

Dadansoddi ar gyfer Polisi



Analysis for Policy



Llywodraeth Cymru
Welsh Government

SOCIAL RESEARCH NUMBER:

26/2021

PUBLICATION DATE:

23/3/2021

Employer Skills Survey 2019: South West Wales report

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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Employer Skills Survey 2019: South West Wales Report

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IFF Research

Full Research Report: Winterbotham, M; Kik, G; Selner, S; Huntley Hewitt, J; Whittaker, S; Allingham, H; Cojocar, M; & Earl, S; IFF Research (2021) Employer Skills Survey 2019: South West Wales Report. Cardiff: Welsh Government, GSR report number 26/2021.

Available at: <https://gov.wales/employer-skills-survey-2019>

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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Introduction

This document provides a summary of key findings among employers in South West Wales from the Welsh Government and Department for Education's Employer Skills Survey 2019 (ESS 2019), a large survey of employers which provides a definitive picture of the extent, nature and impact of skills challenges faced by employers.

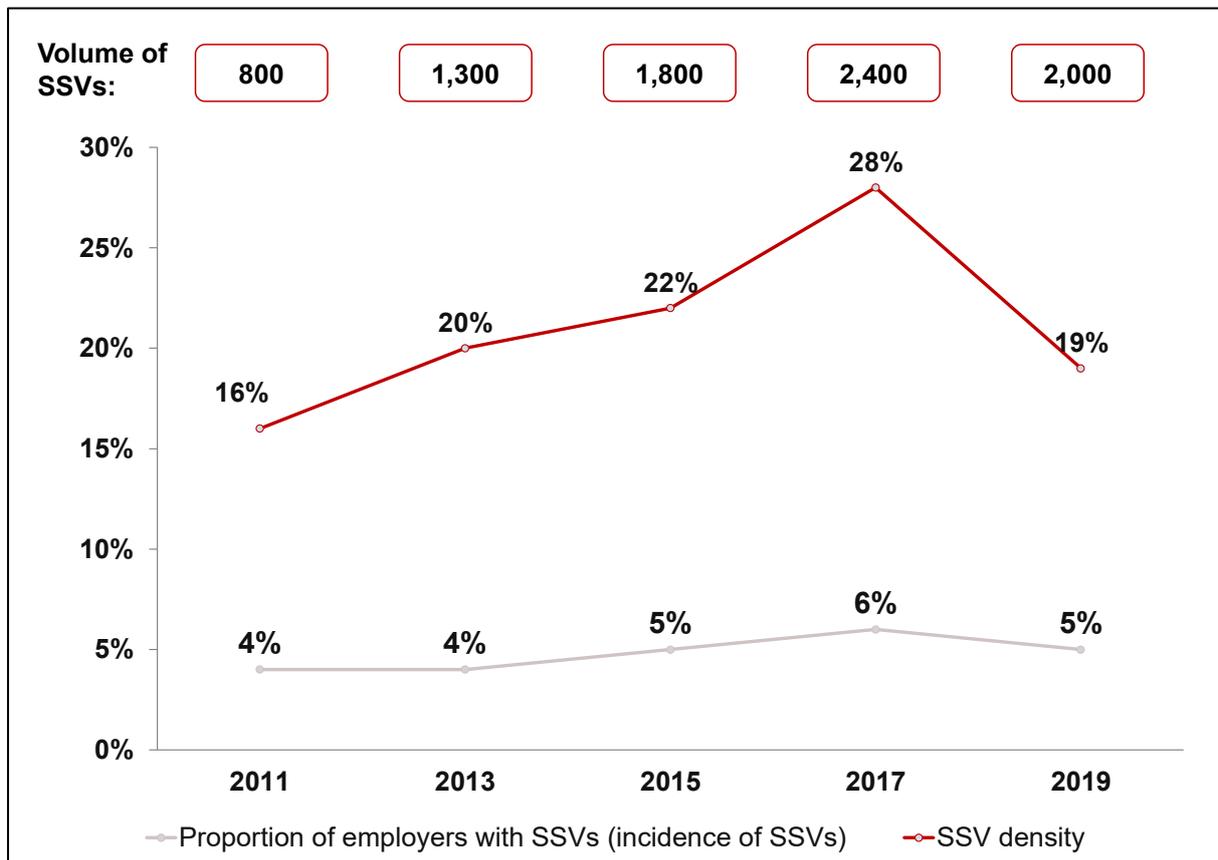
From 2010-2017, ESS sat alongside the Employer Perspectives Survey (EPS) to produce insights that complemented each other. The focus of EPS was primarily outward-looking, covering provision of and engagement with the wider skills system, while ESS was more inward-looking, assessing the current skills position and skills needs of employers. For ESS 2019, the two surveys were in effect merged. For further details about the methodology, please see the Wales national report (available on the gov.wales website) or the technical report (available on the gov.uk website).

Recruitment and External Challenges

- In South West Wales 14% of employers reported having any vacancies at the time of the survey, a decrease from 18% that reported this in 2017. This was broadly in line with the levels reported in Wales as a whole (15%).
- When considering vacancies as a proportion of employment, there was around one vacancy for every 25 employees in South West Wales (3.9%). This was higher than the figure in Wales overall (3.2%) and the 2017 results (3.2%). There were 10,500 vacancies in total in South West Wales in 2019, compared with 8,500 in 2017.
- Although the majority of vacancies were not proving hard to fill due to shortages of applicants with the required skills, qualifications or experience, difficulties recruiting employees due to skill-shortages can be a significant problem to employers. In South West Wales, 5% of employers had vacancies that were providing hard to fill due to skills, qualifications or experience shortages. This was the same as the overall Wales figure (5%) and similar to results in 2017 (6%).

- In total, 19% of vacancies were considered hard to fill due to skill shortages in South West Wales, lower than the national average (24%) and the corresponding 2017 result (28%). This was equivalent to around 2,000 skill-shortage vacancies (SSVs) across South West Wales (Figure 1).

Figure 1 Incidence, density and volume of SSVs over time in South West Wales



Base: All establishments in South West Wales: 2019 (1,547); 2017 (1,121); 2015 (1,362); 2013 (1,299); 2011 (1,376)

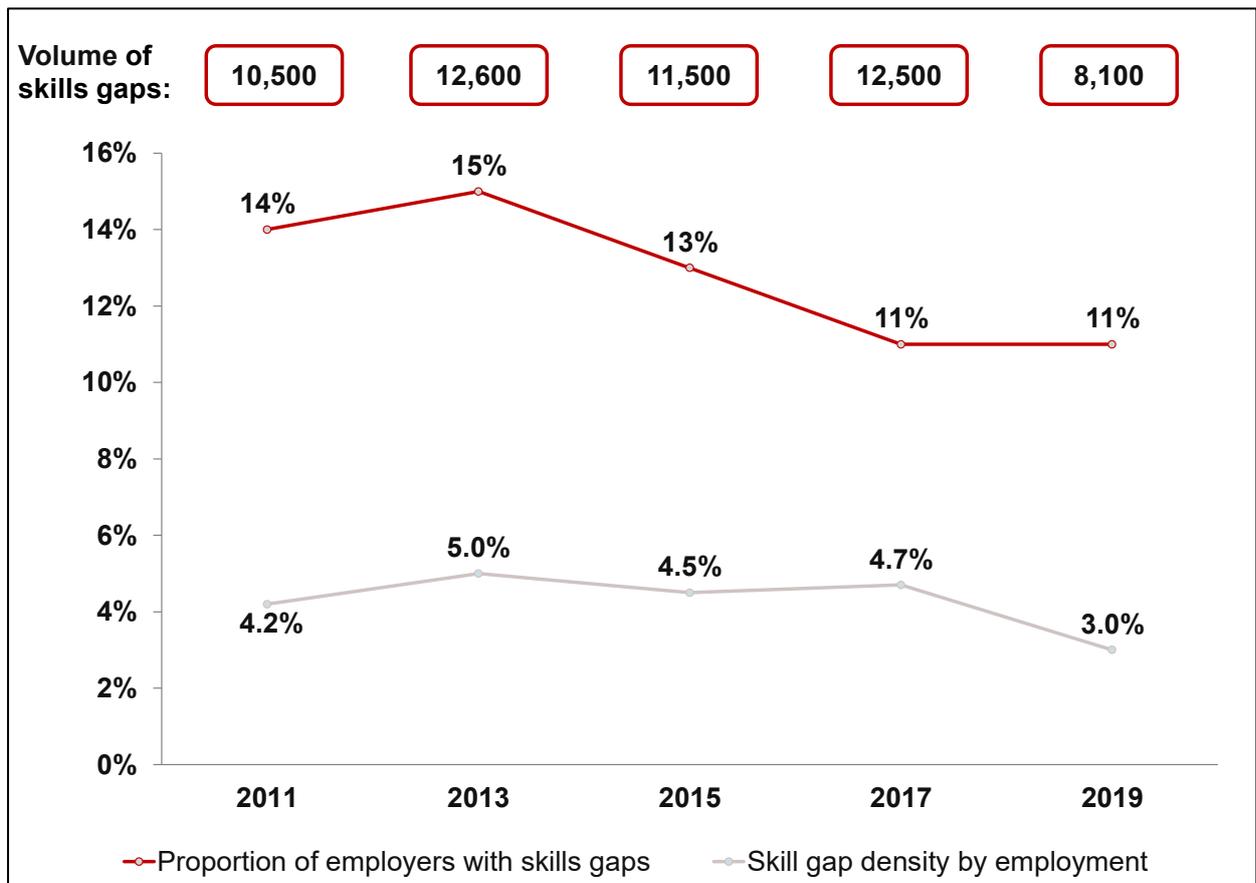
- The most common skills that employers found lacking among applicants were specialist skills or knowledge needed to perform the role (contributing to 63% of SSVs); the ability to manage their own time and prioritise tasks (56%); and the ability to manage their own feelings, or handle the feelings of others (52%). This was broadly in line with 2017, although team working ranked higher as a skill that was lacking in 2017 (55%) than in 2019 (36%).

- Compared with the national picture, applicants in South West Wales were more likely to lack the following skills: the ability to manage their own time and prioritise tasks (56% of SSVs vs. 42% in Wales overall); managing their own feelings, or handling the feelings of others (52% vs. 32%); customer handling skills (41% vs. 30%); managing or motivating other staff (36% vs. 27%); making speeches or presentations (27% vs. 18%); written Welsh language skills (33% vs 17%); and manual dexterity (23% vs 16%).
- By far the most common consequence of struggling to recruit new staff due to shortages in required skills, qualifications or experience was an increased workload for other staff (82%); this was also the case in Wales overall (84%).

The Internal Skills Challenge

- In total, 11% of employers had skills gaps, the same proportion as in 2017 (11%) and a similar proportion to Wales overall (13%). The proportion of employees that were considered to lack full proficiency (3.0%) was lower than the national average (4.0%), following a decrease from 2017 (4.7%). In total, 8,100 employees had skills gaps across South West Wales, compared with 12,500 in 2017 (Figure 2).

Figure 2 Incidence, density and volume of skills gaps over time in South West Wales



Base: All establishments in South West Wales: 2019 (1,547); 2017 (1,121); 2015 (1,362); 2013 (1,299); 2011 (1,376)

- A little over a fifth of skills gaps (21%) were caused entirely by factors that can be considered “transient”, i.e. causes that will naturally ease over time; this was broadly in line with Wales as a whole (20%). The two causes which are considered transient are staff being new to the role and training being only partially completed; these were the two most common causes of skills gaps (71% and 68% respectively). These factors contributed to 80% of skills gaps in total, lower than the national average of 84%. Of the more common causes of skills gaps, recruiting staff with required skills (33%) and staff having not received the appropriate training (27%) were found to be less common in South West Wales than in Wales overall (39% and 36% respectively).

- The most common skills lacking in the workforce in South West Wales were the ability of staff to manage their own time and prioritise tasks (63% of staff with skills gaps); specialist skills or knowledge needed to perform the role (60%) and team working skills (56%). In 2017, team working (70%) and managing their own feelings or handling the feelings of others (70%) were considered the main skills lacking in South West Wales, but both decreased in ESS 2019 (to 56% and 46% respectively).
- In terms of differences with the national picture, lacking ability to manage time and team working, both in the top three skills lacking, were each less prevalent in South West Wales than in Wales overall (68% and 62% respectively). Employees in South West Wales were less likely to lack skills in areas including: persuading or influencing others (29% vs. 39%); managing their own feelings, or handling the feelings of others (46% vs. 53% overall); solving complex problems (37% vs. 44%); and knowledge of how their organisation works (30% vs 36%). The skills employees in South West Wales were more likely to lack included: manual dexterity (29% vs. 18%); advanced or specialist IT skills (26% vs. 17%); specialist skills (60% vs. 53%); making speeches or presentations (23% vs. 16%); and instructing, teaching or training people (33% vs. 28%).
- As with skill-shortage vacancies, the most common consequence of skills gaps was increasing workload for other staff (47%), as was the case in 2017 (52%) and Wales overall (54%).
- Just under a third of employers had staff with both qualifications and skills more advanced than required for their current job role (35%), in line with the Wales average (34%). This translated to 8.9% of staff that had skills and qualifications that were underutilised in their work, compared with 8.1% in Wales overall and the corresponding South West Wales figure of 9.8% in 2017.

Training and Workforce Development

- Over three in five employers in South West Wales (61%) had funded or arranged training for their staff over the previous 12 months (Table 1). This was similar to levels reported in Wales as a whole (62%) and in 2017 (64%). Employers were more likely to provide on-the-job (49%) than off-the-job training (43%). Overall, 64% of the workforce were trained over the last 12 months, a large increase from the corresponding 2017 figure of 56%.

Table 1 Proportion of employers that trained staff and the proportion of staff trained over the previous 12 months in Wales and South West Wales since 2011

	2011		2013		2015		2017		2019	
	Wales	South West Wales								
% of employers that trained staff over the last 12 months	63	57	62	61	63	61	62	64	62	61
% of staff trained over previous 12 months	56	45	62	62	64	63	58	56	65	64

Base: All establishments 2019: Wales (6,773); South West Wales (1,547); 2017: Wales (5,913); South West Wales (1,121); 2015: Wales (6,027); South West Wales (1,362); 2013: Wales (5,996); South West Wales (1,299); 2011: Wales (5,958); South West Wales (1,376)

- In total, 172,000 staff were trained in South West Wales, for a total of 0.9m training days, equating to 5.4 training days per person trained per year (i.e. 'per trainee') and 3.4 days per employee. These figures were similar to Wales, where each trainee received 5.1 training days per year and each employee received 3.3 training days per year. However, these results represent a decrease from 2017 levels (8.2 days per trainee per year and 4.6 days per employee).

- Among establishments providing training, the most common types of training provided were job specific training (85%), health and safety and first aid training (74%) and basic induction training (62%). These were also the top three training types in Wales overall (85%, 73% and 61% respectively). Despite featuring in the three most common types of training, employers in South West Wales were less likely to provide basic induction training than they were in 2017 (67%).
- Close to three fifths (59%) of employers in South West Wales considered themselves to be in 'training equilibrium', meaning that they undertook the amount of training over the previous 12 months that they wanted. This was at the same level as Wales overall (59%) and similar to levels reported in South West Wales in 2017 (56%). This left just over two fifths (41%) of employers that wanted to deliver more training than they had been able to over the previous year.

Apprenticeships

- One in ten employers in South West Wales employed apprentices (10%), with a further 4% indicating that they currently offer them but do not have any staff undertaking them. The overall proportion of employers that either had an apprentice or currently offered them was 15%, compared with 13% in 2016, although this change was not statistically significant.
- Employers not looking for new staff (25%) has overtaken apprenticeships not being suitable due to their establishment size (20%) as the main reason for not offering apprenticeships, (compared with 19% and 20% respectively in 2016). Other common reasons for not offering apprenticeships included not needing apprentices because their staff were already considered fully skilled (15%) and apprenticeships not being offered in their industry (14%).
- Eight in ten (80%) employers that had recruited people specifically as apprentices in the last three years had retained at least one of their apprentices after their apprenticeship finished, with 56% retaining all of their completers. These numbers were similar to those in Wales overall.

- Most employers in South West Wales had not heard of the Traineeship programme, although a quarter (25%) of employers had. Just 2% of employers had taken on any member of staff as part of the Traineeship programme, although 35% of employers who had not taken on a Trainee expressed an interest in doing so in the future. These findings were in line with figures across Wales.

Conclusions

The 2019 results in South West Wales suggest an improving skills picture for the region. Skills issues were less prevalent in South West Wales when recruiting, with a large decrease reported in SSV density since 2017; South West Wales also reported better results than Wales overall in this respect. In terms of internal skills challenges, while the proportion of employers with skills gaps remained unchanged, the scale of these skills gaps had reduced. Training is often used as a means of addressing skills challenges within the workforce and it is possible the large increase in the proportion of the workforce trained could account for the improving internal skills situation.

Table 2 Key Findings

	South West Wales		Wales
	2017	2019	2019
Vacancies and skill-shortage vacancies (SSVs)			
% of establishments with any vacancies	18	14	15
% of establishments with any hard-to-fill vacancies	8	6	7
% of establishments with SSVs	6	5	5
% of all vacancies that are SSVs	28	19	24
Number of vacancies	8,500	10,500	40,800
Number of skill-shortage vacancies	2,400	2,000	9,800
Skills gaps			
% of establishments with any staff not fully proficient	11	11	13
Number of staff not fully proficient	12,500	8,100	50,900
% of staff not fully proficient	4.7	3.0	4.0
Training			
% of establishments training any staff over the last 12 months	64	61	62
% of establishments providing off-the-job training in the last 12 months	49	43	45
% of workforce trained	56	64	65
Total days training	1.2m	0.9m	4.2m
Training days per trainee	8.2	5.4	5.1
Training days per employee	4.6	3.4	3.3
Apprenticeships			
Currently have apprentices on site or offer apprenticeships	13	15	16
% of employers planning to offer apprenticeships in the future	26	28	27
% aware of Traineeship programme in Wales	N/A	25	28