

IDA Ireland, LinkedIn and Microsoft have partnered to bring you quarterly updates on Ireland's employment dynamics using LinkedIn's high frequency labour market insights.

## LinkedIn Hiring Rate buoyant as agile Irish economy prepares for the future

### Hiring remains strong despite uncertain environment.

As the impact of the pandemic in Ireland fades, the LinkedIn Hiring Rate<sup>1</sup> remains strong. Hiring rates in the first five months of 2022 were on average 27% higher than the same period in 2019<sup>2</sup>. This comes despite the considerable uncertainty in the global economy due to the war in Ukraine, ongoing Covid-19 disruption in major markets and associated inflationary and supply chain pressures.

Amid these economic headwinds, uncertainty dampened consumer spending in Ireland during the

first quarter of the year. However, the labour market is growing at a rapid pace with the total number of people employed in Ireland at record levels, the unemployment rate back to pre-pandemic levels below 5% and digital skill levels accelerating. IDA Ireland has seen a strong flow of foreign direct investment (FDI) in recent months, with several major announcements across sectors and regions. In a challenging environment, firms throughout the country - from large multinationals to small medium enterprises (SMEs) - are adapting and innovating their way to continued growth and success.

Fig.1 LinkedIn Hiring Rate



Source: LinkedIn

## An ever-evolving workforce

Over the past decade as employment in Ireland grew rapidly, the types of jobs being created shifted. Within the FDI base, technology focused roles became ubiquitous across services sectors and roles in research, science and engineering increased as the manufacturing sector moved to more complex activities.

Covid-19 has accelerated transformational trends across the labour market. Industries are increasingly going digital

and the rise of remote work is fundamentally changing the nature of how we collaborate.

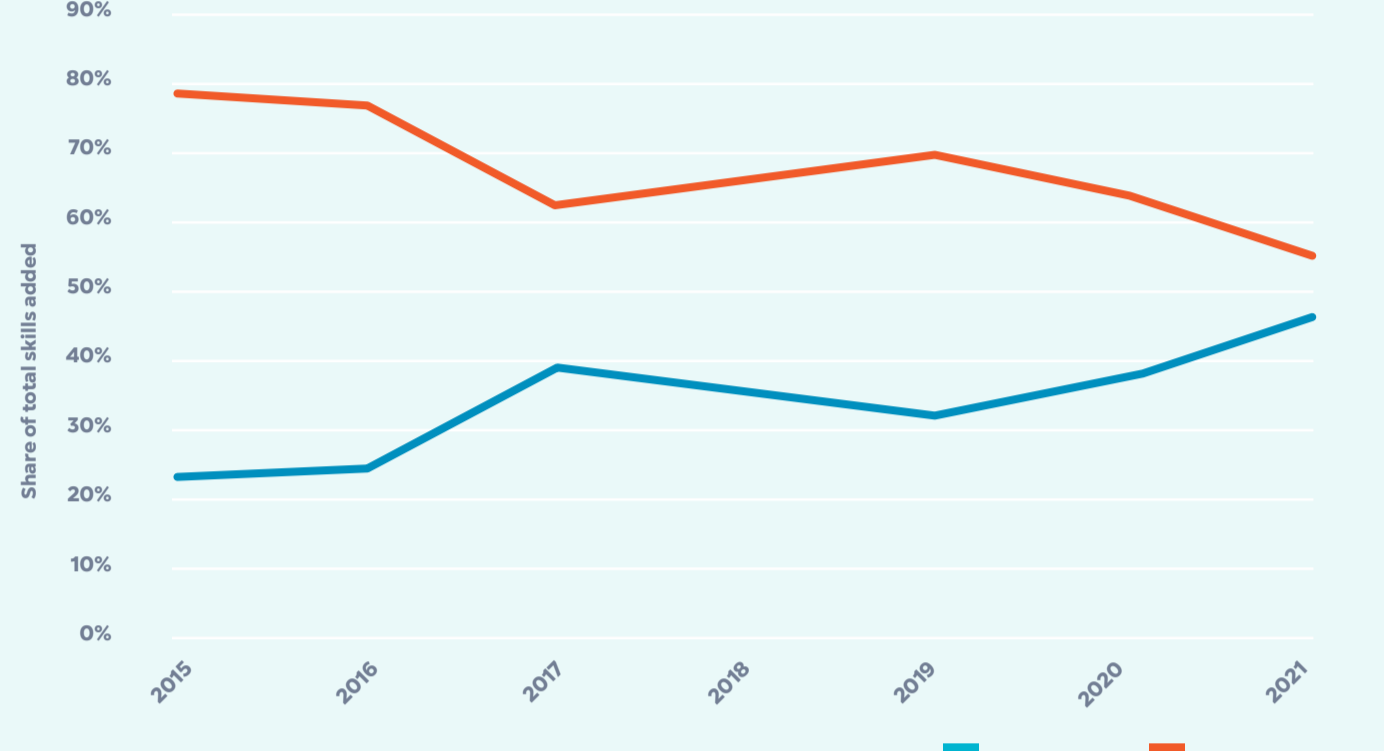
LinkedIn's data tells us how jobs are changing, and what skills workers may need to stay competitive. As members adapt their skills for a changing job market, the skills added by LinkedIn's 2+ million members in Ireland over the last 6 years have been analysed to understand the evolution of skills required across sectors.

## Increased levels of digital skills

The rising importance of digital skills will continue to reshape how we work. Figure 2 tracks the relative intensity<sup>3</sup> of digital skills among the Irish workforce over time, with the share of digital skills on an upward trajectory over the past two years.

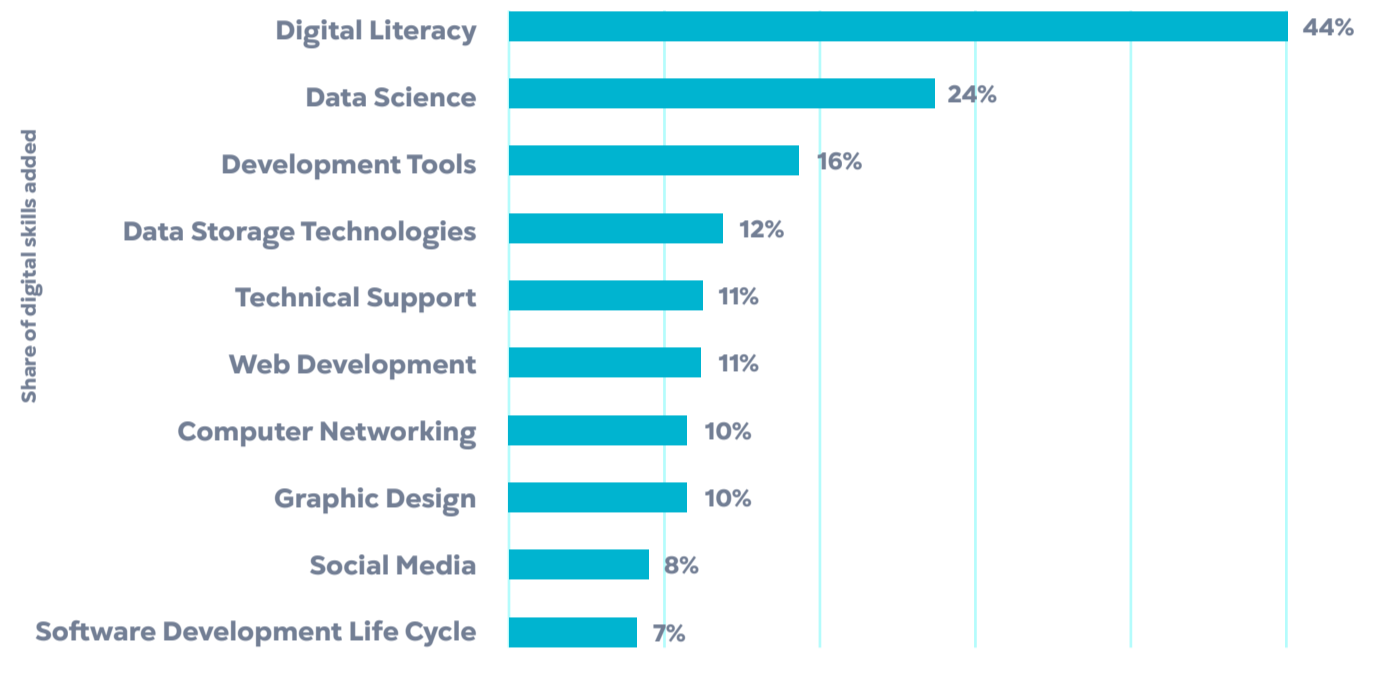
Figure 3 shows some of the most common digital skill groups added by members in Ireland during 2021 include digital literacy skills (such as Microsoft Office Tools), as well as more advanced skills in data science and development tools (such as Python and Java).

Fig.2 Share of skills added by LinkedIn members in Ireland, 2015-2021



Source: LinkedIn

Fig.3 Top 10 digital skill groups added in 2021



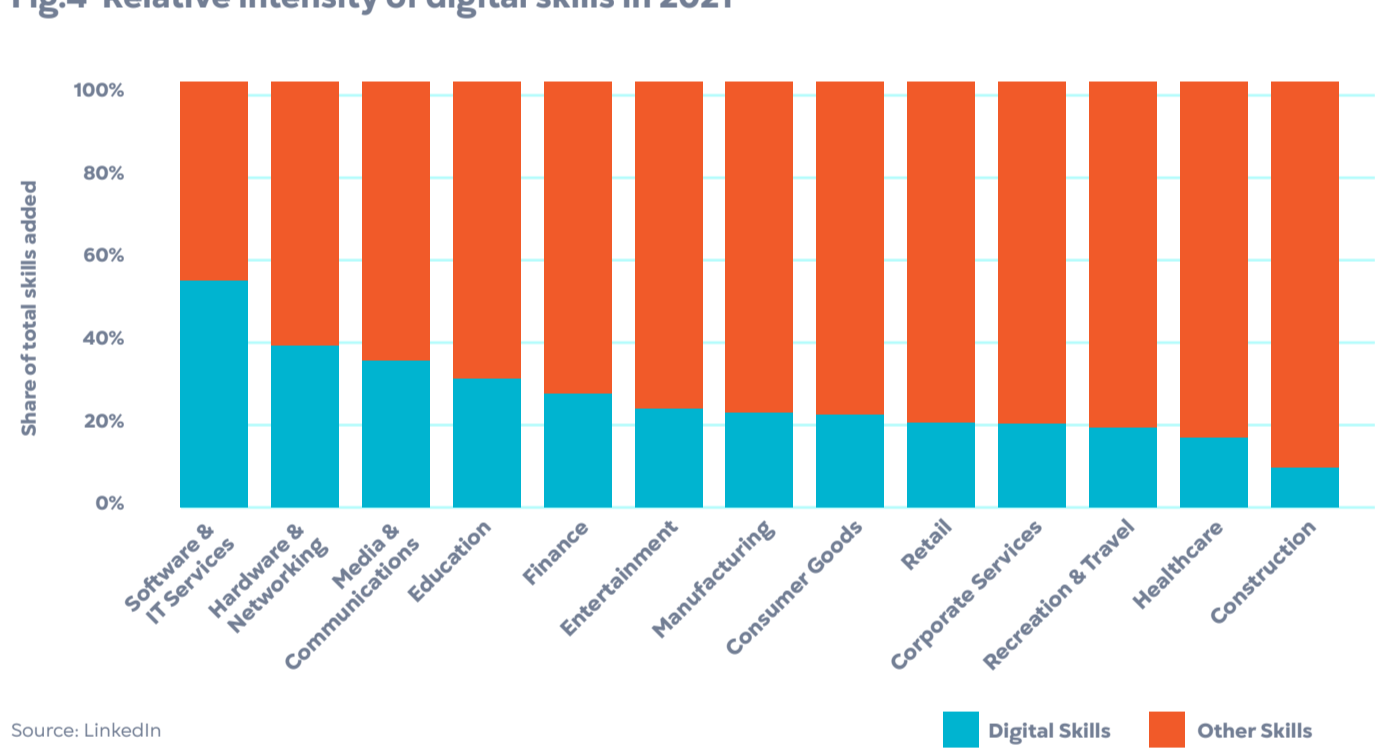
Source: LinkedIn

## Digital transformation across sectors

Looking at data for 2021, Figure 4 shows that people working in the Software & IT Services, Media & Communications, and the Finance sector added the greatest share of digital skills when compared to all skills added.

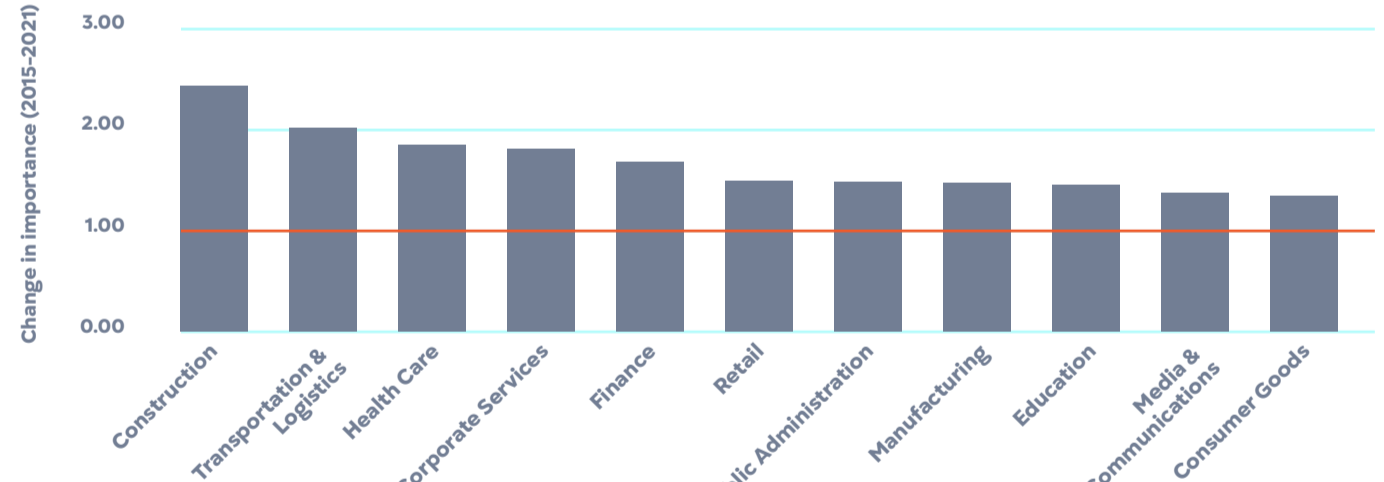
Between 2015 and 2021, digital skills intensity, as shown in Figure 5, increased across a range of traditionally non-tech sectors including Construction, Transportation & Logistics, Health Care, Corporate Services and Finance. Availability of digitally skilled talent is increasingly vital for companies as they continue to expand into tech enabled business models.

Fig.4 Relative intensity of digital skills in 2021



Source: LinkedIn

Fig.5 Change in relative intensity of digital skills, 2015-2021



Source: LinkedIn; Note ratios above 1 indicate a higher share of digital skills added in 2021 compared to 2015

## Other sectoral skill shifts

The individual skills added by their working in various sectors in Ireland to their LinkedIn profiles also provide insight on other notable sector specific skill shifts.

- **Impact of Brexit on the Transport & Logistics Sector:** Customs regulation was the top skill added by members in this sector in 2021.
- **Increased regulatory requirements in Financial Services:** Regulatory compliance, General Data Protection Regulation (GDPR) and Know Your Customer (KYC) were among the top 10 skills added by employees in 2021.
- **Change in marketing focus in the Media & Communications Sector:** New skills such as Search Engine Marketing, Social Marketing and Email Marketing were among the top 10 skills added by employees in 2021.
- **Changing technical requirements in the Software & IT Services Sector:** AWS, Jira, Kubernetes and Python were among the top 10 skills added by members in 2021 contrasting with more traditional skills like SQL, JavaScript and Software Development topping the list in 2015.

To explore these reports of further, you can refer to **LinkedIn's report** on the Future of Skills.

As workers reskill and upskill in area such as those above, recent analysis by SOLAS provides useful information for workers seeking to match their new skills with those in demand by employers<sup>4</sup>. In Information Technology, most of the top demanded skills are related to software development, followed by problem solving skills. For jobs in Manufacturing and Production, quality assurance and control skills were found to be most in demand.

Local Enterprise Offices trained 60,344 people in small and micro enterprises during 2021 in areas such as digital skills, online marketing, HR and finance. As in 2020, many small businesses needed to upskill during the year with continued Covid-19 restrictions increasing the need for companies to have a strong online presence.

## A more agile workplace

As digital skills intensity and demand for a range of technology related skills increases across the economy, we are also seeing the widespread shift to hybrid working models alter the nature of work.

Ireland had the highest level of employed people usually working from home in the EU at 32%<sup>5</sup>. More flexible working arrangements are set to be a lasting impact of the pandemic, whether at home, in the office or at remote working hubs. There are now over 240 remote working hubs in place in regions across Ireland as part of the National Connected Hubs network, with a new voucher scheme giving users free access to their local digital hub<sup>6</sup>.

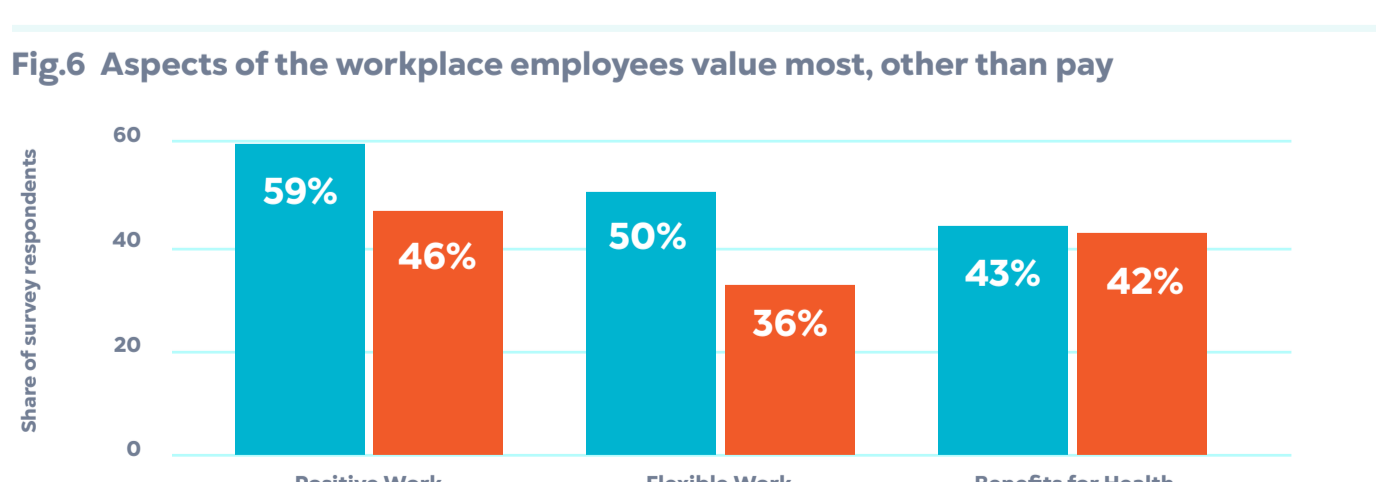
Most IDA Ireland client companies are adopting hybrid models of varying types, depending on the nature of

their operations in Ireland. In this changed landscape, companies are grappling with how to optimise hybrid working models to balance business outcomes with employee needs.

Microsoft's 2022 Work Trend Index<sup>7</sup> found that many hybrid employees are considering a switch to remote (51%) and even more remote employees are considering a switch to hybrid (57%) over the next year.

Both globally and in Ireland, the research emphasises the value employees place on a positive work culture and flexible working hours<sup>8</sup>. Creating a positive work culture while enabling workforce flexibility is not an easy task, particularly given the challenge leaders surveyed identified of relationship-building in hybrid and remote work environments.

Fig.6 Aspects of the workplace employees value most, other than pay



Source: Microsoft

## Adapting to succeed

The ability of employers and employees in Ireland to adapt and succeed in a difficult business environment is evident in the strength of the LinkedIn Hiring Rate relative to pre-pandemic levels over the past 12 months

and in the increasing intensity of digital skills across sectors. Agility has long been a key attribute of the Irish economy and one which will be vital in this current period of uncertainty, challenge and change.

<sup>1</sup> There are two million members on LinkedIn in Ireland. This compares against an Irish labour force of 2.5m, according to the CSO. A paper, published with the World Bank, provides a good example of how LinkedIn data has been validated by a global organisation (World Bank & LinkedIn (2018) Data Insights: Jobs, Skills and Migration Trends Methodology & Validation Results). The LinkedIn Hiring Rate (LHR) is the number of LinkedIn members who added a new employer to their profile in the same month the new job began, divided by the total number of LinkedIn members in that country.  
<sup>2</sup> We compare the 14-day rolling sum with the same day in 2019, to enable comparison with pre-pandemic levels of hiring.  
<sup>3</sup> LinkedIn categorizes skills that members add to their profiles as digital or not-digital/other. The annual relative intensity of digital skills represents the share of skills added by members in a particular year that have been categorized as digital.  
<sup>4</sup> SOLAS, Shifting Sands: Navigating the patterns emerging in the Irish labour market post-Covid-19, May 2022  
<sup>5</sup> Eurostat, employed persons aged 15+ usually working from home as percentage of total employment in 2021  
<sup>6</sup> Department of Rural and Community Development, new initiatives to support remote working, June 2022  
<sup>7</sup> 2022 Work Trend Index, study based on 31,000 technology and healthcare workers in thirty-one countries  
<sup>8</sup> Microsoft Ireland, Making Hybrid Work Work

