Employer Skills Survey 2013
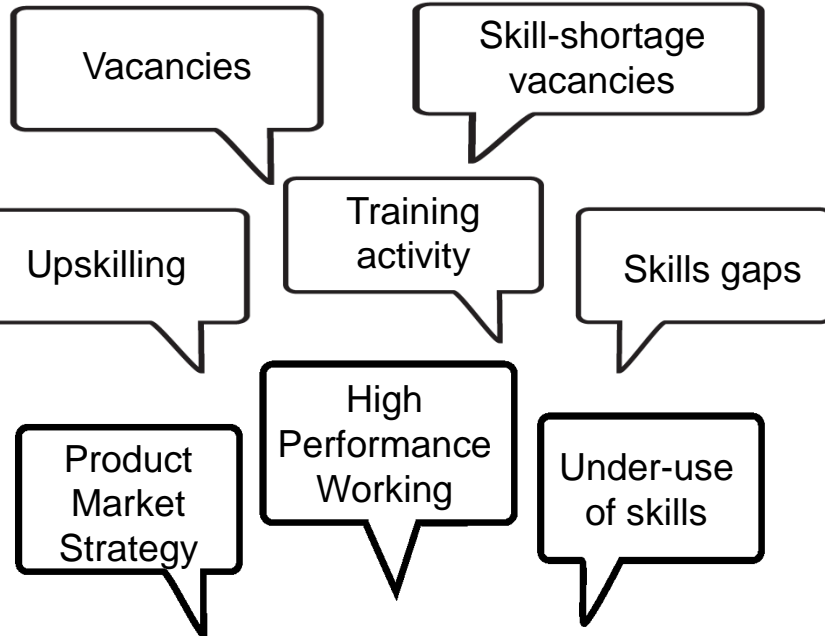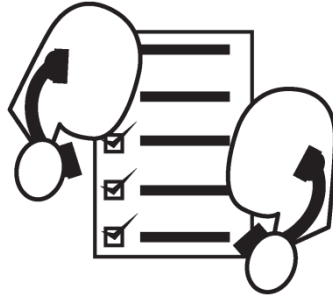
Wales Slide Pack

UKCES
UK COMMISSION FOR
EMPLOYMENT AND SKILLS

Chapter 1:
Background and Introduction

UKCESS 2013 - Overview

5,996 telephone interviews with establishments in Wales

1,361 follow up interviews on training spend

Vacancies

Skill-shortage vacancies

Upskilling

Training activity

Skills gaps

Product Market Strategy

High Performance Working

Under-use of skills

- UKCESS 2013 is the second time the survey has been run at a UK-level

- The 2013 survey covers establishments with 2 or more people working at them

- The 2011 survey included establishments with one employee – these were not covered in 2013.

- Where comparisons are made with 2011 findings, these are based on re-weighted 2011 data (configured to represent the 2+ employment business population used in 2013).

- This slide pack summarises main findings amongst employers in Wales.
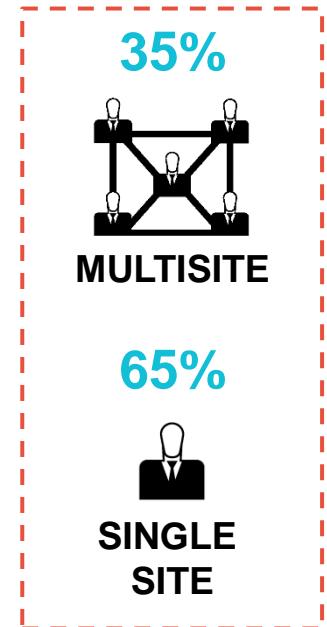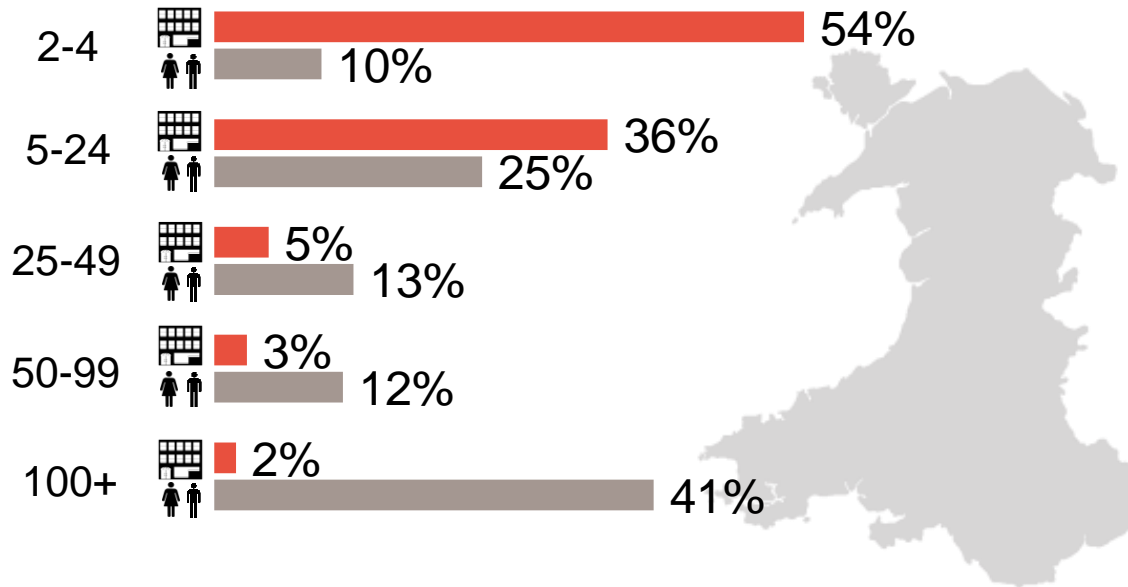
Achieved interviews / confidence intervals

	Population	Number of interviews	(Maximum) Sampling Error
Wales	81,333	5,996	+/-1.22
By region in Wales			
North	20,532	1,580	+/-2.37
Mid	9,941	717	+/-3.53
South West	18,575	1,299	+/-2.62
South East	32,285	2,400	+/-1.92
By ESF region			
West Wales and the Valleys	49,978	3,634	+/-1.57
East Wales	31,355	2,362	+/-1.94
By size of establishment			
2-4	43,792	1,847	+/-2.23
5-24	29,609	3,229	+/-1.63
25-49	4,270	512	+/-4.06
50-99	2,071	236	+/-6.01
100-249	1,154	128	+/-8.17
250+	437	44	+/-14.03
100+	1,591	172	+/-7.05

'for a question asked of all respondents where the survey result is 50%, we are 95% confident that the true figure lies within the range 48.78% to 51.22%'

	Population	Number of interviews	(Maximum) Sampling Error
By sector			
Agriculture	9,550	492	+/-4.3
Mining & Quarrying	107	13	+/-25.6
Manufacturing	4,323	401	+/-4.66
Electricity, Gas and Water	613	84	+/-9.94
Construction	7,539	467	+/-4.39
Wholesale and Retail	17,164	1,109	+/-2.85
Hotels & Restaurants	8,192	618	+/-3.79
Transport and Communications	4,248	419	+/-4.55
Financial Services	1,534	127	+/-8.33
Business Services	11,514	736	+/-3.5
Public Administration	1,319	67	+/-11.67
Education	2,840	394	+/-4.58
Health and Social Work	6,869	602	+/-3.82
Community, Social and Personal Services	5,521	467	+/-4.34

Profile of survey population

Establishments vs. Employment

	Establishments	Employment
2-4	54%	10%
5-24	36%	25%
25-49	5%	13%
50-99	3%	12%
100+	2%	41%

	Establishments	Employment
PRIVATE SECTOR	86%	73%
3RD SECTOR	8%	7%
PUBLIC SECTOR	6%	19%

35%
MULTISITE

65%
SINGLE SITE

Chapter 2:
Employers' experiences of skill shortages

Incidence and density measures
Vacancies and skill-shortages

	Vacancies	**Hard-to-fill vacancies**	**Skills-shortage vacancies**
Incidence	The proportion of establishments reporting at least one vacancy	The proportion of establishments reporting at least one hard-to-fill vacancy	The proportion of establishments reporting at least one skill-shortage vacancy
Density	The number of vacancies per employee	Hard-to-fill vacancies as a proportion of all vacancies	Skill-shortage vacancies as a proportion of all vacancies

Incidence and density of vacancies and skill-shortage vacancies by region

SSV density
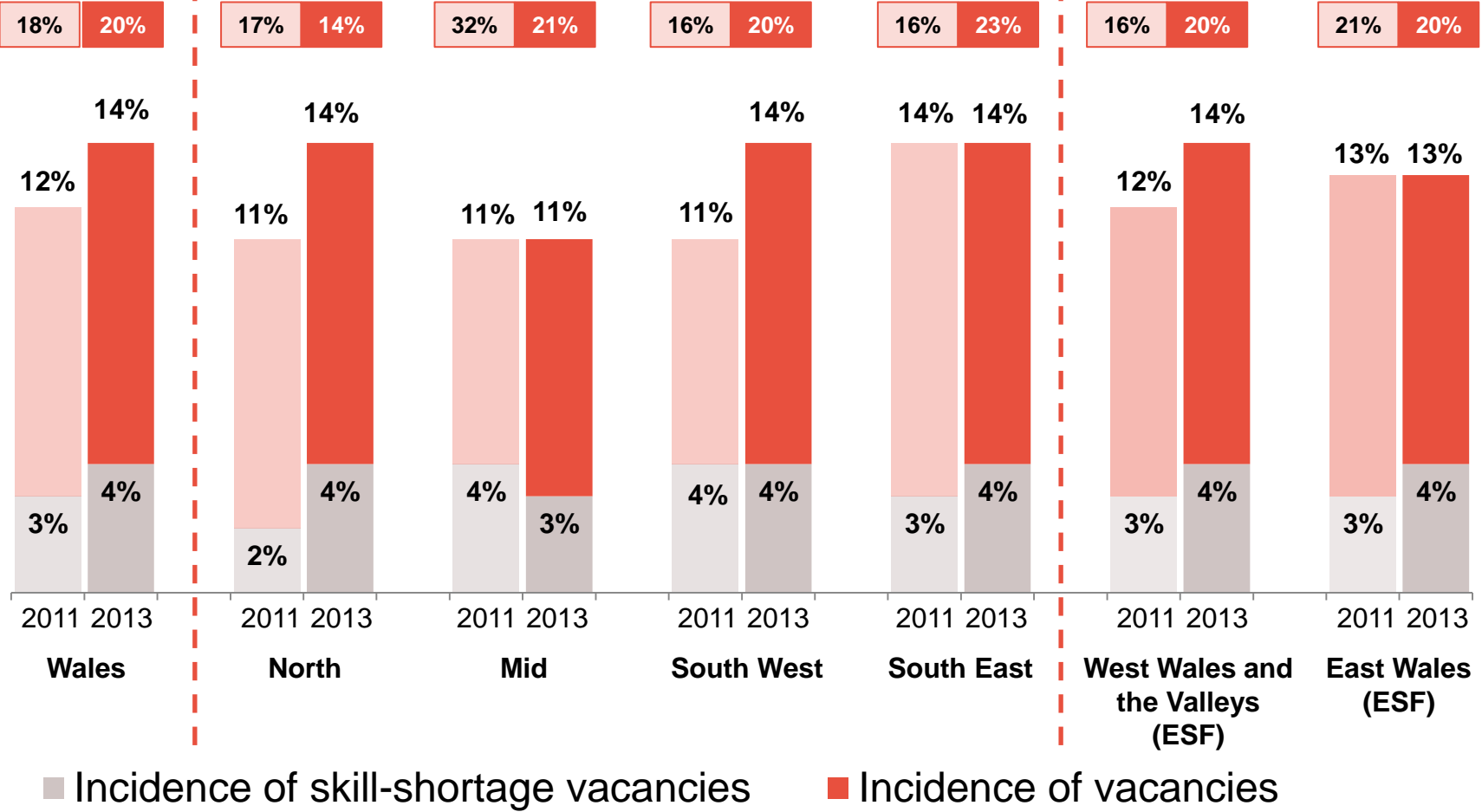
	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
SSV density 2011	18%	17%	32%	16%	16%	16%	21%
SSV density 2013	20%	14%	21%	20%	23%	20%	20%

Incidence of vacancies (2011 / 2013): Wales 12%/14%, North 11%/14%, Mid 11%/11%, South West 11%/14%, South East 14%/14%, West Wales 12%/14%, East Wales 13%/13%

Incidence of skill-shortage vacancies (2011 / 2013): Wales 3%/4%, North 2%/4%, Mid 4%/3%, South West 4%/4%, South East 3%/4%, West Wales 3%/4%, East Wales 3%/4%

Legend: ■ Incidence of skill-shortage vacancies   ■ Incidence of vacancies

Base for boxes: All vacancies based on responses from all establishments (as shown below)
Base for bars: All establishments (as shown)

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
2011:	(5,958)	(1,420)	(788)	(1,376)	(2,374)	(3,696)	(2,262)
2013:	(5,996)	(1,580)	(717)	(1,299)	(2,400)	(3,634)	(2,362)

Incidence and density of vacancies and skill-shortage vacancies by sector (I)

SSV density

| 18% | 20% | | 80% | 49% | | **%% | **% | | 23% | 25% | | 18% | 7% | | 29% | 21% | | 12% | 17% | | 22% | 21% |

■ Incidence of skill-shortage vacancies
■ Incidence of vacancies

Wales
- 2011: 12% (3%)
- 2013: 14% (4%)

Agriculture
- 2011: 3% (2%)
- 2013: 4% (2%)

Mining and Quarrying
- 2011: **%
- 2013: **%

Manufacturing
- 2011: 17% (7%)
- 2013: 17% (6%)

Electricity, Gas and Water
- 2011: 15% (7%)
- 2013: 17% (4%)

Construction
- 2011: 6% (2%)
- 2013: 9% (3%)

Wholesale and Retail
- 2011: 12% (2%)
- 2013: 12% (3%)

Hotels and Restaurants
- 2011: 14% (4%)
- 2013: 17% (6%)

Base for boxes: All vacancies based on responses from all establishments (as shown below)
*Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)*
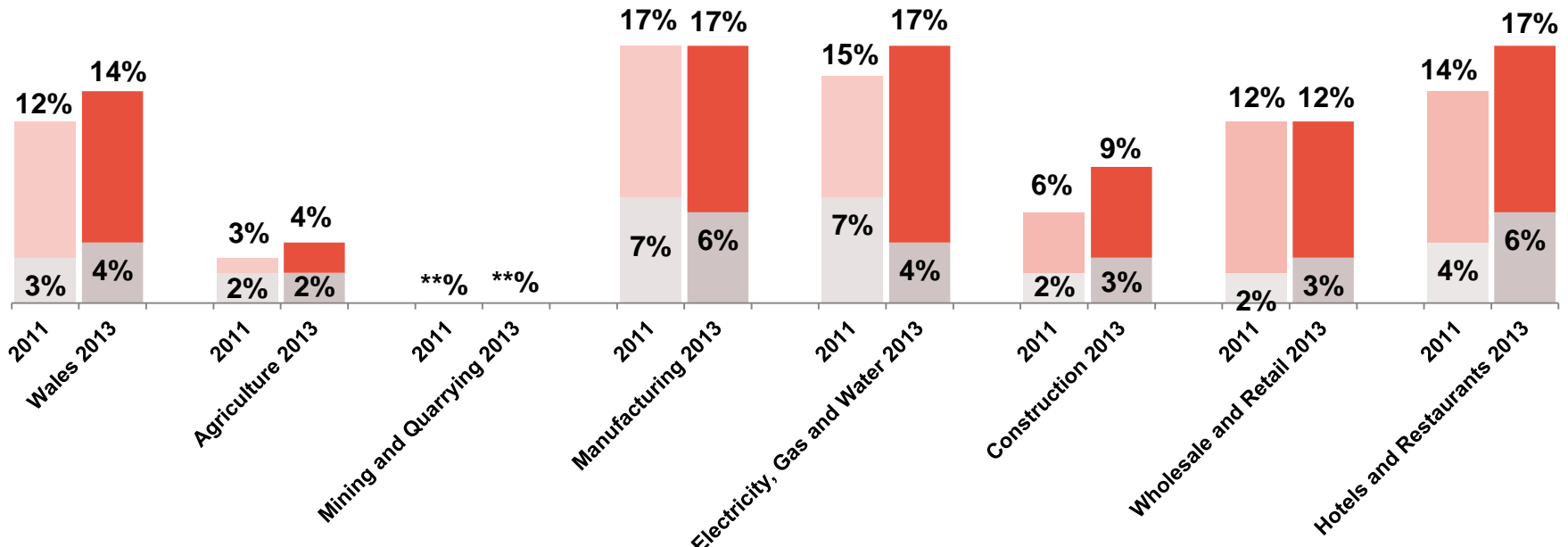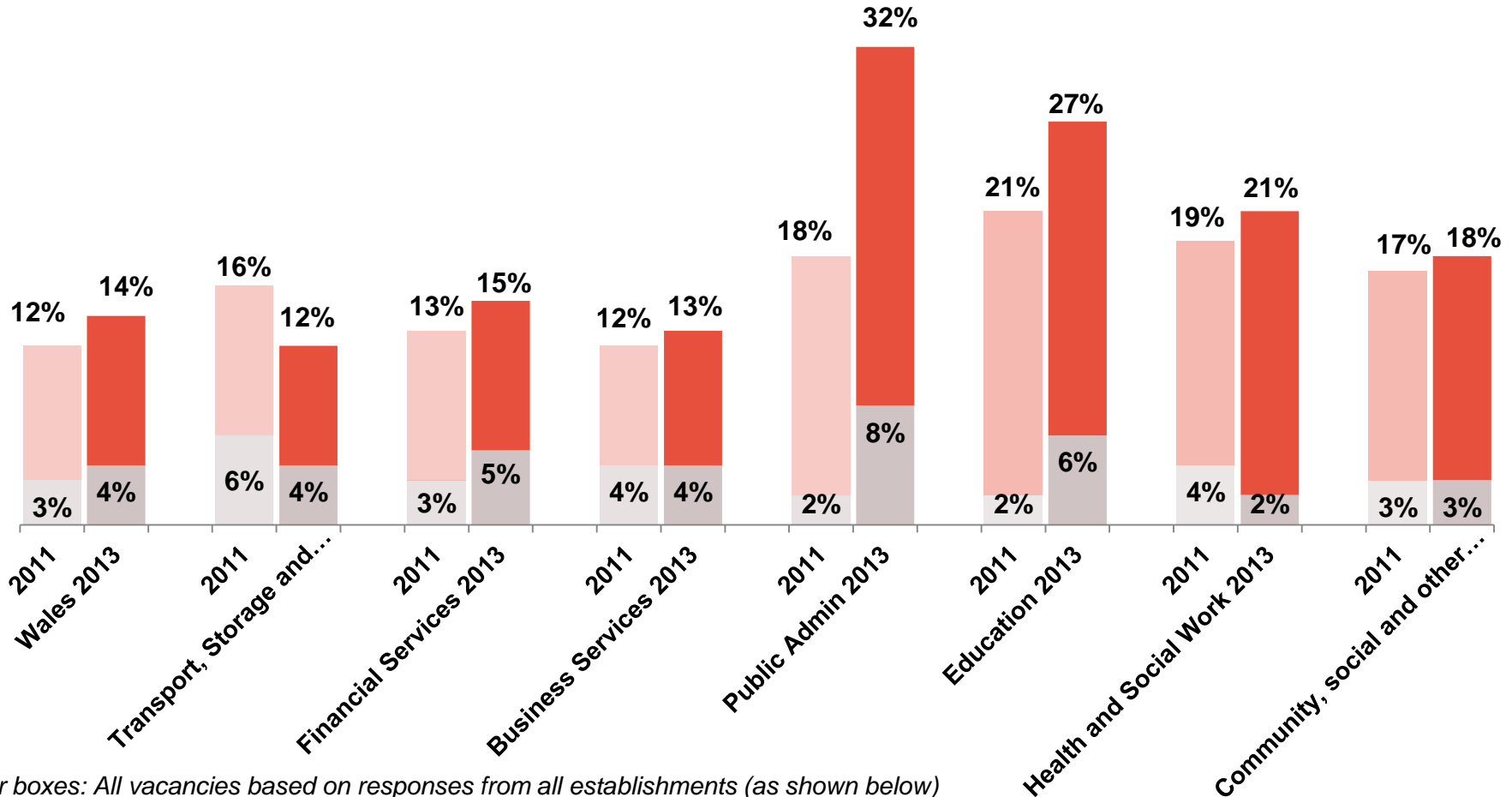
2011:	(5,958)	(101)	(22)	(467)	(110)	(498)	(1,062)	(666)
2013:	(5,996)	(492)	(13)	(401)	(84)	(467)	(1,109)	(618)

Incidence and density of vacancies and skill-shortage vacancies by sector (II)

SSV density

18% **20%**	21% **29%**	18% **22%**	24% **30%**	4 % **26%**	5 % **13%**	13% **14%**	18% **11%**

Sector	2011	2013
Wales 2013	12% / 3%	14% / 4%
Transport, Storage and…	16% / 6%	12% / 4%
Financial Services 2013	13% / 3%	15% / 5%
Business Services 2013	12% / 4%	13% / 4%
Public Admin 2013	18% / 2%	32% / 8%
Education 2013	21% / 2%	27% / 6%
Health and Social Work 2013	19% / 4%	21% / 2%
Community, social and other…	17% / 3%	18% / 3%

Base for boxes: All vacancies based on responses from all establishments (as shown below)
*Base for bars: All establishments (as shown) ** denotes data not shown due to low base size (<25)*

2011:	(5,958)	(435)	(173)	(789)	(129)	(391)	(571)	(544)
2013:	(5,996)	(419)	(127)	(736)	(67)	(394)	(602)	(467)

Skill-shortage vacancies by occupation in Wales

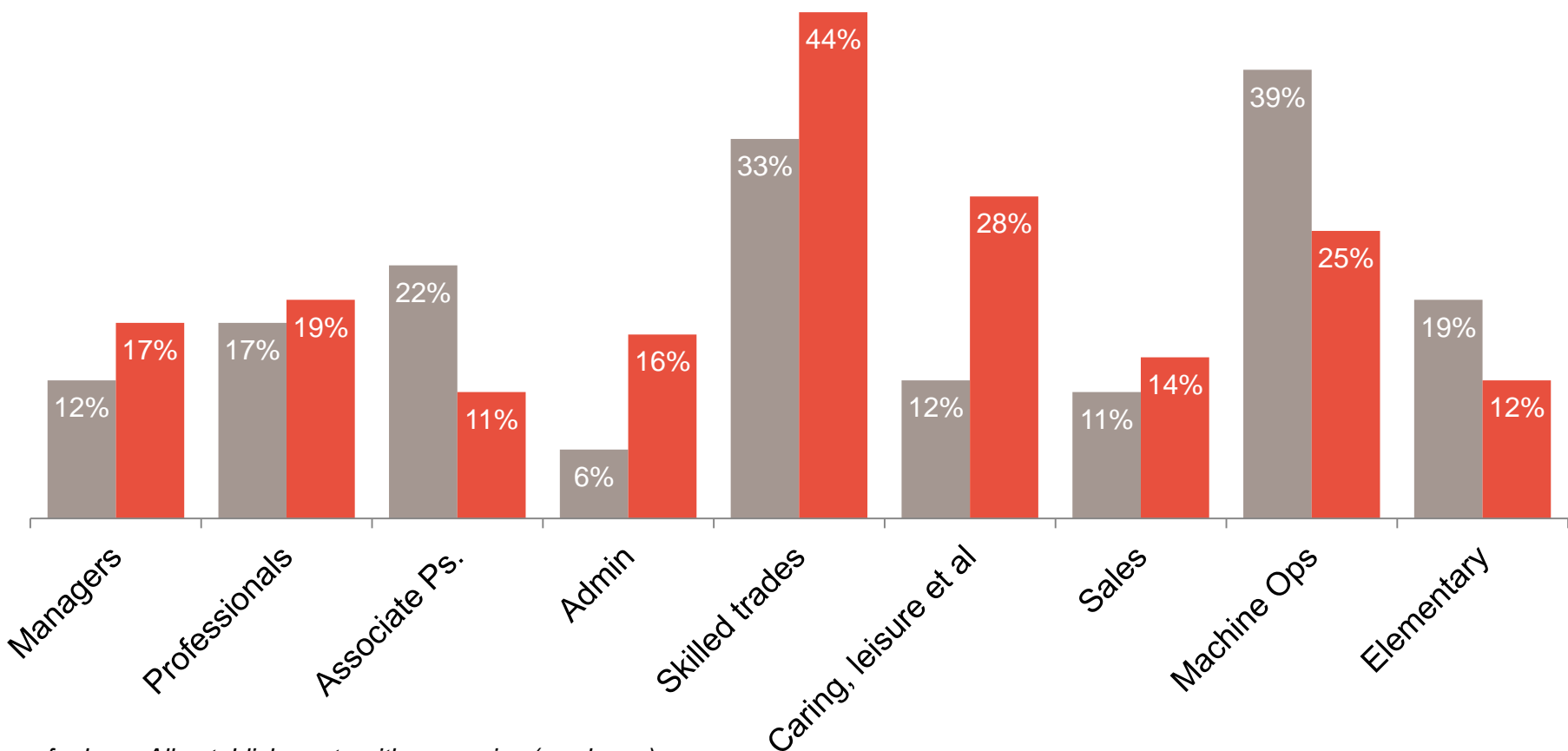**Legend:** 2011 SSV density · 2013 SSV density · Number of SSVs (2013)

Number of SSVs (2013): 100 · 600 · 500 · 300 · 1,200 · 1,200 · 400 · 300 · 400

Occupation	2011 SSV density	2013 SSV density
Managers	12%	17%
Professionals	17%	19%
Associate Ps.	22%	11%
Admin	6%	16%
Skilled trades	33%	44%
Caring, leisure et al	12%	28%
Sales	11%	14%
Machine Ops	39%	25%
Elementary	19%	12%

Base for bars: All establishments with vacancies (as shown)

	Managers	Professionals	Associate Ps.	Admin	Skilled trades	Caring, leisure et al	Sales	Machine Ops	Elementary
2011:	(69)	(179)	(148)	(174)	(163)	(152)	(164)	(86)	(209)
2013:	(52)	(166)	(166)	(145)	(159)	(151)	(143)	(79)	(172)

Skills lacking among applicants in Wales

Skill	Percentage
Technical, practical or job specific skills	69%
Planning and Organisation skills	44%
Oral communication skills	42%
Customer handling skills	38%
Problem solving skills	37%
Written communication skills	33%
Numeracy skills	33%
Team working skills	31%
Literacy skills	28%
Strategic Management skills	26%
Basic computer literacy / using IT	18%
Advanced IT or software skills	18%
Written Welsh language skills	15%
Oral Welsh language skills	13%
Foreign language skills	9%

Base : All establishments with skill-shortage vacancies - up to 6 occupations followed up (269)
Figures are shown as a percentage of all SSVs (not a percentage of all establishments)

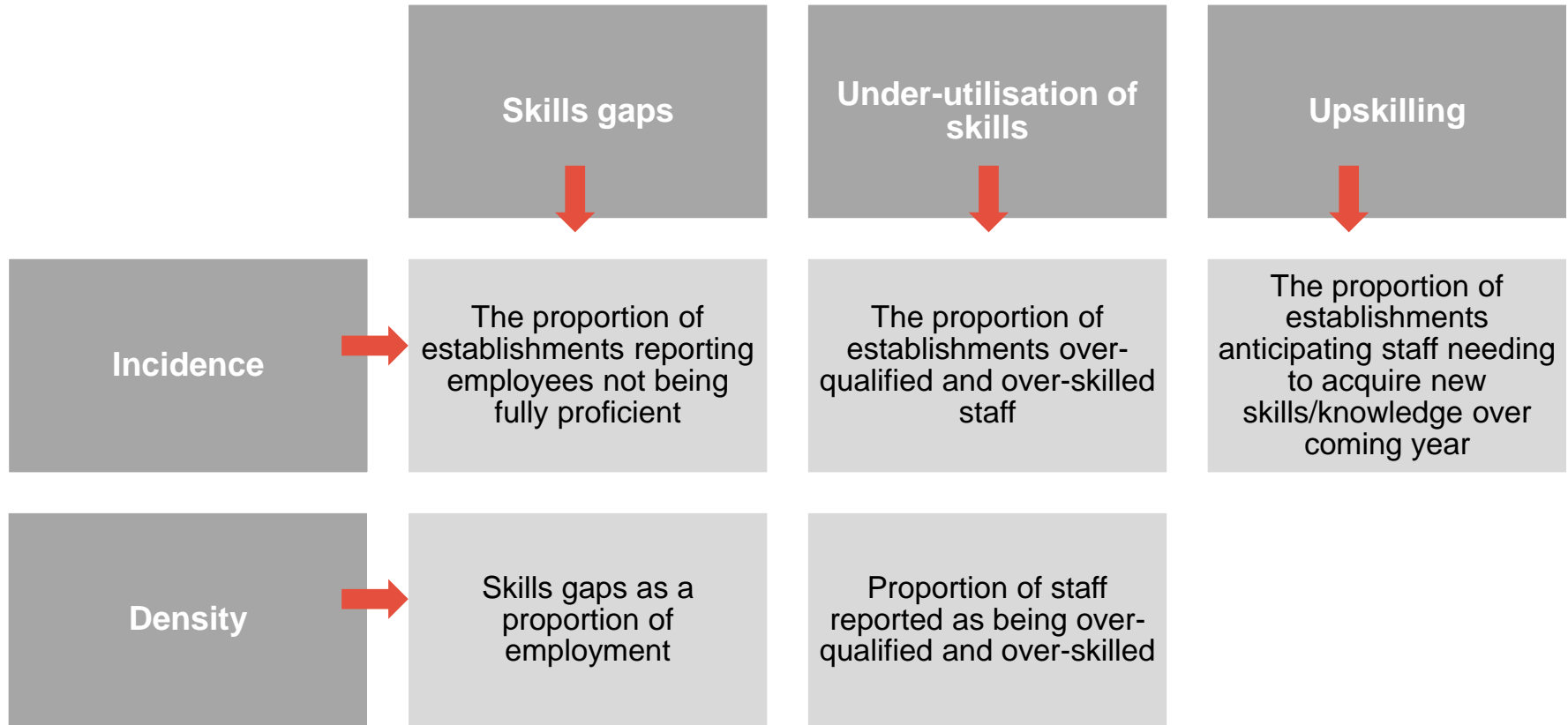# Impact of skill-shortage vacancies in Wales

Impact	Percentage
Increased workload for other staff	90%
Difficulties meeting customer services objectives	49%
Delay developing new products or services	47%
Lose business or orders to competitors	45%
Experience increased operating costs	43%
Have difficulties introducing new working practices	38%
Have difficulties meeting quality standards	37%
Outsource work	32%
Difficulties introducing technological change	24%
Withdraw from offering certain products / services	23%
None	3%

Base: All establishments where all hard-to-fill vacancies caused soley by skills related issues (253)

Chapter 3:
The Internal Skills Challenge

Incidence and density measures
Internal Skills Challenges

	Skills gaps	**Under-utilisation of skills**	**Upskilling**
Incidence	The proportion of establishments reporting employees not being fully proficient	The proportion of establishments over-qualified and over-skilled staff	The proportion of establishments anticipating staff needing to acquire new skills/knowledge over coming year
Density	Skills gaps as a proportion of employment	Proportion of staff reported as being over-qualified and over-skilled	

Incidence and density of skills gaps by region
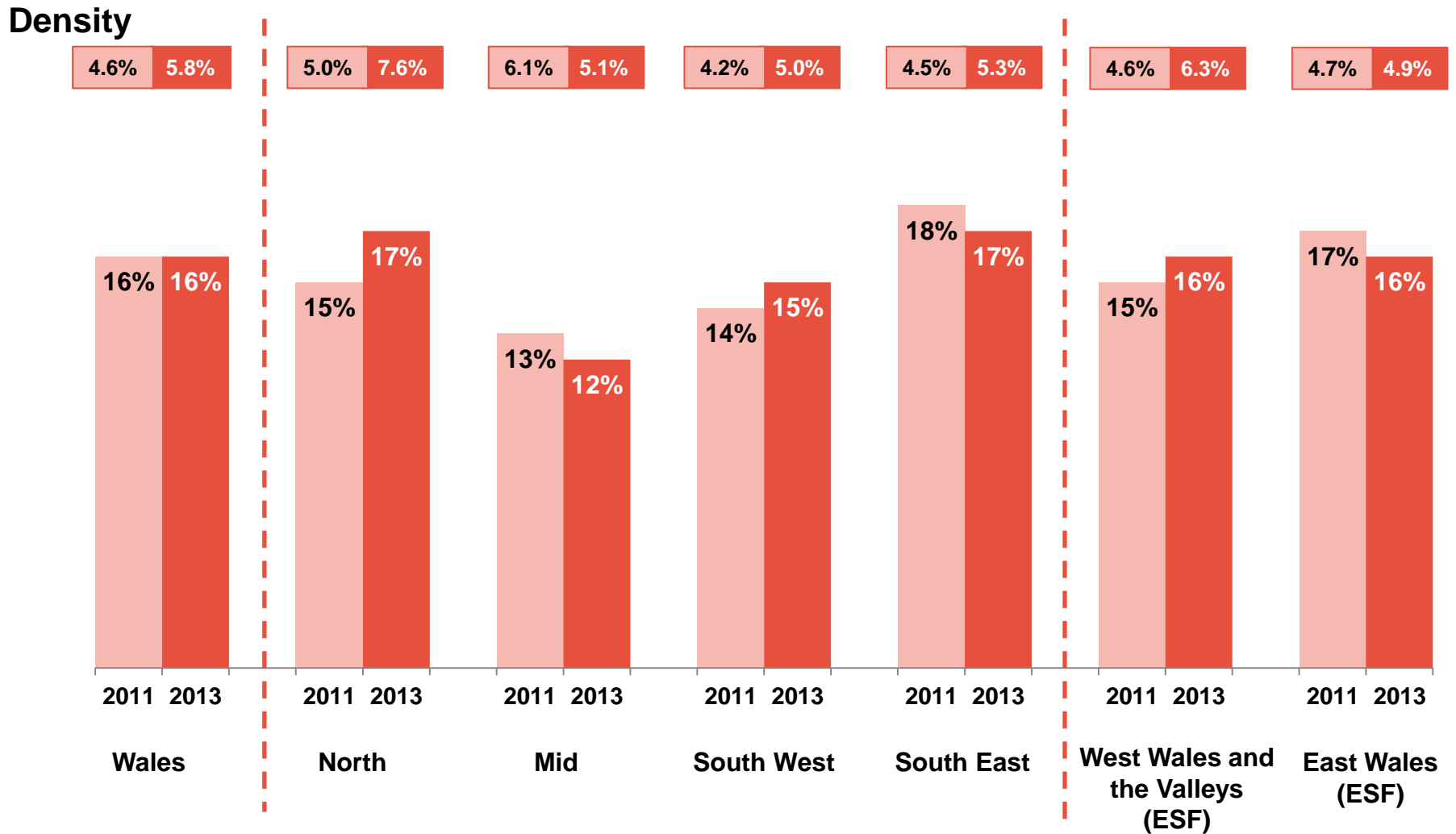
Density

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
	4.6% 5.8%	5.0% 7.6%	6.1% 5.1%	4.2% 5.0%	4.5% 5.3%	4.6% 6.3%	4.7% 4.9%

Bars (2011 / 2013):
- Wales: 16% / 16%
- North: 15% / 17%
- Mid: 13% / 12%
- South West: 14% / 15%
- South East: 18% / 17%
- West Wales and the Valleys (ESF): 15% / 16%
- East Wales (ESF): 17% / 16%

	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013	2011	2013

Base for boxes: All employment across all establishments (as shown below)
Base for bars: All establishments (as shown)

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
2011:	(5,958)	(1,420)	(788)	(1,376)	(2,374)	(3,696)	(2,262)
2013:	(5,996)	(1,580)	(717)	(1,299)	(2,400)	(3,634)	(2,362)

Incidence and density of skills gaps by sector (I)

Density

	Wales	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011	4.6%	3.5%	**%**	6.1%	6.7%	3.3%	5.4%	7.5%
2013	5.8%	2.9%	**%**	10.3%	1.8%	4.6%	5.2%	10.2%

Sector	2011	2013
Wales	16%	16%
Agriculture	6%	6%
Mining and Quarrying	**%	**%
Manufacturing	20%	21%
Electricity, Gas and Water…	17%	15%
Construction	12%	15%
Wholesale and Retail	19%	18%
Hotels and Restaurants	19%	19%

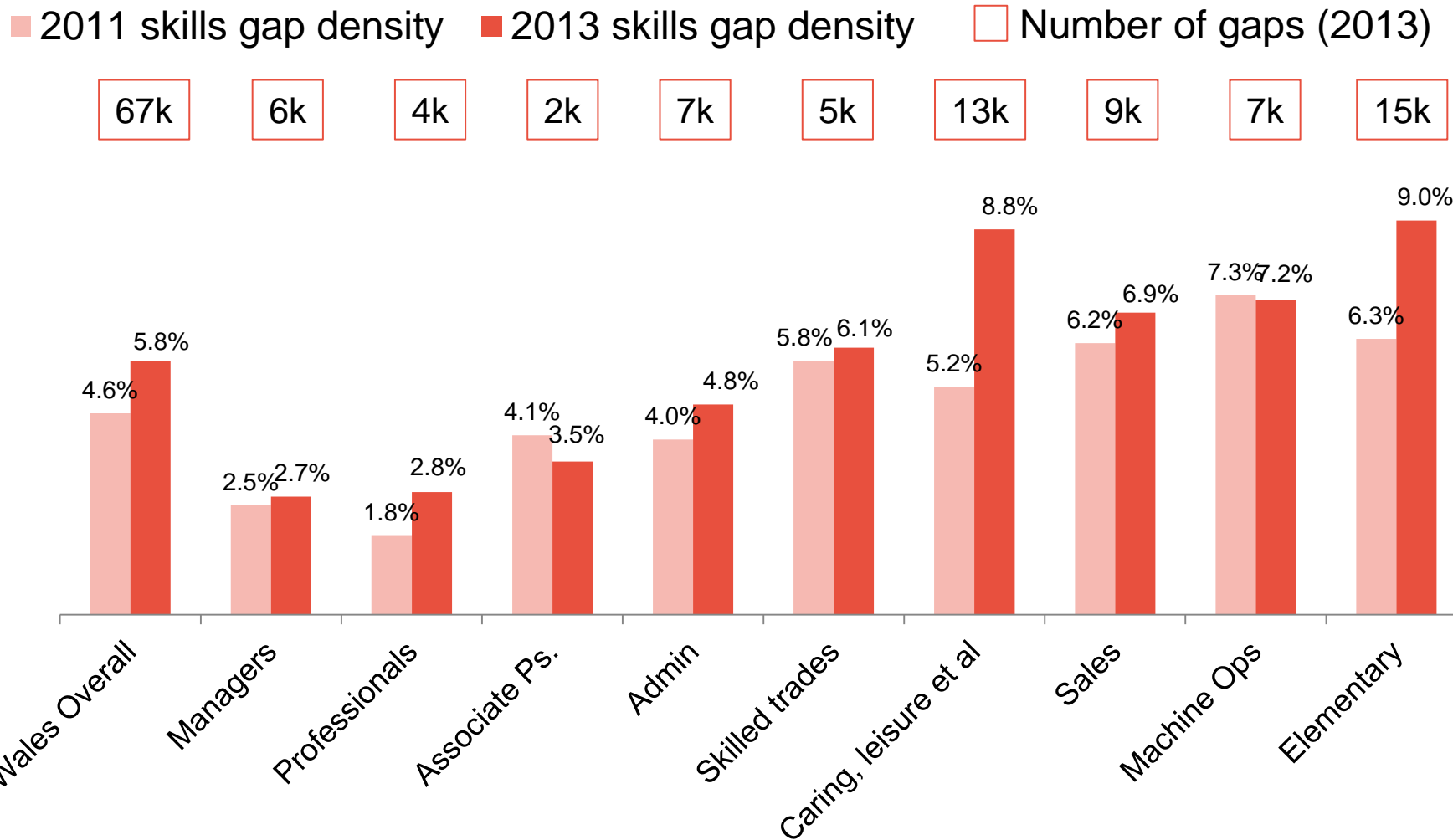*Base for boxes: All employment across all establishments (as shown below)*
Base for bars: All establishments (as shown)   ** denotes data not shown due to low base size (<25)

	Wales	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011:	(5,958)	(101)	(22)	(467)	(110)	(498)	(1,062)	(666)
2013:	(5,996)	(492)	(13)	(401)	(84)	(467)	(1,109)	(618)

Incidence and density of skills gaps by sector (II)

Density

	Wales	Transport, Storage and...	Financial Services	Business Services	Public Admin	Education	Health and Social Work	Community, Social and...
2011	4.6%	3.8%	3.7%	5.0%	1.8%	3.5%	4.2%	4.6%
2013	5.8%	3.9%	5.2%	4.4%	1.8%	5.3%	6.6%	4.0%
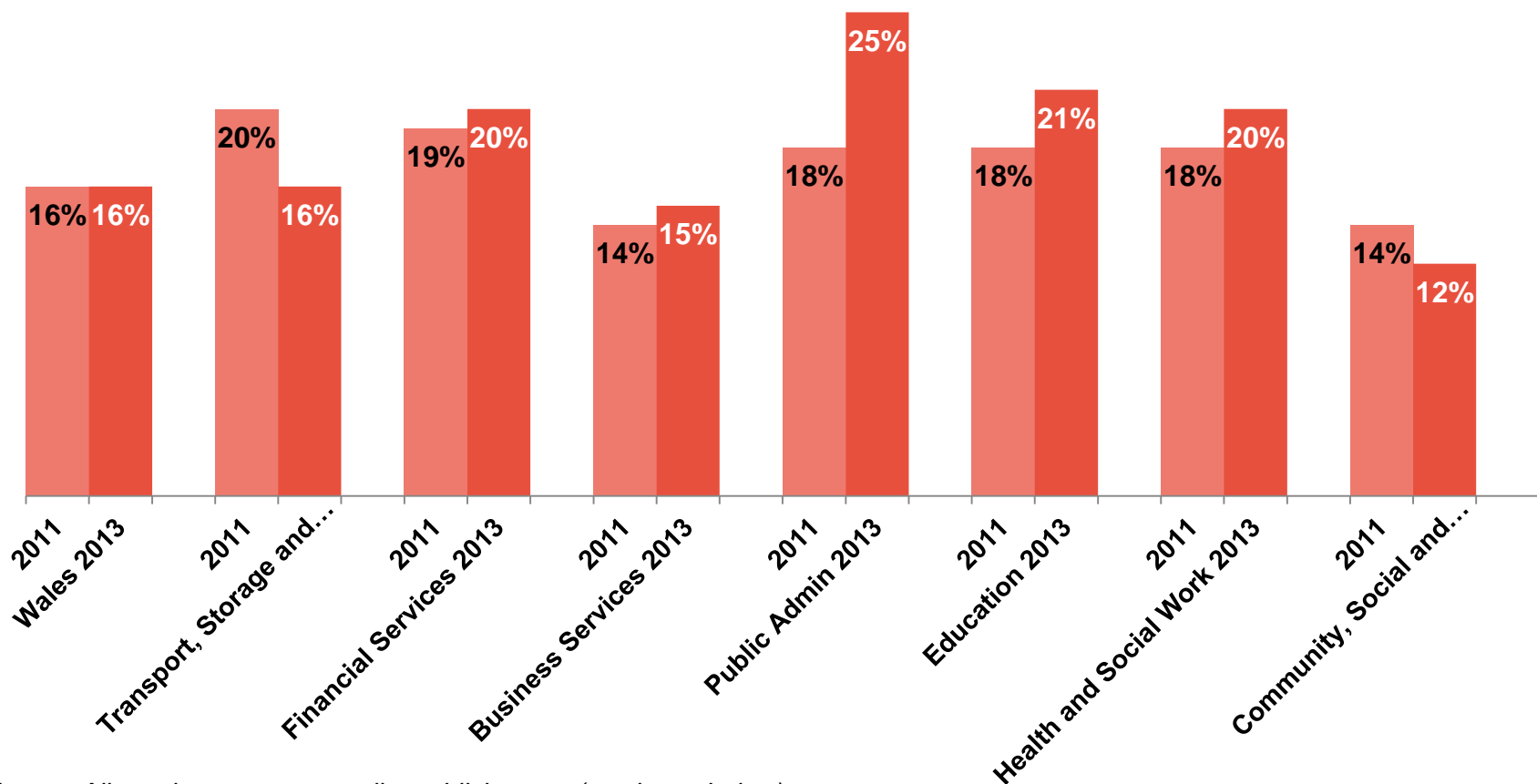
Sector	2011	2013
Wales	16%	16%
Transport, Storage and...	20%	16%
Financial Services	19%	20%
Business Services	14%	15%
Public Admin	18%	25%
Education	18%	21%
Health and Social Work	18%	20%
Community, Social and...	14%	12%

Base for boxes: All employment across all establishments (as shown below)
Base for bars: All establishments (as shown)

	Wales	Transport, Storage and...	Financial Services	Business Services	Public Admin	Education	Health and Social Work	Community, Social and...
2011:	(5,958)	(435)	(173)	(789)	(129)	(391)	(571)	(544)
2013:	(5,996)	(419)	(127)	(736)	(67)	(394)	(602)	(467)

Skills gaps by occupation in Wales

Legend:
- 2011 skills gap density
- 2013 skills gap density
- Number of gaps (2013)

Number of gaps (2013) boxes: 67k | 6k | 4k | 2k | 7k | 5k | 13k | 9k | 7k | 15k

Bar values:
- Wales Overall: 4.6% (2011), 5.8% (2013)
- Managers: 2.5% (2011), 2.7% (2013)
- Professionals: 1.8% (2011), 2.8% (2013)
- Associate Ps.: 4.1% (2011), 3.5% (2013)
- Admin: 4.0% (2011), 4.8% (2013)
- Skilled trades: 5.8% (2011), 6.1% (2013)
- Caring, leisure et al: 5.2% (2011), 8.8% (2013)
- Sales: 6.2% (2011), 6.9% (2013)
- Machine Ops: 7.3% (2011), 7.2% (2013)
- Elementary: 6.3% (2011), 9.0% (2013)

Base for boxes: Number of skills gaps within establishments with staff in each occupation (as shown below)
Base for bars: All establishments with staff in each occupation (as shown)

	Wales Overall	Managers	Professionals	Associate Ps.	Admin	Skilled trades	Caring, leisure et al	Sales	Machine Ops	Elementary
2011:	(5,958)	(5,658)	(1,161)	(773)	(3,486)	(1,548)	(969)	(1,614)	(950)	(2,238)
2013:	(5,996)	(5,692)	(1,005)	(671)	(3,061)	(1,581)	(831)	(1,587)	(855)	(1,953)

Main causes of skills gaps in Wales
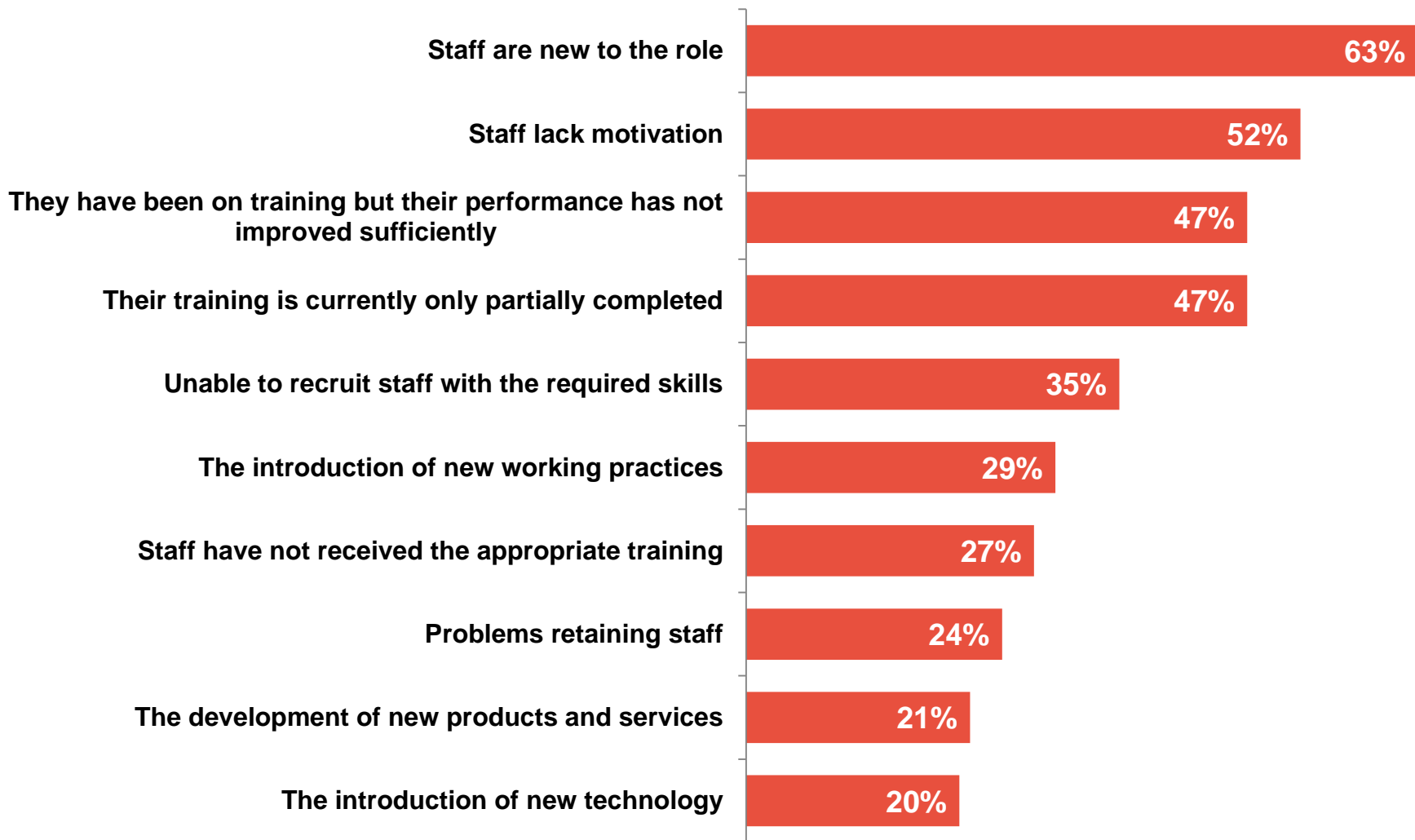
Staff are new to the role	63%
Staff lack motivation	52%
They have been on training but their performance has not improved sufficiently	47%
Their training is currently only partially completed	47%
Unable to recruit staff with the required skills	35%
The introduction of new working practices	29%
Staff have not received the appropriate training	27%
Problems retaining staff	24%
The development of new products and services	21%
The introduction of new technology	20%

Base : All establishments with skills gaps - up to 2 occupations followed up (1,219)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)

Skills lacking in staff with skills gaps in Wales

Skill	Percentage
Planning and organisation	57%
Team working	56%
Problem solving	51%
Technical, practical or job-specific	48%
Written communication	43%
Oral communication	40%
Customer handling	38%
Basic computer literacy / using IT	36%
Literacy	35%
Numeracy	33%
Advanced IT or software	31%
Oral Welsh language skills	28%
Written Welsh language skills	27%
Strategic Management	19%
Foreign language	19%

Base : All establishments with skills gaps - up to 2 occupations followed up (1,219)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)

Impact of skills gaps in Wales

Increased workload for other staff	54%
Have difficulties introducing new working practices	28%
Have higher operating costs	28%
Have difficulties meeting quality standards	25%
Lose business or order to competitors	23%
Delay developing new products or services	17%
Outsource work	10%
No impact	36%
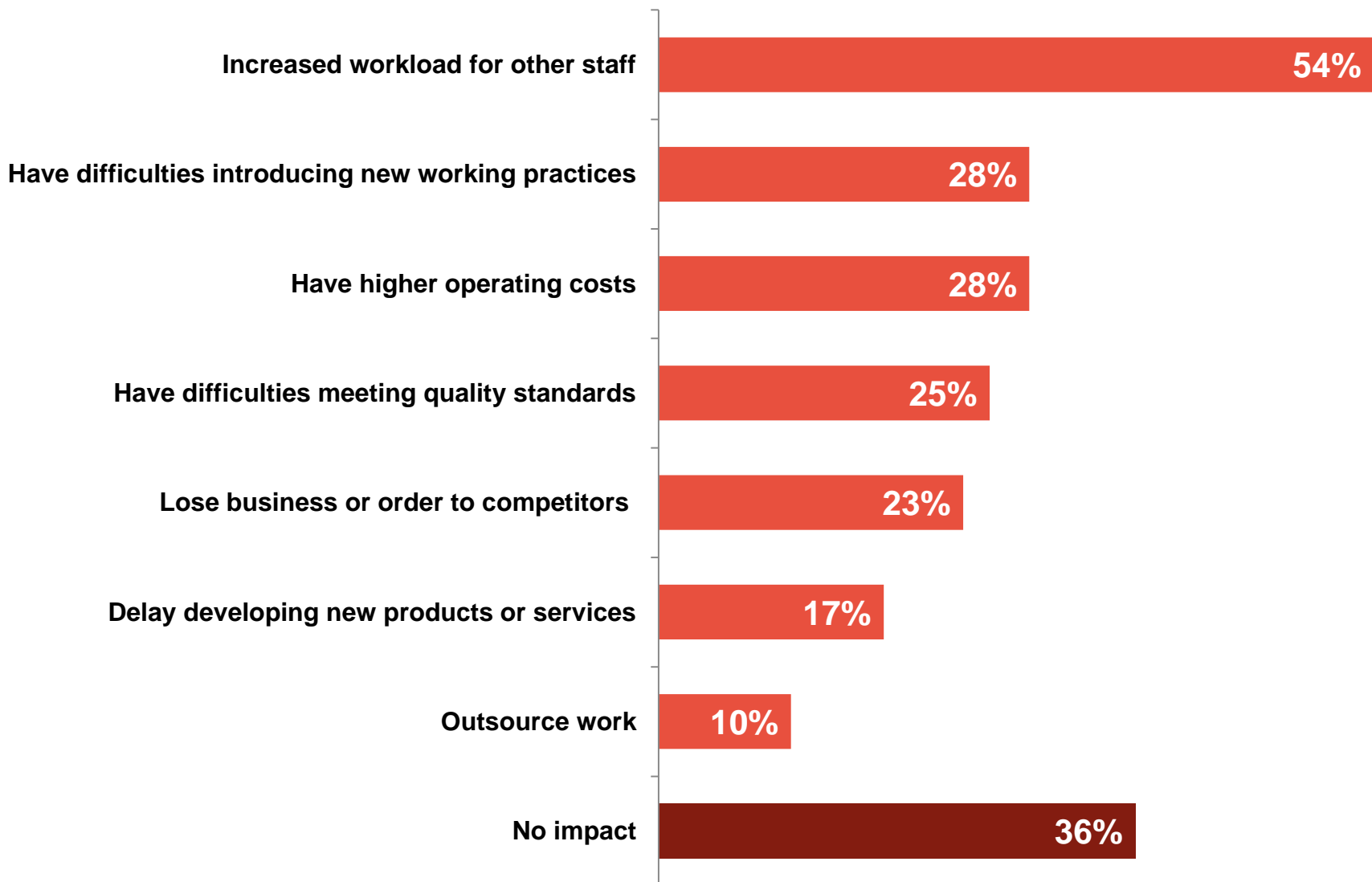
Base: All establishments with skills gaps (1,219)

Action taken to overcome skills gaps in Wales

Increase training activity / spend or increase / expand trainee programmes
- 65%
- 65%

More supervision of staff
- 49%
- 61%

More staff appraisals / performance reviews
- 40%
- 49%

Implementation of mentoring / buddying scheme
- 39%
- 49%

Reallocating work
- 29%
- 39%

Changing work practices
- 20%
- 31%

Increase recruitment activity / spend
- 10%
- 15%

Recruiting workers who are non-UK nationals
- 7%
- 8%

Nothing
- 25%
- 15%
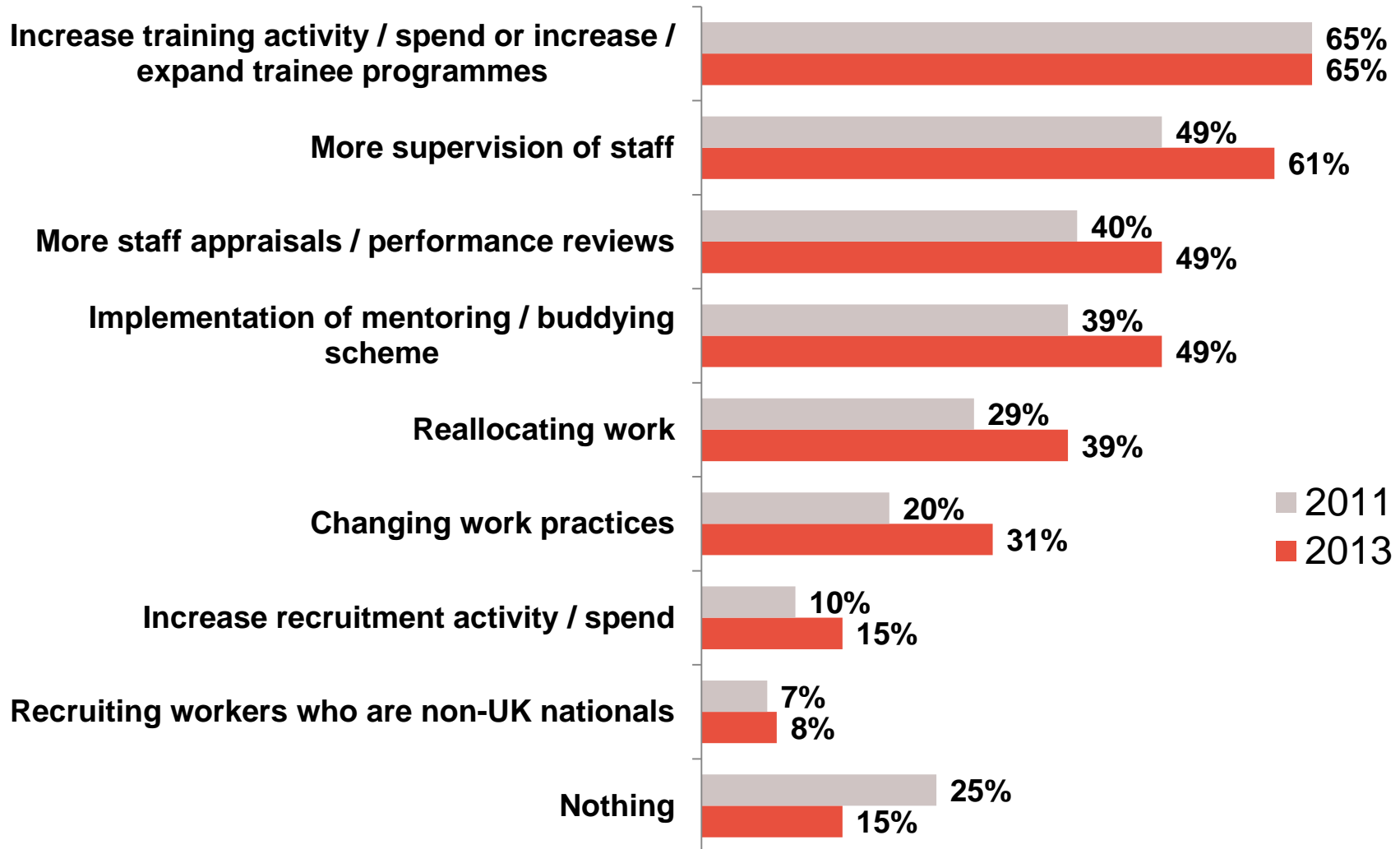
■ 2011
■ 2013

Base: All establishments with skills gaps 2011 (1,354)
Base: All establishments with skills gaps 2013 (1,219)

Incidence and density of skills under-utilisation by region

Density

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
Density 2011	13%	13%	16%	14%	13%	14%	13%
Density 2013	21%	35%	13%	22%	14%	22%	18%
Incidence 2011	45%	40%	42%	50%	46%	45%	44%
Incidence 2013	50%	52%	48%	47%	50%	49%	50%

Base: 2011: All establishments (as shown); 2013: All establishments in Module 2 (as shown)

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
2011:	(5,958)	(1,420)	(788)	(1,376)	(2,374)	(3,696)	(2,262)
2013:	(3,026)	(795)	(360)	(630)	(1,241)	(1,818)	(1,208)

Incidence and density of skills under-utilisation by size in Wales

Density

	Wales		2-4		5-24		25-49		50-99		100+	
	14%	21%	28%	29%	16%	22%	12%	17%	11%	10%	11%	13%

(100+: 10% | 29%)

Incidence by year and size:

	2011	2013
Wales	45%	50%
2-4	44%	48%
5-24	45%	51%
25-49	52%	53%
50-99	49%	46%
100+	50%	50%
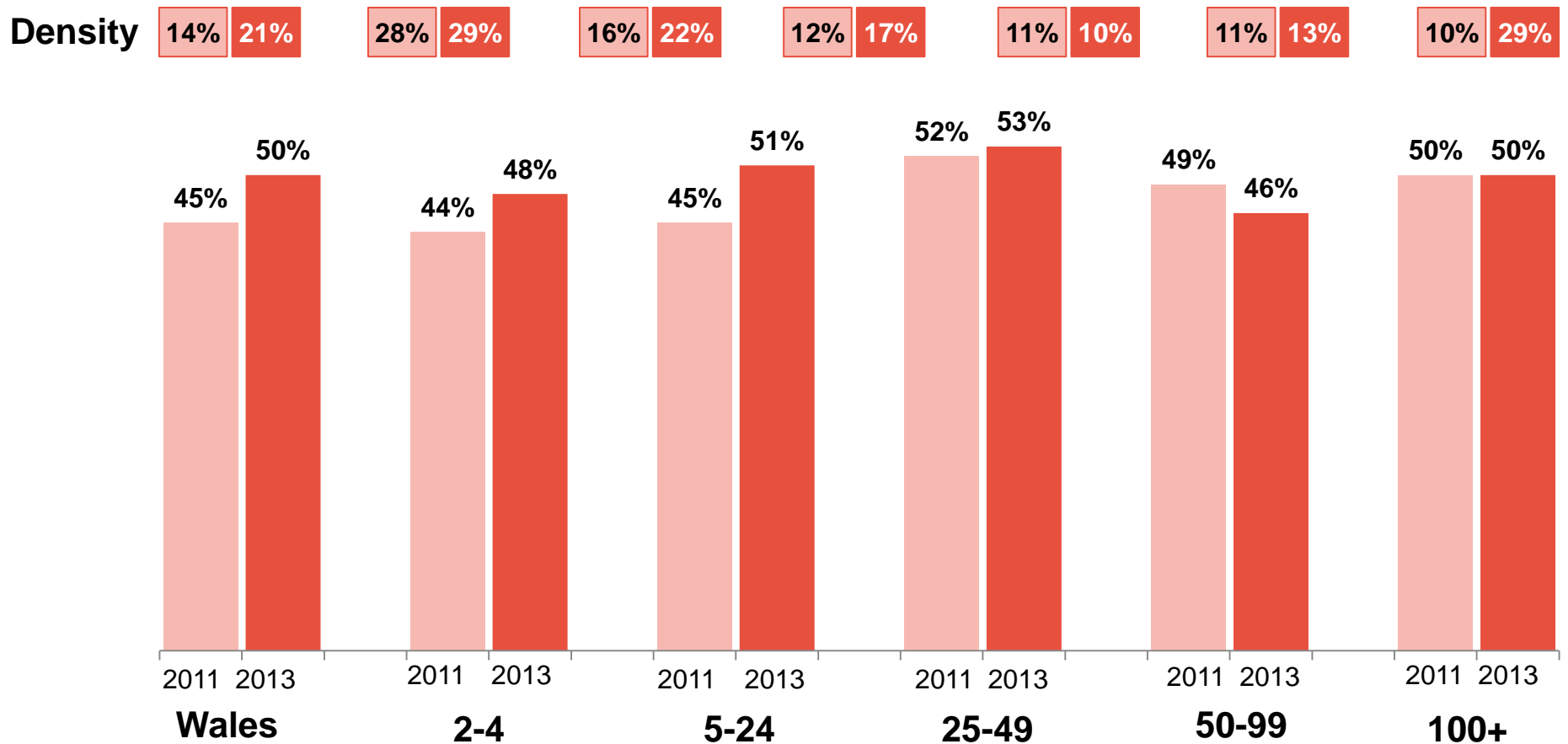
** denotes data not shown due to low base size (<25)

Base: 2011: All establishments (as shown); 2013: All establishments in Module 2 (as shown)

	Wales	2-4	5-24	25-49	50-99	100+
2011:	(5,946)	(1,159)	(3,466)	(750)	(323)	(172)
2013:	(3,026)	(898)	(1,653)	(283)	(108)	(84)

Incidence and density of skills under-utilisation by sector (I)

Density	Wales	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011	13%	21%	**%	7%	8 %	12%	14%	23%
2013	21%	24%	**%	10%	6%	24%	18%	24%

Incidence bars:
- Wales: 2011 45%, 2013 50%
- Agriculture: 2011 41%, 2013 40%
- Mining and Quarrying: 2011 **%, 2013 **%
- Manufacturing: 2011 35%, 2013 49%
- Electricity, Gas and Water: 2011 40%, 2013 37%
- Construction: 2011 38%, 2013 45%
- Wholesale and Retail: 2011 48%, 2013 50%
- Hotels and Restaurants: 2011 56%, 2013 64%
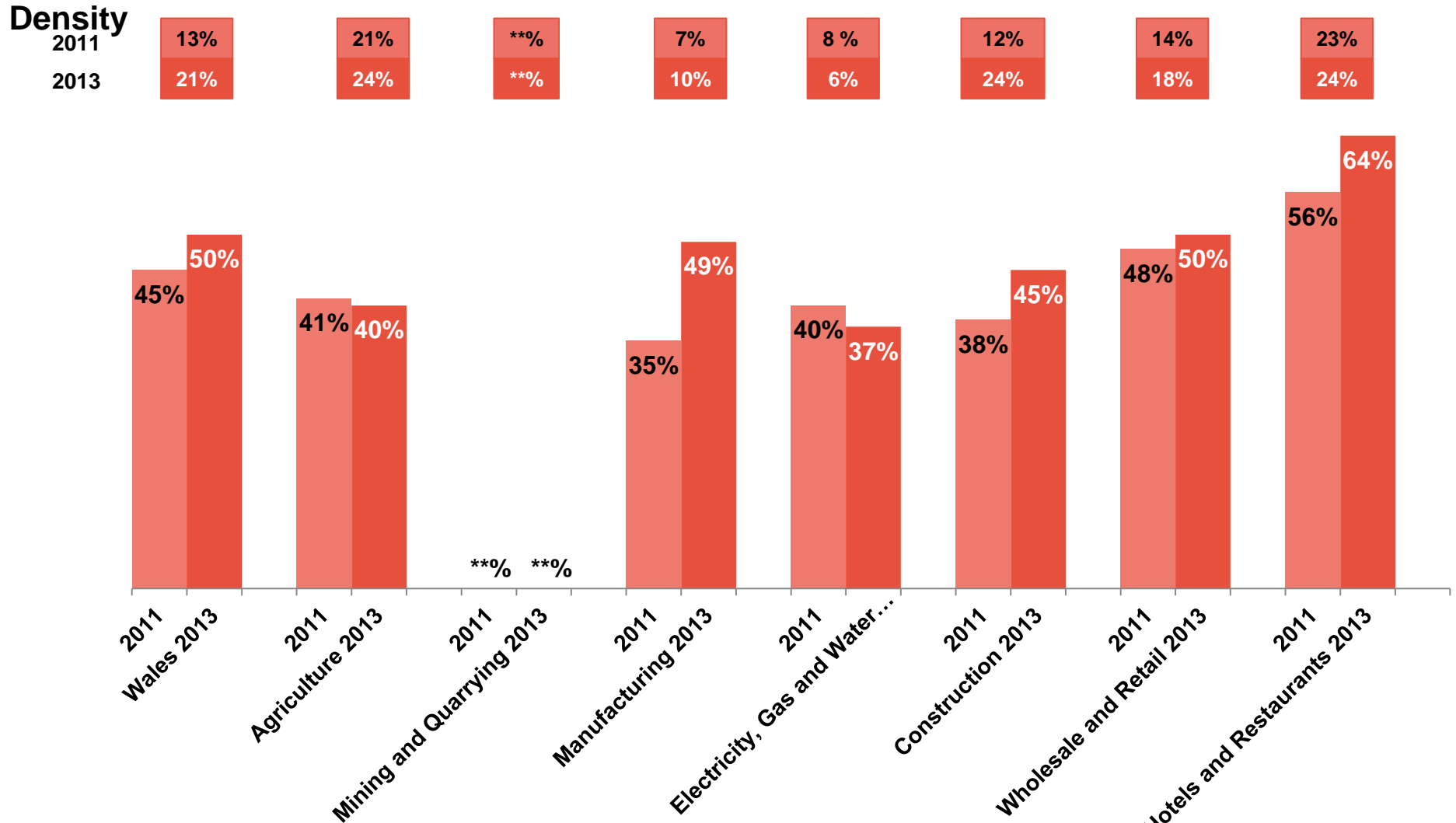
Base: 2011: All establishments (as shown); 2013: All establishments in Module 2 (as shown)

2011:	(5,946)	(100)	(22)	(467)	(110)	(497)	(1,059)	(665)
2013:	(3,026)	(248)	(6)	(187)	(40)	(233)	(561)	(325)

** denotes data not shown due to low base size (<25)

Incidence and density of skills under-utilisation by sector (II)

Density

	Wales	Transport, Storage and…	Financial Services	Business Services	Public Admin	Education	Health and Social Work	Community, Social and…
2011	13%	13%	10%	16%	11%	18%	9%	19%
2013	21%	22%	11%	14%	7%	26%	37%	23%

Incidence bars:

Sector	2011	2013
Wales	45%	50%
Transport, Storage and…	45%	48%
Financial Services	50%	53%
Business Services	37%	45%
Public Admin	44%	61%
Education	56%	60%
Health and Social Work	48%	51%
Community, Social and…	50%	52%

Base: 2011: All establishments (as shown); 2013: All establishments in Module 2 (as shown)

	Wales	Transport	Financial	Business	Public Admin	Education	Health	Community
2011:	(5,946)	(434)	(173)	(785)	(129)	(391)	(570)	(544)
2013:	(3,026)	(216)	(68)	(365)	(32)	(213)	(297)	(235)

Drivers of upskilling in the next 12 months in Wales

Expect employees to need to acquire new skills / knowledge — 72%

New legislative or regulatory requirements — 51%

The introduction of new technologies or equipment — 46%

The development of new products and services — 45%

The introduction of new working practices — 45%

Increased competitive pressure — 31%

Base: All establishments in Module 2 (3,026)
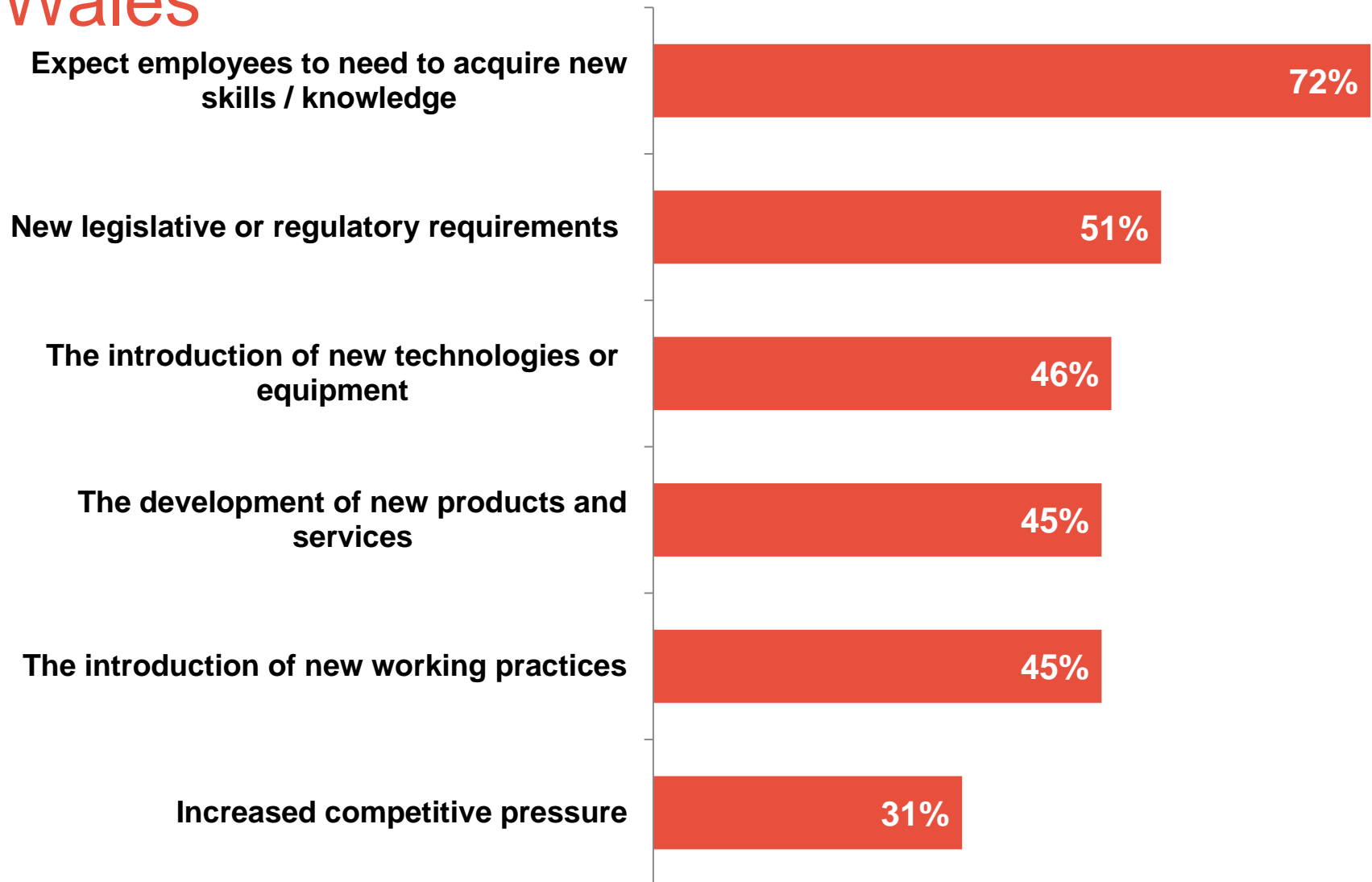
Occupations most affected by need for upskilling in Wales

Managers	Professionals	Associate professionals	Administrative	Skilled Trades	Caring, Leisure and Other	Sales and Customer Service	Machine Operatives	Elementary
34%	43%	26%	13%	34%	39%	28%	21%	13%
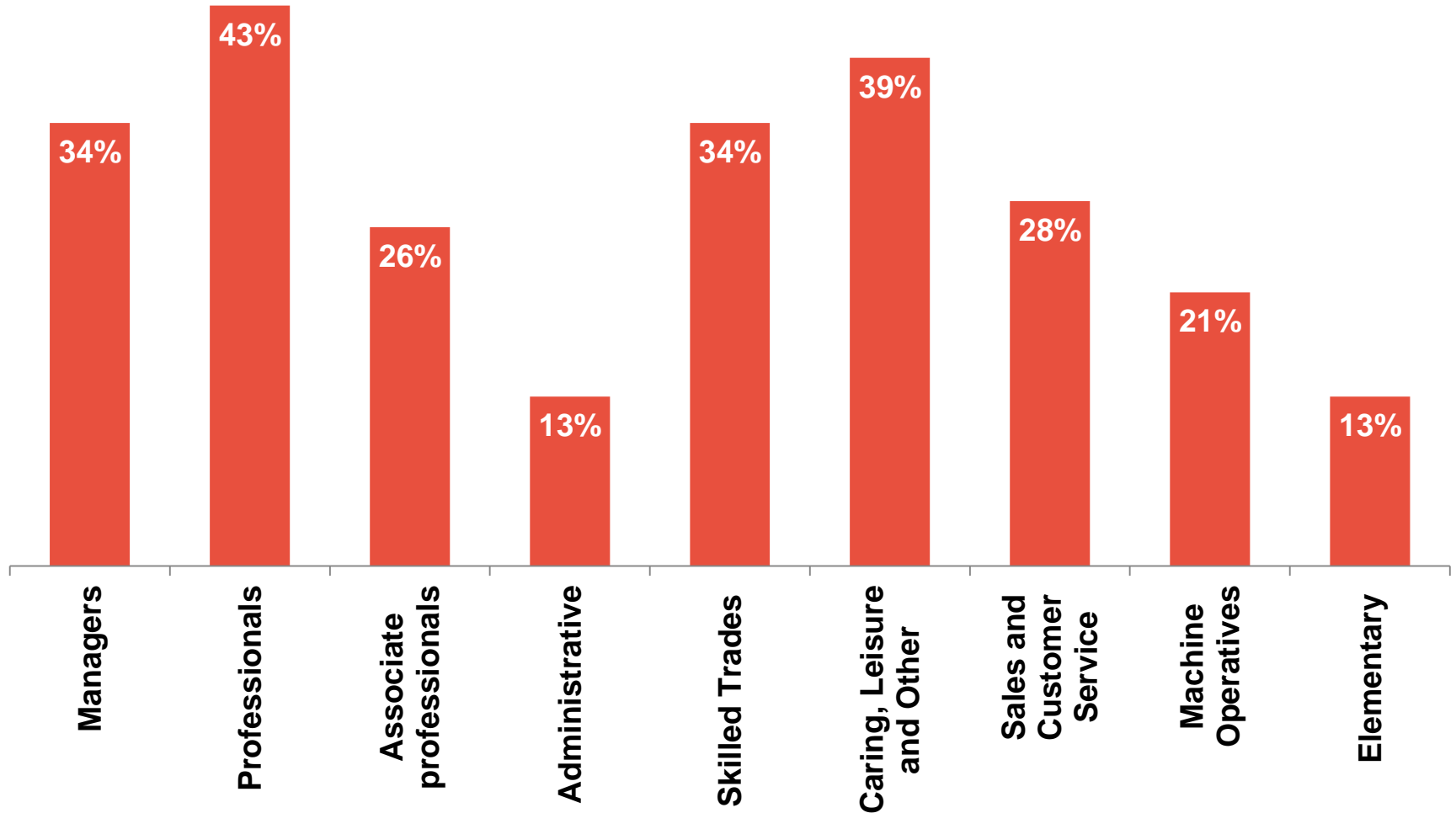
Base: All establishments who employ staff in each occupation (Module 2):

Base: (2877) (532) (339) (1562) (774) (414) (788) (422) (1026)

Skills which need improving/updating in next 12 months in Wales

Skill	Percentage
Technical, practical or job specific skills	53%
Planning and organising skills	46%
Problem solving skills	38%
Advanced IT or software skills	36%
Team working skills	34%
Strategic management skills	33%
Customer handling skills	32%
Basic computer literacy / using IT	30%
Oral communication skills	22%
Oral Welsh language skills	18%
Written communication skills	18%
Written Welsh language skills	16%
Numeracy skills	15%
Literacy skills	14%
Foreign language skills	7%

Base: All establishments who anticipate a need to upskill staff in the next 12 months excluding those where the main occupation affected is not known (2,227)

Chapter 4:
Training and Workforce Development

Incidence of training provision over the previous 12 months by region

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

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
Train	62%	61%	51%	61%	67%	60%	65%
Train off-the-job	47%	47%	40%	48%	49%	46%	49%
Train on-the-job	48%	48%	37%	46%	53%	47%	51%

Base for bars: All establishments (as shown)

(5,996)   (1,580)   (717)   (1,299)   (2,400)   (3,634)   (2,362)
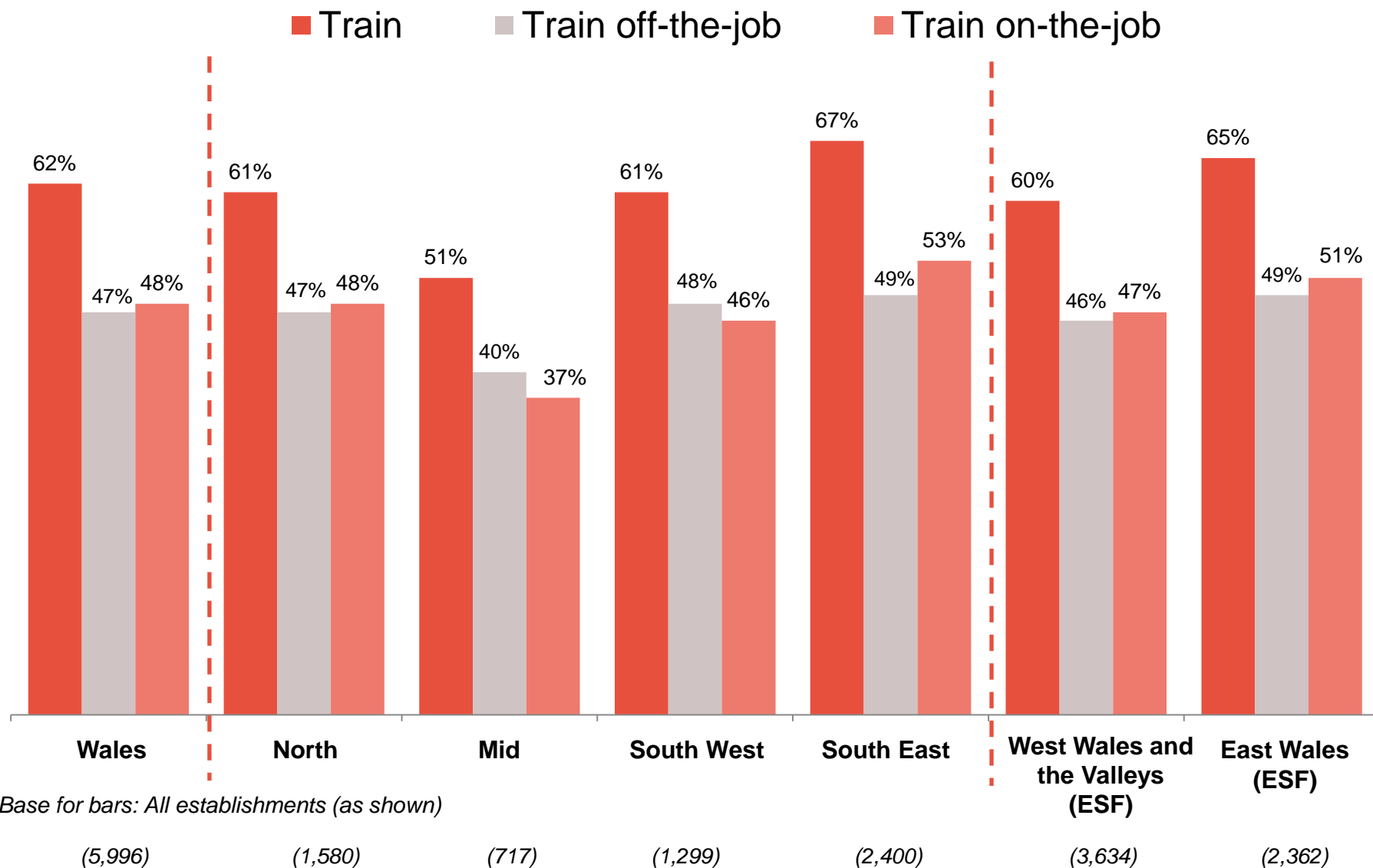
Incidence of training provision over the previous 12 months by sector (I)

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

	Wales	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail	Hotels and Restaurants
Train	62%	31%	**%	62%	72%	55%	58%	59%
Train off-the-job	47%	25%	**%	48%	61%	43%	38%	39%
Train on-the-job	48%	16%	**%	47%	55%	39%	46%	47%
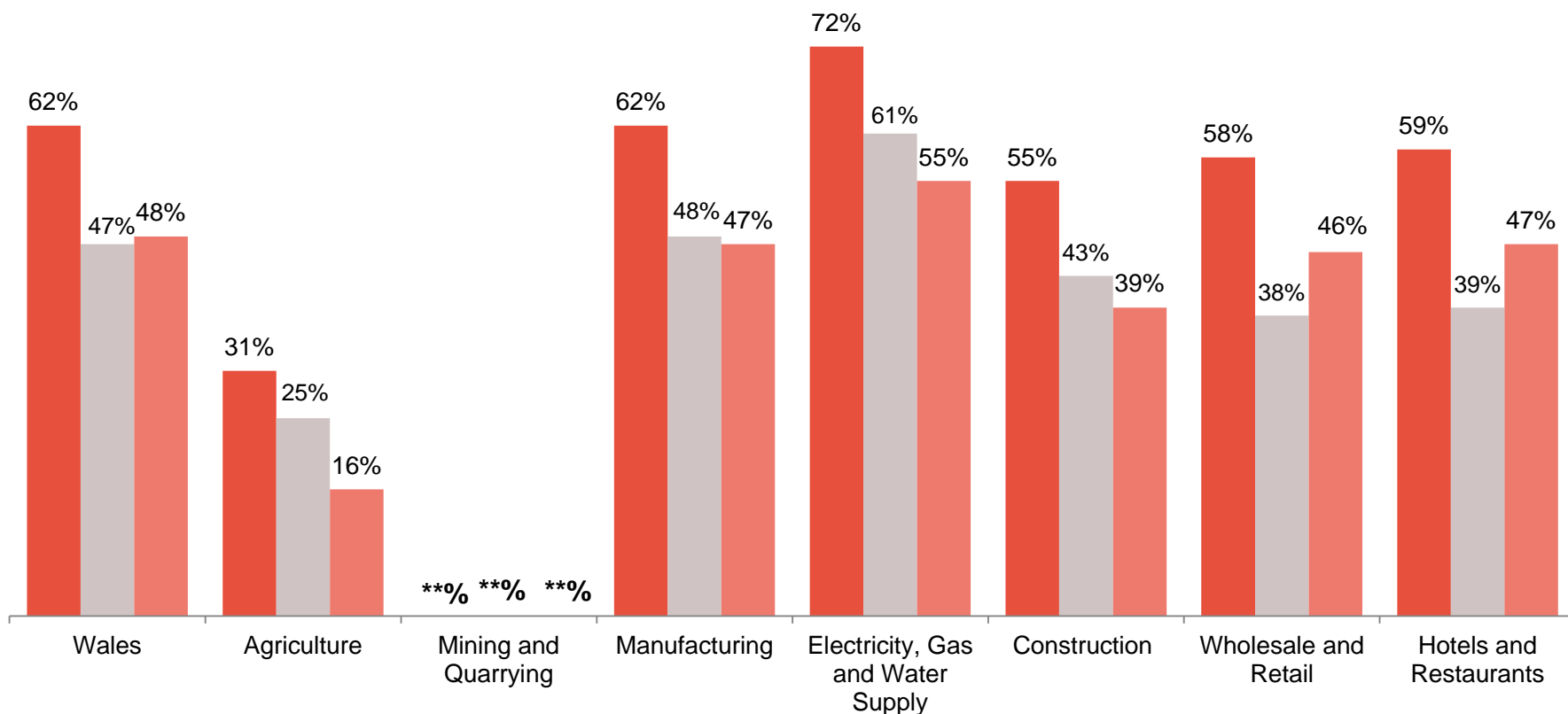
Base for bars: All establishments (as shown)   *** denotes data not shown due to low base size (<25)*

| 2013: | (5,996) | (492) | (13) | (401) | (84) | (467) | (1109) | (618) |

Incidence of training provision over the previous 12 months by sector (II)

Legend: ■ Train ■ Train off-the-job ■ Train on-the-job

Sector	Train	Train off-the-job	Train on-the-job
Wales	62%	47%	48%
Transport, Storage and Comms	63%	45%	44%
Business Services	70%	56%	54%
Financial Services	85%	52%	71%
Public Admin	89%	83%	80%
Education	93%	83%	83%
Health and Social	89%	74%	73%
Community, Social and Other	66%	51%	52%
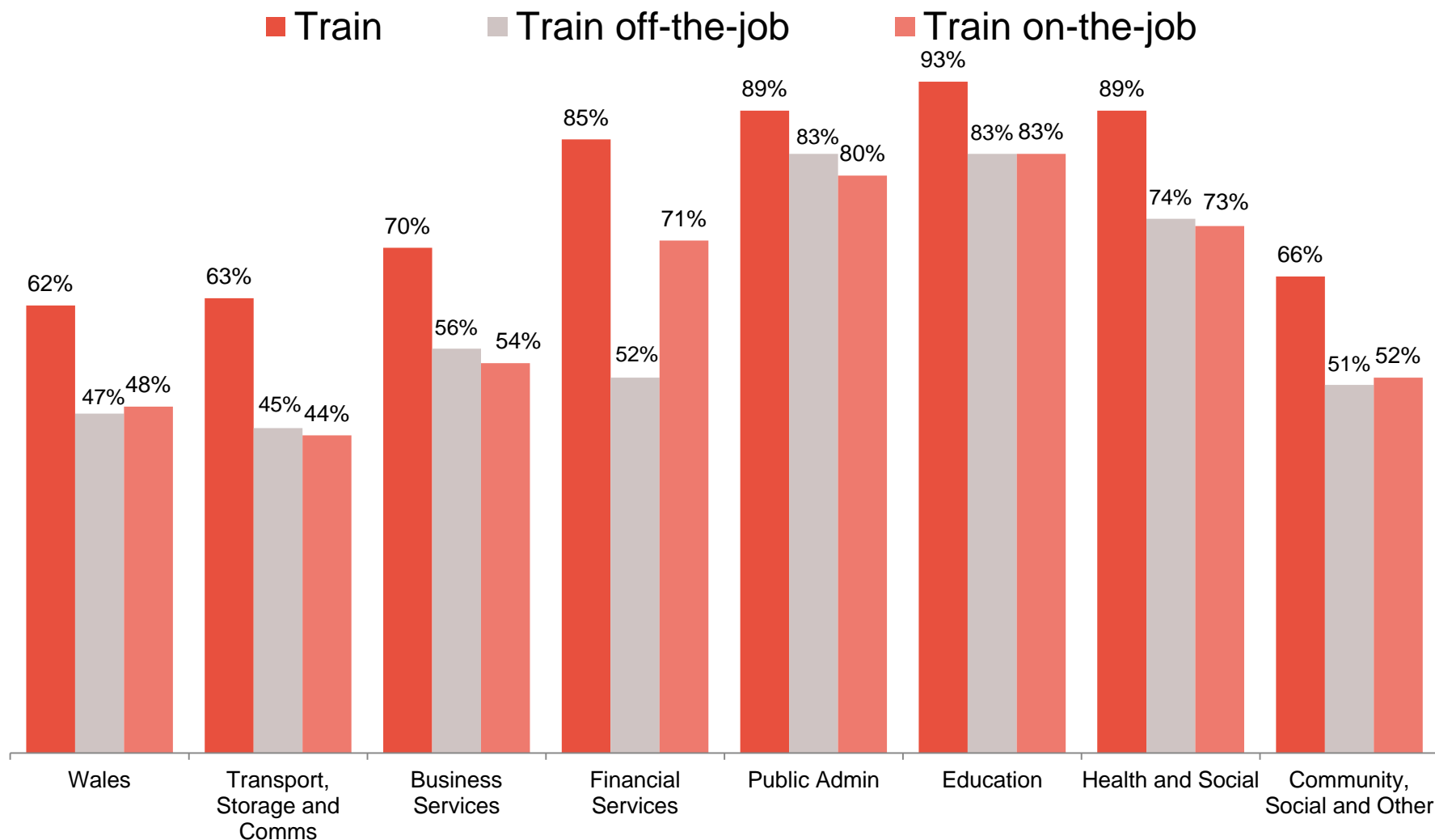
Base for bars: All establishments (as shown)

2013: (5,996) (419) (736) (127) (67) (394) (602) (467)

Training Equilibrium: employer interest in providing more training than they were able to

Among all employers in Wales….

(Base: 5,996)

62% Train	38% Don't train

Of trainers…. *(Base: 4,277)*

50%	49%	2%
Wanted to train more	Do sufficient training	Don't know
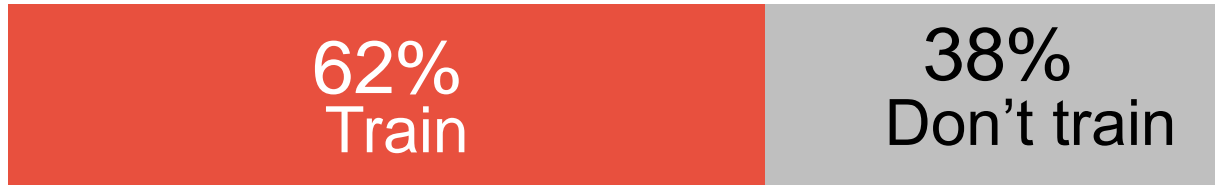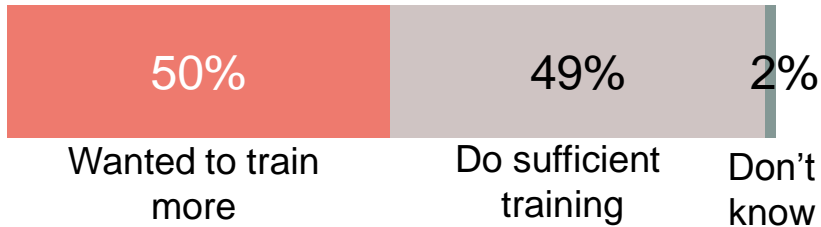
Of non-trainers…. *(Base: 1,719)*

28%	72%
Wanted to train	No training need

ALL EMPLOYERS

(Base: All establishments, 5,996)

57% In training equilibrium	43% Wanted to undertake more training

(No desire for more training)
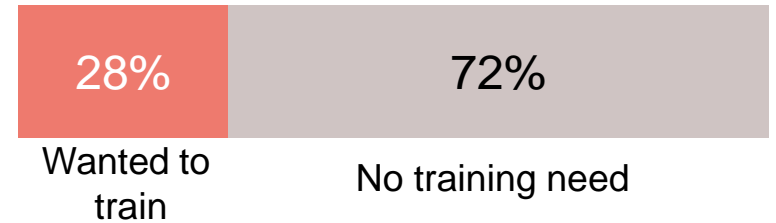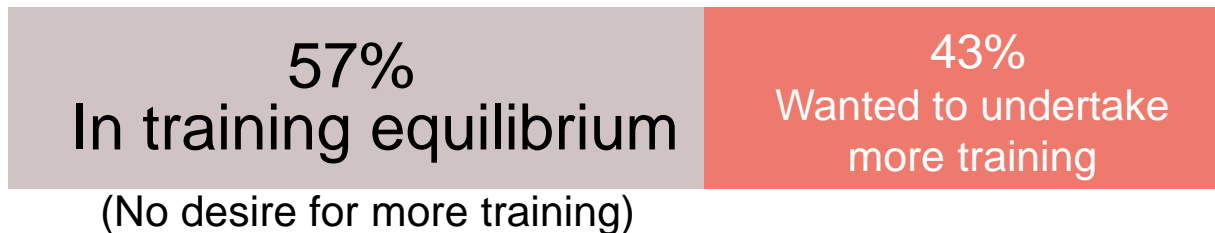
Types of training provided in Wales

Job specific training	87%
Health and safety / first aid training	76%
Induction training	58%
Training in new technology	49%
Supervisory training	38%
Management training	37%
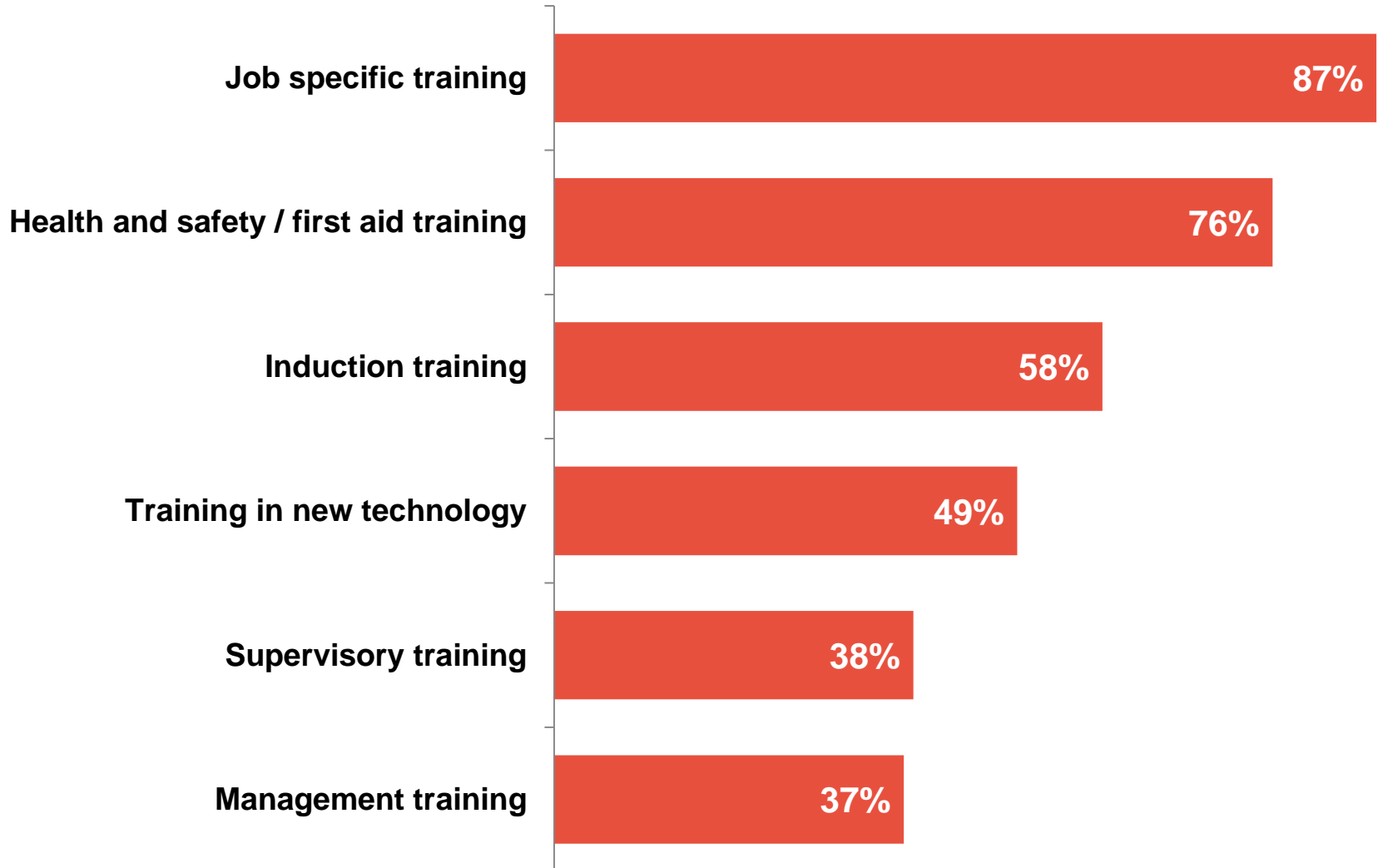
Base : All establishments that train (4,277)

Number and proportion of staff trained by region

Number of staff trained:
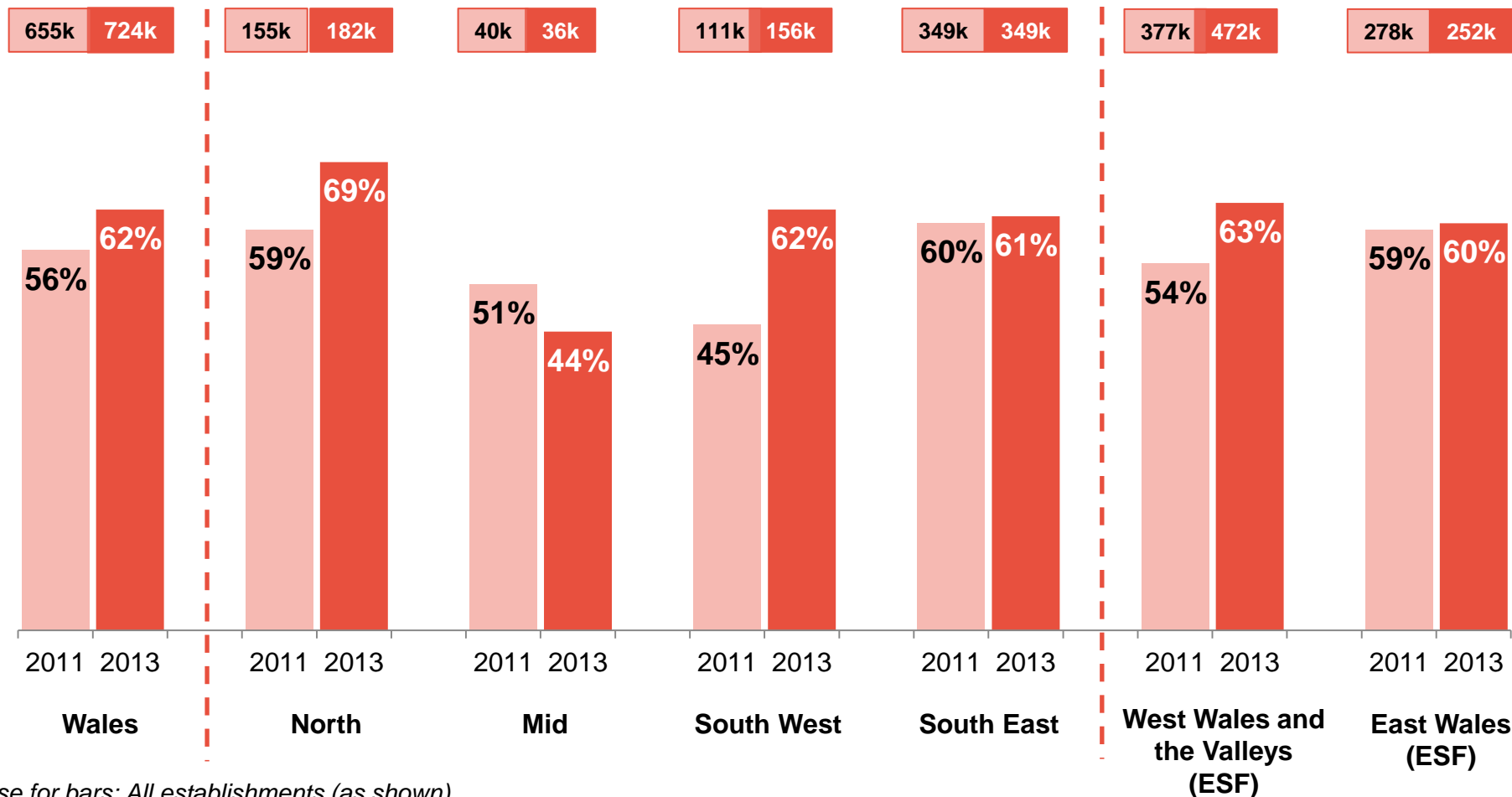
	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
2011	655k	155k	40k	111k	349k	377k	278k
2013	724k	182k	36k	156k	349k	472k	252k

	2011	2013
Wales	56%	62%
North	59%	69%
Mid	51%	44%
South West	45%	62%
South East	60%	61%
West Wales and the Valleys (ESF)	54%	63%
East Wales (ESF)	59%	60%

Base for bars: All establishments (as shown)

	Wales	North	Mid	South West	South East	West Wales and the Valleys (ESF)	East Wales (ESF)
2011:	(5,958)	(1,420)	(788)	(1,376)	(2,374)	(3,696)	(2,262)
2013:	(5,996)	(1,580)	(717)	(1,299)	(2,400)	(3,634)	(2,362)

Note: proportion of staff trained shown as a proportion of all employment across all establishments, not just those establishments that train.

Number and proportion of staff trained by sector (I)

Number of staff trained:

	Wales	Agriculture	Mining and...	Manufacturing	Electricity, Gas...	Construction	Wholesale and...	Hotels and...
2011:	655k	8k	**	77k	10k	28k	109k	38k
2013:	724k	6k	**	67k	14k	31k	99k	45k
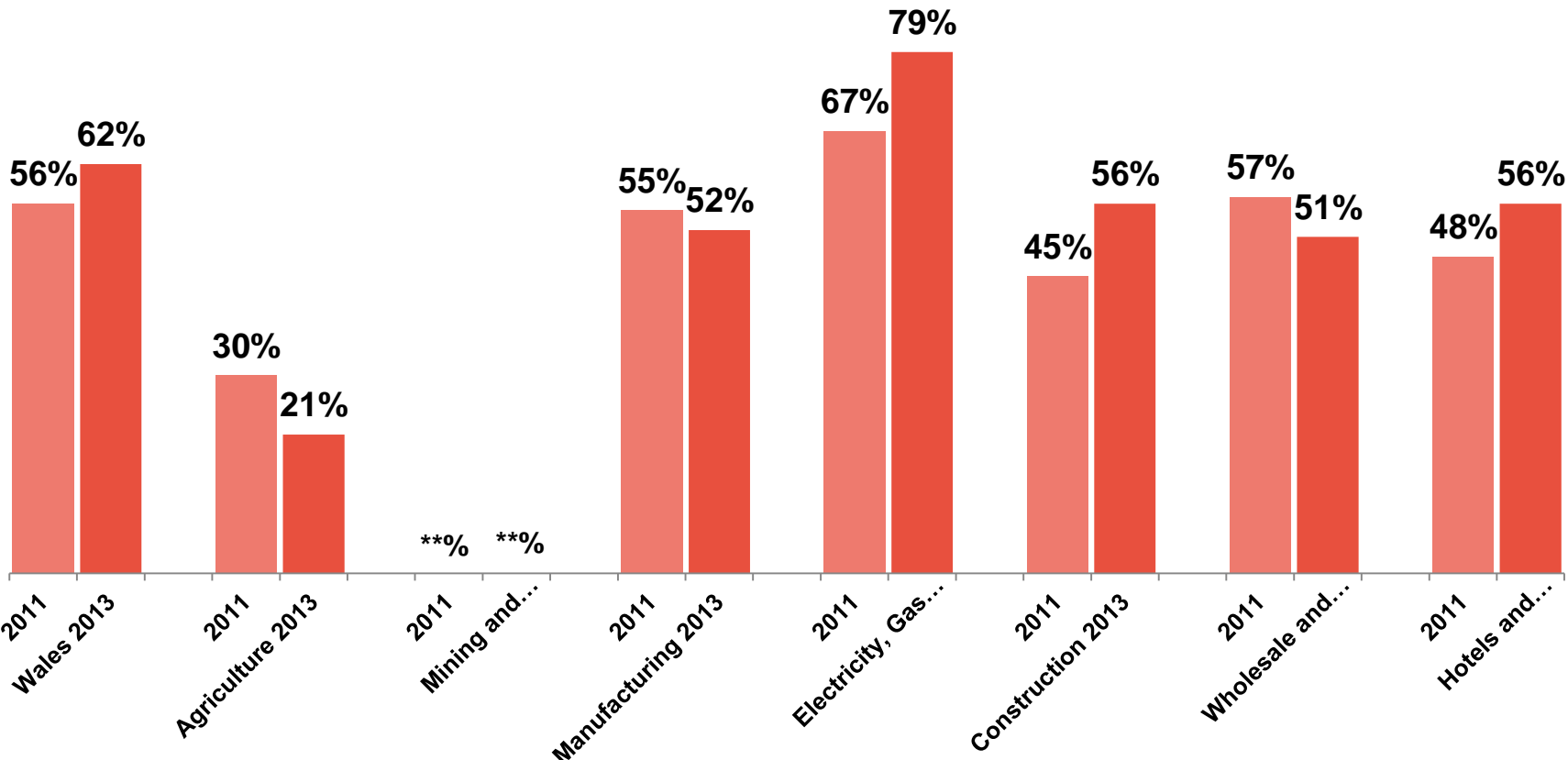
Chart showing proportion of staff trained by sector:
- Wales: 2011 56%, 2013 62%
- Agriculture: 2011 30%, 2013 21%
- Mining and...: 2011 **%, 2013 **%
- Manufacturing: 2011 55%, 2013 52%
- Electricity, Gas...: 2011 67%, 2013 79%
- Construction: 2011 45%, 2013 56%
- Wholesale and...: 2011 57%, 2013 51%
- Hotels and...: 2011 48%, 2013 56%

Base for bars: All establishments (as shown)

	Wales	Agriculture	Mining and...	Manufacturing	Electricity, Gas...	Construction	Wholesale and...	Hotels and...
2011:	(5,958)	(101)	(22)	(467)	(110)	(498)	(1,062)	(666)
2013:	(5,996)	(492)	(13)	(401)	(84)	(467)	(1,109)	(618)

Note: proportion of staff trained shown as a proportion of all employment across all establishments, not just those establishments that train.

Number and proportion of staff trained by sector (II)

Number of staff trained:

	Wales	Transport, Storage…	Financial Services…	Business Services…	Public Admin	Education	Health and Social…	Community Social…
2011:	655k	32k	18k	74k	50k	86k	95k	30k
2013:	724k	30k	17k	82k	53k	96k	152k	29k

Bar chart showing proportion of staff trained by sector:

Sector	2011	2013
Wales	56%	62%
Transport, Storage…	51%	52%
Financial Services…	59%	58%
Business Services…	59%	63%
Public Admin	57%	62%
Education	73%	81%
Health and Social…	52%	78%
Community Social…	64%	61%
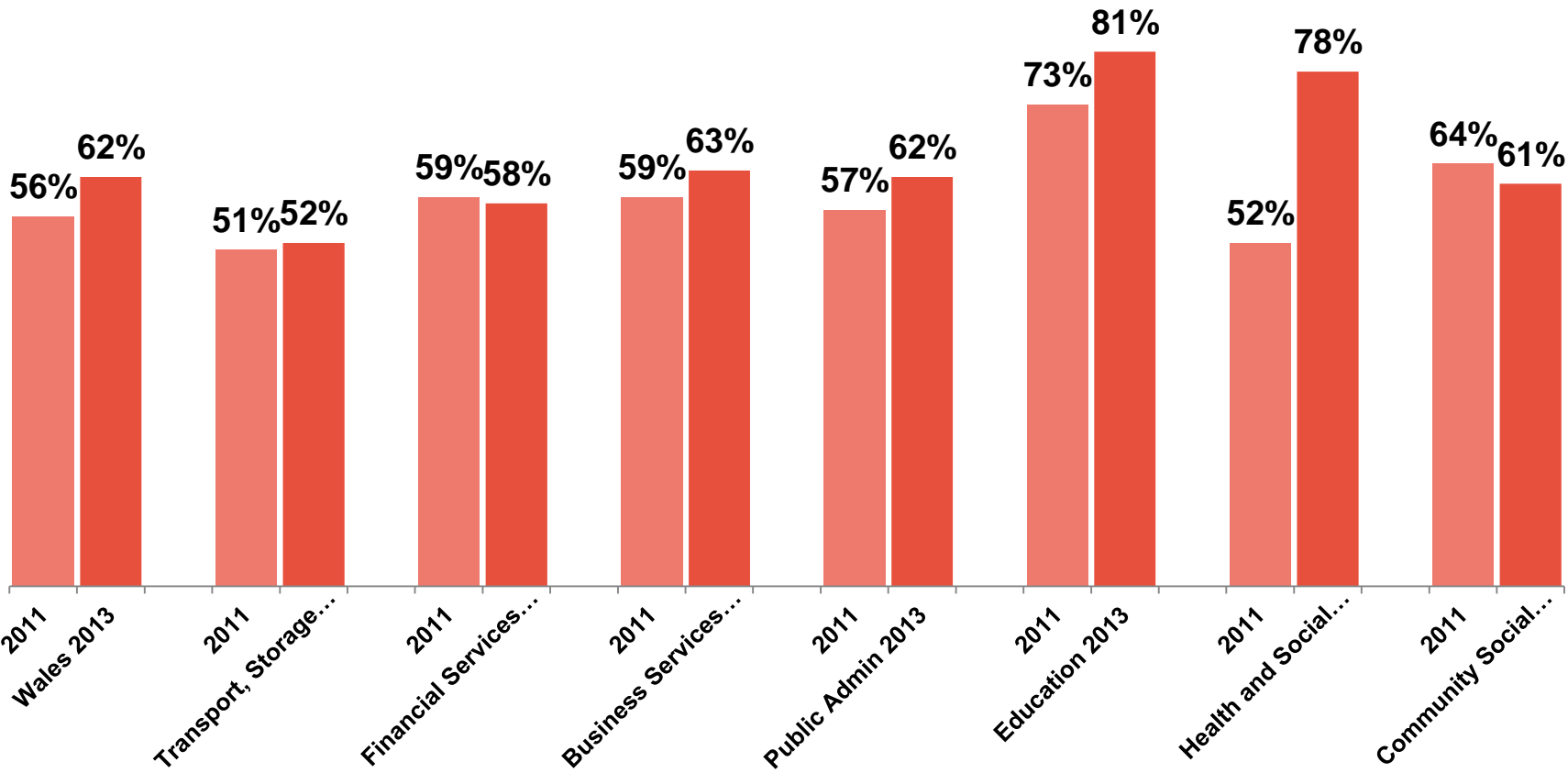
Base for bars: All establishments (as shown)

2011:	(5,958)	(435)	(173)	(789)	(129)	(391)	(571)	(544)
2013:	(5,996)	(419)	(127)	(736)	(67)	(394)	(602)	(467)

Note: proportion of staff trained shown as a proportion of all employment across all establishments, not just those establishments that train.

Proportion of staff trained by occupation in Wales
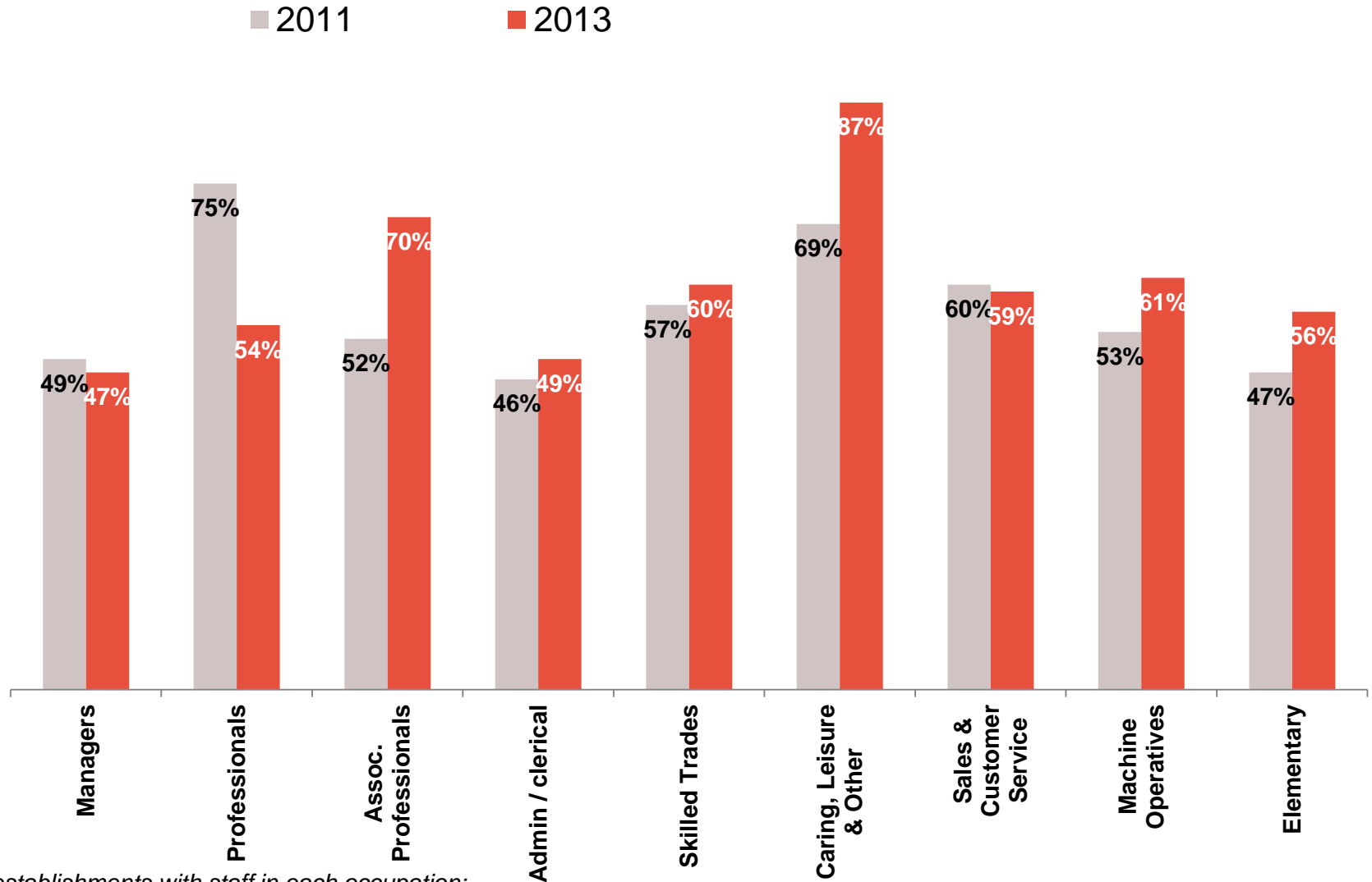
Base : All establishments with staff in each occupation:

	Managers	Professionals	Assoc. Professionals	Admin / clerical	Skilled Trades	Caring, Leisure & Other	Sales & Customer Service	Machine Operatives	Elementary
2011:	(5,958)	(5,658)	(1,161)	(773)	(3,486)	(1,548)	(969)	(1,614)	(950)	(2,238)
2013:	(5,996)	(5,692)	(1,005)	(671)	(3,061)	(1,581)	(831)	(1,587)	(855)	(1,953)

Training days provided by sector (I)

Total days training:

	Wales	Agriculture	Mining and Quarrying	Manuf.	Elec. Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011:	4.9m	56k	**	567k	36k	228k	950k	350k
2013:	5.6m	30k	**	401k	50k	212k	741k	420k
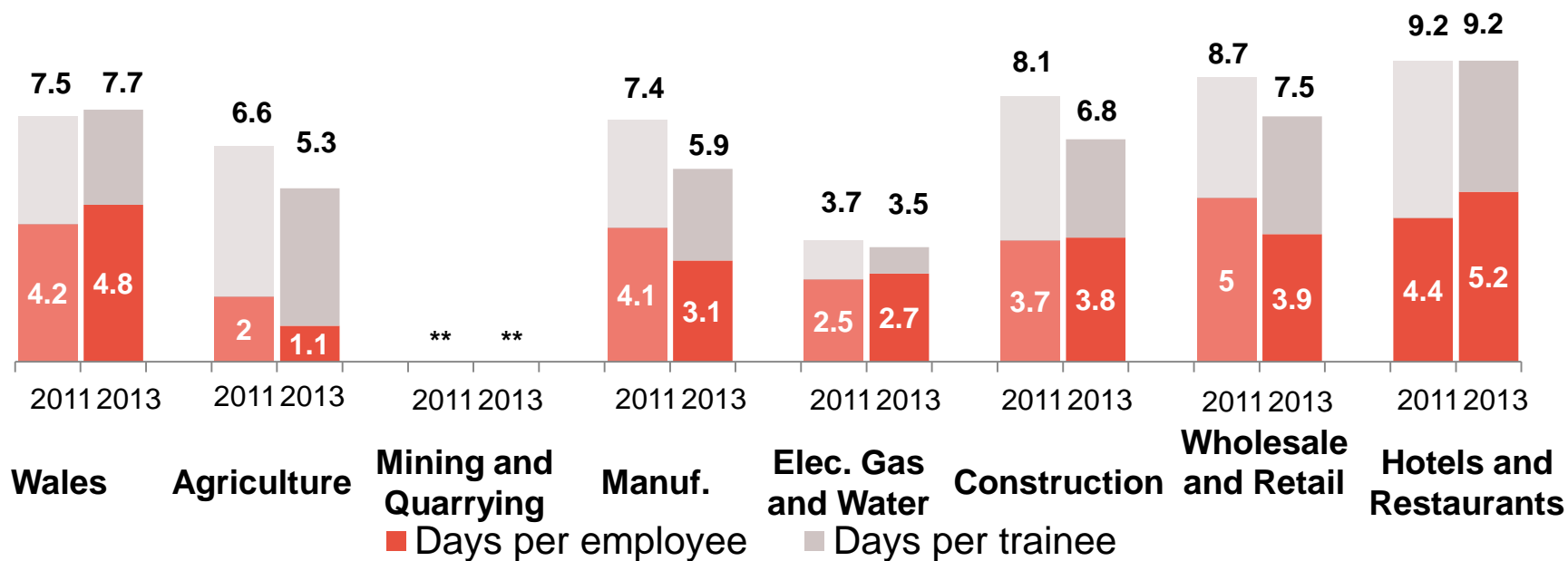
Chart — Days per employee (red) and Days per trainee (grey):

	Wales	Agriculture	Mining and Quarrying	Manuf.	Elec. Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011 total	7.5	6.6	**	7.4	3.7	8.1	8.7	9.2
2011 per employee	4.2	2	**	4.1	2.5	3.7	5	4.4
2013 total	7.7	5.3	**	5.9	3.5	6.8	7.5	9.2
2013 per employee	4.8	1.1	**	3.1	2.7	3.8	3.9	5.2

■ Days per employee   ■ Days per trainee

Base for bars: All employment across all establishments (as shown)   *** denotes data not shown due to low base size (<25)*

	Wales	Agriculture	Mining and Quarrying	Manuf.	Elec. Gas and Water	Construction	Wholesale and Retail	Hotels and Restaurants
2011:	(5,958)	(101)	(22)	(467)	(110)	(498)	(1,062)	(666)
2013:	(5,996)	(492)	(13)	(401)	(84)	(467)	(1,109)	(618)

Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Training days provided by sector (II)

Total days training:

	Wales	Transport, Storage and Comms	Financial Services	Business Services	Public Admin	Education	Health and Social	Community, Social and Other
2011:	4.9m	183k	143k	423k	365k	493k	871k	241k
2013:	5.6m	178k	85k	621k	1m	620k	932k	245k
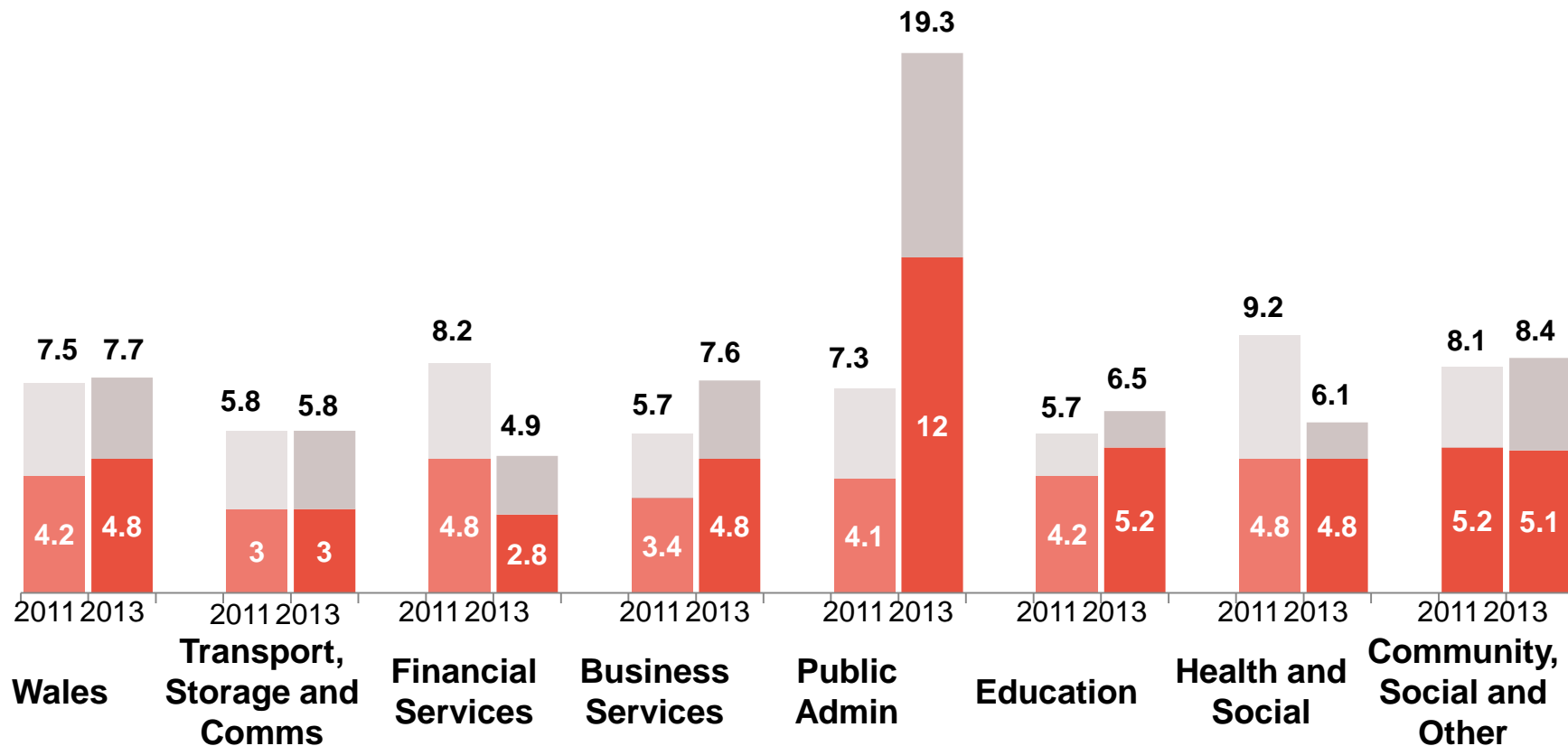
■ Days per employee   ■ Days per trainee

Base for bars: All employment across all establishments (as shown)

	Wales	Transport, Storage and Comms	Financial Services	Business Services	Public Admin	Education	Health and Social	Community, Social and Other
2011:	(5,958)	(435)	(173)	(789)	(129)	(391)	(571)	(544)
2013:	(5,996)	(419)	(127)	(736)	(67)	(394)	(602)	(467)

Note: Days per employee shown as an average for all employment across all establishments; days per trainee shown as an average of all trainees.

Incidence of training staff to nationally recognised qualifications

		% of all employees:	% of all trainees:
Wales *(5,996)*	33%	18%	30%
North *(1,580)*	35%	26%	38%
Mid *(717)*	26%	11%	25%
South West *(1,299)*	32%	17%	27%
South East *(2,400)*	35%	16%	27%
West Wales and the Valleys (ESF) *(3,634)*	33%	21%	33%
East Wales (ESF) *(2,362)*	33%	15%	24%
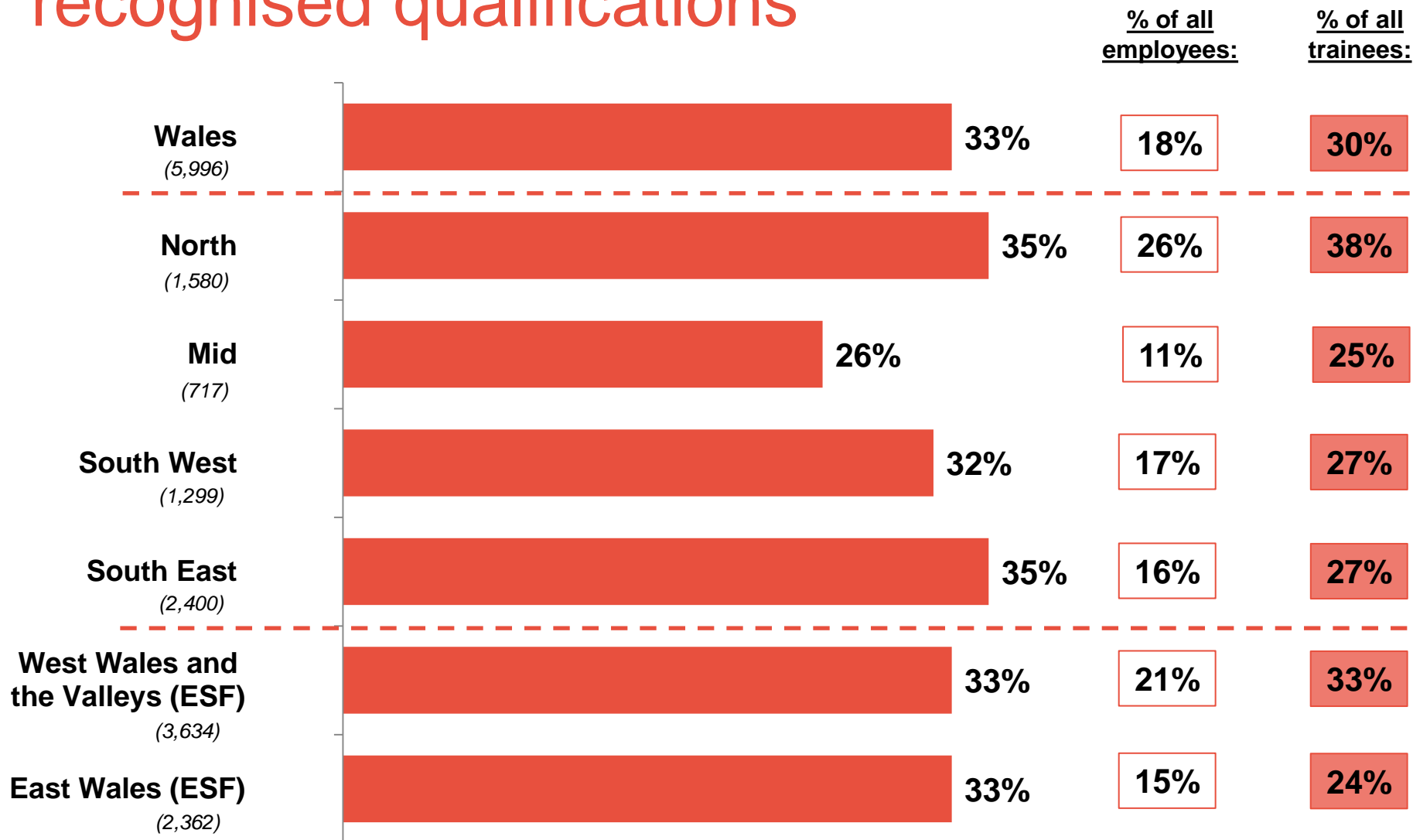
Base: Establishments (as shown)
Note: % of all employees shown as an average for all employment across all establishments; % of all trainees shown as an average of all trainees.

Investment in Training

Total spend:

2013
Base: 1,361

Spend per employee: £1,350
Spend per trainee: £2,180

£1.6bn

2011
Base: 990

Spend per employee: £1,280
Spend per trainee: £2,280

£1.5bn

■ Spend per employee   ■ Spend per trainee

Training expenditure by component in Wales

Unweighted Base:	2011 1,483		2013 1,361	
	£bn	**%**	**£bn**	**%**
Total training expenditure	**£1.5bn**	**100**	**£1.6bn**	**100**
Off-the-job training: total	**£0.7bn**	**47**	**£0.8bn**	**51**
Off-the-job training: Course-related: total	**£0.6bn**	**39**	**£0.7bn**	**45**
Trainee labour costs	£0.1bn	10	£0.2bn	10
Fees to external providers	£93m	6	£77m	5
On-site training centre	£75m	5	£0.2bn	11
Off-site training centre (in the same company)	£19m	1	£17m	1
Training management	£0.2bn	16	£0.3bn	17
Non-training centre equipment and materials	£17m	1	£18m	1
Travel and subsistence	£20m	1	£15m	1
Levies minus grants	-£31m	-2	-£22m	-1
Off-the-job training: other (seminars, workshops etc.): total	**£0.1bn**	**8**	**£0.1bn**	**6**
Trainee labour costs	£86m	6	£66m	4
Fees to external providers	£37m	2	£30m	2
On-the-job training: Total	**£0.8bn**	**53**	**£0.8bn**	**49**
Trainee labour costs	£0.5bn	33	£0.5bn	29
Trainers' labour costs	£0.3bn	20	£0.3bn	21

Base : All establishments that train (Investment in Training follow-up survey)

Chapter 5:
Recruitment of Young People

Employer recruitment of young people

"Recruiting employers" *Base: All establishments (5,996)*

61%
Employers who have recruited anyone in the past two to three years

39%
Not recruited

Recruited young people *Base: All establishments in Module 2; 3,026)*

45%
Employers who have recruited anyone under the age of 25 in the past two to three years

16%
Recruited, but not young people

25%
Recruited young person from education

1%
Recruited education leavers 25 and over

32%
Recruited young person not from education

Recruitment of education leavers by size in Wales

- 16 year old school leavers
- 17-18 year old school leavers
- 17-18 year old FE College leavers
- University/HE leavers
- Any education leavers

Overall (5,996)
- 8%
- 11%
- 11%
- 13%
- 27%

2 to 4 (1,847)
- 3%
- 4%
- 4%
- 5%
- 13%

5 to 24 (3,229)
- 11%
- 17%
- 15%
- 18%
- 38%

25 to 49 (512)
- 18%
- 29%
- 29%
- 33%
- 57%

50 to 99 (236)
- 17%
- 35%
- 35%
- 45%
- 68%

100+ (172)
- 18%
- 44%
- 45%
- 64%
- 79%

Base: All establishments (as shown)
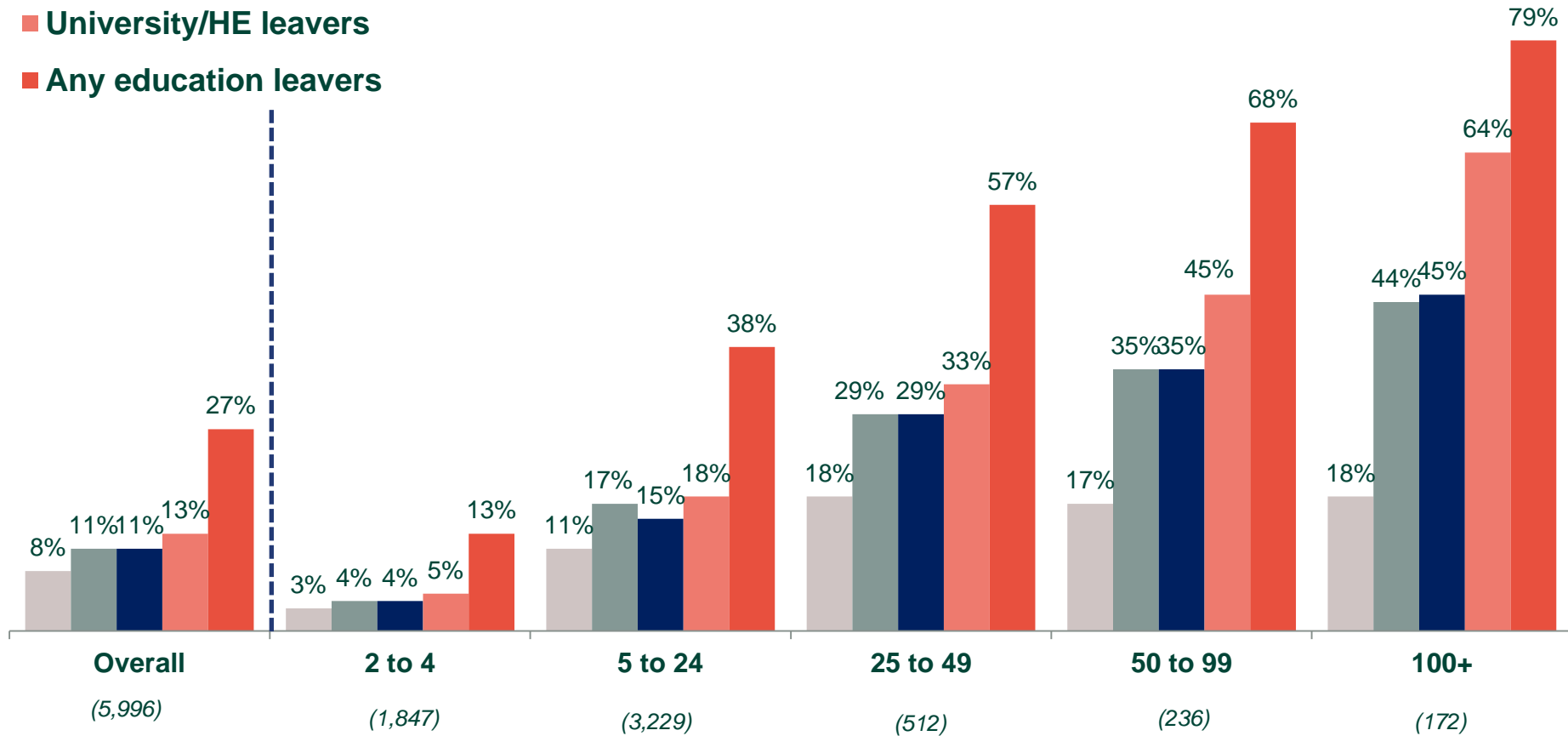
Recruitment of education leavers by sector

16 YEAR OLD SCHOOL LEAVERS…… .

High Levels		Low Levels	
Hotels and Restaurants	17%	Public Admin	3%
Community social and other	12%	Agriculture	2%
Construction	11%	Financial Services	2%

17-18 YEAR OLD SCHOOL LEAVERS……

High Levels		Low Levels	
Hotels and Restaurants	21%	Financial Services	5%
Public Admin	18%	Agriculture	3%
Wholesale and Retail	14%		

17-18 YEAR OLD FEC LEAVERS

High Levels		Low Levels	
Public Admin	21%	Construction	7%
Hotels and Restaurants	19%	Financial Services	6%
Health and Social Work	15%	Agriculture	4%
Education	15%		

UNIVERSITY/HE LEAVERS…….

High Levels		Low Levels	
Education	37%	Construction	4%
Public Admin	30%	Agriculture	2%
Hotels and Restaurants	18%		

Base: All establishments (5,996)

Work-readiness of education leavers

Legend: ■ Very poorly prepared □ Poorly prepared ■ Well prepared ■ Very well prepared

16 year-old school leavers
Base: (630)
- Very poorly prepared: 8%
- Poorly prepared: 33%
- Well prepared: 47%
- Very well prepared: 8%

17-18 year-old school leavers
Base: (931)
- Very poorly prepared: 5%
- Poorly prepared: 25%
- Well prepared: 54%
- Very well prepared: 11%

17-18 year-old FE leavers
Base: (913)
- Very poorly prepared: 4%
- Poorly prepared: 19%
- Well prepared: 60%
- Very well prepared: 13%

University/ HE leavers
Base: (1080)
- Very poorly prepared: 2%
- Poorly prepared: 12%
- Well prepared: 57%
- Very well prepared: 25%

Base: All establishments that have recruited each type of education leaver in the previous 2-3 years (as shown)

Skills and attributes lacking in education leavers in Wales

Lack of working world, life experience or maturity
- 26%
- 18%
- 13%
- 10%

Poor attitude, personality or lack of motivation
- 23%
- 16%
- 11%
- 7%

Lack of required skills or competencies
- 11%
- 9%
- 9%
- 5%

Lack of common sense
- 5%
- 4%
- 3%
- 2%

Literacy/numeracy skills
- 6%
- 3%
- 3%
- 0%

Poor educational attainment
- 4%
- 3%
- 1%
- 0%

Legend:
- 16-17 year old school leavers — *Base: 630*
- 17-18 year old school leavers — *Base: 931*
- FE College leavers — *Base: 913*
- Uni/HE leavers — *Base: 1080*

Base: Establishments recruiting each type of education leaver (as shown)

Barriers to recruiting young people in Wales

No candidates
under 25
55%

34% had
young
applicants

Base: all recruiting employers who have not recruited young people (473)

Why young candidates were not successful

45% had young applicants who did not meet requirements

Applicant turned job down 4%

Other candidates better placed 53%

Base: all recruiting employers who did not recruit young applicants (162)

Young candidates lacked

... **experience 61%**

... **skills 61%**

...both skills & experience 46%

... Quality application 29%

... Professional hard-working attitude 29%

... Necessary qualifications 33%

Summary of skills deficiencies and training amongst employers recruiting young people in Wales

	Recruited a Young Person	Recruited school leaver	Recruited FEC leaver	Recruited HE leaver	Recruited but not a Young Person
	%	%	%	%	%
Unweighted base	*1,655*	*1,174*	*913*	*1,080*	*485*
Vacancies					
Have vacancies	24	25	29	30	14
Skill-shortage vacancies					
Have skill-shortage vacancies	7	8	9	7	5
Skill-shortage vacancies as % of all vacancies	19	21	20	13	29
Skills gaps					
Have skill gaps	27	35	34	33	12
Skills gap density	7	8	7	7	4
Training					
Train at all	80	84	87	89	71
% of staff trained	69	66	70	70	56

Base: all establishments recruiting each type of education leaver (as shown)

Chapter 6:
High Performance Working Practices and Product Market Strategies

Incidence of High Performance Working Practices

Practice	%
Work shadowing/stretching/supervision	81%
Equal opportunity policy	81%
On or off job training	62%
Business plan	59%
Annual performance review	54%
Task variety	53%
Training needs assessments	49%
Task discretion	48%
Training plan	42%
Formally assess performance after training	41%
Flexible working	38%
Training budget	29%
Awards performance related bonuses	27%
Flexible benefits	26%
Individual performance related pay	23%
IIP	19%
Holds ISO9000	13%
Employee consultation	12%
Trade union consultation (non pay related)	12%
Processes to identify high potential / talented individuals	12%
Creates teams to work on projects	10%

Overall 10% of Welsh employers are HPW employers (defined as "having" 14 of 21 HPW measures in place)

Base: All establishments in Module 1 (2,970)

Summary of skills deficiencies by adoption of High Performance Working Practices in Wales

	HPW employers	Non-HPW employers
	%	%
Unweighted base:	405	2,565
Have vacancies	26	12
Have skill-shortage vacancies	4	3
Skill-shortage vacancies as % of all vacancies	12	23
Have skill gaps	25	15
Skills gap density	5	5

Base: All establishments in Module 1 by HPW classification (as shown)

Product Market Strategy classification incidence in Wales

	Don't Know	Very low	Low	Medium	High	Very High	% HIGH/ VERY HIGH
2013	13%	6%	16%	26%	28%	14%	**41%**
2011	14%	5%	17%	32%	25%	8%	**33%**

Base: All establishments in the private sector : 2011 (4,716) 2013 (4,971)
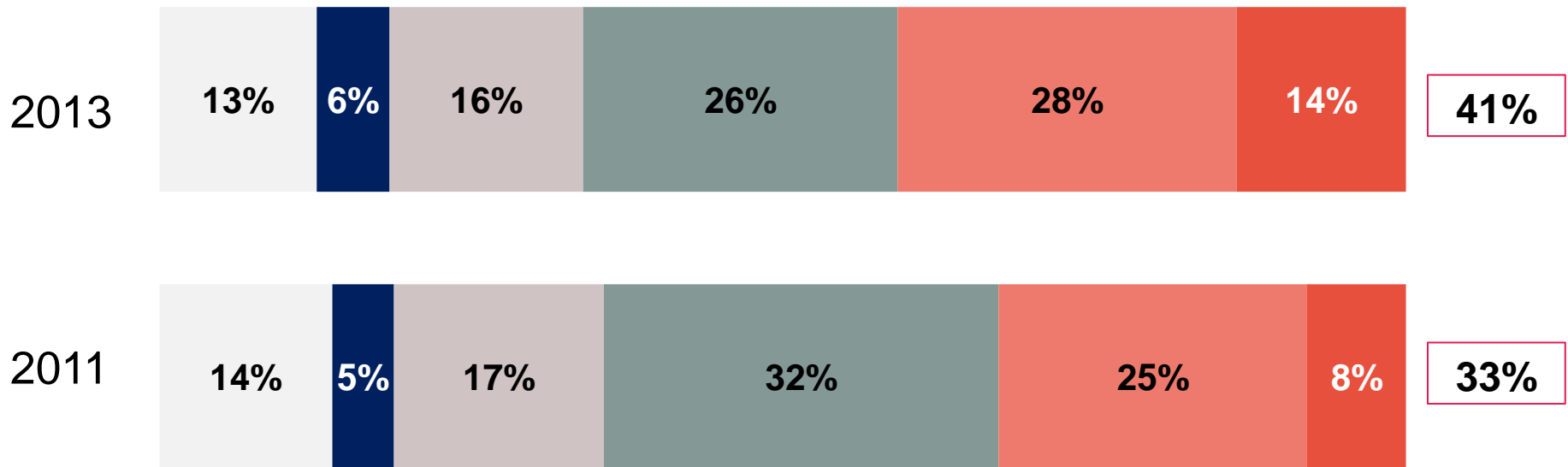
Summary of vacancy situation by Product Market Strategy grouping in Wales

Proportion of all vacancies which are hard-to-fill:

| **%** | 37% | 36% | 33% | 40% |

Incidence of:
- ■ Vacancies
- ■ Hard-to-fill vacancies
- ■ Skill-shortage vacancies

	Very low PMS	Low PMS	Medium PMS	High PMS	Very high PMS
Vacancies	4%	9%	12%	15%	16%
Hard-to-fill vacancies	1%	4%	5%	6%	6%
Skill-shortage vacancies	1%	4%	5%	5%	5%

Base: (252)   (747)   (1,260)   (1,408)   (740)
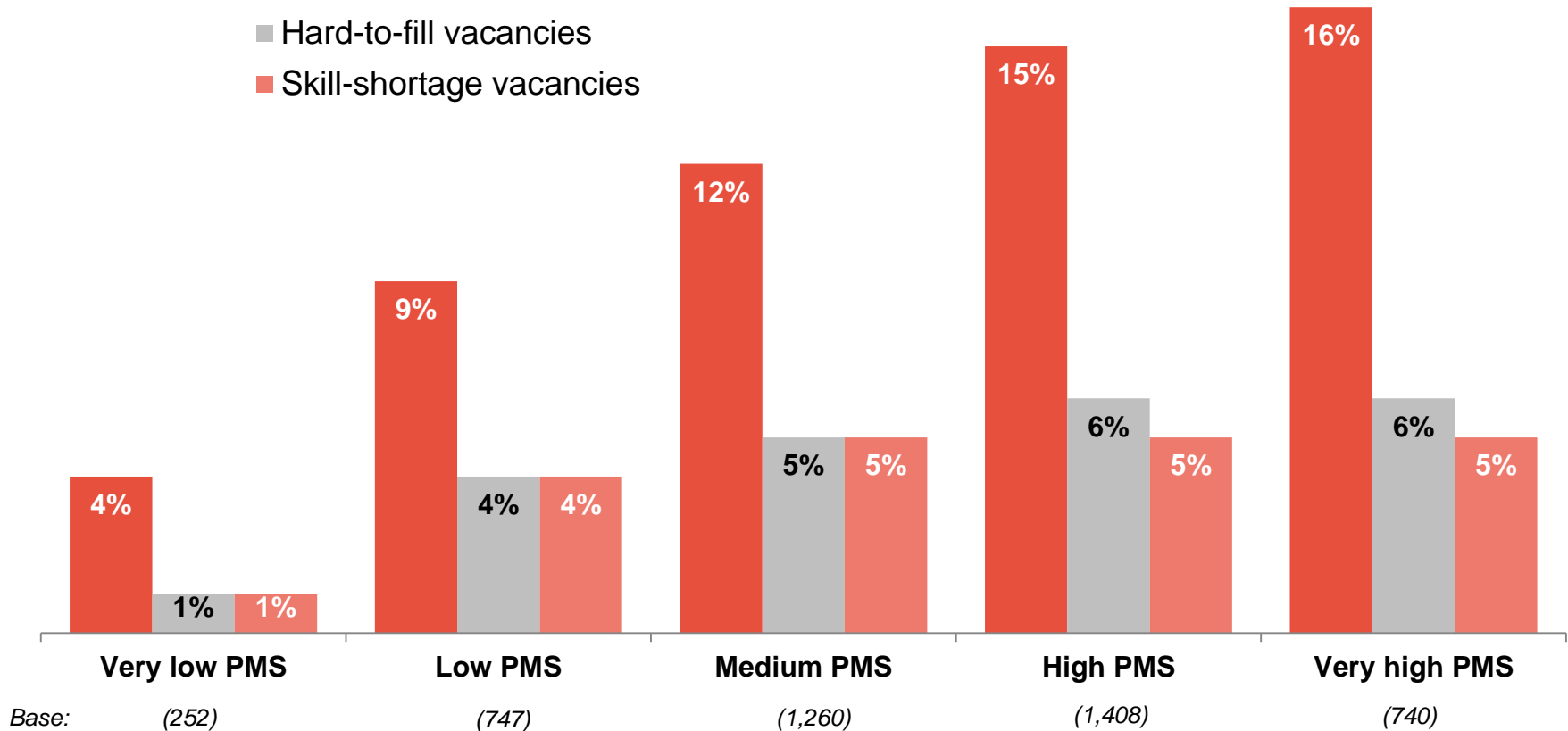
Base: All establishments in the private sector in each PMS group (as shown)

Incidence of training by Product Market Strategy grouping

- ■ Percentage of establishments that train
- ■ Proportion of staff trained

	Very low PMS	Low PMS	Medium PMS	High PMS	Very high PMS
Percentage of establishments that train	35%	52%	59%	67%	67%
Proportion of staff trained	41%	51%	56%	59%	63%
Base:	(252)	(747)	(1,260)	(1,408)	(740)
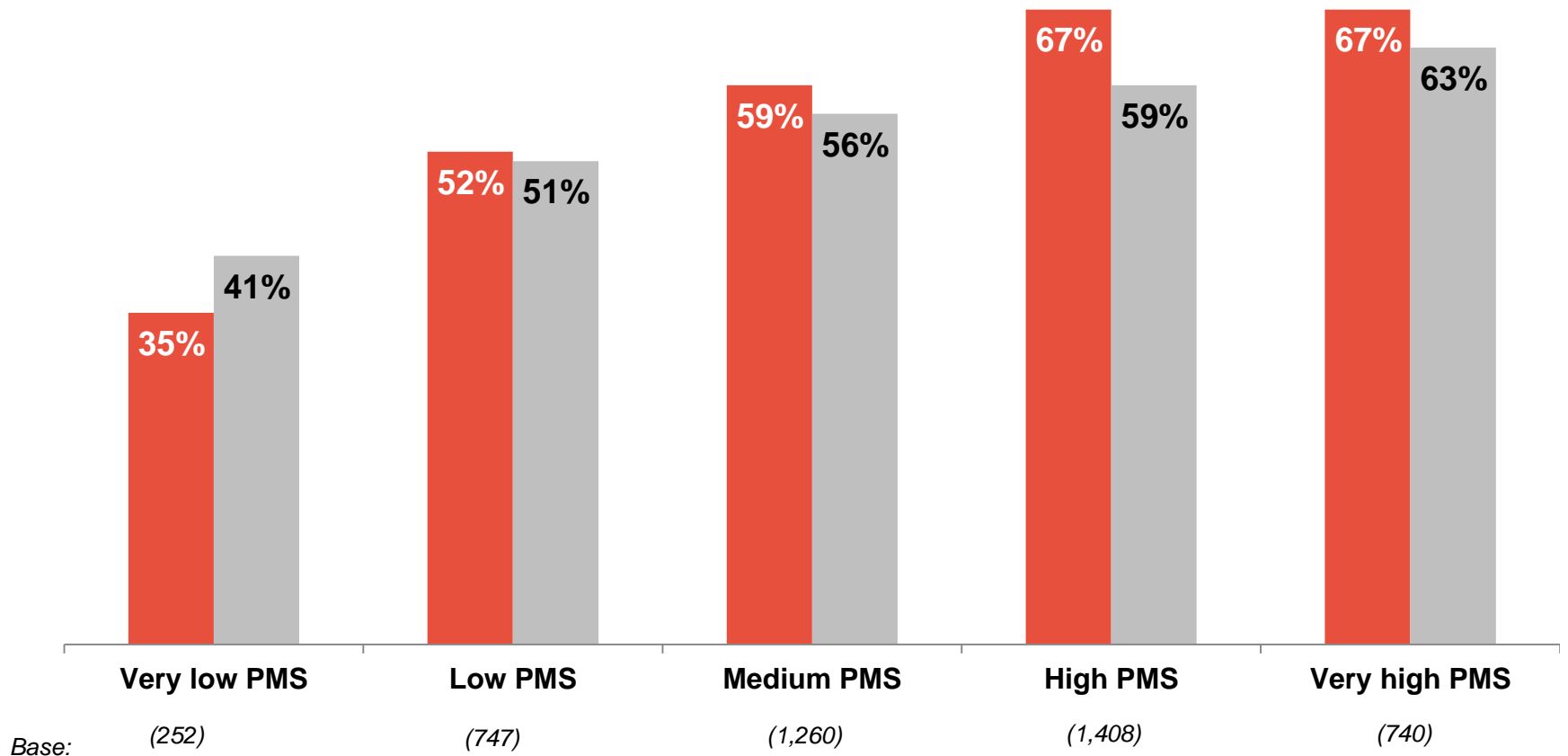
Base: All establishments in the private sector in each PMS group (as shown)

Chapter 7:
Summary and Conclusions

Skills deficiencies threaten emerging recovery

Increase in vacancies tempered by increase in skill-shortage vacancies and persistent pockets of skills deficiencies in the workforce

- Although a small minority of establishments (4%) are affected by skill-shortage vacancies, in total **one in five vacancies (20%) across Wales are hard-to-fill due to skill shortages** in the available labour pool.

- In addition, some 67,000 employees are regarded as being **not fully proficient** in their job roles (5.8% of the total workforce in Wales).

- **Inefficiencies are apparent in the workforce** –half (50%) of establishments say they have at least one member of staff who has skills and qualifications that exceed those required for the job role, equating to one fifth (21%) of the workforce in Wales.

Provision of training "smarter" and "targeted"

Training in Wales has shown more resilience than across the UK as a whole.

- The proportion of staff in Wales trained rose substantially from 56% in 2011 to 62% in 2013. More employees are receiving training than in 2011.

- Overall investment in training in Wales increased slightly from 2011 to 2013 (from £1.5bn to £1.6bn), contrary to the decrease seen across the UK as a whole.

- The proportion of establishments training an employee to a nationally recognised qualification increased significantly from 29% in 2011 to 33% in 2013, a larger increase to that seen across the UK.

Recruitment of young people

Recruitment of education leavers is a major channel through which Welsh employers recruit young people.

- Most employers recruiting directly from education found the recruits to be well or very well prepared for work, particularly those recruiting older education leavers.

- The main obstacle to (more) young people getting new jobs is **competition in the market place** rather than perceptions that young applicants do not have the capability to perform in the job role.

- Where the choice not to recruit a young applicant was motivated by a belief that the young person did not have the capabilities to do the job the main things lacking were **skills and experience**, and sometimes both.

For more information contact UKCES Employer Surveys

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https://www.gov.uk/government/publications/UKCES-Employer-Skills-Survey-2013-Wales

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