

# Employer Skills Survey 2017

**Wales slide pack**

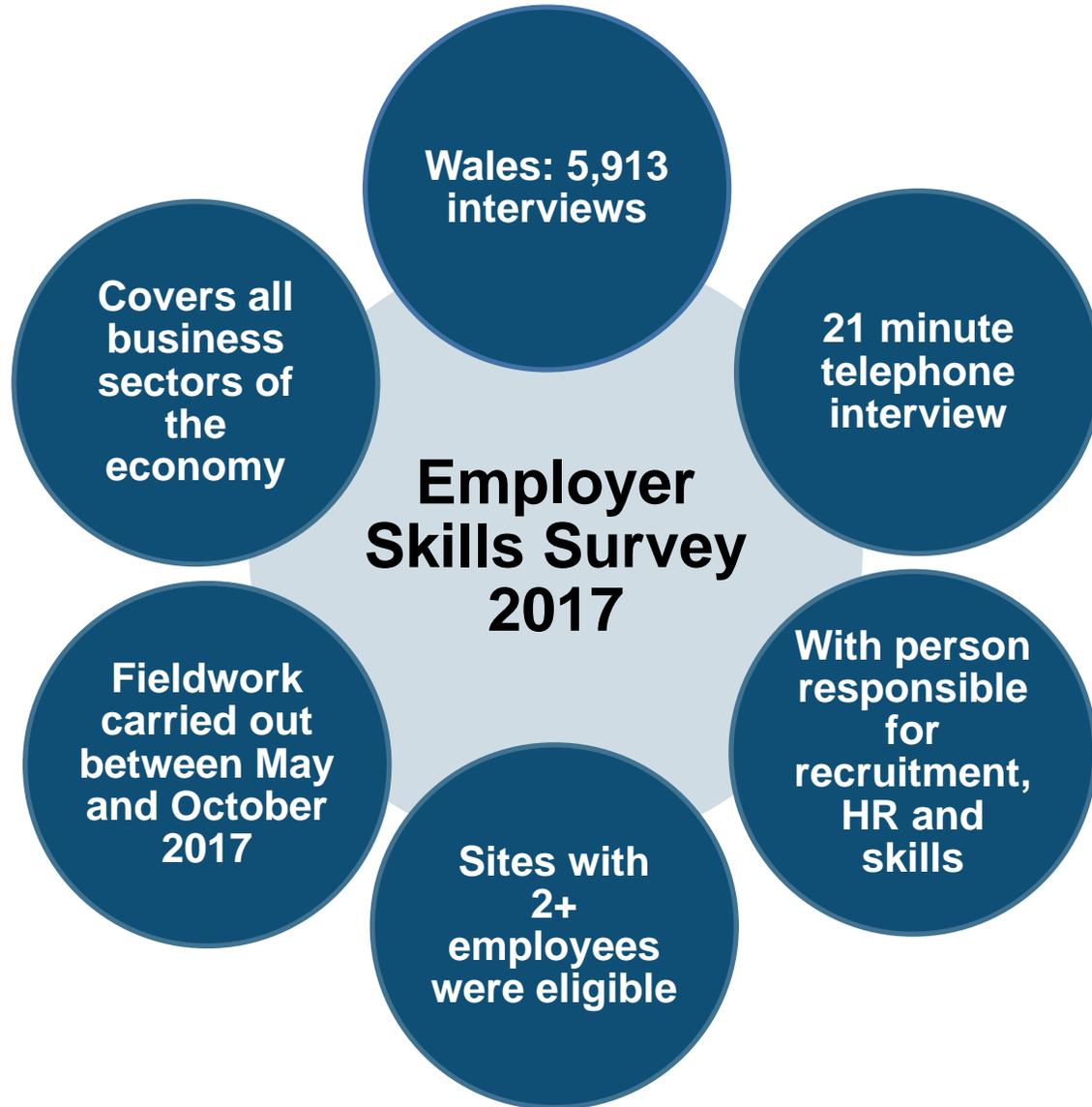


Department  
for Education



**IFF Research**

# Introduction



## Questionnaire Coverage

- **This is the fourth survey in this biennial series.**
- **The study focused on the following areas:**
  - Recruitment and skill-shortage vacancies
  - Skills gaps in the existing workforce
  - Skills underutilisation
  - Upskilling - the need for staff to acquire new skills or knowledge
  - Training and workforce development
  - High Performance Working practices

# Achieved interviews

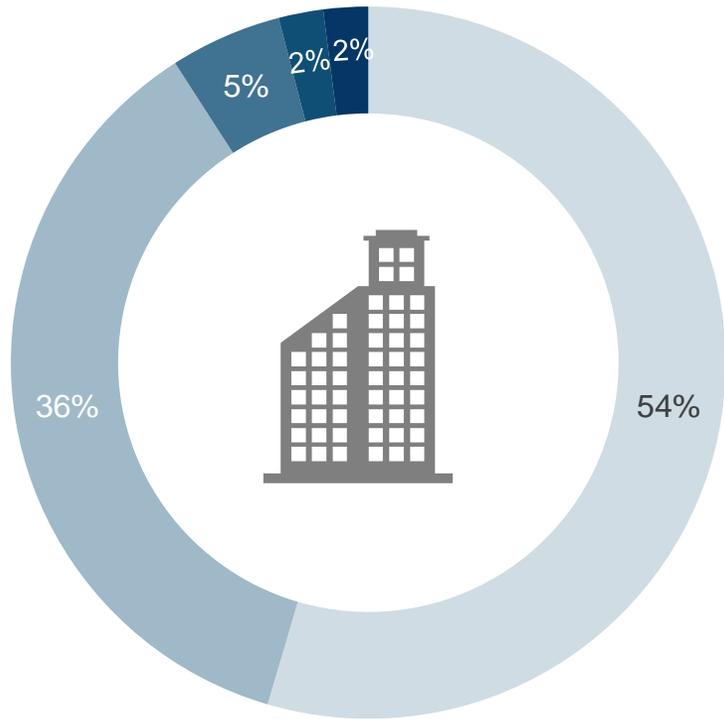
	Population	Number of interviews
Wales	86,000	5,913
<b>By region</b>		
North	22,000	1,584
Mid	10,000	605
South East	35,000	2,603
South West	20,000	1,121
West Wales and the Valleys (ESF)	51,000	3,449
East Wales (ESF)	36,000	2,464

By sector	Population	Number of interviews
Primary Sector & Utilities	10,000	511
Manufacturing	4,000	419
Construction	8,000	481
Wholesale & Retail	17,000	958
Hotels & restaurants	9,000	597
Transport & Storage	3,000	274
Information & Communications	2,000	168
Financial Services	2,000	154
Business Services	14,000	794
Public Administration	1,000	91
Education	3,000	375
Health & social work	7,000	603
Arts & Other Services	7,000	488

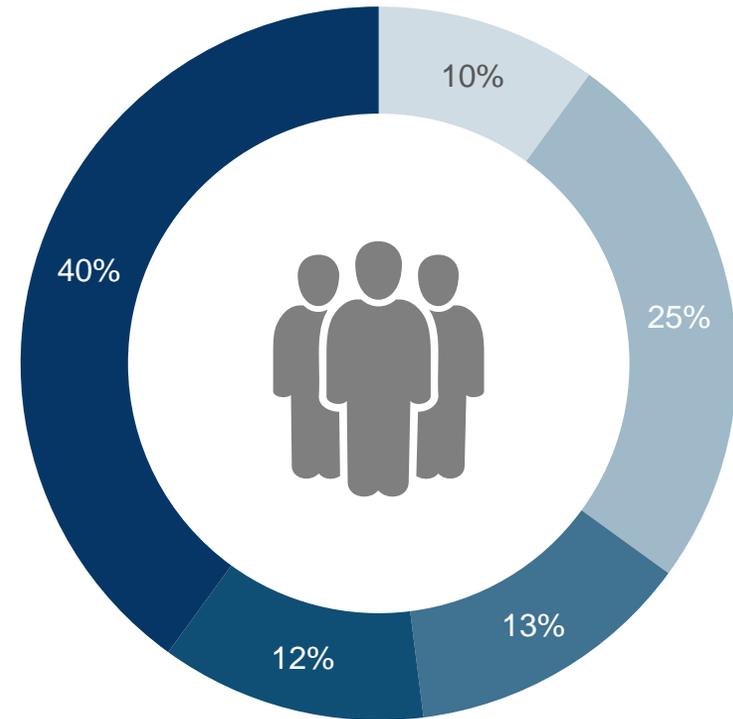
All the figures presented in this slide pack are subject to a margin of error. At a 95% confidence level, the maximum margin of error is less than one percentage point at the overall level and typically between one and three percentage points across the region and sector sub-groups.

# Survey population: size of establishment

% of all establishments

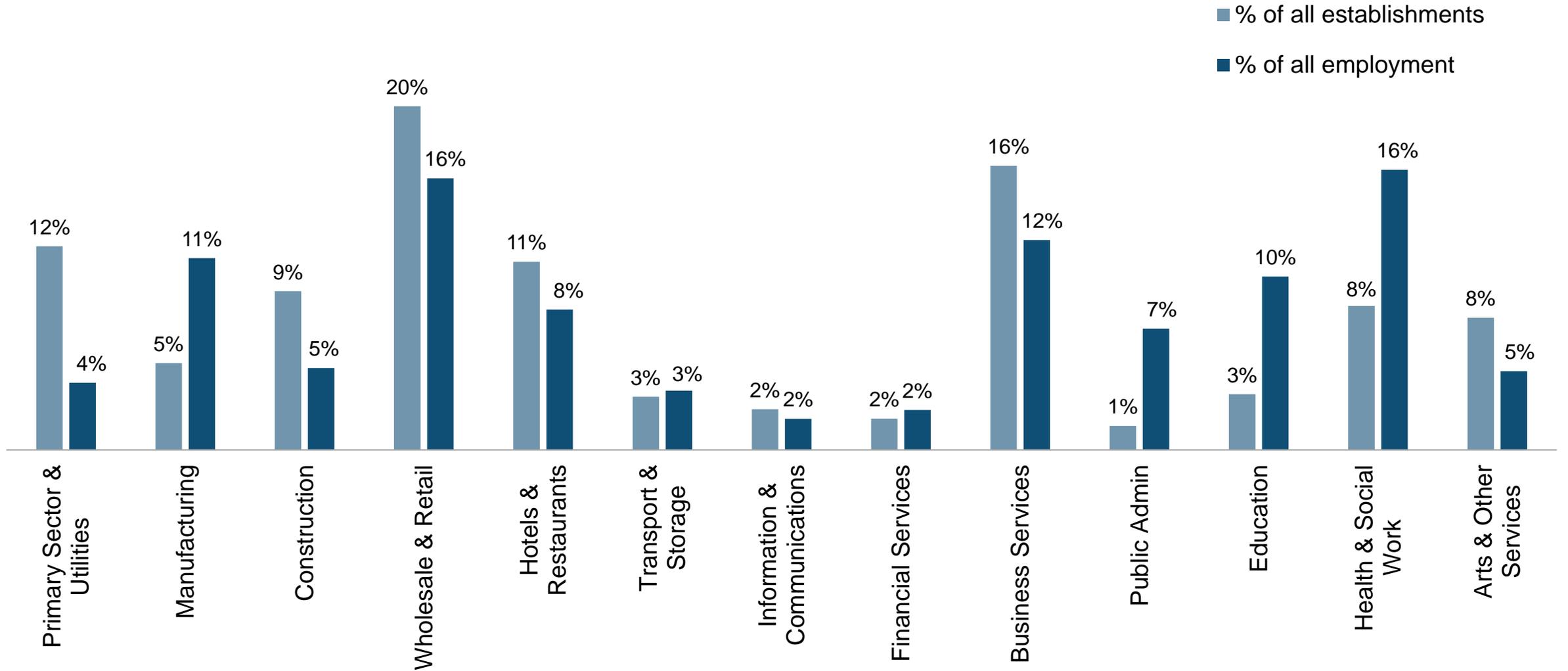


% of all employment



■ 2 to 4 employees ■ 5 to 24 ■ 25 to 49 ■ 50 to 99 ■ 100+

# Survey population: sector



# Key definitions

## Establishment base

Proportions are based on the number of establishments, defined here as a single location of an organisation, where at least two people work.

## Employment base

Proportions are based on the total number of employees and working proprietors across establishments.

## Vacancies

## Skill-shortage vacancies

## Skills gaps

## Under-utilisation

### Incidence

Proportion of establishments reporting at least one vacancy

Proportion of establishments reporting at least one skill-shortage vacancy  
(i.e. vacancies which are reported to be hard-to-fill because applicants lack relevant skills, qualifications or experience)

Proportion of establishments with at least one employee deemed by their employer to be not fully proficient in their role

Proportion of establishments with at least one employee with skills **and** qualifications more advanced than required for their current job role

### Density

Vacancies as a proportion of all employment

Skill-shortage vacancies as a proportion of all vacancies

The number of staff reported as not fully proficient as a proportion of all employment

The proportion of all staff with skills **and** qualifications more advanced than required for their current job role

# Recruitment and skill-shortage vacancies



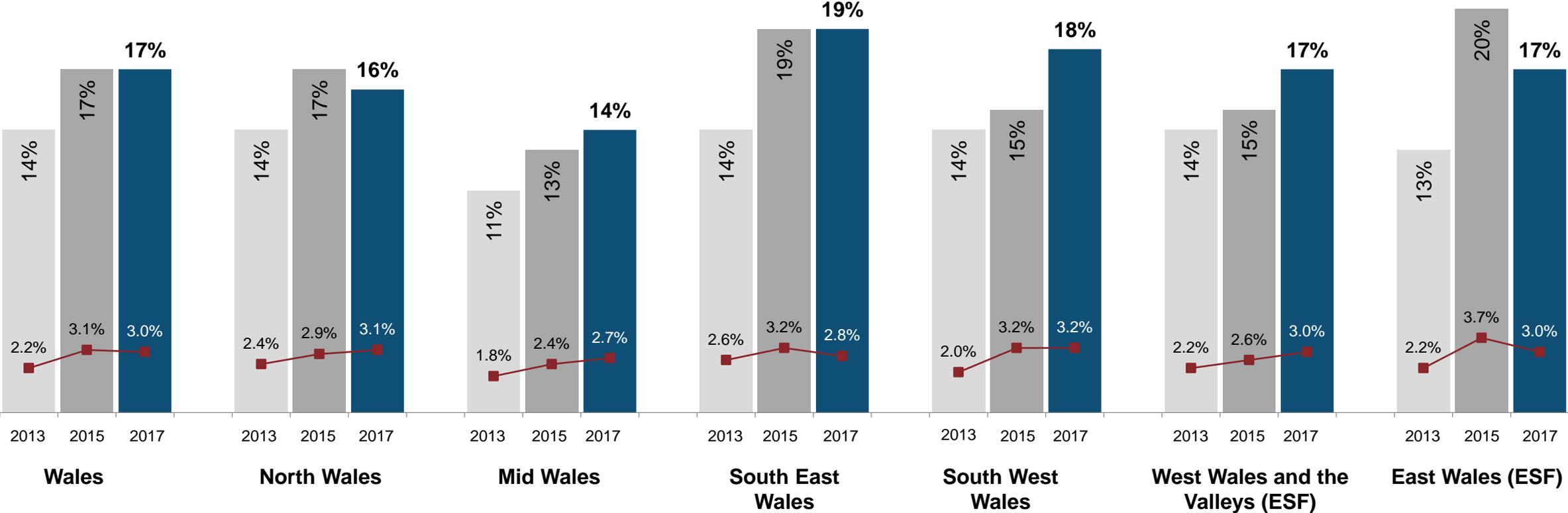
Department  
for Education



IFF Research

# Incidence and density of vacancies by region

■ Incidence of vacancies    ■ Density (vacancies as % of employment)

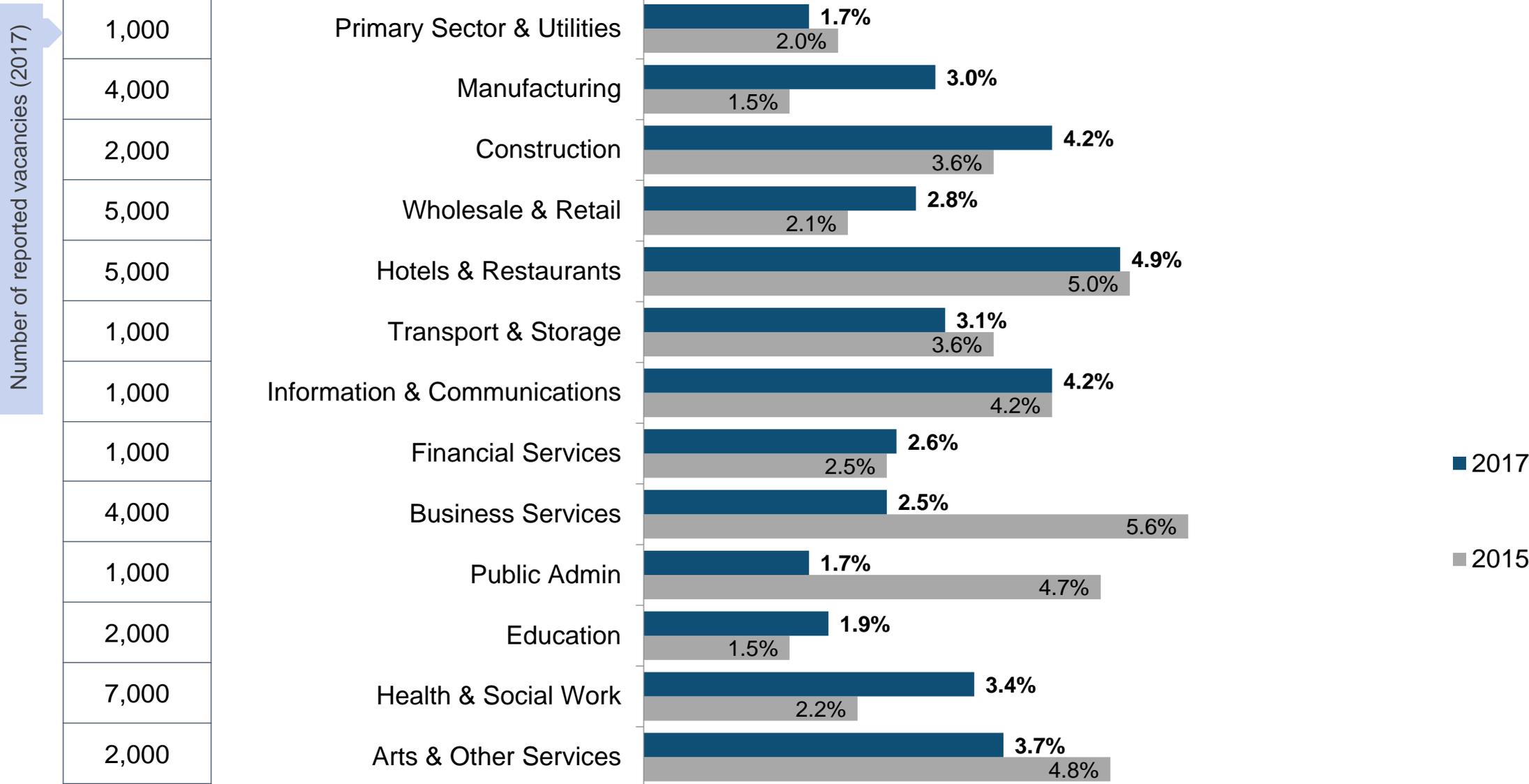


36,000	9,000	2,000	17,000	8,000	22,000	15,000
--------	-------	-------	--------	-------	--------	--------

Number of reported vacancies (2017)

Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

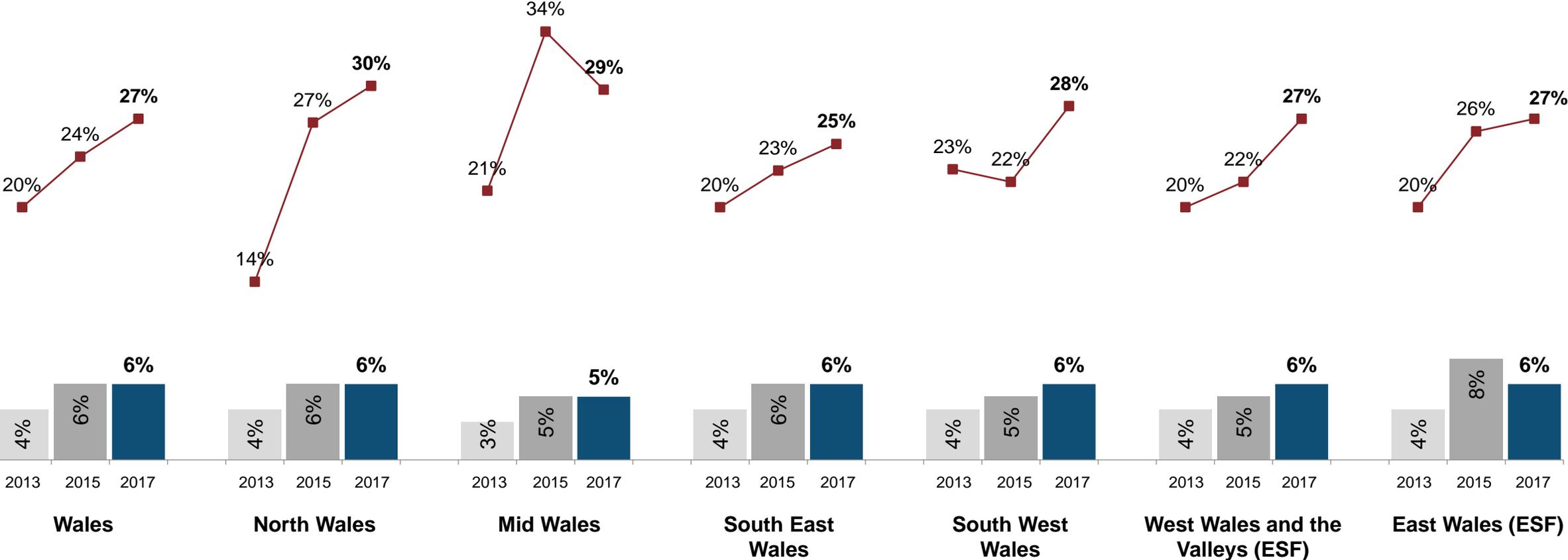
# Density of vacancies by sector



Base: All establishments (2017 base sizes range from 91 in Public Admin. to 958 in Wholesale and Retail)

# Incidence and density of skill-shortage vacancies by region

■ Incidence of skill-shortage vacancies (SSVs)    ■ Density (SSVs as % of vacancies)

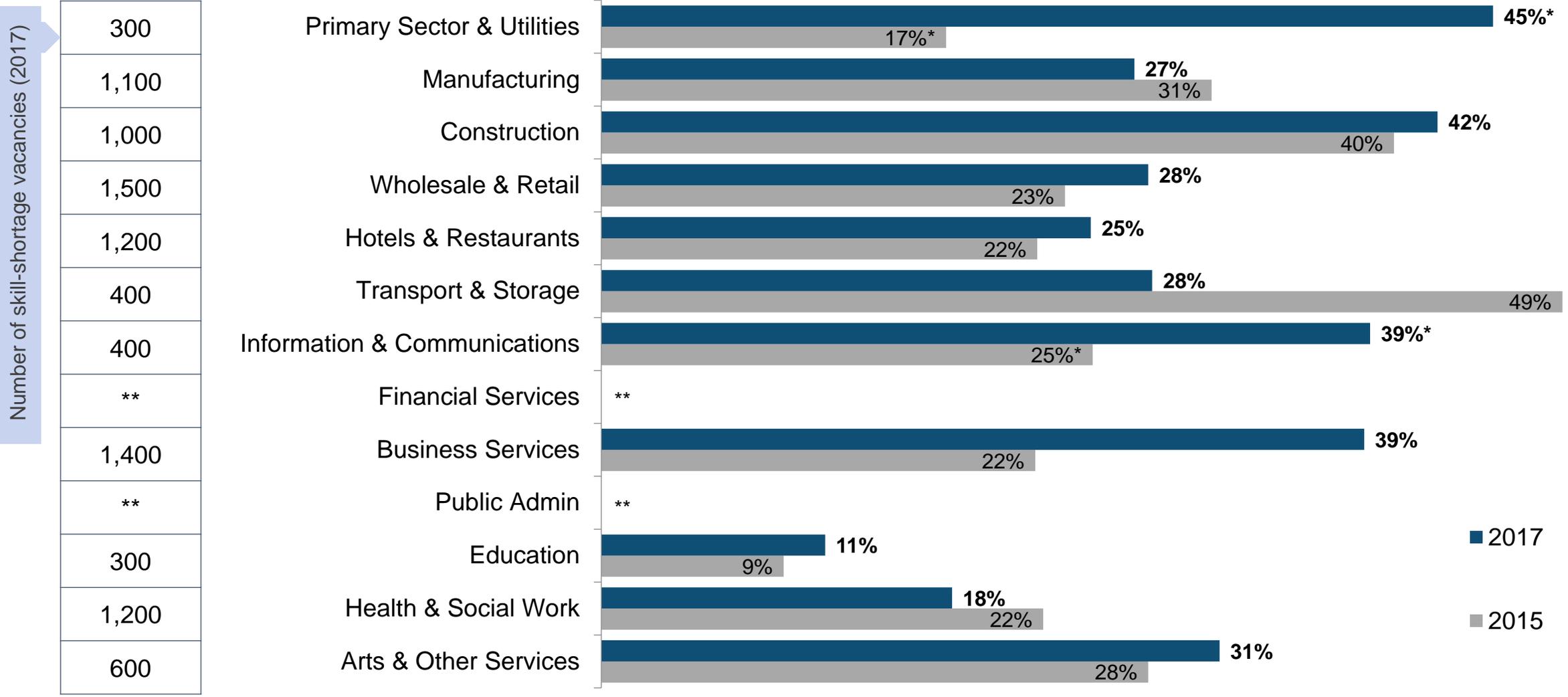


10,000	3,000	1,000	4,000	2,000	6,000	4,000
--------	-------	-------	-------	-------	-------	-------

Number of skill-shortage vacancies (2017)

Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

# Density of skill-shortage vacancies by sector

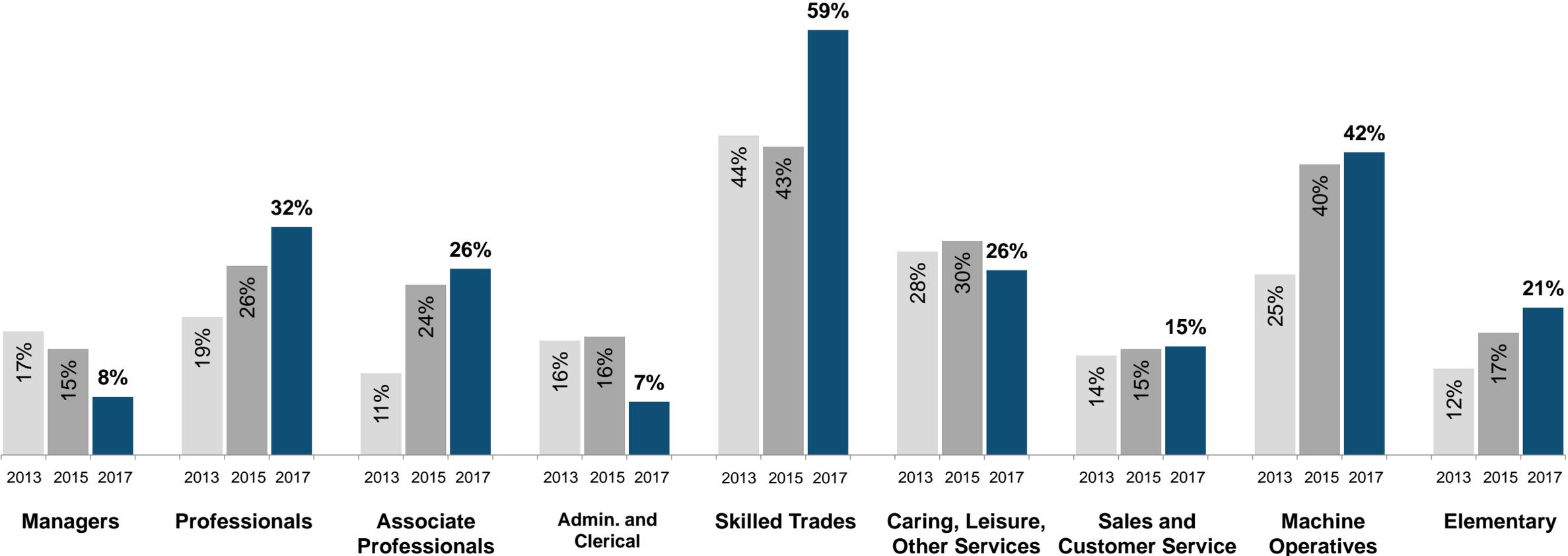


Base: All establishments with vacancies (2017 base sizes range from 25 in Public Admin. to 227 in Health & Social Work)

\*Where base sizes are under 30 within a sector, data has been removed (denoted by a double asterisk); where base sizes are between 30-49, an asterisk has been included next to the data label. When base sizes are relatively small the volumetric (and density) measures are particularly volatile to being influenced by a few establishments with a large number of vacancies; caution should be taken when interpreting these results.

# Density of skill-shortage vacancies by occupation

■ ■ ■ Density of skill-shortage vacancies (SSVs)

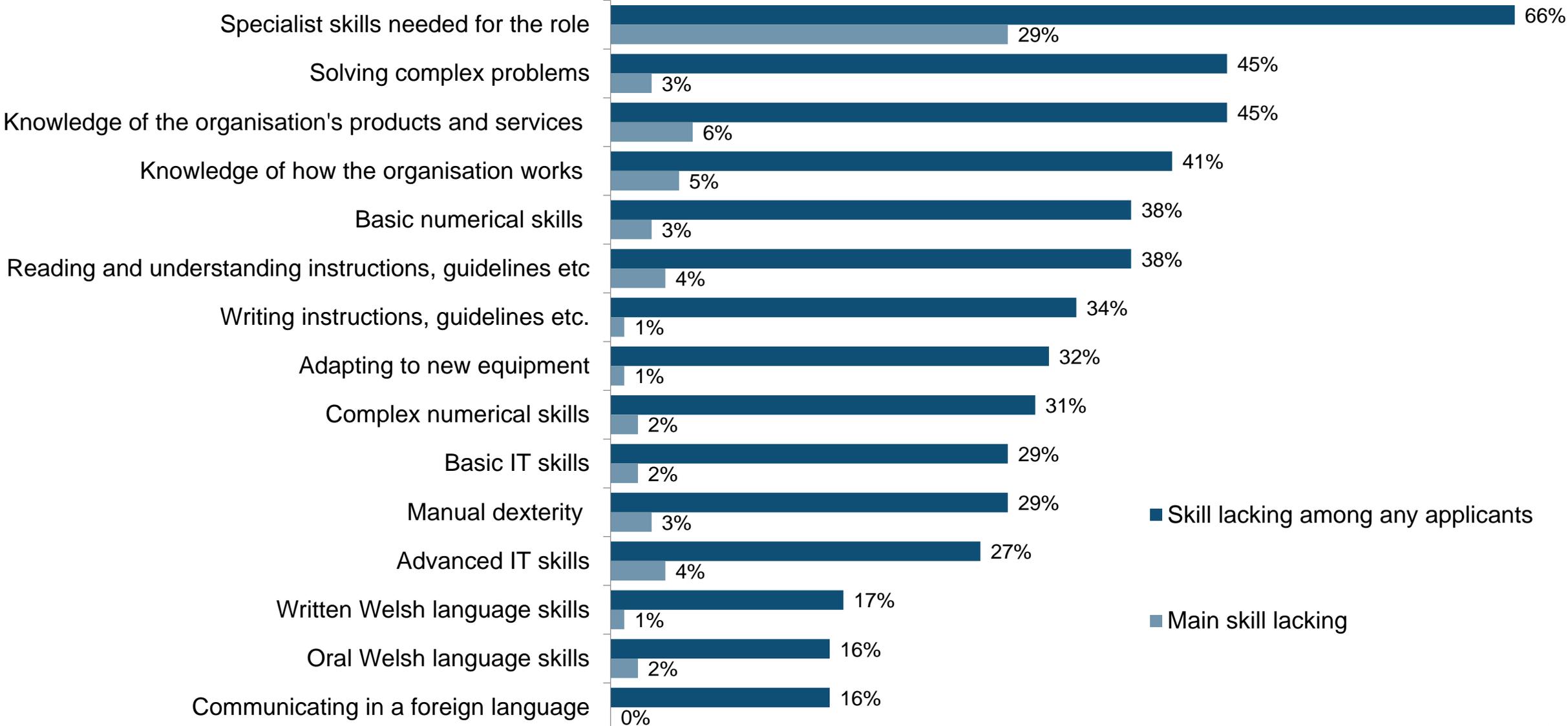


100	1,300	1,200	200	2,700	1,200	500	1,300	1,200
-----	-------	-------	-----	-------	-------	-----	-------	-------

Number of skill-shortage vacancies (2017)

Base: All establishments with vacancies in the given occupations (2017 base sizes range from 64 for Managers to 268 for Elementary)

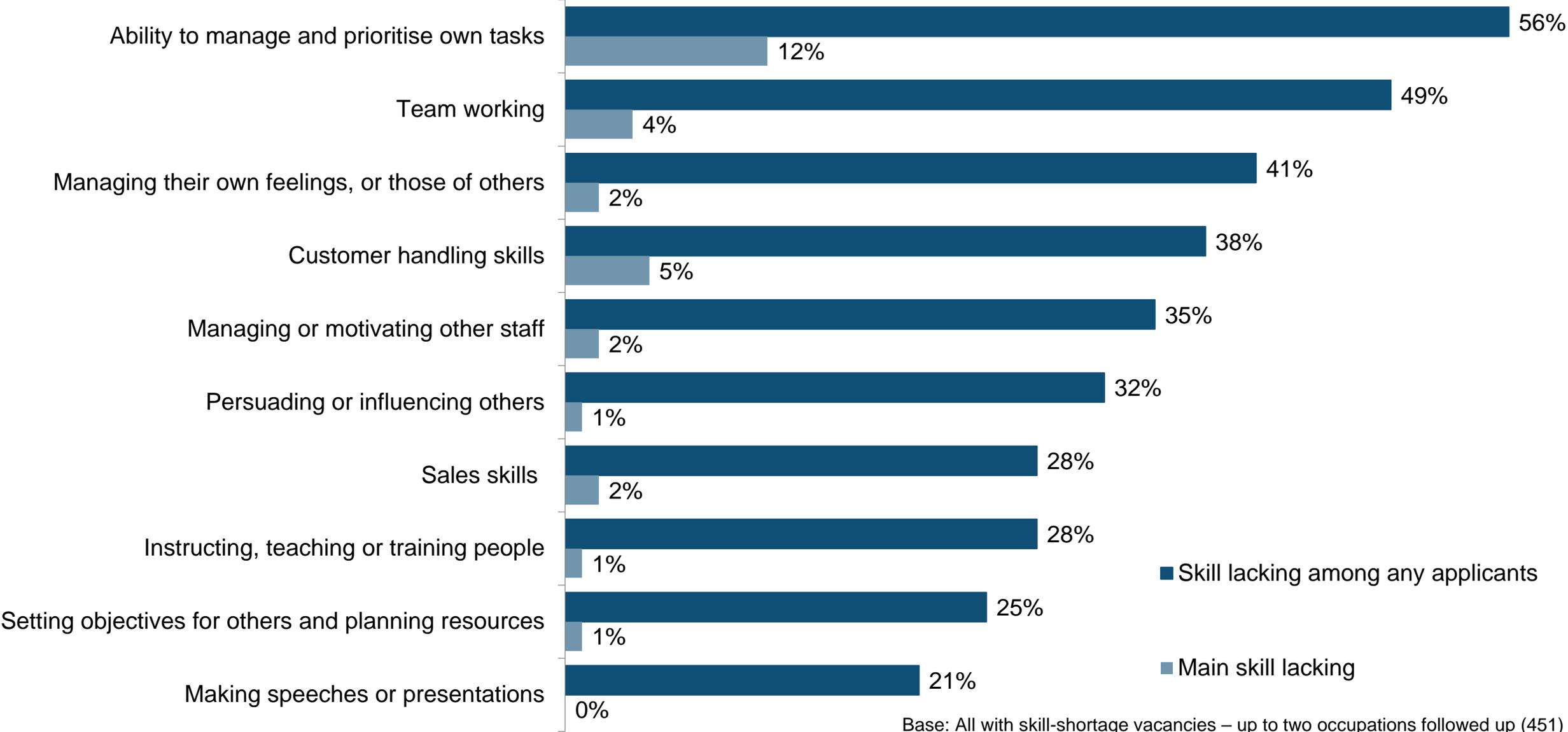
# Technical and practical skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (451)

Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

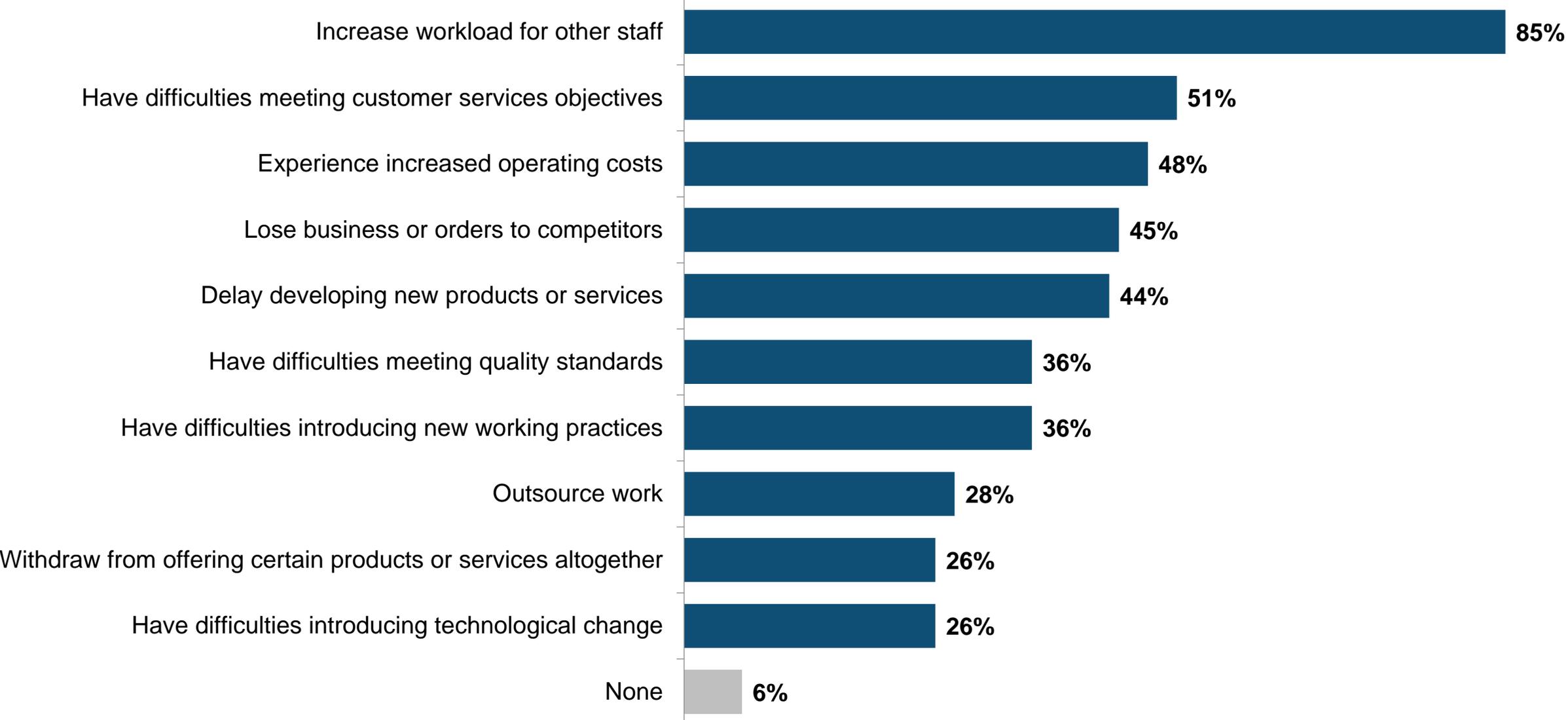
# People and personal skills lacking among applicants



Base: All with skill-shortage vacancies – up to two occupations followed up (451)

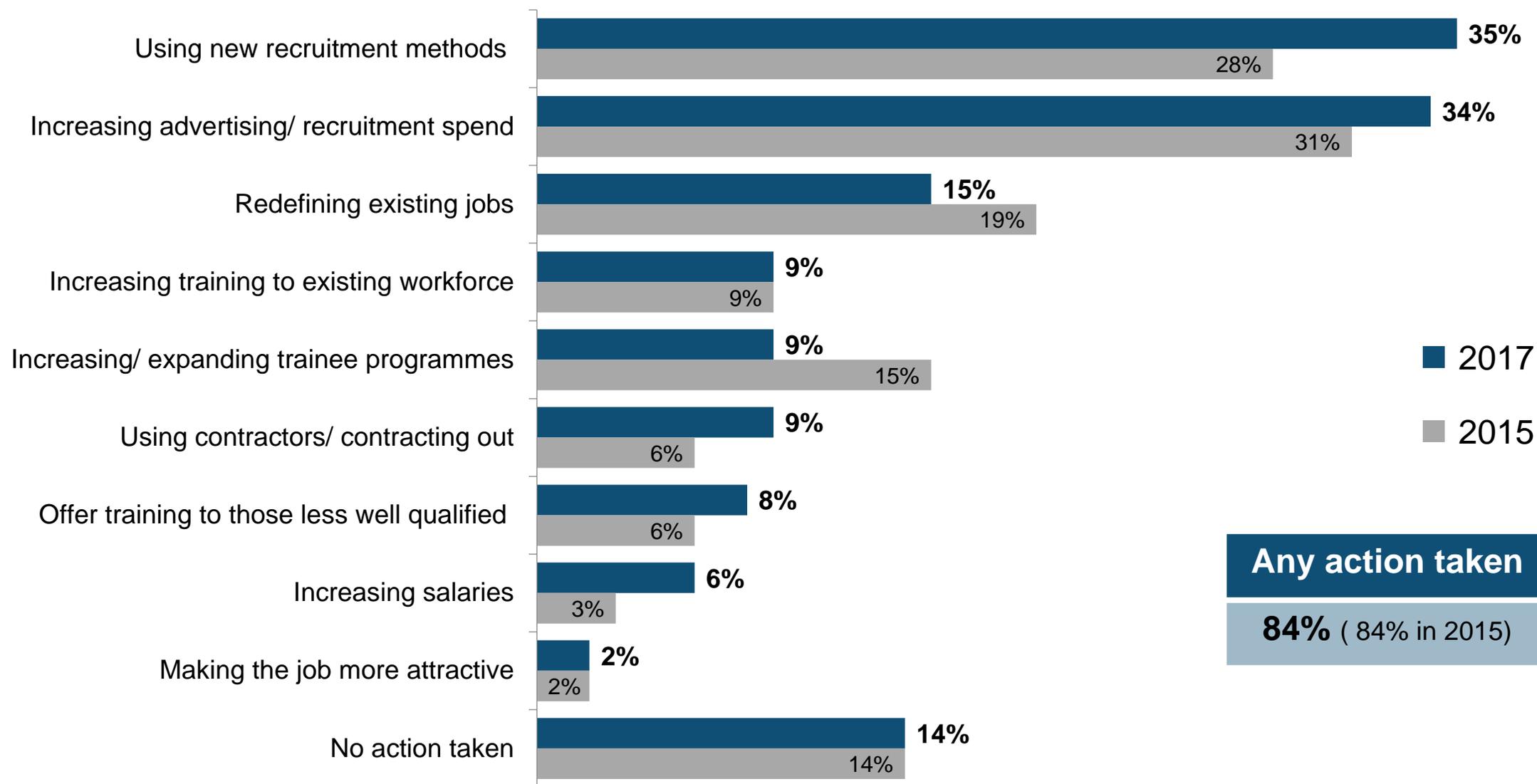
Figures are shown as a percentage of all skill-shortage vacancies followed up (not a percentage of all establishments)

# Impact of skill-shortage vacancies



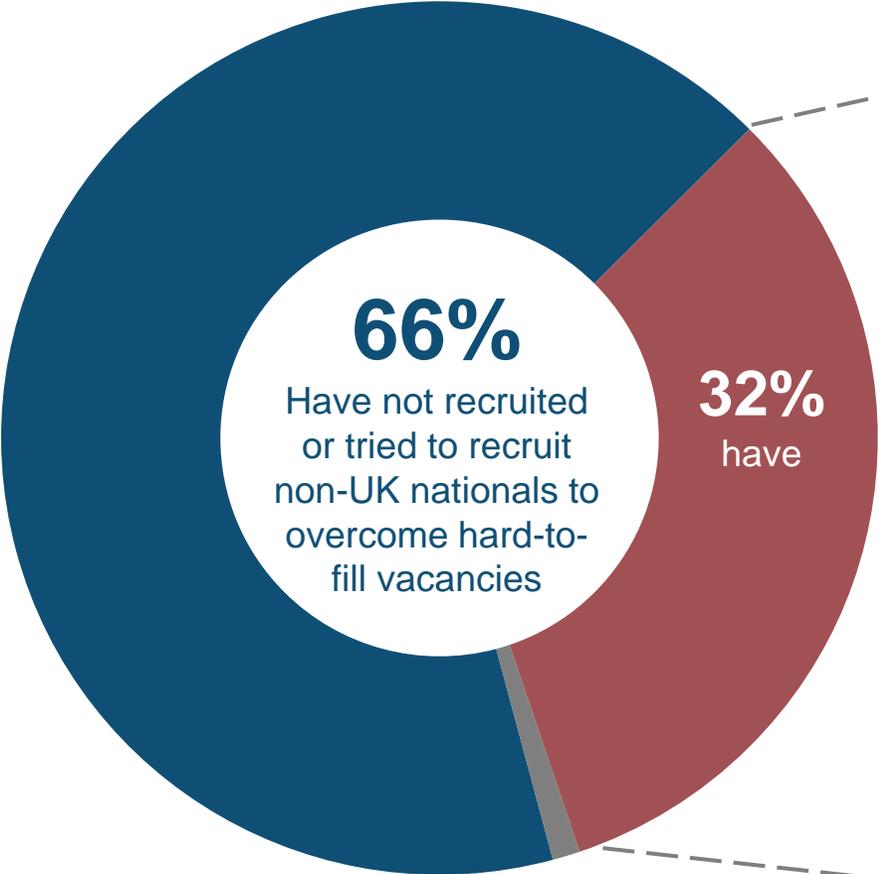
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (428)

# Action taken to overcome skill-shortage vacancies



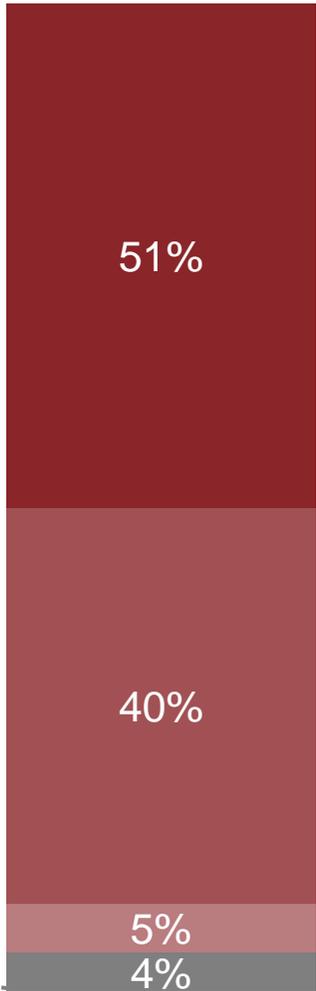
Base: All establishments with hard-to-fill vacancies that are all as a result of skill shortages (2015: 380; 2017: 428)

# Recruitment of EU nationals to fill hard-to-fill vacancies



Tried to recruit:

- EU nationals only
- Both
- Non-EU nationals only
- Don't Know



**91%**  
of those who tried to recruit non-UK nationals to fill hard-to-fill vacancies looked to recruit EU nationals

Base for pie: All establishments with hard-to-fill vacancies (582)  
Base for column: All that had recruited or tried to recruit non-UK nationals in response to having hard-to-fill vacancies (183)

# Skills gaps in the existing workforce



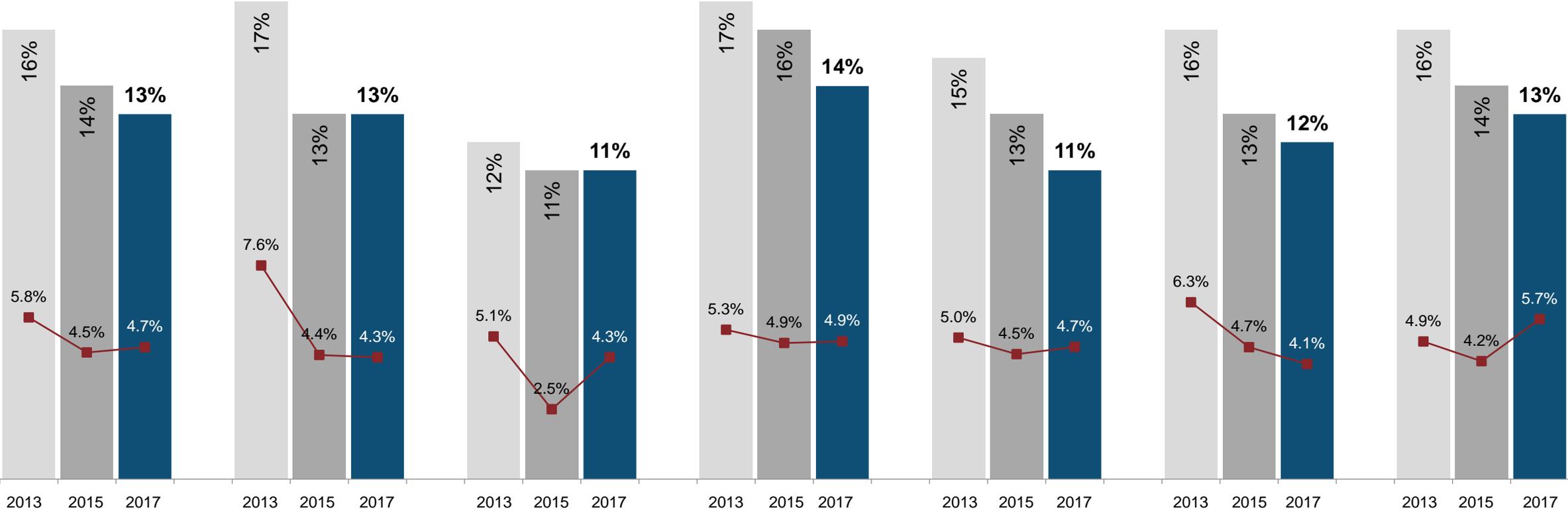
Department  
for Education



IFF Research

# Incidence and density of skills gaps by region

■ Incidence of skills gaps    ■ Density (% of all staff with a skills gap)

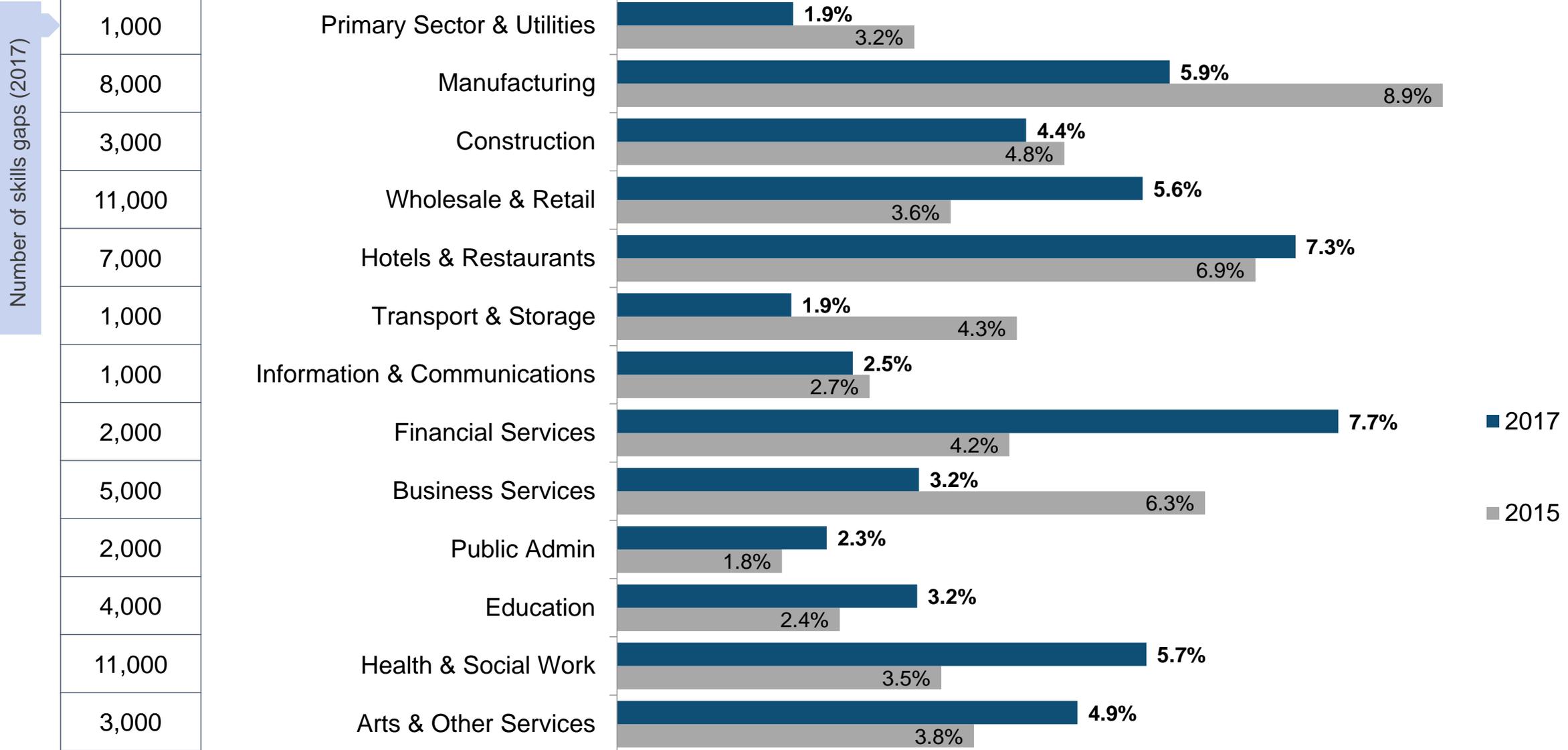


Wales	North Wales	Mid Wales	South East Wales	South West Wales	West Wales and the Valleys (ESF)	East Wales (ESF)
57,000	12,000	4,000	29,000	12,000	30,000	27,000

Number of skills gaps (2017)

Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

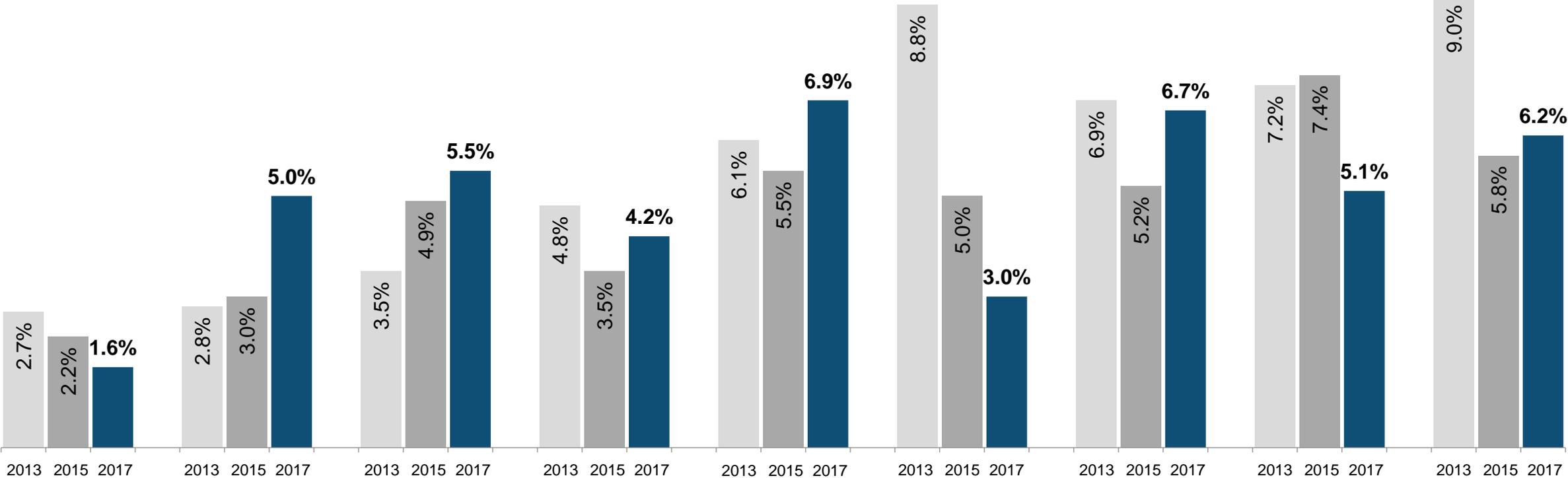
# Density of skills gaps by sector



Base: All establishments (2017 base sizes range from 91 in Public Admin. to 958 in Wholesale and Retail)

# Density of skills gaps by occupation

■ ■ ■ Density of skills gaps



**Managers**

**Professionals**

**Associate Professionals**

**Admin. and Clerical**

**Skilled Trades**

**Caring, Leisure, Other Services**

**Sales and Customer Service**

**Machine Operatives**

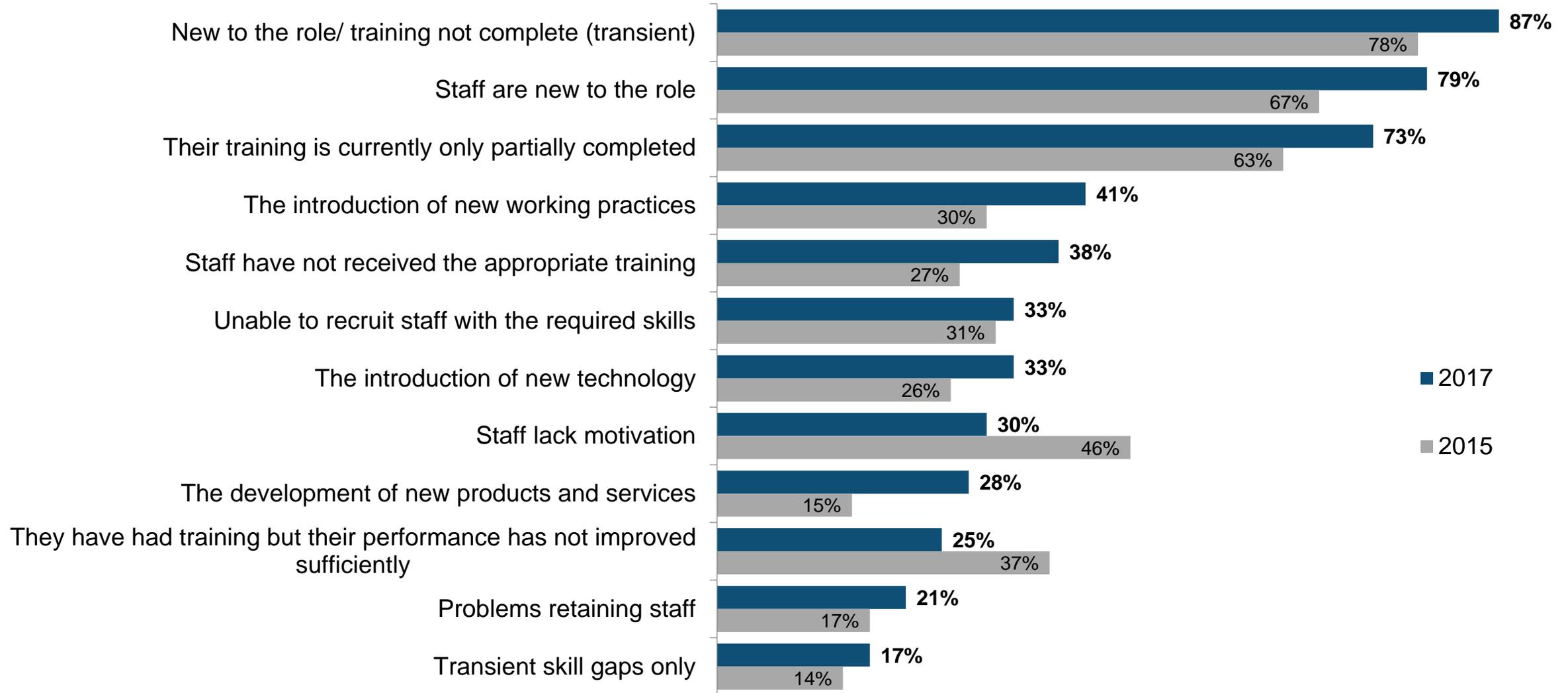
**Elementary**

3,000	7,000	3,000	6,000	7,000	4,000	10,000	7,000	10,000
-------	-------	-------	-------	-------	-------	--------	-------	--------

Number of skills gaps (2017)

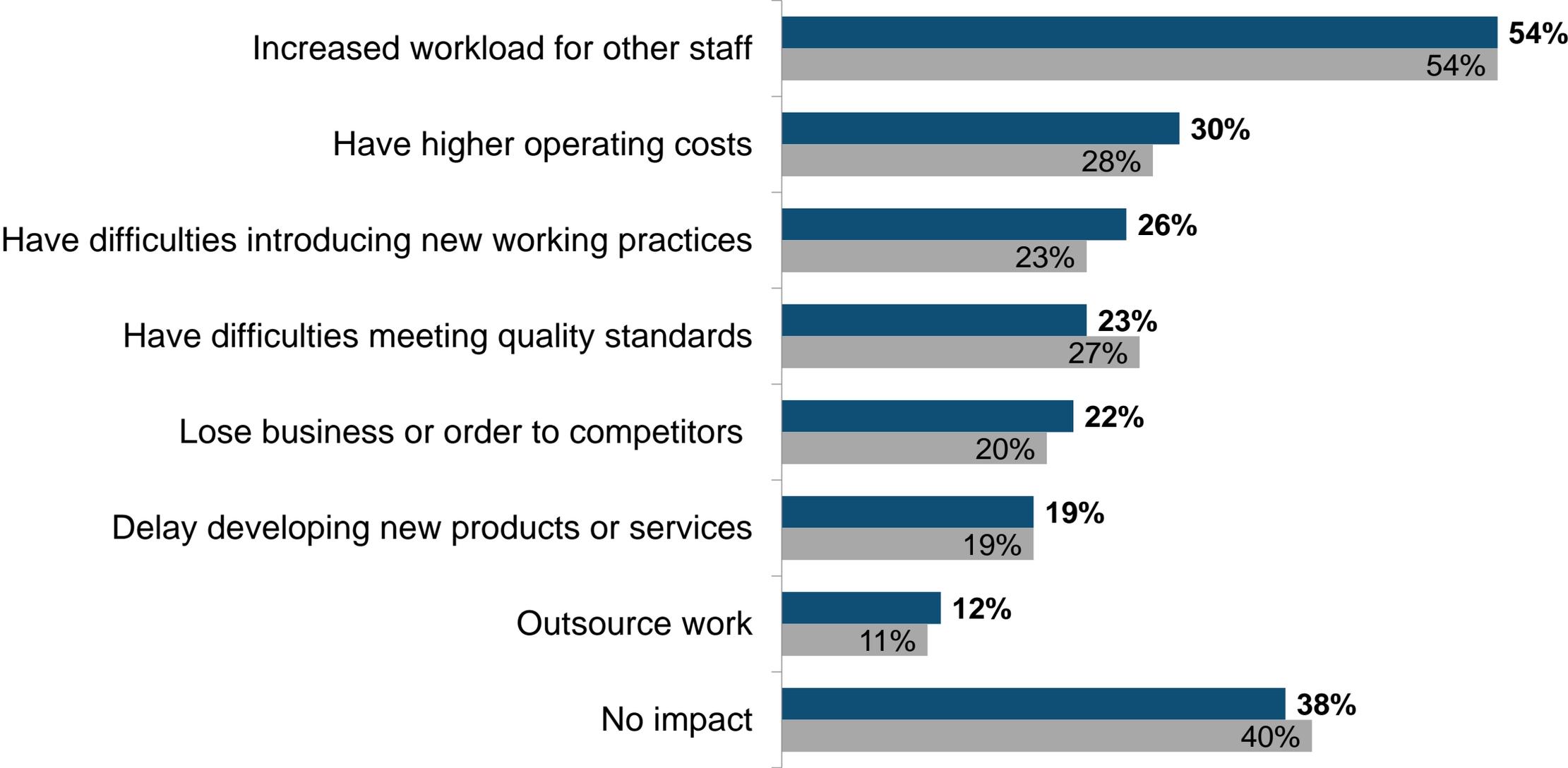
Base: All establishments with staff in the given occupations (2017 base sizes range from 796 for Associate Professionals to 5,626 for Managers)

# Main causes of skills gaps



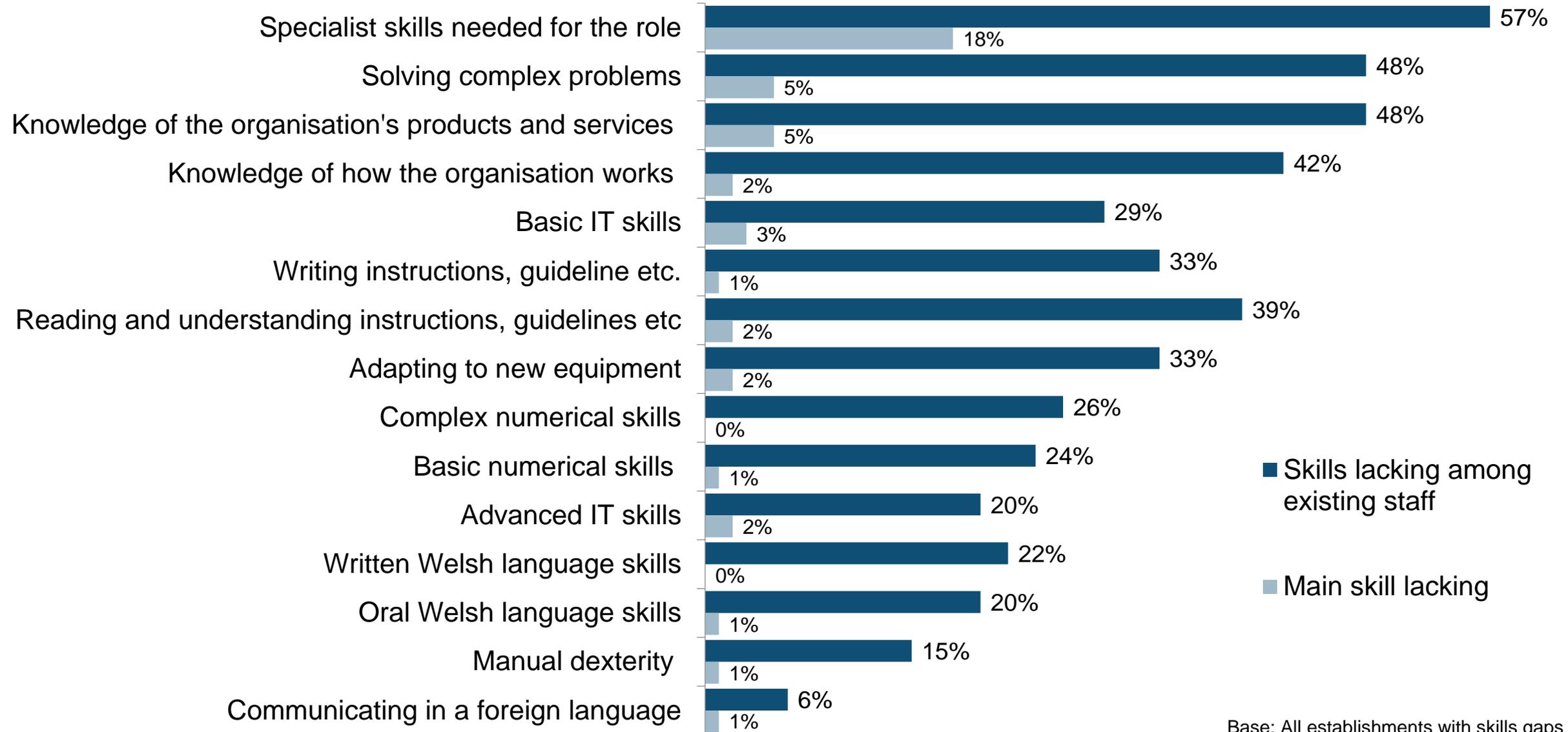
Base: All establishments with skills gaps - up to 2 occupations followed up (2015: 1100; 2017: 1,056)  
 Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

# Impact of skills gaps



Base: All establishments with skills gaps (1056)

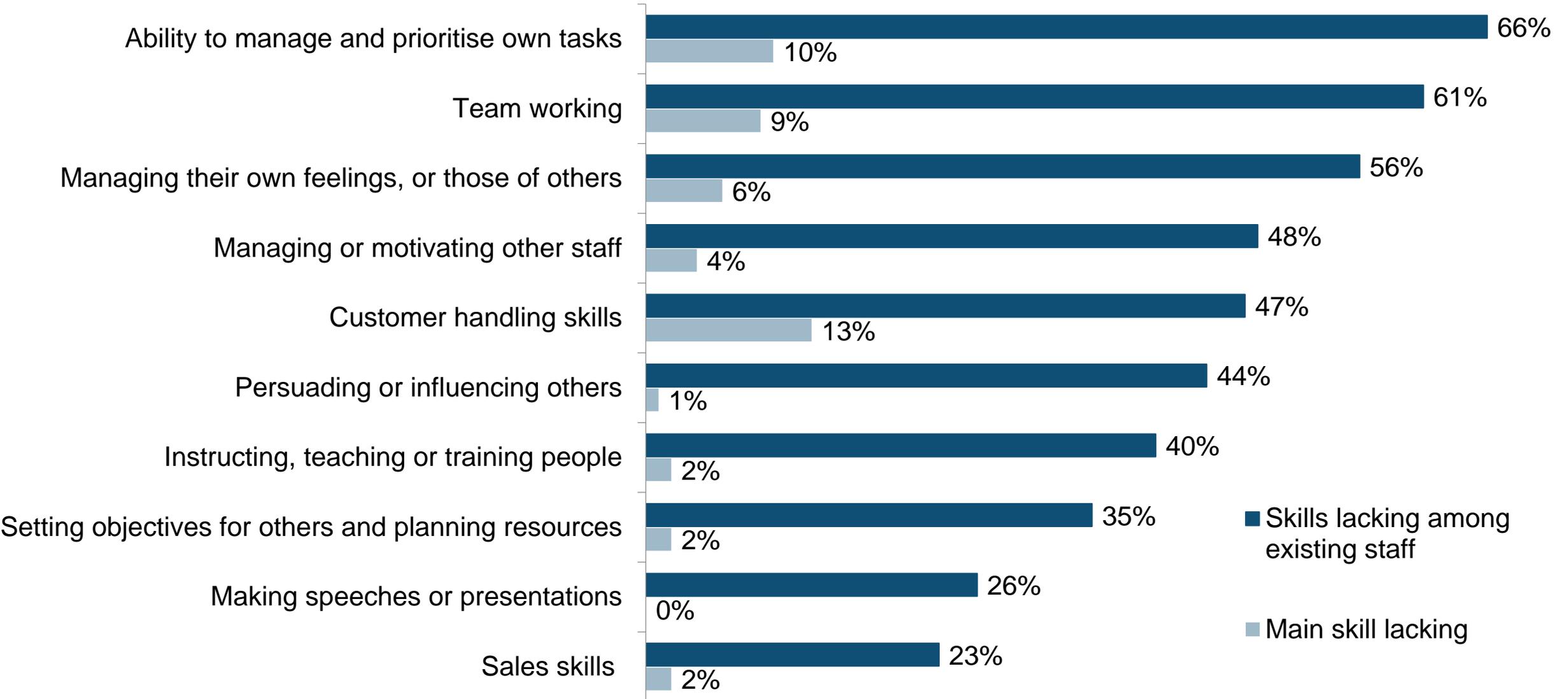
# Technical and practical skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (1056)

Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

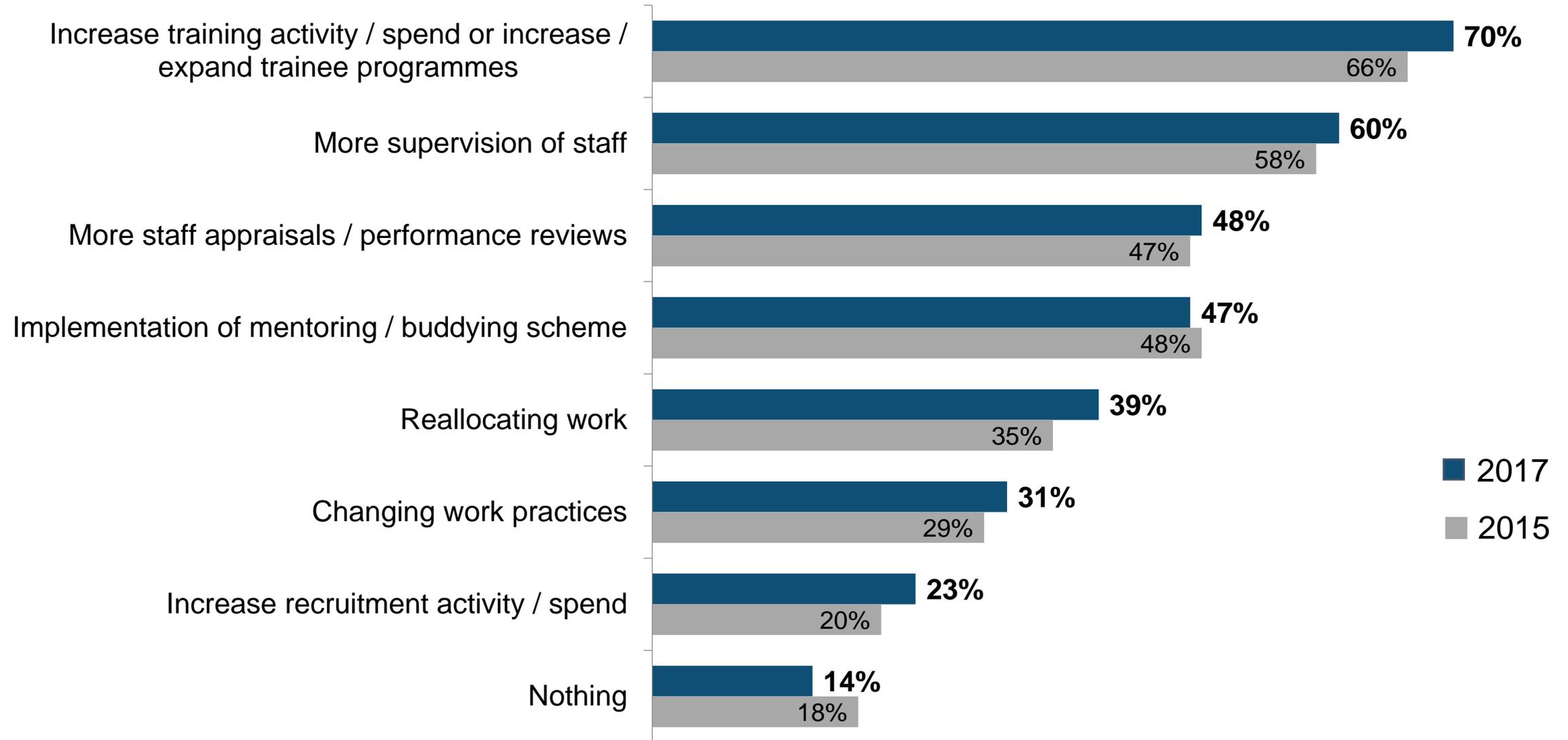
# People and personal skills that need improving among staff with skills gaps



Base: All establishments with skills gaps (1056)

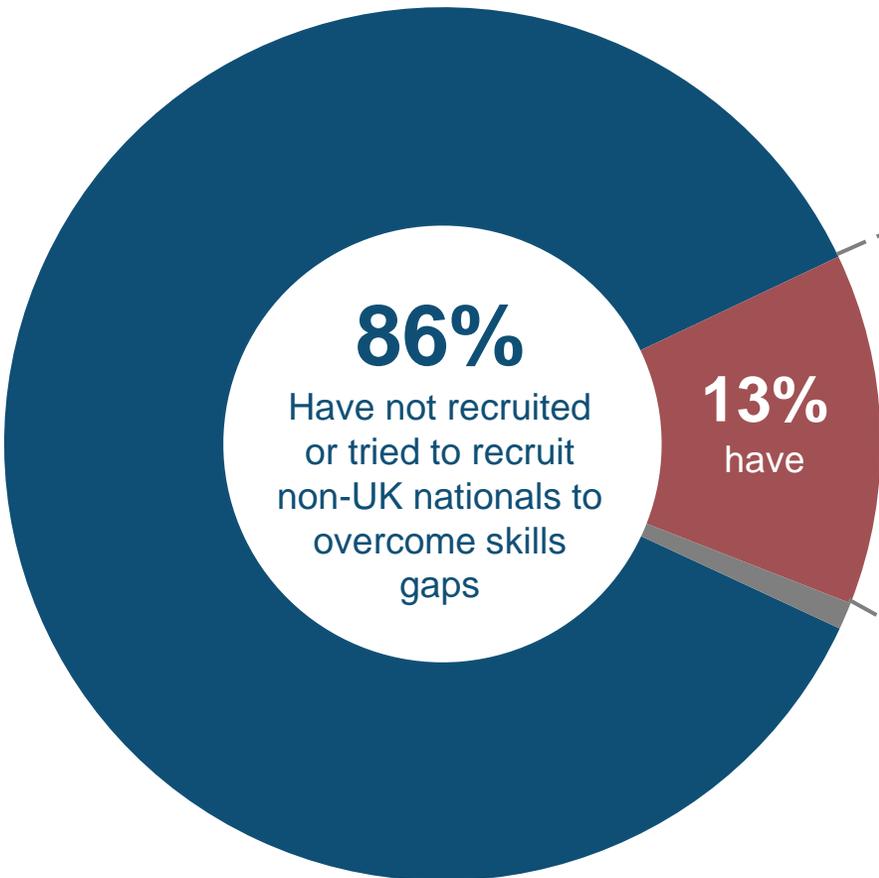
Figures are shown as a percentage of all skills gaps followed up (not a percentage of all establishments)

# Action taken to overcome skills gaps

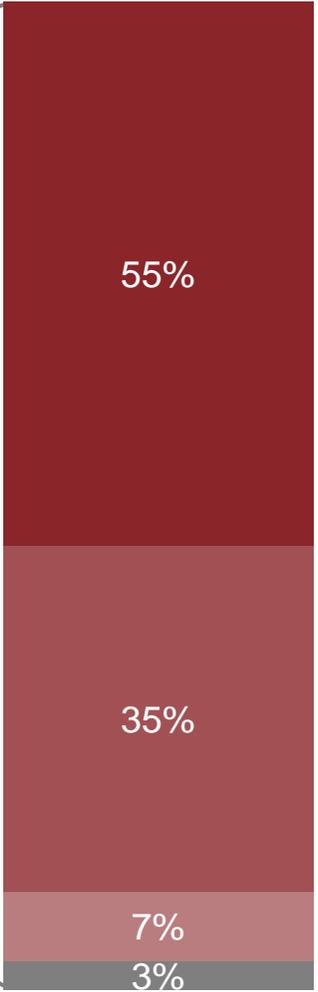


Base: All establishments with skills gaps (2015: 1100; 2017: 1056)

# Recruitment of EU nationals to overcome skills gaps



- Tried to recruit:
- EU nationals only
  - Both
  - Non-EU nationals only
  - Don't Know



**90%**  
of those who tried to recruit non-UK nationals in response to skills gaps looked to recruit EU nationals

Base for pie: All establishments with skills gaps (1,056)  
Base for column: All that had recruited or tried to recruit non-UK nationals in response to skills gaps (148)

# Skills under-utilisation



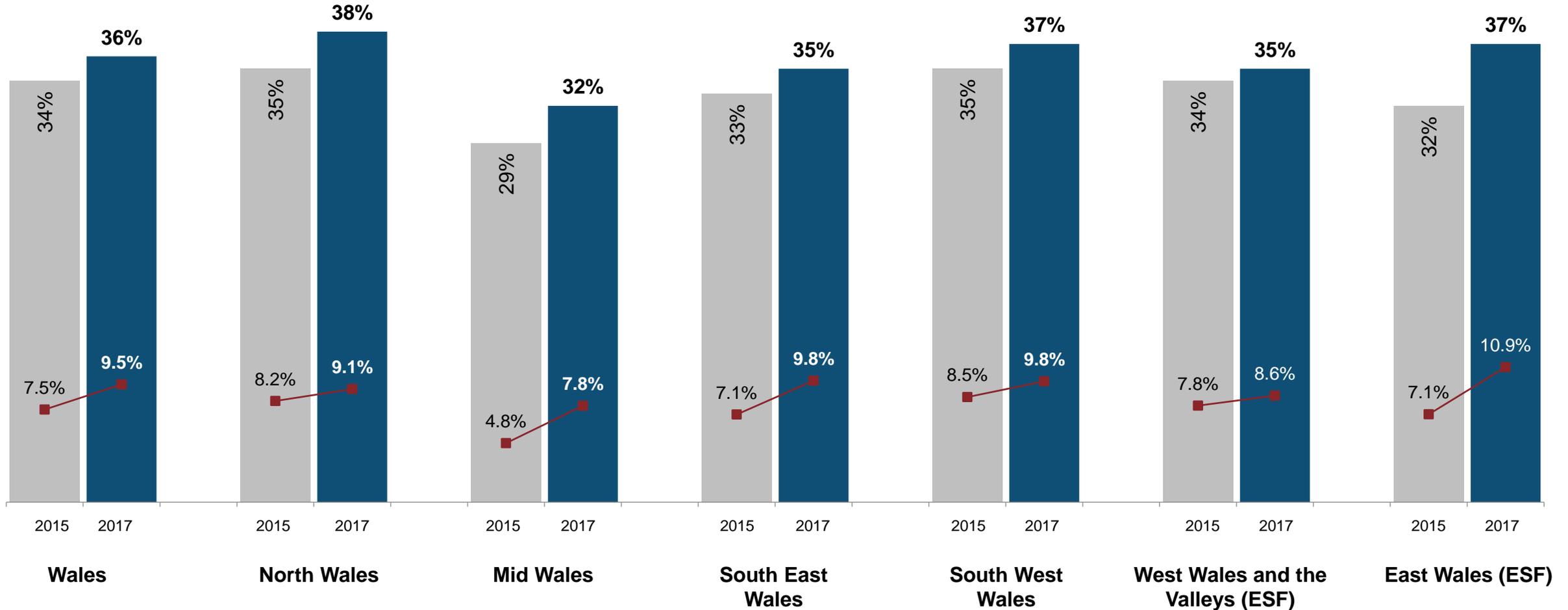
Department  
for Education



IFF Research

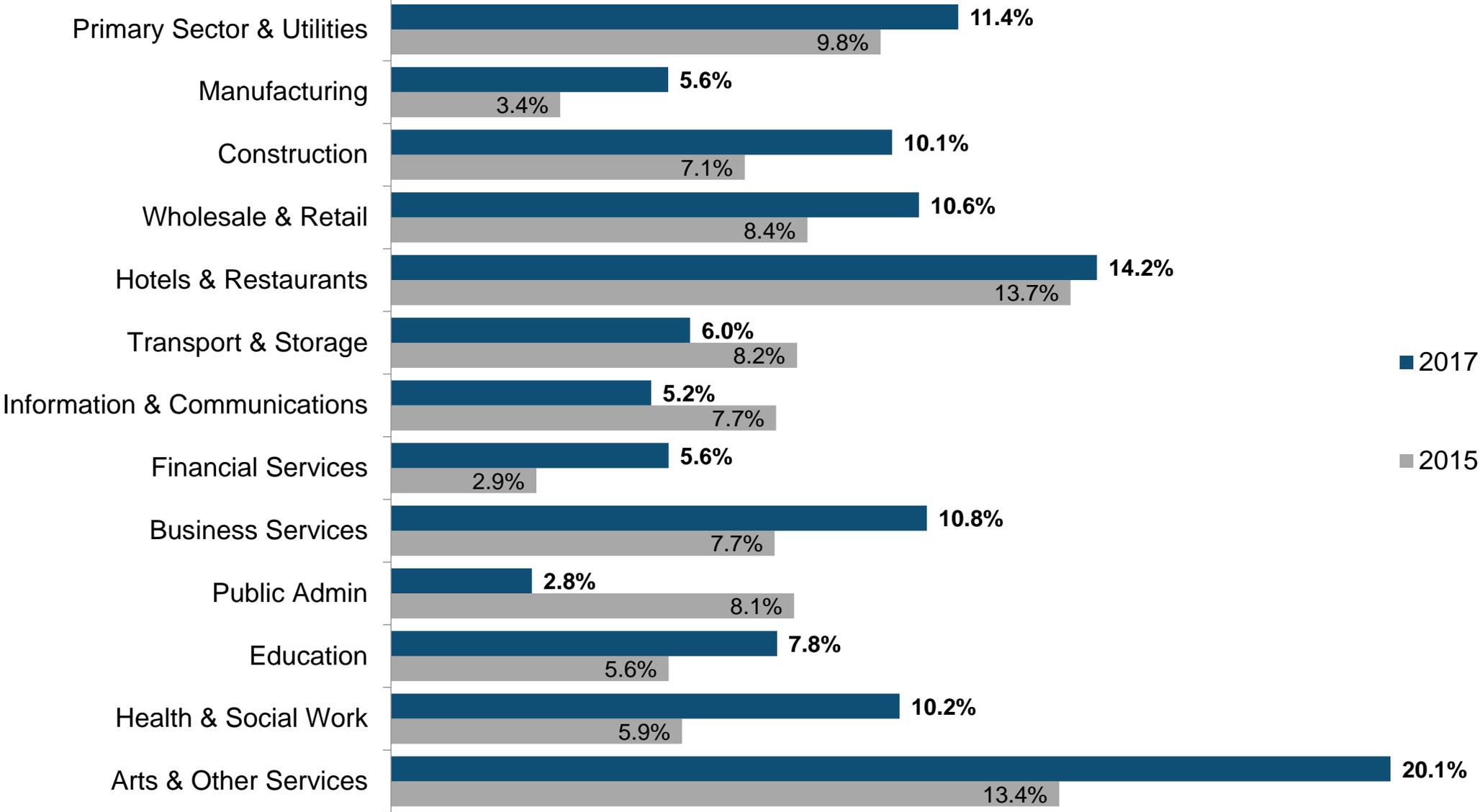
# Incidence and density of skills under-utilisation by region

■ Incidence of under-utilisation    ■ Proportion of staff considered to be under-utilised



Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

# Density of skills under-utilisation by sector



Base: All establishments (2017 base sizes range from 91 in Public Admin. to 958 in Wholesale and Retail)

# Upskilling

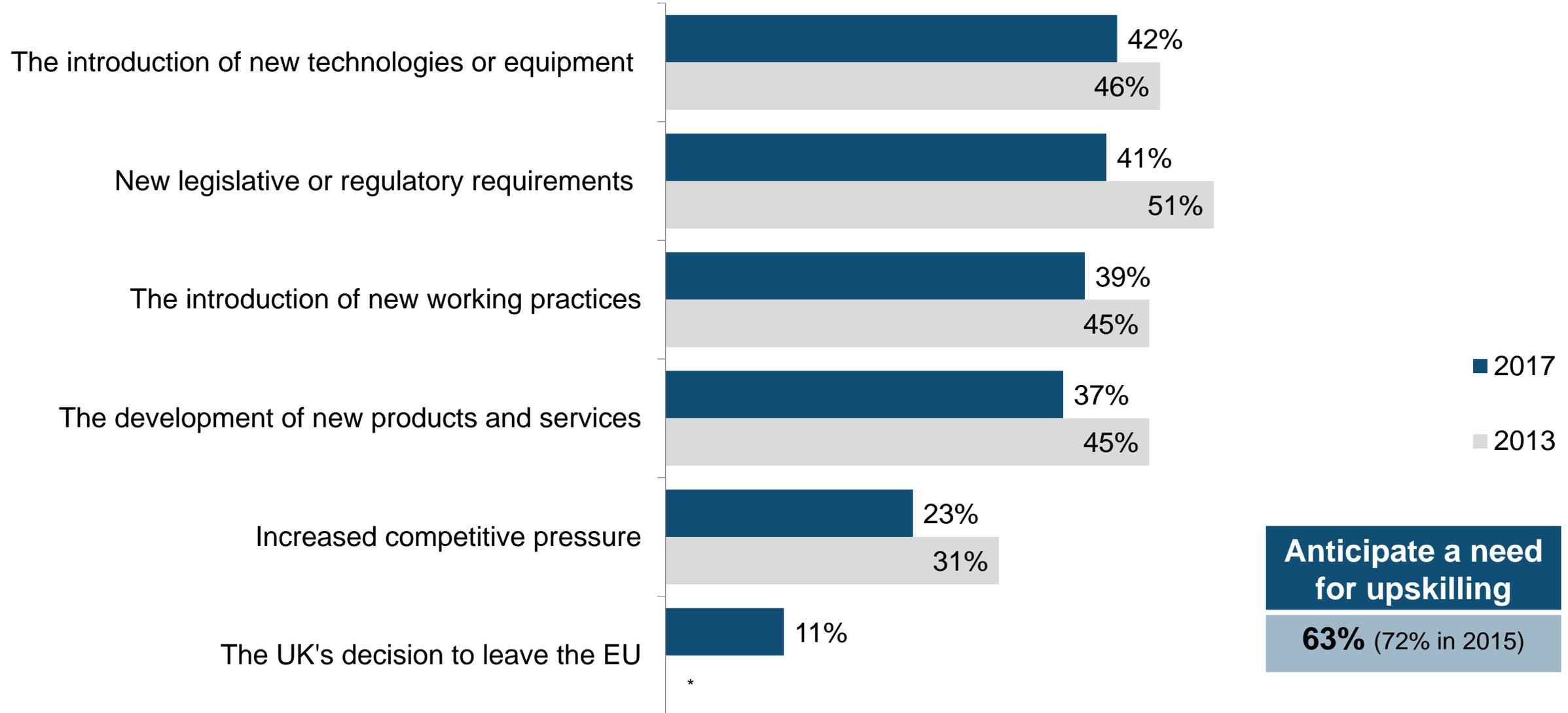


Department  
for Education



**IFF Research**

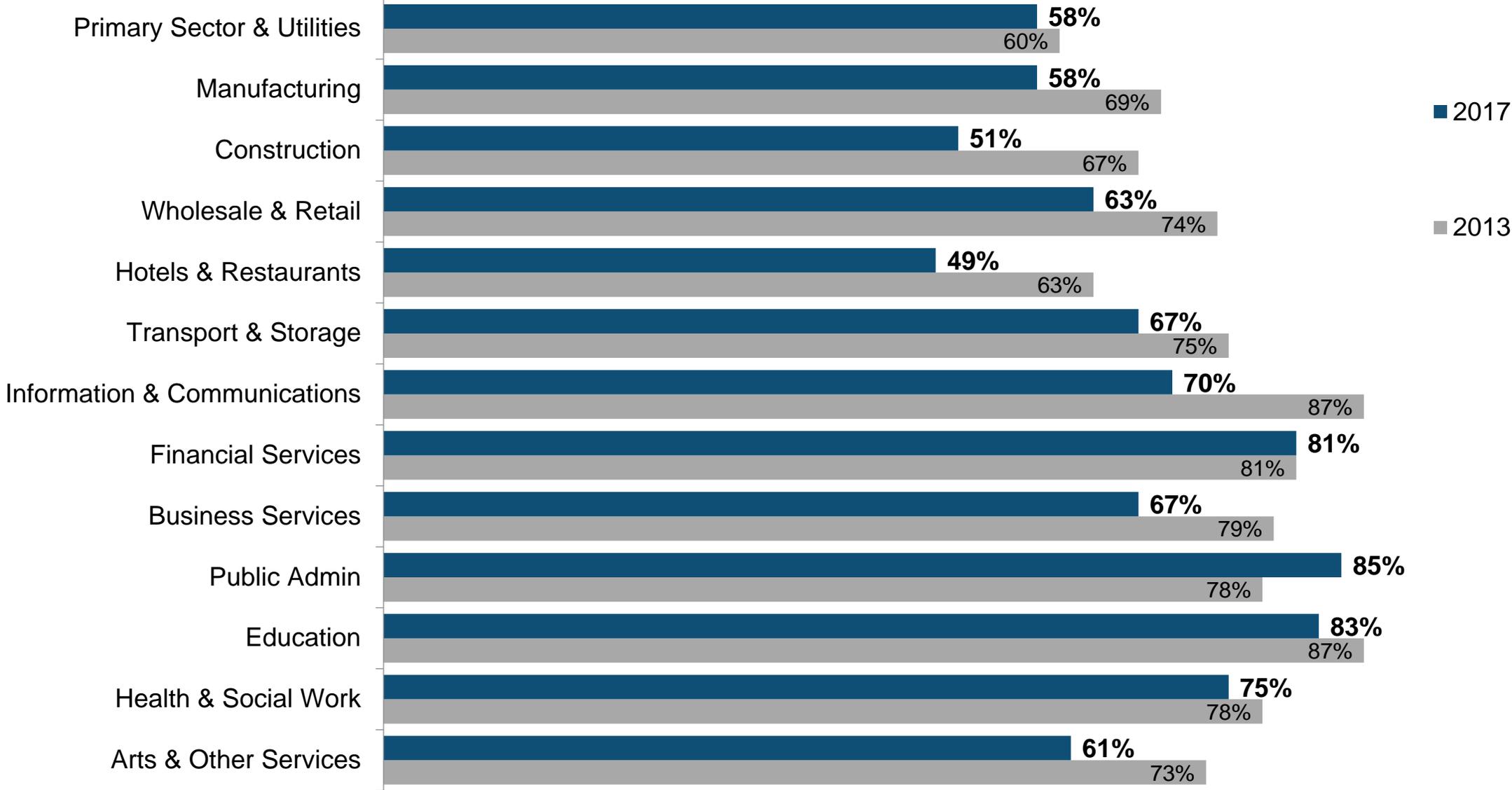
# Reasons for staff requiring upskilling



Base: All establishments in Module 2 (2013: 3026; 2017: 2938)

\* Code not asked in 2013

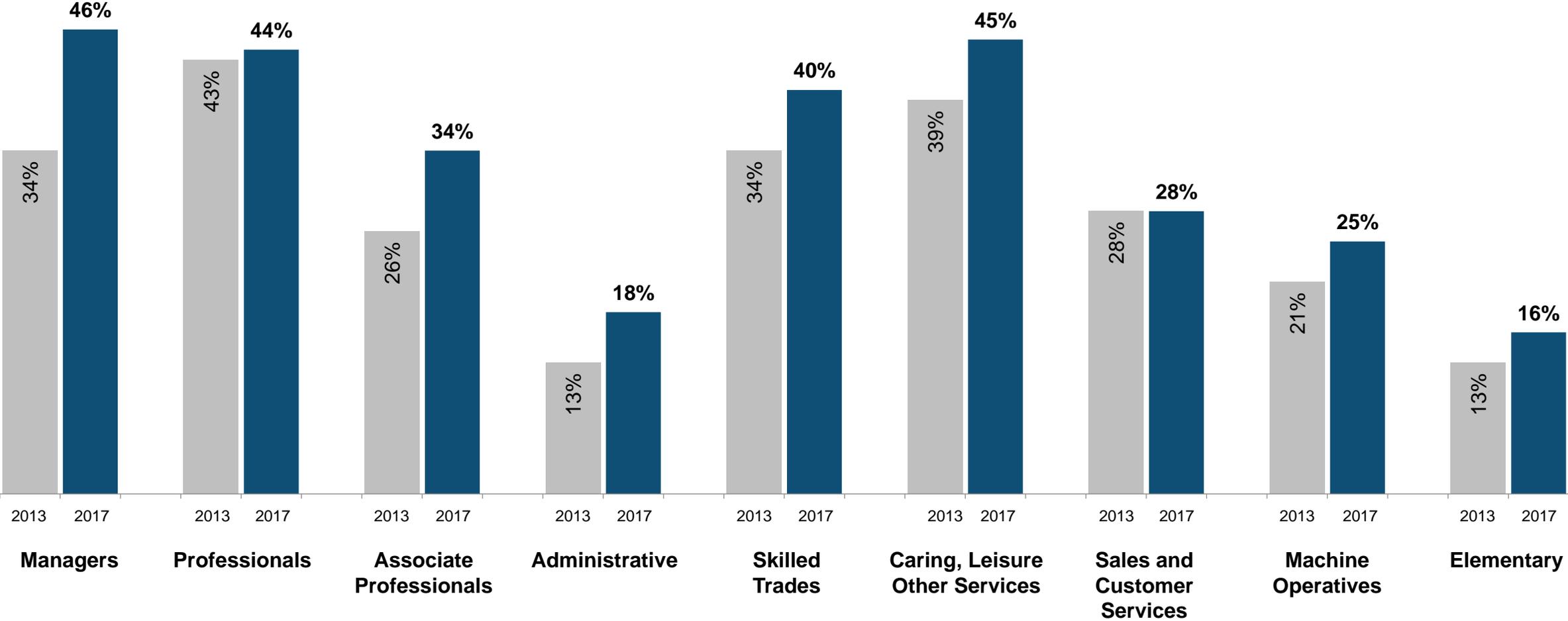
# Prevalence of a need for upskilling by sector



Base: All establishments in Module 2 (2017 base sizes range from 51 in Public Admin. to 485 in Wholesale and Retail)

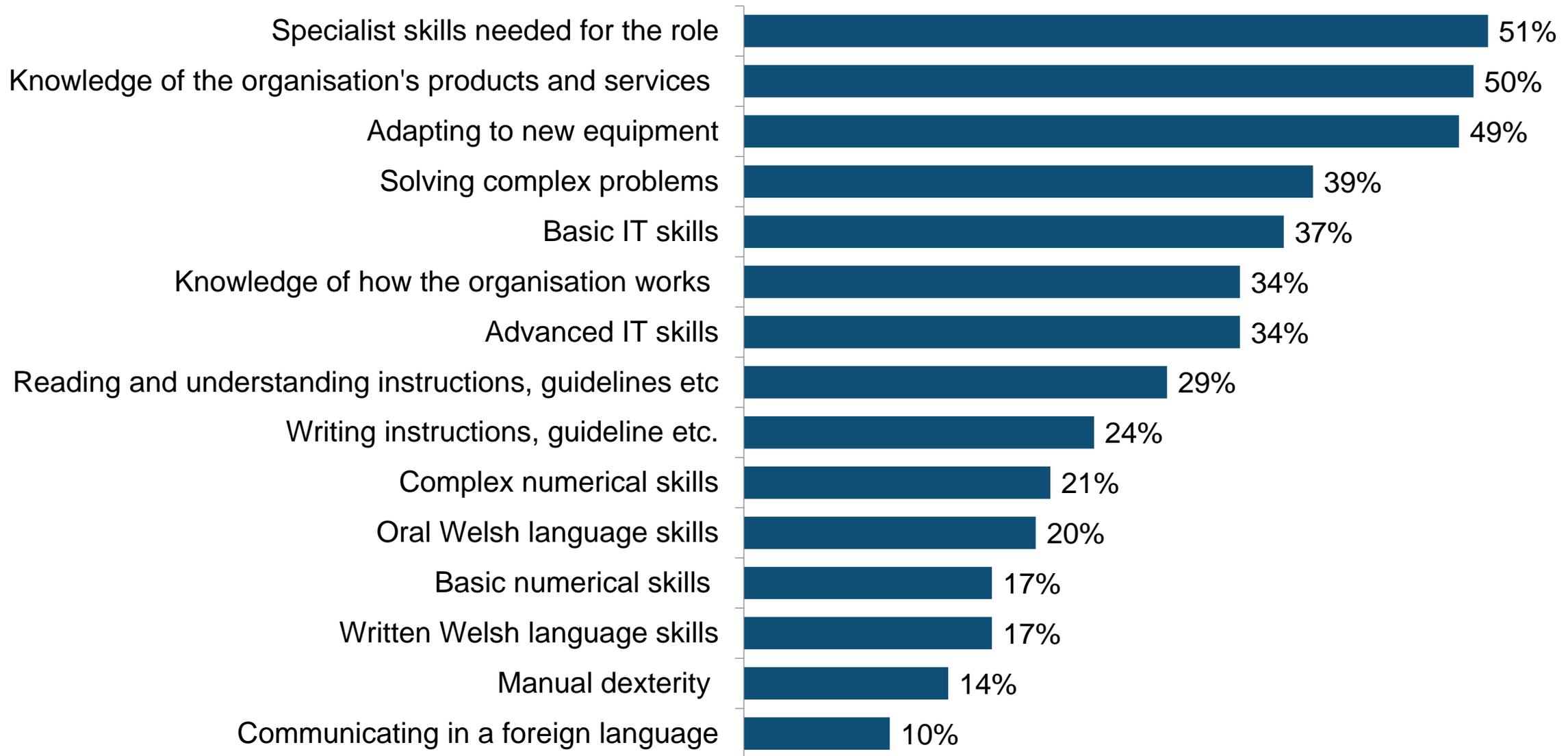
# Occupations affected by a need for upskilling

■ Incidence of need for upskilling



Base: All establishments in Module 2 with staff in the given occupations (2017 base sizes range from 404 for Associate Professionals to 2,799 for Managers)

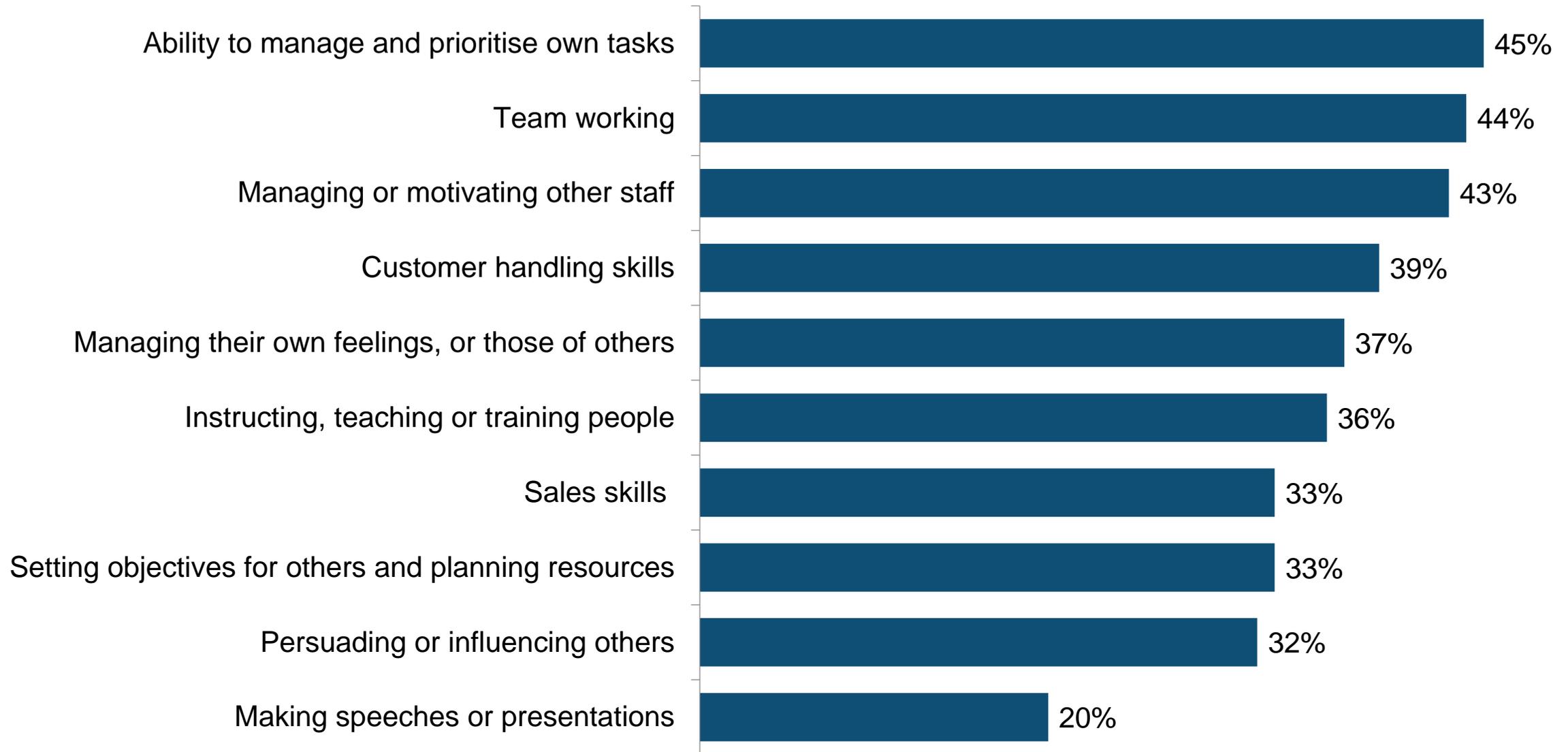
# Technical and practical skills that need improving in the next 12 months



Base: All establishments who anticipate a need for new skills in next 12 months (1830)

Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

# People and personal skills that need improving in the next 12 months

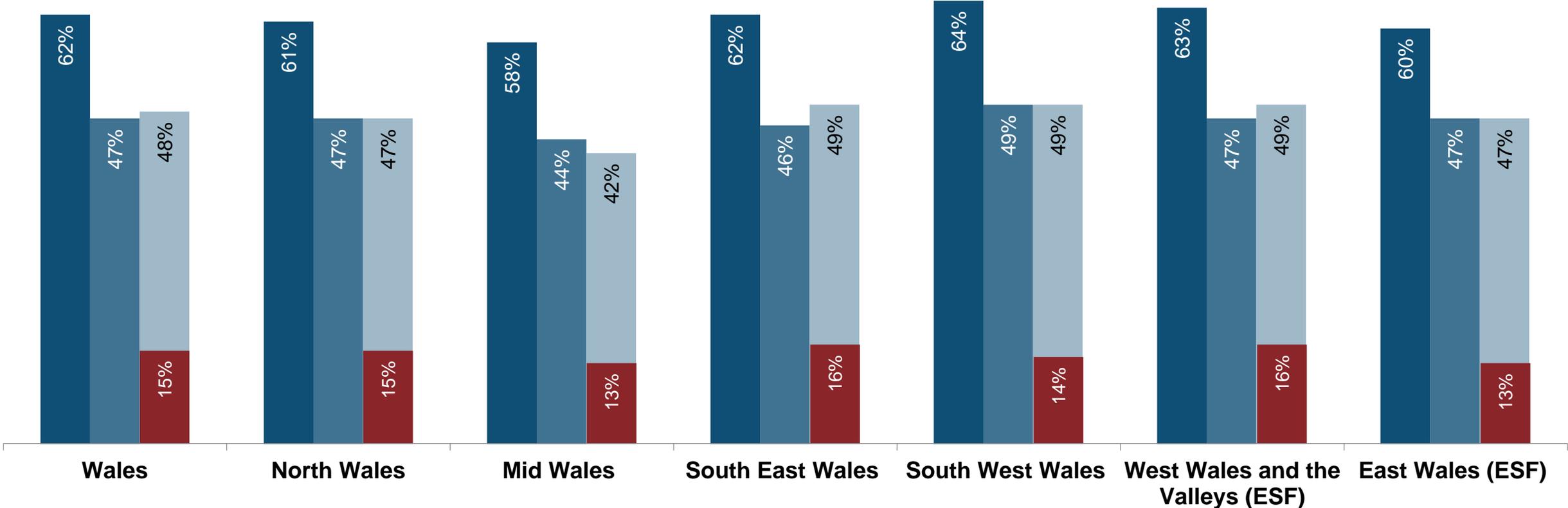


Base: All establishments who anticipate a need for new skills in next 12 months (1830)  
Data cannot be compared to 2013 (the last time upskilling questions were asked), due to a change in the skills lists

# Training and workforce development

# Proportion of employers providing training in the last 12 months by region

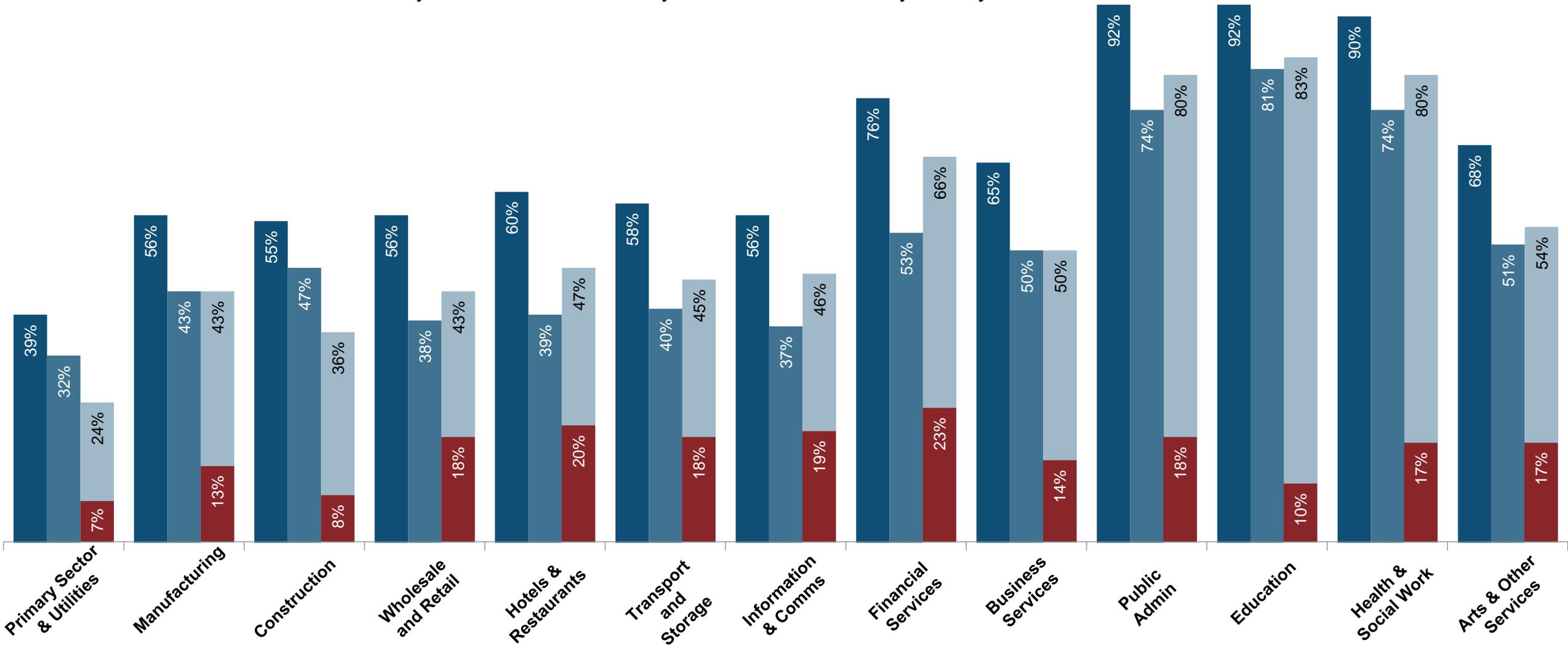
■ Train      ■ Train off-the-job      ■ Train on-the-job      ■ Train on-the-job only



Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

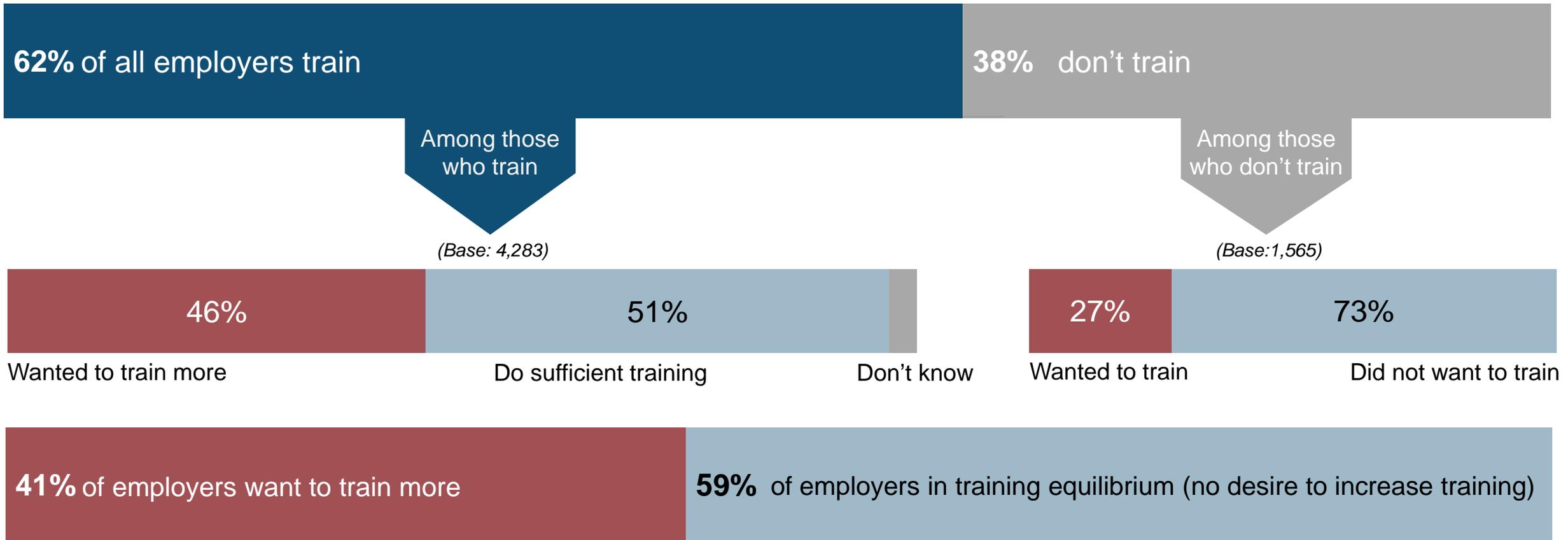
# Proportion of employers providing training in the last 12 months by sector

■ Train   
 ■ Train off-the-job   
 ■ Train on-the-job   
 ■ Train on-the-job only



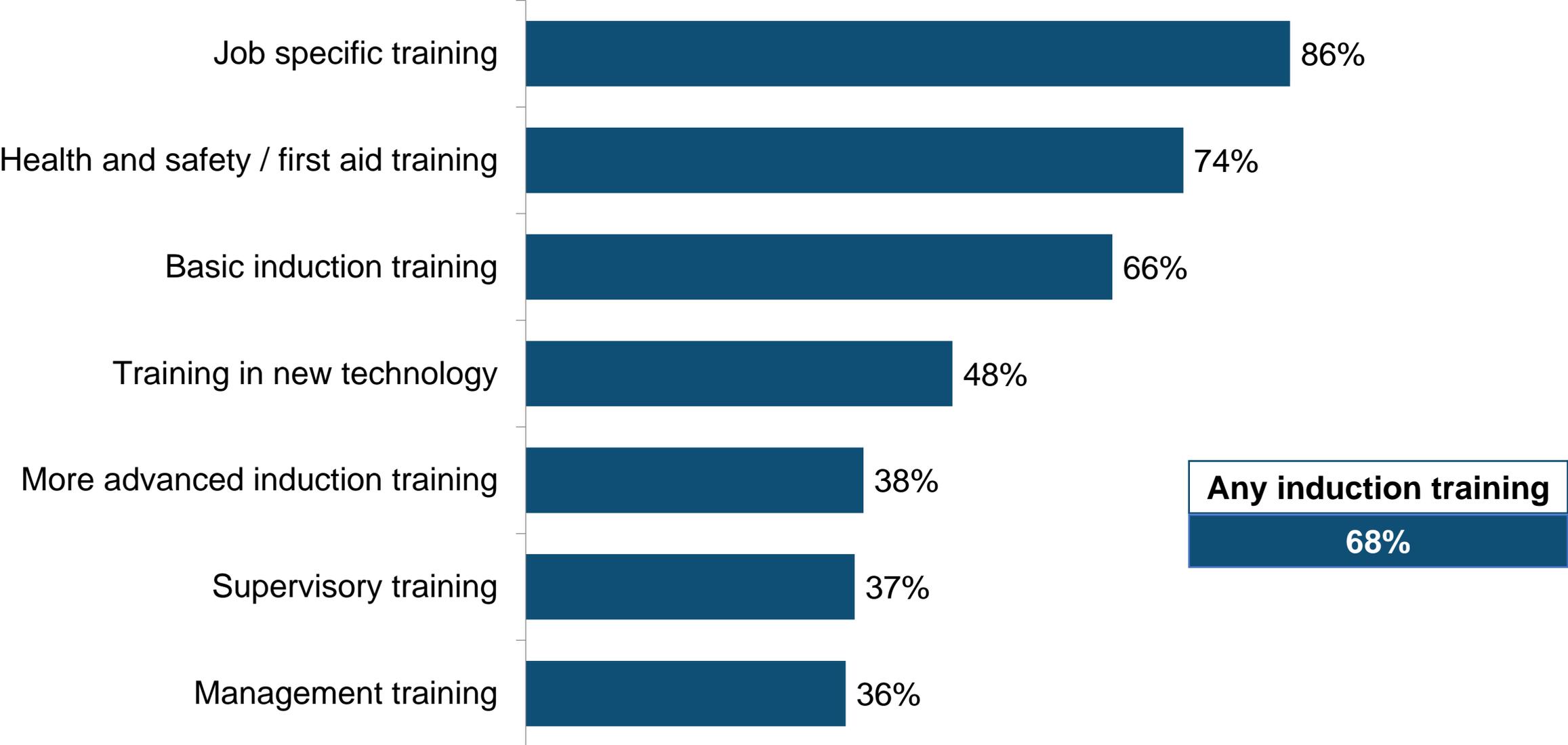
Base: All establishments (2017 base sizes range from 91 in Public Admin. to 958 in Wholesale and Retail)

# Training Equilibrium: employers' interest in providing more training than they were able to



\*Note training employers responding 'Don't know' (3%) have been included in the group 'Wanted to undertake more training' on final measure

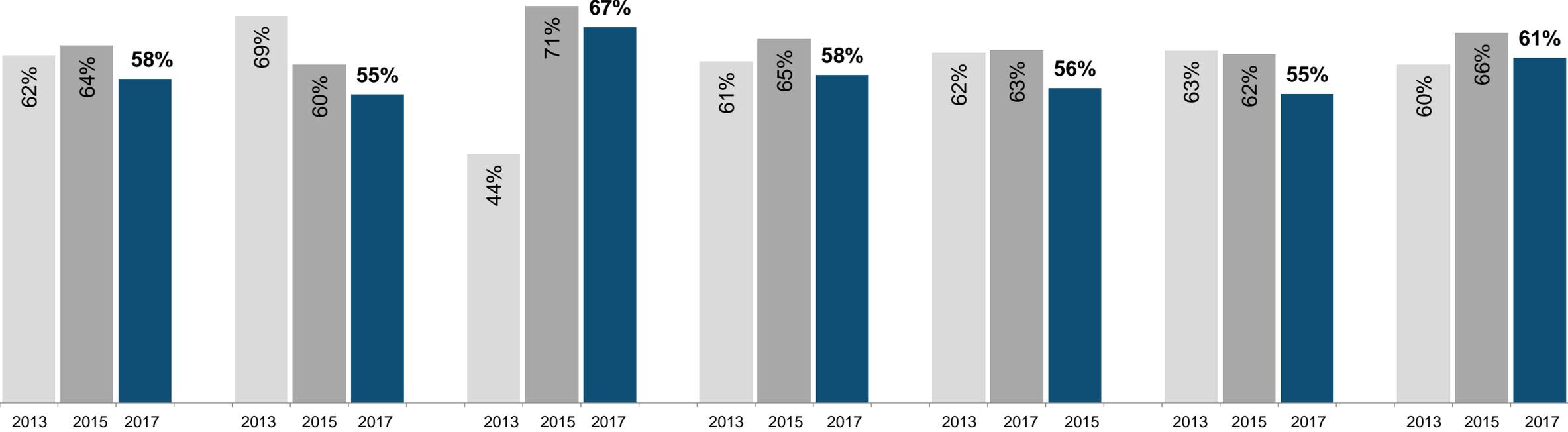
# Types of training provided



Base: All establishments that train (4283)

# Number and proportion of staff trained by region

■ ■ ■ Proportion of staff trained over last 12 months

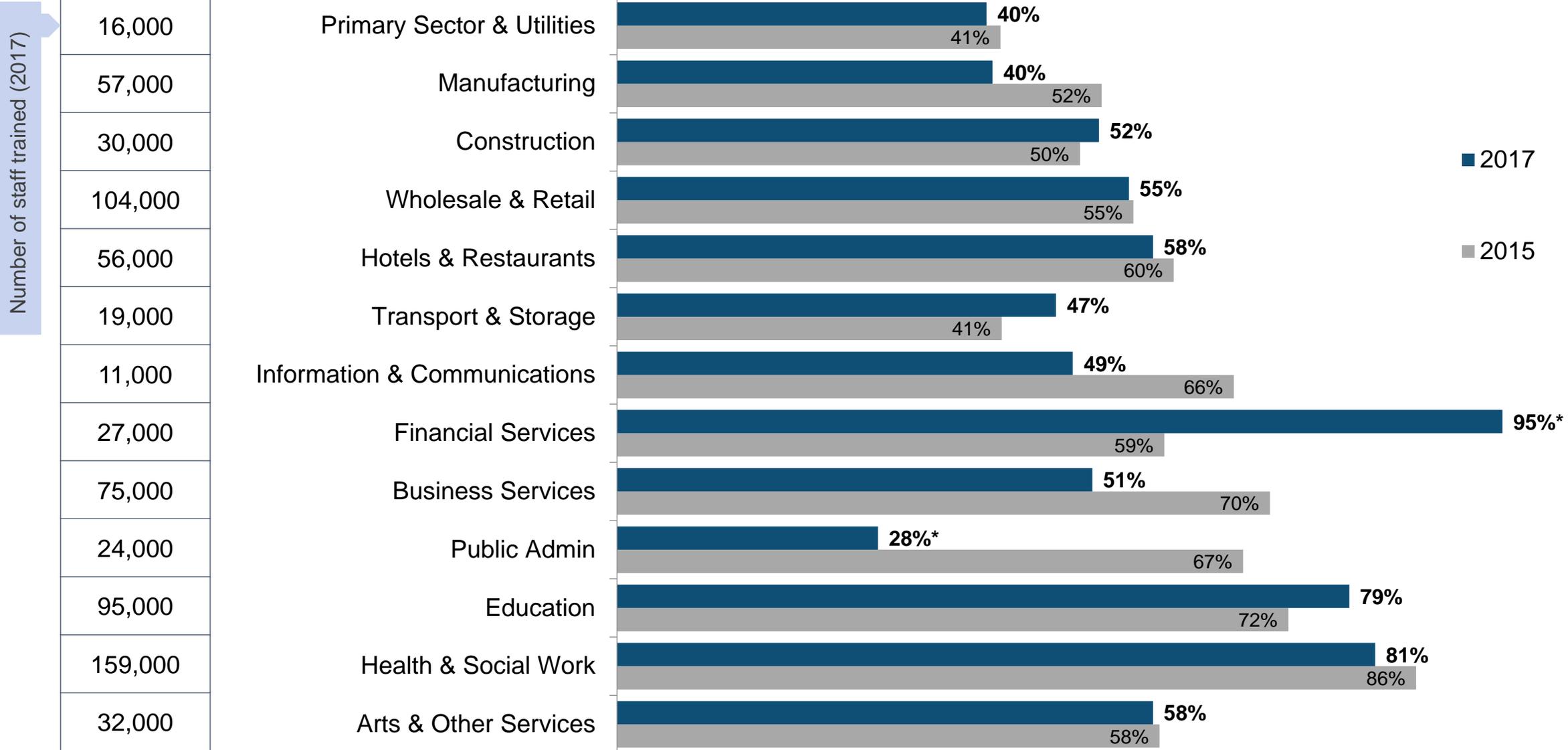


Region	Wales	North Wales	Mid Wales	South East Wales	South West Wales	West Wales and the Valleys (ESF)	East Wales (ESF)
Number of staff trained (2017)	705,000	152,000	56,000	348,000	148,000	406,000	298,000

Number of staff trained (2017)

Base: All establishments (2017 Wales: 5913; regional base sizes range from 605 in Mid to 3449 in West Wales and the Valley ESF)

# Number and proportion of staff trained by sector

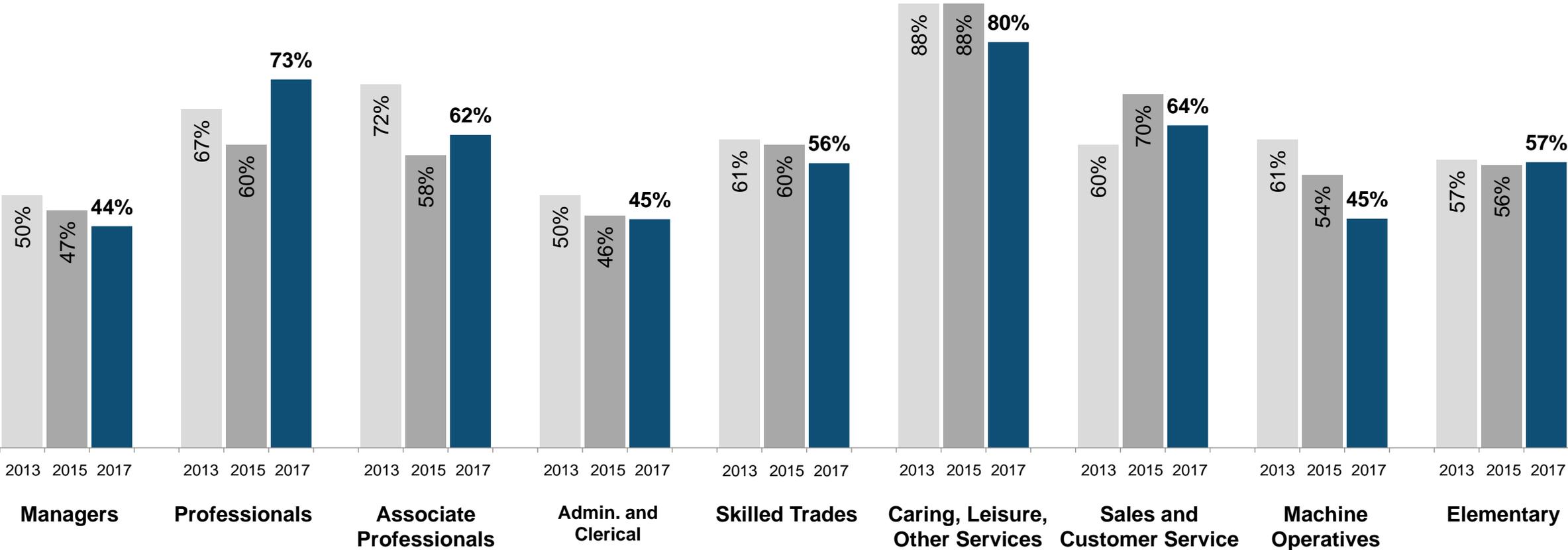


Base: All establishments (2017 base sizes range from 91 in Public Admin. to 958 in Wholesale and Retail)

\*Figures should be treated with caution due to outliers having undue influence on figures

# Proportion of staff trained by occupation

■ ■ ■ Proportion of staff trained



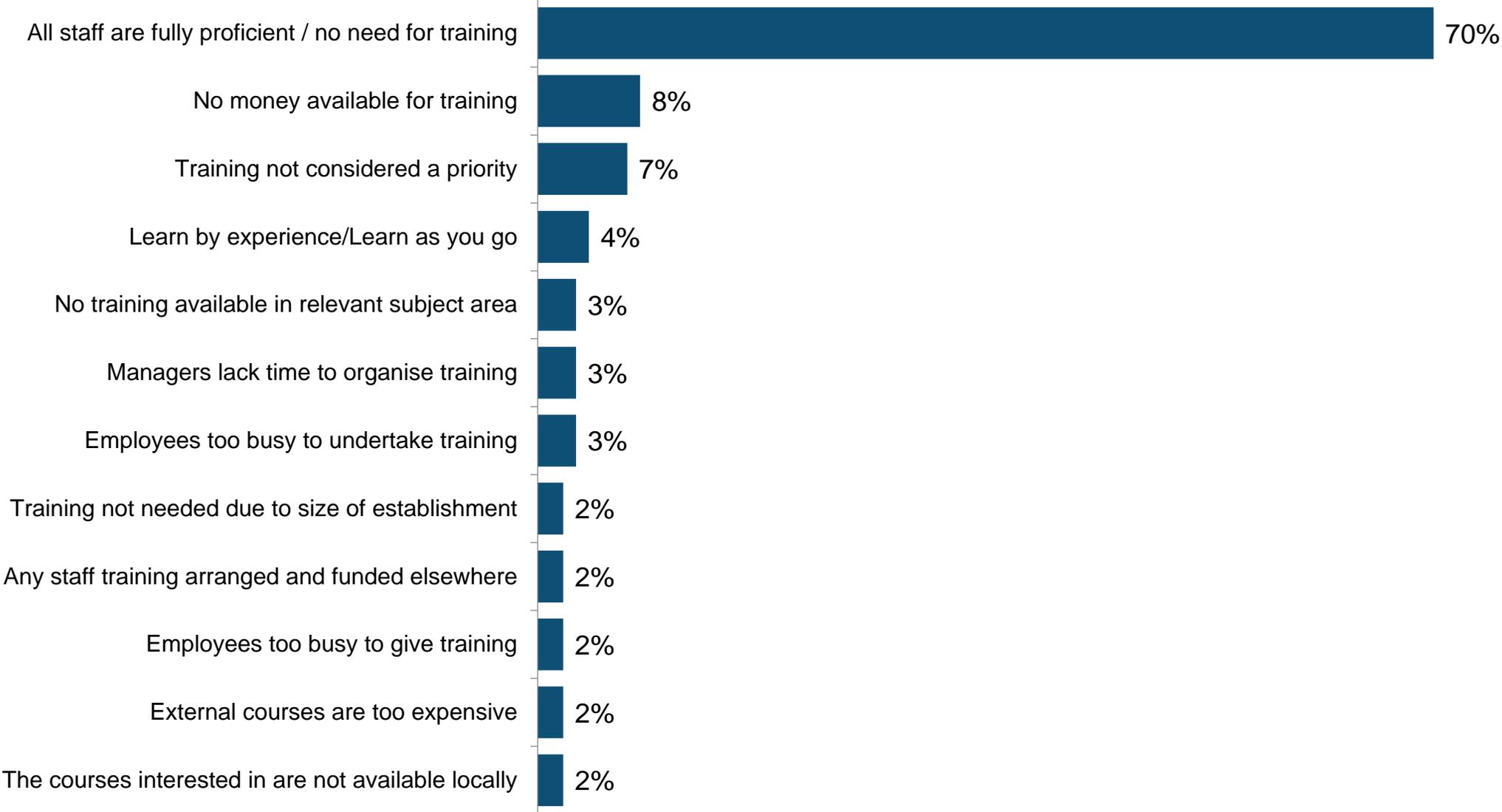
Base: All establishments with staff in the given occupations (2017 base sizes range from 796 for Associate Professionals to 5,626 for Managers)

# Training days

	Days per person trained			Total training days		
	2013	2015	2017	2013	2015	2017
Wales	7.7	7.2	<b>6.2</b>	5.6m	5.4m	<b>4.4m</b>
North Wales	7.2	6.7	<b>5.6</b>	1.3m	1.1m	<b>0.9m</b>
Mid Wales	29.1*	6.6	<b>9.4</b>	1.0m	0.4m	<b>0.5m</b>
South East Wales	6.6	7.3	<b>5.1</b>	2.3m	2.7m	<b>1.8m</b>
South West Wales	5.8	7.5	<b>8.2</b>	0.9m	1.2m	<b>1.2m</b>
West Wales and the Valleys (ESF)	6.3	7.1	<b>6.8</b>	3.0m	3.0m	<b>2.8m</b>
East Wales (ESF)	10.3	7.2	<b>5.3</b>	2.6m	2.4m	<b>1.6m</b>

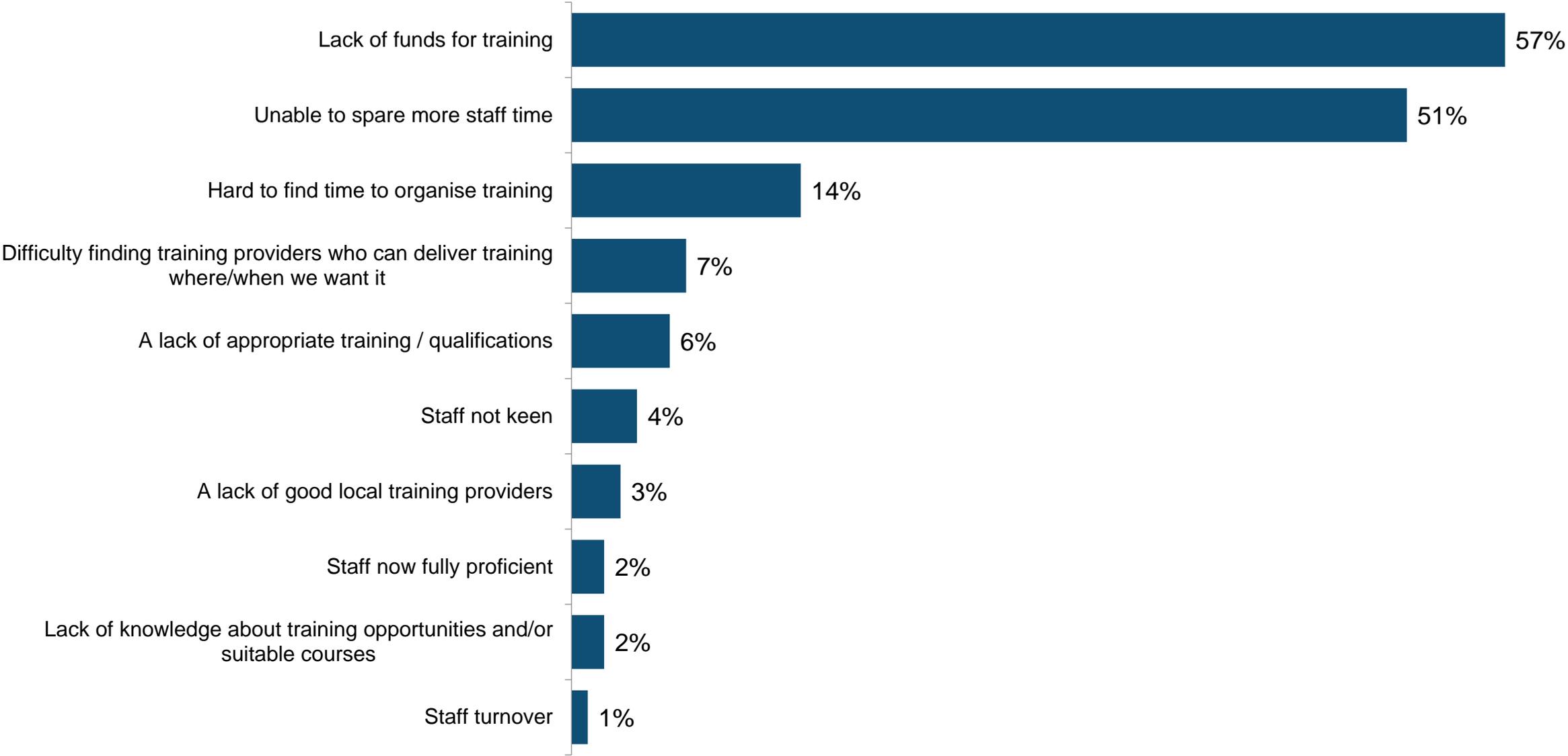
\*Figures should be treated with caution due to outliers having undue influence on figures

# Reasons for not providing any training



Base: All establishments that do not provide training (1565)

# Reasons for not providing further training



Base : All establishments who would have provided more training in the past 12 months if they could (2024)

# Training and workforce development - summary

	2011	2013	2015	2017
<b>% of employers that train</b>	63%	62%	63%	<b>62%</b>
<b>% of employers that train off-the-job</b>	47%	47%	49%	<b>47%</b>
<b>% that <i>only</i> train on-the-job</b>	16%	15%	14%	<b>15%</b>
<b>% of staff trained over the last 12 months</b>	56%	62%	64%	<b>58%</b>
<b>Days training per person trained</b>	7.5	7.7	7.2	<b>6.2</b>
<b>Total training days provided</b>	4.9m	5.6m	5.4m	<b>4.4m</b>

# High Performance Working practices



Department  
for Education



IFF Research

# High Performance Working practices



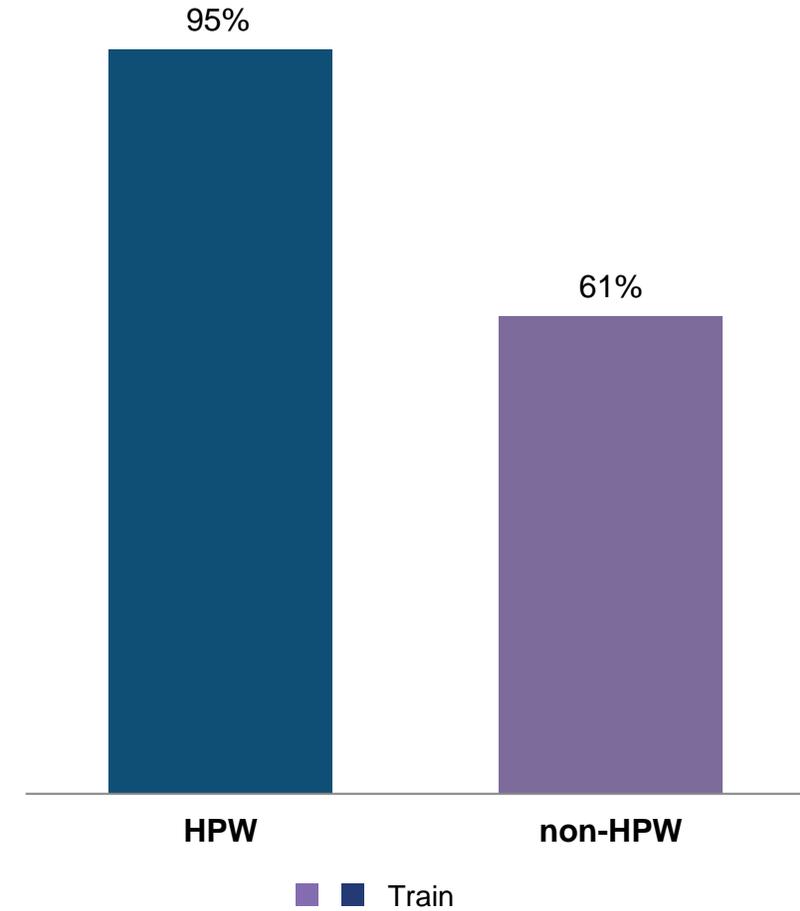
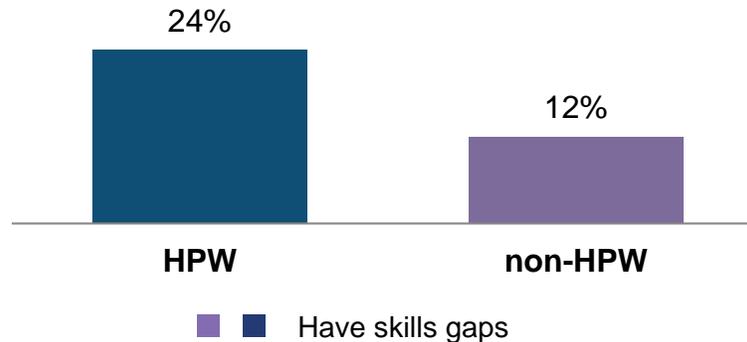
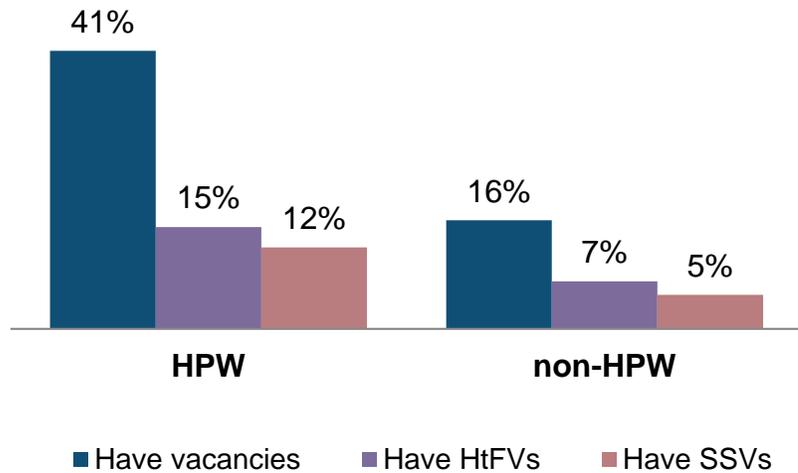
**8%**  
of employers adopt 14 or more of the HPW practices and are therefore classified as HPW employers

# High Performance Working and skills challenges

HPW employers are **more active in the recruitment market...**

...yet are **more likely to have skills gaps** among their workforce...

...and are much **more likely to train their staff...**



# Conclusions

# Current state of skills in Wales

- **Levels of recruitment activity have remained in line with those reported in 2015**, with 17% of employers reporting having at least one vacancy and the density of vacancies (as a proportion of employment) was 3.1%.
- Over a quarter (27%) of these vacancies were proving hard-to-fill due to **applicants lacking the necessary skills, qualifications or experience (i.e. skill-shortage vacancies)**, up from 24% in 2015.
- The number of **skills gaps among the existing workforce has remained at the similar level to 2015** at 57,000; representing 4.7% of the total workforce in 2017.
- **Specialist skills needed for the role** and **ability to manage and prioritise own tasks** were the main technical and practical, and people and personal skills lacking among both applicants and existing staff.
- **Over a third of employers (36%) reported having under-utilised staff**, that is staff with qualifications and skills beyond those required for the role (up from 34% in 2015).

# Impacts and response

- The impact on **businesses' productivity and growth potential** are key impacts of skills challenges, with potential to restrict both in the short and long term. The impact of skills challenges felt most notably on current staff; employers were most likely to recognise **increased workloads for other staff** as an impact of skills shortage vacancies (85%) and as an impact of skills shortages among existing staff (54%).
- Despite persistent skills challenges, **the proportion of employers that train has remained consistent over time** (62%), though the number of training days per trainee has decreased from 7.2 days in 2015 to 6.2 days in 2015.
- Whilst 41% of employers wanted to provide more training, the main barriers preventing them from doing so centred on a **lack of funds for training** (57%) and **lack of staff time** to spare (51%).
- When looking ahead to the next 12 months, **a smaller proportion anticipated a need for staff to acquire new skills than they did in 2013** (63% compared with 72%).