-skilling — rather, it might reflect limited awareness and measurement capacity. As a result, the occupational percentages that follow rest on the minority of employers who identified a specific category.

Among employers who identified a particular occupation category, managers and professionals were most frequently reported as the occupational categories with the largest percentage of over-skilled employees. In the employer-based results, 20% of employers identify "Managers" and 11% identify "Professionals" as the highest over-skilled employees. In the employee-based results the corresponding percentages are 18% and 14%, respectively. These results suggest that Managers and Professionals are consistently the main occupational categories associated with over-skilling. However, the slightly higher employee-based percentage for Professionals indicates that over-skilling in this group may be more concentrated in organisations employing larger numbers of staff.

By contrast, more specialised and manual occupational categories such as "Plant and Machine Operators, and Assemblers" were least frequently identified as having the largest percentage of over-skilled employees. These findings indicate that skills under-utilisation was more prevalent in higher-skilled, knowledge-intensive occupational categories, such as managers and "Professionals", where employees may possess skills and competencies exceeding the requirements of their current roles. This may reflect structural imbalances between the supply of highly educated graduates and the availability of appropriately matched high-skill positions, Specialised and manual occupations suggests that these roles were more closely aligned with specific technical skill requirements.

In employer-based results, "Clerical Support Workers" and "Service and Sales Workers" employers only report 5% and 8% respectively and over-skilled employees compared to 12% reported in employee-based. The higher employee-based percentages for both occupations might suggest that over-skilling in these occupational categories becomes more prominent when the size and occupational composition of employers' workforces are considered. This indicates that these forms of over-skilling may be more concentrated in organisations employing larger numbers of workers in these roles.

Figure 45. Occupational categories perceived to be associated with the largest percentage of over-skilled employees in the Private Sector

Which occupational category has the largest percentage of over-skilled employees? (n= 1.382)		
Occupation	**Employers-based Weight**	**Employee-based Weight**
Managers	20%	18%
Professionals	11%	14%
Technicians and Associate Professionals	4%	3%
Clerical Support Workers	5%	12%
Service and Sales Workers	8%	12%
Skilled Agricultural, Forestry and Fishery Workers	-	-
Craft and Related Trades Workers	-	-
Plant and Machine Operators, and Assemblers	1%	1%
Elementary Occupations	3%	2%
Don't know	47%	38%

Notes:

1) *This question was answered by 1382 respondents, following the exclusion of non-response and invalid cases.*
2) *Employers were asked to select one occupational category only.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5.3 Employers' Anticipated Future Skills Needs

Understanding employers' expectations regarding future skills requirements is essential for anticipating labour market developments and informing education, training, and workforce planning policies. This subsection examines employers' forward-looking assessments of skill shortages, emerging skill needs, and potential skill mismatches over the next five years. It draws on employers' expectations of whether skill shortages are likely to arise, the types of skills expected to be in short supply, the extent of over-skilling within the current workforce, and the skills that employees will need to acquire or improve in the near future. In addition, employers' views on skills that may no longer be required are explored. These findings can also be interpreted alongside CEDEFOP's Skills Forecast for Cyprus (2025), which provides model-based projections of employment trends by sector, occupational group and education level up to 2035. While CEDEFOP's forecasts and the NESS are based on different methodologies, they offer complementary perspectives: the former provides macro-level projections of future labour demand, while the latter captures employers' reported expectations regarding skills shortage and upskilling needs.

3.5.3.1 Expected skill shortages over the next five years

Employers were asked to assess whether they expect their organisation to face skills shortage over the next five years. Figure 46 presents employers' expectations of skills shortage over the next five years, categorised by NACE sectors, size category, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sectors and ISCO Skill Level groups.

Overall, the majority of employers anticipate experiencing skills shortage over the next five years. In particular, 56% of employers expect skills shortage to some extent (25% at a high level, 22% at a moderate level, and 9% at a low level). Interestingly, more than a fifth of employers reported that they do not expect to experience

skills shortage (22%), while a further 21% indicate uncertainty regarding future skills availability. These findings highlight a widespread concern among employers about the adequacy of future workforce skills.

When examined by NACE sector, the highest percentages of employers anticipating a high or moderate level of skills shortage were observed in “Primary and Utilities” (67%), “Manufacturing” (65%), and “Hospitality” (61%). In such sectors, jobs often require occupation-specific, technical or practical skills, which may be more difficult to acquire and less widely available in the labour market. In contrast, the highest percentage of employers anticipating low or no skill shortages are within “Financial and Insurance” (70%), “Other Business Services” (41%) and “Other Marketed Services” (39%). Such jobs were more likely to rely on skills that were more transferable or more commonly supplied through formal education pathways, resulting in a larger pool of potential candidates and, therefore, lower anticipated skills shortage.

Differences by ISCO Skill Level were less pronounced but remained evident. Employers in organisations classified within Skill Level 1 & 2 reported higher expectations of future skills shortage (53%) compared with those classified within Skill Level 3 & 4 (43%) or within no majority ISCO Skill Level (39%). Subsequently, a relatively high percentage of employers within Skill Level 3 & 4 and within no majority ISCO Skill Level, do not expect skill shortages (31% and 24%, respectively).

Figure 46. Employers’ expectations of skills shortage over the next five years (ErW)

Over the next five years, do you believe that this workplace/location will experience a shortage of skills?						
	n=	Yes, I expect a high level of skills shortage	Yes, I expect a moderate level of skills shortage	Yes, I expect a low level of skills shortage	No, I do not expect skills shortage	Don’t know
TOTAL POPULATION	1383	25%	22%	9%	22%	21%
BY SECTOR*						
Primary and Utilities	46	23%	44%	3%	18%	13%
Manufacturing	93	39%	26%	5%	8%	21%
Construction	126	35%	19%	14%	9%	24%
Distribution and Transport	373	21%	22%	9%	21%	26%
Hospitality	112	36%	25%	9%	11%	20%
IT Services	78	19%	22%	15%	22%	22%
Financial and Insurance	61	10%	8%	13%	57%	11%
Other Business Services	295	18%	23%	6%	35%	17%
Other Marketed Services	66	22%	22%	14%	25%	18%
Non-Marketed Services	133	26%	16%	9%	27%	22%
BY SIZE GROUP						
2 to 9	861	24%	22%	9%	23%	22%
10 to 49	356	28%	25%	12%	18%	17%
50 to 249	143	24%	26%	15%	12%	24%
Over 249	23(i)	45%	41%	0%	8%	5%
BY ISCO GROUP*						
Majority Skill Level 1 & 2	607	30%	23%	11%	13%	24%
Majority Skill Level 3 & 4	697	21%	22%	7%	31%	19%
No Majority Group	79	19%	20%	11%	24%	26%

Notes:

1) *This question was answered by 1383 respondents, following the exclusion of non-response and invalid cases.*
2) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Skills shortages were further examined through an open-ended question which was then grouped into categories for analysis purposes, in which employers were asked to identify the specific skills they expect will be in shortage in the coming years. This question was addressed only to employers who indicated that they anticipate experiencing skills shortage at their organisation over the next five years. After adjusting for missing or invalid values in the open-ended question, 309 of those employers replied with “skill”, and 268 replied with “occupation” that they expect to be in shortage. The figures below present these findings. Employers’ responses referring to skills were coded and classified into the eight main categories of the skills taxonomy applied in this survey.

The Figure 47 shows the skills that employers anticipate being in shortage for the next five years, compared across NACE sector, group size, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sectors and ISCO Skill Level groups. Percentages are based on respondents who reported expecting skill shortages over the next five years and who replied with “skill” in the open-ended question (N = 309 out of a total of N = 1,395 respondents).

The figure shows that employers anticipated skills shortage primarily in Hard Skills (28%), followed by Soft Skills (18%), Manual Skills (17%), Digital Skills (15%) and Self-management Skills (14%), while Core Skills (2%), Green Skills (2%), and Operational Skills (5%) were mentioned far less frequently.

“Primary and Utilities” sector stands out with very strong expectations of shortages in Green Skills (50%), Manual Skills (20%), and Hard Skills (20%). “Manufacturing” and “Construction” reported particularly high expected shortages in Manual Skills (63% and 60% respectively). “IT Services” showed the highest expectations of shortages in Digital Skills (60%). “Hospitality” shows the highest expectations of shortages in Self-management Skills (32%). Additionally, employers in “Other Marketed Services”, Distribution and Transport” and “Other Business Services” record very high expectation of shortages in Hard Skills (44%, 36% and 31%, respectively), while “Non-Marketed Services” reported comparatively stronger concerns around Soft Skills (40%).

Differences across ISCO Skill Level groups are evident in the types of skills shortage reported. Organisations classified within Skill Level 1 & 2 showed relatively higher expectations of shortages in self-management skills (18%), as well as in hard skills (22%) and manual skills (20%), reflecting the more operational and task-specific nature of roles within these organisations. In contrast, organisations classified within Skill Level 3 & 4 reported relatively higher expectations of shortages in soft skills (21%) and digital skills (18%), indicating greater demand for interpersonal, cognitive and technology-related competencies. In addition, these organisations also reported comparatively high expectations of shortages in hard skills (32%), suggesting that both technical and transversal skills are considered important. Organisations with no majority ISCO Skill Level group displayed a different pattern, with higher expectations of shortages in manual skills (27%) and operational skills (13%), while reporting comparatively lower expectations for digital, soft and self-management skills. This indicates a stronger focus on practical and role-specific skill requirements within these organisations.

Figure 47. Skills which are expected to be in shortage over the next five years (ErW)

Regarding what skills do you expect to experience shortages in over the next five years?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	**n =**	General ICT / Digital Literacy	Communication	Willingness to Learn	Language Skills	General Manual Work	Agriculture / Farming	Sales Skills	Administration & Clerical
		AI & Machine Learning	Analytical & Critical Thinking	Willingness to Work		General Technical Skills		General Technical Hard Skills	
		Software Development	Leadership	Motivation		Maintenance & Repair		Accounting & Finance	
TOTAL POPULATION	309	15%	18%	14%	2%	17%	2%	28%	5%
BY SECTOR*									
Primary and Utilities	11(i)					20%	50%	20%	10%
Manufacturing	18(i)	5%		5%		63%		21%	5%
Construction	17(i)	5%	15%	10%		60%		10%	
Distribution and Transport	83	16%	12%	16%	1%	13%	1%	36%	5%
Hospitality	33	9%	18%	32%	3%	3%		26%	9%
IT Services	24(i)	60%	27%	7%				7%	
Financial and Insurance	9(s)	-	-	-	-	-	-	-	-
Other Business Services	71	18%	27%	13%		6%		31%	5%
Other Marketed Services	20(i)	6%	28%	6%		11%		44%	6%
Non-Marketed Services	23(i)	7%	40%	13%	13%	7%		20%	
BY SIZE GROUP									
2 to 9	163	14%	17%	13%	1%	17%	2%	30%	5%
10 to 49	91	17%	22%	15%	4%	17%	2%	19%	6%
50 to 249	45	11%	33%	11%		11%		33%	
Over 249	10(i)	11%	20%	17%	10%	8%	0%	16%	17%
BY ISCO GROUP*									
Majority Skill Level 1 & 2	140	12%	17%	18%	1%	20%	3%	22%	7%
Majority Skill Level 3 & 4	152	18%	21%	10%	3%	13%		32%	3%
No Majority Group	17(i)	7%	7%	7%		27%	7%	33%	13%

Notes:

1) *This question was answered by 309/797 respondents who expect skill shortages over the next five years.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories.*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 48 presents the skills that employers expect to experience shortages in over the next five years, using employee-based weighting and compared across NACE sector, group size, and ISCO Skill Level. These comparisons reveal statistically significant differences across all grouping variables. Percentages are based on respondents who reported expecting skill shortages over the next five years (N = 309 out of a total of N = 1,395 respondents). This was an open-ended question which was then grouped into categories for analysis purposes. Percentages show the share of Private Sector employees working in organisations that expect shortages in each skill and not the percentage of individual employees expected to have a shortage in each skill area.

Overall, the largest percentage of employees were working in organisations that expect shortages in Soft Skills (31%), followed by Hard Skills (20%), Self-management Skills (16%), Manual Skills (12%) and Digital Skills (11%). Expected shortages in Core Skills, Operational Skills, and Green Skills were associated with relatively small proportions of the workforce (5%, 4% and 1%, respectively).

Clear sectoral differences are evident. Employees in “Primary and Utilities” primarily expected shortages in hard skills (42%), with additional pressures observed in manual skills (27%) and green skills (27%). Employees in “Manufacturing” and “Construction” are mainly exposed to shortages in manual skills (60% and 47%, respectively), indicating strong demand for technical and practical competencies. Employees in “Distribution and Transport”, “Hospitality” and “Non-Marketed Services” are primarily exposed to expected shortages in soft skills (41%, 41% and 51%, respectively), highlighting the importance of interpersonal and communication-related competencies in these sectors. Employees in “IT Services” are primarily exposed to expected shortages in digital skills (60%), reflecting the sector’s reliance on technology-related expertise. In “Financial and Insurance” and “Other Marketed Services”, employees are mainly exposed to expected shortages in hard skills (27% and 35%, respectively), indicating continued demand for specialised technical competencies. Finally, employees in “Other Business Services” are primarily exposed to expected shortages in self-management skills (33%), suggesting a stronger emphasis on individual performance and organisational adaptability.

Differences by organisation size show that workforce exposure to expected shortages varies by group size. Employees in small organisations (2–9 employees) were most frequently exposed to expected shortages in Hard Skills (34%), while those in medium-sized organisations were more often exposed to shortages in Self-management Skills (31%). In addition, employees in large organisations (50–249 employees) were most frequently exposed to Soft Skills (48%) as well to Hard Skills (26%). In very large organisations (over 249 employees), employee exposure was more evenly distributed across Soft Skills (40%).

By ISCO Skill Level Group, more employees working in organisations dominated by Skill Levels 1&2 were most frequently exposed to expected shortages in Self-management Skills (26%), Manual Skills (16%) and Operational Skills (7%), compared to the other two groups. Interestingly, more employees in organisations dominated by Skill Levels 3&4 were more often exposed to shortages in Hard Skills (24%) and Digital Skills (19%). Finally, employees in organisations within No Majority ISCO Skill Level group are highly exposed to expected shortages in Soft Skills (79%).

Figure 48. Skills which are expected to be in shortage over the next five years according to employers (EeW)

Regarding what skills do you expect to experience shortages in over the next five years?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	**n =**	General ICT / Digital Literacy	Communication	Willingness to Learn	Language Skills	General Manual Work	Agriculture / Farming	Sales Skills	Administration & Clerical
		AI & Machine Learning	Analytical & Critical Thinking	Willingness to Work		General Technical Skills		General Technical Hard Skills	
		Software Development	Leadership	Motivation		Maintenance & Repair		Accounting & Finance	
TOTAL POPULATION	309	11%	31%	16%	5%	12%	1%	20%	4%
BY SECTOR*									
Primary and Utilities	11(i)					27%	27%	42%	4%
Manufacturing	18(i)	6%	25%	3%		60%		7%	
Construction	17(i)	16%	19%	2%		47%		6%	10%
Distribution and Transport	83	8%	41%	16%	0%	4%	1%	21%	9%
Hospitality	33	1%	41%	14%	4%	9%		27%	3%
IT Services	24(i)	60%	21%	8%		3%		6%	1%
Financial and Insurance	9(s)	-	-	-	-	-	-	-	-
Other Business Services	71	14%	17%	33%	12%	3%		20%	2%
Other Marketed Services	20(i)	5%	18%	11%		21%	7%	35%	2%
Non-Marketed Services	23(i)	20%	51%	6%	17%	3%		4%	
BY SIZE GROUP*									
2 to 9	163	13%	18%	12%	1%	17%	1%	34%	3%
10 to 49	91	15%	21%	31%	5%	13%	2%	12%	2%
50 to 249	45	8%	48%	4%	2%	9%		26%	2%
Over 249	10(i)	5%	40%	15%	13%	9%		8%	10%
BY ISCO GROUP*									
Majority Skill Level 1 & 2	140	6%	20%	26%	6%	16%	1%	19%	7%
Majority Skill Level 3 & 4	152	19%	39%	5%	5%	7%	1%	24%	1%
No Majority Group	17(i)	1%	79%	1%		9%	1%	5%	3%

Notes:

1) *This question was answered by 309/797 respondents who expect skill shortages over the next five years.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories*
3) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 49 presents employers' expectations regarding which occupational categories are expected to experience shortages over the next five years, based on employer-based weighting and compared across NACE sector, group size, and ISCO Skill Level. It should be noted that the question asked employers to identify the skills they expected to experience shortages in over the next five years; however, employers responded by referring to occupations rather than specific skills. These comparisons reveal statistically significant differences across NACE sector and ISCO Skill Level. Percentages are based on respondents who reported expecting skill shortages over the next five years (N = 268 out of a total of N = 1,395 respondents). This was an open-ended question which was then grouped into categories for analysis purposes.

Overall, employers most frequently expect shortages in Craft and Related Trades Workers (38%), followed by Professionals (19%) and Service and Sales Workers (15%). Smaller percentages of employers anticipate shortages among Technicians and Associate Professionals (8%), Elementary Occupations (8%) and Plant and Machine Operators and Assemblers (7%) while very few employers reported expected shortages among Managers (2%), Skilled Agricultural, Forestry and Fishery Workers (2%) or Clerical Support Workers (1%).

Clear sectoral differences are observed. Expected shortages in Craft and Related Trades Workers are particularly pronounced in “Manufacturing” (74%) and “Construction” (74%). “Non-Marketed Services” also stand out, with a high percentage of employers reporting expected shortages among “Professionals” (82%). In “Hospitality”, the dominant expected shortage concerns “Service and Sales Workers” (84%), while in “Primary and Utilities”, shortages were most frequently anticipated for “Elementary Occupations” (40%) and “Skilled Agricultural, Forestry and Fishery Workers” (30%) (interpret with caution due to small analysis base).

By ISCO Skill Level, a high percentage of employers expect shortages in “Craft and Related Trades Workers” in all three groups, with the highest percentage of employers in No Majority ISCO Skill Level group (60%). Parallel, employers in organisations dominated by SL 1&2 most frequently expect shortages in “Service and Sales workers” (22%) while those dominated by Skill Level 3 & 4 reported higher expected shortages among “Professionals” (34%). Finally, 20% of employers in No Majority ISCO Skill Level group expect shortages in “Plant and machine operators and assemblers”.

Figure 49: Occupations expected to be in shortage the next five years (ErW)

Regarding what skills do you expect to experience shortages in over the next five years? (replied by stating an occupation instead of a skill)										
Occupations:	**n=**	**Managers**	**Professionals**	**Technicians and associate professionals**	**Clerical support workers**	**Service and sales workers**	**Skilled agricultural, forestry and fishery workers**	**Craft and related trades workers**	**Plant and machine operators, and assemblers**	**Elementary occupations**
Key Mentions		Hospitality, Retail and Other Services Managers	Business and Administration Professionals	Science and Engineering Associate Professionals	General and Keyboard Clerks	Personal Service Workers	Market-Oriented Skilled Agricultural Workers	Building and Related Trades Workers	Drivers and Mobile Plant Operators	Labourers
			Teaching Professionals			Sales Workers		Metal, Machinery and Related Trades Workers		Cleaners and Helpers
			ICT Professionals					Electrical and Electronic Trades Workers		
			Science and Engineering Professionals							
			Health Professionals							
TOTAL POPULATION	268	2%	19%	8%	1%	15%	2%	38%	7%	8%
BY SECTOR*										
Primary and Utilities	11(i)		20%				30%	10%		40%
Manufacturing	33	3%		3%		3%		74%	12%	6%
Construction	48		3%	11%				74%	8%	3%
Distribution and Transport	66		6%	9%	1%	18%		38%	13%	15%
Hospitality	23(i)	8%				84%				8%
IT Services	11(i)	11%	67%		11%			11%		
Financial and Insurance	4(s)	-	-	-	-	-	-	-	-	-
Other Business Services	35	3%	52%	10%	3%	6%	6%	13%		6%
Other Marketed Services	9(s)	-	-	-	-	-	-	-	-	-
Non-Marketed Services	28(i)		82%	12%				6%		
BY SIZE GROUP										
2 to 9	154	2%	20%	9%	1%	14%	2%	38%	6%	8%
10 to 49	82	2%	19%	6%		17%	2%	36%	11%	8%
50 to 249	28(i)		14%	14%		14%		43%		14%
Over 249	4(s)	-	-	-	-	-	-	-	-	-
BY ISCO GROUP*										
Majority Skill Level 1 & 2	140		10%	4%	1%	22%	4%	40%	7%	12%
Majority Skill Level 3 & 4	116	3%	34%	13%	2%	8%		33%	4%	3%
No Majority Group	12(i)			7%		7%		60%	20%	7%

Notes:

1) *This question was answered by 268 respondents who expect skill shortages over the next five years.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories*
3) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

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Figure 50 presents the percentage of employees working in organisations that expect shortages in each occupation, with results shown for the total population and disaggregated by NACE sector, organisation size, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sector and

ISCO Skill Level. Percentages are based on respondents who reported expecting skill shortages over the next five years (N = 268 out of a total of N = 1,395 respondents). This was an open-ended question which was then grouped into categories for analysis purposes.

Unlike the employer-based results, the employee-weighted estimates indicate where potential workforce exposure to future shortages is concentrated across occupations. Overall, employees were most frequently concentrated in organisations expecting shortages in “Craft and Related Trades Workers” (32%) and “Elementary Occupations” (27%), followed by “Professionals” (20%) and Service and Sales Workers (11%).

Pronounced sectoral differences are observed. A very large percentage of employees in Manufacturing (83%) and Construction (80%) work in organisations expecting shortages in Craft and Related Trades Workers. In Hospitality, the greatest employee-level exposure is to expected shortages in Service and Sales Workers (87%), while in Non-Marketed Services, employee exposure is dominated by shortages in Professionals (93%) The findings should be interpreted with caution due to small analysis base.

By ISCO Skill Level, employees in organisations dominated by Skill Level 1 & 2 were most exposed to expected shortages in “Elementary Occupations” (36%) and “Craft and Related Trades Workers” (34%) while those in organisations dominated by Skill Levels 3 & 4 were more strongly exposed to shortages in Professionals (51%) and Craft and Related Trades Workers (24%). Organisations within No Majority ISCO Skill Level group showed particularly high employee exposure to shortages in Craft and Related Trades Workers (60%), with other occupational categories affecting relatively small percentages of employees.

Figure 50. Occupations expected to be in shortage the next five years (EeW)

Regarding what skills do you expect to experience shortages in over the next five years? (replied by stating an occupation instead of a skill)										
Occupations:	**n=**	**Managers**	**Professionals**	**Technicians and associate professionals**	**Clerical support workers**	**Service and sales workers**	**Skilled agricultural, forestry and fishery workers**	**Craft and related trades workers**	**Plant and machine operators, and assemblers**	**Elementary occupations**
Key Mentions		Hospitality, Retail and Other Services Managers	Business and Administration Professionals	Science and Engineering Associate Professionals	General and Keyboard Clerks	Personal Service Workers	Market-Oriented Skilled Agricultural Workers	Building and Related Trades Workers	Drivers and Mobile Plant Operators	Labourers
			Teaching Professionals			Sales Workers		Metal, Machinery and Related Trades Workers		Cleaners and Helpers
			ICT Professionals					Electrical and Electronic Trades Workers		
			Science and Engineering Professionals							
			Health Professionals							
TOTAL POPULATION	268	1%	20%	4%	1%	11%	1%	32%	5%	27%
BY SECTOR*										
Primary and Utilities	11(i)		41%	3%			14%	22%	7%	14%
Manufacturing	33	2%		6%		2%		83%	7%	1%
Construction	48		8%	5%				80%	1%	5%
Distribution and Transport	66		10%	3%	1%	3%		9%	8%	66%
Hospitality	23(i)	5%				87%		5%		3%
IT Services	11(i)	2%	89%		7%			2%		
Financial and Insurance	4(s)	-	-	-	-	-	-	-	-	-
Other Business Services	35	1%	68%	4%	4%	3%	9%	9%		1%
Other Marketed Services	9(s)	-	-	-	-	-	-	-	-	-
Non-Marketed Services	28(i)		93%	4%		1%		2%		
BY SIZE GROUP										
2 to 9	154	2%	31%	5%	2%	8%	2%	40%	3%	9%
10 to 49	82	1%	22%	6%		18%	1%	33%	10%	9%
50 to 249	28(i)		21%	4%		19%		30%	1%	26%
Over 249	4(s)	-	-	-	-	-	-	-	-	-
BY ISCO GROUP*										
Majority Skill Level 1 & 2	140		10%	2%	0%	12%	1%	34%	4%	36%
Majority Skill Level 3 & 4	116	3%	51%	7%	2%	7%		24%	4%	1%
No Majority Group	12(i)			6%		3%		72%	17%	2%

Notes:

1) *This question was answered by 268 respondents who expect skill shortages over the next five years.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories.*
3) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5.3.2 Critical skills to be acquired or upgraded by existing workforce

Figure 51 presents the skills that employers consider most important for current employees to acquire or improve over the next five years, using employer-based weighting and disaggregated by NACE sector, organisation size, and ISCO Skill Level. These comparisons reveal statistically significant differences across NACE sector. It should be noted that employers were allowed to choose up to three skills. This was an open-ended question which was then grouped into categories for analysis purposes. Overall, the most frequently cited upskilling priorities are Soft Skills (26%), followed by Hard Skills (24%), Digital Skills (20%) and Self-management Skills (19%).

Clear sectoral differences are evident. Digital Skills were most strongly prioritised in “IT Services” (40%). Soft Skills were most frequently prioritised in “Hospitality” and “Non-Marketed Services” (41% and 32%). Additionally, Self-management Skills were mostly prioritised in “Manufacturing”, “Construction” and “Hospitality” (26%, 25% and 23%). Furthermore, Hard Skills were most strongly prioritised in “Primary and Utilities” and “Other Marketed Services” (40% and 31%). Finally, the Manual Skills are highly prioritised in “Manufacturing” (17%).

These findings can be read alongside CEDEFOP Skills Forecast for Cyprus, which provides a broader projection of future labour-market demand by sector, occupation and qualification level. The comparison should be interpreted cautiously, as the NESS captures employers perceived upskilling priorities for current employees, whereas CEDEFOP provides model-based projections of employment growth, replacement demand and future job openings. Nevertheless, these results offer useful demand-side evidence on the types of skills employers expect to become more important within existing jobs. The prioritisation of digital skills in IT Services is consistent with the broader expectation that technology-intensive sectors will require continued digital adaptation, while the emphasis on hard skills in Primary and Utilities and Other Marketed Services points to the continued importance of sector-specific technical competences. At the same time, the prominence of soft skills in Hospitality and Non-Marketed Services suggests that future workforce development needs are not limited to technical or digital skills, but also include transversal competences that support service quality, adaptability and workplace performance.

Figure 51. Anticipated up-skilling priorities over the next five years (ErW)

Thinking about the next five years, what will be the three most important skills that current employees at this workplace/location will need to acquire or improve on?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	**n=**	AI	Communication	Time Management	Foreign Languages	Construction work	Environmental Awareness	Sales Skills	Organisation/Planning
		ICT Skills/Digital Literacy	Critical Thinking	Adaptability				Sector Specific Skills	
		Software Development	Teamwork	Willingness to Learn				Accounting & Finance	
TOTAL POPULATION	900	20%	26%	19%	4%	2%	0%	24%	5%
BY SECTOR*									
Primary and Utilities	27(i)	10%	22%	7%	0%	7%	4%	40%	9%
Manufacturing	56	15%	15%	26%	5%	17%	0%	16%	6%
Construction	73	11%	27%	25%	3%	5%	0%	25%	4%
Distribution and Transport	233	22%	24%	15%	5%	2%	0%	27%	5%
Hospitality	73	8%	41%	23%	5%	1%	0%	21%	2%
IT Services	60	40%	25%	18%	3%	0%	0%	9%	5%
Financial and Insurance	43	26%	25%	19%	2%	0%	1%	22%	5%
Other Business Services	215	23%	22%	21%	3%	0%	0%	25%	5%
Other Marketed Services	34	17%	28%	12%	5%	1%	0%	31%	7%
Non-Marketed Services	86	20%	32%	16%	2%	0%	0%	26%	5%
BY SIZE GROUP									
2 to 9	553	20%	25%	19%	4%	2%	0%	26%	5%
10 to 49	236	20%	27%	21%	4%	5%	0%	18%	5%
50 to 249	94	23%	28%	17%	1%	2%	1%	16%	11%
Over 249	17(i)	28%	46%	12%	2%	2%	2%	4%	5%
BY ISCO GROUP									
Majority Skill Level 1 & 2	380	17%	29%	18%	4%	3%	0%	24%	5%
Majority Skill Level 3 & 4	466	21%	23%	19%	3%	2%	1%	26%	5%
No Majority Group	54	25%	25%	21%	5%	1%	0%	16%	6%

Notes:

1) *This question was answered by 900 respondents, following the exclusion of non-response and invalid cases.*
2) *A small number of individuals responded with occupations. The most common occupations were under: Construction, Hospitality, and Technical/Mechanical,*
3) *This was an open-ended question. Responses were subsequently coded into skill categories.*
4) *ErW - Data is weighted using employer-based weights and represents the percentage of organisations with the characteristic indicated.*
5) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
6) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 52 presents the skills that employers expect current employees at their workplace or location will need to acquire or improve over the next five years, using employee-based weighting and disaggregated by NACE sector, organisation size, and ISCO Skill Level. Significant differences were observed across all grouping variables. Under this approach, percentages reflect the proportion of employees working in organisations that identify each skill as a future priority, providing an indication of potential workforce exposure to upskilling needs. This was an open-ended question which was then grouped into categories for analysis purposes.

Overall, the largest percentage of employees worked in organisations prioritising improvement in Soft Skills (36%), followed by Digital Skills (22%), Self-management Skills (17%), and Hard Skills (14%).

While in most sectors, the highest percentage of employees worked in organisations prioritising Soft skills, in “Primary and Utilities, and “Manufacturing” the highest percentage of employees worked in organisations which prioritise Hard Skills (35%) and Digital Skills (24%) respectively. Furthermore, the sectors which a substantial percentage of employees worked in organisations which prioritise Soft Skills are “Hospitality” (48%) and IT Services (42%). In addition, in “Other Marketed Services” a substantial percentage of employees worked in organisations which prioritise Operational Skills (24%).

Employees in very large organisations (over 249 employees) were most frequently exposed to anticipated improvements in Soft Skills (56%), compared with 32% among employees in small organisations (2–9 employees) (interpret with caution due to small analysis base). Smaller organisations were most frequently exposed to anticipated improvements in Self-management Skills (2-9: 18%, 10-49: 21%, 50-249: 17%) and Hard Skills (2-9: 23%. 10-49: 13% and 5-249: 12%), compared with 9% and 2% among employees in very large organisations (over 249 employees).

By ISCO Skill Level Group, employees working in organisations dominated by Skill Level 3 & 4 and Skill Level 1 & 2 were most frequently exposed to future upskilling needs in Soft Skills (36% and 34%, respectively) and Digital Skills (25% and 22%, respectively). Organisations within No Majority ISCO Skill Level group showed particularly high workforce exposure to Soft Skills (63%), with other skill categories affecting much smaller percentages of employees.

These findings can be compared with CEDEFOP Skills Forecasts for Cyprus only at a broad contextual level. CEDEFOP projects future employment demand by sector, occupation and qualification level, while these results indicated the share of employees working in organisations that identify each skill as a future upskilling priority. The strong exposure to Soft Skills suggests that transversal competences are relevant across much of the workforce, while the higher exposure to Digital Skills in Manufacturing and higher-skill organisations points to the importance of digital adaptation. Hard Skills in Primary and Utilities further indicate the continued relevance of sector-specific technical competences.

Figure 52. Skills that current employees will need to acquire or improve over the next five years (EeW)

Thinking about the next five years, what will be the three most important skills that current employees at this workplace/location will need to acquire or improve on?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	n=	AI	Communication	Time Management	Foreign Languages	Construction work	Environmental Awareness	Sales Skills	Organisation/Planning
		ICT Skills/Digital Literacy	Critical Thinking	Adaptability				Sector Specific Skills	
		Software Development	Teamwork	Willingness to Learn				Accounting & Finance	
TOTAL POPULATION	900	22%	36%	17%	2%	2%	1%	14%	5%
BY SECTOR*									
Primary and Utilities	27(i)	13%	13%	9%	0%	9%	3%	35%	17%
Manufacturing	56	24%	21%	15%	3%	12%	4%	13%	8%
Construction	73	14%	28%	25%	1%	5%	1%	23%	2%
Distribution and Transport	233	30%	39%	11%	3%	1%	0%	11%	4%
Hospitality	73	7%	48%	23%	2%	2%	1%	14%	4%
IT Services	60	31%	42%	11%	2%	0%	0%	5%	8%
Financial and Insurance	43	21%	36%	23%	1%	0%	2%	14%	3%
Other Business Services	215	28%	33%	18%	2%	0%	0%	16%	3%
Other Marketed Services	34	11%	26%	12%	7%	1%	0%	20%	24%
Non-Marketed Services	86	18%	36%	23%	2%	0%	0%	15%	5%
BY SIZE GROUP*									
2 to 9	553	18%	32%	18%	3%	1%	1%	23%	5%
10 to 49	236	25%	32%	21%	3%	3%	0%	13%	4%
50 to 249	94	24%	35%	17%	1%	2%	2%	12%	9%
Over 249	17(i)	28%	56%	9%	1%	2%	1%	2%	3%
BY ISCO GROUP*									
Majority Skill Level 1 & 2	380	22%	34%	18%	2%	3%	1%	15%	5%
Majority Skill Level 3 & 4	466	25%	36%	16%	3%	1%	0%	14%	5%
No Majority Group	54	11%	63%	13%	2%	1%	0%	7%	4%

Notes:

1) *This question was answered by 900 respondents, following the exclusion of non-response and invalid cases.*
2) *A small number of individuals responded with occupations. The most common occupations were under: Construction, Hospitality, and Technical/Mechanical,*
3) *This was an open-ended question. Responses were subsequently coded into skill categories.*
4) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated,*
5) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
6) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.5.3.3 Emerging skill obsolescence trends

All employers were asked to indicate which skills they believe will no longer be required in their organisation over the next five years. This forward-looking question provides insight into anticipated skill obsolescence and potential structural change within organisations. As this was an open-ended question, employers were able to respond freely, allowing the results to reflect employer-driven perceptions of future skill relevance. Responses were subsequently coded into the skill categories used in the report.

Figure 53 presents employers' views on whether any skills currently present in their organisation are expected to no longer be required over the next five years, based on both employer-based and employee-based weighting approaches. Employers were asked to identify skills they expect to become obsolete, if any.

Under employer-based weighting, 58% of employers indicated that all skills currently present in their organisation will continue to be required over the next five years. Under employee-based weighting, the same percentage means that 58% of employees work in organisations where employers reported that all current skills will remain necessary. Therefore, although the result is numerically identical, the interpretation differs: the employer-based result reflects how common this view is among employers, while the employee-based result reflects workforce exposure to this view. This may partly reflect employers' cautious assessment of future skill obsolescence, particularly as the survey was conducted at an early stage of workplace adoption of generative AI tools. In employer-based terms, Hard Skills (11%) and Operational Skills (11%) are the most frequently cited as no longer required, followed by Digital Skills (7%) and Soft Skills (6%), indicating that these expectations are dispersed across a minority of organisations.

Under the employee-based interpretation, the overall pattern remained similar, but the emphasis shifted in terms of workforce exposure. A larger percentage of employees work in organisations where Operational Skills (18%) are expected to no longer be required. Compared to 11% under the employer-based results, indicating that such expectations are concentrated in larger organisations. Furthermore, expected obsolescence of Hard Skills (6%), Digital Skills (6%), Soft Skills (4%), Manual Skills (4%), and Core Skills (2%) affects relatively small proportions of the workforce.

Figure 53. Skills perceived as no longer needed in future, in the Private Sector

Thinking about the next five years, what skills will no longer be required by this workplace/location? (n=561)									
Skills:	**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**	**All skills will be required**
Key Mentions	Data Entry	Written Communication			General Manual Work		Bookkeeping	Administration & Clerical	
							Academic Qualifications	Filing/Paperwork	
Employer Based	7%	6%	0%	2%	4%	0%	11%	11%	58%
Employee Based	6%	4%	2%	2%	4%	1%	6%	18%	58%

Notes:

1) *This question was answered by 561/1395 respondents, following the exclusion of non-response and invalid cases.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

3.6 Private Sector Conclusions

The implementation of the National Employers' Skills Survey (NESS) highlights the importance of maintaining a systematic national mechanism for monitoring employers' skills needs and labour market developments in Cyprus. For the Private Sector, the survey provides evidence on current recruitment patterns, hard-to-fill vacancies, anticipated skills shortage, graduate employment, staff proficiency, over-skilling, and the extent to which employers perceive gaps between the skills available in the labour market and those required in the workplace. In this respect, the survey constitutes a valuable source of intelligence for supporting policy development, strengthening the responsiveness of Higher Education, and promoting a more effective alignment between education, training, and labour market needs.

The findings suggest that the supply side is struggling to keep pace with the changing composition of skills demand. The issue does not appear to be a simple shortage of educated labour. Almost half of the Private Sector workforce holds a Higher Education qualification, and employers report that recent graduates from Cyprus HEIs generally demonstrate solid core and digital skills. This indicates that the education system is producing a sizeable pool of qualified entrants. However, the evidence points to a mismatch between available qualifications and the specific combinations of technical, soft, digital and self-management skills required by employers across sectors.

Recruitment difficulties provide the clearest indication of this gap. Vacancy incidence is widespread, and hard-to-fill vacancies are reported across many sectors, particularly in occupations such as professionals, service and sales workers, technicians and associate professionals, and clerical support workers. The causes of these difficulties suggest that supply-side capacity is constrained in several ways: there are not enough interested applicants for certain jobs, the overall pool of applicants is limited, and many applicants do not possess the required skills, qualifications or experience. This points to a supply-side challenge that is both quantitative and qualitative, not only whether enough people are available, but whether they are available in the right occupations and with the right skill mix.

The findings on recent graduates further reinforce this interpretation. While many employers recruit graduates from Cyprus HEIs and generally view them as moderately or well prepared, graduate recruitment is uneven across sectors and is more common in larger and higher-skilled organisations. At the same time, the recruitment of graduates into non-graduate posts suggests that Higher Education supply is not always being absorbed into roles that fully utilise graduates' capabilities. This coexistence of graduate underutilisation and hard-to-fill vacancies indicates that the Private Sector does not face a uniform shortage of graduates, but rather a more complex alignment problem: some skills and qualifications are in demand and difficult to source, while others may not be effectively matched to available roles.

The evidence on current staff proficiency and future skills needs suggests that this mismatch may intensify unless supply-side responses become more targeted and forward-looking. Employers identify soft skills, digital skills and self-management skills as key areas for improvement among existing staff, while future shortages are expected in hard, soft, manual, digital and self-management skills, depending on sector and occupational structure. These findings may reflect that skills demand in the Private Sector is becoming more differentiated: sectors such as IT services are likely to require more specialised digital and technical skills, while hospitality, distribution and other service-oriented sectors place stronger emphasis on service, communication, adaptability and self-management.

Taken together, the evidence points to a mismatch rather than a shortage. Employers are not short of educated labour: a substantial part of the workforce is qualified at Higher Education level and graduates from Cyprus HEIs are generally regarded as at least moderately prepared for employment. What employers report difficulty finding is the particular combination they seek, namely role-specific hard skills alongside communication, teamwork, time management and a willingness to learn, in candidates who can contribute with minimal onboarding. The clearest indication that this is a problem of matching rather than of volume is that shortage and under-utilisation occur at the same time: employers report hard-to-fill vacancies in professional and technical occupations while also recruiting graduates into non-graduate posts, identifying managers and

professionals as the most over-skilled groups, and considering a share of their existing staff to be less than fully proficient. Skills are therefore simultaneously difficult to source and imperfectly used. On this reading, the priority is less to expand the supply of qualified entrants than to improve the correspondence between supply and demand, through closer employer-education collaboration, wider and better-quality work-based learning, targeted upskilling of existing staff, and stronger skills anticipation to ensure that the future workforce can respond more effectively to changing Private Sector demand.

These conclusions should be read with two important limitations in mind. First, the findings reflect employers' perceptions and estimates, and a notable share of employers reported uncertainty on several questions, most visibly on the extent and location of over-skilling. Second, the analysis base varies considerably across questions, and estimates for smaller sectors and size bands is based on limited numbers of respondents; sub-group differences should therefore be treated as indicative rather than precise

4 Public Sector

KEY FINDINGS

The main findings for the Public Sector are summarised below. Employer-level findings are unweighted and describe responding entities only, since no sampling frame was available for the Public Sector; employee-level findings are weighted using employee-based weights and are identified as such. The analysis base for each finding is reported in brackets, since several questions were addressed only to subgroups of respondents.

Population and respondents. The target population comprises Government and Wider Public Entities, grouped into six categories. In the absence of a sampling frame, a mapping exercise identified 916 senior officials responsible for a department, division, unit or service, of whom 221 completed the questionnaire (24% response rate). Government entities accounted for 31% of the sample but 48% of respondents, while Wider Public entities accounted for 69% of the sample and 52% of respondents (N = 221).

Employment dynamics. No change was the most common response: 48% of senior officials reported no change in employee numbers between January 2023 and January 2024, while 28% reported an increase and 24% a decrease (N = 221). Among those reporting a change, both the median increase and the median decrease were 10% (N = 115). Increases were most often attributed to changes in the overall level of demand for the services provided (37%) and the introduction of new units or services (27%), whereas decreases were most commonly associated with transfers of personnel to other functions (23%) and changes in the way work is organised (15%) (N = 115).

Workforce profile. On average, senior officials reported that 71% of their staff hold a Higher Education qualification and 24% upper secondary education (N = 221, unweighted). Professionals (48%) and Clerical Support Workers (26%) account for most of their staff, while manual, production and service occupations are almost absent; Professionals represent a higher share of employment in Government (54%) than in the Wider Public Sector (42%) (N = 221, unweighted). The questionnaire measured non-permanent rather than part-time employment: 36% reported no non-permanent staff, 36% between 1% and 20% and 28% more than 20% (N = 210).

Recruitment demand. Among senior officials aware of or involved in recruitment, 71% reported at least one vacancy since January 2023, with an average of 10.4 vacancies per entity and a vacancy density of 18% of existing employment (N = 129). Recruitment criteria emphasise formal credentials: possession of particular qualifications (73%), relevant hard skills (67%) and work experience (66%), followed by good soft skills (57%) and enthusiasm for the job (49%) (N = 129). Vacancy volumes were concentrated in Clerical Support Workers (6.0 vacancies on average) and Professionals (5.8) (N = 92).

Hard-to-fill vacancies. Among entities reporting at least one vacancy, 41% reported that some vacancies were hard to fill (N = 92). Difficulties related most often to Professionals and Technicians and Associate Professionals (each 50%), followed by Clerical Support Workers (32%); asked to identify the single hardest-to-fill occupation, senior officials most frequently selected Technicians and Associate Professionals (39%) and Professionals (34%) (N = 38). Of those reporting hard-to-fill vacancies, 66% reported a major effect on organisational performance and 29% a minor effect (N = 38), the most common consequences being increased workloads for other staff (85%), delays in developing new services (47%) and difficulties meeting set quality standards (41%) (N = 34).

Nature of the shortage. Recruitment difficulties were attributed both to the attractiveness of Public Sector employment and to skills: too few people interested in this type of job (50%) and poor employment terms and conditions, including remuneration (42%), were cited more frequently than a limited number of applicants with the required skills (39%) (N = 38). Where difficulties were skills-related, 46% pointed to a lack of required skills and qualifications and 29% to a lack of experience, while 31% did not know the underlying cause (N = 35). The skills hardest to find among applicants were predominantly self-management and soft skills, notably taking a proactive approach (42%), identifying and solving complex problems (39%), willingness to learn (37%), teamwork (37%) and effective communication (37%) (N = 38).

Recruitment and preparedness of recent graduates. Just over a third of senior officials (36%) reported that at least one recent Higher Education graduate joined their entity during the reference period, with an identical share in Government and Wider Public Entities (N = 219). Of those recruiting graduates, 76% required a qualification in a specific field of study (N = 79), most often Business and Administration (43%), Engineering, Manufacturing and Construction (33%) and ICT (32%) (N = 60). Among entities recruiting from Cyprus Higher Education Institutions, 87% recruited university graduates and only 2% recruited exclusively from Institutions of Tertiary Education, with recruitment concentrated at Bachelor's (76%) and Master's (67%) level (N = 54). Around half of senior officials (49%) assessed recent graduates from Cyprus Higher Education Institutions as well or very well prepared for employment and a third (33%) as moderately prepared, while 19% considered them slightly or not at all prepared (N = 54). Graduates were rated comparatively strongly on willingness to learn, rapid acquisition of new knowledge, applied ICT use, basic numeracy and Greek-language skills, and comparatively weakly on leading others, taking a proactive approach, foreign-language communication and identifying and solving complex problems (N = 54).

Underutilisation of skills. Alongside recruitment difficulties, 58% of senior officials who recruited graduates reported employing Higher Education graduates in posts that do not require a Higher Education qualification under the relevant Scheme of Service (N = 77). Over-skilling was reported by 69% of entities, with the median assessment falling in the 1%–10% band (N = 219); under employee-based weighting, 91% of employees work in entities reporting some degree of over-skilling (mean 20%). Over-skilling is markedly deeper in the Wider Public Sector, where the median employee is in an entity reporting that 20–30% of staff are over-skilled (mean 32%), compared with 1–10% in Government (mean 15%). Clerical Support Workers (25%) and Professionals (24%) were the categories most frequently identified, although entities employing 27% of the weighted workforce reported that they did not know (N = 219).

Proficiency of existing staff. Under employee-based weighting, reported full proficiency was highest for Professionals (88%) and lowest for Elementary Occupations (67%), with Managers and Technicians and Associate Professionals both at 76% (N = 221, employee-weighted). Among senior officials reporting less than full proficiency, 89% reported an effect on organisational performance, 43% describing it as major (N = 128); the most common consequences were increased workloads for other staff (70%), accumulation of backlog (60%) and difficulties introducing new working practices, systems and tools (56%) (N = 113). Professionals (36%) and Clerical Support Workers (27%) were most often identified as the occupations where a lack of proficiency was most constraining (N = 129). For Professionals the main reasons reported were a lack of motivation (55%), staff not possessing the required skills for the post (36%) and being new to the role (36%); for Clerical Support Workers, the introduction of new technology (42%) and of new policies and working practices (33%) (N = 127).

Future outlook. Six in ten senior officials expect their entity to face skills shortage over the next five years – 21% at a high level, 26% moderate and 16% low – while 24% expect none (N = 219). Anticipated shortages relate primarily to digital skills, cited by 41% of senior officials and by entities employing 60% of the workforce under employee-based weighting, followed by hard skills (22%) and soft skills (19%) (N = 122); the digital emphasis is considerably stronger in the Wider Public Sector (86% employee-weighted) than in Government (43%). Upskilling priorities for existing staff lead with soft skills (39%) and digital skills (28%) (N = 193). At the same time, 52% of senior officials expect all skills currently required to remain necessary over the next five years (N = 123); under employee-based weighting, however, only 36% of Public Sector employees work in entities holding this view.

These findings should be interpreted in the light of four constraints. First, no sampling frame was available for the Public Sector, and the size of the employer population is unknown; employer-level results are therefore unweighted and describe the views of the 221 responding senior officials only, rather than the Public Sector as a whole. Second, at a response rate of 24%, Government entities are over-represented among respondents (48% of respondents against 31% of the sample), so aggregate employer-level figures lean towards Government practice. Third, several findings rest on small analysis bases – notably those on hard-to-fill vacancies (N = 38 or fewer), graduate recruitment and preparedness (N = 54) – and are therefore indicative. Fourth, all findings reflect senior officials' perceptions and estimates rather than objective measurement of skills or proficiency, and the survey identifies patterns without establishing their causes.

This section covers organisations classified under the Government and Wider Public Sector, including central government bodies, local authorities, and other non-government public entities.

Throughout this section, the term 'Public Sector entities' refers to the government departments, services, organisational units and wider public-sector organisations while ‘senior officials’ refers to the respondents who completed the questionnaire on behalf of their department, division, unit, or service.

4.1 Population, sample and respondents

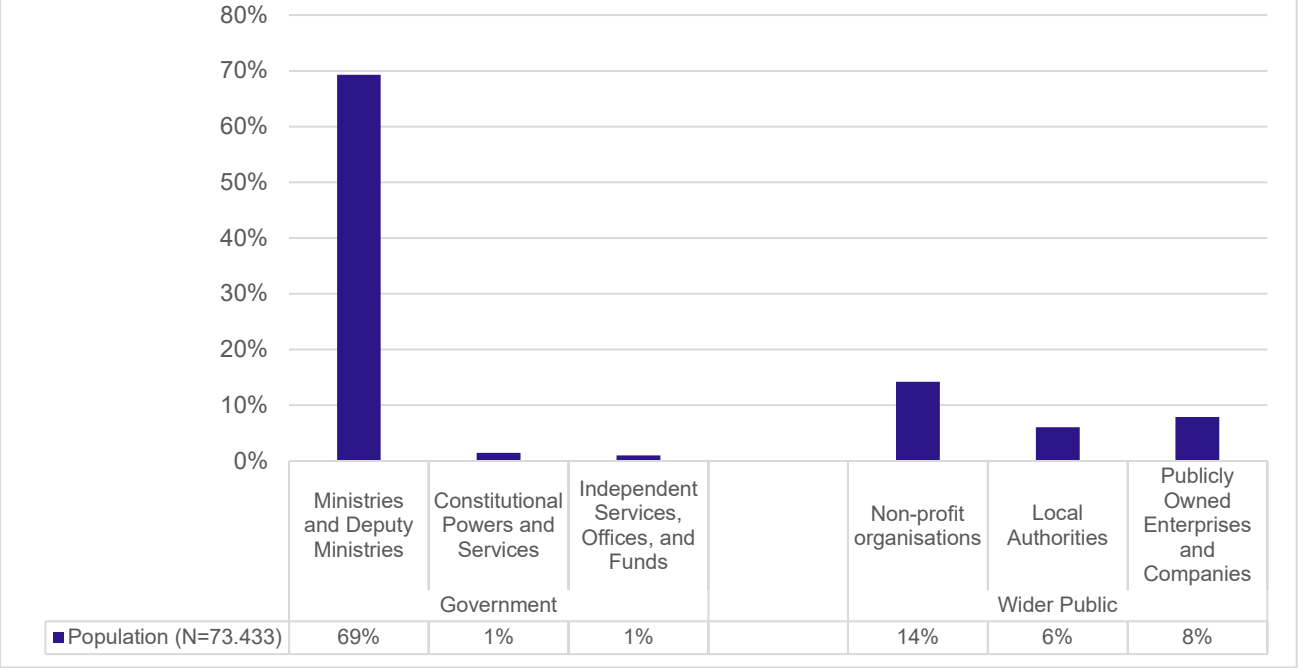
4.1.1 Description of the Population

The target population of the Public Sector corresponds to Government and Wider Public Entities. This population is grouped into six main categories, as indicated in section 2.2.2.2. These comprise government entities (such as Ministries, Deputy Ministries, Constitutional Powers and Services, and Independent Services, Offices and Funds), as well as non-government public entities, including non-profit organisations, Local Authorities, and publicly owned enterprises and companies). In the Public Sector context, organisational boundaries are often unclear, as ministries and other public bodies may operate through multiple directorates, departments, or units, each with varying degrees of administrative and managerial autonomy. As a result, it is not evident whether a ministry should be treated as a single employing entity or whether its individual subdivisions should be considered separate employers for analytical purposes. Thus, a sampling frame was not available for the Public Sector, and the population size remains unknown.

However, for the purpose of making inference about the Public Sector workforce, official workforce distribution data for 2023 were provided by the Cyprus Statistical Service, which includes population totals by type of Public Sector entities within the aforesaid six distinct categories. Consequently, as also described in section 2.2.2.2, employer-level Public Sector results are unweighted and describe responding entities only, while employee-level estimates use the employee-based weights derived from the data provided by the Cyprus Statistical Service.

Figure 54 presents the distribution of the public-sector workforce based on administrative workforce data provided by the Cyprus Statistical Service, amounting to an average population of 73,433 employees during 2023. The majority of employees were concentrated within a limited number of organisational categories. In particular, Ministries and Deputy Ministries account for the largest proportion of employment (69%), followed by Non-profit Organisations (14%). Smaller proportions of employees are found within Publicly Owned Enterprises and Companies (8%) and Local Authorities (6%). The remaining organisational categories account for only a very small percentage of Public Sector employment, with Constitutional Powers and Services and Independent Services, Offices and Funds each representing approximately 1% of total employment.

Figure 54. Public Sector workforce distribution 2023 by Public Sector Entities category



4.1.2 Description of the Sample and Respondents

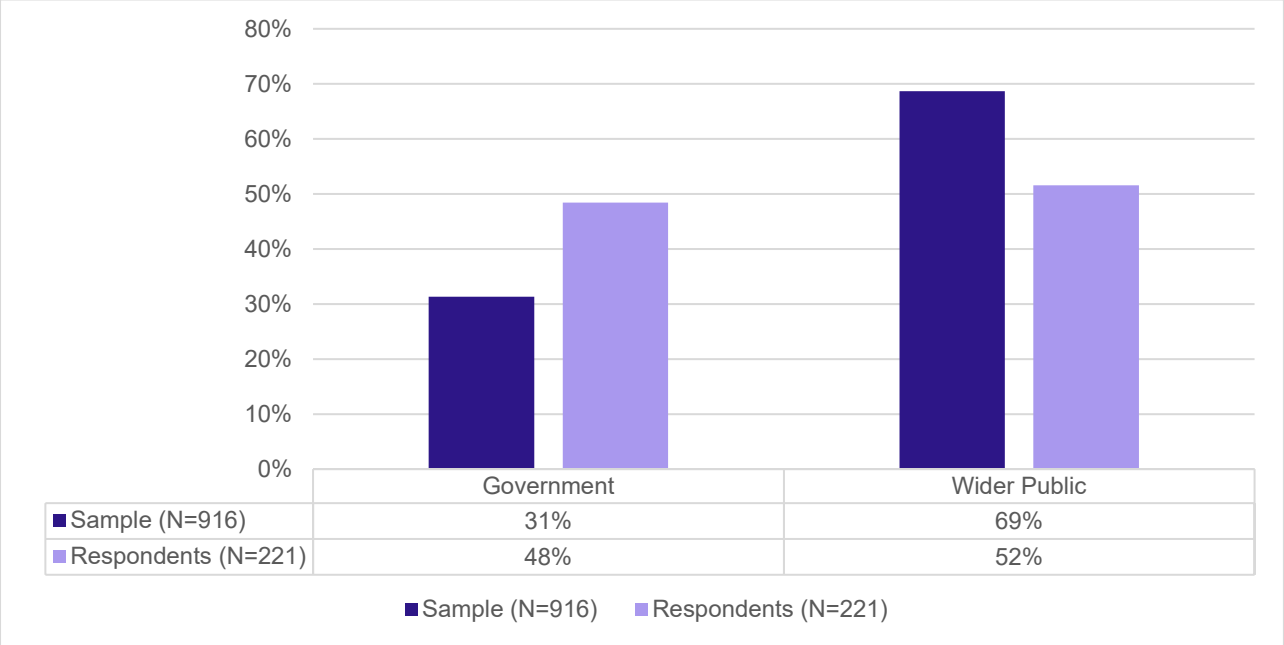
In the absence of a comprehensive sampling frame, a mapping exercise was undertaken to identify the relevant organisational units and senior officials within the Cyprus Public Sector (see Section 2.1.3.2). This exercise resulted in the identification of 916 senior officials responsible for overseeing departments, divisions, units, services, or other organisational entities. All identified officials were invited to participate in the survey.

Overall, 221 senior officials responded to the questionnaire, corresponding to a response rate of 24%. The analyses presented in this report are based on these responding officials, unless otherwise stated. Figure 55 presents the distribution of the sample as identified through the mapping exercise and the corresponding distribution of respondents (N = 221), distinguishing between Government and the Wider Public Sector.

The composition of respondents differs from the initial sample distribution. While Government entities account for 31% of the sample, they represent a larger percentage of respondents (48%). Organisations classified under the Wider Public Sector represent 69% of the sample but account for a smaller proportion of respondents (52%). This shift indicates higher response participation among Government entities relative to Wider Public entities.

It should be noted that, in certain sections of the questionnaire, questions were addressed only to specific subgroups of respondents, depending on their previous answers. As a result, some analyses are based on subsets of the overall sample. The number of respondents included in each analysis is indicated in the note below the corresponding figure.

Figure 55. Distribution of sample and respondents by Public Sector Entities type



Notes:
1) The Sample consists of senior officials drawn from the target population and invited to participate in the survey.
2) Respondents refer to the senior officials who completed the questionnaire and whose responses were considered valid for analysis.

4.2 Organisation Overview

This section presents information on the profile of Public Sector entities from which senior officials participating in the survey were drawn, with a particular focus on employment structure and occupational composition. Employment structure is examined through data on entity size, changes in staff numbers between 2023 and 2024 (as well as the reasons underlying these changes), the prevalence of part-time employment, and the distribution of qualification levels among staff within Public Sector entities. Occupational composition is analysed through the distribution of ISCO occupational categories among employees. Together, these variables provide valuable insights into workforce composition and employment dynamics within the Public Sector during the period 2023–2024. Within this framework, developments in the workforce of Public Sector entities in Cyprus offer important evidence on structural and occupational patterns shaping public employment.

4.2.1 Change in employee numbers from 2023 to 2024

Figure 56 presents distribution of senior officials who reported a decrease, no change or increase in employee numbers in entities during 2023-2024. Overall, nearly half of senior officials (48%) reported no change in employee numbers over the reference period, making this the most common response. At the same time, 28% of entities reported an increase in staff numbers, while 24% reported a decrease.

Figure 56. The distribution of senior officials who reported a decrease, no change or increase in employee numbers in Public Sector entities during 2023-2024 (UW)

Change in number of employees between January 2023 and January 2024				
	n=	Decrease	No Change	Increase
TOTAL POPULATION	221	24%	48%	28%
BY SECTOR				
Government	107	25%	44%	31%
Wider Public	114	23%	52%	25%

Notes:

1) *This question was answered by all respondents (N=221).*
2) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 57 presents the median decrease and increase (%) in employee numbers in Public Sector entities between January 2023 and January 2024, calculated based on senior officials reported total number of employees in each year, categorised by type of Public Sector Entities. Overall, senior officials who reported a decrease indicated a median decrease of 10% in employee numbers, while those who reported an increase indicated a median increase of 10%.

Figure 57. The median decrease/increase (%) in employee numbers only for public entities whose senior officials reported a decrease/increase in their workforce during 2023-2024

	Decrease		Increase	
	n=	Median Decrease	n=	Median Increase
TOTAL POPULATION	53	10%	62	10%
BY SECTOR				
Government	27(i)	10%	33	10%
Wider Public	26(i)	14%	29(i)	11%

Note:

1) *This question was answered by 115 senior officials who reported an increase or a decrease in their workforce, following the exclusion of non-response and invalid cases.*
2) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
3) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 58 presents the reasons reported by senior officials for changes in employee numbers between 2023 and 2024, by type of change (decrease, no change, increase). For entities reporting an increase in employee numbers, the most frequently cited reasons are "changes in the overall level of demand for the services provided" (37%) and the "Introduction of new units and/or services" (27%). Among entities reporting a decrease in employee numbers, the most common reasons are "transfers of personnel to other functions within the organisation" (23%), "changes in the way work is organised" (15%), "difficulties in attracting and recruiting staff" (13%) and "changes in overall level of demand for the services provided" (12%).

Figure 58. Reasons regarding the changes in employee numbers by the type of change (increase or decrease) between 2023-2024 as reported by senior officials (UW)

If there was a change in the number of employees between January 2023 and January 2024, what were the main reasons for the change?		
Reason	**Decrease (n=53)**	**Increase (n=62)**
Changes in overall level of demand for the services provided	12%	37%
Introduction of new units and/or services	6%	27%
Implementation of new regulation or law	2%	6%
Changes to way in which services are delivered	6%	0%
Transfers of personnel to other functions of the organisation	23%	8%
COVID-19	0%	2%
The introduction of new technologies, such as automation	10%	5%
Changes to the way in which work is organised	15%	11%
Difficulties in attracting and recruiting staff	13%	6%

Notes:

1) *This question was answered by 115 senior officials who reported an increase or a decrease in their workforce, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole*
3) *Percentages related to changes may not sum to 100%, as respondents were permitted to select multiple answers.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.2.1.1 Non-permanent employment percentage

Non-permanent staff as defined in the questionnaire are employees who were originally recruited on a fixed-term employment contract. The category includes both staff who have not yet completed 30 months of service under that contract and those who have completed 30 months and are therefore employed on an indefinite-term basis. Figure 59 presents the distribution of responding entities by the percentage of their staff in non-permanent employment in January 2024 as reported by senior officials. Entities are grouped into three categories: those with no non-permanent staff (0%), those where non-permanent staff account for 1% to 20% of staff, and those where they account for more than 20%. Overall, Public Sector entities were fairly evenly distributed across the three categories, with 36% of senior officials reporting no non-permanent staff, 36% reporting "1% to 20%" and 28% reporting that their entity belonged to the category of "over 20% of employees".

Differences were observed between Government and Wider Public Entities. Among Government entities, 36% reported that non-permanent staff account for more than 20% of their staff, while 30% reported none. Wider Public entities reported lower levels of non-permanent employment, with 42% reporting no non-permanent staff and 21% reporting that non-permanent staff account for more than 20%.

Figure 59. Non-permanent employment in the Public Sector sample (%) (UW)

In January 2024, approximately what percentage of employees were working on a temporary basis (both fixed and indefinite term)?				
	n=	0%	1% to 20%	Over 20%
TOTAL POPULATION	210	36%	36%	28%
BY SECTOR*				
Government	103	30%	34%	36%
Wider Public	107	42%	37%	21%

Notes:

1) *This question was answered by 210 respondents, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole,*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.2.1.2 Qualification levels of staff

This section shifts focus to the educational composition of the public-sector workforce by examining the highest level of educational attainment among staff. The analysis covers entities within the public-sector entity between January 2023 and January 2024.

Senior officials in Public Sector entities were asked to indicate the distribution of their workforce according to the highest level of educational attainment. Specifically, they reported the proportion of employees whose highest qualification corresponds to one of the following four education levels: (i) not having completed compulsory education, (ii) completion of lower secondary education, (iii) completion of upper secondary education, or (iv) completion of Higher Education. The reported percentages sum to a total of 100%.

Figure 60 presents senior officials' responses regarding the educational attainment profile of the workforce in their entities. Overall, senior officials reported that, on average, 71% of their workforce hold Higher Education qualifications as their highest level of educational attainment. A further 24% of employees were reported to have completed Upper Secondary Education, while only small proportions were reported to have completed Lower Secondary Education (4%) or not completed compulsory education (1%).

Figure 60. Distribution of the Public Sector workforce by highest level of educational attainment (UW)

What percentage of your workforce have the following as the highest level of qualification?					
	n=	Have not completed compulsory education	Lower Secondary Education Apolyterion or equivalent	Upper Secondary Education Apolyterion or equivalent	Higher Education degrees
TOTAL POPULATION	221	1%	4%	24%	71%
BY SECTOR					
Government	107	1%	1%	24%	73%
Wider Public	114	1%	6%	25%	68%

Notes:

1) *This question was answered by all respondents (N=221).*
2) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
3) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.2.2 Occupational Composition

Understanding the distribution of employment across occupational categories is a key element of labour-market analysis, as highlighted in the Employment and Social Developments in Europe 2023 reported (European Commission, EC, 2023b). Examining occupational composition provides valuable insights into the structure of employment, the distribution of skills, and potential imbalances between higher and lower-skilled roles. In this context, Public Sector senior officials in Cyprus were asked to indicate the occupational groups present within their entities, based on the International Standard Classification of Occupations (ISCO). Responses were collected across the main nine occupational categories within ISCO taxonomy, allowing for an assessment of occupational patterns within Government and Wider Public sector entities.

4.2.2.1 Presence of specific occupational categories in the Public Sector sample

Figure 61 presents the average percentage of senior officials that reported having at least one employee in each occupational category. Across respondents, Professionals (76%) and Clerical Support Workers (69%) are the most widely reported occupational categories, followed by Managers (55%). Lower percentages of senior officials reported having employees in Elementary Occupations (13%), Technicians and Associate Professionals (35%), and manual or production-related occupations, such as Craft and Related Trades Workers (4%), Plant and Machine Operators and Assemblers (5%), and Skilled Agricultural, Forestry and Fishery Workers (2%).

Occupational composition differs substantially between the two sub-sectors. A higher percentage of Professionals and Clerical Support Workers are present in the Government sub-sector than in the Wider Public sector. The Wider Public Sector shows a higher presence of Technicians and Associate Professionals (43%), Craft and Related Trades Workers (7%), Plant and Machine Operators and Assemblers (7%), and Elementary Occupations (14%) when compared to the Government sub-sector.

Figure 61. Presence of occupational categories within the Public Sector sample reported by senior officials (UW)

Within your workplace/location, are there employees with the following occupations?										
	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	221	55%	76%	35%	69%	3%	2%	4%	5%	13%
BY SECTOR				*						
Government	107	56%	83%	26%	70%	2%	1%	1%	2%	11%
Wider Public	114	54%	70%	43%	68%	4%	3%	7%	7%	14%

Notes:

1) *This question was answered by all respondents (N=221).*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.2.2.2 Percentage of employees in occupational categories in the Public Sector

Figure 62 presents the percentage distribution of Public Sector workforce across occupational categories. On average, Professionals account for the largest proportion of employees within Public Sector workplaces (48%), followed by Clerical Support Workers (26%) and Technicians and Associate Professionals (10%). Managers represent 9% of employees, while Service and Sales Workers (2%), Elementary Occupations (3%), and manual or production-related occupations account for only small proportions of the workforce.

Occupational composition differs between the two sub-sectors. Government workplaces employ a higher proportion of Professionals (54%) than workplaces in the Wider Public Sector (42%). Managers also account for a slightly larger proportion of employment in Government organisations (11% compared with 7%). In contrast, workplaces in the Wider Public Sector record higher proportions of Technicians and Associate Professionals (14%), Clerical Support Workers (28%), and Elementary Occupations (5%) than Government workplaces.

Figure 62. Distribution of the Public Sector workforce by occupational category (%) (UW)

What percentage of current employees at your workplace/location belong to each of the following occupation categories?										
	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	221	9%	48%	10%	26%	2%	1%	1%	0%	3%
BY SECTOR										
Government	107	11%	54%	7%	25%	1%	0%	0%	0%	2%
Wider Public	114	7%	42%	14%	28%	2%	1%	1%	1%	5%

Notes:

1) *This question was answered by all respondents (N=221).*
2) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3 Vacancies Recruitment Practices and Senior Officials' Skills Needs

This section presents findings on job vacancies, recruitment practices, and recruitment challenges within Public Sector entities, providing insights into workforce demand, hiring activity, and evolving skills needs across Government and Wider Public sectors. Specifically, the analysis covers key recruitment criteria, the incidence, volume, and density of vacancies, job vacancies by occupational category, hard-to-fill vacancies and their reported impact, as well as the main causes underlying recruitment difficulties. Together, these results offer important evidence on staffing pressures and skills mismatches within the Public Sector and support the assessment of how effectively public entities are able to meet their workforce needs.

Recruitment practices in this context refer to the processes through which Public Sector entities recruit candidates to fill job vacancies. These practices differ substantially between the Government and the Wider Public Sector, with Government recruitment characterised by centralised, formalised procedures governed by the Public Service Commission, while recruitment in the Wider Public Sector is typically more decentralised and organisation-specific. As the questionnaire targets employers from private and senior officials in Government and Wider Public Entities two separate versions in the were developed to reflect fundamental differences in organisational structures, employment arrangements, recruitment processes, and performance objectives across sectors. The recruitment findings in this section are based on the 129 senior officials who were aware of or involved in recruitment at their organisation — approximately 58% of all responding senior officials. These figures therefore describe recruiting-aware entities rather than the Public Sector as a whole. Some findings rest on smaller sub-bases, where questions were filtered further — for example, to entities reporting at least one vacancy (N = 92) or hard-to-fill vacancies (N = 38).

4.3.1 Recruitment practices

In the context of the Employers' Skills Survey, recruitment in the Public Sector is examined as a means of understanding both short-term staffing needs and broader structural pressures affecting public employment. Public sector senior officials in Cyprus were therefore asked to report on their recruitment activity since 1 January 2023, including whether they attempted to recruit staff, the occupational categories targeted during recruitment, and the extent to which vacancies were filled or proved difficult to fill. It should be noted that recruitment practices in the Government and Wider Public Sector operate within a specific institutional and regulatory framework, and Public Sector entities do not typically have full autonomy over recruitment processes.

It should be noted that this section reflects the responses of senior officials who reported being aware of or involved in recruitment activities, rather than the full sample of Public Sector respondents. The number of respondents included in this analysis was reported in the corresponding figure notes.

4.3.1.1 Key recruitment criteria

The analysis of recruitment criteria is essential for understanding the criteria considered when selecting candidates. In the context of the current survey senior officials were presented with eleven key recruitment criteria and they were asked to indicate the five most important when recruiting new employees. This section is based on responses from the 129 survey respondents (out of 221) who indicated awareness of or involvement in recruitment activities within their division, department or unit.

Figure 63 presents the most important recruitment criteria reported by senior officials when recruiting new employees. Overall, the most frequently cited criteria were "possession of particular qualifications" (73%), "possession of relevant hard skills" (67%), and "work experience" (66%). "Good soft skills" (57%) and "passion, interest and enthusiasm for the job" (49%) were also commonly reported, while criteria such as participation in voluntary work or internships are cited by only a very small percentage of senior officials (2%). The

prominence of qualifications, hard skills and work experience reflects the structured nature of recruitment in the Government and Wider Public Sector, where selection processes are often governed by legislation, predefined eligibility requirements and transparent assessment procedures.

Differences were observed between Government and Wider Public sector responses. While both place great emphasis on the possession of qualification and relevant work experience, Wider Public entities reported higher importance for work experience (73% vs. 58%), Government entities place relatively greater emphasis on passion and enthusiasm for the job (54%) while Wider Public entities reported higher importance for digital/IT skills (52%), and having a specific foreign language qualification (33%).

Figure 63. Key recruitment criteria, as indicated by senior officials in the Government and Wider Public Entities (UW)

	n=	Possession of relevant hard skills	Good soft skills	Participation in voluntary work	Participation in an internship at this organisation	Participation in an internship in another organisation	Passion/interest and enthusiasm for the job	Digital/IT skills	Willingness to acquire new skills	Possession of particular qualifications	Work experience	Having a specific foreign language qualification	Other	Don't know
TOTAL POPULATION	129	67%	57%	2%	2%	2%	49%	47%	38%	73%	66%	29%	6%	0%
BY SECTOR														
Government	65	66%	55%	2%	3%	2%	54%	43%	37%	72%	58%	25%	5%	0%
Wider Public	64	67%	59%	2%	2%	2%	44%	52%	39%	73%	73%	33%	8%	0%

Notes:

1) *This question was answered by 129 senior officials who were aware of/involved in any way in recruitment at their workplace/location, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3.1.2 Number and type of vacancies

Exploring the number and type of vacancies in Public Sector entities was also explored to identify where recruitment needs were most pronounced and understand recruitment challenges and skills shortage. Percentages are based on respondents who reported being aware of or involved in recruitment activities (N = 129 out of a total of N = 221 respondents).

Figure 64 presents vacancy incidence, vacancy volume, and vacancy density in Public Sector during the reference period 2023–2024. Overall, 71% of senior officials reported at least one vacancy, indicating widespread recruitment activity. Respondents reported an average, of 10.42 vacancies, while vacancies corresponded to 18% of total employment.

Government entities reported similar vacancy incidence (72% versus 70%) and a higher vacancy density (21% versus 15%), despite a lower average vacancy volume (8.73 versus 12.11 vacancies) compared to Wider Public. These findings suggest that Government entities experience relatively higher vacancy pressure in relation to their workforce size, whereas Wider Public tends to experience vacancies in larger absolute numbers.

Figure 64. Vacancy incidence, volume and density in the Public Sector sample for the reference period 2023-2024 (UW)

	n=	Vacancy incidence Share of entities with at least one vacancy.	Vacancy Volume The number of vacancies experienced	Vacancy density Number of vacancies relative to total employment
TOTAL POPULATION	129	71%	10.42	18%
BY SECTOR				
Government	65	72%	8.73	21%
Wider Public	64	70%	12.11	15%

Notes:

1) *This question was answered by 129 respondents who were aware of/involved in any way in recruitment at their workplace/location, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 65 presents the average number of reported job vacancies advertised by Public Sector entities for the reference period 2023-2024, disaggregated by occupational category. Percentages are based on respondents who reported at least one job vacancy since 1 January 2023 (N = 92 out of a total of N = 221 respondents).

Overall, the highest average number of vacancies was reported for Clerical Support Workers (6.0) and Professionals (5.8), followed by Technicians and Associate Professionals (2.1) and Service and Sales Workers (1.5). By contrast, very few vacancies were reported in manual or production-related occupations, including Craft and Related Trades Workers and Skilled Agricultural, Forestry and Fishery Workers, where reported vacancy volumes are negligible. The pattern of vacancies largely reflects the nature of employment in the Government and Wider Public Sector. Public sector relies heavily on administrative, professional and technical staff to deliver services, implement policies and support day-to-day operations. As a result, recruitment activity tends to be concentrated in these occupational groups. The relatively high number of vacancies for Professionals points to a continuing need for specialised knowledge and expertise while the strong demand for Clerical Support Workers highlights the importance of administrative roles in ensuring the effective functioning of Public Sector entities.

Some differences were observed in reported job vacancies by senior officials between Government and Wider Public Sector. Government sector reported higher average vacancy volumes for Professionals (6.5) and Service and Sales Workers (1.9), while Wider Public sector reported a notably higher average number of vacancies for Clerical Support Workers (9.1).

Figure 65. Average number of reported job vacancies by occupation categories in the Public Sector sample (UW)

Approximately, how many job vacancies have been advertised since the 1st of January 2023, by Occupation category?	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	92	0.5	5.8	2.1	6.0	1.5	0.0	0.0	0.3	0.6
BY SECTOR										
Government	47	0.6	6.5	2.0	3.0	1.9	0.0	0.0	0.0	0.3
Wider Public	45	0.4	5.0	2.2	9.1	1.0	0.1	0.0	0.7	0.9

Notes:

1) *This question was answered by 92 respondents who reported at least one job vacancy at their workplace/location since 1st January 2023, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3.2 Hard-to-fill vacancies

Collecting evidence on hard-to-fill vacancies and their impact provides valuable insight into recruitment difficulties faced by in the Public Sector. These data help identify occupations and sectors where labour demand exceeds the available supply of suitably qualified candidates supporting evidence-based policy for improving the alignment between education, training systems, and labour-market needs. The findings presented in this section are based on the 92 survey respondents who reported at least one job vacancy at their workplace/location since 1 January 2023. This represents a subset of the 129 respondents who indicated awareness of or involvement in recruitment activities, and 42% of total Public Sector respondents (N = 221). Findings should be interpreted in this context, as they reflect the experiences of Public Sector divisions with active recruitment during the reference period, rather than the Public Sector as a whole.

4.3.2.1 Hard-to-fill Vacancies Incidence and Impact

Figure 66 presents the incidence of hard-to-fill vacancies in Public Sector entities, showing the percentage of senior officials who reported recruitment difficulties during the reference period. Overall, 41% of respondents reported that some of their vacancies were hard to fill, while a majority (54%) reported no hard-to-fill vacancies. A small percentage of senior officials (4%) reported uncertainty regarding the presence of any job vacancies proving hard to fill.

Figure 66. Hard-to-fill vacancy Incidence: Percentage of senior officials reporting recruitment difficulties and are experiencing Hard-to-fill vacancies (UW)

Are any of the job vacancies proving hard to fill?				
	n=	Yes	No	Don't know
TOTAL POPULATION	92	41%	54%	4%
BY SECTOR				
Government	47	43%	49%	9%
Wider Public	45	40%	60%	

Notes:

1) *This question was answered by 92 respondents who reported at least one job vacancy at their workplace/location since 1st January 2023, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 67 presents the occupational categories associated with hard-to-fill vacancies in Public Sector entities participating in the survey during 2023–2024. These findings are drawn from the 38 survey respondents who identified at least one hard-to-fill vacancy — a subset of the 92 respondents who reported at least one vacancy during the reference period. Given the small number of respondents, findings are indicative

Overall, hard-to-fill vacancies were related to the occupational categories of Professionals (50%) and Technicians and Associate Professionals (50%), followed by Clerical Support Workers (32%).

Figure 67. Hard-to-fill job vacancies by occupation categories as reported by senior officials in the Public Sector (UW)

Please indicate which job vacancies proved hard to fill from the following occupation categories.										
	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	38	8%	50%	50%	32%	3%	0%	3%	0%	5%
BY SECTOR										
Government	20(i)	5%	55%	50%	35%	0%	0%	0%	0%	10%
Wider Public	18(i)	11%	44%	50%	28%	6%	0%	6%	0%	0%

Notes:

1) *This question was answered by 38 respondents who reported hard-to-fill job vacancies, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple occupation categories.*
3) *UW - Data is unweighted and describes only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 68 presents the level of perceived impact that hard-to-fill vacancies have had on the overall performance of Public Sector entities. Percentages are based on respondents who reported experiencing hard-to-fill job vacancies (N = 38 out of a total of N = 221 respondents).

Overall, 66% of Public Sector senior officials reported that recruitment difficulties have had a major impact on organisational performance, while a further 29% reported a minor impact indicating that hard-to-fill vacancies are widely perceived as affecting performance in the Public Sector.

Figure 68. Perceived level of impact of hard-to-fill job vacancies on the performance of Public Sector entities (UW)

Have the challenges in filling these job vacancies had any impact on the overall performance of your organisation?				
	n=	Yes, a major impact	Yes, a minor impact	No impact
TOTAL POPULATION	38	66%	29%	5%
BY SECTOR				
Government	20(i)	70%	30%	
Wider Public	18(i)	61%	28%	11%
(i): Interpret with caution				

Notes:

1) *This question was answered by 38 respondents who reported hard-to-fill job vacancies, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 69 presents the organisational consequences of hard-to-fill job vacancies in Public Sector entities, as reported by senior officials that had indicated that they experienced hard-to-fill vacancies. Percentages are based on respondents who reported a major or minor impact of hard-to-fill job vacancies on organisational performance (N = 34 out of a total of N = 221 respondents).

Overall, the most frequently reported consequence was increased workloads for other staff (85%). This was followed by delays in developing new products or services (47%), difficulties meeting set quality standards (41%), and difficulties introducing new working practices, systems and tools (38%). Smaller percentages of senior officials reported partial and/or full outsourcing of certain pieces of work (32%) and higher operating costs (18%), while loss of business or orders (9%) was reported less frequently.

Both sub-sectors reported, increased workloads for other staff (89% and 81% respectively). Among the Government sector the second most reported impact was difficulties meeting set quality standards (50%) while, in the Wider Public sector delays in developing new products or services (50%)

Figure 69. Perceived Impacts of Hard-to-fill Job Vacancies on the Performance of Public Sector Entities (UW)

	This impact has led the organisation to…								
	n=	Loss of business or orders	Delay developing new products or services	Difficulties meeting set quality standards	Higher operating costs	Difficulties introducing new working practices, systems and tools	Increased workloads for other staff	Partial and/or full outsourcing of certain pieces of work	Other
TOTAL POPULATION	34	9%	47%	41%	18%	38%	85%	32%	3%
BY SECTOR									
Government	18(i)	11%	44%	50%	22%	39%	89%	28%	0%
Wider Public	16(i)	6%	50%	31%	13%	38%	81%	38%	6%

Notes:

1) *This question was answered by 34 respondents who reported a major or minor impact of hard-to-fill job vacancies on organisational performance, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple options.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3.2.2 Recruitment Difficulties

Collecting evidence on the main reasons for recruitment difficulties provides important insight into the factors that prevent senior officials from successfully filling job vacancies. These data help distinguish between challenges related to skills, qualifications, experience, and broader labour-market conditions, while also highlighting structural barriers that affect senior officials' ability to attract suitable candidates. Understanding the underlying causes of recruitment difficulties supports evidence-based policy aimed at addressing skills shortage, improving workforce preparedness, and strengthening the alignment between labour-market demand and available supply.

Figure 70 presents where senior officials attribute hard-to-fill vacancies in Public Sector. Percentages are based on respondents who reported experiencing hard-to-fill job vacancies (N = 35 out of a total of N = 221 respondents). Overall, 46% of senior officials reported that hard-to-fill vacancies were due to a lack of required skills and of required qualifications. A smaller proportion (29%) attribute recruitment difficulties to a lack of experience, while 31% of senior officials indicated that they do not know the underlying cause.

Figure 70. Skills, Qualifications, and Experience Gaps as Reasons for Hard-to-fill Vacancies in Public Sector sample (UW)

Are any of the hard-to-fill vacancies a result of a shortage of applicants with the skills, qualifications or experience required to do the job?					
	n=	Lack of required skills	Lack of required qualifications	Lack of experience	Don't know
TOTAL POPULATION	35	46%	46%	29%	31%
BY SECTOR					
Government	18(i)	22%	33%	22%	39%
Wider Public	17(i)	71%	59%	35%	24%
(i): Interpret with caution					

Notes:

1) *This question was answered by 35 respondents who reported hard-to-fill job vacancies, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3.2.3 Occupational Categories Experiencing the Greatest Difficulty in Filling Vacancies

To explore hard-to-fill job vacancies in greater depth, senior officials were asked to focus on a single occupational category. Specifically, 38 senior officials who reported vacancies that were hard-to-fill were asked to select the one occupational category for which they experienced the greatest recruitment difficulty. Subsequent questions then examined the reasons for recruitment challenges, the specific causes contributing to these difficulties, and the skills that proved most challenging to identify among applicants within the selected occupation. This approach allows for a more detailed and focused analysis of recruitment difficulties at the occupational level.

Figure 71 presents the occupational categories for which Public Sector senior officials experience the greatest difficulty in filling job vacancies. Overall, recruitment difficulties were most frequently reported for Technicians and Associate Professionals (39%) and Professionals (34%).). Very small percentages were reported in other occupational categories.

Figure 71. Occupational Categories Identified by Senior Officials as the Hardest to Fill in the Public Sector (UW)

Choose only one of the occupation categories for which you have experienced the most difficulties to fill in job vacancies.										
	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	38	3%	34%	39%	16%	3%		3%		3%
BY SECTOR										
Government	20(i)		35%	40%	20%					5%
Wider Public	18(i)	6%	33%	39%	11%	6%		6%		

Notes:

1) *This question was answered by 38 respondents who reported hard-to-fill job vacancies, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

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Figure 72 presents the main reasons reported by Public Sector senior officials for recruitment challenges in the occupational category they identified as the hardest to fill. Percentages are based on respondents who reported experiencing hard-to-fill job vacancies (N = 38 out of a total of N = 221 respondents) irrespective of the occupational category selected.

Overall, the most frequently cited causes were "Not enough people interested in doing this type of job" (50%), "Poor employment terms and conditions (e.g., remuneration) offered" (42%) and "Limited number of applicants with the required skills" (39%).

Figure 72. Main Reasons Cited by Senior Officials for Difficulty in Filling Vacancies in Three Occupational Categories (UW)

What are the main causes of the challenge to fill the job vacancies for the occupation category?															
	n=	Competition from other employers	Not enough people interested in doing this type of job	Poor employment terms and conditions (e.g., remuneration) offered	Limited number of applicants with the required skills	Limited number of applicants with the required attitude, motivation or	Limited number of applicants generally	Limited number of applicants having the required work experience	Limited number of applicants having the required academic qualifications	Limited number of applicants having the required professional qualifications	Poor career progression/lack of prospects	Job entails shift work/unsociable hours	Work is seasonal or temporary	Remote location/poor public transport	Other
TOTAL POPULATION	38	34%	50%	42%	39%	18%	37%	24%	5%	18%	24%	5%	13%	13%	16%
BY SECTOR															
Government	20(i)	25%	60%	25%	40%	10%	25%	20%	10%	30%	10%	5%	10%	15%	30%
Wider Public	18(i)	44%	39%	61%	39%	28%	50%	28%	0%	6%	39%	6%	17%	11%	0%
OCCUPATION SELECTED															
Professionals	13(i)	31%	38%	46%	54%	23%	31%	31%	8%	38%	23%	0%	8%	0%	8%
Technicians and Associat	15(i)	40%	47%	47%	47%	13%	27%	20%	7%	13%	20%	13%	7%	13%	13%
Clerical Support Workers	6(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note: Other Occupations are excluded due to limitation in the number of responses															

Notes:

1) *This question was answered by 38 respondents who reported hard-to-fill job vacancies and refers to the occupation selected as most difficult to recruit, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.3.2.4 Skills Shortages in Hardest-to-Fill Occupational Categories

Examining skills shortage in the occupational categories that senior officials find hardest to fill provides important insight into the specific skill gaps contributing to recruitment difficulties. Senior officials were asked to indicate the skills that were most difficult-to-find among applicants for the occupational category identified as having the hardest-to-fill vacancies. Figure 73 presents the skills that Public Sector senior officials reported as most challenging to identify among applicants. Percentages are based on respondents who reported experiencing hard-to-fill job vacancies (N = 38 out of a total of N = 221 respondents). Due to the small number of respondents, the overall percentages are presented for all three occupational categories and not for each occupational category.

Overall, the most frequently reported challenges relate to Self-management Skills particularly Taking a proactive approach (42%), Willingness to learn (37%) and Time management (37%). Difficulties were also reported for Soft Skills, particularly Identifying and solving complex problems (39%), Teamwork skills (37%), and Ability to communicate effectively (37%).

Figure 73. Most challenging skills to identify in interested applicants in the Public Sector (UW)

Which of the following skills have proven most challenging to identify in interested applicants for the job vacancy in the selected occupation category?																												
		Digital Skills		Soft Skills								Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Operational Skills	Other
	n=	Ability for applied use of information and communication technologies (ICT)	Ability for advanced use of information and communication technologies (ICT)	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals or reports) in Greek	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals or reports) in English	Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy, water and limit pollution and	Specialist skills or knowledge needed to perform th role	Knowledge of how the organisation works	Other skills
TOTAL POPULATION	38	34%	26%	39%	37%	37%	11%	26%	34%	24%	32%	42%	37%	37%	26%	18%	32%	24%	29%	11%	5%	24%	5%	8%	16%	34%	11%
BY SECTOR																											
Government	20(i)	35%	25%	45%	35%	30%	15%	25%	40%	30%	35%	35%	35%	45%	40%	0%	10%	20%	25%	10%	5%	20%	5%	15%	20%	30%	20%
Wider Public	18(i)	33%	28%	33%	39%	44%	6%	28%	28%	17%	28%	50%	39%	28%	11%	39%	56%	28%	33%	11%	6%	28%	6%	0%	11%	39%	0%
OCCUPATION SELECTED																											
Professionals	13(i)	31%	23%	38%	38%	23%	8%	31%	31%	23%	46%	31%	46%	46%	31%	15%	38%	8%	38%	8%	0%	23%	0%	8%	38%	38%	0%
Technicians and Associate	15(i)	20%	33%	47%	20%	27%	20%	13%	33%	7%	20%	47%	13%	20%	20%	20%	40%	33%	33%	7%	0%	20%	13%	7%	7%	27%	13%
Clerical Support Workers	6(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note: Other Occupations are excluded due to limitation in the number of responses																											

Notes:

1) *This question was answered by 38 respondents who reported hard-to-fill job vacancies, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

In cases where a lack of digital skills was reported, respondents were asked to clarify the specific skills that were missing. A total of 34% reported challenges regarding applied digital skills while 26% regarding advanced digital skills. Figure 74 presents the digital skills that Public Sector senior officials reported as most challenging to identify among applicants for the hardest-to-fill job vacancies, based on the selected occupational category. Percentages are based on respondents who identified digital skills among the most challenging-to-identify skills among applicants (N = 19 out of a total of N = 221 respondents). Due to the small number of respondents, again the overall percentages are presented for all three occupational categories and not for each occupational category. Overall, the digital skills reported as missing from interested applicants are "Advanced Microsoft Office skills" and "Data analysis / analytics / data science skills" (each cited by 53% of respondents), followed by "Cybersecurity" (47%) and "Basic Microsoft Office skills" (42%).

Figure 74. Most challenging-to-identify digital skills amongst interested applicants as reported by senior officials (UW)

Which of the following Digital Skills have proven most challenging to identify in interested applicants for the job vacancy in the selected occupation category? (n=19(i))	
Skill	**Yes**
Foundation digital skills – such as, turning on devices, typing, changing passwords, connecting to the internet	26%
Communicating via email	16%
Basic Microsoft Office skills (Word, Excel, PowerPoint, Outlook, etc.)	42%
Advanced Microsoft Office skills (Word, Excel, PowerPoint, Outlook, etc.)	53%
Completing transactions online	16%
Using the internet to find solutions to problems	32%
Being safe and legal online – e.g., understanding online risks and threats	37%
Animation skills	11%
Multimedia production skills	21%
Graphic design / design engineering skills (incl. Computer Aided Design [CAD] skills)	21%
Building and maintaining IT systems and networks	26%
Web development skills	32%
Application ("app") programming and development skills	21%
Data analysis/ analytics/ data science skills (using software such as R, SPSS, SAS, SQL, etc.)	53%
Artificial Intelligence – Machine Learning	37%
Cybersecurity	47%

Notes:

1) *This question was answered by 19 respondents who identified digital skills – among other – as most challenging-to-identify skills amongst applicants, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers,*
3) *Due to the small number of respondents, the overall percentages are presented for all three occupational categories and not for each occupational category*
4) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.4 Recruitment of Recent Graduates

Facilitating the transition of young people from education into the labour market is a core priority of the European youth employment policy framework – "Youth Guarantee", which emphasises the importance of graduate employability and entry-level opportunities (EUR-LEX, 2020). Ensuring that HEI equip graduates with relevant skills, and that senior officials actively provide pathways for hiring them, is vital to fostering inclusive and sustainable growth. In this context, recent graduates are defined as employees who have earned a Certificate, Diploma, Bachelor's, Master's or PhD degree from Higher Education in 2018 or later.

In this context, this section presents statistical evidence on Public Sector senior officials' experiences and views regarding the recruitment of recent graduates, covering the reference period between January 2023 and 2024. Specifically, the section examines whether Public Sector entities recruited recent graduates, the levels of qualifications required, the fields of study in which graduates were expected to be qualified, and senior officials' assessments of the preparedness of graduates from Cyprus HEIs for employment. In addition, the section explores the skills demonstrated by graduates recruited since 2023. Together, these indicators provide a comprehensive overview of how recent graduates are entering the Public Sector and highlight areas where closer alignment between Higher Education and Public Sector labour market needs may be required.

4.4.1 Recruitment of Recent Graduates

To capture the extent to which public entities in Cyprus recruit recent graduates, senior officials were asked to indicate whether, for the reference period, individuals who had recently completed Higher Education had joined their organisation or division. Figure 75 presents Public Sector entities responses.

Overall, 36% of senior officials reported that at least one recent HE graduate has joined their entity/division during the reference period. Similar percentages have been observed in both Government and Wider Public sectors (both 36%).

Figure 75. Recruitment of recent graduates in the Public Sector for the reference period 2023-2024 (UW)

Since January 2023, has anyone who has recently graduated from Higher Education Institutions joined your organisation/division?		
	n=	Yes
TOTAL POPULATION	219	36%
BY SECTOR		
Government	106	36%
Wider Public	113	36%

Notes:

1) *This question was answered by 219 respondents, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.4.1.1 Field-of-study requirements for recently recruited graduates in the Public Sector

Figure 76 presents the percentage of Public Sector entities that required recently recruited Higher Education graduates to hold a qualification in a specific field of study. Percentages are based on respondents who

reported recruiting recent graduates during 2023 (N = 79 out of a total of N = 221 respondents). Overall, 76% of Public Sector senior officials reported that a specific field of study was required, while 23% reported no such requirement and 1% indicated uncertainty.

Figure 76. Recruited Graduates' requirement for a qualification in a specific field of study (UW)

Did you require Higher Education graduates to have a qualification in a specific field of study?				
	n=	Yes	No	Don't know
TOTAL POPULATION	79	76%	23%	1%
BY SECTOR				
Government	38	71%	26%	3%
Wider Public	41	81%	20%	

Notes:

1) *This question was answered by 79 respondents who reported recruiting recent graduates between January 2023-2024, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 77 presents the fields in which Higher Education (HE) graduate recruits were required to be qualified, as reported by Public Sector senior officials. In the questionnaire, respondents were presented with 19 fields of study, based on the internationally recognised classifications of ISCED fields of study. Percentages are based on respondents who reported requiring Higher Education graduates to hold a qualification in a specific field of study (N = 60 out of a total of N = 221 respondents). Multiple responses were allowed.

Overall, the largest percentage of senior officials reported requiring qualifications in Business and Administration (43%), followed by Engineering, Manufacturing and Construction (33%), and ICT (32%). The pattern was broadly similar for Wider Public entities but for Government the largest percentage was noted for Law (44%).

Figure 77. Fields of study required by Public Sector entities when recruiting recent Higher Education graduates (%) (UW)

In what subject areas (fields of study) did you require new joiners to be qualified?																			
	n=	Education Science	Teacher Training	Arts	Humanities	Languages	Social sciences, journalism, and information	Psychology	Business and administration	Law	Natural sciences, mathematics and statistics	ICT	Engineering, manufacturing, construction	Architecture and town planning	Agriculture, forestry, fisheries, veterinary	Medicine, Dental Studies	Health	Pharmacy	Welfare	Services
TOTAL POPULATION	60	10%	2%	2%	8%	8%	17%	3%	43%	25%	13%	32%	33%	3%	2%	0%	5%	0%	2%	7%
BY SECTOR																				
Government	27(i)	4%	4%	4%	7%	4%	26%	0%	37%	44%	19%	26%	30%	4%	4%	0%	7%	0%	0%	7%
Wider Public	33	15%	0%	0%	9%	12%	9%	6%	48%	9%	9%	36%	36%	3%	0%	0%	3%	0%	3%	6%

Notes:

1) *This question was answered by 60 respondents who require their HEIs' graduates to have a qualification in a specific field of study, following the exclusion of non-response and invalid cases.*

2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.4.1.2 Recruitment of recent graduates into non-graduate roles in the Public Sector

Figure 78 presents senior officials' responses on whether, since January 2023, recent Higher Education graduates had been appointed to posts that did not require a Higher Education qualification, as defined by the relevant Scheme of Service. This is an indication of vertical mismatch reflecting an underutilisation of graduates' educational qualifications in the labour market. Percentages are based on respondents who reported recruiting recent graduates during 2023 (N = 77 out of a total of N = 221 respondents).

Overall, 58% of senior officials reported appointments of recent Higher Education graduates to non-graduate posts during the reference period: 16% reported many such appointments and 42% some. In contrast, 31% reported no such appointments, and a further 12% did not know. The pattern was broadly similar across Government and Wider Public Entities. This finding suggests that the under-utilisation of graduates' qualifications is common among responding entities (reported by over half of those that recruited recent graduates). and that it co-exists with a workforce that is predominantly highly educated. The survey did not establish the underlying reasons.

Figure 78. Appointment of recent Higher Education graduates to non-graduate jobs in Public Sector sample (UW)

Since the 1st of January 2023, did you have any Higher Education graduates appointed into jobs which do not require that a Higher Education qualification, as per the relevant Scheme of Service?

	n=	Yes, we have many Higher Education graduates working in non-graduate jobs	Yes, we have some Higher Education graduates working in non-graduate jobs	We do not have any Higher Education graduates working in non-graduate jobs	Don't know
TOTAL POPULATION	77	16%	42%	31%	12%
BY SECTOR					
Government	37	16%	41%	30%	14%
Wider Public	40	15%	43%	33%	10%

Notes:
1) *This question was answered by 77 respondents who reported recruiting recent graduates, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.4.2 Recruiting Recent Graduates from Cyprus Higher Education Institutions and their Preparedness for Employment

Exploring whether public entities recruit recent graduates from Cyprus Higher Education Institutions is one indicator of the link between the national Higher Education system and the Public Sector labour market

(European Commission, EC, 2020). It captures the role of local Higher Education provision as a source of new entrants to the Public Sector workforce.

In the section below, senior officials who reported recruiting recent graduates were asked to indicate if they recruited recent graduates from Cyprus HEIs. Figure 79 presents that overall, 68% of senior officials reported having appointed recent HE graduates from Cyprus HEIs, while 23% reported no such recruitment and 9% indicated that they do not know. Similar pattern was observed between Government and Wider Public sector entities.

Figure 79. Recent graduates recruited from Cyprus HEIs by Public Sector entities (UW)

Since January 2023, have recent graduates from Cyprus Higher Education Institutions been appointed?				
	n=	Yes	No	Don't know
TOTAL POPULATION	79	68%	23%	9%
BY SECTOR				
Government	38	68%	21%	11%
Wider Public	41	68%	24%	7%

Notes:

1) *This question was answered by 79 respondents who reported recruiting recent graduates during 2023*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 80 presents the percentages of Public Sector entities recruiting recent graduates from Cyprus HEIs for the reference period 2023-2024, distinguishing between graduates of Universities, ITEs, and graduates from both types of institution. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 54 out of a total of N = 221 respondents).

Overall, 87% of Public Sector entities reported that recruited graduates graduated from a University, while 9% reported recruiting graduates from both Universities and ITEs. Only a very small percentage of entities (2%) reported recruiting graduates exclusively from ITEs, and a further 2% reported that they do not know.

Figure 80. Recent graduates recruited from Cyprus HEIs by Public Sector entities by type of Higher Education Institution (UW)

	n=	A University	An Institution of Tertiary Education	Both	Don't know
TOTAL POPULATION	54	87%	2%	9%	2%
BY SECTOR					
Government	26(i)	85%	4%	8%	4%
Wider Public	28(i)	89%		11%	

Notes:

1) *This question was answered by 54 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 81 presents the percentage of Public Sector entities that recruited recent graduates from Cyprus HEIs by ISCED level for the reference period between January 2023 and 2024. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 54 out of a total of N = 221 respondents).

Overall, the majority of senior officials reported recruiting graduates with a Bachelor's degree (ISCED level 6), cited by 76% of senior officials. A high percentage of senior officials (67%) reported recruiting graduates with a Master's degree (ISCED level 7). Recruitment of graduates from short cycle Higher Education (ISCED level 5) was reported by 26% of public entities, while only a small proportion (9%) reported recruiting PhD graduates (ISCED level 8). A very small percentage of senior officials (4%) indicated that they do not know the qualification level of recruited graduates.

Figure 81. Recent graduates recruited from Cyprus HEIs by Public Sector entities, by level of qualification (UW)

Have these new joiners graduated from programs of study at... (n=54)	
ISCED Level	**%**
Level 5 (A Diploma or Certificate)	26%
Level 6 (A bachelor level degree)	76%
Level 7 (A postgraduate degree - Master)	67%
Level 8 (A doctorate degree – PhD)	9%
Don't know	4%

Notes:

1) *This question was answered by 54 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *Percentages may not sum to 100%, as respondents were permitted to select multiple qualification levels.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.4.2.1 Perceived preparedness and skills assessment of recently recruited graduates from Cyprus Higher Education Institutions

Public sector senior officials were asked to assess how well-prepared recent graduates from Cyprus HEIs were for employment. Figure 82 presents senior officials' responses. Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 54 out of a total of N = 221 respondents).

Overall, most senior officials rated recently recruited graduates as at least moderately prepared: 33% rated them moderately prepared, 32% well prepared and 17% very well prepared. Senior officials in Government rated the preparedness of recent graduates from Cyprus Higher Education Institutions more favourably than their counterparts in the Wider Public Sector.

Figure 82. Perceived preparedness of recent graduates from Cyprus HEIs for the labour market by senior officials (UW)

Overall, how well prepared for employment were recent graduates from Cyprus Higher Education Institutions?						
	n=	Not prepared at all	Slightly prepared	Moderately prepared	Well prepared	Very well prepared
TOTAL POPULATION	54	4%	15%	33%	32%	17%
BY SECTOR						
Government	26(i)	8%	15%	27%	39%	12%
Wider Public	28(i)		14%	39%	25%	21%

Notes:

1) *This question was answered by 54 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 83 presents senior officials' assessments of how well prepared for employment recent graduates from Cyprus HEIs are across eight broad skill categories (Digital Skills, Soft Skills, Self-management Skills, Core Skills, Manual Skills, Green Skills, Hard Skills, and Operational Skills) based on a seven-point scale ranging from 1 ("Very low") to 7 ("Very high"). Percentages are based on respondents who reported recruiting recent graduates from Cyprus HEIs (N = 54 out of a total of N = 221 respondents).

Respondents generally rated graduates as moderately to well-prepared across most areas. The strongest ratings were for willingness to learn, rapid acquisition of new knowledge, applied ICT use, basic numeric skills and Greek-language skills. The skills rated moderately were writing various texts, communicating orally and in written in a foreign language, manual dexterity and green skills. Finally, the skills rated lowest are leading others (the lowest-rated skill), followed by taking a proactive approach and identifying and solving complex problems. These findings point to a consistent pattern: graduates are seen as well prepared for foundational and collaborative tasks, and less prepared for advanced, specialised or leadership-oriented ones.

Specifically, in terms of Digital skills, applied ICT use is rated strongly as the large majority of senior officials placing graduates at the upper end of the scale (points 5–7). Advanced ICT use was rated noticeably lower, with ratings shifted towards the middle and lower range. This points to graduates being seen as better prepared for routine than for advanced technology use.

In terms of soft skills, senior officials rated graduates well prepared for teamwork, effective communication, adapting to change, analytical thinking and the rapid acquisition of new knowledge, with ratings clustered at the upper end of the scale. Leading others was the weakest-rated soft skill, with ratings concentrated towards the lower and middle points and the largest percentage at point 3. Leading others was the skill with the lowest perceived preparedness. Identifying and solving complex problems was also rated more modestly than the other soft skills.

In terms of self-management skills, senior officials generally rated graduates in the upper-middle range. Willingness to learn was among the strongest-rated areas in the table, with ratings concentrated at the upper end of the scale. Taking a proactive approach and organising information, objects and resources were rated a little lower, with more ratings falling at the middle of the scale. suggesting that while graduates demonstrate motivation to learn, further development may be needed in areas related to initiative and effective self-organisation within the workplace.

In terms of core skills, senior officials rated graduates highly on reading and understanding written text in Greek, writing texts in Greek, and basic numerical skills. English-language reading and writing, and advanced numerical or statistical skills, were rated more modestly, with ratings recorded lower compared to their Greek-language and basic-numeracy counterparts.

In terms of green skills respondents rated graduates' preparedness for implementing practices to reduce the use of raw materials, energy and water and to limit pollution and waste among the lower areas in the table with ratings concentrated towards the middle of the scale and few at the upper end. This might suggest that green-related skills receive less emphasis in current graduate preparation.

Manual, hard skills and operational skills presented the same pattern, Manual dexterity, the specialist skills or knowledge needed to perform the role, and knowledge of how the organisation works were each rated in the middle-to-upper range, with ratings concentrated around the middle of the scale — broadly in line with the overall pattern These findings describe how senior officials perceived graduate preparedness, not measured competence, and rest on a small sample. The survey identified a pattern but not its causes.

Figure 83. Senior officials' assessment of the skills of recently recruited graduates from Cyprus HEIs (UW)

Please evaluate the level of skills demonstrated by recent graduates from Cyprus Higher Education Institutions that you recruited in the past year on a 7-point scale. (n=54)									
		1 - very low	2	3	4 - moderate	5	6	7 - very high	0% 20% 40% 60% 80% 100%
Digital Skills	Ability for applied use of information and communication technologies (ICT)	0%	7%	2%	6%	30%	35%	20%	
	Ability for advanced use of information and communication technologies (ICT)	7%	4%	4%	17%	31%	26%	11%	
Soft Skills	Identifying and solving complex problems	6%	0%	15%	30%	26%	19%	6%	
	Ability to communicate effectively	0%	2%	9%	24%	39%	17%	9%	
	Teamwork skills	0%	6%	4%	25%	42%	13%	11%	
	Leading others	6%	7%	30%	26%	17%	13%	2%	
	Adapting to changes and new equipment	2%	4%	2%	28%	33%	22%	9%	
	Analytical & critical thinking	2%	2%	11%	24%	37%	15%	9%	
	Ability to rapidly acquire new knowledge	0%	2%	7%	22%	24%	28%	17%	
	Think creatively and innovatively	2%	4%	7%	26%	33%	17%	11%	
Self-Management Skills	Taking a proactive approach	2%	2%	15%	35%	31%	9%	6%	
	Willingness to learn	0%	4%	6%	13%	30%	35%	13%	
	Time management	2%	2%	15%	26%	31%	17%	7%	
	Organising information, object and resources	2%	2%	15%	20%	39%	17%	6%	
Core Skills	Reading and understanding written text in Greek	0%	2%	2%	9%	33%	33%	20%	
	Writing various texts (instructions, guidelines, manuals or reports) in Greek	0%	2%	6%	22%	35%	19%	17%	
	Reading and understanding written text in English	0%	6%	0%	26%	37%	24%	7%	
	Writing various texts (instructions, guidelines, manuals or reports) in English	0%	6%	2%	44%	22%	22%	4%	
	Communicating orally and in written in another language	6%	4%	9%	30%	30%	19%	4%	
	Basic numerical skills	0%	0%	2%	19%	32%	23%	25%	
	Advanced numerical or statistical skills	2%	8%	11%	19%	32%	21%	8%	
Manual Skills	Manual dexterity	2%	6%	7%	30%	33%	17%	6%	
Green Skills	Implementing practices to reduce the use of raw materials, energy, water and limit pollution and waste	4%	7%	4%	30%	31%	22%	2%	
Hard Skills	Specialist skills or knowledge needed to perform the role	2%	4%	13%	22%	33%	17%	9%	
Operational Skills	Knowledge of how the organisation works	0%	2%	17%	22%	33%	19%	7%	

Notes:

1) *This question was answered by 54 respondents who reported recruiting recent graduates from Cyprus Higher Education Institutions in the past year, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.5 Current Staff Proficiency and Future Outlook

This section presents findings on the proficiency levels of current staff and the anticipated future skill needs within Public Sector entities, shedding light on workforce capabilities and expected developments over the next five years. Examining staff proficiency and future skill requirements is critical for identifying potential skills gaps that may affect organisational performance and longer-term growth. It enables senior officials to evaluate whether employees possess the competencies required to meet evolving job demands and supports the identification of priority areas for upskilling and reskilling, allowing entities to remain effective and adaptable in a changing labour-market environment.

Within this framework, staff proficiency is first examined across occupational categories within organisations, providing an overview of how proficiency levels vary by occupation. This was followed by a more detailed analysis of the single occupational category for which insufficient proficiency was identified by senior officials as posing the most significant barrier for day-to-day operations or organisational growth. For this selected occupational category, senior officials were asked to assess staff proficiency across eight key skill domains, allowing for a more granular understanding of the specific skills where gaps were most pronounced.

4.5.1 Proficiency of current staff in the Public Sector

Assessing the current proficiency levels of the workforce is central to the European Skills Agenda (European Commission, EC, 2020) which highlights the importance of ensuring that employees' competencies remain aligned with emerging labour market demands. This section examines senior officials' assessment of the proficiency levels of their current staff across key occupational categories and skill areas. Staff proficiency reflects the extent to which employees possess the knowledge, technical abilities, and transversal skills required to perform their roles effectively. Assessing current proficiency levels enables entities identify strengths and weaknesses of the workforce and helps identify areas where further investment in training and development is required.

4.5.1.1 Perceived proficiency levels of current staff

In the questionnaire, senior officials were asked to indicate the proportion of the employees within each occupation category who are fully proficient at their job. Figure 84 presents the employees' proportions considered to be fully proficient in their roles, by occupational category as per the senior officials' assessment. Overall, high levels of full proficiency were reported across most occupation categories, indicating that senior officials generally perceive their staff as having the necessary skills and competencies to perform their roles effectively.

Using employee-based weighting, the findings indicate Professionals recorded the highest level of full proficiency, at 88%. This was followed by Managers and Technicians and Associate Professionals, both at 76%. Employees in Elementary Occupations had the lowest reported proficiency level, at 67%, although this estimate should be interpreted with caution because of the relatively small analytical base.

Figure 84. Perceived proficiency levels of employees in the Public Sector, by occupational category (UW and EeOW)

What percentage of employees within each occupation category would you consider to be fully proficient at their job , i.e., they demonstrate the required level of skills needed to do the job?			
Occupation		**Unweighted**	**Employee-based Occupation Weights**
Managers	120	84%	76%
Professionals	168	84%	88%
Technicians and Associate Professionals	76	75%	76%
Clerical Support Workers	152	79%	69%
Service and Sales Workers	7(s)	-	-
Skilled Agricultural, Forestry and Fishery Workers	3(s)	-	-
Craft and Related Trades Workers	9(s)	-	-
Plant and Machine Operators, and Assemblers	9(s)	-	-
Elementary Occupations	28(i)	68%	67%

Notes:

1) *This question was answered by all respondents (N=221).*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *EeOW - All results are based on Employee-based Occupation Weights, where occupation-specific weights were applied separately within each occupation category selected by senior officials. Given that the analysis was conducted independently for each occupation using its corresponding weight, cross-occupational statistical comparisons (e.g., tests of association between skills and occupations) were neither appropriate nor performed.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.5.1.2 Perceived effect of low proficiency levels among current staff on organisational performance

Figure 85 presents the perceived effect of low staff proficiency on the overall performance of the entity. Percentages are based on respondents who reported less than full employee proficiency (N = 128 out of a total of N = 221 respondents).

Overall, the majority of senior officials reported that lack of full proficiency has an effect on performance (89%), with 43% indicating a major impact and a further 46% indicating a minor impact. Only 7% of senior officials reported no impact.

Figure 85. Perceived impact of low staff proficiency on the overall performance of Public Sector Entities (UW)

Does the fact that some of your staff are not fully proficient has an impact on the overall performance of your workplace/location?					
	n=	A major impact	A minor impact	No	Don't Know
TOTAL POPULATION	128	43%	46%	7%	4%
BY SECTOR					
Government	65	52%	42%	5%	2%
Wider Public	63	33%	51%	10%	6%

Notes:

1) *This question was answered by 128 respondents who reported less than 100% proficiency of their occupations, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*

4) The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.

Figure 86 presents the perceived consequences reported by Public Sector senior officials resulting from staff not being fully proficient. Multiple responses were allowed. Percentages are based on respondents who reported a major or minor impact of low staff proficiency on organisational performance (N = 113 out of a total of N = 221 respondents).

The most commonly reported consequences were increased workloads for other staff (70%), followed by accumulation of backlog (60%) and having difficulties introducing new working practices, systems and tools (56%) and meeting set quality standards (52%).

Figure 86. Reported consequences of low staff proficiency on organisational performance among senior officials reporting an effect (UW)

Is the fact that some of the personnel are not fully proficient causing this workplace/location to…?									
	n=	Accumulation of backlog (i.e., cases handled with significant delay)	Delay developing new products or services	Delay implementing a new regulation and/or law	Have difficulties meeting set quality standards	Have higher operating costs (i.e., requiring more state budget)	Have difficulties introducing new working practices, systems and tools	Experience increased workloads for other staff	Partially and/or fully outsource certain pieces of work
TOTAL POPULATION	113	60%	35%	29%	52%	14%	56%	70%	19%
BY SECTOR									
Government	61	61%	31%	34%	57%	10%	56%	74%	13%
Wider Public	52	60%	40%	23%	46%	19%	56%	65%	25%

Notes:
1) This question was answered by 113 respondents who reported a major or minor impact, following the exclusion of non-response and invalid cases.
2) Percentages may not sum to 100% as respondents were permitted to select multiple answers.
3) UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.
*4) Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.

4.5.1.3 Occupational Categories Most Constrained by Lack of Required Proficiency

In order to explore further the areas where insufficient staff proficiency poses the greatest constraint on organisational performance, senior officials were asked to identify the single occupational category within their entity where a lack of required proficiency was most hindering day-to-day operations and longer-term organisational growth. Figure 87 presents the distribution of respondents' single most significant occupational category, where a lack of staff proficiency was identified as most hindering everyday work and organisational growth. Percentages are based on respondents who reported less than 100% employee proficiency in any occupation category (N = 129 out of a total of N = 221 respondents).

Overall, Professionals (36%) were most frequently identified as the occupational category where a lack of proficiency was seen as most constraining This was followed by Clerical Support Workers (27%). The remaining categories were each selected by few respondents.

Figure 87. Occupational category where a lack of staff proficiency was identified as most hindering everyday work and organisational growth (UW)

As you have indicated, not all staff in specific categories of occupations are fully proficient in their jobs. Please select only ONE occupational category for which the lack of proficiency poses the most significant barrier for carrying out every day's work or growth at this location										
	n=	Managers	Professionals	Technicians and Associate Professionals	Clerical Support Workers	Service and Sales Workers	Skilled Agricultural, Forestry and Fishery Workers	Craft and Related Trades Workers	Plant and Machine Operators, and Assemblers	Elementary Occupations
TOTAL POPULATION	129	12%	36%	16%	27%	4%	1%		1%	2%
BY SECTOR										
Government	65	18%	40%	11%	28%	3%				
Wider Public	64	6%	33%	22%	27%	5%	2%		2%	5%

Notes:

1) *This question was answered by 129 respondents who reported less than 100% proficiency of their occupations, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 88 presents the main reasons reported by Public Sector senior officials for existing staff not being fully proficient in the occupational category identified as posing the most significant barrier to everyday work or organisational growth. Percentages are based on respondents who reported less than 100% employee proficiency in any occupation category (N = 127 out of a total of N = 221 respondents). Senior officials were able to select multiple reasons.

For Professionals the dominant reason was that the personnel lacks motivation (55%), followed by the appointed personnel not possessing the required skills for the job post (36%) and that they are new to the role (e.g., they have recently been appointed to a new role or promoted to a more senior role) (36%). For Clerical Support Workers, the dominant reason was the introduction of new technology (42%) followed by the introduction of new policies, procedures and working practices (33%).

Figure 88. Reasons for lack of proficiency by occupational group selected (UW)

What are the main reasons for existing staff not being fully proficient in the selected occupation?													
	n=	The introduction of new services	The introduction of new policies, procedures and working practices	The introduction of new technology (e.g., new systems, new tools)	They are new to the role (e.g., they have recently been appointed to a new role, they have recently been promoted to a more senior	They have not received the appropriate training	Their training is currently only partially completed	They have received training, but their performance has not improved sufficiently	The appointed personnel didn't possess the required skills for the job post	The description of skills needed in the advertisement/service scheme is very general or is not a good reflection of the qualifications	Personnel lacks motivation	Other reason	No particular cause
TOTAL POPULATION	127	17%	30%	35%	34%	20%	13%	26%	29%	20%	46%	9%	4%
OCCUPATION SELECTED													
Managers	16(i)	6%	25%	38%	44%	19%	0%	31%	50%	25%	25%	13%	6%
Professionals	47	13%	32%	28%	36%	19%	15%	26%	36%	21%	55%	11%	2%
Technicians and Associate	21(i)	29%	24%	38%	29%	24%	24%	14%	24%	5%	43%	0%	5%
Clerical Support Workers	33	24%	33%	42%	24%	15%	12%	24%	18%	24%	48%	15%	6%
Service and Sales Workers	5(s)	-	-	-	-	-	-	-	-	-	-	-	-
Skilled Agricultural, Forest	1(s)	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trades W	0(s)	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machine Operat	1(s)	-	-	-	-	-	-	-	-	-	-	-	-
Elementary Occupations	3(s)	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1) *This question was answered by 127 respondents who reported less than 100% proficiency of their occupations.*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 89 presents the skills that existing personnel who are not fully proficient need to improve on, focusing on the occupational category previously identified as posing the most significant barrier to everyday work or organisational growth. Senior officials were presented with the same skills taxonomy, which consists of eight broad skill categories used throughout the survey. Percentages are based on respondents who reported less than full employee proficiency (N = 127 out of a total of N = 221 respondents) and indicate the proportion of senior officials who selected each skill as an area requiring improvement among personnel in the respective occupational category. As respondents could select more than one skill, the percentages do not sum to 100%.

The skills flagged most often for Professionals belonged to the categories of soft and self-management skills. Specifically, communicating effectively, analytical and critical thinking, and willingness to learn were among the most frequently selected, alongside teamwork. Digital and core-skill items were flagged less often. The pattern points to respondents identifying higher-order interpersonal and cognitive skills, rather than technical or foundational ones, as where not-fully-proficient professionals most need to improve.

For "Clerical Support Workers", senior officials place strong emphasis on improving digital skills such as the "ability for applied use of information and communication technologies (ICT) (67%), and several soft skills such

as “Identifying and solving complex problems” (70%) and “Think creatively and innovatively” (52%). Interestingly, senior officials also place strong emphasis on improving the Green Skills (33%) as well as Operational Skills (36%).

Figure 89. Skills that senior officials identified for improvement among not-fully-proficient personnel in the selected occupation (UW)

Thinking about the seleceted occupation where existing personnel is NOT fully proficient, please indicate which of the following skills they need to improve on																										
		Digital Skills		Soft Skills								Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Operational Skills	Other
	n=	Ability for applied use of information and communication technologies (ICT)	Ability for advanced use of information and communication technologies (ICT)	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals or reports) in Greek	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals or reports) in English	Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy, water and limit	Specialist skills or knowledge needed to perform the role	Knowledge of how the organisation works	Other skills
TOTAL POPULATION	127	56%	39%	56%	54%	56%	36%	42%	59%	37%	40%	48%	50%	54%	35%	18%	31%	20%	23%	14%	9%	17%	10%	17%	13%	31%	1%
OCCUPATION SELECTED																											
Managers	16(i)	56%	56%	63%	81%	56%	75%	50%	81%	50%	38%	75%	50%	44%	56%	25%	31%	38%	44%	13%	0%	19%	13%	0%	13%	44%	0%
Professionals	47	49%	32%	53%	55%	60%	32%	36%	70%	40%	45%	49%	57%	57%	26%	15%	32%	6%	21%	11%	6%	13%	2%	9%	19%	23%	0%
Technicians and Assoc	21(i)	62%	43%	48%	52%	52%	24%	48%	43%	29%	24%	38%	52%	52%	14%	24%	24%	24%	14%	19%	19%	19%	33%	14%	14%	29%	5%
Clerical Support Worke	33	67%	45%	70%	39%	45%	36%	45%	48%	39%	52%	48%	39%	55%	52%	18%	42%	27%	21%	15%	12%	15%	6%	33%	6%	36%	0%
Service and Sales Worl	5(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Skilled Agricultural, Fo	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trad	0(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machine Ope	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elementary Occupatio	3(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1) *This question was answered by 127 respondents who reported less than 100% proficiency of their occupations,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *The “n=” column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 90 presents the skills that existing personnel who are not fully proficient need to improve on, using an employee-based perspective and focusing on the occupational category previously identified as posing the most significant barrier to everyday work or organisational growth. Results are weighted by the percentage of employees within each occupation, meaning that percentages reflect the proportion of the workforce employed in entities where each skill was identified as requiring improvement. Percentages are based on respondents who reported less than full employee proficiency (N = 127 out of a total of N = 221 respondents).

Under employee-based weighting, the skills most often identified for improvement among not-fully-proficient personnel differ in emphasis between the two largest occupational groups. Since the analytical bases for Professionals and Clerical Support Workers appear to be relatively small, the findings should be presented as indicative

For Professionals, the prominent areas were digital and higher-order cognitive skills: applied ICT use, identifying and solving complex problems, analytical and critical thinking, the rapid acquisition of new

knowledge, and willingness to learn. The findings therefore point primarily to improvement needs in higher-order cognitive, digital and continuous-learning skills.

For Clerical Support Workers, the emphasis fell on Adapting to change and new equipment" (95%), "Identifying and solving complex problems" (93%), "Taking a proactive approach" (92%) and "Willingness to learn" (91%). pointing to improvement needs in adaptability, problem-solving and a proactive, learning-oriented approach. Applied ICT skills were also identified as an area for improvement for 65% of employees represented in this occupational category.

Figure 90. Skills that senior officials identified for improvement among not-fully-proficient personnel in the selected occupation (EeOW)

Thinking about the seleceted occupation where existing personnel is NOT fully proficient, please indicate which of the following skills they need to improve on																										
		Digital Skills		Soft Skills								Self-Management Skills				Core Skills							Manual Skills	Green Skills	Hard Skills	Skills	Other
	n=	Ability for applied use of information and communication technologies (ICT)	Ability for advanced use of information and communication technologies (ICT)	Identifying and solving complex problems	Ability to communicate effectively	Teamwork skills	Leading others	Adapting to changes and new equipment	Analytical & critical thinking	Ability to rapidly acquire new knowledge	Think creatively and innovatively	Taking a proactive approach	Willingness to learn	Time management	Organising information, object and resources	Reading and understanding written text in Greek	Writing various texts (instructions, guidelines, manuals or reports) in Greek	Reading and understanding written text in English	Writing various texts (instructions, guidelines, manuals or reports) in English	Communicating orally and in written in another language	Basic numerical skills	Advanced numerical or statistical skills	Manual dexterity	Implementing practices to reduce the use of raw materials, energy, water and limit	Specialist skills or knowledge needed to perform the role	Knowledge of how the organisation works	Other skills
OCCUPATION SELECTED																										
Managers	16(i)	40%	78%	59%	92%	61%	52%	53%	89%	54%	68%	54%	58%	50%	41%	28%	71%	30%	72%	25%	0%	28%	6%	0%	9%	30%	0%
Professionals	47	73%	33%	72%	62%	64%	28%	50%	76%	77%	60%	25%	73%	59%	48%	23%	27%	17%	15%	7%	17%	8%	2%	17%	27%	26%	0%
Technicians and Associ	21(i)	91%	11%	39%	37%	78%	11%	34%	37%	16%	30%	35%	89%	44%	9%	45%	50%	31%	8%	7%	56%	12%	50%	21%	6%	67%	1%
Clerical Support Worke	33	65%	34%	93%	60%	63%	28%	95%	35%	34%	59%	92%	91%	31%	38%	2%	62%	2%	31%	25%	25%	1%	0%	28%	1%	61%	0%
Service and Sales Work	5(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Skilled Agricultural, For	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Craft and Related Trade	0(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machine Ope	1(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elementary Occupation	3(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1) *This question was answered by 127 respondents who reported less than 100% proficiency of their occupations,*
2) *Percentages may not sum to 100% as respondents were permitted to select multiple answers.*
3) *EeOW - All results are based on Employee-based Occupation Weights, where occupation-specific weights were applied separately within each occupation category selected by senior officials. Given that the analysis was conducted independently for each occupation using its corresponding weight, cross-occupational statistical comparisons (e.g., tests of association between skills and occupations) were neither appropriate nor performed.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.5.2 Over-skilling in existing personnel

This subsection examines senior officials' assessments of the extent of over-skilling among existing staff, based on their estimates of the proportion of employees whose skills were more advanced than those required for their roles. Senior officials were also asked to identify the occupational category within their entity that accounts for the largest concentration of over-skilled employees. Assessing over-skilling provides important complementary insights to the analysis of staff proficiency by highlighting areas where employees' capabilities may be under-utilised, thereby offering a fuller picture of potential skills mismatches within organisations.

4.5.2.1 Extent of over-skilling among existing staff

Over-skilling among existing staff represents an important dimension of skills mismatch, reflecting situations where employees possess higher levels of skills than those required for their current roles. While lack of proficiency reflects skills gaps within the workforce, over-skilling reflects skills underutilisation. Findings from the National Graduate Tracking Survey (CYGraduates) reveal a substantial prevalence of overqualification and over-skilling among recent graduates. This indicates that significant levels of skills underutilisation in the labour market exist.

Figure 91 presents senior officials' assessments of the extent to which existing staff at their workplace/location are over-skilled, defined as having more advanced skills than those required to perform their current job. Overall, the median response category falls within the 1%–10% range, indicating that the most typical assessment provided by senior officials lies at the lower end of the response scale, rather than at higher levels of over-skilling.

In terms of response distribution, 25% of senior officials reported no over-skilling at all, whereas a clear majority (69%) indicated that at least some degree of over-skilling is present (ranging from 1% to 100% of staff). A similar pattern is observed across both Government and Wider Public sector entities.

Figure 91. The extent of over-skilling among existing staff in Public Sector (UW)

To what extent is existing staff at this workplace/location over-skilled?						
		Statistics		Responses		
	n=	Mean	Median Category	0%	1-100%	Don't know
TOTAL POPULATION	219	20%	1% - 10%	25%	69%	6%
BY SECTOR						
Government	107	19%	1% - 10%	22%	72%	6%
Wider Public	112	20%	1% - 10%	28%	66%	6%

Notes:

1) *This question was answered by 219 respondents, following the exclusion of non-response and invalid cases.*
2) *Means are estimated using midpoint approximation of categorical ranges (e.g. 1%-10% into 5.5%, 11%-20% into 15.5% etc.). 'Don't Know' responses are excluded from the calculation. Results should be interpreted as indicative rather than precise.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 92 presents the employee-based distribution of senior officials' assessments of the extent to which existing staff at their workplace/location were over-skilled. Under this interpretation approach, percentages

reflect the proportion of employees working in entities whose respondents reported different levels of over-skilling.

Across the public-sector, the median response fell within the 1–10% band indicating that over-skilling was generally perceived to affect a small proportion of staff. At the same time, 91% of employees are in entities that reported at least some over-skilling, while only 6% of staff are in workplaces reporting no over-skilling at all. The statistics suggest that most employees are in organisations reporting low over-skilling (Median category: 1-10%), Parallel, some large organisations reporting high over-skilling pull the average up (Mean: 20%).

Over-skilling is common in both Government and the Wider Public sector— around 90% of employees in each are in organisations reporting some degree of over-skilling. However, while this issue is relatively limited in Government, it is much more widespread and affects a larger share of employees in the Wider Public sector. In Government, over-skilling tends to be limited in scale: the median employee is in an organisation reporting that just 1–10% of staff are over-skilled, while the higher mean (15%) reflects a minority of organisations reporting elevated levels. In the Wider Public sector, over-skilling is considerably deeper and more broadly entrenched, with the median employee in an organisation reporting 20–30% over-skilling and a mean (32%). The closeness of the mean and median in the Wider Public sector further indicates that elevated over-skilling is widespread across the sector's workforce, rather than concentrated within a small number of organisations.

Figure 92. Extent of reported over-skilling in the Public Sector (EeW)

To what extent is existing staff at this workplace/location over-skilled?						
		Statistics		Responses		
	n=	Mean	Median Category	0%	1-100%	Don't know
TOTAL POPULATION	219	20%	1% - 10%	6%	91%	4%
BY SECTOR*						
Government	107	15%	1% - 10%	5%	90%	4%
Wider Public	112	32%	20% - 30%	7%	92%	2%

Notes:

1) *This question was answered by 219 respondents, following the exclusion of non-response and invalid cases.*
2) *Means are estimated using midpoint approximation from equal-width banded response categories (e.g. 1%-10% into 5.5%, 11%-20% into 15.5% etc.) and with 0% treated discretely. Results should be interpreted as indicative rather than precise*
3) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 93 presents senior officials' responses to the question of which occupational category accounts for the largest percentage of over-skilled employees at their workplace or location. The most frequent response was "don't know" (27%). On an employee-based weighting, percentages indicate the share of the workforce represented by public-sector entities in which each occupational category was identified as having the largest proportion of over-skilled employees. Clerical Support Workers were the occupational category most frequently identified as having the largest proportion of over-skilled employees. Responses selecting this category accounted for 25% of the public-sector workforce represented in the weighted analysis. Professionals followed closely at 24%, while Managers accounted for 12% and Technicians and Associate Professionals for 8%.: A substantial 27% of the workforce was represented by entities whose senior officials responded that they did not know which occupational category had the largest proportion of over-skilled employees.

Figure 93. Occupational categories perceived to be associated with the largest percentage of over-skilled employees in the Public Sector (EeW)

Which occupational category has the largest percentage of over-skilled employees? (n=219)		
Occupation	**Unweighted responses**	**Employee-based Weight**
Managers	13%	12%
Professionals	29%	24%
Technicians and Associate Professionals	8%	8%
Clerical Support Workers	20%	25%
Service and Sales Workers	1%	2%
Skilled Agricultural, Forestry and Fishery Workers	0%	0%
Craft and Related Trades Workers	0%	0%
Plant and Machine Operators, and Assemblers	0%	1%
Elementary Occupations	0%	1%
Don't know	27%	27%

Notes:

1) This question was answered by 219 respondents, following the exclusion of non-response and invalid cases.

2) Senior officials were asked to select one occupational category only.

3) The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.

4.5.3 Anticipated Future Skills Needs

Understanding senior officials' expectations regarding future skills requirements is essential for anticipating labour market developments and informing education, training, and workforce planning policies. This subsection examines senior officials' forward-looking assessments of skill shortages, emerging skill needs, and potential skill mismatches over the next five years. It draws on senior officials' expectations of whether skill shortages are likely to arise, the types of skills expected to be in short supply and the skills that employees will need to acquire or improve in the near future. In addition, senior officials' views on skills that may no longer be required are explored.

4.5.3.1 Expected skill shortages over the next five years

Senior officials were asked to assess whether they expect their entity to face skills shortage over the next five years. Figure 94 presents senior officials' expectations regarding whether their workplace or location will experience a shortage of skills over the next five years. Overall, the majority of senior officials anticipate some degree of skills shortage in the coming years. Specifically, 21% of senior officials expect a high level of skills shortage, 26% expect a moderate level, and 16% expect a low level, indicating that over six in ten senior officials foresee skills shortage of varying intensity. At the same time, 24% of senior officials do not expect skills shortage, while 13% reported being unable to assess future skills needs.

Figure 94. Senior officials' expectations of skills shortage over the next five years in the Public Sector sample (UW)

Over the next five years, do you believe that this workplace/location will experience a shortage of skills?						
	n=	Yes, I expect a high level of skills shortage	Yes, I expect a moderate level of skills shortage	Yes, I expect a low level of skills shortage	No, I do not expect skills shortage	Don't know
TOTAL POPULATION	219	21%	26%	16%	24%	13%
BY SECTOR						
Government	107	21%	22%	15%	31%	11%
Wider Public	112	21%	30%	16%	18%	15%

Notes:

1) *This question was answered by 219 respondents, following the exclusion of non-response and invalid cases.*
2) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 95 presents the skills in which senior officials expect to experience shortages in over the next five years, based on an open-ended question. Percentages are based on respondents who reported expecting skill shortages over the next five years (N = 122 out of a total of N = 221 respondents). Results are presented both unweighted and using employee-based weights.

In the public-sector sample, anticipated skills shortage were most frequently associated with Digital Skills, reported by 41% of senior officials. Within this category, key mentions included ICT skills and digital literacy, as well as artificial intelligence (AI). This was followed by Hard Skills (22%), largely reflecting sector-specific skills, and Soft Skills (19%), with analytical and critical thinking and communication skills identified most often. In the Wider Public Sector, Digital Skills were identified by almost half of senior officials. In the Government 33% senior officials reported Digital Skills and 30% Soft Skills.

Figure 95. Skills which are expected to be in shortage over the next five years according to senior officials (UW)

Regarding what skills do you expect to experience shortages in over the next five years?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	**n=**	ICT Skills/Digital Literacy	Analytical/ Critical Thinking		Foreign Languages			Sector Specific Skills	Administration & Clerical
		AI	Communication						
TOTAL POPULATION	122	41%	19%	2%	3%	1%	1%	22%	10%
BY SECTOR									
Government	54	33%	30%	0%	2%	2%	0%	21%	12%
Wider Public	68	49%	7%	5%	5%	0%	2%	23%	9%

Notes:

1) *This question was answered by 122 respondents who expect skill shortages over the next five years, following the exclusion of non-response and invalid cases.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories.*
3) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 96 presents the employee-based distribution of the skills in which senior officials expect to experience shortages in over the next five years. Under the employee-based approach, percentages reflect the proportion of employees working in entities that mentioned each skill category, rather than the percentage of senior officials. Percentages are based on respondents who reported expecting skill shortages over the next five years (N = 122 out of a total of N = 221 respondents). This was an open-ended question which was then grouped into categories for analysis purposes.

Across the public-sector, anticipated shortages were most strongly associated with Digital Skills (60%), indicating that a substantial percentage of employees work in entities expecting digital-related skills to be in shortage. Key mentions within this category include ICT skills/digital literacy and AI. This was followed by Soft Skills (21%), particularly analytical/critical thinking and communication. Smaller percentages of employees worked in entities indicating Operational Skills (10%)—including mentions related to administration and clerical—as well as Hard Skills (6%), largely reflecting sector-specific skills, and Core Skills (4%) (including foreign languages).

From an employee-based perspective, expected future skills shortage in the Public Sector are primarily driven by digital skill needs, with soft skills representing a secondary but notable area of anticipated shortage, and with the main Government–Wider Public difference reflecting a much stronger digital-skills emphasis in the Wider Public sector.

Differences were observed between Government and Wider Public sector entities, mainly in the emphasis on Digital Skills and Soft Skills. Among Government entities, employee-based mentions were more evenly distributed across the two leading categories, with Digital Skills (43%) and Soft Skills (33%), alongside Operational Skills (11%), Hard Skills (7%), and Core Skills (5%). In contrast, Wider Public sector entities showed a markedly higher concentration in Digital Skills (86%), indicating that a substantially greater percentage of employees in this segment worked in entities expecting digital skills shortage

Figure 96. Skills which are expected to be in shortage over the next five years (EeW)

Regarding what skills do you expect to experience shortages in over the next five years?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	**n=**	ICT Skills/Digital Literacy	Analytical/ Critical Thinking		Foreign Languages			Sector Specific Skills	Administration & Clerical
		AI	Communication						
TOTAL POPULATION	122	60%	21%	0%	4%	0%	0%	6%	10%
BY SECTOR*									
Government	54	43%	33%	0%	5%	0%	0%	7%	11%
Wider Public	68	86%	1%	0%	1%	0%	1%	6%	5%

Notes:

1) *This question was answered by 122 respondents who expect skill shortages over the next five years, following the exclusion of non-response and invalid cases.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories*
3) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated,*
4) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
5) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.5.3.2 Critical skills to be acquired or upgraded by existing workforce

Figure 97 presents senior officials' views on the three most important skills that current employees at their workplace or location will need to acquire or improve over the next five years. Results are based on an open-ended question.

Across the public-sector, the skills most frequently identified relate to Soft Skills, reported by 39% of senior officials. Within this category, key mentions included communication, critical thinking, and problem-solving. This was followed by Digital Skills (28%), driven primarily by ICT skills and digital literacy, artificial intelligence (AI), and software development. Smaller percentages of responses refer to Hard Skills (14%), largely consisting of sector-specific and legal skills, as well as Self-management Skills (11%), most commonly time management and taking a proactive approach. Mentions of Core Skills (4%) and Operational Skills (3%) were more limited,. Only minor differences were observed between Government and Wider Public sector entities.

Figure 97. Anticipated up-skilling priorities in the Public Sector over the next five years (UW)

Thinking about the next five years, what will be the three most important skills that current employees at this workplace/location will need to acquire or improve on?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	n=	ICT Skills/Digital Literacy	Communication	Time Management	Writing Skills			Legal	
		AI	Critical Thinking	Proacticve Approach				Sector Specific Skills	
		Software Development	Problem Solving						
TOTAL POPULATION	193	28%	39%	11%	4%	0%	2%	14%	3%
BY SECTOR									
Government	94	26%	39%	12%	4%	0%	2%	14%	3%
Wider Public	99	29%	38%	10%	4%	0%	1%	14%	2%

Notes:

1) *This question was answered by 193 respondents, following the exclusion of non-response and invalid cases.*
2) *A small number of individuals responded with occupations. The most common occupations were under: Construction, Hospitality, and Technical/Mechanical,*
3) *This was an open-ended question. Responses were subsequently coded into skill categories.*
4) *UW - Data is unweighted and describe only responding entities and not the Public Sector population as a whole.*
5) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
6) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

Figure 98 presents the employee-based distribution of the skills senior officials expect current employees at their workplace or location will need to acquire or improve over the next five years. Under the employee-based approach, results reflect the percentage of employees working in entities that identified each skill category. This was an open-ended question which was then grouped into categories for analysis purposes.

Across the public-sector, the largest percentage of employees work in entities that identified Soft Skills as a future up-skilling priority (40%). This indicates that a substantial proportion of the public-sector workforce is located in entities emphasising the need to strengthen skills such as communication, critical thinking, and problem-solving. This was followed by Digital Skills (26%), reflecting workforce exposure to entities prioritising ICT skills and digital literacy, artificial intelligence (AI), and software development. Employees working in entities highlighting Hard Skills account for 15%, largely associated with sector-specific and legal skills, while Self-management Skills represent 11%, most commonly linked to time management and a proactive approach.

Figure 98. Anticipated up-skilling priorities in the Public Sector over the next five years (EeW)

Thinking about the next five years, what will be the three most important skills that current employees at this workplace/location will need to acquire or improve on?									
Skills:		**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**
Key Mentions	n=	ICT Skills/Digital Literacy	Communication	Time Management	Writing Skills			Legal	
		AI	Critical Thinking	Proacticve Approach				Sector Specific Skills	
		Software Development	Problem Solving						
TOTAL POPULATION	193	26%	40%	11%	2%	0%	2%	15%	4%
BY SECTOR									
Government	94	28%	35%	10%	2%	0%	2%	18%	5%
Wider Public	99	22%	52%	14%	1%	0%	1%	7%	3%

Notes:

1) *This question was answered by 193 respondents, following the exclusion of non-response and invalid cases.*
2) *A small number of individuals responded with occupations. The most common occupations were under: Construction, Hospitality, and Technical/Mechanical.*
3) *This was an open-ended question. Responses were subsequently coded into skill categories.*
4) *EeW - Data is weighted using employee-based weights and represents the percentage of the workforce with the characteristic indicated.*
5) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
6) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.5.3.3 Emerging skill obsolescence trends

Senior officials were asked to indicate which skills they believed will no longer be required in their entity over the next five years. This forward-looking question provides insight into anticipated skill obsolescence and potential structural change within organisations. As this was an open-ended question, senior officials were able to respond freely, allowing the results to reflect senior official-driven perceptions of future skill relevance. Responses were subsequently coded into the skill categories of the taxonomy used in the survey.

Figure 99 presents senior officials' views on which skills were expected to no longer be required at their workplace or division over the next five years. Responses were collected through an open-ended question. Results are shown using two weighting approaches: unweighted and employee-based.

The unweighted results show that the majority of senior officials (52%) reported that all skills currently required will continue to be needed over the next five years. Among senior officials identifying skills that may no longer be required, Operational Skills were mentioned most frequently (17%), primarily referring to administration and clerical tasks, such as filing and paperwork. This was followed by Digital Skills (13%), with key mentions including typewriting and basic ICT or digital literacy skills, suggesting declining relevance of routine or entry-level digital tasks. Using employee-based weighting, the findings indicate that 36% of Public Sector employees worked in entities where senior officials reported that all currently required skills would continue to be needed over the next five years while a 25% of Public Sector employees worked in entities where senior officials reported that basic digital skills will no longer be required at their workplace

Figure 99. Skills perceived as no longer needed in future, in the Public Sector (UW and EeW)

Thinking about the next five years, what skills will no longer be required by this workplace/location? (n=123)									
Skills:	**Digital Skills**	**Soft Skills**	**Self-management Skills**	**Core Skills**	**Manual Skills**	**Green Skills**	**Hard Skills**	**Operational Skills**	**All skills will be required**
Key Mentions	Typewriting			Writing	General Manual Work			Administration & Clerical	
	ICT Skills/Digital Literacy							Filing/Paperwork	
Unweighted	13%	3%	1%	4%	5%	1%	4%	17%	52%
Employee based	25%	1%	0%	10%	3%	0%	7%	17%	36%

Notes:

1) *This question was answered by 123 respondents, following the exclusion of non-response and invalid cases.*
2) *This was an open-ended question. Responses were subsequently coded into skill categories.*
3) *Statistically significant associations between responses to this question and the subgroups analysed are indicated by an asterisk *, where applicable.*
4) *The "n=" column indicates the unweighted number of respondents within each subgroup who answered this question. Subgroups with fewer than 10 respondents are denoted by (s) and results are suppressed. Subgroups with 10 to 29 respondents are denoted by (i) and should be interpreted with caution due to small base sizes.*

4.6 Public sector Conclusions

Taken together, the Public Sector findings suggest that the supply side is only partially keeping pace with skills demand and that the constraint is not solely a skills constraint. On the one hand, the high educational attainment of the Public Sector workforce and the generally positive assessment of recent graduates' core and digital skills indicate that Cyprus' education and training system is producing a pool of qualified entrants with a reasonable foundation for Public Sector employment. Specifically, senior officials reported that, on average, 71% of their staff hold a Higher Education qualification and that Professionals (48%) and Clerical Support Workers (26%) account for most of their staff (unweighted) – and around half of the senior officials who recruited recent graduates from Cyprus Higher Education Institutions rated them as well or very well prepared for employment, with particular strengths in willingness to learn, rapid acquisition of new knowledge, applied ICT use, basic numeracy and Greek-language skills. However, this supply does not appear to be fully aligned with the evolving nature of demand. Recruitment difficulties, especially for professionals and technical roles, point to shortages not simply in the number of qualified candidates, but in the availability of candidates with the specific mix of job-related, digital, soft and self-management skills required by Public Sector entities. Moreover, recruitment difficulties were attributed as much to the attractiveness of Public Sector employment as to the skills of applicants: too few people interested in this type of job (50%) and poor employment terms and conditions, including remuneration (42%), were cited more frequently than a limited number of applicants with the required skills (39%). Recruitment difficulty in the Public Sector therefore appears to be as much a question of the terms on which posts are offered as of the supply of suitably qualified candidates.

The evidence also suggests that the challenge is not limited to initial recruitment. Where senior officials reported staff who were not fully proficient, 89% reported an effect on organisational performance, most commonly increased workloads for other staff and the accumulation of backlog, with the constraint concentrated among Professionals and Clerical Support Workers. The reasons reported, however, extend beyond formal skills: for Professionals the dominant explanation was a lack of motivation (55%), followed by staff not possessing the required skills for the post and being new to the role, while for Clerical Support Workers the introduction of new technology and of new policies and working practices predominated Expectations of future shortages are clearly digital-led, cited by 41% of senior officials and by entities employing 60% of the workforce, whereas the upskilling priorities identified for existing staff lead with soft skills. The reported impact of low staff proficiency, the need for further upskilling in digital, soft and self-management skills, and the expectation of future shortages, particularly in digital skills, suggest that existing supply and internal development mechanisms may not be keeping pace with changing skills demand. In this sense, the Public Sector appears to face a dual pressure: attracting appropriately skilled new candidates to posts that are not always competitive while also upgrading the capabilities and engagement of its current workforce. The presence of over-skilling alongside proficiency gaps further points to a qualitative mismatch, where some employees may have qualifications or skills that exceed job requirements, while other critical competencies remain insufficiently developed or underutilised.

At the same time, the findings point to substantial underutilisation of skills that already exist within the sector. More than half of the senior officials who recruited graduates (58%) reported employing Higher Education graduates in posts that do not require a Higher Education qualification, and 69% of entities – accounting for 91% of employees – reported some degree of over-skilling, most often among Clerical Support Workers and Professionals. This pattern is markedly deeper in the Wider Public Sector, where the median employee is in an entity reporting that 20–30% of staff are over-skilled, compared with 1–10% in Government, and the same divergence is visible in anticipated digital skills shortage (86% against 43% on an employee-weighted basis). Skills mismatch in the Public Sector is therefore qualitative and two-directional, and it is not uniform across the sector.

Overall, the findings imply that the Public Sector's supply-side capacity is not fundamentally weak, but it is insufficiently responsive, insufficiently targeted and unevenly utilised. The key issue is less about the overall availability of educated labour and more about whether education, recruitment, and continuous professional development systems are agile enough to deliver the right skills, in the right occupational areas, at the pace required by changing Public Sector needs. This highlights the importance of reviewing the attractiveness of employment terms for hard-to-fill occupations, stronger skills anticipation, closer alignment between Higher

Education and Public Sector workforce planning, and more systematic upskilling and reskilling pathways for existing staff and better use of the qualifications already present in the workforce.

These conclusions rest on the perceptions and estimates of the 221 responding senior officials, are unweighted at entity level and draw in places on small analysis bases; they should therefore be read as indicative of patterns rather than as precise measures of the Public Sector as a whole.

5 Implications

The National Employers' Skills Survey (NESS) provides an important employer-based evidence base on skills demand, recruitment difficulties, staff proficiency, over-skilling, graduate recruitment, work-based learning and future skills needs in Cyprus. Its main implication is that skills mismatches should be treated as a broad policy challenge, affecting not only recruitment from the external labour market but also the development, deployment and utilisation of skills within workplaces.

This agenda is reinforced by wider European debates on competitiveness, productivity, innovation, decarbonisation and economic resilience, all of which depend on better use of human capital and reduced skills mismatches (European Commission, EC, 2024). In Cyprus, the evidence suggests a skills alignment challenge rather than simply a shortage of educated individuals. The educational profiles of the two sectors are based on the same question but are not weighted on the same basis: Private Sector employers reported that close to half of their staff (48%) hold a Higher Education qualification (employer-weighted), compared with 71% of staff in responding Public Sector entities (unweighted). These findings may reflect that both sectors rest on a substantial base of higher-educated labour. Employers and senior officials that recruited recent graduates from Cyprus HEIs generally assessed them positively: in both sectors 82% rated graduates as at least moderately prepared for employment, although the distribution differs, with Public Sector senior officials more likely to rate graduates as well or very well prepared (49%, against around a third of Private Sector employers). Both sectors rated graduates comparatively weakly on leadership, complex problem-solving and taking a proactive approach, and the Private Sector also on analytical and critical thinking. Yet hard-to-fill vacancies, proficiency gaps, over-skilling and the recruitment of graduates into non-graduate posts indicate that skills are not always being produced, matched or used in the right occupational areas.

Recruitment difficulties and expected future shortages are widespread, and later survey cycles will show whether some of these mismatches are structural rather than temporary. Among those aware of or involved in recruitment, 49% of Private Sector employers (employer-weighted) and 71% of Public Sector senior officials (unweighted) reported at least one vacancy and vacancy density (total vacancies relative to total employment) was broadly similar in the two sectors (17% and 18%). Among those with vacancies, 71% of Private Sector employers reported hard-to-fill vacancies, compared with 41% of Public Sector senior officials; as these figures rest on different weighting bases and the Public Sector base is small, the difference is indicative. Expectations of future shortages are also substantial: 56% of Private Sector employers (25% at a high level; employer-weighted) and 63% of Public Sector senior officials (21% at a high level; unweighted) expect skills shortages over the next five years. These findings suggest that relying solely on labour market adjustment may not be sufficient.

Two comparisons are particularly relevant for policy. First, in both sectors recruitment difficulty reflects both the attractiveness of the jobs on offer and shortages of suitably skilled applicants. A lack of interest in the type of job was the most frequently cited cause in the Private Sector (68%) and in the Public Sector (50%). In the Private Sector, it was followed by a limited number of applicants generally (58%) and with the required skills (53%); in the Public Sector, by poor employment terms and conditions, including remuneration (42%), and a limited number of applicants with the required skills (39%). Second, where difficulties are skills-related, both sectors point to the same family of skills: the competences hardest to find among applicants are predominantly soft and self-management skills:willingness to learn, effective communication and time management in the Private Sector, and taking a proactive approach, problem-solving, teamwork and communication in the Public Sector. On an employee-based basis, the anticipated future skills mix differs mainly in the Public Sector's much stronger emphasis on digital skills (60% of employees work in entities expecting digital shortages, compared with 11% in the Private Sector, where soft skills lead at 31%). Upskilling priorities, by contrast, are similar, led by soft skills and followed by digital skills in both sectors. Views on obsolescence diverge: 58% of Private Sector employees, but only 36% of Public Sector employees, work in organisations where all skills currently required are expected to remain necessary.

Implications for policy. The evidence points to a balanced but more active policy response. Not every mismatch requires direct public intervention, but where mismatches are persistent, widespread, linked to

transferable skills, or where wider social and economic returns exceed private returns to employers, coordinated action is justified. Policy should therefore focus on five priorities: strengthening national skills anticipation; developing targeted upskilling and reskilling pathways; supporting employers, especially smaller organisations, to invest in training and work-based learning; using employer evidence more systematically in education and training planning; and improving skills utilisation through better job design, career guidance and progression pathways.

Skills policy should also be targeted by occupation, sector and organisation type. The survey does not point to a uniform skills shortage across the economy. Pressures vary across occupational categories and sectors, with Professionals, Technicians and Associate Professionals, Service and Sales Workers, Clerical Support Workers, Craft and Related Trades Workers and Elementary Occupations appearing in different parts of the evidence as areas of recruitment difficulty, proficiency concern or anticipated shortage. Across these areas, priorities include job-specific technical skills, Digital Skills, Self-management Skills, willingness to learn, teamwork, time management, communication, applied ICT, problem solving, and analytical and critical thinking. Digital Skills require particular attention because needs range from basic digital literacy and Microsoft Office use and foundation digital skills, which were among the digital skills most often reported as hard to find in applicants, to advanced and specialised capabilities such as data analysis and cybersecurity, and to sector-specific needs in IT Services, where most employers expect digital skills shortages.

Work-based learning should be strengthened as a route to better labour market transitions and clearer communication of employer needs. Although recent graduates from Cyprus HEIs are generally viewed as at least moderately prepared, Private Sector engagement in placements and internships is limited, and no comparison with the Public Sector is possible because work-based learning was not covered in the Public Sector questionnaire: In the Private Sector 76% of employers reported providing no placements or internships, while only 15% provided internships for Higher Education graduates and 12% provided placements for Higher Education students. Expanding high-quality work-based learning could help students and graduates develop job-relevant Hard Skills, Digital Skills, Soft Skills and Self-management Skills before entering employment.

Over-skilling and graduate underutilisation should also form part of the policy agenda. In the Private Sector, 45% of employers reported over-skilling (employer-weighted), while in the Public Sector 69% of responding senior officials did so (unweighted). As these figures rest on different bases, the employee-based figures are the more comparable pair: 61% of Private Sector employees and 91% of Public Sector employees work in organisations where some over-skilling was reported. In addition, 34% of Private Sector employers (employer-weighted) and 58% of Public Sector senior officials (unweighted) that had recruited recent graduates reported recruiting graduates into posts that did not require a Higher Education qualification This indicates that skills mismatch is not only about insufficient skills, but also about how existing skills are used. Policy should therefore address job design, career guidance, progression pathways and better alignment between programmes of study and occupational opportunities.

Education, training and workforce policies should become more responsive to this evidence. Curriculum development, programme review, applied learning and adult training pathways should be informed by CYEmployers findings, while preserving the broader role of education in developing adaptability, citizenship and lifelong learning. In the Public Sector, priorities include workforce planning, continuous professional development and targeted Digital Skills programmes. In the Private Sector, policy should be sector-sensitive and organisation-size-sensitive, recognising that some sectors require Hard or Manual Skills while others require Digital, Soft or Self-management Skills, and that smaller organisations may need additional support to engage in training and work-based learning.

Implications for Higher Education Institutions. The evidence carries several implications for Cyprus Higher Education Institutions. First, the competences that both sectors find hardest to source, and that both identify as most in need of improvement among existing staff, are transversal rather than disciplinary: willingness to learn, effective communication, teamwork, time management, taking a proactive approach and complex problem-solving. Graduates are already rated relatively well on some of these, notably willingness to learn, but comparatively weakly on taking a proactive approach, complex problem-solving and leadership, and, in the Private Sector, on analytical and critical thinking. This argues for embedding these competences explicitly in programmes of study. Second, digital preparation needs to be differentiated: graduates were rated strongly on applied ICT use but noticeably lower on advanced ICT use, at a point when digital skills are the leading

anticipated shortage in the Public Sector and in IT Services. At the same time, a quarter of Public Sector employees work in entities expecting some basic digital tasks, such as typewriting, to become obsolete, suggesting that routine digital work is declining while a working level of digital competence is increasingly assumed. Third, the coexistence of recruitment difficulty with the recruitment of graduates into non-graduate posts reported by 34% of Private Sector employers and 58% of Public Sector senior officials that recruited graduates, indicates that programme portfolios and career guidance should be reviewed against actual occupational openings, not only against student demand. Finally, expanding structured, quality-assured work-based learning would give students earlier exposure to the specific skill combinations that employers and senior officials report difficulty finding.

Finally, the NESS should be institutionalised as part of a permanent national skills intelligence system. Its value will increase if repeated over time, allowing Cyprus to monitor whether skills shortage, skills gaps, over-skilling, graduate underutilisation and skill obsolescence are improving or worsening. The findings should be translated into accessible metrics and messages for policymakers, employers, education and training providers, career guidance professionals and individuals, and analysed alongside the National Graduate Tracking Survey, administrative data, Labour Force Survey data and skills forecasts.

Overall, the policy message is clear: Cyprus has strengthened its evidence base on employer demand for skills, but the next step is to move from measurement to coordinated action. Reducing skills mismatches will require better articulation of employer demand, stronger skills anticipation, closer collaboration between employers and education and training providers, targeted upskilling and reskilling, improved utilisation of existing skills, and sustained investment in national skills intelligence.

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Appendix I: Informed Consent

General Information

The National Employers' Skills Survey (CYEmployers) is funded by the Cyprus Recovery and Resilience Plan, and it is being conducted with the **aim of improving the responsiveness of Cyprus Higher Education to labour market needs** at national level. The CYEmployers survey is carried out by the Department of Higher Education of the Ministry of Education, Sport and Youth (MESY) (Kimonos and Thoukydidou Corner, Akropoli, 1434 Nicosia, Cyprus), in collaboration with PricewaterhouseCoopers (PwC) Cyprus Limited (PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus).

The CYEmployers survey collects data on current and future skill needs from employers in the Private Sector and managers in both the Government and Wider Public Entities in Cyprus. Employers are asked to fill in **an online questionnaire**. The questionnaire collects data regarding your organisation, the recruitments/ appointments (with a particular emphasis on the recruitment/appointment of recent Higher Education graduates), the proficiency of current employees, as well as the future skills needs.

Your participation in the survey is voluntary. Not participating will not have any negative consequences for you or your organisation.

Data Protection

Your responses to the questionnaire will be analysed by both PwC Cyprus and MESY for scientific and statistical purposes and published in such a way that any inference based on individual survey participants/employers and their individual answers is no longer possible. Key findings will be published in aggregate form.

All participating organisations (the Ministry of Education, Sport and Youth and PwC Cyprus) take the necessary technical and organisational measures to protect your data from any unauthorised access. The survey is conducted in line with the requirements of the European General Data Protection Regulation (GDPR), the Act of 10 May 2018 on the protection of personal data, and applicable national laws (i.e., Law 125(I)/2018 – "Law providing for the Protection of Natural Persons with regard to the Processing of Personal Data and for the Free Movement of such Data" of 2018).

It goes without saying that the survey complies with all legal provisions of data protection. We assure you:

- that we do not store your contact data together with the data provided in the questionnaire,
- that we treat your contact information as strictly confidential and do not disclose it to third parties,
- that all the data provided in the questionnaire are used for the purpose of this survey and will be made publicly available **anonymously** for teaching, research/scientific and statistical non-profit purposes,
- that your contact details will be deleted immediately upon revocation of your consent.

Further Information

In case of questions about general information on the research project or about data protection, the staff members of both the Ministry of Education, Sport and Youth and PwC Cyprus will be happy to support:

- Panayiotis Theodorides (PwC): Tel: +357 22555384 | Email: cy_employers@pwc.com
- Alexandra Petridou (MESY): Tel: +357 22800966 | Email: apetridou@moec.gov.

Appendix II: Margins of Error

Margins of error for the overall survey results and for key sub-groups are shown in the tables below, for both the Private and Public Sector. These have been calculated based on a survey estimate of 50% - the most conservative assumption, as it produces the largest margin of error - and at the 95% confidence level.

For example, where the table shows that an estimate based on all respondents (N = 1,395) has a margin of error of ±2.6%, this means that, for a question asked of all respondents where the survey result is 50%, we can be 95% confident that the true population value lies between 47.4% and 52.6%.

Margins of error have been calculated taking account of the finite population correction (FPC), where applicable, which adjusts for cases where the sample represents a substantial proportion of the total population. As a result, even where sample sizes are the same, the margin of error will be smaller where the sample covers a larger share of the population (N). Margins of error were calculated using the unweighted (actual) sample bases, notwithstanding that the survey estimates presented in the report may present the weighted results.

These confidence intervals are based on the assumptions of probability sampling and an approximately normal distribution of responses.

The tables below present the Margins of Error for each Survey Group of the population (for example, Sector, Size Group and ISCO Group) and for the Respondent main Subgroups, that is, the different sets of respondents defined by routing questions within the survey. Capital N represents the total population of each Survey Group (it is noted that this information does not exist for the ISCO Group breakdown and the Public Sector and thus no FPC was performed in these cases). Furthermore, the lowercase n represents the respondents in each of the respondents' main Subgroup. The "MoE (± p.p)" is the Margin of Error percentage points. In cases where a Survey Group has less than 10 responses in a specific question, the results are suppressed in the report and thus, the Margins of Error are not calculated in the tables below for such cases.

Private Sector: Margins of Error

Table 3: Margins of Error for Section 3.2 Organisation Overview

Survey Group (Population)		Respondents main Subgroups			
		All		Reported an increase or a decrease in their workforce	
Description	N	n	MoE (±p.p)	n	MoE (±p.p)
TOTAL POPULATION	29567	1395	±2.6%	710	±3.6%
BY SECTOR					
Primary and Utilities	818	46	±14%	18	±22.9%
Manufacturing	2497	93	±10%	55	±13.1%
Construction	3504	127	±8.5%	65	±12%
Distribution and Transport	8396	375	±4.9%	174	±7.4%
Hospitality	2794	114	±9%	72	±11.4%
IT Services	1139	79	±10.6%	41	±15%
Financial and Insurance	1289	61	±12.3%	38	±15.7%
Other Business Services	5730	300	±5.5%	146	±8%
Other Marketed Services	1489	66	±11.8%	30	±17.7%
Non-Marketed Services	1911	134	±8.2%	71	±11.4%
BY SIZE GROUP					
2 to 9	24244	868	±3.3%	345	±5.2%
10 to 49	4548	359	±5%	233	±6.3%
50 to 249	672	144	±7.2%	116	±8.3%
Over 249	103	24	±17.6%	16	±22.6%
BY ISCO GROUP					
Majority Skill Level 1 & 2	N/A	610	±3.9%	325	±5.4%
Majority Skill Level 3 & 4	N/A	705	±3.6%	352	±5.2%
No Majority Group	N/A	80	±10.9%	33	±17.1%

Table 4: Margins of Error for Section 3.3 Vacancies Recruitment Practices and Employers' Skills Needs

Survey Group (Population)		Respondents main Subgroups											
		All		Aware of/ involved in any way in recruitment		With advertised job vacancies during 2023		Stated that some job vacancies were hard to fill		Job vacancies had an impact on the overall performance of the organisation		Digital skills challenging to identify in applicants for the job vacancy	
Description	N	n	MoE (±p.p)	n	MoE (±p.p)	n	MoE (±p.p)	n	MoE (±p.p)	n	MoE (±p.p)	n	MoE (±p.p)
TOTAL POPULATION	29567	1395	±2.6%	900	±3.2%	527	±4.2%	376	±5%	326	±5.4%	122	±8.9%
BY SECTOR													
Primary and Utilities	818	46	±14%	28	±18.2%	13	±27%	9	N/A	4	N/A	0	N/A
Manufacturing	2497	93	±10%	62	±12.3%	42	±15%	34	±16.7%	29	±18.1%	6	N/A
Construction	3504	127	±8.5%	69	±11.7%	36	±16.3%	26	±19.2%	24	±19.9%	7	N/A
Distribution and Transport	8396	375	±4.9%	225	±6.4%	123	±8.8%	93	±10.1%	82	±10.8%	33	±17%
Hospitality	2794	114	±9%	79	±10.9%	51	±13.6%	38	±15.8%	32	±17.2%	10	±30.9%
IT Services	1139	79	±10.6%	52	±13.3%	35	±16.3%	24	±19.8%	21	±21.2%	14	±26%
Financial and Insurance	1289	61	±12.3%	41	±15.1%	32	±17.1%	15	±25.2%	12	±28.2%	6	N/A
Other Business Services	5730	300	±5.5%	209	±6.7%	120	±8.9%	76	±11.2%	68	±11.8%	33	±17%
Other Marketed Services	1489	66	±11.8%	41	±15.1%	18	±23%	15	±25.2%	12	±28.2%	4	N/A
Non-Marketed Services	1911	134	±8.2%	94	±9.9%	57	±12.8%	46	±14.3%	42	±15%	9	N/A
BY SIZE GROUP													
2 to 9	24244	868	±3.3%	509	±4.3%	219	±6.6%	155	±7.8%	140	±8.3%	52	±13.6%
10 to 49	4548	359	±5%	255	±6%	187	±7%	130	±8.5%	109	±9.3%	40	±15.4%
50 to 249	672	144	±7.2%	115	±8.3%	101	±9%	72	±10.9%	60	±12.1%	23	±20.1%
Over 249	103	24	±17.6%	21	±19.2%	20	±19.8%	19	±20.4%	17	±21.8%	7	N/A
BY ISCO GROUP													
Majority Skill Level 1 & 2	N/A	610	±3.9%	393	±4.9%	240	±6.3%	183	±7.2%	155	±7.9%	50	±13.8%
Majority Skill Level 3 & 4	N/A	705	±3.6%	460	±4.5%	261	±6%	175	±7.4%	155	±7.9%	65	±12.1%
No Majority Group	N/A	80	±10.9%	47	±14.3%	26	±19.2%	18	±23.1%	16	±24.5%	7	N/A

Table 5: Margins of Error for Section 3.4 Recruitment of Recent Graduates

Survey Group (Population)		Respondents main Subgroups											
		All		With advertised job vacancies during 2023		Reported recruiting recent graduates during 2023		Require their HEIs' graduates to have a qualification in a specific field of study		Reported recruiting recent graduates from Cyprus Higher Education Institutions		Provided a placement and/or an internship for HEI graduates	
Description	**N**	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)
TOTAL POPULATION	29567	1395	±2.6%	527	±4.2%	248	±6.2%	185	±7.2%	168	±7.5%	271	±5.9%
BY SECTOR													
Primary and Utilities	818	46	±14%	13	±27%	3	N/A	3	N/A	2	N/A	11	±29.4%
Manufacturing	2497	93	±10%	42	±15%	19	±22.4%	14	±26.1%	9	N/A	15	±25.2%
Construction	3504	127	±8.5%	36	±16.3%	13	±27.1%	11	±29.5%	9	N/A	19	±22.4%
Distribution and Transport	8396	375	±4.9%	123	±8.8%	48	±14.1%	35	±16.5%	32	±17.3%	47	±14.3%
Hospitality	2794	114	±9%	51	±13.6%	22	±20.8%	12	±28.2%	18	±23%	24	±19.9%
IT Services	1139	79	±10.6%	35	±16.3%	17	±23.6%	13	±27%	12	±28.2%	19	±22.3%
Financial and Insurance	1289	61	±12.3%	32	±17.1%	13	±27.1%	7	N/A	8	N/A	8	N/A
Other Business Services	5730	300	±5.5%	120	±8.9%	70	±11.6%	52	±13.5%	46	±14.4%	76	±11.2%
Other Marketed Services	1489	66	±11.8%	18	±23%	8	N/A	7	N/A	4	N/A	14	±26.1%
Non-Marketed Services	1911	134	±8.2%	57	±12.8%	35	±16.4%	31	±17.5%	28	±18.4%	38	±15.7%
BY SIZE GROUP													
2 to 9	24244	868	±3.3%	219	±6.6%	79	±11%	62	±12.4%	44	±14.8%	109	±9.4%
10 to 49	4548	359	±5%	187	±7%	87	±10.4%	62	±12.4%	56	±13%	81	±10.8%
50 to 249	672	144	±7.2%	101	±9%	66	±11.5%	50	±13.3%	53	±12.9%	66	±11.5%
Over 249	103	24	±17.6%	20	±19.8%	16	±22.6%	11	±28.1%	15	±23.5%	15	±23.5%
BY ISCO GROUP													
Majority Skill Level 1 & 2	N/A	610	±3.9%	240	±6.3%	92	±10.2%	60	±12.6%	60	±12.6%	103	±9.6%
Majority Skill Level 3 & 4	N/A	705	±3.6%	261	±6%	143	±8.2%	115	±9.1%	100	±9.8%	158	±7.8%
No Majority Group	N/A	80	±10.9%	26	±19.2%	13	±27.2%	10	±31%	8	N/A	10	±31%

Table 6: Margins of Error for Section 3.5 Current Staff Proficiency and Future Outlook

Survey Group (Population)		Respondents main Subgroups													
		All		Reported less than 100% proficiency in some occupations		Reported a major or minor impact, given the fact the some personnel are not fully proficient		Expect skill shortages over the next five years (skill shortage)		Expect skill shortages over the next five years (occupation shortage)		Reported skills that current employees will need to acquire over the next five years		Reported skills that are perceived as no longer needed in future	
Description	**N**	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)	n	MoE (± p.p)
TOTAL POPULATION	29567	1395	±2.6%	582	±4%	422	±4.7%	309	±5.5%	268	±6%	900	±3.2%	561	±4.1%
BY SECTOR															
Primary and Utilities	818	46	±14%	20	±21.7%	10	±30.8%	11	±29.4%	11	±29.4%	27	±18.6%	15	±25.1%
Manufacturing	2497	93	±10%	45	±14.5%	36	±16.2%	18	±23%	33	±16.9%	56	±13%	32	±17.2%
Construction	3504	127	±8.5%	54	±13.2%	41	±15.2%	17	±23.7%	48	±14%	73	±11.4%	50	±13.8%
Distribution and Transport	8396	375	±4.9%	160	±7.7%	114	±9.1%	83	±10.7%	66	±12%	233	±6.3%	130	±8.5%
Hospitality	2794	114	±9%	65	±12%	49	±13.9%	33	±17%	23	±20.4%	73	±11.3%	41	±15.2%
IT Services	1139	79	±10.6%	25	±19.4%	17	±23.6%	24	±19.8%	11	±29.4%	60	±12.3%	36	±16.1%
Financial and Insurance	1289	61	±12.3%	24	±19.8%	15	±25.2%	9	N/A	4	N/A	43	±14.7%	27	±18.7%
Other Business Services	5730	300	±5.5%	108	±9.3%	75	±11.2%	71	±11.6%	35	±16.5%	215	±6.6%	142	±8.1%
Other Marketed Services	1489	66	±11.8%	27	±18.7%	23	±20.3%	20	±21.8%	9	N/A	34	±16.6%	27	±18.7%
Non-Marketed Services	1911	134	±8.2%	54	±13.1%	42	±15%	23	±20.3%	28	±18.4%	86	±10.3%	61	±12.3%
BY SIZE GROUP															
2 to 9	24244	868	±3.3%	277	±5.9%	188	±7.1%	163	±7.7%	154	±7.9%	553	±4.1%	341	±5.3%
10 to 49	4548	359	±5%	192	±6.9%	143	±8.1%	91	±10.2%	82	±10.7%	236	±6.2%	145	±8%
50 to 249	672	144	±7.2%	94	±9.4%	76	±10.6%	45	±14.1%	28	±18.1%	94	±9.4%	62	±11.9%
Over 249	103	24	±17.6%	19	±20.4%	15	±23.5%	10	±29.6%	4	N/A	17	N/A	13	N/A
BY ISCO GROUP															
Majority Skill Level 1 & 2	N/A	610	±3.9%	288	±5.7%	220	±6.6%	140	±8.3%	140	±8.3%	380	±5%	222	±6.6%
Majority Skill Level 3 & 4	N/A	705	±3.6%	263	±6%	186	±7.2%	152	±7.9%	116	±9.1%	466	±4.5%	309	±5.5%
No Majority Group	N/A	80	±10.9%	31	±17.6%	16	±24.5%	17	±23.8%	12	±28.3%	54	±13.3%	30	±17.9%

Public Sector: Margins of Error

The margins of error are not reported for the Public Sector results. Invitations were sent to identified organisations, and participation was voluntary. Because the full population of eligible organisations is unknown and respondents were not selected through a probability-sampling design, a conventional sampling margin of error is not applicable