Employer Skills Survey 2015

Wales Slide Pack

May 2016

UK COMMISSION FOR EMPLOYMENT AND SKILLS

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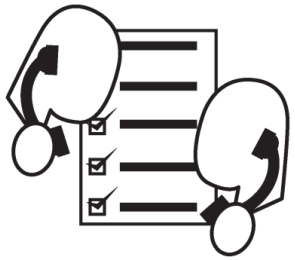
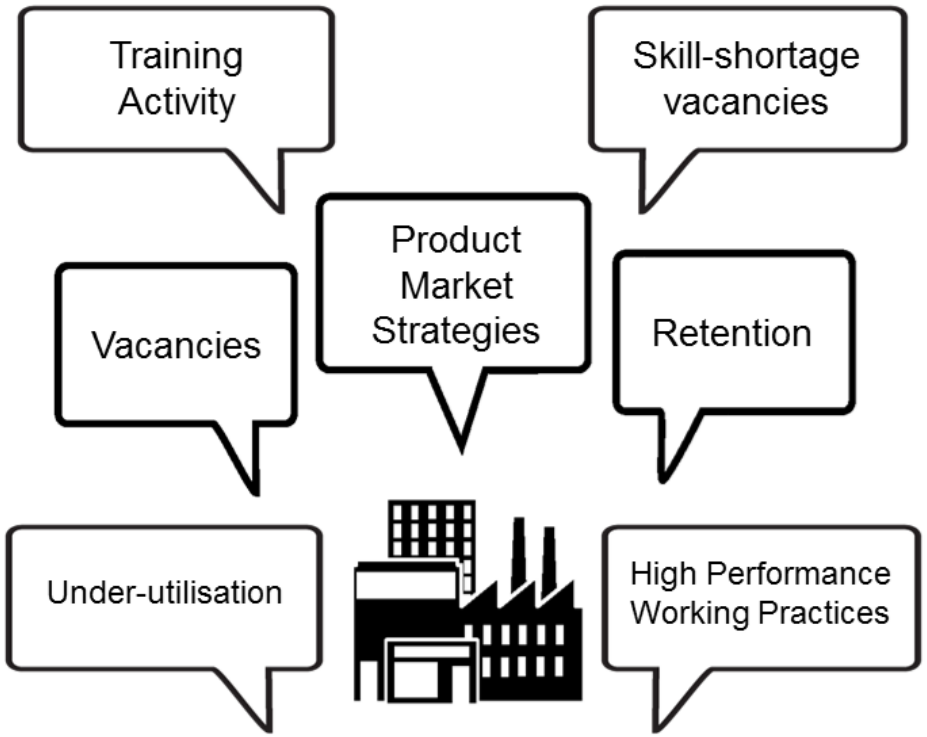
ESS 2015 – overview

6,027 telephone interviews with establishments in Wales
1,234 follow up interviews on training spend





- ESS 2015 is the third time the survey has been run at UK-level
- The 2015 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 or 2015.
- Where comparisons are made with 2011 or 2013 findings, these are based on re-weighted 2011 data (configured to represent the 2+ employment business population used in 2013 and 2015).

Achieved interviews / confidence intervals

'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 48.74% to 51.26%'

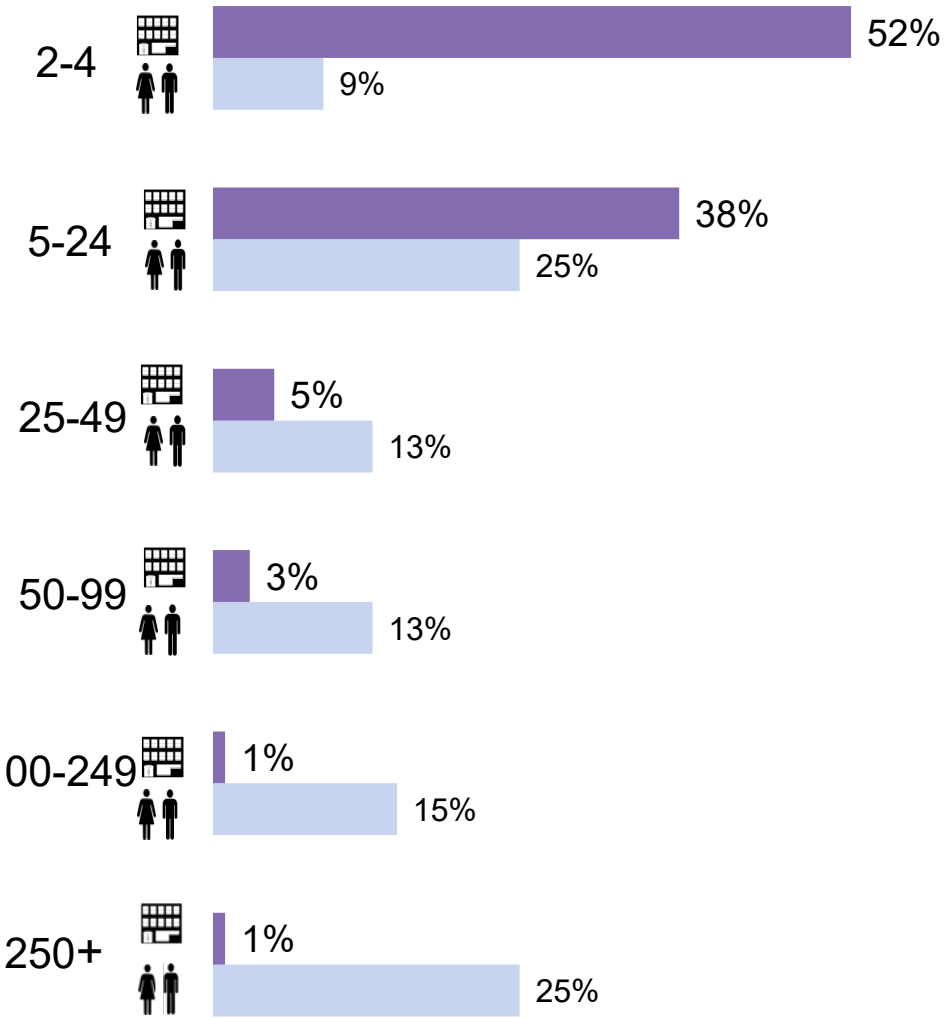
	Population	Number of interviews	(Maximum) Sampling Error
Wales	81,202	6,027	+/-1.26
By region			
North Wales	20,331	1,528	+/-2.51
Mid Wales	9,714	742	+/-3.60
South East Wales	32,564	2,395	+/-2.00
South West Wales	18,593	1,362	+/-2.66
West Wales and the Valleys (ESF)	50,038	3,645	+/-1.62
East Wales (ESF)	31,164	2,382	+/-2.01
By size of establishment			
2-4	42,553	1,749	+/-2.34
5-24	30,340	3,316	+/-1.70
25-49	4,401	547	+/-4.19
50-99	2,087	273	+/-5.93
100-249	1,112	105	+/-9.56
250+	499	37	+/-16.11

By sector	Population	Number of interviews	(Maximum) Sampling Error
Agriculture	9,487	405	+/-4.87
Manufacturing	4,292	427	+/-4.74
Electricity, Gas and Water	629	62	+/-12.45
Construction	7,230	405	+/-4.87
Wholesale and Retail	16,887	1,203	+/-2.83
Hotels & Restaurants	8,372	649	+/-3.85
Transport and Communications	4,371	526	+/-4.27
Financial Services	1,534	108	+/-9.43
Business Services	11,871	715	+/-3.66
Public Administration	1,249	75	+/-11.32
Education	2,816	361	+/-5.16
Health and Social Work	6,979	617	+/-3.95
Arts and Other Services	5,485	474	+/-4.50

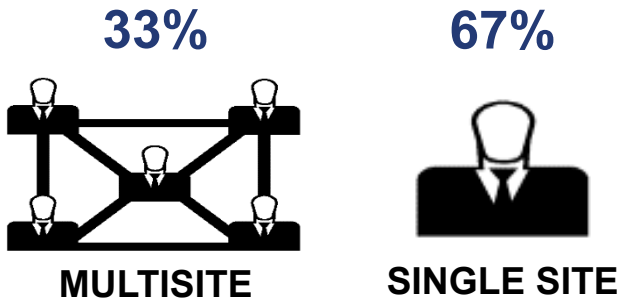
Population counts taken from IDBR March 2014

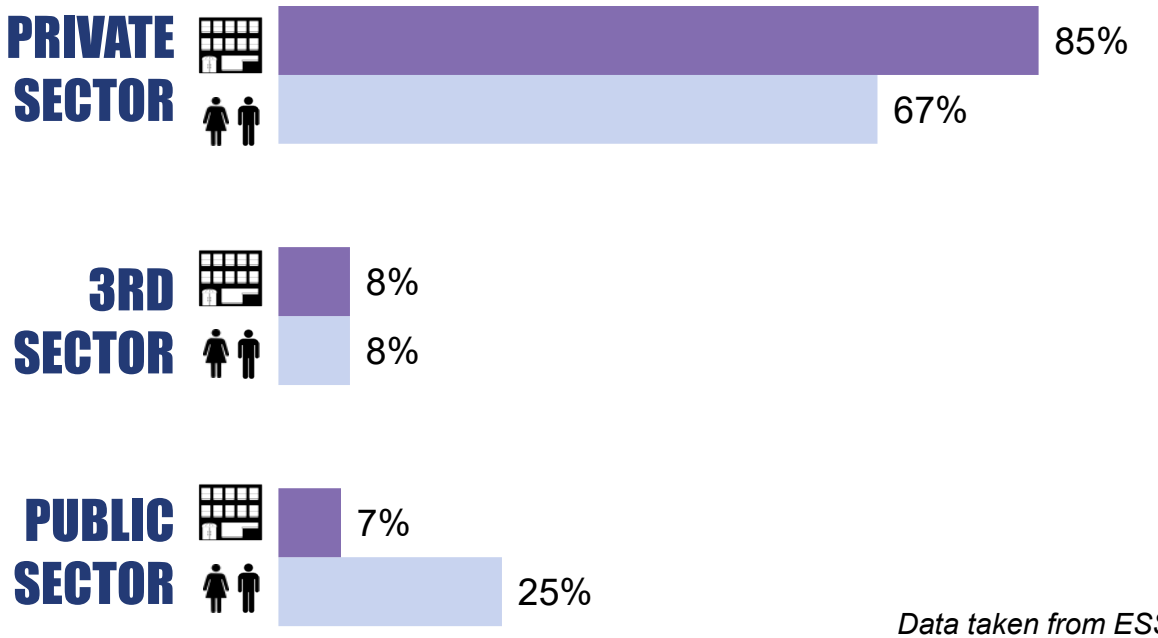
Profile of survey population

Establishments vs. Employment – Wales



Data based on IDBR March 2014 counts





Data taken from ESS 2015
Base: All establishments (6,027)

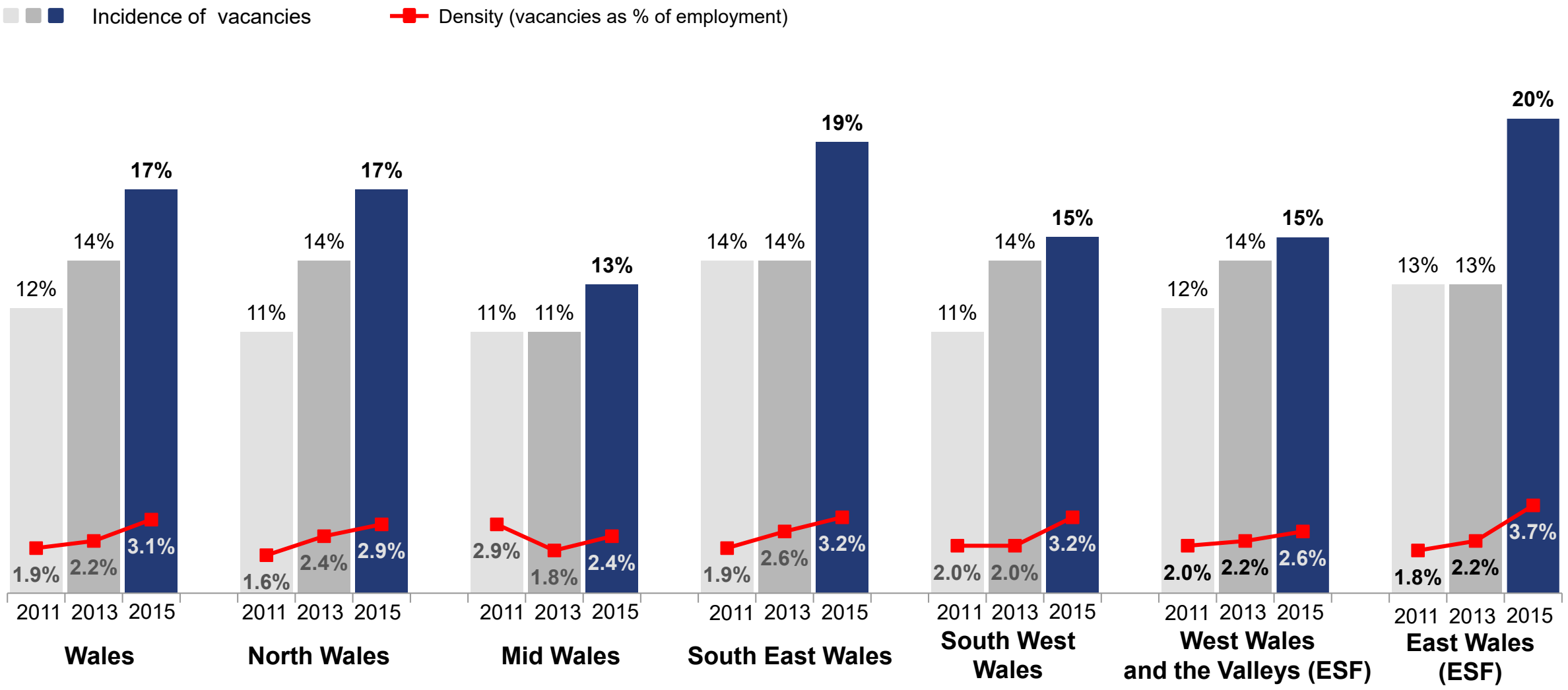
Key definitions

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	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

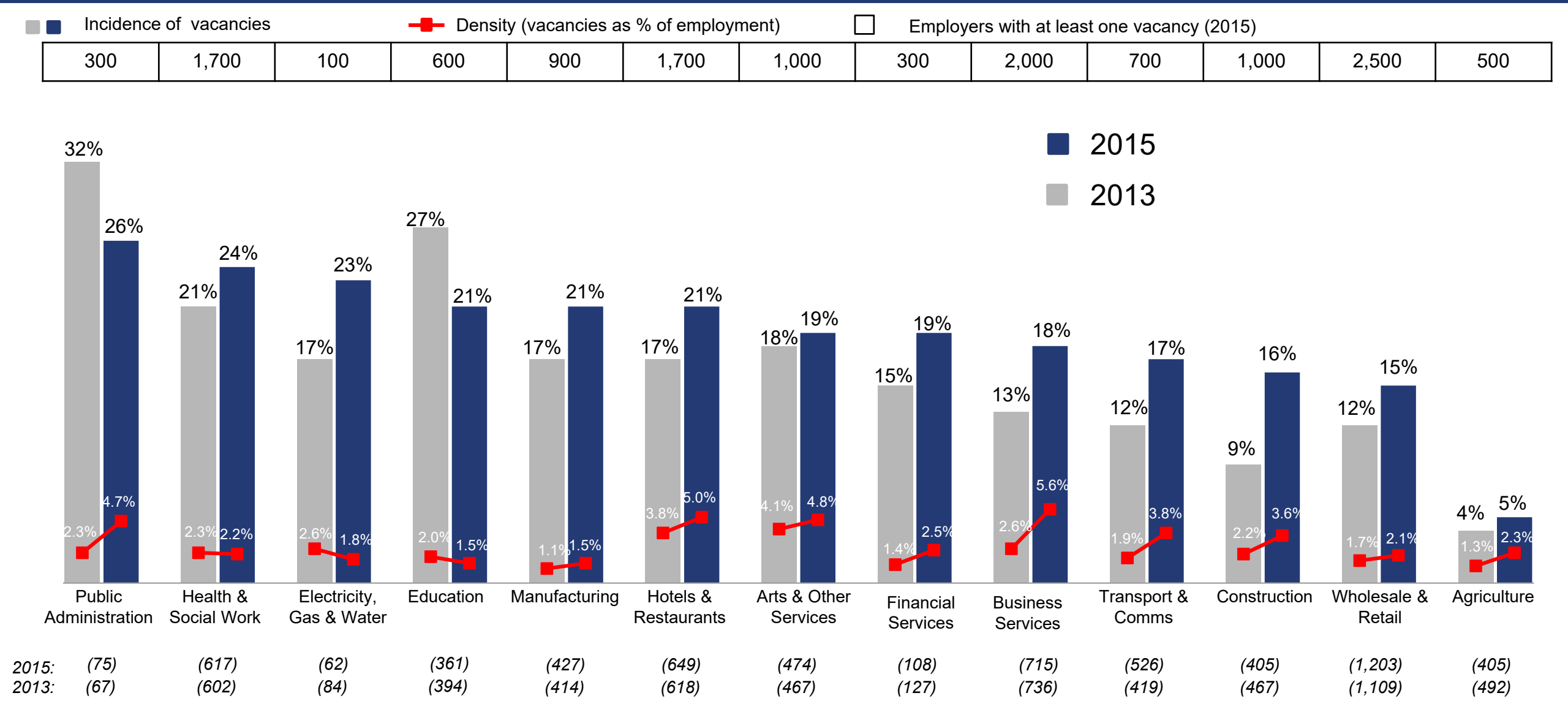
Section 1:
Employers’ experiences of skill shortages

Incidence and density of vacancies by region



Base: All establishments (2011: Wales: 5,958; North: 1,420; Mid: 788; South East: 2,374; South West: 1,376; West Wales and the Valleys: 3,696; East: 2,262
2013: Wales: 5,996 ; North: 1,580; Mid: 717; South East: 2,400; South West: 1,299; West Wales and the Valleys: 3,634; East: 2,362
2015: Wales: 6,027; North: 1,528; Mid: 742; South East: 2,395; South West: 1,362; West Wales and the Valleys: 3,645; East: 2,382).

Incidence and density of vacancies by sector

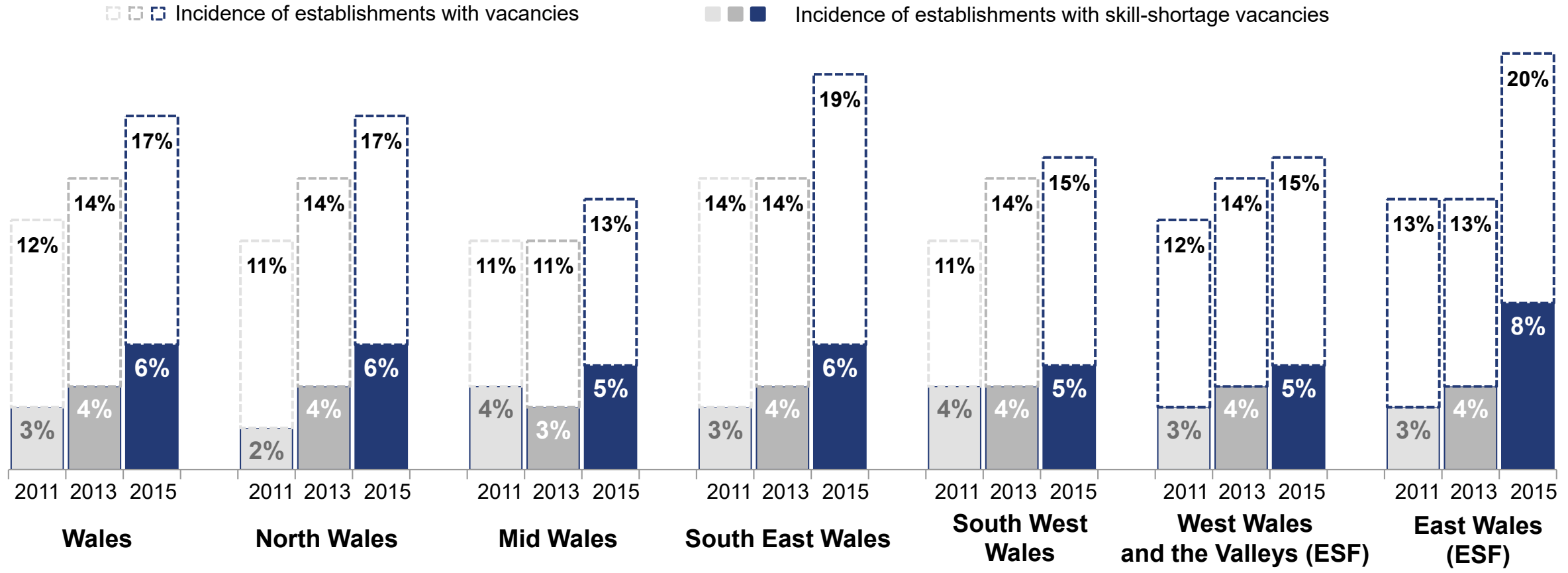


Base: All establishments (as shown)

Incidence and density of skill-shortage vacancies by region

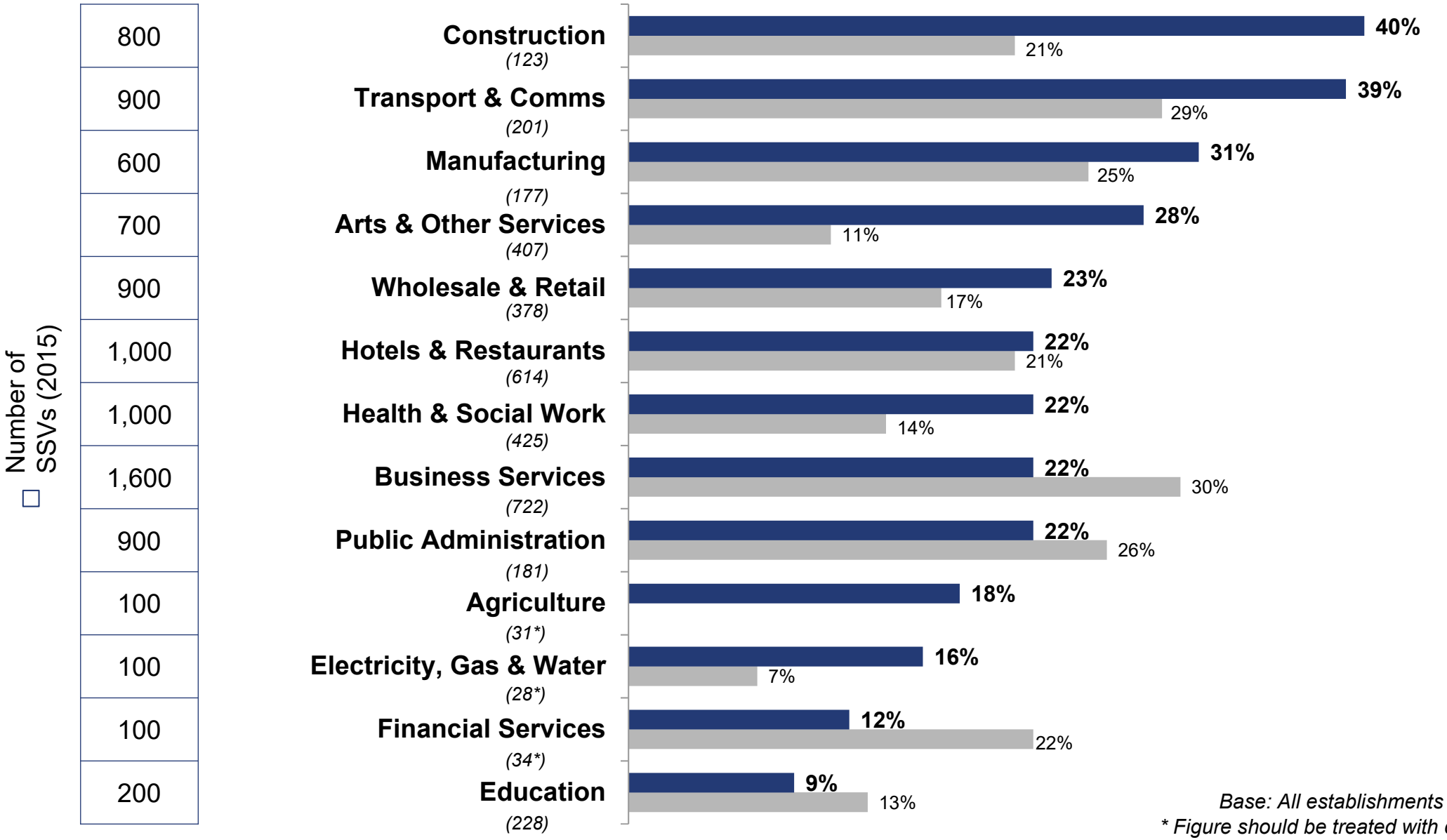
SSV Density (SSVs as % of Vacs)

Wales	North Wales	Mid Wales	South East Wales	South West Wales	West Wales and the Valleys (ESF)	East Wales (ESF)
18%	17%	32%	16%	16%	16%	21%
20%	14%	21%	23%	20%	20%	20%
24%	27%	34%	23%	22%	22%	26%



Base All establishments (2011: Wales: 5,958; North: 1,420; Mid: 788; South East: 2,374; South West: 1,376; West Wales and the Valleys: 3,696; East: 2,262
2013: Wales: 5,996 ; North: 1,580; Mid: 717; South East: 2,400; South West: 1,299; West Wales and the Valleys: 3,634; East: 2,362.
2015: Wales: 6,027; North: 1,528; Mid: 742; South East: 2,395; South West: 1,362; West Wales and the Valleys: 3,645; East: 2,382.)

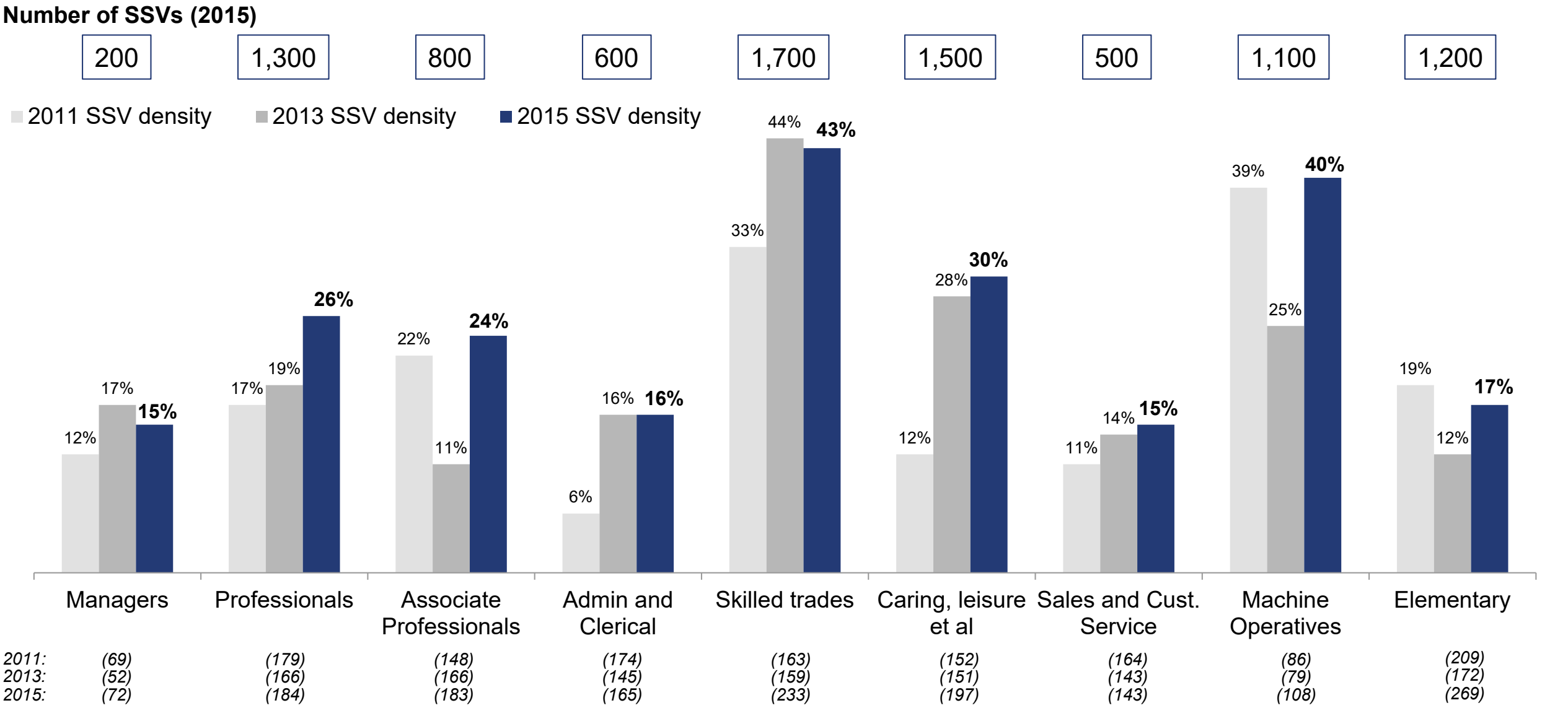
Density of skill-shortage vacancies by sector



Base: All establishments with vacancies (only 2015 shown)

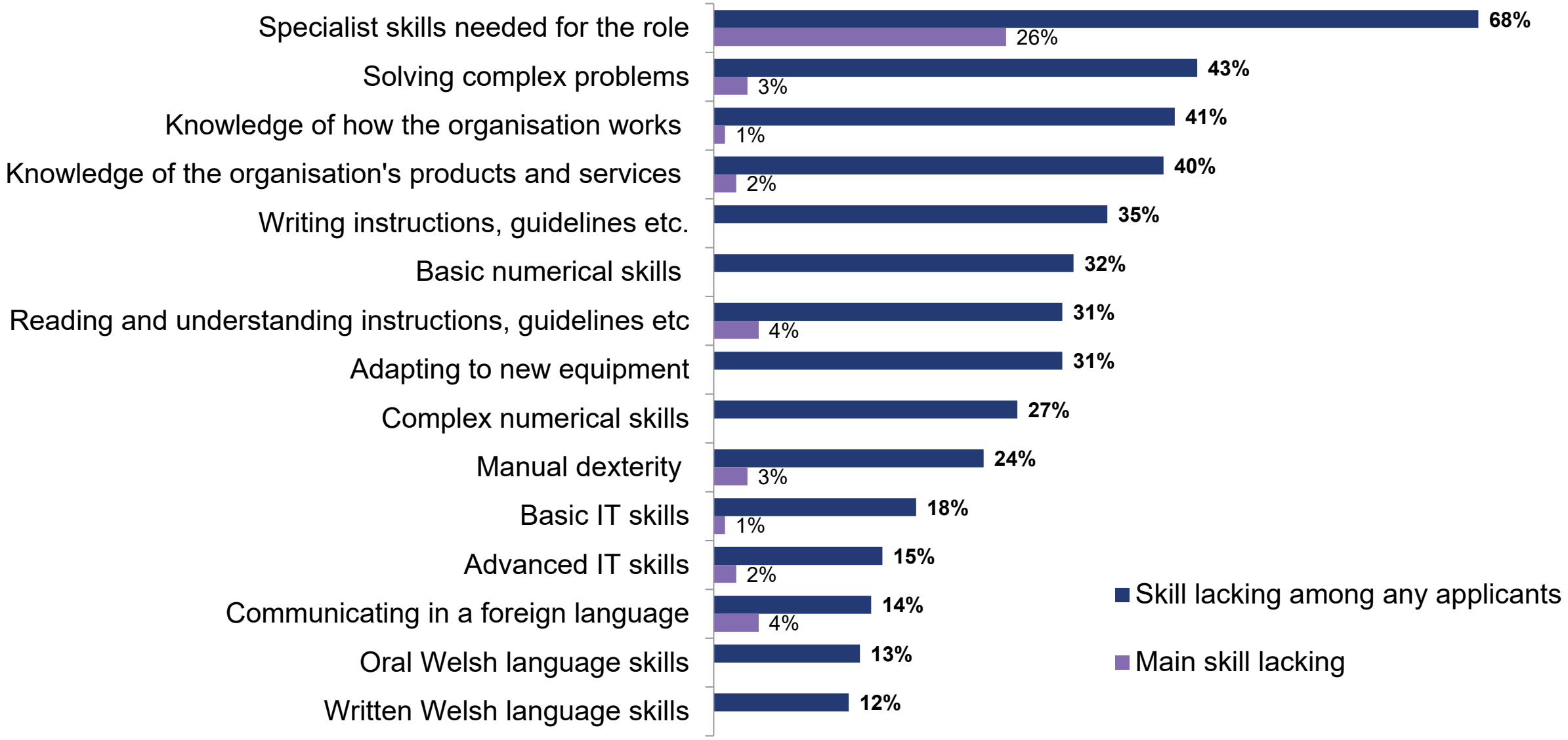
** Figure should be treated with caution due to low base size (<50)*

Density of skill-shortage vacancies by occupation



Base: All establishments with vacancies in each occupation (as shown)

Technical and practical skills lacking among applicants

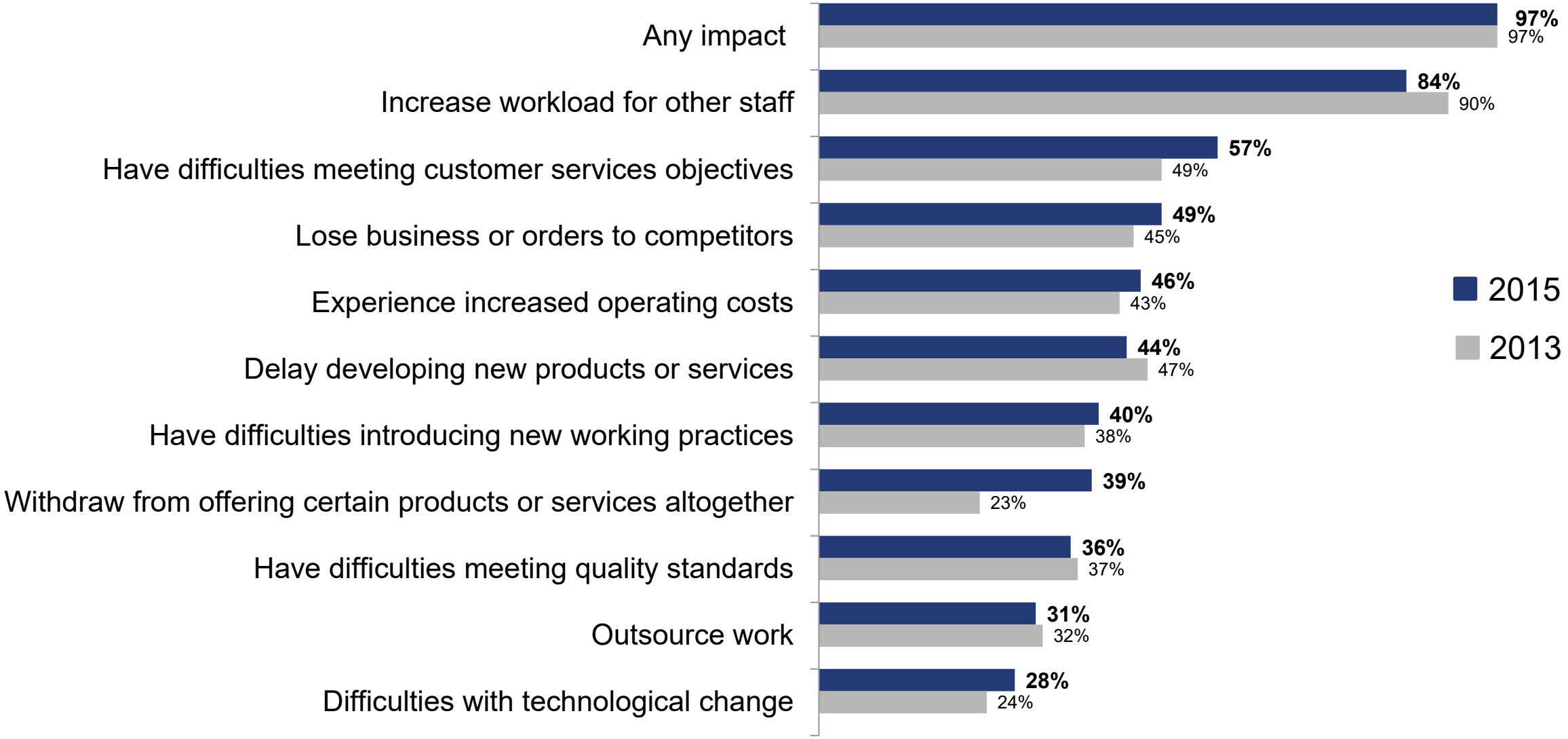


Base: All with skill-shortage vacancies that received the new lists of skills descriptors (216)

People skills lacking among applicants

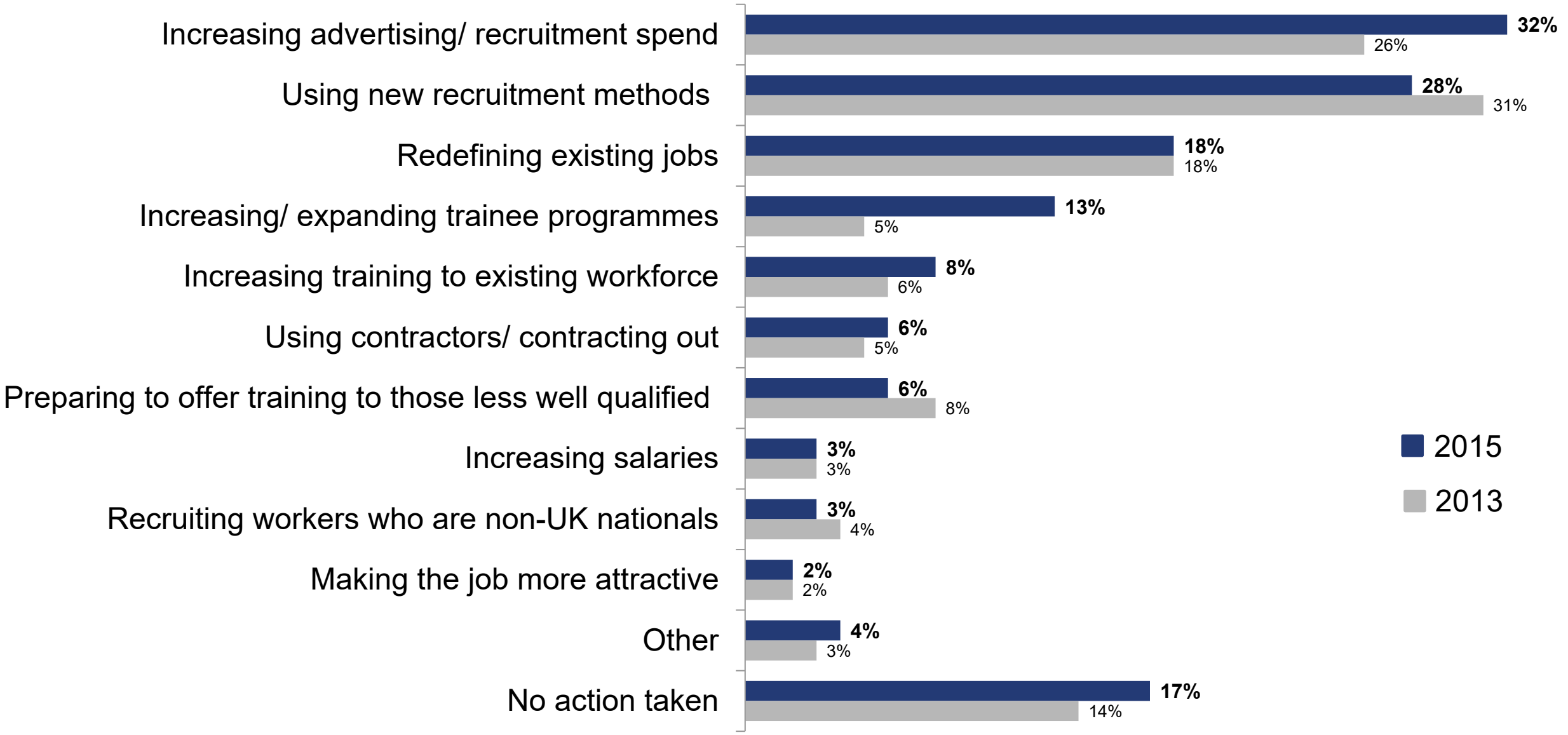
Base: All with skill-shortage vacancies that received the new lists of skills descriptors (216)

Impact of skill-shortage vacancies



Base (2013/2015): All establishments with hard-to-fill vacancies that are all as a result of skill shortages (253 / 380)

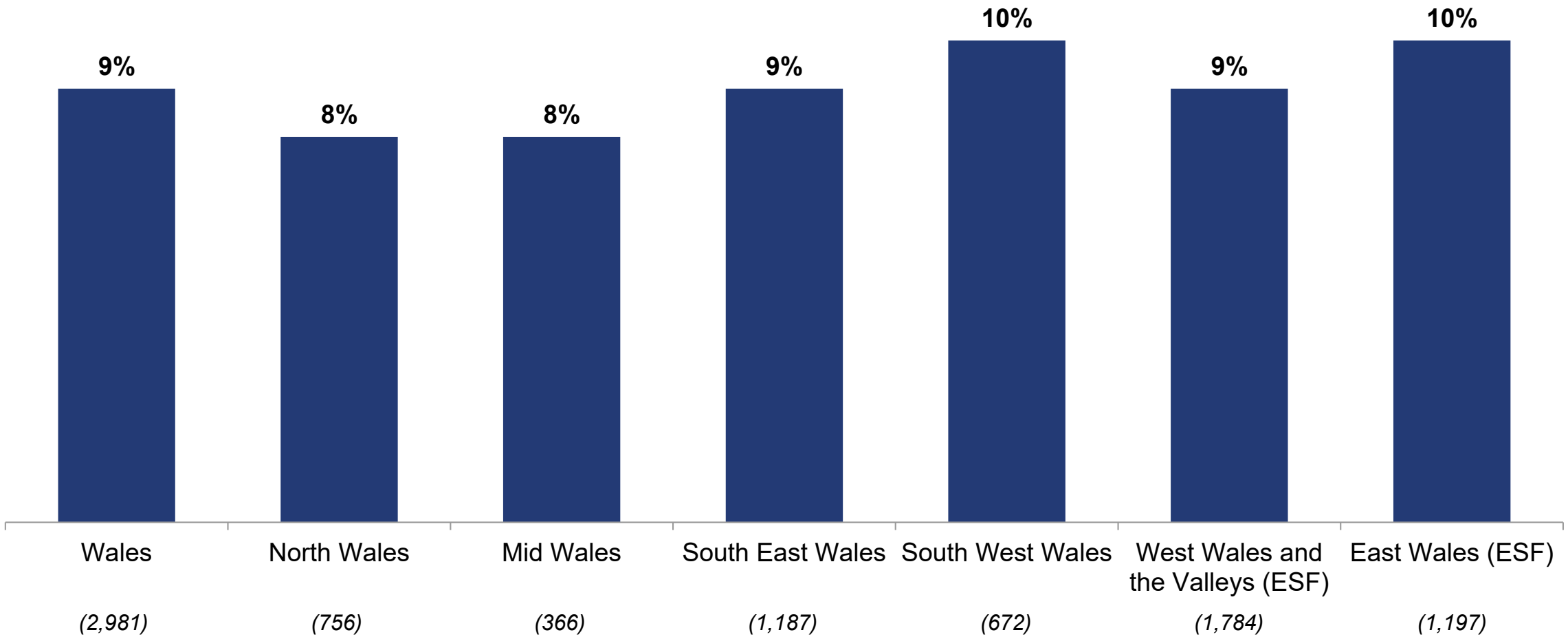
Action taken to fill skill-shortage vacancies



Base (2013 / 2015): All with hard-to-fill vacancies (341 / 526)

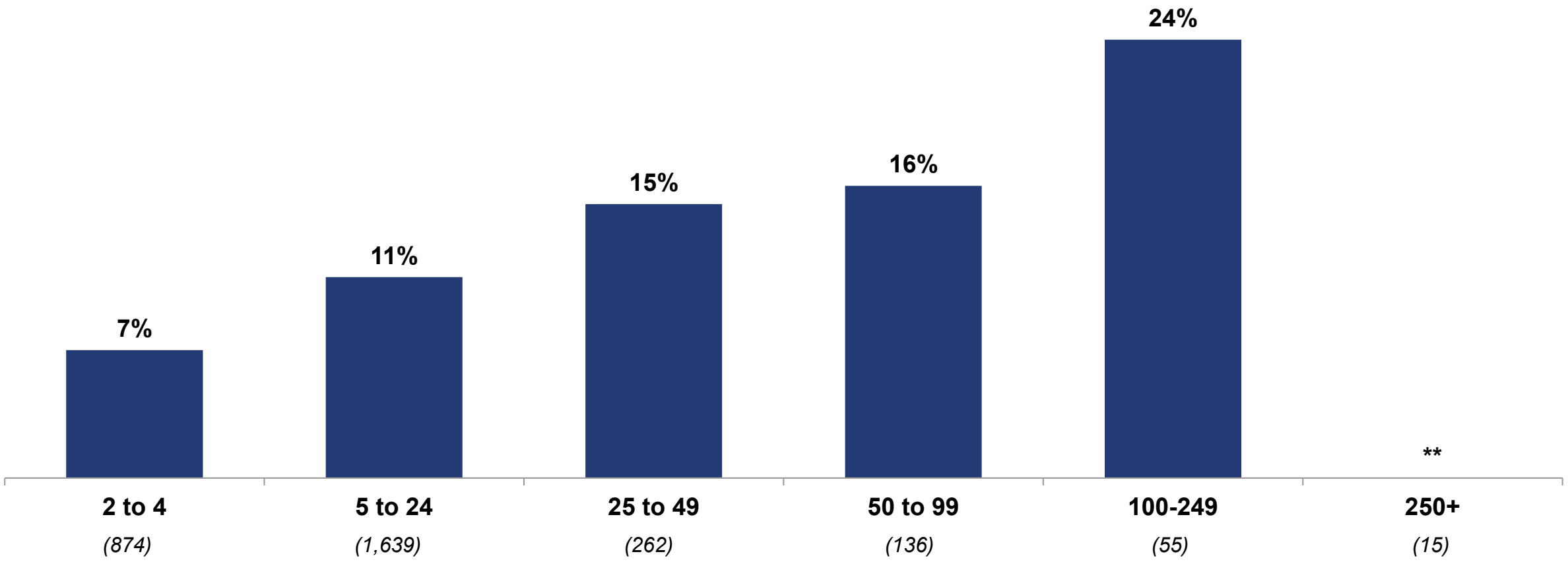
Section 2:
Retention difficulties

Incidence of retention difficulties - by region



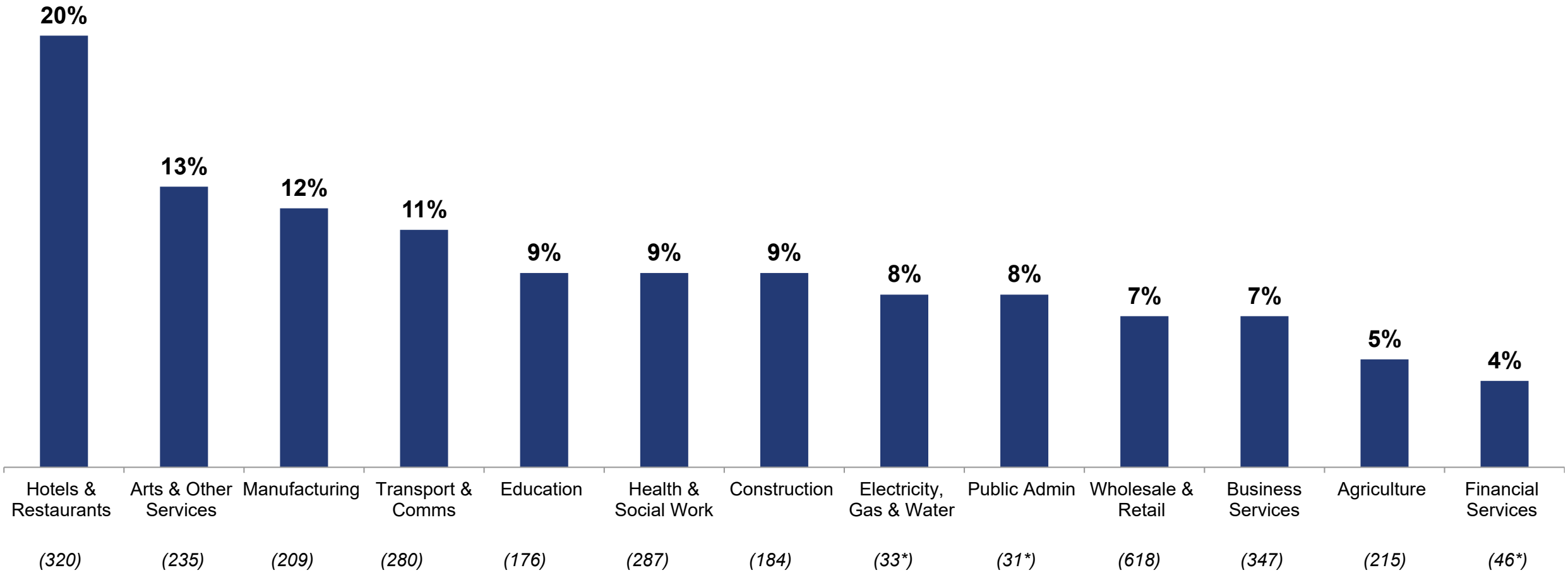
Base: All establishments in Module 2 (as shown)

Incidence of retention difficulties - by establishment size



Base: All establishments in Module 2 (as shown)

Incidence of retention difficulties by sector



Base: All establishments in Module 2 (as shown)

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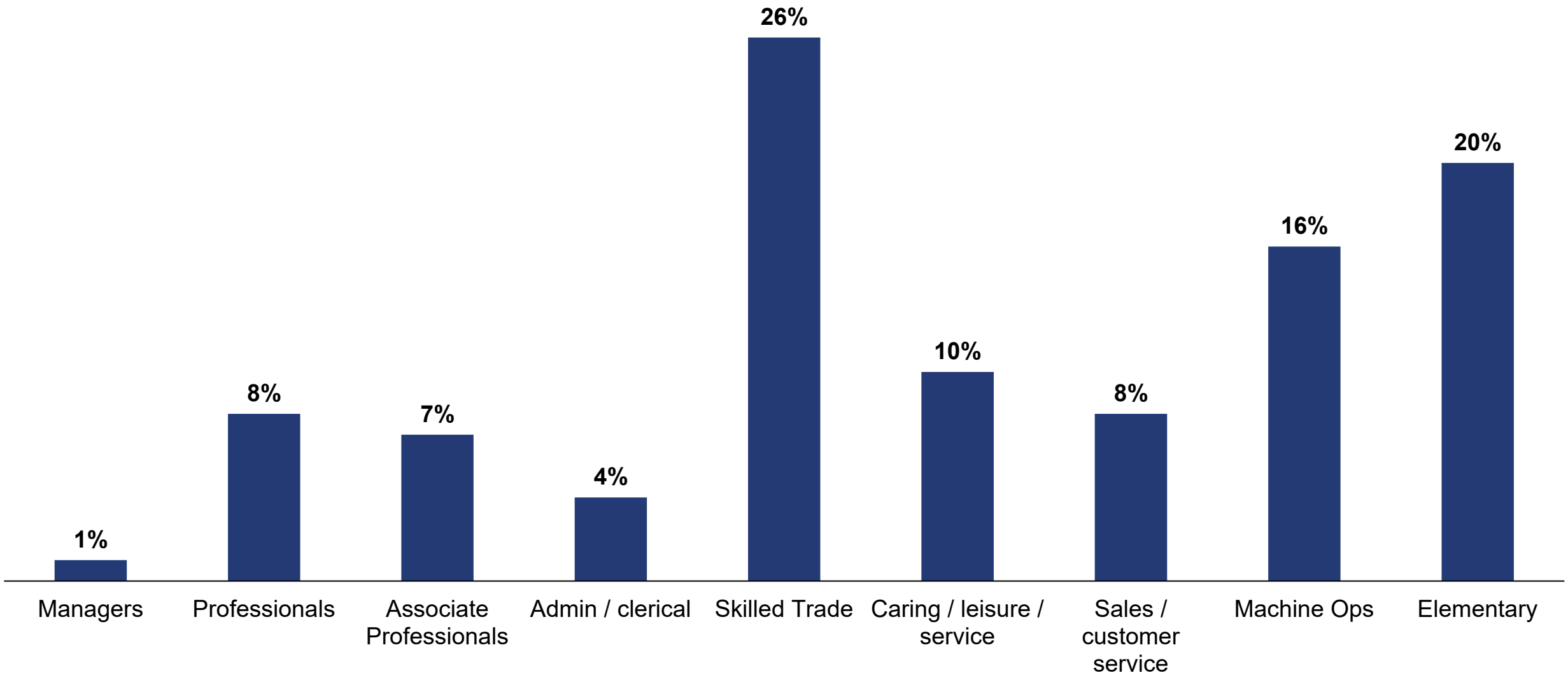
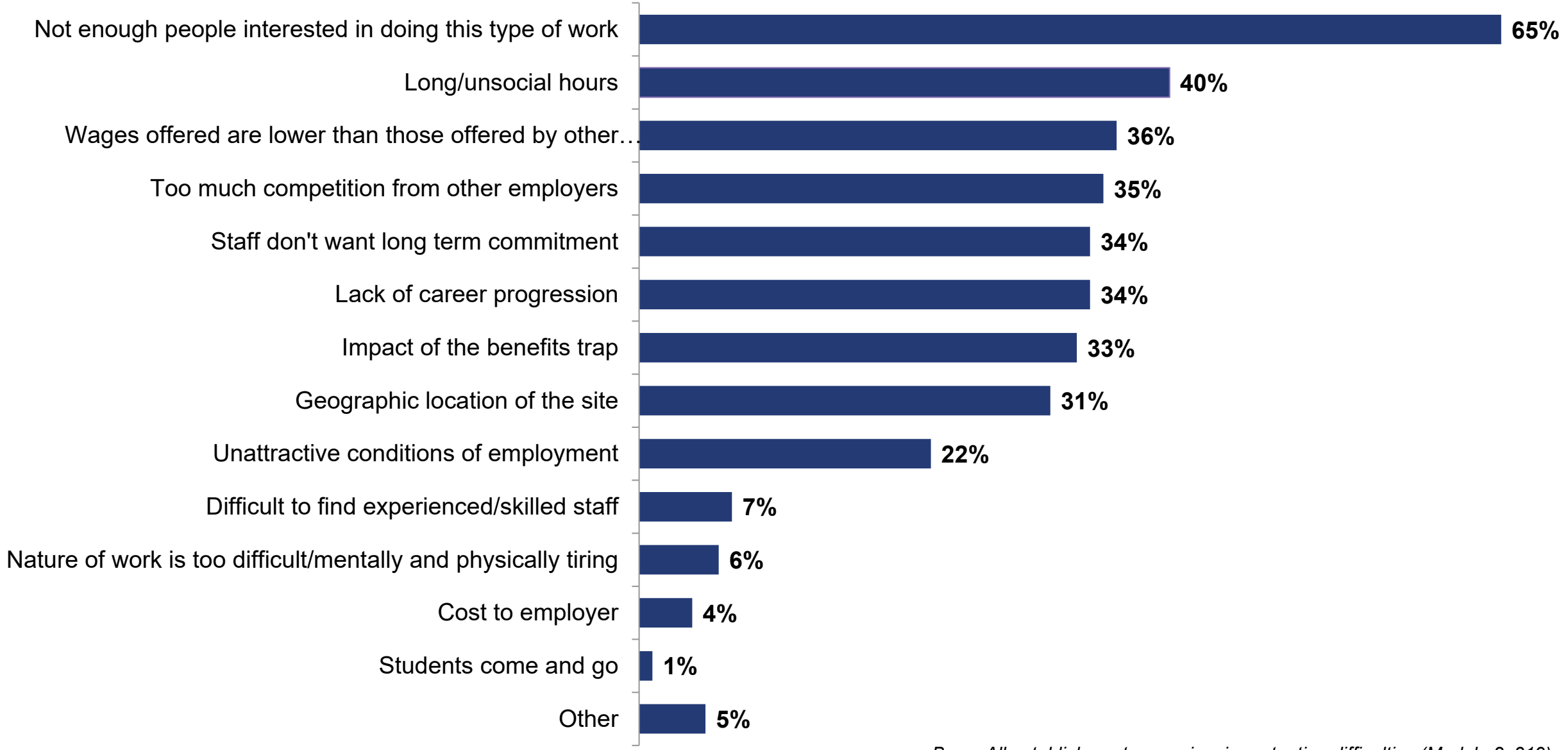
Occupation most affected by retention difficulties



Base: All establishments with retention difficulties (319)

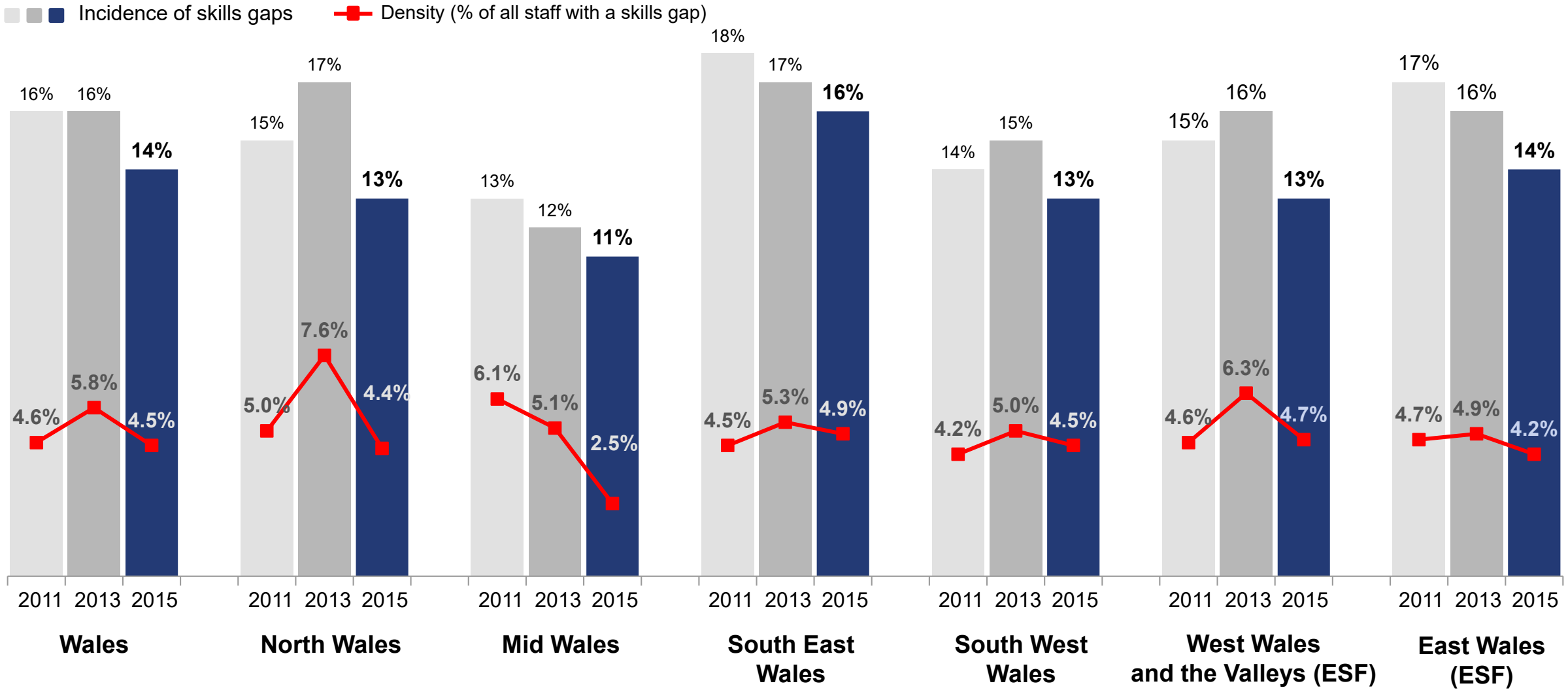
Reasons why it is difficult to retain staff



Base: All establishments experiencing retention difficulties (Module 2: 319)

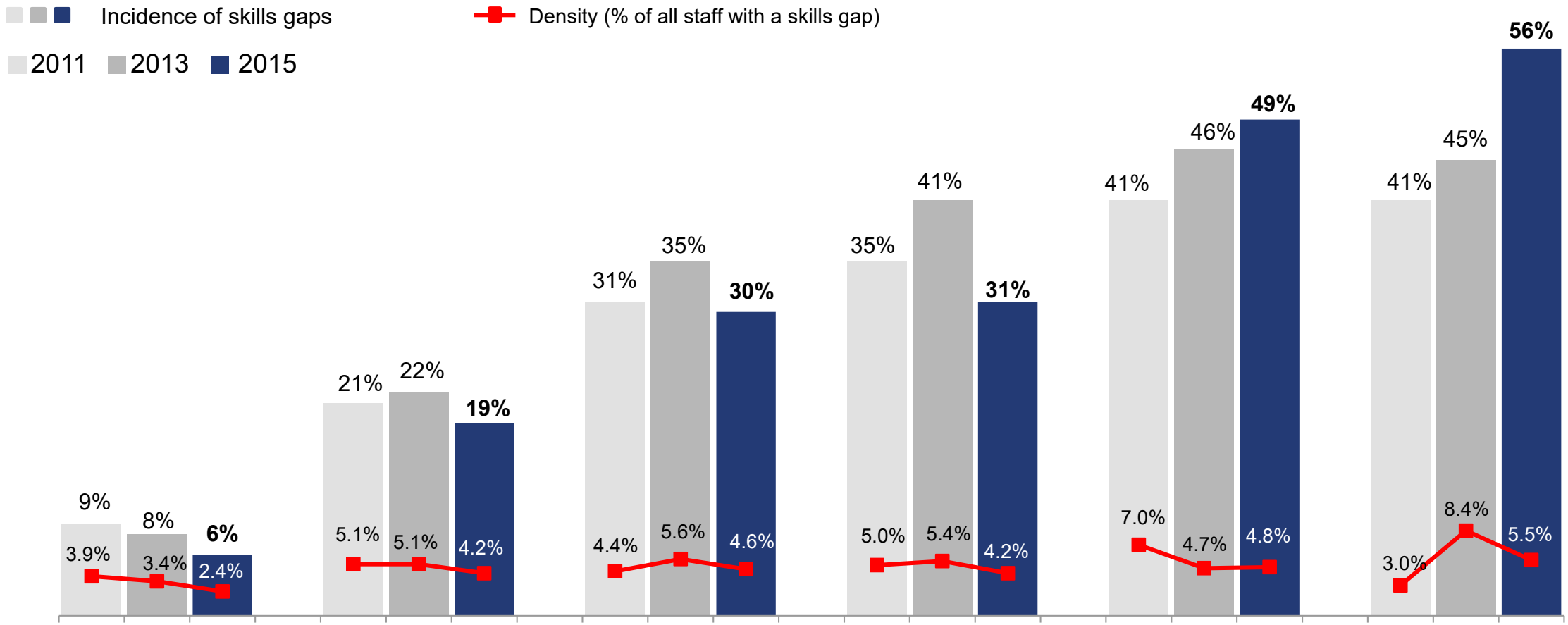
Section 3:
The internal skills challenge

Incidence and density of skills gaps by region



Base: All establishments (2011: Wales: 5,958; North: 1,420; Mid: 788; South East: 2,374; South West: 1,376; West Wales and the Valleys: 3,696; East: 2,262. 2013: Wales: 5,996 ; North: 1,580; Mid: 717; South East: 2,400; South West: 1,299; West Wales and the Valleys: 3,634; East: 2,362. 2015: Wales: 6,027; North: 1,528; Mid: 742; South East: 2,395; South West: 1,362; West Wales and the Valleys: 3,645; East: 2,382.)

Incidence and density of skills gaps by establishment size

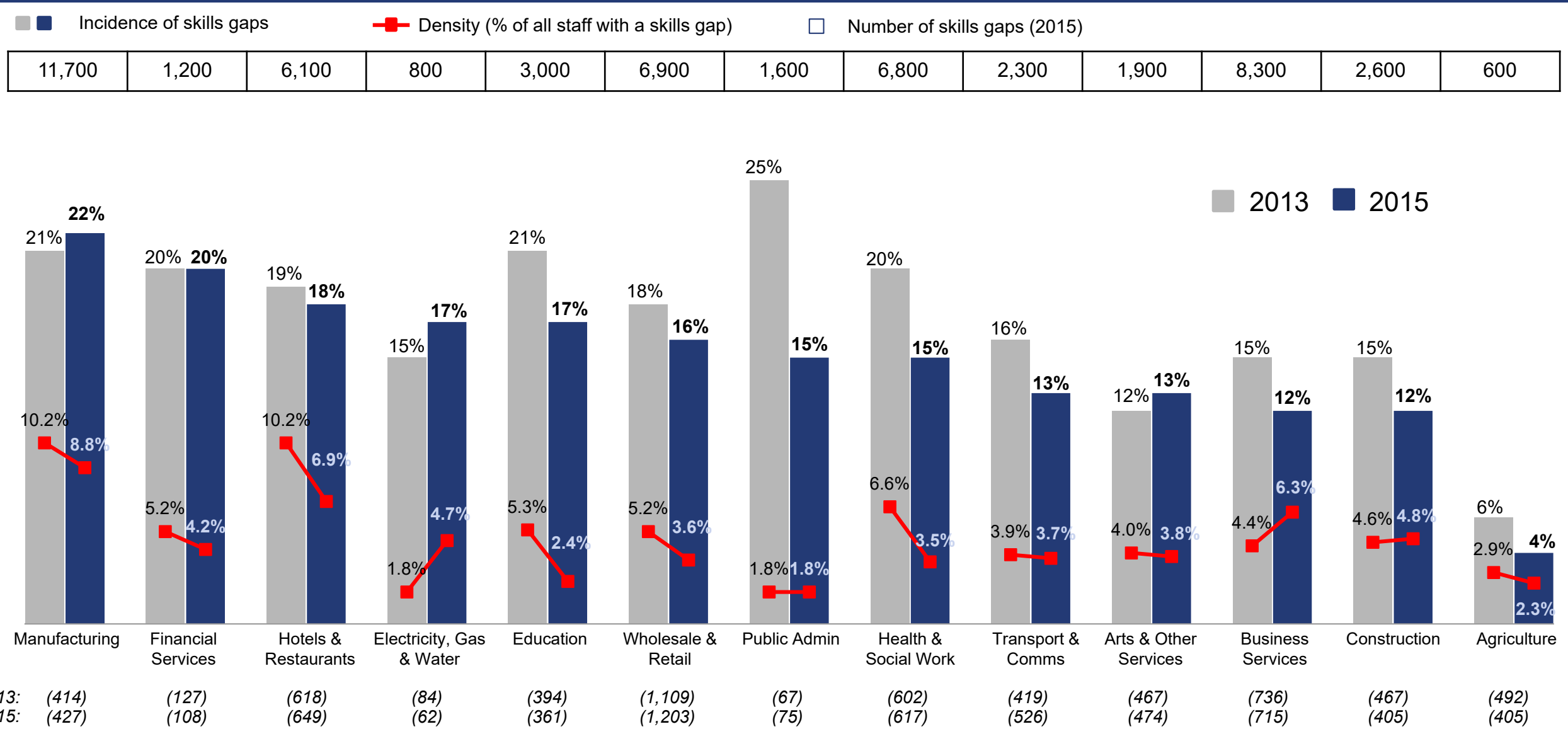


	2 to 4	5 to 24	25 to 49	50 to 99	100-249	250+
2011:	*(1,162)*	*(3,474)*	*(750)*	*(324)*	*(151)*	*(97)*
2013:	*(1,847)*	*(3,229)*	*(512)*	*(236)*	*(128)*	*(44*)*
2015:	*(1,749)*	*(3,316)*	*(547)*	*(273)*	*(105)*	*(37*)*

Base: All establishments (as shown)

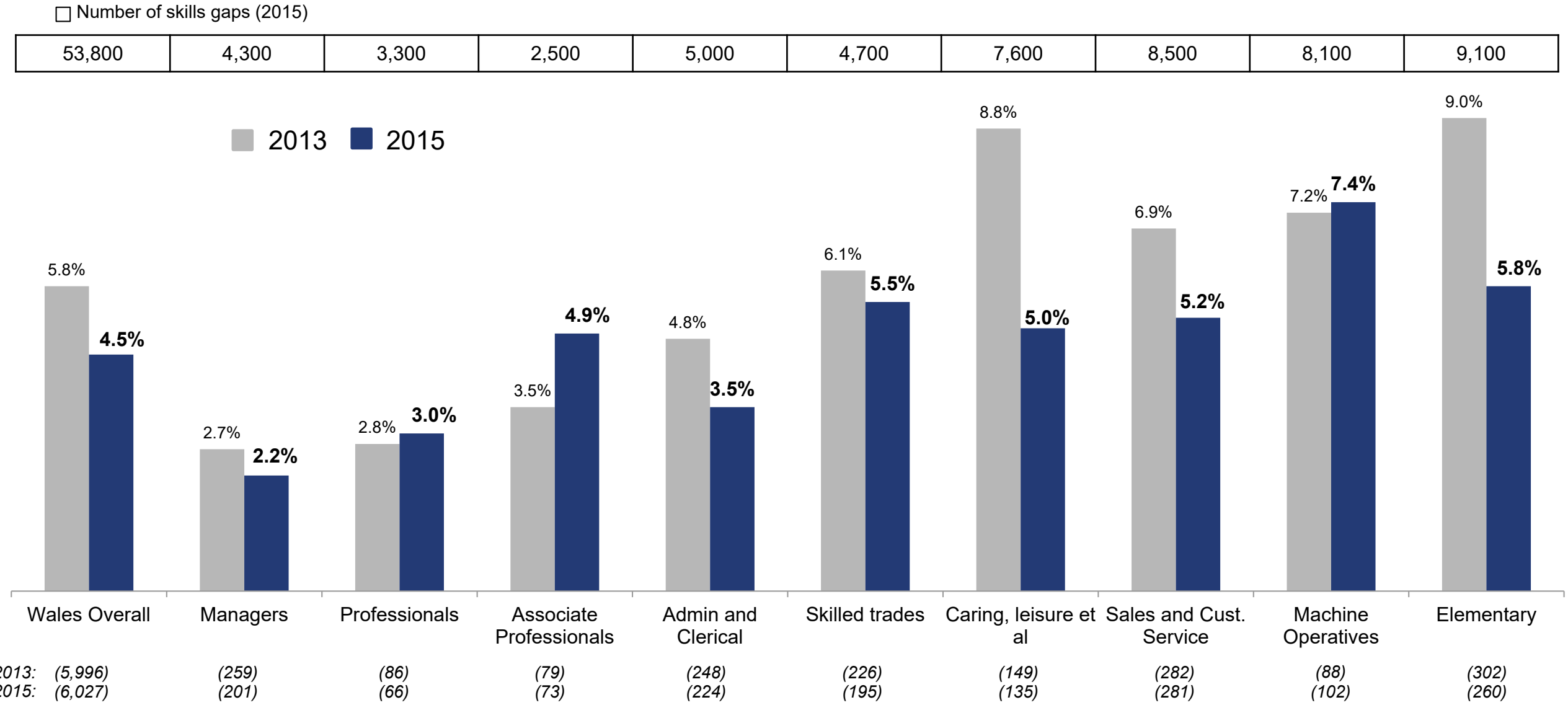
** Figure should be treated with caution due to low base size (<50)*

Incidence and density of skills gaps by sector



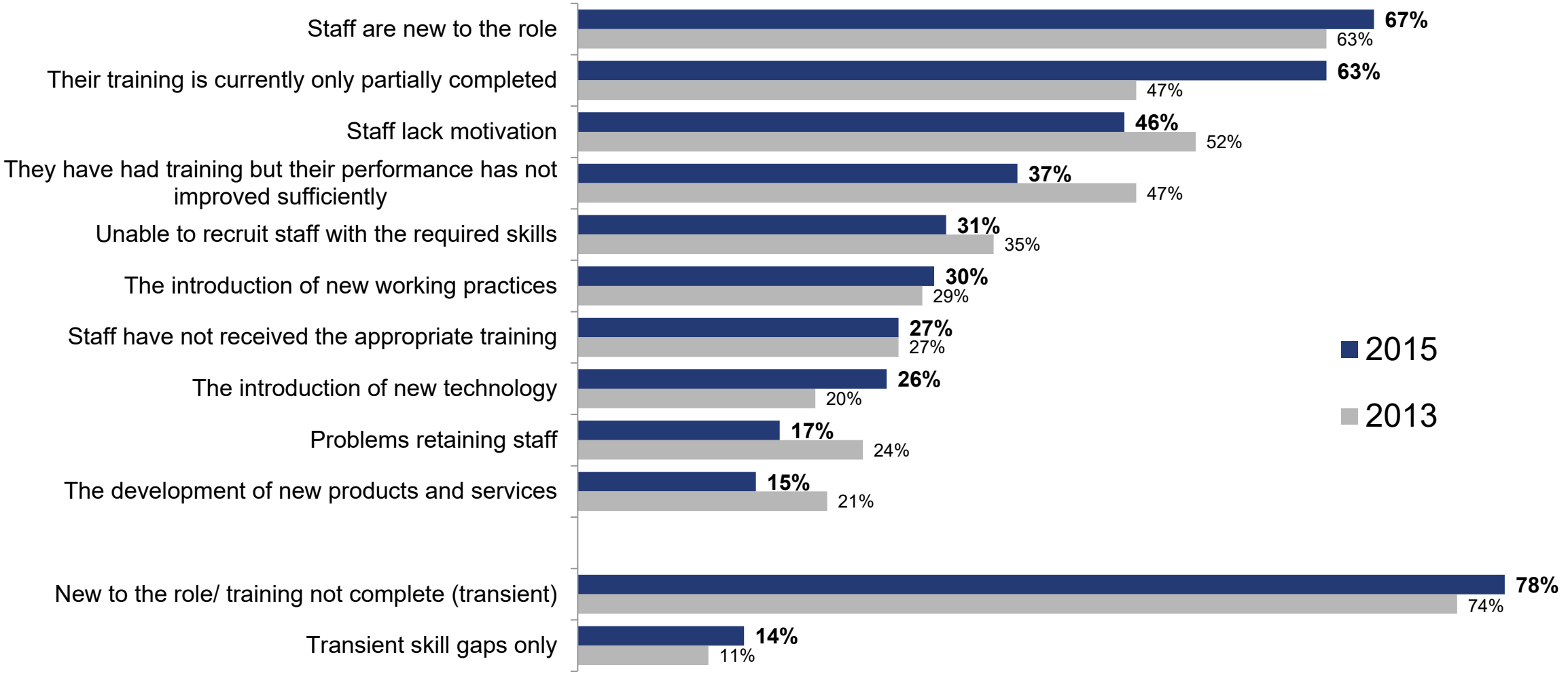
Base: All establishments (as shown)

Skills gaps density by occupation



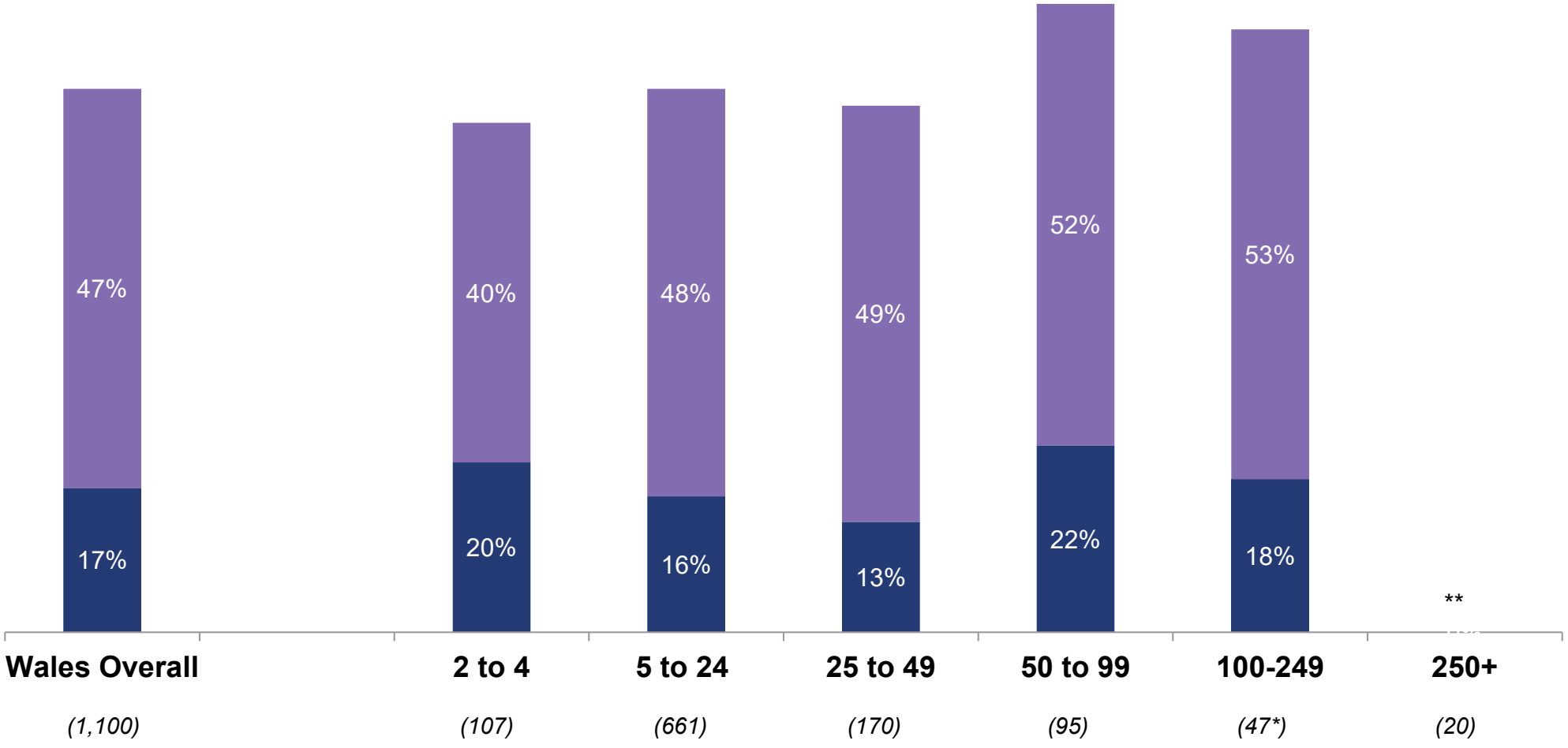
Base: All employment (as shown)

Main causes of skills gaps



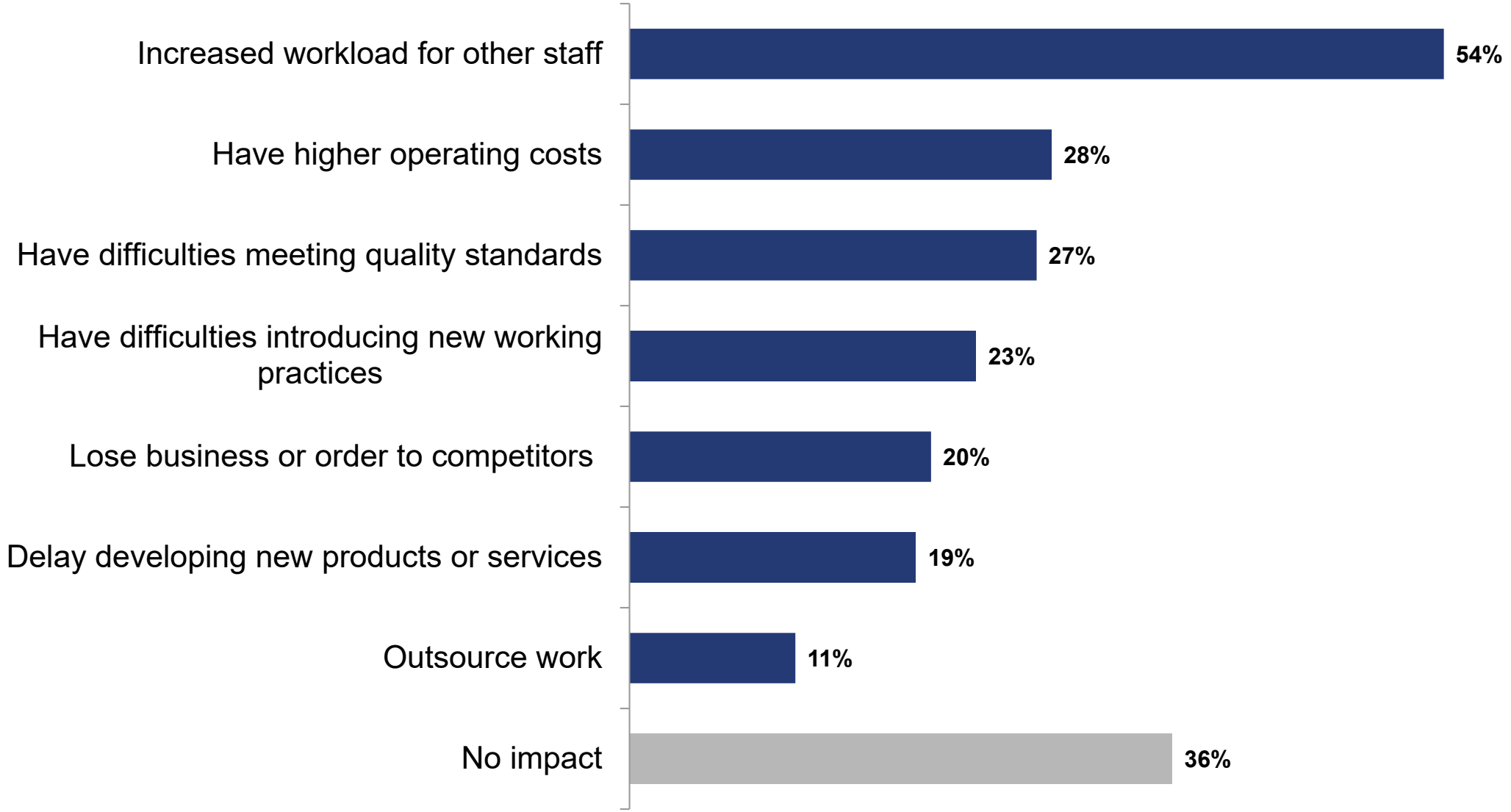
Base (2013/2015) : All establishments with skills gaps - up to 2 occupations followed up (1,219 /1,100)
Figures are shown as a percentage of all gaps (not a percentage of all establishments)

Impact of skills gaps by establishment size



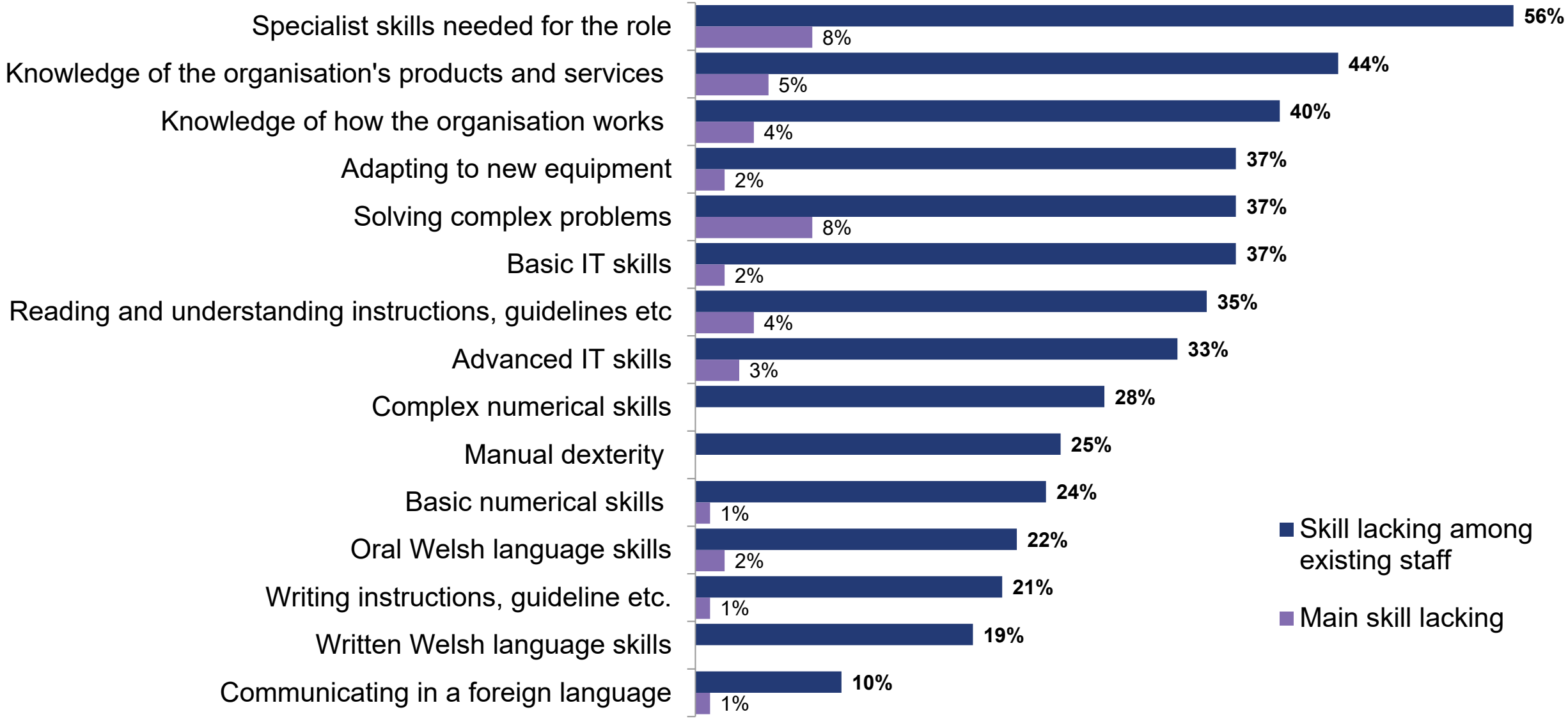
Base: All with skills gaps (as shown)
** Figure should be treated with caution due to low base size (<50)*
*** denotes data not shown due to low base size (<25)*

Impact of skills gaps



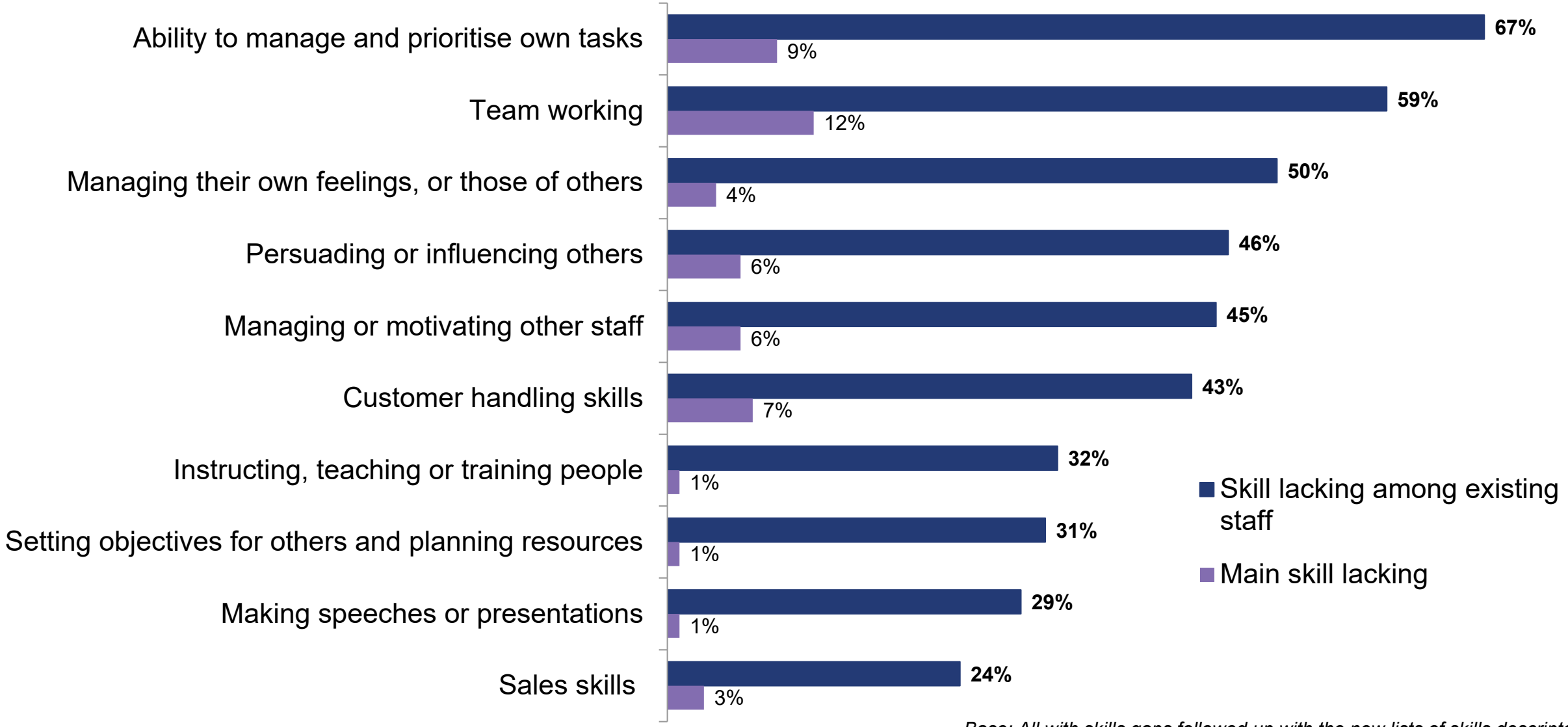
Base: All establishments with skills gaps (1,100)

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



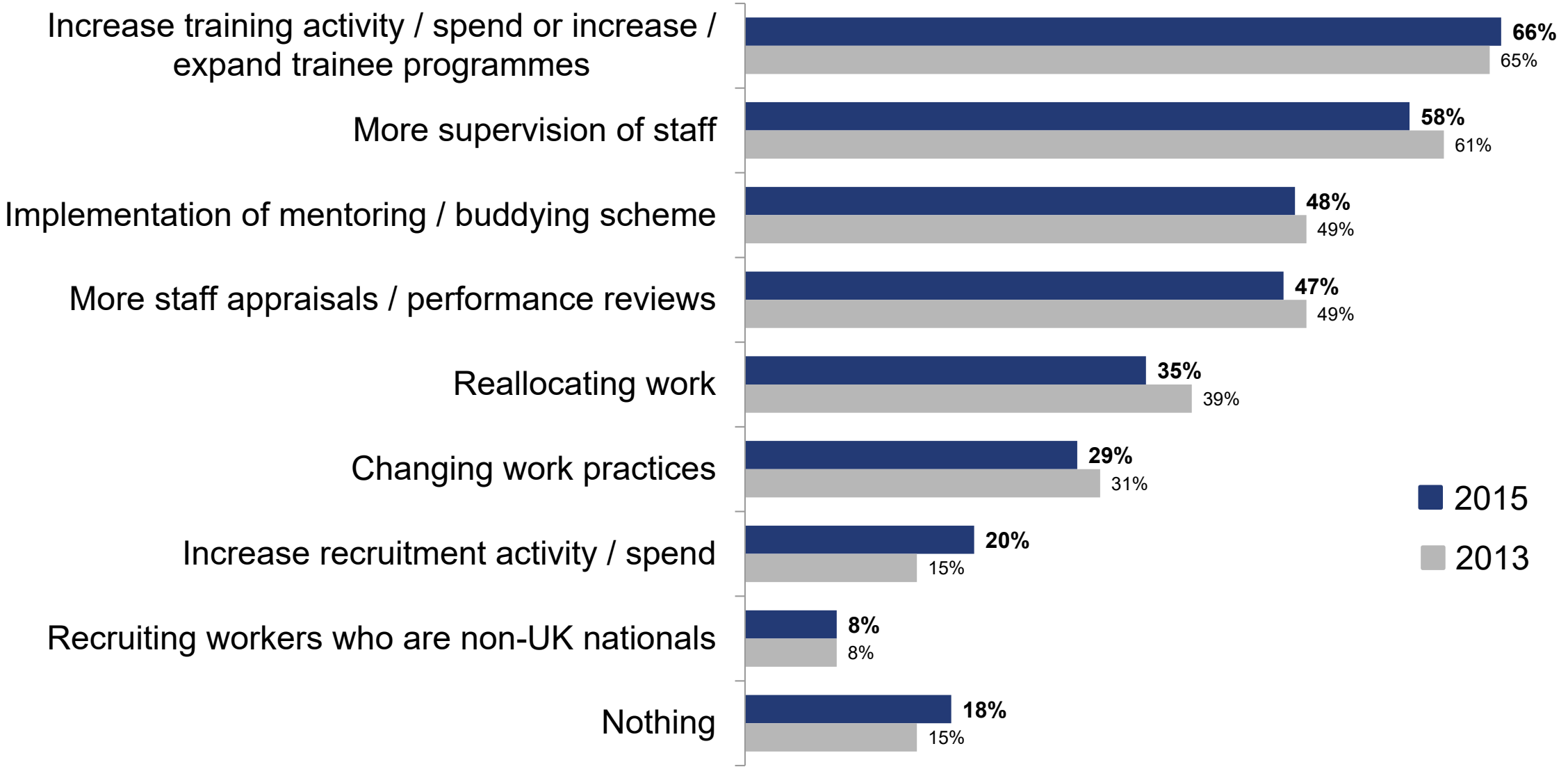
Base: All with skills gaps followed up with the new lists of skills descriptors (572)

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



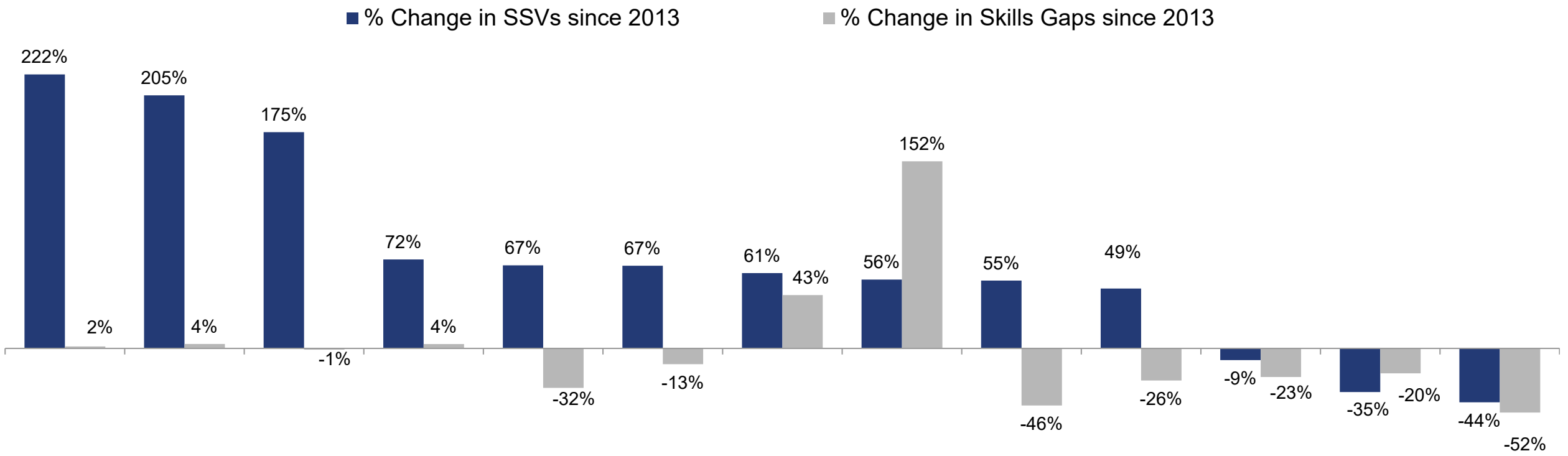
Base: All with skills gaps followed up with the new lists of skills descriptors (572)

Action taken to overcome skills gaps



Base (2013 / 2015): All establishments with skills gaps (1,219 / 1,100)

Changes in the number of SSVs and skills gaps over time

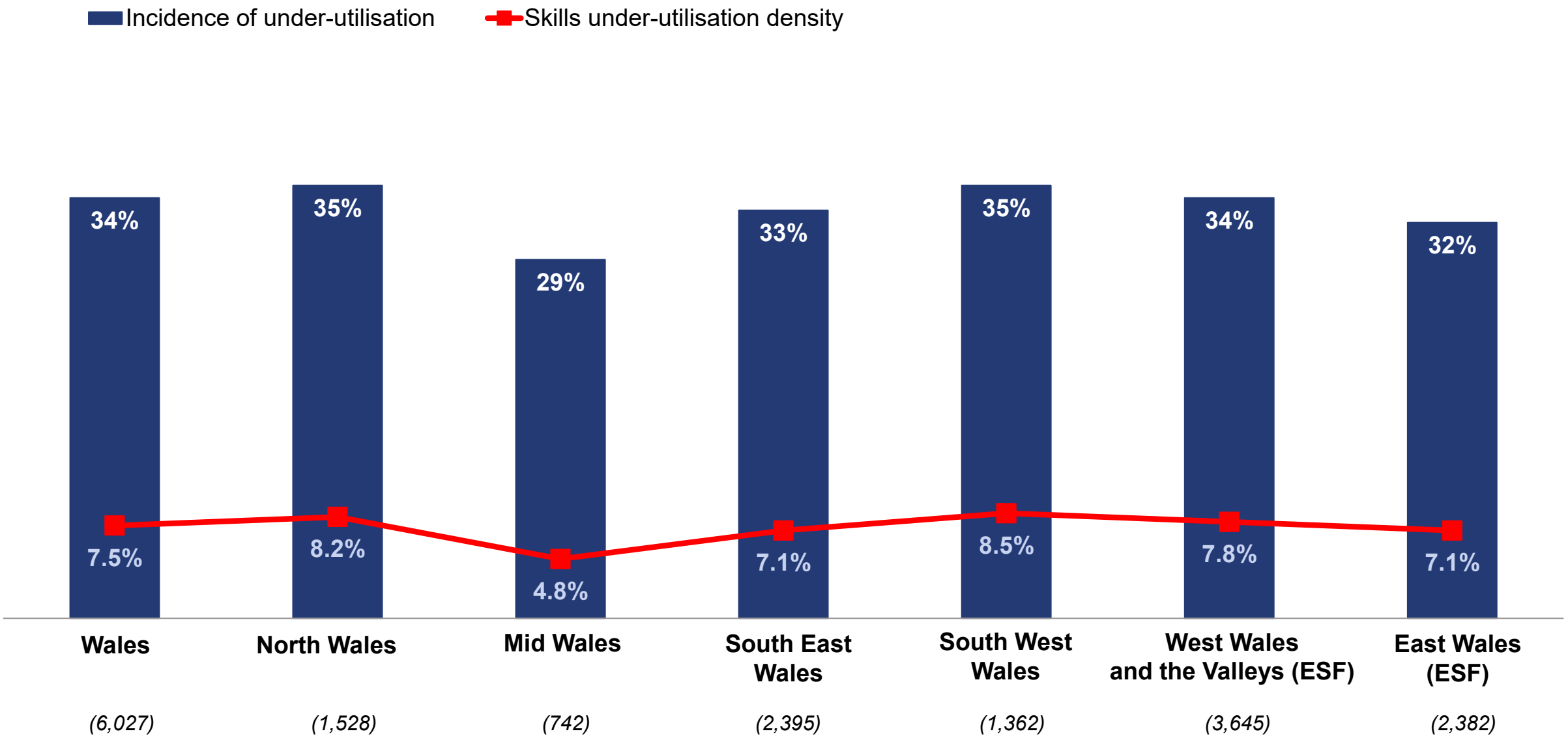


	Arts and Other Services	Construction	Transport and Comms	Public Admin.	Wholesale and Retail	Manufacturing	Business Services	Electricity, Gas & Water	Health and Social Work	Hotels and Restaurants	Financial Services	Agriculture	Education
'15:	*(474)*	*(405)*	*(526)*	*(75)*	*(1,203)*	*(427)*	*(715)*	*(62)*	*(617)*	*(649)*	*(108)*	*(405)*	*(361)*
'13:	*(467)*	*(467)*	*(419)*	*(67)*	*(1,109)*	*(414)*	*(736)*	*(84)*	*(602)*	*(618)*	*(127)*	*(492)*	*(394)*

Base: All establishments (as shown)

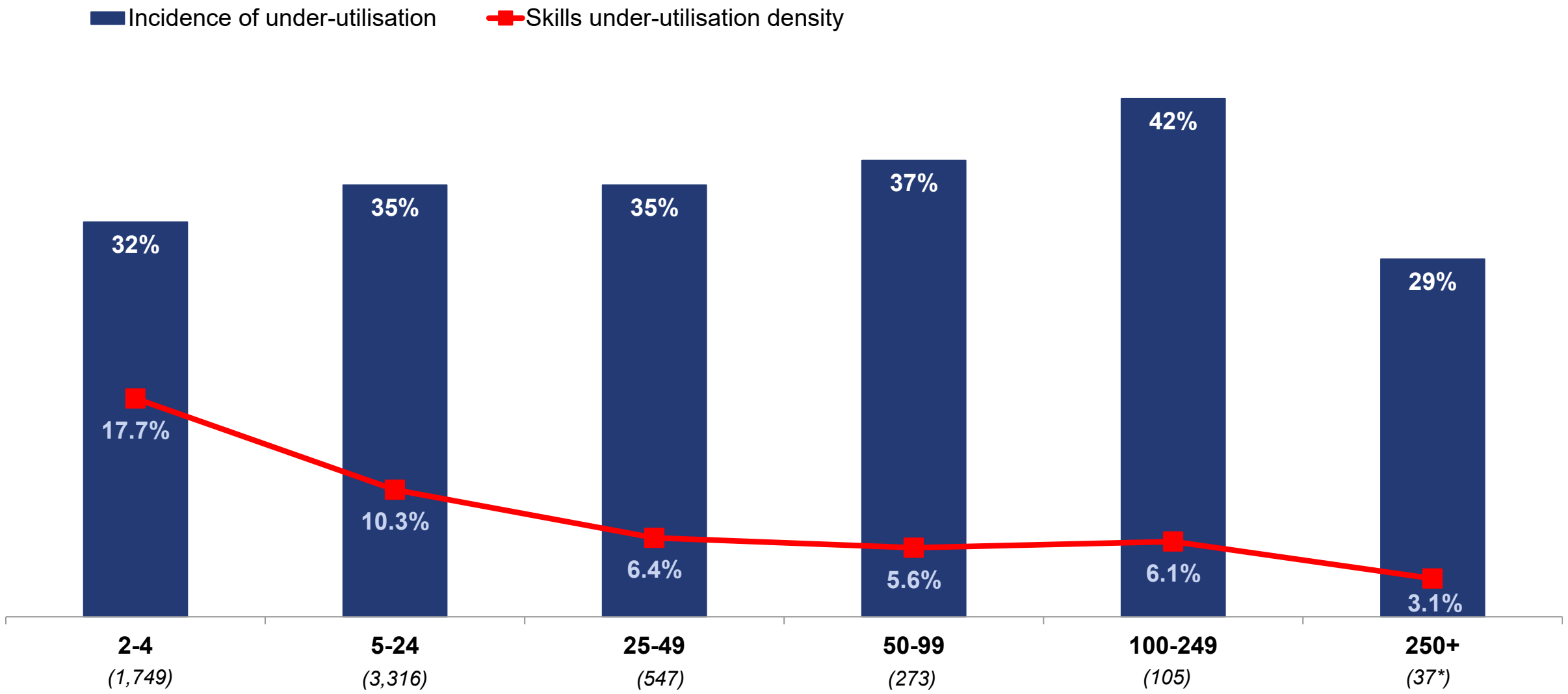
Section 4:
Under-utilisation

Incidence and density of skills under-utilisation by region



Base: All establishments (as shown)

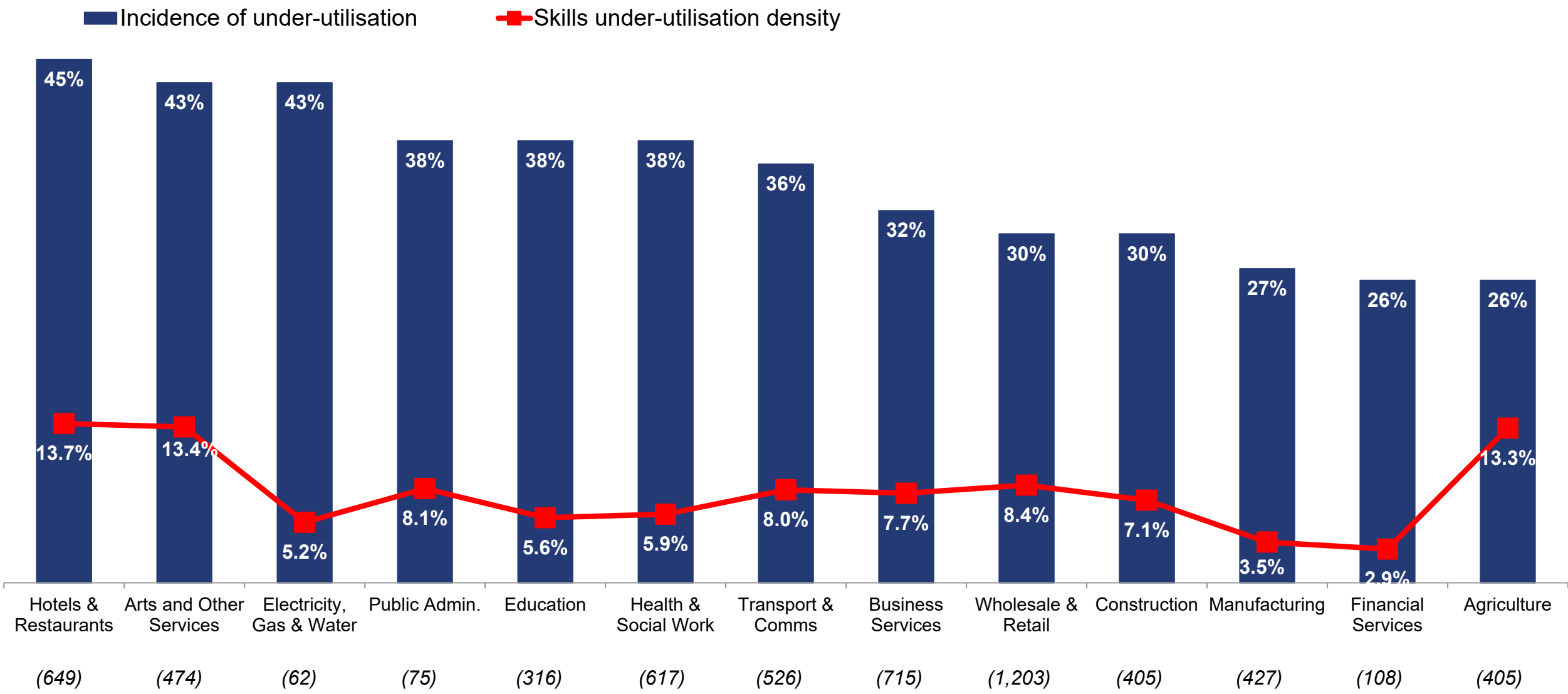
Incidence and density of skills under-utilisation by establishment size



Base: All establishments (as shown)

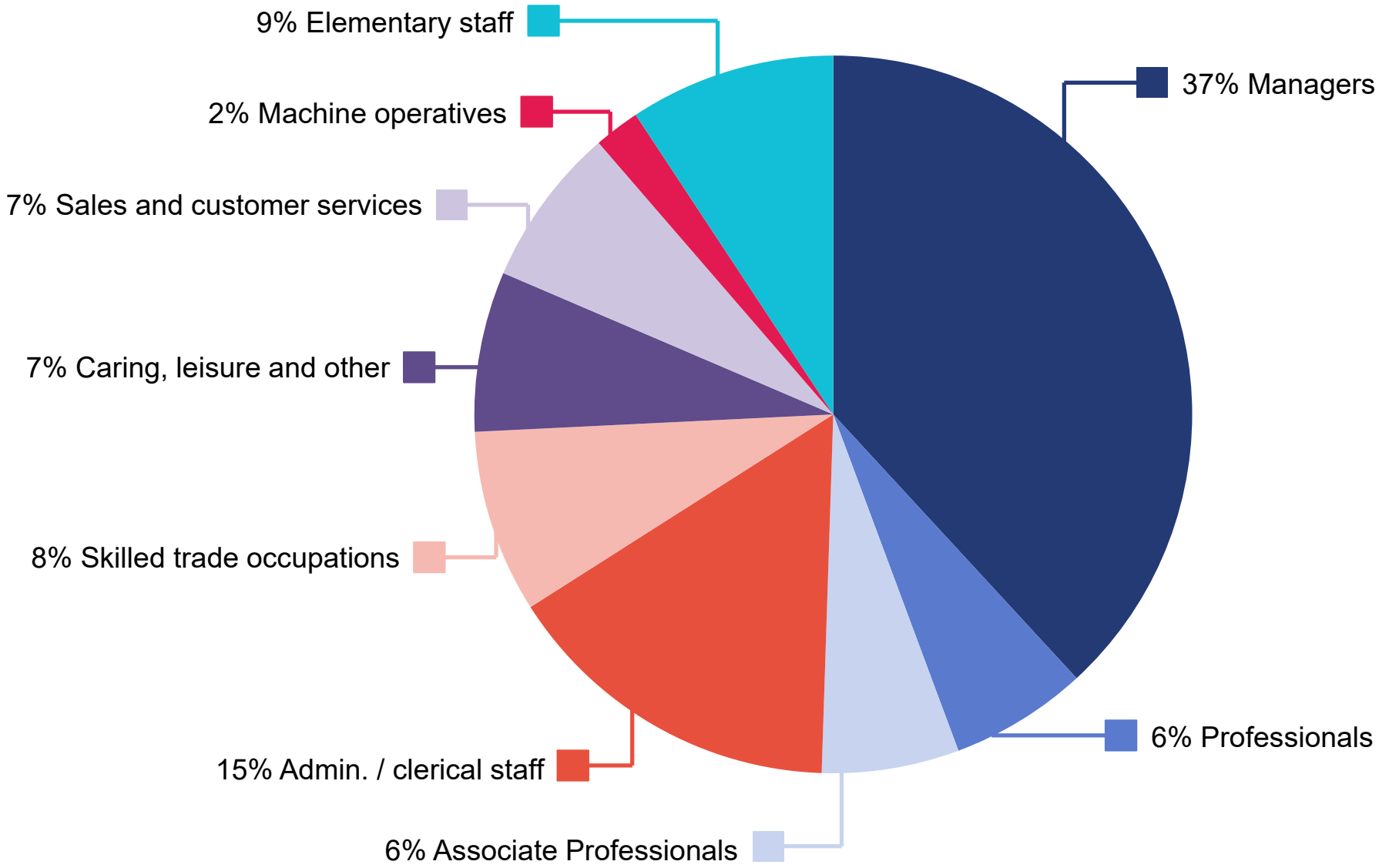
** Figure should be treated with caution due to low base size (<50)*

Incidence and density of skills under-utilisation by sector



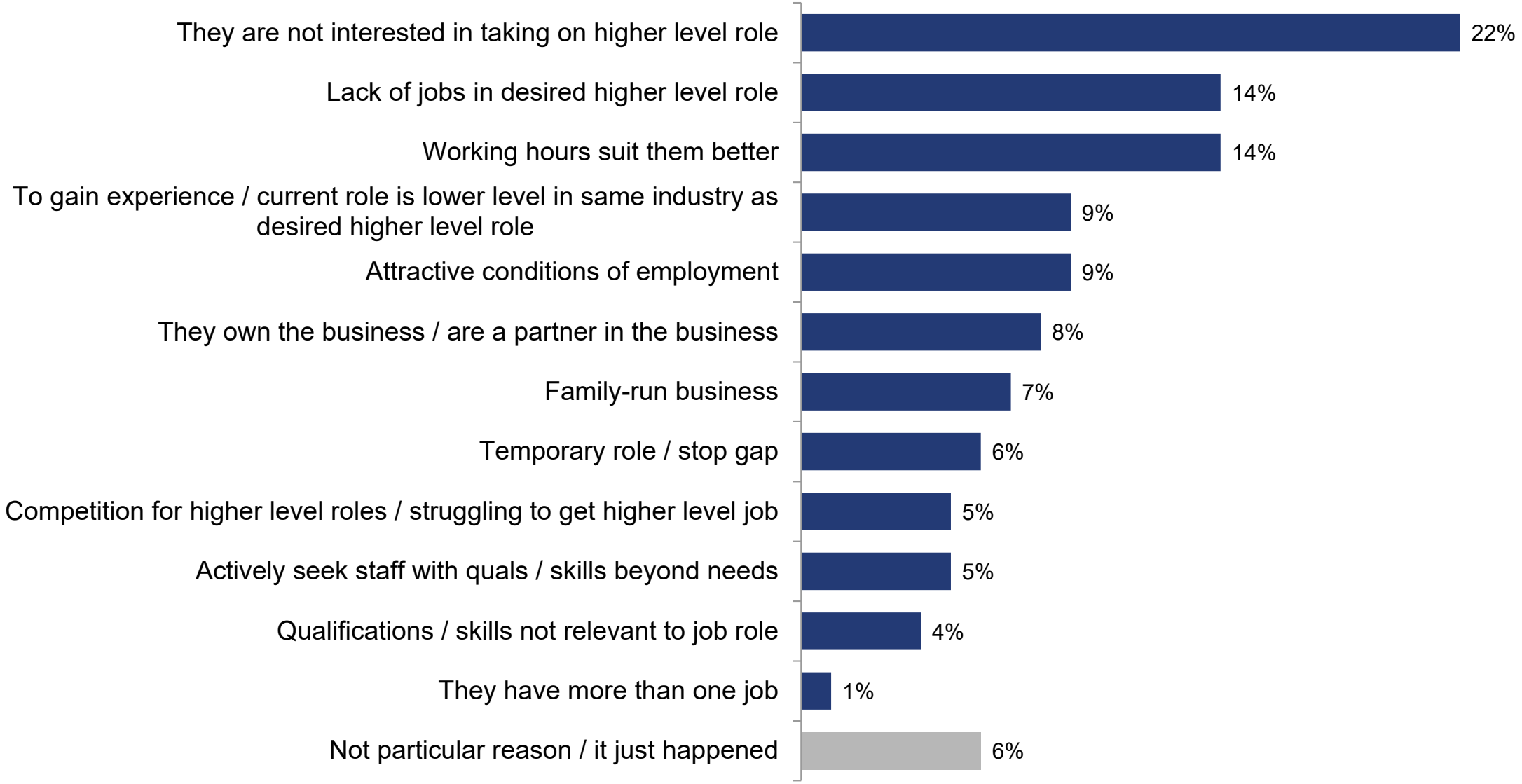
Base: All establishments (as shown)

Occupations where under-utilisation is most prevalent



Base: All establishments with under-utilised staff (2,089)

Reasons why staff are working in roles for which they have excess qualifications and skills



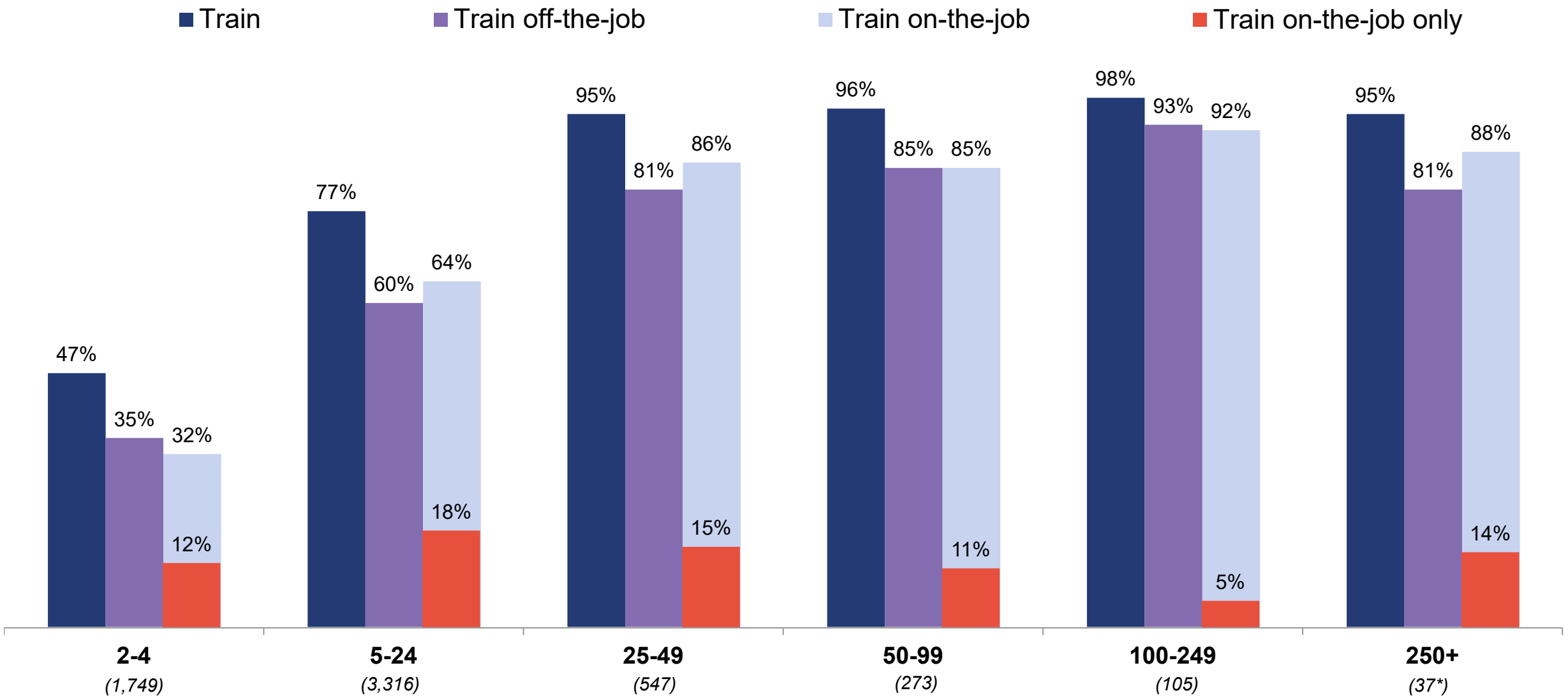
Base: All establishments with under-utilised staff (2,089)

Section 5:
Employer investment in training and skills

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

Base: All establishments (as shown)

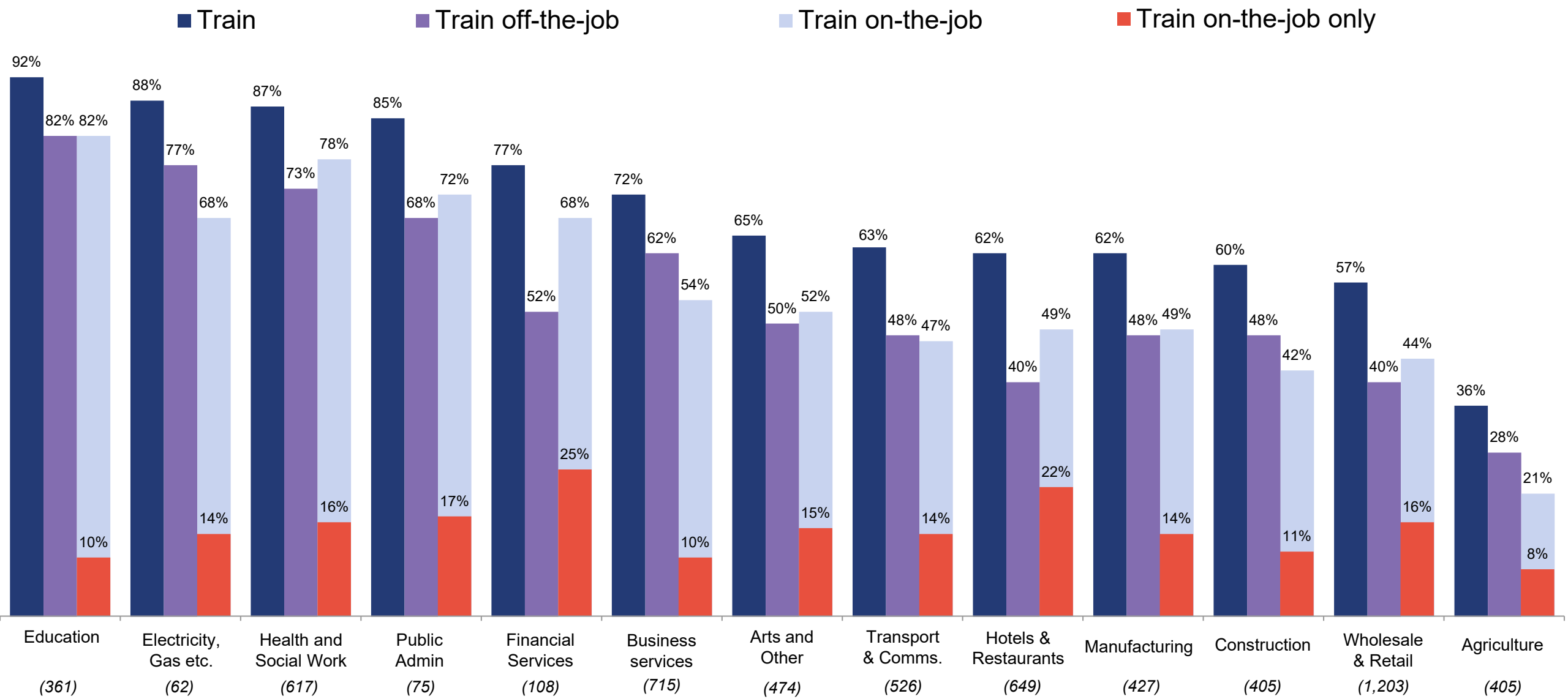
Proportion of employers providing training in the last 12 months by size



Base: All establishments (as shown)

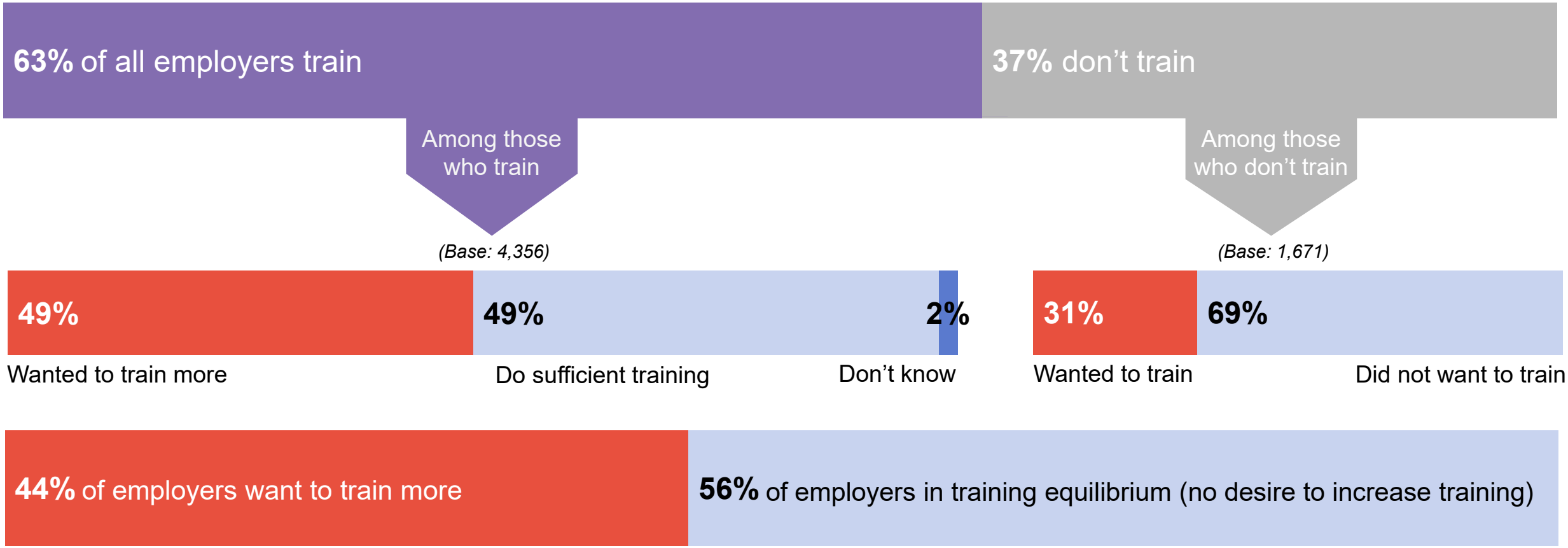
** Figure should be treated with caution due to low base size (<50)*

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



Base: All establishments (as shown)

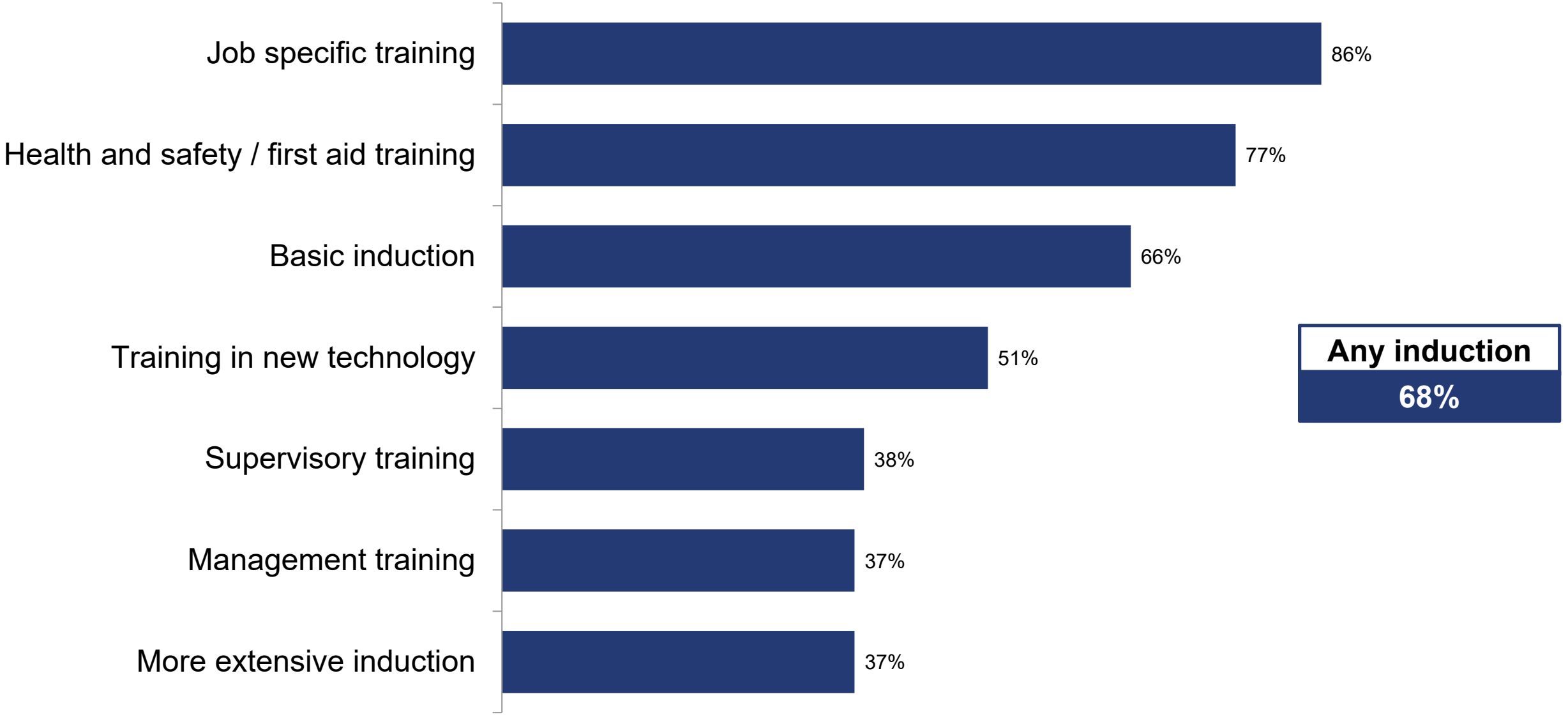
Training Equilibrium: employers' interest in providing more training than they were able to



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

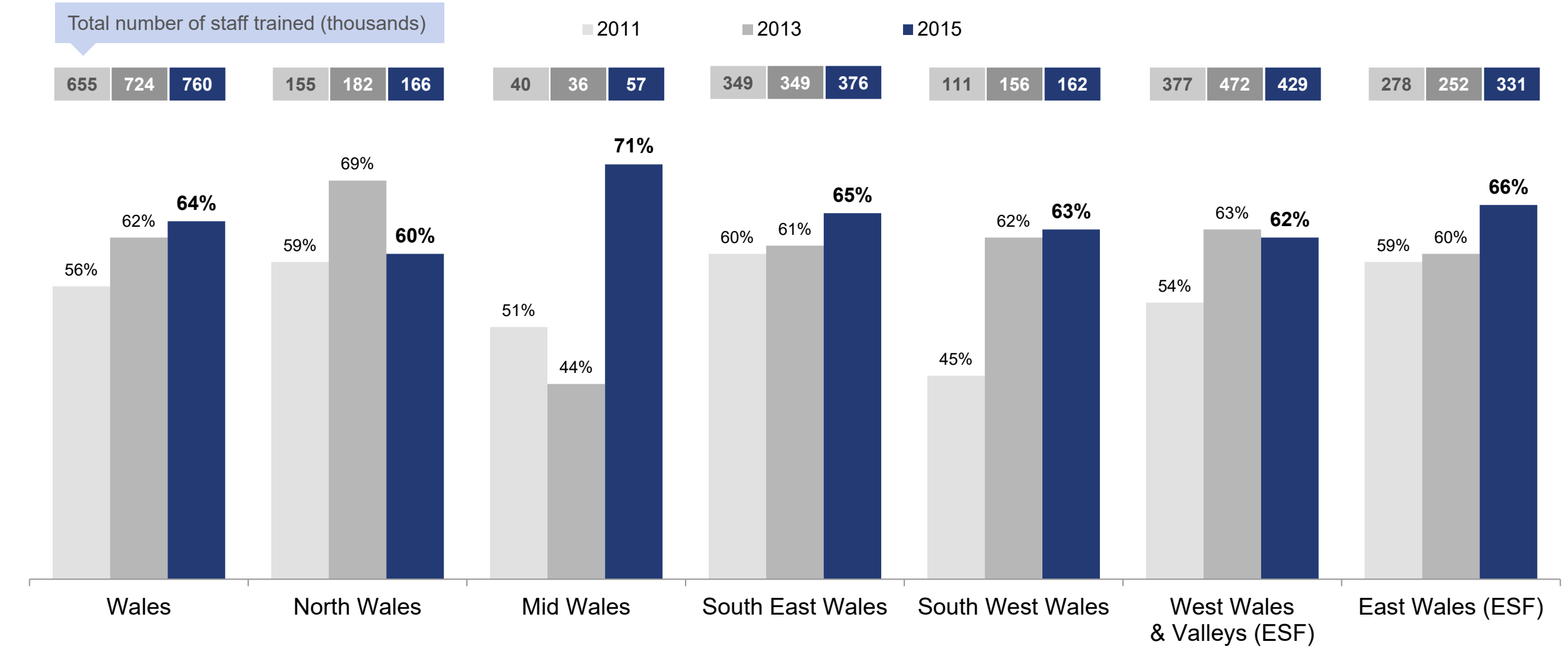
Base: All establishments (6,027)

Types of Training and Workforce Development provided



Base: All establishments that train (4,356)

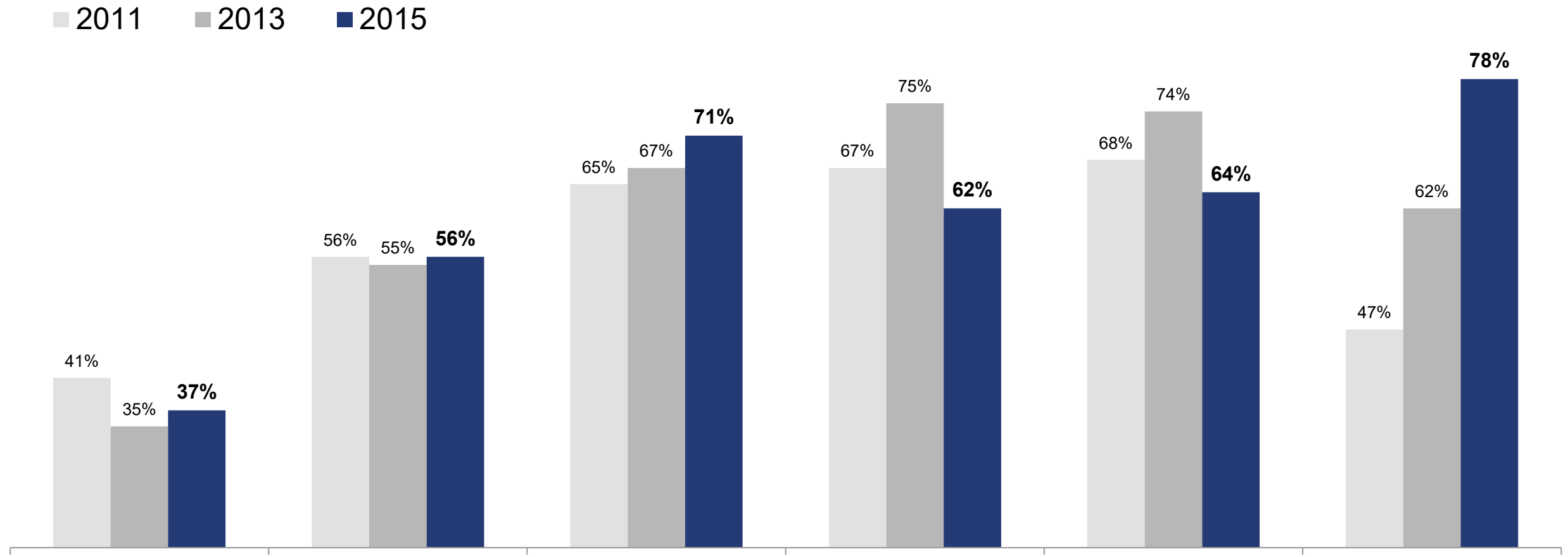
Number and proportion of staff trained by region



	Wales	North Wales	Mid Wales	South East Wales	South West Wales	West Wales & Valleys (ESF)	East Wales (ESF)
2011:	*(5,958)*	*(1,420)*	*(788)*	*(2,374)*	*(1,376)*	*(3,696)*	*(2,262)*
2013:	*(5,996)*	*(1,580)*	*(717)*	*(2,400)*	*(1,299)*	*(3,634)*	*(2,362)*
2015:	*(6,027)*	*(1,528)*	*(742)*	*(2,395)*	*(1,362)*	*(3.645)*	*(2,382)*

Base: All establishments (as shown)

Proportion of staff trained by size

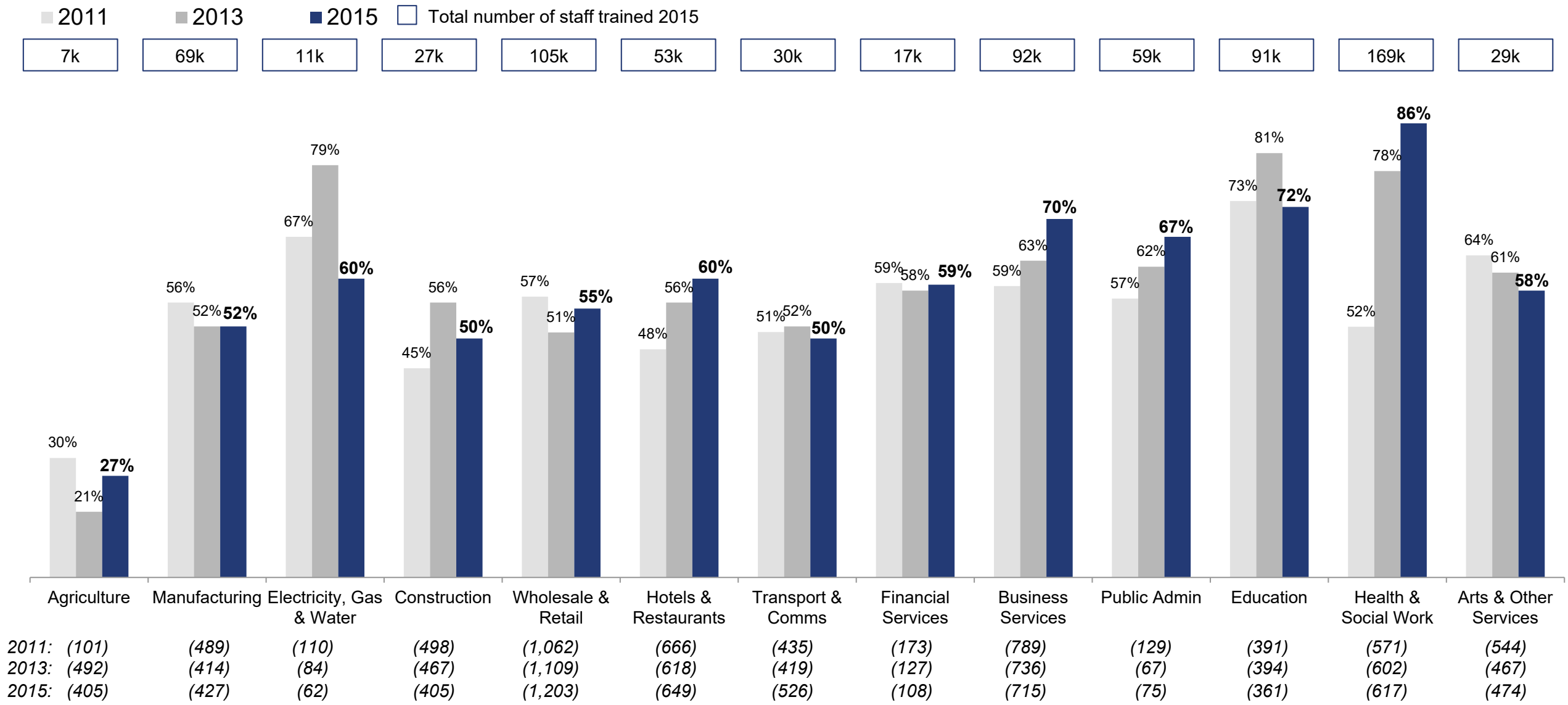


	2-4	5-24	25-49	50-99	100-249	250+
2011:	(1,162)	(3,474)	(750)	(324)	(248)	(97)
2013:	(1,847)	(3,229)	(512)	(236)	(172)	(44*)
2015:	(1,749)	(3,316)	(547)	(273)	(105)	(37*)

Base: All establishments (as shown)

** Figure should be treated with caution due to low base size (<50)*

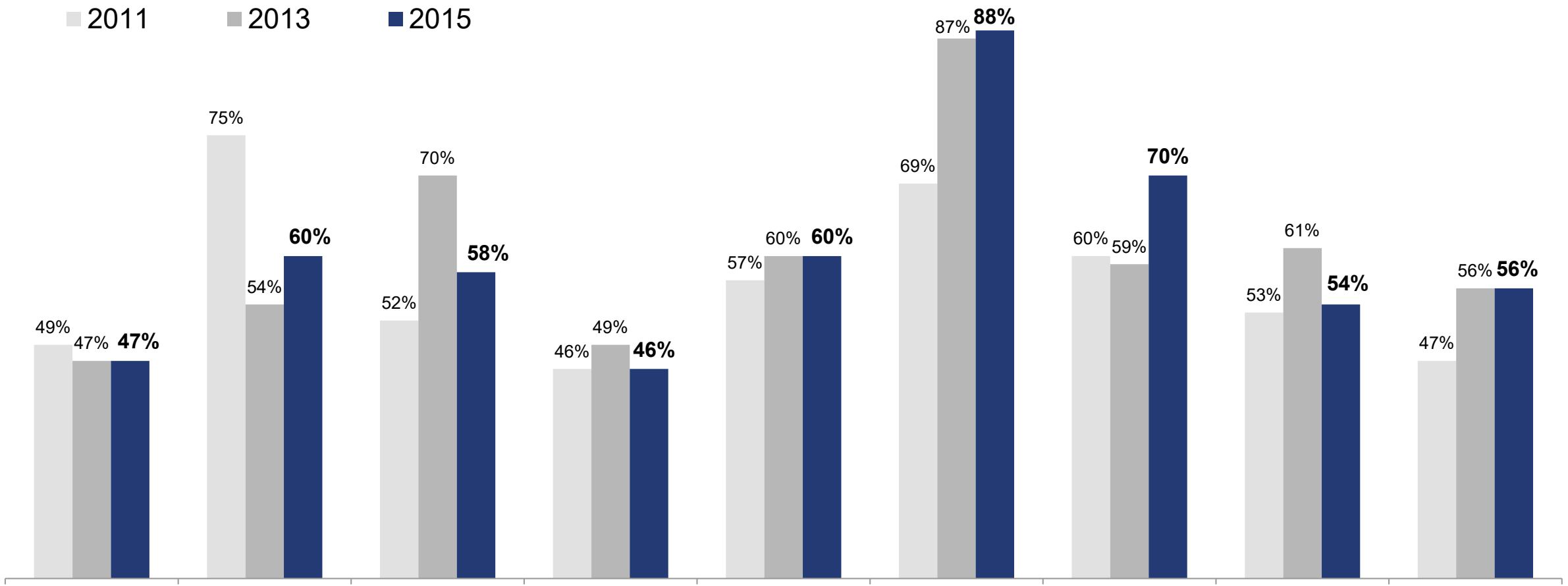
Number and proportion of staff trained by sector



	Agriculture	Manufacturing	Electricity, Gas & Water	Construction	Wholesale & Retail	Hotels & Restaurants	Transport & Comms	Financial Services	Business Services	Public Admin	Education	Health & Social Work	Arts & Other Services
2011:	(101)	(489)	(110)	(498)	(1,062)	(666)	(435)	(173)	(789)	(129)	(391)	(571)	(544)
2013:	(492)	(414)	(84)	(467)	(1,109)	(618)	(419)	(127)	(736)	(67)	(394)	(602)	(467)
2015:	(405)	(427)	(62)	(405)	(1,203)	(649)	(526)	(108)	(715)	(75)	(361)	(617)	(474)

Base: All establishments (as shown)

Proportion of staff trained by occupation



2011:	*(5,658)*	*(1,161)*	*(773)*	*(3,486)*	*(1,548)*	*(969)*	*(1,614)*	*(950)*	*(2,238)*
2013:	*(5,692)*	*(1,005)*	*(671)*	*(3,061)*	*(1,581)*	*(831)*	*(1,587)*	*(855)*	*(1,953)*
2015:	*(5,714)*	*(961)*	*(734)*	*(3,106)*	*(1,625)*	*(921)*	*(1,633)*	*(903)*	*(2,001)*

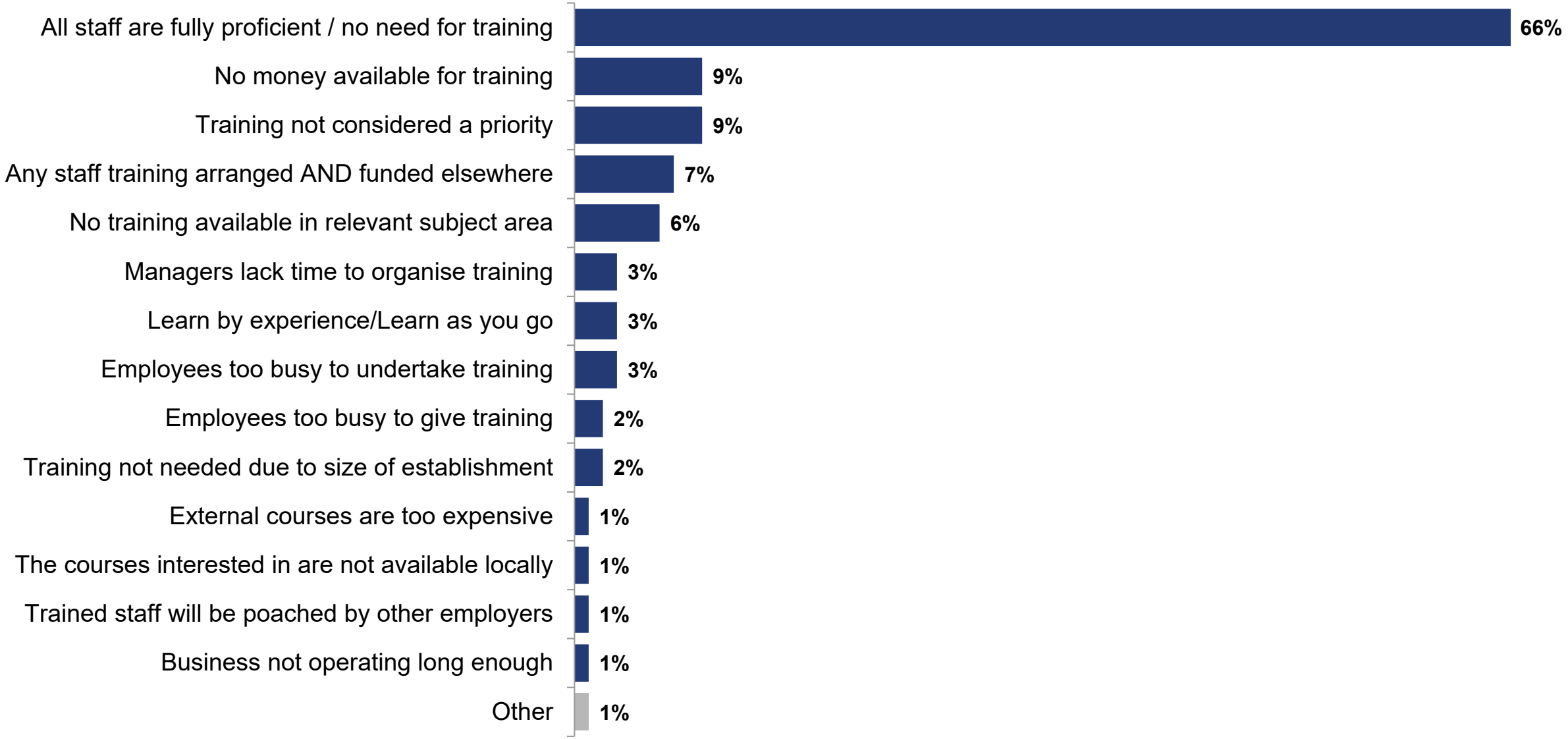
Base: All establishments with staff in each occupation (as shown)

Training Days

	Days per person trained			Total training days			
	2011	2013	**2015**	2011	2013	**2015**	***% increase from 2013***
Wales	7.5 *(4,653)*	7.7 *(4,277)*	**7.2** *(4,356)*	4.9m	5.6m	**5.4m**	**-3.6%**
North Wales	9.3 *(1,127)*	7.1 *(1,131)*	**6.7** *(1,138)*	1.4m	1.3m	**1.1m**	**-15.4%**
Mid Wales	8.0 *(555)*	29.1 *(447)*	**6.6** *(485)*	0.3m	1.0m	**0.4m**	**-63.6%**
South East Wales	6.1 *(1,924)*	6.6 *(1,793)*	**7.3** *(1,783)*	2.1m	2.3m	**2.7m**	**+17.4%**
South West Wales	9.3 *(1,047)*	5.8 *(906)*	**7.5** *(950)*	1.0m	0.9m	**1.2m**	**+33.3%**
West Wales and the Valleys (ESF)	8.1 *(2,847)*	6.3 *(2,540)*	**7.1** *(2,599)*	3.1m	3.0m	**3.0m**	**0%**
East Wales (ESF)	6.7 *(1,806)*	10.3 *(1,737)*	**7.2** *(1,757)*	1.9m	2.6m	**2.4m**	**-7.7%**

Base: All establishments providing training (as shown)

Reasons for not providing any training



Base: All establishments that do not provide training (1,631)

Reasons for not providing further training

Base : All establishments who would have provided more training in the past 12 months if they could (2,210)

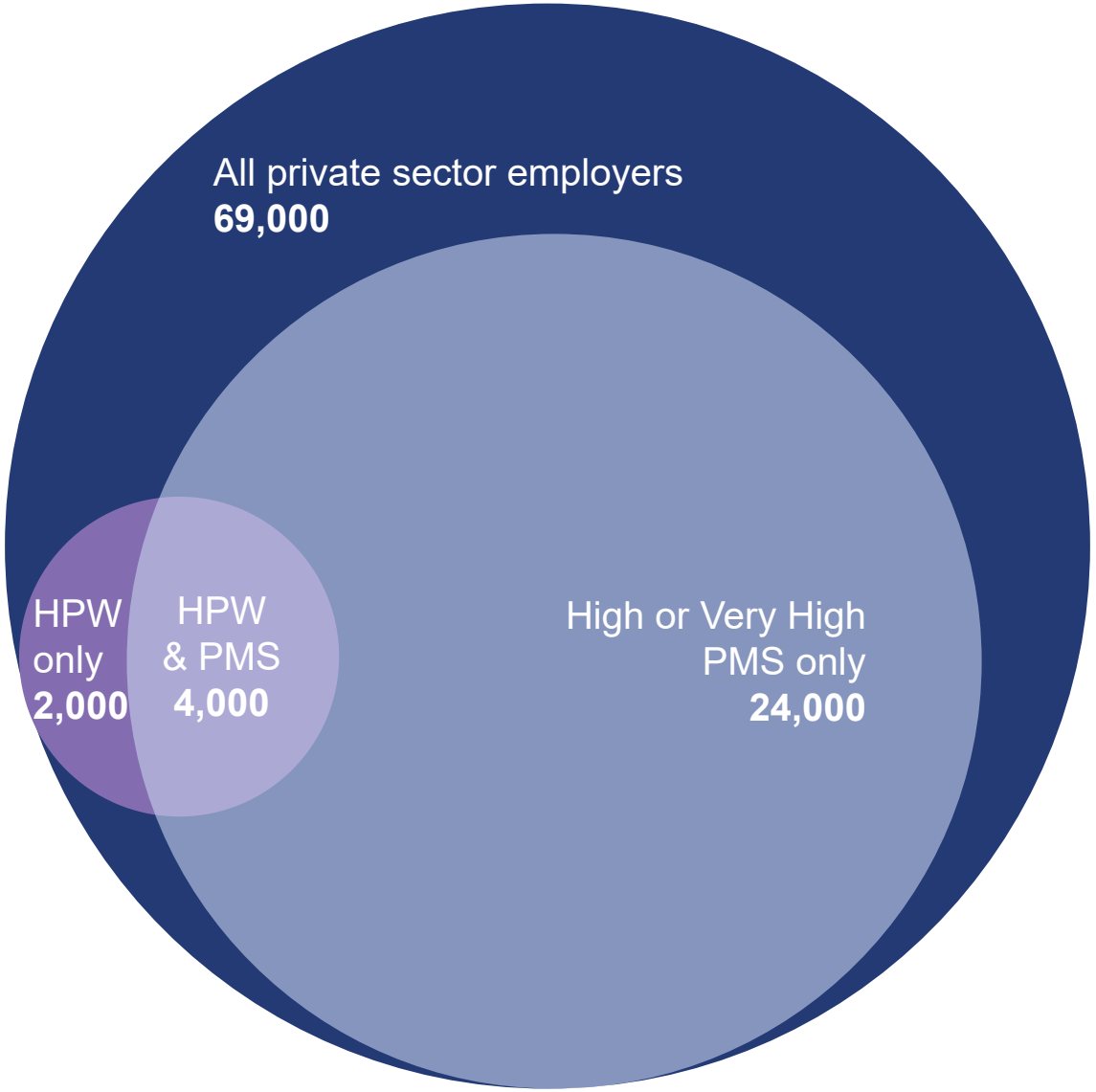
Training and Workforce Development - Summary

Wales figures	2011	2013	2015
% of employers that train	63%	62%	**63%**
% of employers that train off-the-job	47%	47%	**49%**
% that *only* train on-the-job	16%	15%	**14%**
% of staff trained over the last 12 months	56%	62%	**64%**
Days training per person trained	7.5 days	7.7 days	**7.2 days**
Total training days provided	4.93m	5.56m	**5.44m**

Base (2011/2013/2015): All establishments (5,958/ 5,996/ 6,027)

Section 6:
High Performance Working practices and Product Market Strategies

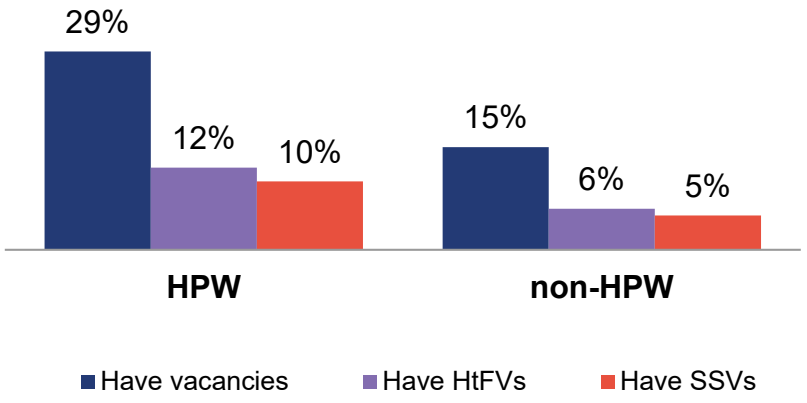
Overlap between High Performance Working employers and those that adopt High/Very High Product Market Strategies



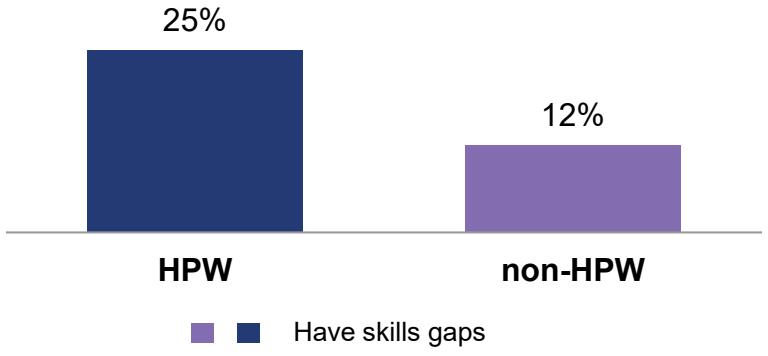
Base: All private sector establishments (4,942)

High Performance Working and skills challenges

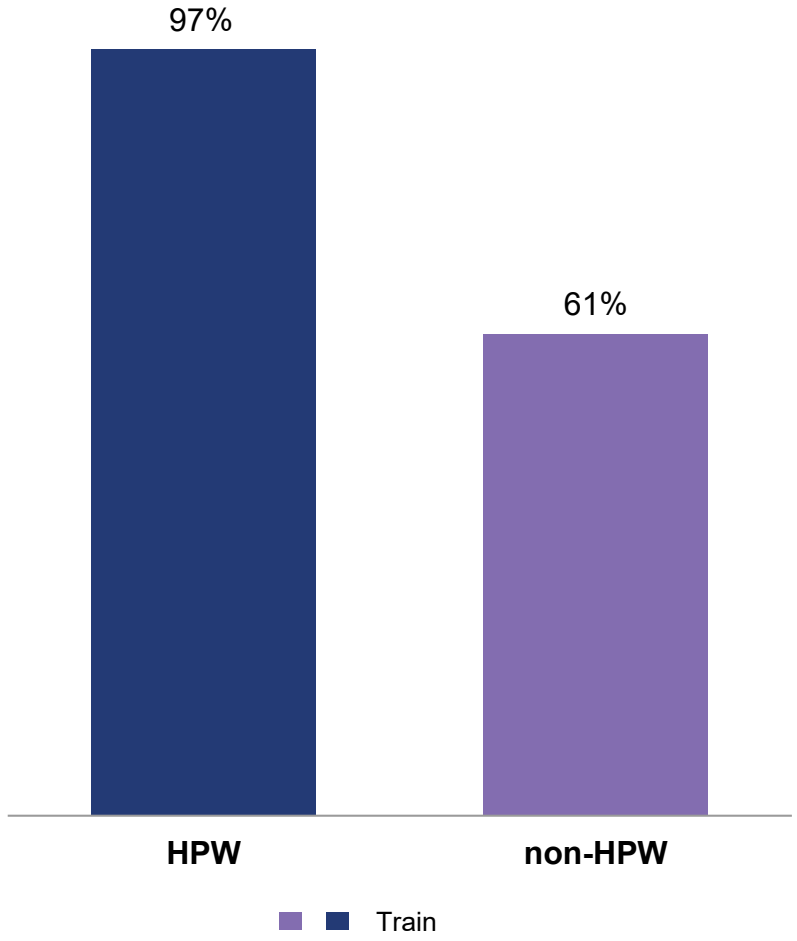
HPW employers are **more active in the recruitment market** and **find it easier to fill their vacancies**…



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

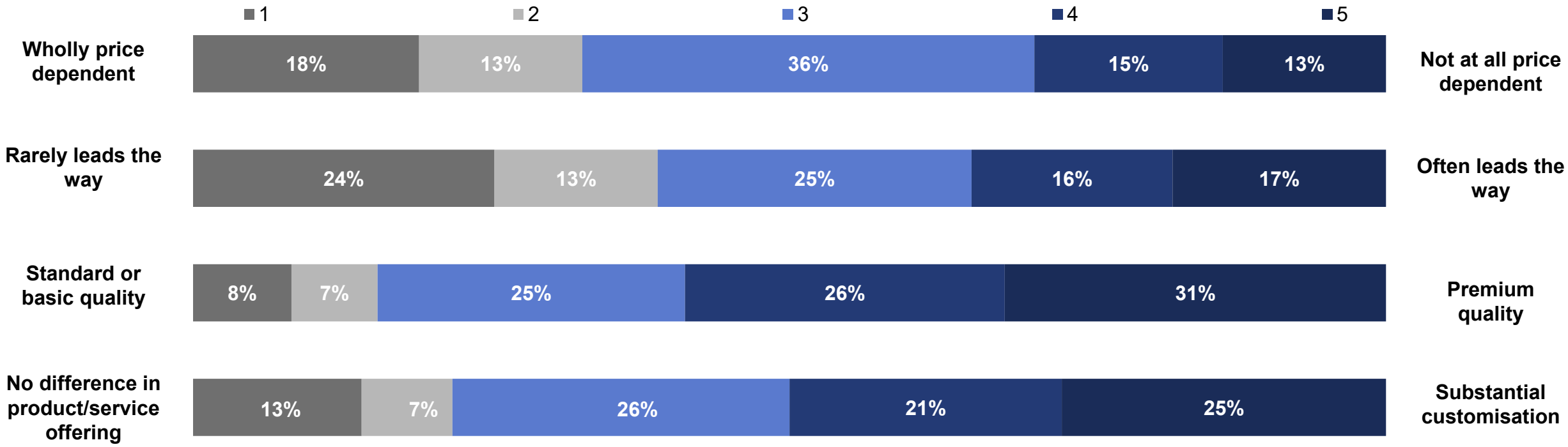


…and are much **more likely to train** their staff…



Base for all charts: All establishments in Module 1 by HPW classification (HPW: 494; non-HPW: 2552)

Product Market Strategy

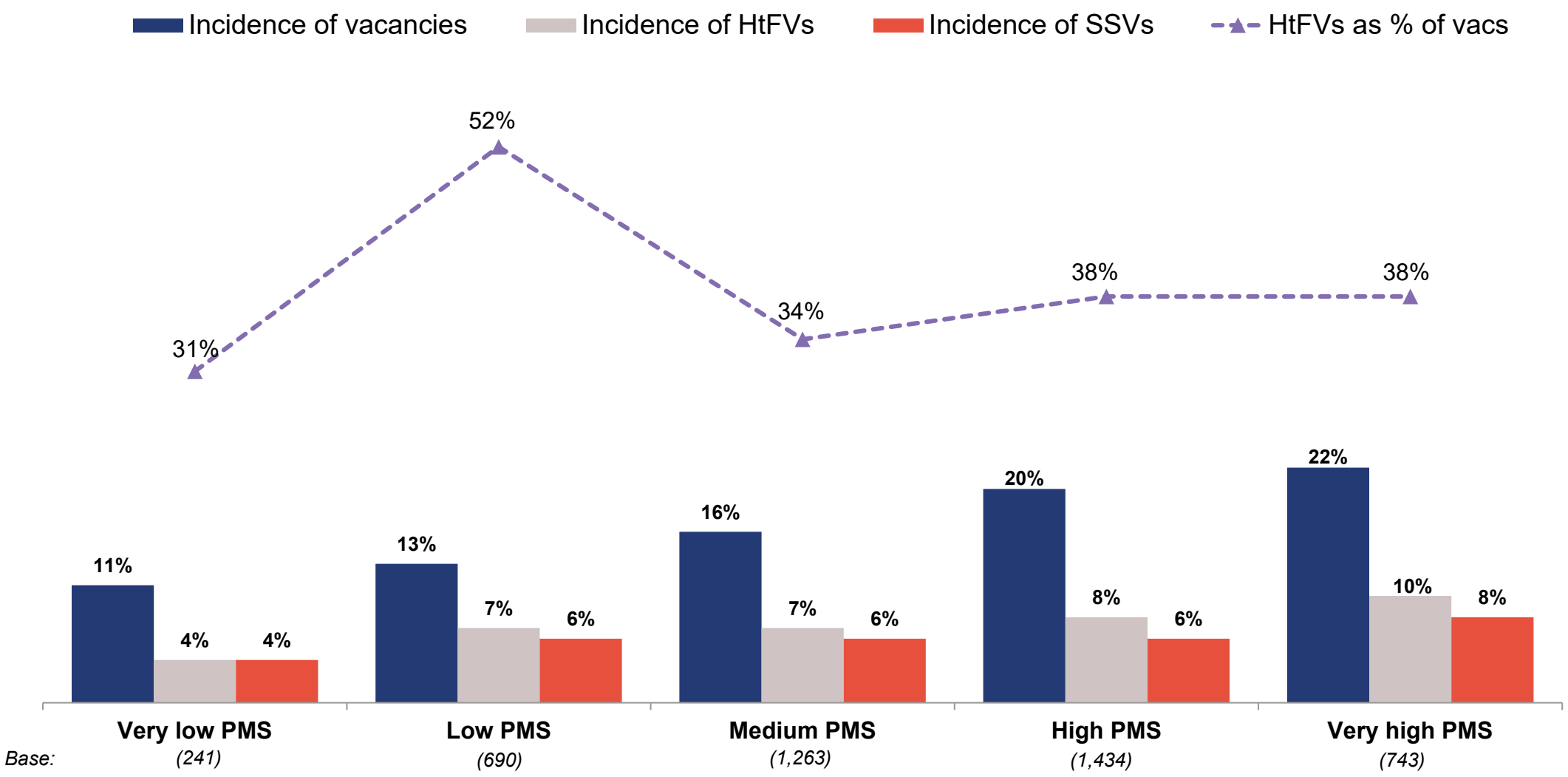


Overall composite Product Market Strategy scores

Aggregate PMS score	% of private sector establishments	% of private sector employment
Very low (1 to 7)	6%	3%
Low (8 to 10)	15%	9%
Medium (11 to 13)	26%	25%
High (14 to 16)	27%	31%
Very high (17 to 20)	13%	20%

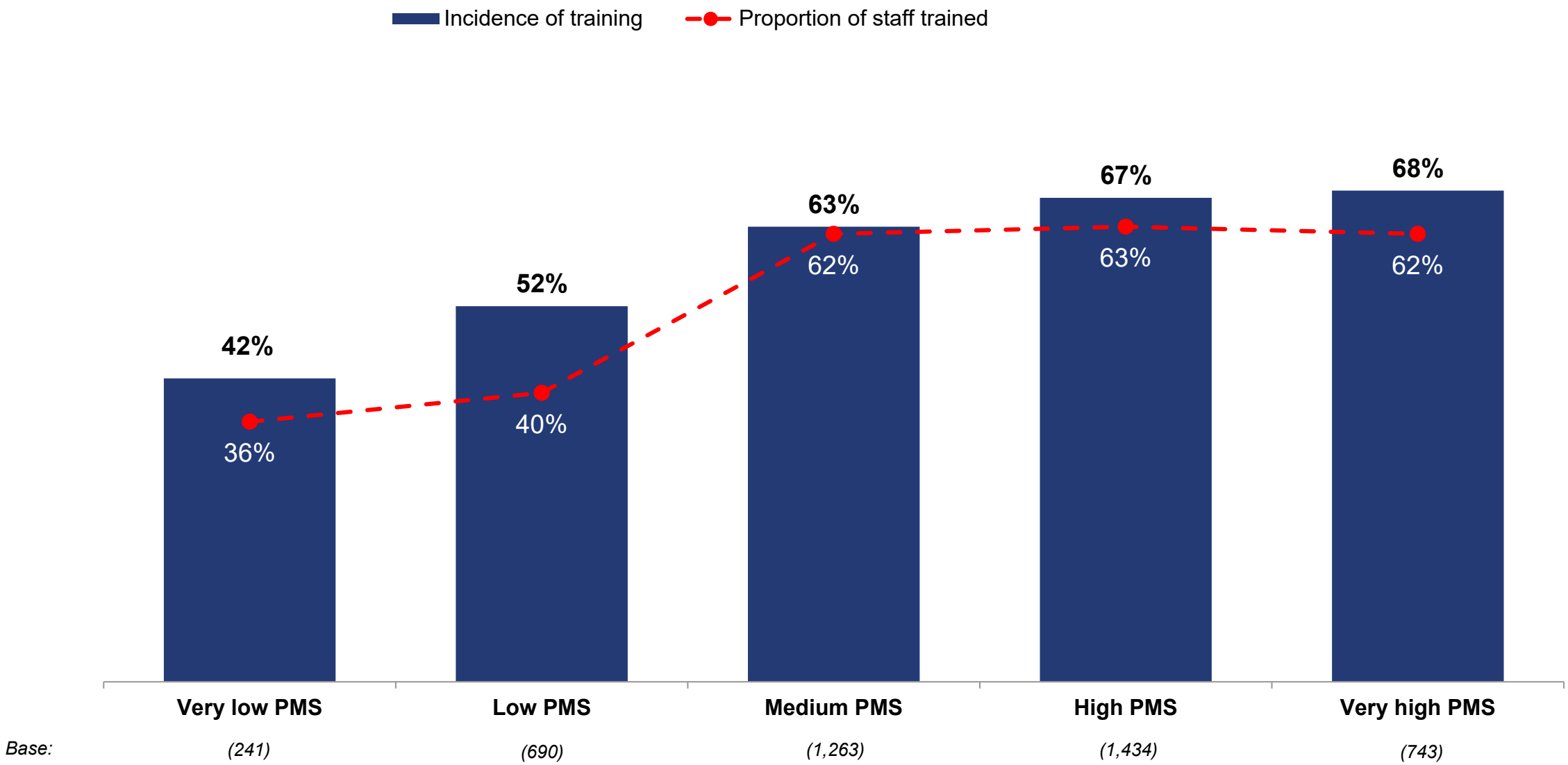
Base: All establishments in the private sector (4,942)

Characteristics of High PMS employers



Base: All establishments in the private sector, in each PMS group

Characteristics of High PMS employers



Base: All establishments in the private sector, in each PMS group

Section 7: Conclusions

Current state of skills in Wales

- There has been a **steep rise in vacancy levels** among employers - from 26 thousand vacancies at the time of the survey in 2013 to 36 thousand in 2015 – reflecting high demand for labour.
- Approaching a quarter (24%) of these vacancies were perceived to be skills-shortage vacancies due to applicants **lacking the requisite skills, experience and qualifications**.
- The number of **skills gaps among existing staff has decreased slightly** to 54 thousand employees (4.5% of the total workforce).
- **Knowledge related to the organisation and its services** and **specialist skills for the role** were most likely to be viewed as lacking from applicants and among existing staff.
- The demand for **improved people and personal skills** was also apparent, with time management and prioritisation of tasks commonly lacking across the workforce.
- This points to the **growing complexity of job roles**, across all occupations, requiring individuals to juggle multiple strands of work and responsibility.
- Employers are responding through training, with **increased use of e-learning**, but there is clear demand for training that is geared more specifically to the requirements of an evolving workplace.

Impacts and Response

- Skills challenges impact both the short-term and long-term success of businesses, with notable **implications on businesses' productivity and growth** potential. Most commonly, employers acknowledge the increased workloads and pressure placed on some staff as a result of skills shortages within the market and the workplace (84% and 54%, respectively).
- Innovation is a key factor towards boosting productivity but the skills challenges employers faced, particularly around staff being **unable to solve complex problems** point to limitations here.
- Appropriate training can serve to mitigate such impacts, but **training levels have remained relatively static** since 2013 (63%), despite a more buoyant economy. Employer engagement in the development of future training is fundamental with regards the development of the training offer. Around half of employers already providing training exhibit a desire to offer more (49%), and cite lack of funds as the most prevalent barrier to doing so.
- Around 89 thousand were deemed to be over qualified and over skilled for their job role; this was most commonly attributed to a lack of interest among such staff to take on a higher level role. **Employers need to capitalise on this available talent**.

For more information contact UKCES Employer Surveys

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