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Employer Skills Survey 2022 Wales Report

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Employer Skills Survey 2022: Wales Report

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Glossary

This glossary gives a short guide to the key terms used in this report:

Acronym/Key word	Definition
Establishment (also referred to as workplace, business, employer or site)	A single location of an organisation – for this survey all have at least two people working at that location.
Sector	For definitions of the different sector groupings used in this report please refer to Annex A.
Occupations	For definitions of the occupational groups used in this report please refer to Annex B.
Vacancy density	The number of vacancies as a proportion of all employment.
Hard-to-fill vacancies	Vacancies which are proving difficult to fill, as defined by the establishment (from the question: “Are any of these vacancies proving hard to fill?”).
Skill-shortage vacancy (SSV)	A specific type of hard-to-fill vacancy that occurs when an employer cannot find applicants with the required skills, qualification, or experience to do a job.
SSV density	The number of SSVs as a proportion of all vacancies.
Skills gaps	Skills gaps exists when an employer thinks a worker does not have enough skills to perform their job with full proficiency. Skill gaps apply to existing employees.
Skills gaps density	The number of employees that lack full proficiency as a proportion of all employment.

<p>Under-use of skills (skills under-utilisation)</p>	<p>An employee's skills are under-used / underutilised if the employer reports a person has <i>both</i> skills and qualifications that are more advanced than required to perform the job role they are currently in.</p>
<p>Off-the-job training</p>	<p>Training beyond that which takes place on-the-job or as part of an employee's normal work duties. It can be undertaken at the employer's premises or off the premises as long as it is funded and arranged by the employer.</p>
<p>On-the-job training</p>	<p>Training that the employer funds or arranges that takes place where the employee normally works (for example, at their desk). This would be activities recognised as training by staff rather than the sort of learning by experience which could take place all the time.</p>
<p>Training equilibrium</p>	<p>Employers that are in 'training equilibrium' had no desire to undertake more training than they had delivered in the previous 12 months (or in the case of non-training employers, no desire for any training).</p> <p>Results for training employers are derived from a survey question which explicitly asked if they would like to have provided more training than they were able to over the past 12 months.</p> <p>Results for non-training providing establishments have been determined from their reasons for not training, rather than a direct question. Those answering that they had not provided any training because it was not considered to be a priority for their establishment, because all their staff were fully proficient, or they had no</p>

	<p>need for training were regarded as being in training equilibrium and having no perceived need to undertake training. Those not giving any of these reasons were classified as wanting to have undertaken training (i.e., not in training equilibrium). Additionally, training employers that answered 'don't know' when asked if they would have liked to train more were classified as not being in training equilibrium.</p>
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Key Findings

	Wales			England	Northern Ireland	Scotland
	2017	2019	2022	2022	2022	2022
Vacancies and skill-shortage vacancies (SSVs)						
% of establishments with any vacancies	17	15	22	23	21	25
% of establishments with any hard-to-fill vacancies	8	7	15	15	15	16
% of establishments with SSVs	6	5	10	10	9	10
% of all vacancies that are SSVs	27	24	35	36	35	31
Number of vacancies	36,400	40,800	58,900	1,278,400	39,500	118,200
Number of skill-shortage vacancies	10,000	10,000	20,600	460,100	13,700	36,800
Skills gaps						
% of establishments with any staff not fully proficient	13	13	14	15	11	15
Number of staff not fully proficient	57,400	50,900	51,500	1,516,500	36,700	118,900
% of staff not fully proficient	4.7	4.0	4.1	5.9	4.6	4.8

	Wales			England	Northern Ireland	Scotland
	2017	2019	2022	2022	2022	2022
Training						
% of establishments training any staff over the last 12 months	62	62	60	60	58	64
% of establishments providing off-the-job training in the last 12 months	47	45	36	39	35	40
% of workforce trained	58	65	63	60	64	59
Total days training	4.4m	4.2m	5.3m	90.3m	2.9m	9.6m
Training days per employee	3.6	3.3	4.2	3.5	3.7	3.9
Total training expenditure†	£2.6bn	£2.0bn	£2.3bn	45.8bn	1.3bn	4.1bn
Training expenditure per employee†	£2,100	£1,600	£1,800	£1,800	£1,700	£1,700
	2016	2019	2022	2022	2022	2022
Apprenticeships						
% of employers who currently have apprentices on site or offer apprenticeships	15	16	17	20	14	16
% of employers planning to offer apprenticeships in the future	26	27	35	39	32	31

Note: Figures are rounded to the nearest 100.

†Training spend data has been adjusted for inflation and are at 2022 prices.

1. Executive summary

Introduction

- 1.1 The Employer Skills Survey (ESS) is a key source of intelligence for understanding the skills challenges faced by employers, both within their existing workforce and when recruiting. The survey gives insights into how they respond to these challenges through investment in training and workforce development. The survey included 4,825 employers in Wales, and over 72,000 employers at UK-level.
- 1.2 ESS has been run as a UK-level survey since 2011, with the exception of 2019, when only establishments in England, Wales and Northern Ireland were involved. Between 2010 and 2017 the ESS was run in parallel with the Employer Perspectives Survey (EPS), which focused on drivers of recruitment and people development, as well as involvement in specific programmes, such as apprenticeships. Those elements were included in the ESS from 2019. Survey fieldwork for the latest wave took place between June 2022 and March 2023.
- 1.3 The study reports the experiences of employers at establishment level, with interviews conducted with the most senior person at each site with responsibility for human resources and workplace skills. All employers with at least two people in their workforce were in scope for the survey.

Recruitment and skill-shortage vacancies

- 1.4 A greater proportion of establishments in Wales reported having any vacancies in 2022 (22 per cent) compared to the previous years (15 per cent in 2019 and 17 per cent in 2017). Similarly, the overall number of vacancies increased from 40,800 in 2019 to 58,900 in 2022. The increase occurred across all Welsh regions, with incidence of vacancies ranging from 16 per cent in Mid Wales to 24 per cent in South East Wales.
- 1.5 Overall, 35 per cent of all vacancies were skill-shortage vacancies (defined as vacancies hard to fill due to applicants lacking the skills, experience or qualifications employers require), a higher proportion than in 2019 (24 per cent) and 2017 (27 per cent). Overall, there were 20,600 skill-shortage vacancies (SSVs) in Wales in 2022.

This is more than twice the number that was recorded in 2019 (9,800) and 2017 (9,900).

- 1.6 The proportion of vacancies that were hard-to-fill due to skill shortages (SSV density) was highest in the Transport and Storage (79 per cent), and Construction (57 per cent) sectors. The sector with the lowest SSV density was Hotels and Restaurants (26 per cent).
- 1.7 The technical and practical skills lacking among applicants included a lack of specialist skills or knowledge (a factor in 63 per cent of SSVs), and a lack of knowledge of products and services offered (42 per cent). The most common people and personal skill lacking was the ability to manage one's own time and prioritise tasks (43 per cent) and customer handling skills (38 per cent).
- 1.8 As in 2019, more than nine in ten establishments that reported having any SSVs stated that those had an impact on business performance (95 per cent in 2022 and 92 per cent in 2019). Increased workload for existing staff was the most common impact (87 per cent) among establishments whose hard-to-fill vacancies were all due to skill-shortages. More than eight in ten employers with SSVs (84 per cent) stated they had taken action to address them.
- 1.9 Overall, around three in ten (29 per cent) establishments had recruited education leavers in the two to three years preceding the survey, a similar proportion to 2019 (30 per cent). Approaching four in ten (37 per cent) establishments recruited employees aged 50 or over, again in line with 2019 (33 per cent).

The internal skills challenge

- 1.10 Overall, 14 per cent of employers felt at least one staff member was not fully proficient at their job, consistent with 2019 (13 per cent). The proportion of employees considered not fully proficient (skills gap density) in 2022 was also similar to 2019 (4.1 per cent in 2022 and 4.0 per cent in 2019). In total, approaching 52,000 employees in Wales were considered to have skills gaps.

- 1.11 Skills gap density was highest in the Business Services sector (7.2 per cent) and lowest among Public Administration and Education sector establishments (1.7 per cent for both groups).
- 1.12 At an occupational level, skills gap density was highest amongst those in service intensive roles (6.1 per cent), most notably those in Caring, Leisure and Other Services occupations (6.4 per cent). Conversely, skills gap density was lowest amongst those in high skill positions, including Professionals (1.4 per cent) and Managers (2.0 per cent).
- 1.13 As in 2019, skill gaps were most often caused by staff being new to the role (70 per cent), and by training only being partially completed (61 per cent). The most common technical and practical skills lacking among existing employees were specialist skills or knowledge (contributing to 54 per cent of skills gaps) and knowledge of products and services offered (43 per cent). The most common people and personal skills lacking were the ability of staff to manage their own time and task prioritisation (58 per cent), and teamworking skills (52 per cent).
- 1.14 Around seven in ten employers (68 per cent) with skills gaps felt they had affected their business performance, consistent with 2019 (67 per cent). The most common impact was an increase in workload for other staff (56 per cent of those with skills gaps).
- 1.15 Eight in ten (80 per cent) employers had taken steps to improve the proficiency or skills of staff with skills gaps. Actions included increasing training activity or spend (60 per cent) and increasing the supervision of staff with skills gaps (53 per cent).
- 1.16 Around seven in ten (67 per cent) establishments in Wales expected they would need to upskill their workforce in the following 12 months, a similar proportion to 2019 (68 per cent). The main reasons for needing to upskill were the introduction of new legislative or regulatory requirements (44 per cent), the introduction of new technologies or equipment (42 per cent), and the introduction of new working practices (41 per cent).
- 1.17 Around four in ten (38 per cent) establishments had at least one employee with qualifications and skills more advanced than required for their job role. This

represents an increase from 34 per cent of employers under-utilising staff in 2019. Overall, 111,000 workers (8.8 per cent of the workforce) were in roles that under-utilised their skills and qualifications.

Training and workforce development

- 1.18 Six in ten (60 per cent) employers in Wales had funded or arranged training for their staff over the previous 12 months, a decrease from the 62 to 63 per cent seen in the 2015 to 2019 period. This decrease was driven by a lower proportion of employers providing off-the-job training (36 per cent in 2022 versus 45 per cent in 2019). The proportion of staff trained also decreased from 65 per cent in 2019 to 63 per cent in 2022. In volume terms, the number of staff trained reduced from 820,000 in 2019 to 788,100 in 2022.
- 1.19 Employers in Wales had provided 5.3 million training days over the previous 12 months, equating to 6.8 days per year per person trained (up from 5.1 days in 2019) and 4.2 days per employee (3.3 days in 2019).
- 1.20 Employers in Wales spent a total of £2.3 billion on training over the previous 12 months, a 15 per cent increase from the £2.0 billion figure for 2019. Coupled with the decrease in proportion of staff trained, spend per trainee increased by 20 per cent, from £2,440 per year in 2019 to £2,920 in 2022.
- 1.21 As was the case in 2019, The most common type of training provided was job-specific training (84 per cent of training employers). The most common specific types of training provided were health and safety or first aid training (71 per cent) and basic induction training (63 per cent). Almost seven in ten training employers (69 per cent) had funded or arranged online training or e-learning for their staff over the previous 12 months, an increase from 54 per cent in 2019.
- 1.22 The standout reason for not providing training over the last 12 months (among the 40 per cent of employers that reported this), included the perception that all staff were fully proficient and therefore there was no need to train them (66 per cent).

- 1.23 Overall, 57 per cent of employers were in training equilibrium, while the remaining 43 per cent were not in training equilibrium i.e., they would have liked to provide more training to their staff over the previous 12 months.

Apprenticeships

- 1.24 Around one in seven employers in Wales (17 per cent) offered apprenticeships in 2022 (including 9 per cent that employed them at the time they were surveyed), compared with 16 per cent in 2019 and 15 per cent in 2016.
- 1.25 There was an increase in the proportion of employers offering apprenticeships to young people aged under 25 (90 per cent of those offering apprenticeships, up from 84 per cent in 2019). Around six in ten employers offering apprenticeships (58 per cent) did so to people aged 25 and over, the highest proportion among all UK nations. Employers in Wales remain more likely to offer apprenticeships to new employees specifically recruited as apprentices than to offer them to existing employees (81 per cent and 55 per cent respectively).
- 1.26 Close to one in six employers with current apprentices (14 per cent) had someone undertaking their qualification through the medium of Welsh or bilingually, though 24 per cent of all establishments indicated they would benefit from a wider range of these apprenticeships being available (including 22 per cent of those not currently offering apprenticeships).
- 1.27 Where employers did not offer apprenticeships, it was most commonly because of perceived structural barriers (59 per cent), though their prevalence has decreased since 2019 (65 per cent). The main structural barriers remained the same, including employers not looking to recruit new staff, apprenticeships not being suitable due to the size of the business and apprenticeships not being offered to their industry.

High performance working practices

- 1.28 'High Performance Working' (HPW) practices are practices recognised to ensure employee skills are harnessed, nurtured and used to their best effect. Nearly one in ten establishments (9 per cent) adopted seven or more HPW practices and were

therefore HPW employers. On average, establishments adopted four HPW practices.

- 1.29 The most common HPW practices implemented by establishments were having an equal opportunity policy (82 per cent), providing on- or off-the-job training (60 per cent) and task variety (51 per cent).

2. Introduction

Background

- 2.1 The Employer Skills Survey 2022 (ESS 2022) is a large-scale survey among employers of different sizes and sectors across the UK, which aims to provide a definitive picture of the extent, nature and impact of skills challenges faced by employers across England, Northern Ireland, Wales and Scotland, both within their existing workforce and when recruiting. This report focuses on the findings from employers in Wales.
- 2.2 ESS has been conducted at a UK level biannually since 2011. The Employer Perspectives Survey (EPS) has been conducted alongside it in alternate years from 2010 to 2016. Since 2019, the Employer Perspectives Survey (EPS) has been incorporated into ESS as one survey in England, Northern Ireland and Wales. Although employers in Scotland were not included in the 2019 ESS survey, they have been included again in 2022.
- 2.3 Throughout the report comparisons are made with results in England, Northern Ireland and Scotland, across Welsh regions and within key subgroups of employers in Wales. As with previous surveys, results for Wales are available split by the regions of South East Wales, North Wales, Mid Wales, and South West Wales. Results are also given for the combined South West and Mid Wales region. Historical trends are also noted, focusing on differences at a national level.
- 2.4 This report focuses predominantly on findings on 'core' ESS measures, namely the skills challenges that employers in England, Northern Ireland and Wales report both within their existing workforces and when recruiting, as well as the levels and nature of investment in training and development. Some findings that are less 'core' to the ESS series are also included, such as underutilisation of skills and the need to upskill staff. Some EPS measures are also presented, including apprenticeships and the recruitment and preparedness for work of education leavers and older workers.

Methodology

- 2.5 Overall, the content of the 2022 questionnaire largely mirrored that of the previously merged 2019 ESS, in order to maximise comparability and retain the time series for the survey. However, some changes were made to ensure topical issues were covered (for example, relating to COVID-19) and to cover new areas of policy interest.
- 2.6 The population from which the sample was taken is based on all ‘establishments’ in Wales that had at least two employees (including owners and working proprietors), but not including any workers not on the payroll, like self-employed contractors or agency staff. This approach matches previous iterations of the survey and has been taken as it tends to be much easier for survey respondents to think in terms of the overall ‘headcount’ for their site – including both working proprietors and employees – than to separate out these two groups.
- 2.7 However, the ESS survey excluded the self-employed (with no employees). The question approach for this group would need to be somewhat different, since they are, by definition, not employers. There is also an absence of robust population figures for this group, meaning robust and representative sampling and weighting is difficult to achieve.
- 2.8 The survey encompassed establishments across the whole of the UK, covering all sectors of the economy (the commercial, public and charitable spheres). The profile of this population for sampling was established through Office for National Statistics (ONS) data from the March 2021 Inter-Departmental Business Register (IDBR), the most up to date business population figures available at the time of the survey. For weighting, the 2022 IDBR figures were used as the most up to date figures available.
- 2.9 ESS 2022 was the first in the series to use a Random Probability Sampling (RPS) approach, where all sample issued is processed according to agreed protocols until all leads are exhausted, meaning that units sampled from given population cells have an equal and known probability of being sampled.

- 2.10 Telephone interviews were conducted between June 2022 and March 2023. A total of 4,825 interviews were achieved with Welsh employers. Data was collected via Computer-Assisted Telephone Interviewing (CATI). Employers were offered the option to be interviewed in Welsh or English.
- 2.11 The overall response rate for Wales was 57 per cent, calculated as ‘achieved interviews’ as a proportion of all respondents who started the survey, as shown in Table 2-1.

Table 2-1 Sample outcomes and response rate

Outcome	Number of contacts	% of all sample	% of complete contacts
Total sample	26,916	100%	
Ineligible establishments (e.g., just one working proprietor at site)	524	2%	
‘Live’ ¹	347	1%	
Unobtainable / invalid numbers	3,647	14%	
Withdrawn after completing RPS protocol	13,946	52%	
Total complete contacts	8,529	32%	100%
Achieved interviews	4,825	18%	57%
Respondent refusal	3,544	13%	42%
Quits during interview	160	1%	2%

- 2.12 Further detailed technical information is available in the accompanying technical report, published on the DfE website. Data regarding which codes are used for grouped categories can be found within the full UK report, also published on the DfE website. Further data can be accessed in published data tables accompanying this report. Additional reports for each Welsh region will also be published.

¹ This row includes sample which was ‘live’ at the end of fieldwork – i.e., records for which a final outcome (refusal, completed interview etc.) was not reached.

Size and sector profile of establishments in Wales

- 2.13 Sectoral analysis in the ESS series uses 13 sectors, based on the establishment's Standard Industrial Classification (SIC) 2007 code. IDBR statistics show that the Wholesale and Retail and the Business Services sectors were the two largest in Wales in terms of the number of establishments, accounting for 36 per cent of establishments in Wales, the same as in 2019. From an employment point of view Health and Social Work (17 per cent) and Wholesale and Retail (14 per cent) employed the highest proportion of the workforce, accounting for 31 per cent together.
- 2.14 Table 2-2 shows the distribution of the business and employment populations in Wales in 2022 compared to 2019. The profile of both establishment and employment by size and sector in Wales has remained relatively similar to 2019.

Table 2-2 Wales and UK business and employment population by size and sector

	Establishment			Employment		
	Wales 2022	Wales 2022	Wales 2019	Wales 2022	Wales 2022	Wales 2019
Size	n	%	%	n	%	%
2-4	47,800	54	54	123,900	10	10
5-24	31,700	36	36	313,500	25	25
25-49	4,700	5	5	159,300	13	13
50-99	2,100	2	2	142,200	11	11
100+	1,700	2	2	519,200	41	40
Sector						
Primary Sector & Utilities	9,800	11	11	48,100	4	4
Manufacturing	4,400	5	5	131,300	10	11
Construction	8,800	10	9	60,300	5	5
Wholesale & Retail	16,400	19	19	177,400	14	15
Hotels & Restaurants	9,800	11	11	106,300	8	8
Transport & Storage	2,900	3	4	44,800	4	4
Information & Communications	2,100	2	2	25,000	2	2

Financial Services	1,400	2	2	27,300	2	2
Business Services	14,900	17	17	168,200	13	13
Public admin.	1,300	2	1	94,300	7	7
Education	2,800	3	3	111,100	9	9
Health & Social Work	6,900	8	8	211,200	17	16
Arts & Other Services	6,400	7	7	52,900	4	4

Note: Figures are rounded to the nearest 100. They represent population figures as used in the 2022 ESS survey, taken from ONS IDBR 2022 population figures and from ONS IDBR 2019 figures for 2019.

Structure of the report

2.15 This report covers:

- Chapter 3: Recruitment and skill-shortage vacancies

This chapter discusses recruitment activity and difficulties in filling vacancies due to skill shortages. It examines the proportion of establishments with vacancies and skill-shortage vacancies at the time of the interview, the volume and density of such vacancies (density refers to the proportion of vacancies where skill shortages are encountered), the skills lacking in the available labour market, and the impact of skill-shortage vacancies on employers.

- Chapter 4: The internal skills challenge

This chapter examines the extent and nature of skills gaps within the workforce and how these affect different occupations, the causes and impact of these skills gaps, and the way employers respond to them. This chapter also considers the skills that employers believe will require development in the future.

- Chapter 5: Training and workforce development

Chapter 5 explores employers' training and development activities for their employees, including the types of training provided, employers' expenditure on training, and barriers to providing (more) training.

- Chapter 6: Apprenticeships

This chapter explores employers' experiences of apprenticeships, including employer engagement in apprenticeships; delivery of apprenticeships in the medium of Welsh or bilingually; and reasons for not offering apprenticeships.

- Chapter 7: High performance working practices

This chapter introduces the concept of high performance working (HPW) and looks at the proportion of HPW employers.

- **Conclusions**

The final chapter summarises the key themes emerging from the survey and considers their implications.

Reporting conventions

- 2.16 The terms 'establishment', and 'employer' are used interchangeably throughout this report to avoid excessive repetition.
- 2.17 The survey population is UK businesses with two or more employees; this means businesses with at least two people working on payroll including working proprietors. When reporting volume and density measures, we typically refer to 'employees' throughout the report rather than employment.
- 2.18 All differences referred to in the report commentary are statistically significant at the 95 per cent level of confidence. This applies to differences between survey subgroups, such as region, size and sector, and also to differences over time.
- 2.19 Throughout the report unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures. These figures are always based on the number of establishments answering a question, as this is the information required to determine statistical reliability.
- 2.20 In the tables, 'zero' is denoted as a dash ('-'); and an asterisk is used ('*') if the figure is larger than zero but less than 0.5 per cent.
- 2.21 Throughout the report, figures with a base size of fewer than 30 establishments are not reported (a double asterisk, '**', is displayed instead), and figures with a base size of 30 to 49 are italicised and should be treated with caution as the margin of error for these results is larger and therefore the results are less statistically reliable.
- 2.22 Throughout the report the terms incidence, volume and density are used regarding vacancies, skill-shortage vacancies and skills gaps. They are defined as presented in Figure 2-1.

Figure 2-1 Definitions for key incidence, volume and density measures used in this report

	Vacancies	Skill-shortage vacancies	Skills gaps
Incidence	The number of establishments reporting at least one vacancy	The number of establishments that reported at least one skill-shortage vacancy	The number of establishments that reported any of their staff lacked full proficiency
Volume	The total number of vacancies	The total number of vacancies that are hard to fill as a result of skill shortages	The total number of employees that lack full proficiency
Density	The total number of vacancies as a proportion of all employment	The total number of skill-shortage vacancies as a proportion of all vacancies	The total number of employees that lack full proficiency as a proportion of all employment

3. Recruitment and external challenges

Chapter Summary

- 3.1 The results from the 2022 survey show an increase in recruitment activity in Wales compared to 2019: the percentage of establishments with vacancies was higher (22 per cent, compared to 15 per cent in 2019 and 17 per cent in 2017), as was the overall number of vacancies, up from 40,800 in 2019 to 58,900 in 2022. The increase occurred across all Welsh regions, with the incidence of vacancies ranging from 16 per cent in Mid Wales to 24 per cent in South East Wales.
- 3.2 Matching the overall increase in vacancies, there was a notable increase in the proportion of vacancies that were proving hard-to-fill due to applicants lacking the relevant skills, qualifications or experience employers require. These skill-shortage vacancies (SSVs) comprised 35 per cent of all vacancies in 2022, higher than in 2019 (24 per cent) and 2017 (27 per cent). Overall, there were 20,600 SSVs in Wales in 2022. This is more than twice the number that was recorded in 2019 (9,800) and 2017 (9,900).
- 3.3 The proportion of vacancies that were hard-to-fill due to skill shortages (SSV density) varied by size, in a non-linear way. The highest SSV density was among establishments with 2 to 4 employees (43 per cent), while the lowest density was among establishments with 25 to 49 employees (30 per cent). By sector, SSV density was highest in the Transport and Storage (79 per cent), Financial Services (57 per cent) and Construction (57 per cent) sectors. The sector with the lowest SSV density was Public Administration (15 per cent).
- 3.4 Looking at occupations, Machine Operatives had both the highest SSV density, and the biggest variation compared to previous years (58 per cent in 2022, compared to 18 per cent in 2019 and 42 per cent in 2017).² They were followed by Skilled Trades (51 per cent) and Managers (36 per cent). At the UK-level the highest SSV density was among Skilled Trades (51 per cent), Professionals (39 per cent), and Caring and Leisure services (39 per cent). The SSV density for Machine Operatives was

² Note, the increase in SSV density for Machine Operative occupations should be treated with caution due to outliers having an undue influence on figures

lower at the UK level (35 per cent), and the increase for Machine Operatives at UK-level compared with 2017 was not as pronounced (SSV density was 31 per cent in 2017 and 35 per cent in 2022).³

- 3.5 A wide range of skills were lacking among applicants. Close to nine in ten skill-shortage vacancies (89 per cent) were caused, at least in part, by a lack of technical and practical skills. This was in line with the 2019 (88 per cent) and 2017 (91 per cent) figures. The technical and practical skills missing included a lack of specialist skills or knowledge (a factor in 63 per cent of SSVs), and a lack of knowledge of products and services offered (42 per cent). In addition, seven in ten (69 per cent) skill-shortage vacancies were caused, at least in part, by a lack of people and personal skills. This was in line with 2019 (72 per cent), but represents a decrease compared to 2017 (76 per cent). The most common skill lacking was the ability to manage one's own time and prioritise tasks (43 per cent).
- 3.6 As in 2019, more than nine in ten establishments that reported having at least one skill-shortage vacancy stated that SSVs had an impact on business performance (95 per cent in 2022 and 92 per cent in 2019). Increased workload for other staff was the most common impact (87 per cent).
- 3.7 The vast majority of employers with skill-shortage vacancies had taken action to address them (84 per cent). The type and prevalence of the actions taken was broadly similar to 2019, with the exception of the use of new recruitment methods or channels, which went from 37 per cent in 2019 to 24 per cent in 2022.
- 3.8 Overall, 29 per cent of establishments had recruited education leavers in the two to three years preceding the survey, in line with 2019 (30 per cent). One in ten (10 per cent) had taken on a 16 year-old school leaver, 13 per cent a 17-18 year-old school leaver, 10 per cent a Further Education college leaver, and 14 per cent a leaver from a higher education institution. Conversely, 37 per cent of establishments in Wales recruited employees aged 50 or over, in line with 2019 (33 per cent).

³ 2019 UK-level data is not available because Scotland was not included in the 2019 ESS survey.

Introduction

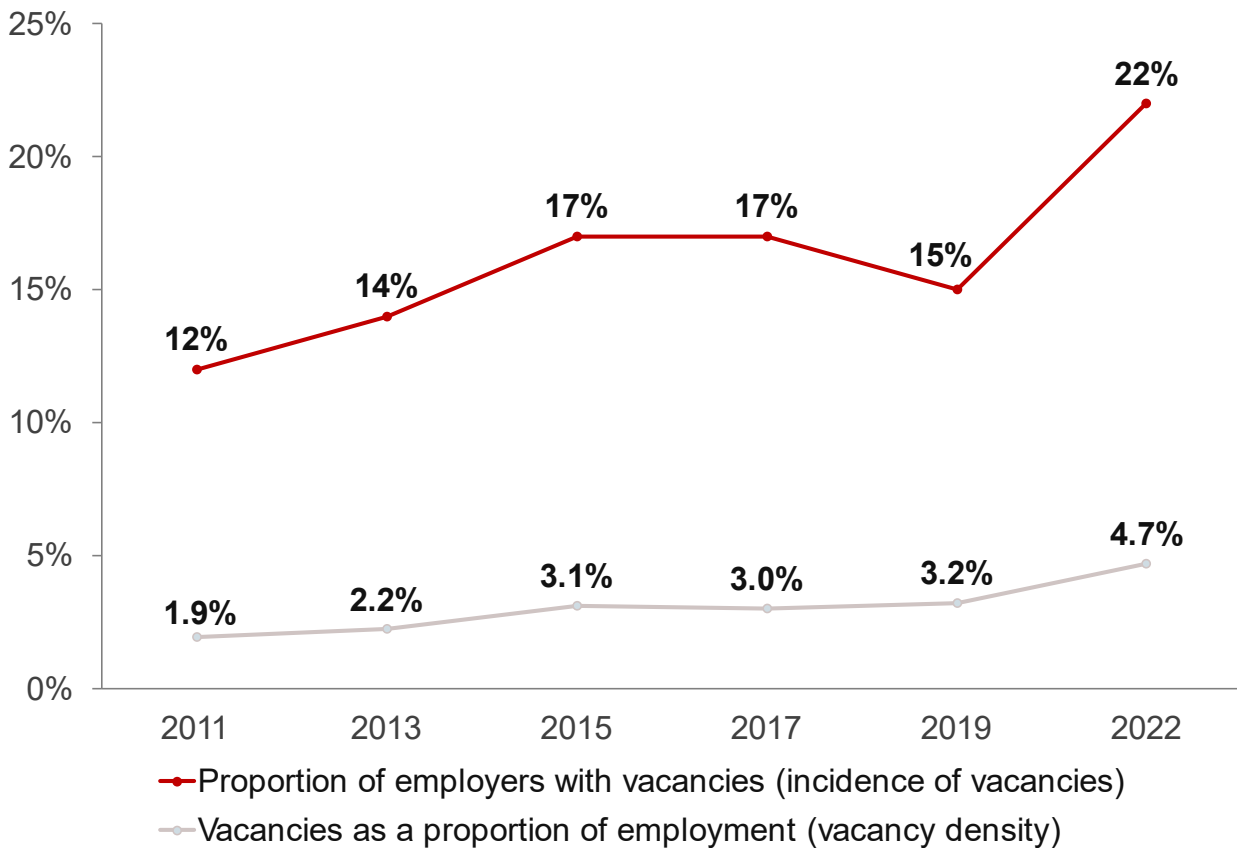
- 3.9 ESS provides a detailed picture of the level and nature of employer demand for new staff and the ability of the labour market to meet this demand, particularly in relation to applicants having the skills and qualifications employers require.
- 3.10 This chapter offers an analysis of the incidence, density and profile of vacancies in Wales, as well as a specific focus on skill-shortage vacancies (SSVs). These are vacancies that are difficult to fill due to a lack of applicants with the required skills, qualifications and/or experience. The chapter also explores the recruitment of education leavers and of those aged 50 or over, and how well prepared such recruits have been for work.
- 3.11 The key measures used in this section are as follows:
- **Incidence of vacancies:** the proportion of establishments reporting at least one vacancy
 - **Incidence of hard-to-fill vacancies:** the proportion of establishments reporting at least one hard-to-fill vacancy
 - **Incidence of skill-shortage vacancies:** the proportion of establishments reporting at least one skill-shortage vacancy
 - **Vacancy density:** vacancies as a proportion of all employment
 - **Hard-to-fill vacancy density:** hard-to-fill vacancies as a proportion of all vacancies
 - **Skill-shortage vacancy density:** skill-shortage vacancies as a proportion of all vacancies

Vacancies

- 3.12 Across establishments in Wales, 22 per cent had at least one vacancy in 2022. As shown in Figure 3-1, this is an increase from 2019 (15 per cent), as well as from 2017 and 2015, when the incidence of vacancies was 17 per cent. In total, employers reported around 58,900 vacancies, equivalent to 5 per cent of total employment. As shown in Table 3-1, this is an increase from 2019, when the total

number of vacancies was around 40,800, and from all the previous recorded years. Similarly, vacancies as a proportion of employment (5 per cent), also increased compared to previous time points, as it was equivalent to 3 per cent in 2019, 2017 and 2015.

Figure 3-1 Incidence and density of vacancies, 2011-2022



Base: All establishments in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825).

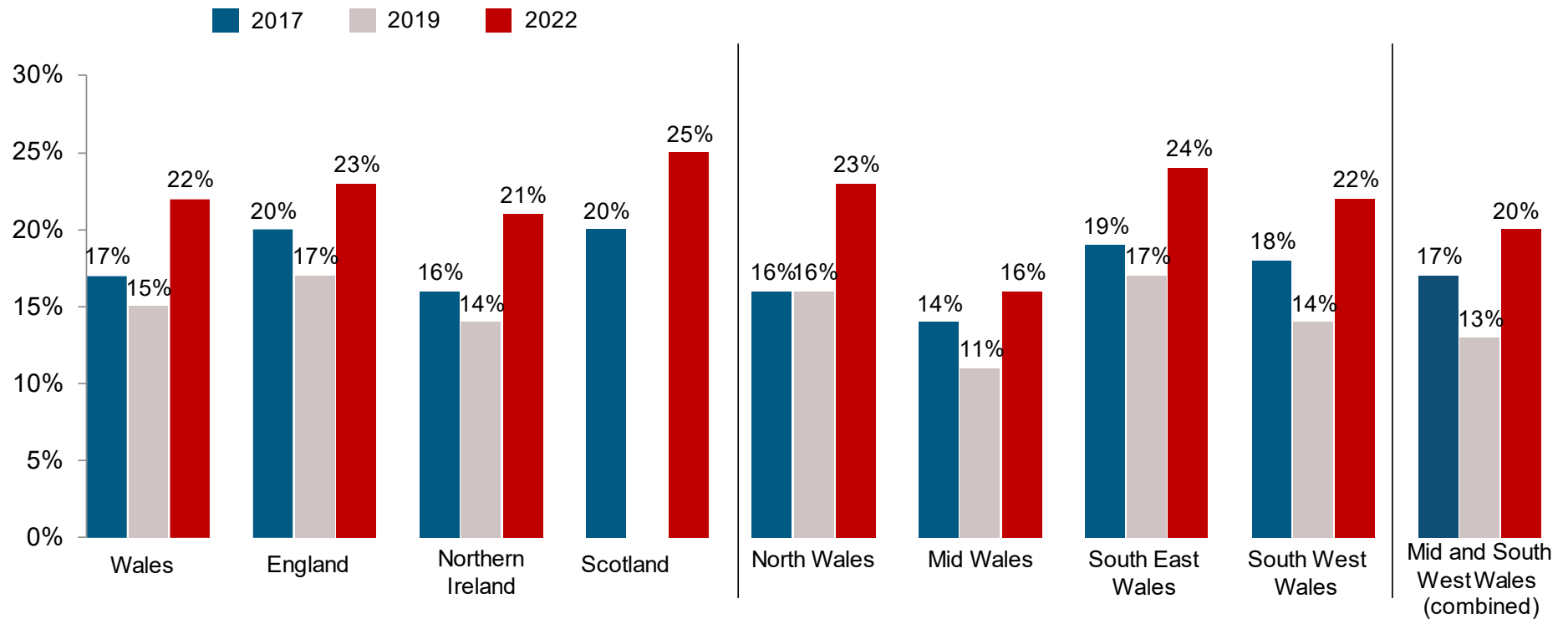
Table 3-1 Volume of vacancies over time

Year	2011	2013	2015	2017	2019	2022
Volume of vacancies	25,500	25,700	36,500	36,400	40,800	58,900

Base: All establishments in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825).

- 3.13 Comparing the incidence of vacancies to the other nations in the UK, employers in Scotland were the most likely to report vacancies (25 per cent), followed by those in England (23 per cent), Wales (22 per cent) and Northern Ireland (21 per cent). These figures represent an increase in the incidence of vacancies in each nation, with this being most pronounced in Northern Ireland (from 14 per cent in 2019 to 21 per cent in 2022) and Wales (15 per cent versus 22 per cent). Looking at vacancy density, this was highest in England and Northern Ireland (5.0 per cent for both), followed by Scotland (4.8 per cent), and Wales (4.7 per cent). As shown in Table 3-2, there was an increase in vacancy density across all nations, in comparison to both 2019 and 2017.
- 3.14 Within Wales, the trend was similar to the national level, with both the incidence and the density of vacancies being higher across all regions, compared to 2019 and 2017. Employers in Mid Wales were least likely to have vacancies (16 per cent), compared to the rest of the regions, while the vacancy density was comparable across all regions.

Figure 3-2 Incidence of vacancies by nation and region, 2017-2022



Base: All establishments (2017: Wales: 5,913, England: 71,527, NI: 3,973, Scotland: 6,017, North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023, North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207, North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721).

Scotland was not included in 2019.

Table 3-2 Vacancies as a proportion of employment (vacancy density) by nation and by region, 2017-2022

Year	2017	2019	2022
Nation/Region	%	%	%
Wales	3.0	3.2	4.7
England	3.6	3.2	5.0
Northern Ireland	3.1	3.1	5.0
Scotland	3.1	n/a	4.8
North Wales	3.1	2.9	4.7
Mid Wales	2.7	2.4	4.6
South East Wales	2.8	3.2	4.8
South West Wales	3.2	3.9	4.5
Mid and South West Wales (combined)	3.1	3.5	4.5

Base: All establishments (2017: Wales: 5,913, England: 71,527, NI: 3,973, Scotland: 6,017, North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023, North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207, North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721)
Scotland was not included in 2019.

- 3.15 As in 2019, the percentage of establishments having at least one vacancy increased with the size of establishments, ranging from 11 per cent for establishments with 2 to 4 employees to 78 per cent for those with 100 or more employees. Conversely, vacancy density was highest for establishments with 5 to 24 employees (6.0 per cent) and lowest for those with 100 or more employees (3.2 per cent).
- 3.16 Looking at the incidence of vacancies across sectors, the sector where employers were most likely to have vacancies was Health and Social Work (42 per cent), followed by Education (36 per cent), and Public Administration (34 per cent).

Conversely, Primary Sector and Utilities had the lowest incidence of vacancies (10 per cent).

3.17 The survey also identified the occupational groups where vacancies exist.⁴ The highest number of vacancies as a proportion of employment (vacancy density) was found for Elementary occupations (8.7 per cent), followed by Skilled Trades (7.1 per cent) and Associate Professionals (6.7 per cent). In 2019, the vacancy density for Associate Professionals was higher (14.4 per cent) but was lower for Elementary occupations (2.9 per cent) and for Skilled Trades (3.6 per cent). Table 25 in the published Wales Data Tables provides a detailed breakdown of vacancy density by occupation.

Skill-shortage vacancies

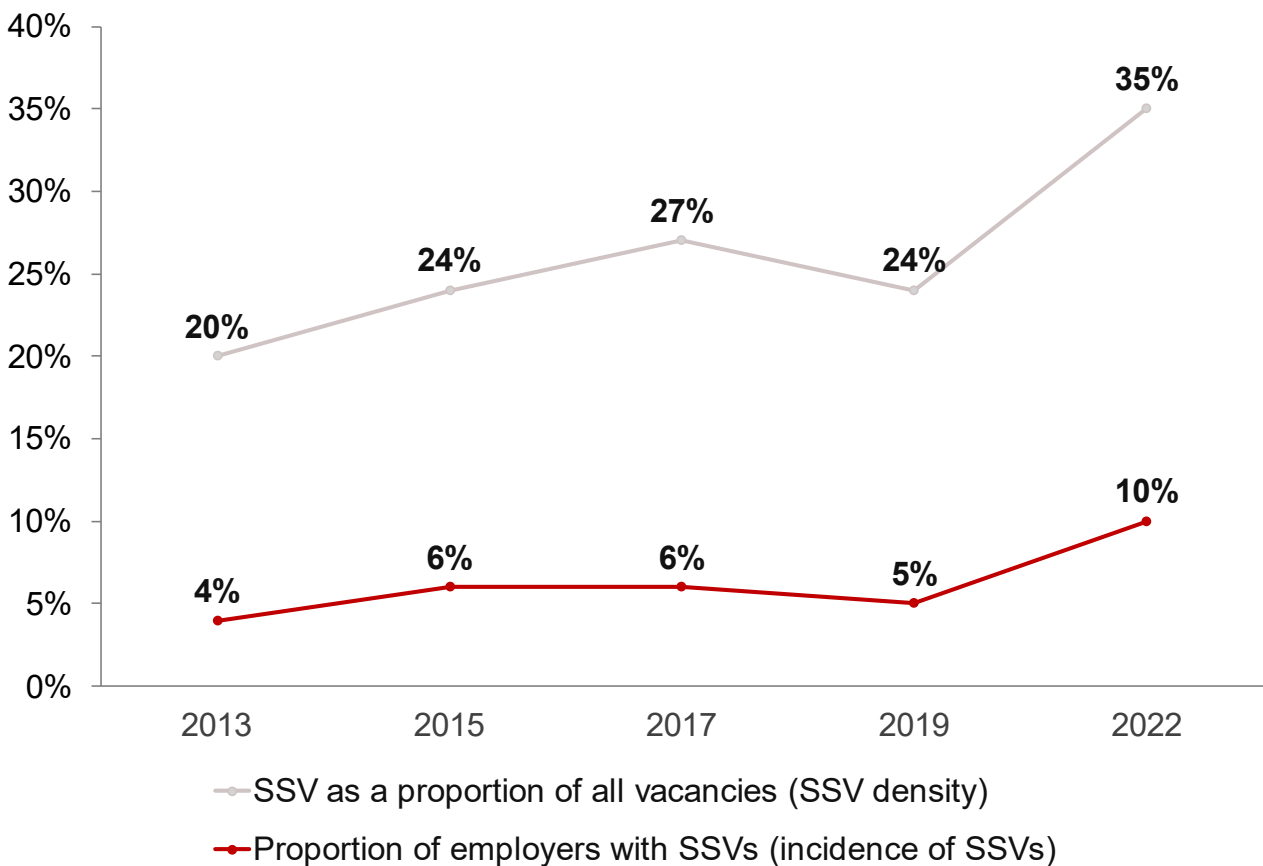
3.18 Employers that indicated that they had vacancies at the time of the interview were asked whether any of those had proved hard-to-fill and, if so, whether it was due to a lack of skills, experience or qualifications among applicants. The information provided is summarised in the skill-shortage vacancies measure (SSVs). It is worth noting that this measure only takes into consideration employers' direct experiences of applicants lacking suitable skills and does not include hard-to-fill vacancies that received no applicants even if this absence of applicants was caused by a shortage of the required skills or qualifications. It is also worth noting that a high incidence of SSVs does not necessarily imply those skills are lacking in the local labour market, since it may simply be that those with the requisite skills are not interested in applying due to the unattractiveness of the role (aspects such as the pay or conditions).

3.19 Overall, there were around 20,600 SSVs in Wales in 2022. This is more than double the volume of 2019 (9,800). Although this represents more of an increase than found in the previous ESS, SSVs have been increasing since 2011 (with the exception of the 2017-2019 period where it remained fairly static), as shown in Table 3-3.

⁴ See Annex B for definitions and example types of job roles included under the occupational groupings.

3.20 One in ten establishments (10 per cent) in Wales had at least one SSV in 2022. This is an increase compared to the 2019 levels (5 per cent), and to previous years, when the incidence of SSVs was comparable, as shown in Figure 3-3. The density of SSVs (the number of SSVs as a proportion of all vacancies) increased as well in 2022 (35 per cent) compared to all previous time points, including 2019 (24 per cent) and 2017 (27 per cent).

Figure 3-3 Incidence and density of skill-shortage vacancies, 2011-2022



Base: All establishments in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825).

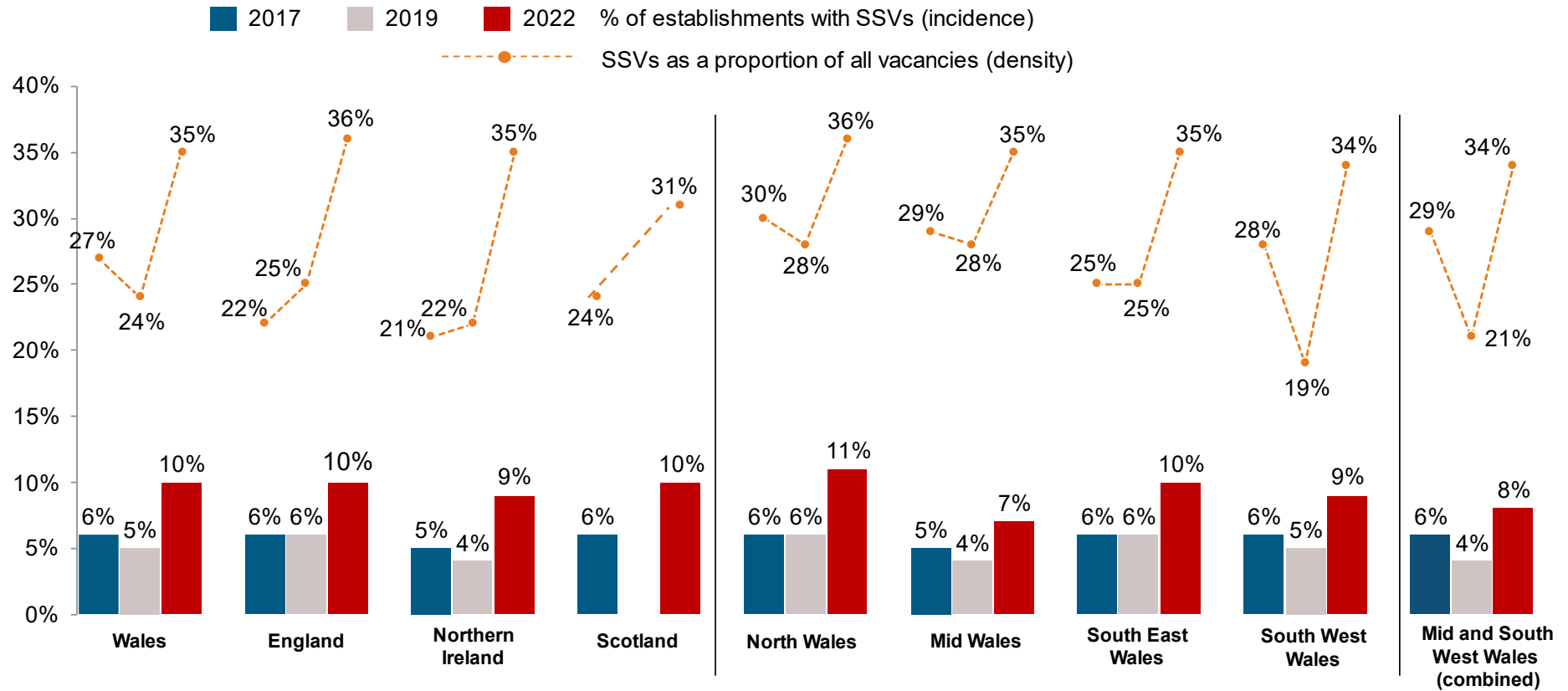
Table 3-3 Volume of skill-shortage vacancies, 2011-2022

Year	2011	2013	2015	2017	2019	2022
Volume of vacancies	4,300	5,100	8,800	9,900	9,800	20,600

Base: All establishments in Wales (2011: 5,958; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825).

- 3.21 By nation within the UK, unlike 2019, when the picture for SSV density varied between nations, in 2022 there was an increase across the board. SSV density in Wales was 35 per cent, in line with England (36 per cent) and Northern Ireland (35 per cent). Only in Scotland SSV density was marginally lower (31 per cent).
- 3.22 Within Wales, SSV density was also uniform, ranging from 34 per cent in South West Wales to 36 per cent in North Wales. Conversely, looking at the percentage of establishments reporting at least one SSV, this was lowest in Mid Wales (7 per cent) and highest in North Wales (11 per cent)
- 3.23 Figure 3.4 below shows the incidence and density of skill shortage vacancies by nation and region.

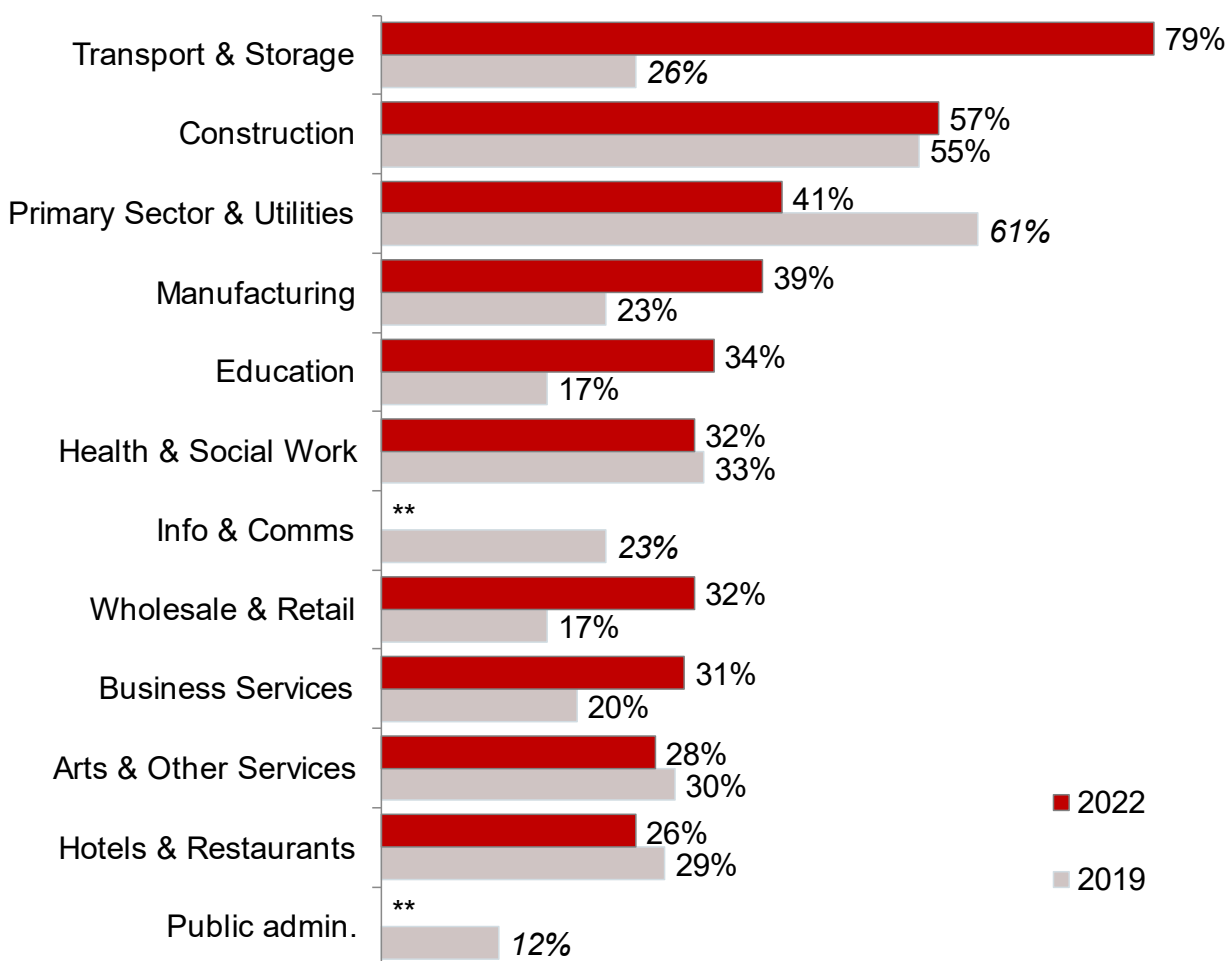
Figure 3-4 Incidence and density of skill-shortage vacancies by nation and region, 2017-2022



Base: All establishments (2017: Wales: 5,913, England: 71,527, NI: 3,973, Scotland: 6,017, North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023, North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207, North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721).
 Scotland was not included in 2019.

- 3.24 SSV density varied by size, in a non-linear way. The highest SSV density was among establishments with 2 to 4 employees (43 per cent) and lowest among establishments with 25 to 49 employees (30 per cent).
- 3.25 Looking at the differences between sectors, SSV density was highest in the Transport and Storage sector (79 per cent), followed by Construction (57 per cent). Hotels and Restaurants were the sector with the lowest SSV density (26 per cent), as shown in Figure 3-5.
- 3.26 There were some notable sectoral changes in SSV density compared with 2019. The largest increases in SSV density were for Transport and Storage (79 per cent in 2022 compared to 26 per cent in 2019), and Education (34 per cent in 2022 compared to 17 per cent in 2019). Please note that the increase in SSV density in the Transport and Storage sector should be treated with caution due to outliers having an undue influence on figures. There was also a decrease in the Primary Sector and Utilities, going from 61 per cent in 2019 to 41 per cent in 2022.
- 3.27 Conversely, the volume of skill-shortage vacancies was highest in the Health and Social Work sector (3,200) and lowest in the Primary Sector and Utilities sector (600), as shown in Table 3-4.

Figure 3-5 Skill-shortage vacancies as a proportion of all vacancies (SSV density) by sector, 2019-2022



*Base: All establishments in Wales with vacancies (2022 range: Primary Sector and Utilities 55 to Health and Social Work 305; 2019 range: Public Administration 33 to Health and Social Work 294). Figures with a base size of fewer than 30 establishments are not reported, and a double asterisk, '**', is displayed instead. Financial Services not shown due to a low base size in 2022 (16) and 2019 (24). Note, the increase in SSV density in the Transport and Storage sector should be treated with caution due to outliers having an undue influence on figures.*

Table 3-4 Volume of skill-shortage vacancies, by sector

Sector	Volume
Transport and Storage	2,900
Financial Services	**
Construction	1,900
Primary Sector and Utilities	600
Manufacturing	1,800
Education	1,000
Health and Social Work	3,200
Information and Communications	**
Wholesale and Retail	2,100
Business Services	2,500
Arts and Other Services	800
Hotels and Restaurants	2,700
Public Administration	**

Base: All establishments in Wales with vacancies (2022 range: Primary Sector and Utilities 55 to Health and Social Work 305).

*Figures with a base size of fewer than 30 establishments are not reported, and a double asterisk, '**', is displayed instead.*

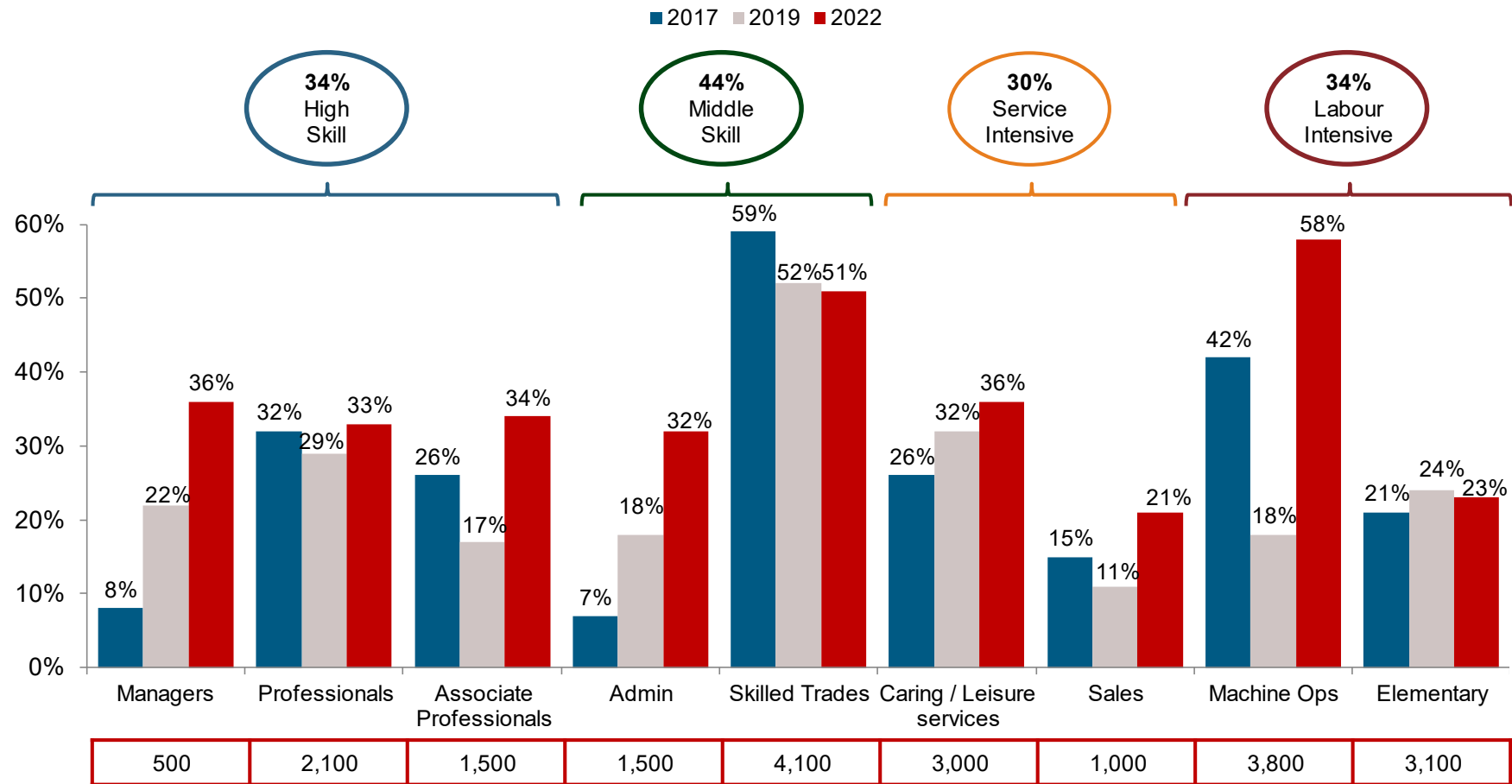
- 3.28 By occupation, employers were most likely to have experienced skills-related difficulties when recruiting for Machine Operatives and Skilled Trades. Respectively, 58 per cent and 51 per cent of vacancies for the two occupations were SSVs, as shown in Figure 3-6. The upward trends for Associate Professionals, Managers and Administrative occupations were reflected also at the UK level (compared with 2017). Conversely, the increase in SSV density among Machine Operatives not as pronounced at the UK-level (SSV density was 31 per cent in 2017 and 35 per cent in 2022).
- 3.29 There were notable changes in SSV density in 2022, compared with previous time points. The largest increases were for Machine Operatives (58 per cent in 2022, compared to 18 per cent in 2019 and 42 per cent in 2017), and Associate

Professionals (34 per cent in 2022, compared to 17 per cent in 2019 and 26 per cent in 2017), with percentages increasing in both cases after a relative decrease between 2017 and 2019. Please note that the increase in SSV density for Machine Operative occupations should be treated with caution due to outliers having an undue influence on figures.

- 3.30 Conversely, the SSV density for Managers has been on an upward trajectory since 2017 (36 per cent in 2022, compared to 22 per cent in 2019 and 8 per cent in 2017), and similarly for Administrative occupations (32 per cent in 2022, compared to 18 per cent in 2019 and 7 per cent in 2017). The upward trends for Associate Professionals, Managers and Administrative occupations were reflected also at the UK level (compared with 2017).⁵ Conversely, the increase in SSV density among Machine Operatives not as pronounced at the UK-level (SSV density was 31 per cent in 2017 and 35 per cent in 2022).

⁵ 2019 UK-level data is not available because Scotland was not included in the 2019 ESS survey.

Figure 3-6 Density and volume of skill-shortage vacancies (SSVs) by occupation, 2017-2022



Base: All establishments in Wales with vacancies in each type of occupation (2017 range: Managers 64 to Elementary occupations 268; 2019 range: Managers 69 to Elementary occupations 296; 2022 range: Managers 90 to Elementary occupations 384)

3.31 Table 35 in the published Data Tables provides a detailed breakdown of skill-shortage vacancies density in each occupation, by region, size of establishment and sector.

Skills lacking in the available labour market

3.32 Employers with skill-shortage vacancies were read a list of skills and asked, for each occupation in which they reported skill-shortage vacancies,⁶ which skills were lacking. Those skills lacking among candidates have been grouped into two categories:

- **Technical and practical skills:** specific skills required to perform the specific functions of a job role. Within this, those who mentioned lacking IT skills were also asked (unprompted) which digital skills were lacking.
- **People and personal skills:** 'softer', less tangible skills required to manage oneself and interact with others in the workplace.

3.33 Figure 3-7 and Figure 3-8 summarise the specific skills lacking in those two categories, with data based on the total number of skill-shortage vacancies, as opposed to establishments with skill-shortages vacancies.

Technical and practical skills

3.34 Close to nine in ten skill-shortage vacancies (89 per cent) were caused, at least in part, by a lack of technical and practical skills. This was in line with the 2019 (88 per cent) and 2017 (91 per cent) figures. As shown in Figure 3-7, the profile of the specific skills lacking was broadly similar to 2019, with a lack of specialist skills or knowledge being the most mentioned at both time points (63 per cent in 2022 and 64 per cent in 2019). However, there were some small changes, in particular:

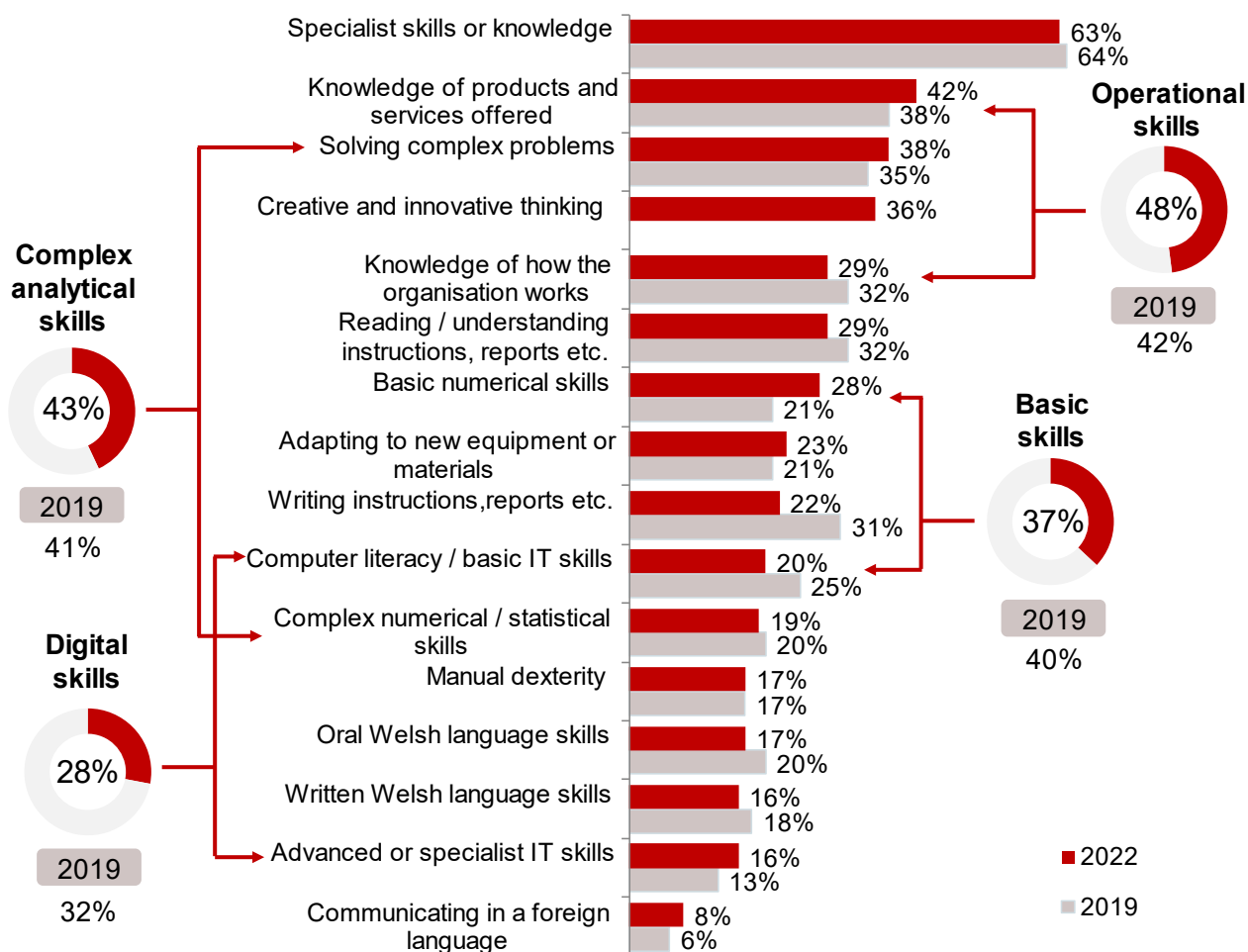
- An increase in the lack of knowledge of basic numerical skills (from 21 per cent in 2019 to 28 per cent in 2022).
- A decrease in the lack of ability to write instructions and reports (from 31 per cent in 2019 to 22 per cent in 2022).

⁶ Up to a maximum of two occupations chosen at random.

- A decrease in the lack of computer literacy and basic IT skills (from 25 per cent in 2019 to 20 per cent in 2022).
- 3.35 Some of the specific skills found difficult to obtain from applicants have been grouped into broader categories for analysis purposes ('Operational skills', 'Complex analytical skills', 'Basic skills' and 'Digital skills'). These broader categories of skills that were lacking for SSVs were at similar levels to 2019.
- 3.36 A lack of broad 'Complex analytical skills' was most commonly identified as a cause of SSVs in the Business Services (63 per cent) and Construction (58 per cent) sectors, while a lack of broad 'Operational skills' was most commonly identified in the Transport and Storage sector (65 per cent) and again in the Business Services sector (57 per cent). The lack of broad 'Basic skills' was identified as a cause for the highest proportion of SSVs in the Manufacturing sector (71 per cent).⁷
- 3.37 Among employers in Wales, the proportion of skill-shortage vacancies at least partially caused by a lack of oral and/or written Welsh language skills remained stable (at 17 per cent and 16 per cent respectively in 2022, compared to 20 per cent and 18 per cent respectively in 2019). A lack of such skills was particularly prevalent among Welsh employers in the Education sector (43 per cent and 42 per cent respectively).

⁷ Due to low base sizes, analysis for Financial Services (21), Public Administration (18) and Information & Communications (8) was not possible for this question.

Figure 3-7 Technical and practical skills found difficult to obtain from applicants in Wales⁸



Base: All establishments in Wales with SSVs – up to two occupations followed up (2022: 640; 2019: 498).

3.38 The profile of technical and practical skills found difficult to obtain among employers in Wales was comparable to the UK average across all individual and broad skills. Differences in the profile were however found between Welsh regions. Among the broad skills, the lack of ‘Complex analytical skills’ was more prevalent in Mid Wales (58 per cent) compared to North Wales (44 per cent), South East Wales (43 per cent) and South West Wales (33 per cent). Similarly, the lack of ‘Digital skills’ was more prevalent in Mid Wales (43 per cent), compared to South West Wales (32 per

⁸ Please note that the percentages represent the number of skill-shortage vacancies lacking the specific skill over the total number of SSVs. Employers could cite more than one skill lacking among applicants for each of their SSVs, thus the percentages sum to greater than 100 per cent.

cent), North Wales (27 per cent) and South East Wales (25 per cent), while a lack of 'Operational skills' was more prevalent in South East Wales (54 per cent), compared to Mid Wales (44 per cent), North Wales (43 per cent) and South West Wales (39 per cent).

People and personal skills

- 3.39 Turning to people and personal skills, 69 per cent of skill-shortage vacancies were caused, at least in part, by the lack of these skills. This was in line with 2019 (72 per cent), but represents a decrease compared to 2017 (76 per cent).
- 3.40 Similar to 2019, the most common skill lacking was the ability to manage one's own time and prioritise tasks (43 per cent in 2022 and 44 per cent in 2019). Still, there were some changes in the prevalence of specific skills, in particular:
- An increase in the lack of customer handling skills (from 32 per cent in 2019 to 38 per cent in 2022).
 - A decrease in the lack of team working skills (from 42 per cent in 2019 to 34 per cent in 2022).
 - A decrease in the lack of ability to instruct, teach or train people (from 30 per cent in 2019 to 24 per cent in 2022).
 - A decrease in the lack of sales skills (from 25 per cent in 2019 to 15 per cent in 2022).
 - A decrease in the lack of ability to make speeches or presentations (from 19 per cent in 2019 to 12 per cent in 2022).
- 3.41 As with technical and practical skills, some of the specific skills found difficult to obtain from applicants have been grouped into broader categories for analysis purposes ('Self-management skills', 'Sales and customer service skills' and 'Management and leadership skills'). Looking at those broad categories, the prevalence is comparable to 2019 across all three broad skills, as shown in Figure 3-8.

3.42 The lack of broad ‘Management and leadership skills’ was most prevalent in the Hotel and Restaurants (56 per cent) and Construction (54 per cent) sectors, while the lack of broad ‘Self-management skills’ was most commonly identified in the Manufacturing sector (72 per cent), and again in the Construction sector (72 per cent). The lack of broad ‘Sales and customer-service skills’ was identified as a cause for the highest proportion of SSVs in the Transport and Storage sector (81 per cent).

Figure 3-8 People and personal skills found difficult to obtain from applicants in Wales⁹



Base: All establishments in Wales with SSVs – up to two occupations followed up (2022: 640; 2019: 498).

⁹ Please note that the percentages represent the number of skill-shortage vacancies lacking the specific skill over the total number of SSVs. Employers could cite more than one skill lacking among applicants for each of their SSVs, thus the percentages sum to greater than 100 per cent.

- 3.43 Comparing to the rest of the UK, the pattern of people and personal skills found difficult to obtain from applicants in Wales was broadly similar to England, Northern Ireland and Scotland, but small differences were found for the lack of broad ‘Management and leadership skills’, which was less prominent in Wales (38 per cent) compared to England and Scotland (45 per cent and 42 per cent respectively), similarly, a lack of broad ‘Self-management skills’, was less prominent in Wales (52 per cent) compared to England (56 per cent).
- 3.44 Within Wales, differences in the profile of people and personal skills found difficult to obtain were found between Welsh regions. The lack of broad ‘Management and leadership skills’ and ‘Self-management skills’ was more prominent in Mid Wales (51 per cent and 68 per cent respectively) compared to the other regions (with prevalence ranging between 27 per cent and 39 per cent for the former, and between 41 per cent and 54 per cent for the latter). Conversely, a lack of broad ‘Sales and customer service skills’ was more prevalent in South East Wales (54 per cent) compared to Mid Wales (38 per cent), South West Wales (25 per cent) and North Wales (23 per cent).

The impact of skill-shortage vacancies

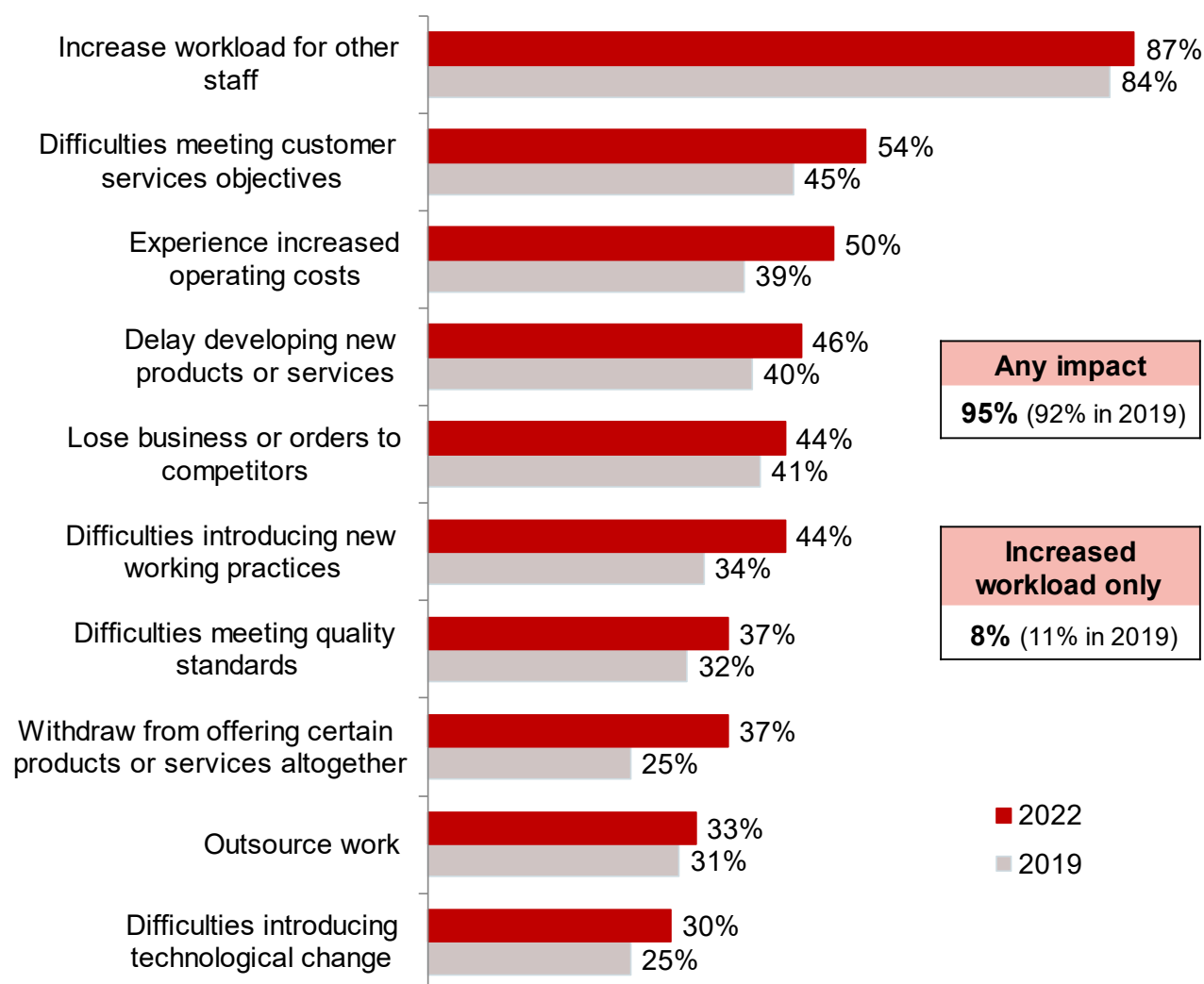
- 3.45 More than nine in ten establishments that reported having at least one skill-shortage vacancy stated that SSVs had an impact on business performance, similar to 2019 (95 per cent in 2022 and 92 per cent in 2019), as shown in Figure 3-9. In many cases the impact was significant.¹⁰
- 3.46 Increased workload for other staff was the most common impact, affecting around nine in ten establishments where all hard-to-fill vacancies were a result of skill-shortages (87 per cent). This was followed by difficulties meeting customer service objectives (54 per cent) and experiencing increased operating costs (50 per cent).

¹⁰ The survey did not measure the impact of skill-shortage vacancies on employers specifically (i.e., it did not ask employers with skill-shortage vacancies what the impacts of these were on the establishment, only the impact of hard-to-fill vacancies as a whole). However, it was possible to isolate the effect of skill deficiencies by exploring the impact of hard-to-fill vacancies in establishments where all the hard-to-fill vacancies were caused, at least in part, by skills-related issues. Given the majority of establishments with hard-to-fill vacancies fell into this group (60 per cent) – in part reflecting that the majority had just a single vacancy that was proving hard-to-fill – this was a suitable sample from which it was possible to gain a robust measurement.

All results were broadly in line with 2019, but with an increased prevalence of some of the specific impacts. The main differences in specific impacts were the withdrawal from offering certain products or services (37 per cent in 2022 compared to 25 per cent in 2019), increased operating costs (50 per cent in 2022 compared to 39 per cent in 2019), and difficulties introducing new working practices (44 per cent in 2022 compared to 34 per cent in 2019).

- 3.47 Looking at differences in the impact of SSVs by establishment size, the main difference in specific impacts was the withdrawal from offering certain products or services. The prevalence of this impact tended to decrease with size, from 45 per cent of establishments with 2 to 4 employees to 17 per cent of establishments with 100 or more employees.
- 3.48 The impact of skill-shortage vacancies varied to some degree by sector. Employers in the Construction sector were most affected by the loss of business and orders to competitors (62 per cent compared to 44 per cent overall), and by the outsourcing of work as a result of SSVs (49 per cent compared to 33 per cent overall). Employers in the Hotels and Restaurants sector were the most affected by withdrawing certain products or services altogether (53 per cent compared to 37 per cent overall), while difficulties introducing technological change were most common in the Business Services sector (43 per cent compared to 30 per cent overall).

Figure 3-9 Impact of skill-shortage vacancies (prompted)



Base: All establishments in Wales where all hard-to-fill vacancies were caused by skills related issues (2022: 528; 2019: 455).

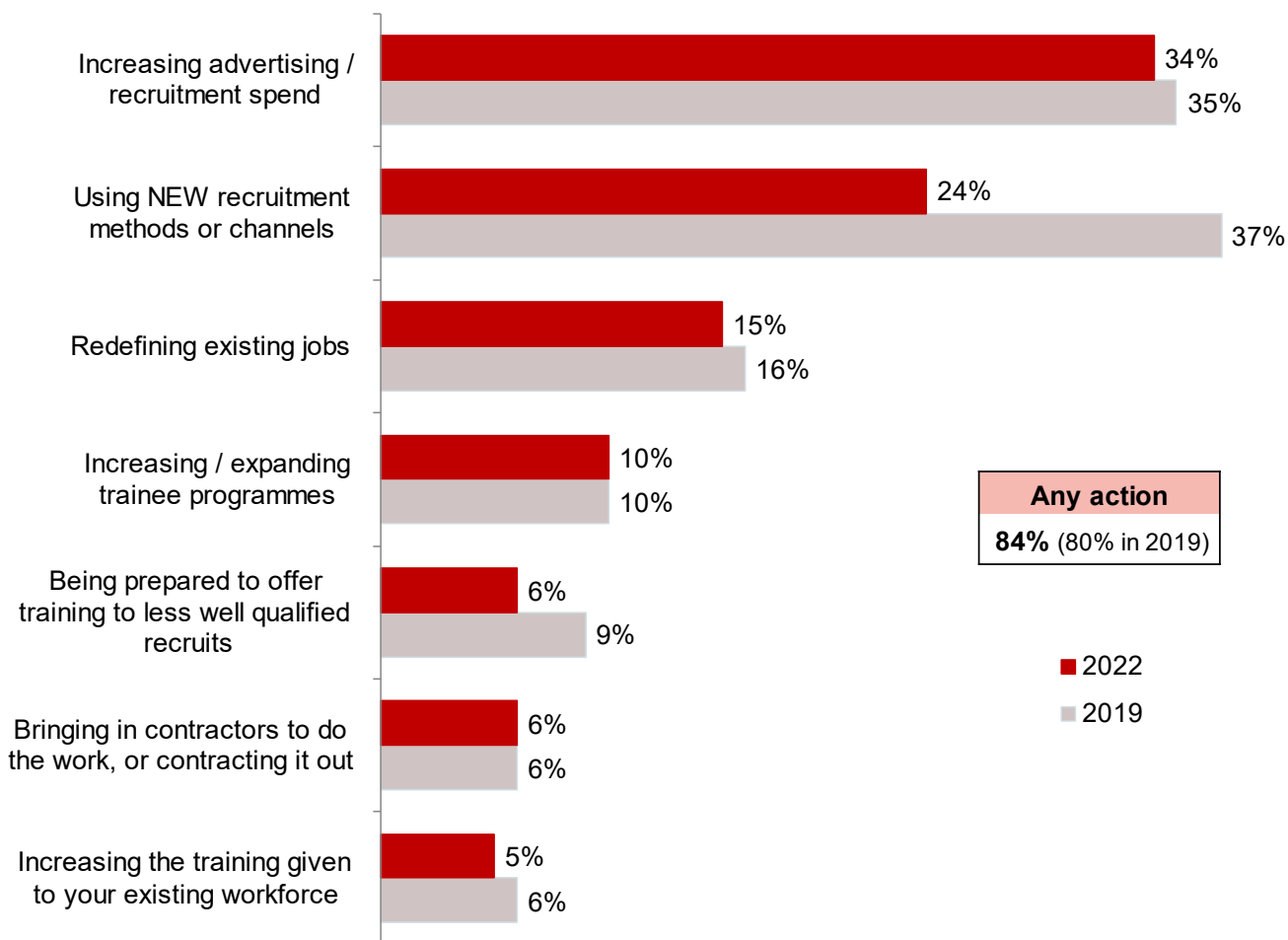
Employer response to skill-shortage vacancies

3.49 Establishments with skill-shortage vacancies were asked what actions, if any, they had taken to attempt to overcome these challenges. Overall, 84 per cent of establishments had taken some form of action in 2022, in line with the 2019 and 2017 percentages (80 per cent and 84 per cent respectively). The type and prevalence of the actions taken was broadly similar to 2019, as shown in Figure 3-10, with the exception of the use of new recruitment methods or channels, which changed from 37 per cent in 2019 to 24 per cent in 2022. The decrease was not as pronounced in England (37 per cent in 2019 versus 32 per cent in 2022), while

levels were comparable in Northern Ireland (29 per cent in 2019 versus 30 per cent in 2022).

- 3.50 Looking at differences by establishment size, it was more common for establishments with 100 or more employees to bring in contractors to do the work (21 per cent compared to 0 per cent among establishments with 2 to 4 employees), and to increase or expand their trainee programmes (10 per cent compared to 0 per cent among establishments with 2 to 4 employees).
- 3.51 At a sector level, the Education sector was most likely to use new recruitment methods or channels in response to skill-shortage vacancies (49 per cent compared to 24 per cent overall), and to advertise when there are no live vacancies (16 per cent compared to 4 per cent overall). Conversely, the Health and Social Work sector was most likely to increase advertising and recruitment spend (50 per cent compared to 34 per cent overall), to be prepared to offer training to less qualified recruits (14 per cent compared to 6 per cent overall), to bring in contractors to do the work or contract it out (13 per cent compared to 6 per cent overall), and to offer new or enhanced flexible working (12 per cent compared to 3 per cent overall).

Figure 3-10 Actions taken by establishments to overcome skill-shortage vacancies (unprompted)



Base: All establishments in Wales where all hard-to-fill vacancies were caused by skills related issues (2022: 528; 2019: 455). Codes under 5 per cent are not shown.

3.52 Employers with hard-to-fill vacancies were also asked whether they had recruited, or tried to recruit, workers who were non-UK nationals, in order to fill hard-to-fill vacancies. Close to one in three establishments (29 per cent) had done so, in line with 2019 (25 per cent) and 2017 (32 per cent). Nonetheless, the percentage was lower than in England (34 per cent), Northern Ireland (38 per cent) and Scotland (36 per cent).

Recruitment of education leavers

- 3.53 Overall, near half of the employers in Wales (48 per cent), had recruited someone in the previous 12 months, a relative increase compared to 2019 and 2017 (46 per cent at both time points).
- 3.54 Close to one in three establishments (29 per cent) had recruited education leavers into their first job in the 2-3 years preceding the survey, in line with 2019 (30 per cent). One in ten (10 per cent) had taken on a 16 year-old school leaver, 13 per cent a 17-18 year-old school leaver, 10 per cent a college leaver, and 14 per cent a leaver from a higher education institution.
- 3.55 Findings in Wales were comparable to England and Northern Ireland. Similarly, looking at Welsh regions, the level of recruitment from each stage of education was comparable.¹¹
- 3.56 Table 3-5 shows recruitment from each stage of education by nation and region. There was little difference between 2022 and 2019 in terms of the recruitment of education leavers.

Table 3-5 Recruitment of education leavers by nation and region, in 2022

	<i>Unweighted base</i>	Any education leaver	Any school leaver	16 year-old school leaver	17-18 year-old school leaver	College leaver	HEI leaver
		%	%	%	%	%	%
Nation							
Wales	1,168	29	18	10	13	10	14
England	9,906	29	15	9	12	12	14
Northern Ireland	863	29	16	9	13	11	14
Region							
North Wales	286	29	20	12	13	12	12

¹¹ Establishments in Scotland were asked a separate set of questions, tailored to the Scottish education system, so they are not comparable to the Wales results

Mid Wales	166	26	14	8	10	8	10
South East Wales	449	29	17	9	13	10	16
South West Wales	267	29	19	12	14	11	13
Mid and South West Wales	433	28	17	11	13	10	12

Base: All establishments in Module C.

- 3.57 A key issue for employers, education providers and policy-makers is whether individuals leaving education to join the workplace are deemed to be well-prepared for their job role.
- 3.58 The percentage of establishments satisfied with the level of preparation was highest for leavers from higher education institutions (82 per cent stated they were well or very well prepared), compared to college leavers (71 per cent), 17-18 year-old education leavers (58 per cent), and 16 year-old education leavers (51 per cent). Results were broadly in line with 2019, when the level of satisfaction was 76 per cent for higher education institutions leavers, 56 per cent for 17-18 year-old education leavers, and 58 per cent for 16 year-old education leavers. The only exception were college leavers, with a level of satisfaction that increased compared to 2019 (71 per cent in 2022 compared to 60 in 2019).
- 3.59 Employers who recruited education leavers were asked what skills were lacking among those who had been poorly prepared. The skills lacking were comparable across the different types of education leavers, with the exception of poor attitude or lack of motivation and lack of work experience or maturity. Poor attitude or lack of motivation was higher for 16 year-old school leavers (27 per cent) and 17-18 year-old education leavers (25 per cent) compared to higher education leavers (7 per cent). Lack of work experience or maturity was again higher for 16 year-old school leavers (19 per cent) and 17-18 year-old education leavers (17 per cent) compared to higher education leavers (6 per cent). More details of skills or qualities lacking among education leavers are included in Table 90 in the published Wales Data Tables.

- 3.60 Comparing across nations in the UK, the only notable difference was with regards to establishments finding poor attitude or lack of motivation among the skills lacking. In Wales, 27 per cent of establishments found this skill lacking among 16 year-old school leavers, compared to 19 per cent in England. Similarly, 25 per cent of Welsh establishments found this skill lacking among 17-18 year-old education leavers, compared to 17 per cent in England and 15 per cent in Northern Ireland.
- 3.61 At a regional level, there was little variation in the extent to which employers felt education leavers were prepared, and with regards to skills lacking among those that were poorly prepared. This was also dictated by the low base sizes. The only detectable difference was for the level of preparation of higher education leavers, who were more likely to be deemed prepared or well prepared in South East Wales (86 per cent) and South West Wales (86 per cent) compared to North Wales (69 per cent).¹²

Recruitment of older workers

- 3.62 Looking at recruitment of employees aged 50 or over, 37 per cent of establishments in Wales had done this in the 12 months prior to the survey, in line with 2019 (33 per cent). The prevalence in Wales was greater than in England (33 per cent) and Northern Ireland (26 per cent).
- 3.63 Larger establishments were more likely to have recruited employees aged 50 or over. Eight in ten (80 per cent) establishments with more than 100 employees and 64 per cent of establishments with 50 to 99 employees had done so, compared to 37 per cent overall. By sector, employers in the Manufacturing sector were most likely to have recruited employees aged 50 or over (56 per cent), followed by the Health and Social Work sector (48 per cent).
- 3.64 In line with 2019 results, the vast majority of establishments that had recruited employees aged 50 or over stated that they were well or very well prepared (96 per cent in 2022 and 95 per cent in 2019). This was in line with England (94 per cent)

¹² Please note that the figure for Mid Wales is not available, due to the low base size.

and Northern Ireland (98 per cent), but marginally higher than in Scotland (92 per cent). Results did not vary regionally within Wales.

4. The Internal Skills Challenge

Chapter summary

- 4.1 One in seven (14 per cent) employers in Wales reported skills gaps within their workforce, similar to the proportion in 2019. The proportion of employees considered not fully proficient (skills gap density) in 2022 was also similar to 2019 (4.1 per cent in 2022 and 4.0 in 2019); overall, approaching 52,000 employees in Wales were considered to have skills gaps.
- 4.2 Among the four UK nations, Wales had the smallest proportion of staff in their workforce thought not to be fully proficient in their job role (4.1 per cent versus 4.6 per cent in Northern Ireland, 4.8 per cent in Scotland and 5.9 per cent in England). Wales were the only nation to have seen skills gap density remain consistent with 2019, whereas skills gap density increased in England (5.9 per cent, up from 4.6 per cent in 2019), Northern Ireland (4.6 per cent, up from 3.3 per cent in 2019) and Scotland (4.8 per cent, up from 4.0 per cent in 2020).
- 4.3 By sector, skills gap density was highest in the Business Services sector (7.2 per cent), while Public Administration and Education sector establishments had the lowest proportion of staff with skills gaps (both 1.7 per cent).
- 4.4 At an occupational level, skills gap density was highest amongst those in service intensive roles (6.1 per cent), most notably those in Caring, Leisure and Other Services occupations (6.4 per cent lacked full proficiency). Skills gap density was lowest amongst those in high skill positions, including Professionals (1.4 per cent) and Managers (2.0 per cent).
- 4.5 As in 2019, the most common causes of skills gaps were staff being new to the role (70 per cent) and training only being partially completed (61 per cent).
- 4.6 The skills that were most likely to be lacking among staff were the ability to manage their own time (contributing to 58 per cent of skills gaps), specialist skills or knowledge needed to perform the role (54 per cent) and team working (52 per cent). While these were also the three most cited skills that were lacking in 2019, a

smaller proportion of employers cited time management (68 per cent in 2019) and team working (62 per cent in 2019) in 2022.

- 4.7 Around seven in ten employers (68 per cent) with skills gaps felt these had affected their business' performance, with 16 per cent reporting they had a major impact. These are similar to figures seen in 2019 (67 and 16 per cent respectively). The most common impact for employers was an increase in workload for other staff, mentioned by 56 per cent of employers with skills gaps.
- 4.8 Eight in ten (80 per cent) employers with skills gaps had taken steps to improve the proficiency of their workforce. The most common actions, as in 2019, were to increase training activity or spend (60 per cent) and increase the supervision of staff with skills gaps (53 per cent).
- 4.9 Around seven in ten (67 per cent) establishments in Wales expected they would need to upskill their workforce in the next 12 months. This was a higher proportion than in England (62 per cent) but closer to figures seen in Northern Ireland (64 per cent) and Scotland (66 per cent). The main reasons for needing to upskill were the introduction of new legislative or regulatory requirements (44 per cent), the introduction of new technologies or equipment (42 per cent), and the introduction of new working practices (41 per cent). As in 2019, the most common skill identified by employers as requiring development over the coming 12 months was specialist skills and knowledge needed to perform the role (51 per cent).
- 4.10 Around four in ten (38 per cent) establishments had staff with qualifications and skills that were more advanced than required for their job role. This represents an increase on 2019 levels (34 per cent). Overall, 111,000 workers (8.8 per cent of the workforce) were said to be underutilising their skills and qualifications in their job role.

Introduction

- 4.11 A skills gap is defined in ESS as an employee who is not fully proficient at their job. Persistent skills gaps can hinder an establishment's ability to function effectively and harm its productivity, profitability, and ability to innovate in terms of internal

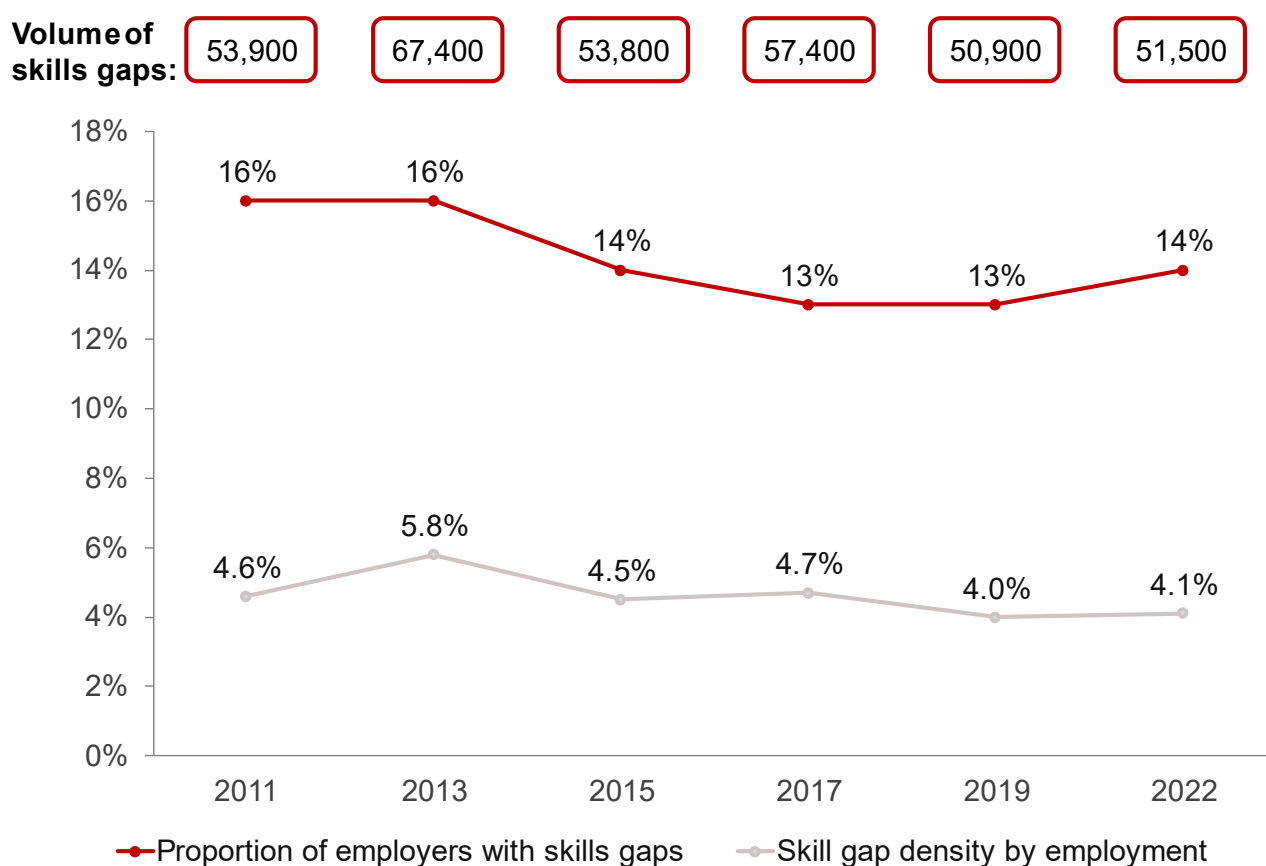
processes and new products or services. Skills gaps can arise as a result of not being able to find suitably skilled applicants, or intentionally taking on recruits who are not fully experienced in order to train them up to the organisation's way of working. They can also arise for a host of other reasons, such as the skills needed within an organisation changing. Some skills gaps may be, by their nature, temporary. An example of this could be where new staff have been recruited who are not yet fully trained or experienced in their new role. However, others can be more persistent and a result of under-investment in training and development, staff reluctance to develop existing skills or develop new ones, or high staff turnover.

- 4.12 It is worth bearing in mind that ESS only captures the skills gaps that employers are aware of and report. It could be argued that employers who pay little attention to their employees' skills and the needs of their organisation may be less likely to report skill gaps. Some commentators have termed these 'latent skill gaps' (Hogarth & Wilson, 2001).
- 4.13 This chapter considers the incidence, volume, density, profile and causes of reported skills gaps, overall and at the national, regional, sectoral and occupational level. The chapter also explores the specific skills that establishments reported their staff to be lacking and the impact that skills gaps have on these employers.
- 4.14 The key measures used in this section are as follows:
- **Incidence of skills gaps:** The number of employers that reported any of their staff lacked full proficiency
 - **Volume of skills gaps:** the number of employees that lack full proficiency
 - **Density of skills gaps:** the number of employees that lack full proficiency as a proportion of all employees
- 4.15 Later, the chapter considers the need among employers to upskill their workforce over the coming 12 months and which skills they feel require upskilling. Finally, it analyses the number of employees with underutilised skills and qualifications in their job role.

Incidence, volume and density of skills gaps

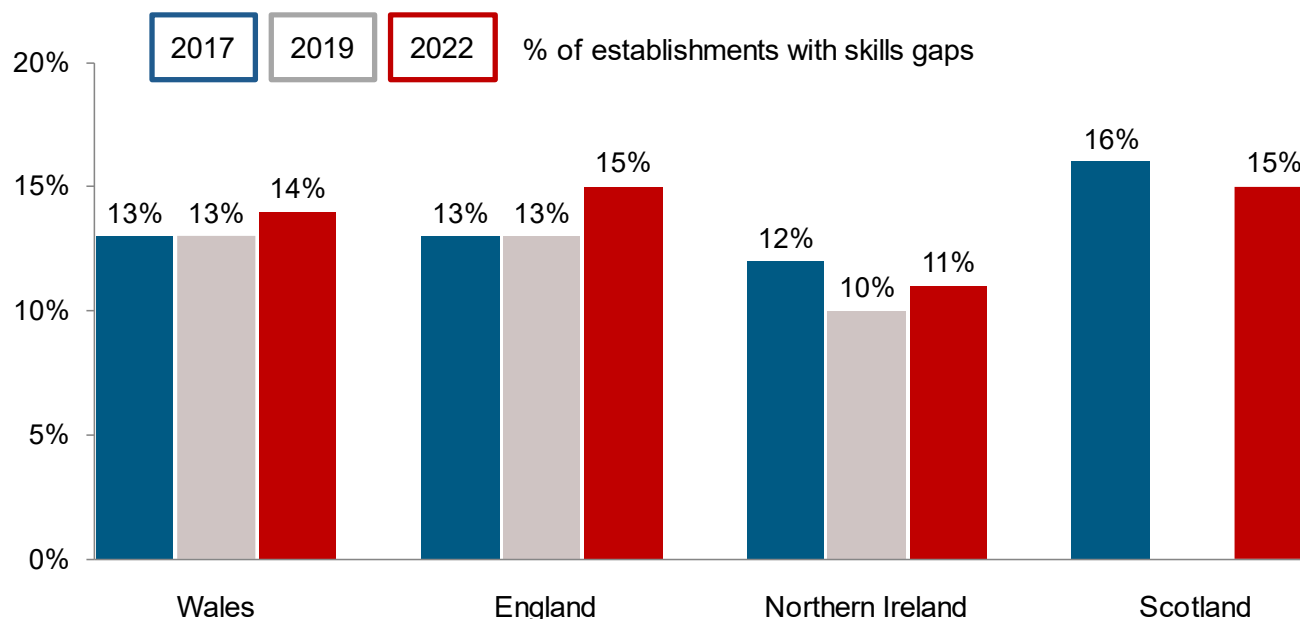
4.16 Most employers in Wales considered their staff to be fully proficient in their job roles (86 per cent). This was slightly higher than in England and Scotland (both 85 per cent) but lower than in Northern Ireland (89 per cent). The proportion reporting that at least one member of staff had skills gaps (14 per cent) remained fairly consistent with the level seen in Wales since 2015, as shown below in Figure 4-1. There was very little change in the incidence of skills gaps among the other UK nations too, though England saw the largest increase; going from 13 per cent of employers having skills gaps in 2019 to 15 per cent in 2022 (see Figure 4-2).

Figure 4-1 Incidence, density and volume of skills gaps, 2011-2022



Base: All establishments in Wales (2011: 6,012; 2013: 5,996; 2015: 6,027; 2017: 5,913; 2019: 6,773; 2022: 4,825).

Figure 4-2 Incidence of skills gaps over time by nation, 2017-2022



Base: All establishments (2017: Wales: 5,913, England: 71,527, NI: 3,973, Scotland: 6,017; 2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207).
Scotland was not included in 2019.

Table 4-1 Volume and density of skills gaps over time by nation, 2017-2022

	2017		2019		2022	
	Volume of skills gaps	Density of skills gaps (%)	Volume of skills gaps	Density of skills gaps (%)	Volume of skills gaps	Density of skills gaps (%)
Wales	57,400	4.7	50,900	4.0	51,500	4.1
England	1,060,000	4.3	1,168,000	4.6	1,516,500	5.9
Northern Ireland	28,000	3.8	26,300	3.3	36,700	4.6
Scotland	122,100	5.0	n/a	n/a	118,900	4.8

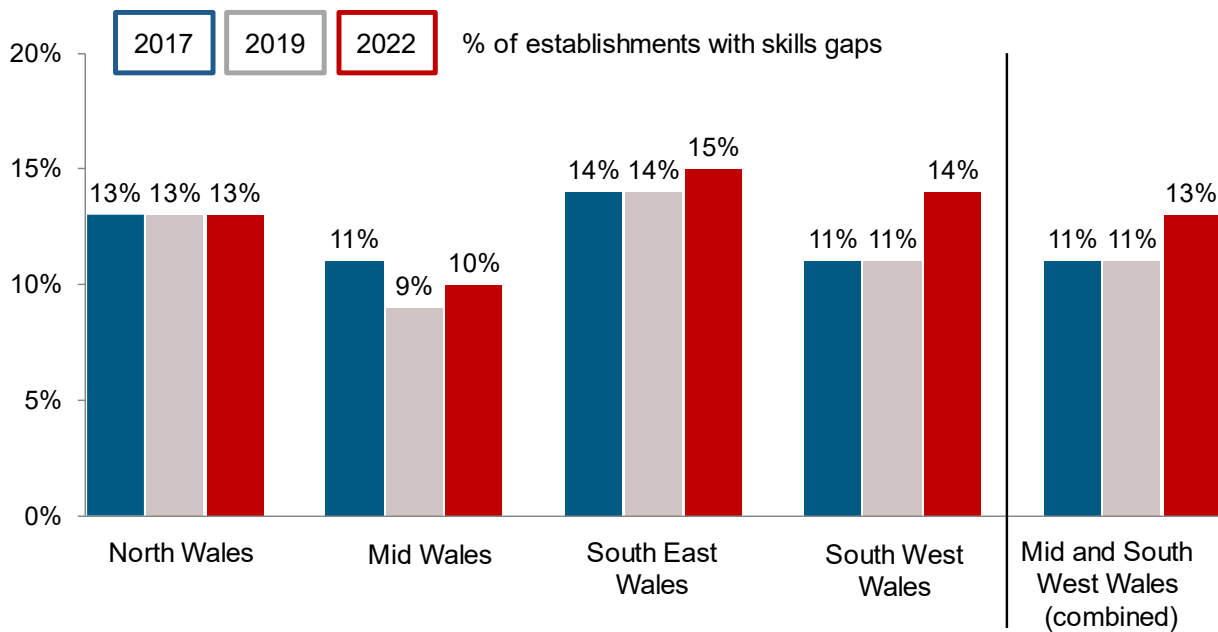
Base: All establishments (2017: Wales: 5,913, England: 71,527, NI: 3,973, Scotland: 6,017; 2019: Wales: 6,773, England: 70,217, Northern Ireland: 4,023; 2022: Wales: 4,825, England: 59,486, Northern Ireland: 3,400, Scotland: 5,207).
Scotland was not included in 2019.

4.17 Overall, 4.1 per cent of the workforce in Wales were considered to have skills gaps (skills gap density), similar to the level seen in 2019 (4.0 per cent). This equated to

51,500 employees in Wales lacking full proficiency in 2022. Conversely, England and Northern Ireland had seen an increase in their skills gap density compared to 2019. In England skills gap density increased from 4.6 per cent in 2019 to 5.9 per cent in 2022 and in Northern Ireland skills gap density increased from 3.3 per cent to 4.6 per cent.

4.18 Skills gap incidence ranged from 10 per cent in Mid Wales to 15 per cent in South East Wales. Figures have remained largely consistent since 2017 across Welsh regions, as shown in Figure 4-3, although South West Wales did see an increase from 11 per cent in 2017 and 2019 to 14 per cent in 2022. Skills gap density was highest in Mid Wales and South East Wales (both 4.3 per cent) and lowest in South West Wales (3.5 per cent).

Figure 4-3 Incidence of skills gaps over time by Welsh region, 2017-2022



Base: All establishments in Wales (2017: North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721).

Table 4-2 Volume and density of skills gaps over time by Welsh region, 2017-2022

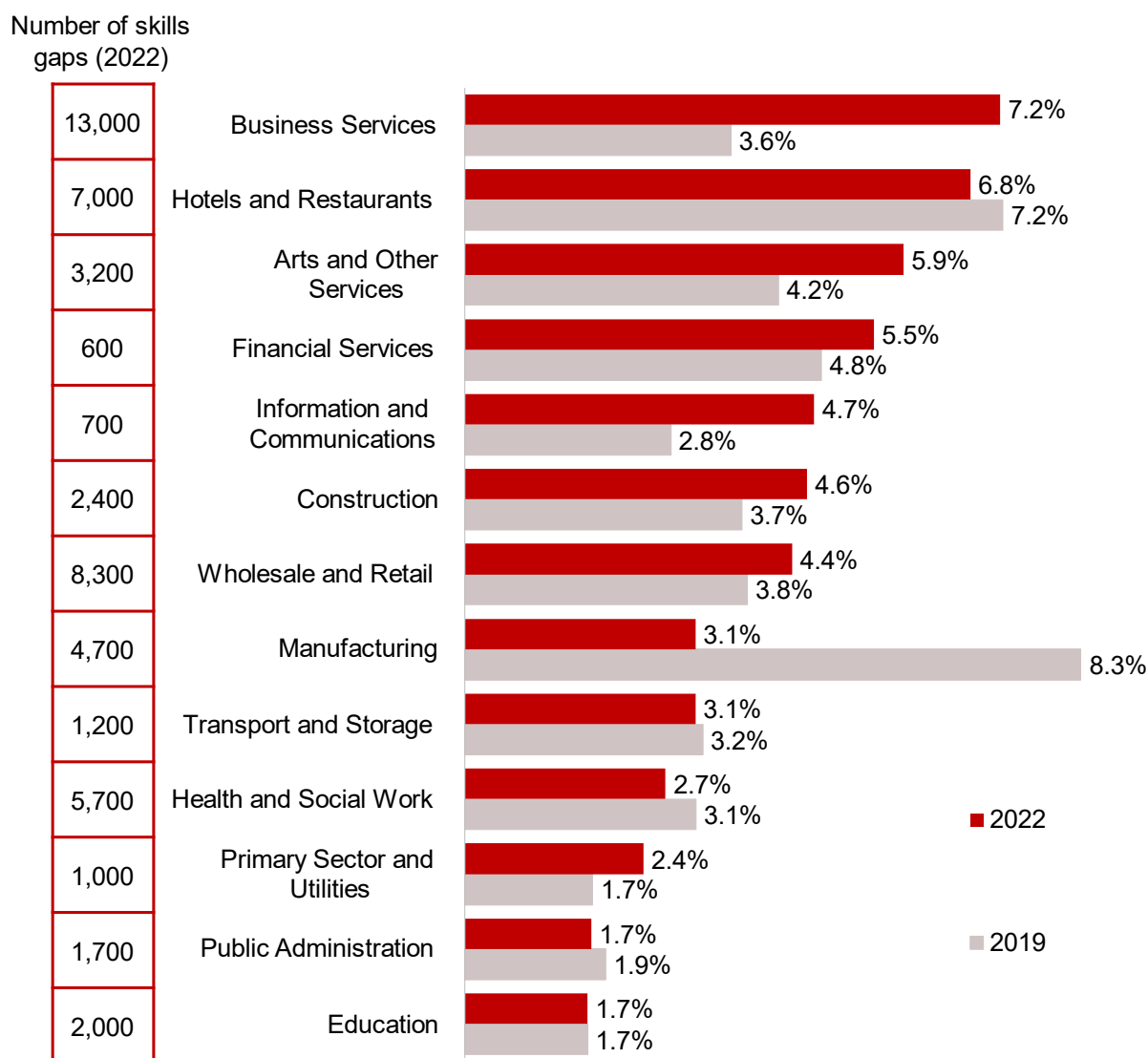
	2017		2019		2022	
	Volume of skills gaps	Density of skills gaps (%)	Volume of skills gaps	Density of skills gaps (%)	Volume of skills gaps	Density of skills gaps (%)
Region						
North Wales	12,000	4.3	10,700	3.7	11,800	4.1
Mid Wales	3,600	4.3	3,200	3.9	3,400	4.3
South East Wales	29,200	4.9	28,900	4.6	26,800	4.3
South West Wales	12,500	4.7	8,100	3.0	9,500	3.5
Mid / South West	16,100	4.6	11,300	3.2	12,900	3.7

Base: All establishments in Wales (2017: North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721).

Sectoral distribution of skills gaps

4.19 Skills gap density varied by sector, ranging from 1.7 per cent among Public Administration and Education sector employers to 7.2 per cent among Business Services. Generally, skills gap density at the sectoral level was similar to 2019. The most notable changes were a decrease in skills gap density among Manufacturing employers (from 8.3 per cent in 2019 to 3.1 per cent in 2022) and an increase among Business Services employers (from 3.6 per cent in 2019 to 7.2 per cent in 2022).

Figure 4-4 Number and density of skills gaps by sector, 2019-2022



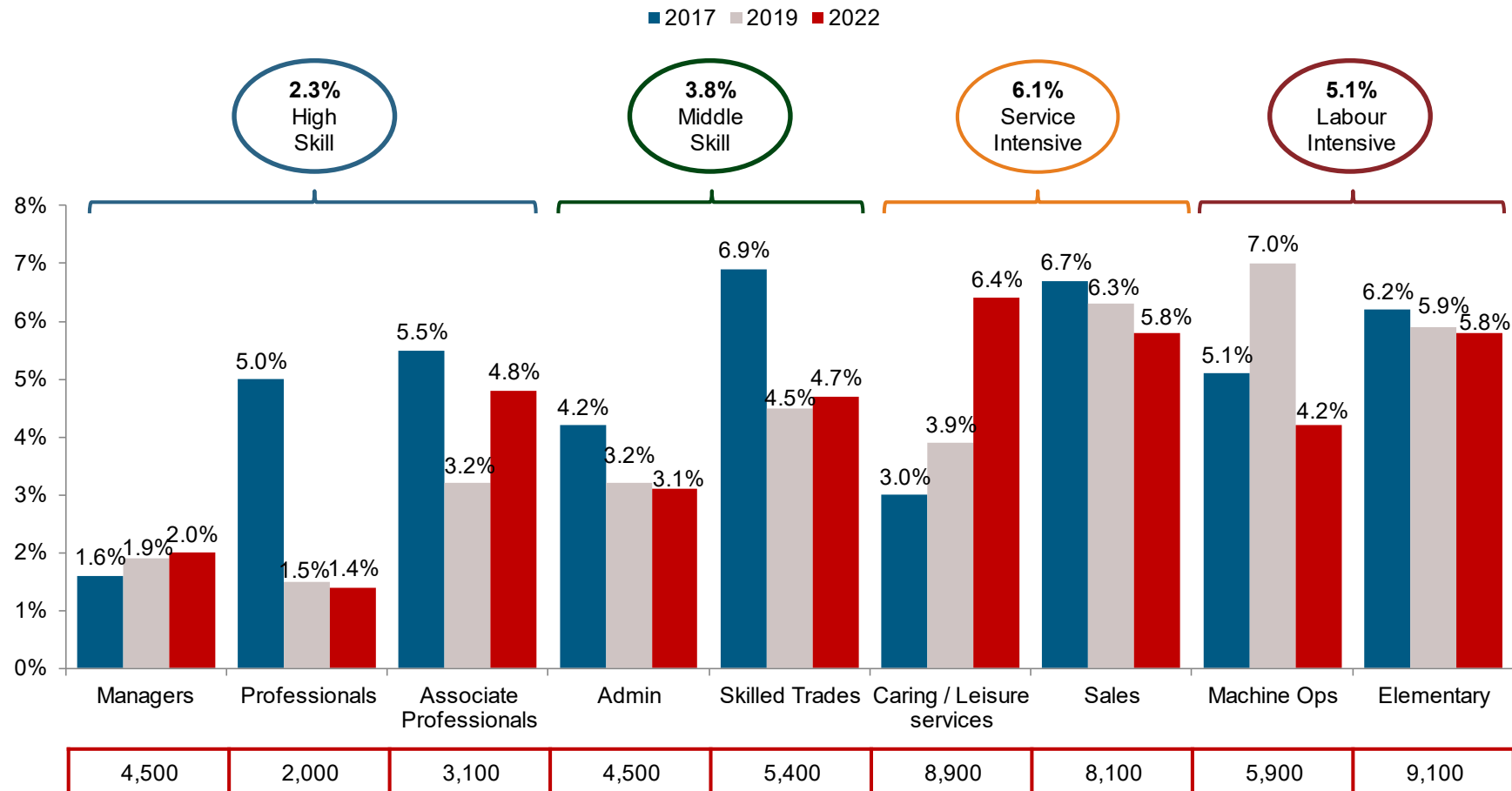
Base: All establishments in Wales (2022 range: Financial Services 58 to Wholesale and Retail 1,010; 2019 range: Financial Services 109 to Wholesale and Retail 1,442).

4.20 In addition to having the highest skills gap density, Business Services employers also saw the highest number of skills gaps (13,000), followed by those in the Wholesale and Retail sector (8,300). Employers in the Financial Services and Information and Communications sectors had the lowest number of skills gaps (600 and 700 respectively).

Occupational distribution of skills gaps

- 4.21 At an occupational level, skills gaps were most likely to be found in service-intensive roles (6.1 per cent), including staff in Caring, Leisure and Other Services occupations (6.4 per cent) and Sales and Customer Services occupations (5.8 per cent). Overall, service-intensive roles accounted for around three in ten (33 per cent) employees lacking full proficiency. In 2019, skills gap density among service-intensive occupations was lower (5.0 per cent), largely due to skills gaps being less prevalent among Caring, Leisure and Other Services occupations (3.9 per cent).
- 4.22 In 2019, labour-intensive occupations (6.3 per cent) had the highest skills gap density, driven by high prevalence among Machine Operatives occupations (7.0 per cent). Skills gap density reduced to 5.1 per cent for labour-intensive occupations in 2022, and to 4.2 per cent for Machine Operatives specifically.

Figure 4-5 Number and density of skills gaps by occupational group, 2017-2022



Base: All establishments in Wales (2017 range: Associate professionals 796 to Managers 5,626; 2019 range: Associate professionals 977 to Managers 6,409; 2022 range: Associate professionals 639 to Managers 4,597).

4.23 Those in high skill roles were least likely to have skills gaps (2.3 per cent), particularly Professionals (1.4 per cent) and Managers (2.0 per cent). Those in Associate Professional roles were more likely than their highly skilled peers to have skills gaps (4.8 per cent).

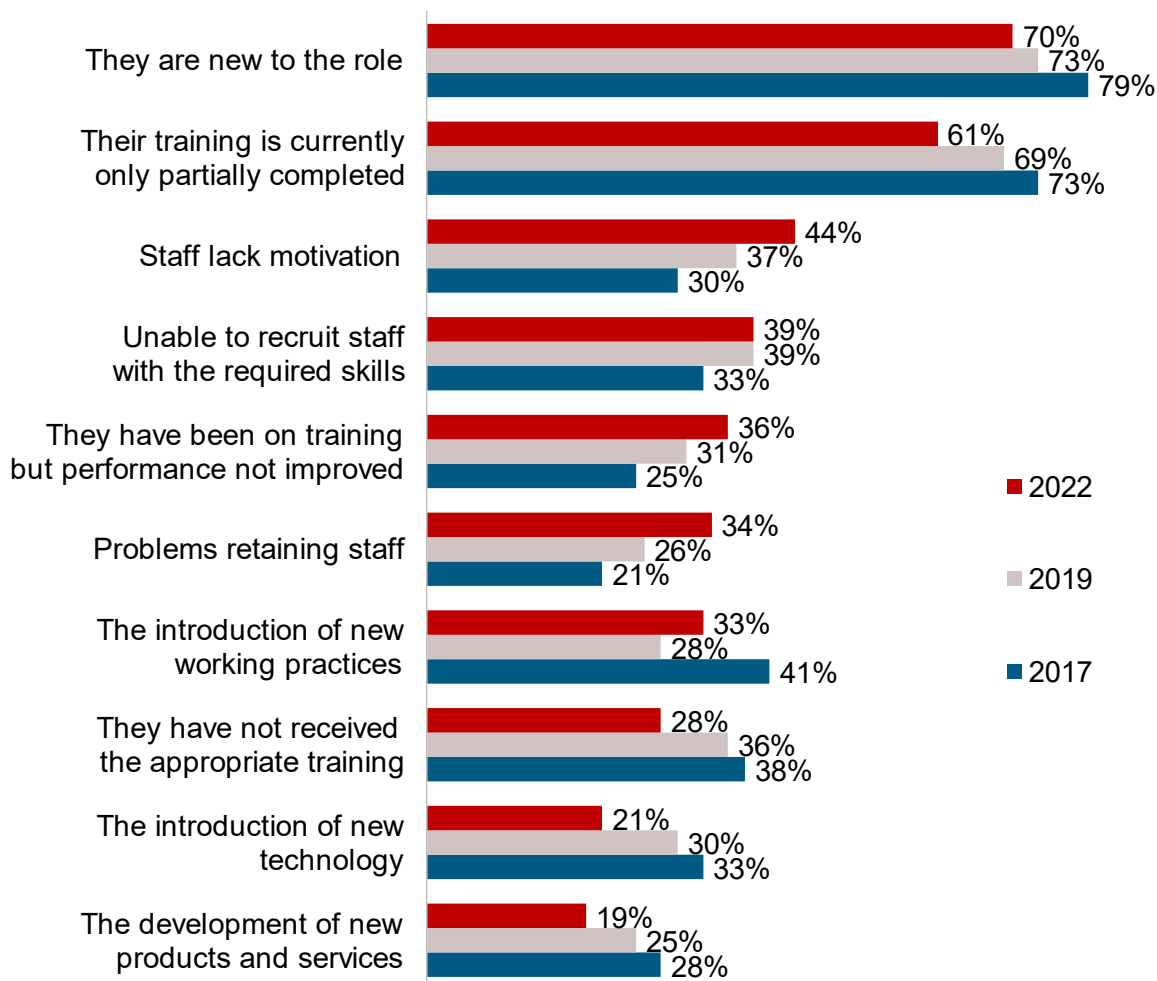
Causes of skills gaps

4.24 The most common causes of skills gaps among the workforce in Wales were staff being new to the role (in part, contributing to 70 per cent of skills gaps), training only being partially completed (61 per cent) and staff lacking motivation (44 per cent). This followed similar patterns seen across England, Northern Ireland and Scotland in 2022.

4.25 Causes of skills gaps related to being new to the role or training only being partially completed together contributed to 81 per cent of skills gaps. These two causes can be described as transient skills gaps, which might resolve themselves over time. One in six (17 per cent) of all skills gaps could be attributed entirely to transient factors. This was a lower proportion than in 2019 (20 per cent). Forty-four per cent of skills gaps were caused by positive transformational factors, including the development of new products and services, the introduction of new working practices and the introduction of new technologies or equipment. This was a slightly lower proportion compared to 2019 (46 per cent).

4.26 The ranking of skills gap causes in 2022 was largely similar to that seen in 2019 and 2017, with transient factors being by far the most cited by employers in Wales, although, as noted above, the prevalence of these factors has decreased over time. This was mainly driven by a reduction in skills gaps caused, in part, by training only being partially completed, down from 69 per cent in 2019 to 61 per cent in 2022.

Figure 4-6 Main causes of skills gaps (prompted), 2017-2022



Base: All establishments with skills gaps in Wales (2022: 925; 2019: 1,209; 2017: 1,056).

4.27 Some causes of skills gaps increased in prevalence compared with previous years, including staff lacking motivation (44 per cent versus 37 per cent in 2019); staff having been on training but not sufficiently improving (36 per cent versus 31 per cent); and problems retaining staff (34 per cent versus 26 per cent). Other causes of skills gaps were less common than they used to be. In addition to the transient factors mentioned above, a lower proportion of skills gaps were due to staff not having received the appropriate training (28 per cent compared to 36 per cent in 2019); the introduction of new technology (21 per cent versus 30 per cent); and the development of new products and services (19 per cent versus 25 per cent).

Skills lacking internally

4.28 Employers with skills gaps were read a list of skills and asked, for each occupation in which they reported skills gaps,¹³ which skills were lacking. Those skills lacking among candidates have been grouped into technical and practical skills and people and personal skills, as discussed in paragraph 3.29.

Technical and practical skills

4.29 Most (89 per cent) skills gaps were caused, at least in part, by a lack of technical or practical skills that were lacking full proficiency, compared with 92 per cent in 2019.

4.30 The most common technical or practical skill that was lacking among staff with skills gaps was specialist skills or knowledge needed to do the job (contributing to 54 per cent of all skills gaps). This was followed by having knowledge of products and services (43 per cent) and the ability to solve complex problems (40 per cent).

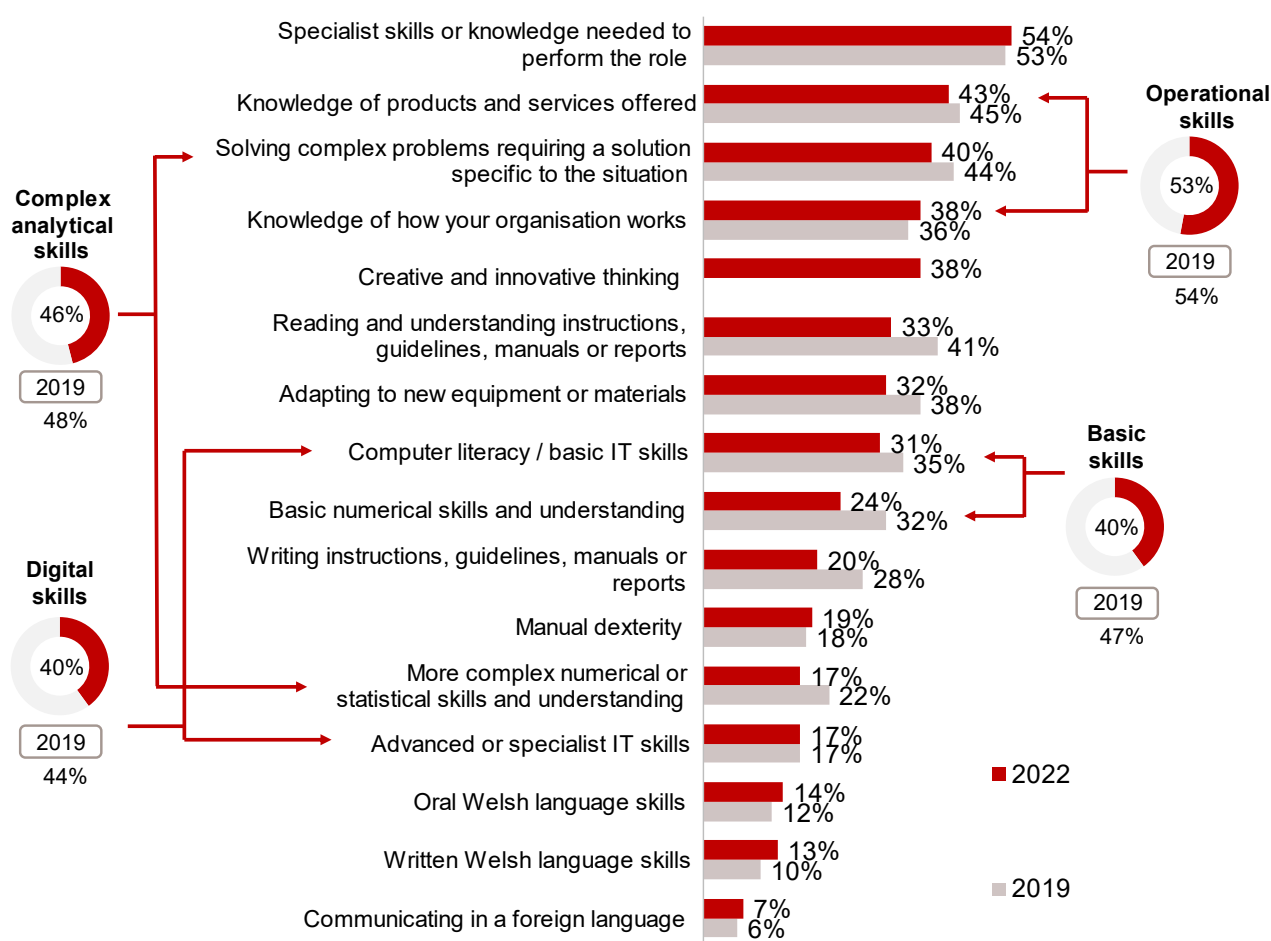
4.31 When grouping these technical or practical skills into broad skill areas, the most common skills deficiencies related to a lack of 'Operational skills' (contributing to 53 per cent of skills gaps), followed by a lack of 'Complex analytical skills' (46 per cent). A lack of 'Digital skills' and 'Basic skills' both contributed to around four in ten skills gaps (40 per cent).

4.32 Employees in Wales were more likely than all other nations to lack digital skills (40 per cent compared to 31 per cent in England, 35 per cent in Northern Ireland and 38 per cent in Scotland). This was mainly due to a higher proportion of the workforce in Wales lacking computer literacy or basic IT skills (31 per cent versus 21 per cent, 27 per cent and 29 per cent respectively). Employees in Wales were also more likely than both England and Northern Ireland to lack operational skills (53 per cent versus 50 per cent and 44 per cent respectively), particularly knowledge of products and services offered (43 per cent, compared with 39 per cent in England and 35 per cent in both Northern Ireland and Scotland).

¹³ Up to a maximum of two occupations chosen at random.

4.33 Figure 4-7 shows different technical and practical skills that were lacking among staff with skills gaps for both 2022 and 2019. Skills deficiencies in reading and understanding instructions, guidelines, manuals or reports were less prevalent than in 2019 (33 per cent compared to 41 per cent in 2019); as were basic numerical skills and understanding (24 per cent compared to 32 per cent); and writing instructions, guidelines, manuals or reports (20 per cent compared to 28 per cent).

Figure 4-7 Technical and practical skills lacking in employees at Welsh employers reporting skills gaps (prompted), 2019-2022



Base: All establishments with skills gaps in Wales (2022: 925; 2019: 1,209).
 The 'Creative and innovative thinking' code was not included in the survey in 2019.

People and personal skills

4.34 A large majority (83 per cent) of skills gaps were also due, at least in part, to a lack of people and personal skills, however this represented a reduction on 2019 levels

(88 per cent). The most common people or personal skills lacking among employees with skills gaps were time management and task prioritisation (contributing to 58 per cent of skills gaps), followed by teamworking abilities (52 per cent); managing feelings of themselves and others (45 per cent); and customer handling skills (44 per cent). When grouping these technical or practical skills into broad skills areas, the most common skills deficiencies related to self-management skills (70 per cent). Just under half (49 per cent) lacked management and leadership skills, while a similar proportion (48 per cent) lacked sales and customer service skills.

Figure 4-8 People and personal skills lacking in employees at Welsh employers reporting skills gaps (prompted), 2019-2022



Base: All establishments with skills gaps in Wales (2022: 925; 2019: 1,209).

4.35 Considering other nations, time management and task prioritisation was also the most common people and personal skill lacking in England (60 per cent of skills gaps) and Scotland (64 per cent). In Northern Ireland it was teamworking (58 per

cent). Employees in Wales were more likely than their counterparts in England to lack management and leadership skills (49 per cent versus 47 per cent), but less likely than those in Scotland (56 per cent) and Northern Ireland (55 per cent). Employees in Wales were also more commonly lacking sales and customer skills than those in England (48 per cent versus 44 per cent), though this factor contributed to a greater proportion of skills gaps in Scotland (52 per cent).

- 4.36 There were notable decreases in specific people and personal skills lacking compared to 2019, reflecting the reducing influence of these skill deficiencies overall on skills gaps. As shown in Figure 4-8, the largest decreases were in the proportion of skills gaps attributed, in part, to staff lacking the ability to manage their own time and prioritise tasks (58 per cent of skills gaps compared with 68 per cent in 2019) and teamworking skills (52 per cent versus 62 per cent).

Skills gaps relating to sustainability or desire to be carbon neutral

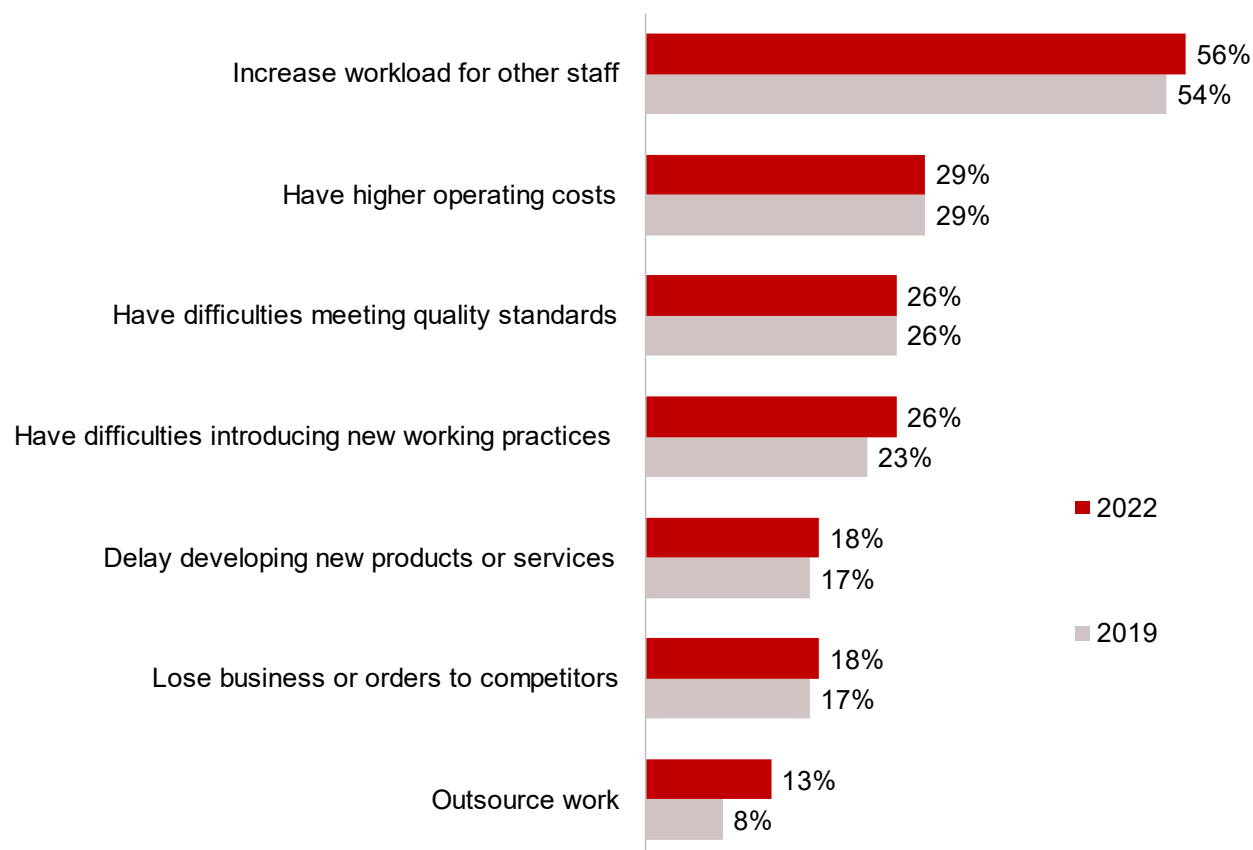
- 4.37 A new question introduced for the 2022 survey asked establishments if the skills that needed improving among the workforce were related to wanting to be more sustainable and carbon neutral.
- 4.38 Just under one in six (16 per cent) employers stated that the skills needing improvement did in part relate to these aims. This increased to three in ten (30 per cent) employers working at the head offices of multi-site organisations and was also more common among establishments with 50 to 99 employees (28 per cent).

Impacts of skills gaps

- 4.39 Around seven in ten (68 per cent) employers in Wales with skills gaps reported that they had a direct impact on how the establishment performs. Nearly one in six (16 per cent) said that they had a major impact, while just over half (52 per cent) reported a minor impact. These results were consistent with those in 2019.
- 4.40 As in previous years, the most cited impact was an increase in workload for the other staff (56 per cent). Around three in ten (29 per cent) reported higher operating costs, while difficulties introducing new working practices and difficulties meeting

quality standards were both mentioned by just over one in four (both 26 per cent). Again, this was very similar to the situation in 2019.

Figure 4-9 Impacts of skills gaps (prompted), 2019-2022



Base: All establishments with skills gaps in Wales (2022: 925; 2019: 1,209).

4.41 Smaller employers with 2 to 4 employees that had skills gaps were less likely to say it had an impact on their business performance (59 per cent versus 68 per cent overall). Employers with 5 to 24 employees were most likely to report a detrimental impact on business performance, closely followed by those with 25 to 49 employees (72 per cent and 71 per cent respectively).

4.42 At the sectoral level, employers in the Manufacturing sector with skills gaps were least likely to have seen an impact on performance (57 per cent compared to the average of 68 per cent) and those in the Hotels and Restaurants sector were most likely to report this (79 per cent).

4.43 Similar proportions of employers with skills gaps in each Welsh region said skills gaps had affected performance, however those in South West Wales were more likely than other regions to say they had a minor impact (60 per cent, compared to 48 per cent in Mid Wales, 50 per cent in North Wales and 51 per cent in South East Wales). Employers in Mid Wales were less likely than those in North Wales, South East Wales and South West Wales to mention workloads increasing for other staff as a result of their skills gaps (44 per cent compared to 56 per cent, 57 per cent and 58 per cent respectively).

Steps taken to address skills gaps

- 4.44 Most employers in Wales with skills gaps (88 per cent) had taken, or had plans to take, steps to improve the proficiency of or skills of staff with skills gaps. This was similar to the proportion in 2019 (90 per cent). There was little difference at UK nation level in the proportion of skills gaps employers taking action, or planning to take action to address their skills gaps, though employers in England were more likely to have already done so compared with Wales (83 per cent versus 80 per cent).
- 4.45 Likelihood of taking or planning to take steps to address skills gaps increased with establishment size, ranged from around seven in ten (71 per cent) employers with 2 to 4 employees, to almost all of those (98 per cent) with 100 or more employees. By sector, addressing skills gaps (or planning to) was most common among the Health and Social Work and Business Services sectors (94 per cent of each) and least common in the Primary Sector and Utilities (68 per cent).
- 4.46 Employers with skills gaps in South East Wales (85 per cent) were more likely to have already taken steps to address the lack of full proficiency in their workforce than their counterparts in North Wales, Mid Wales and South West Wales (74 per cent, 75 per cent and 80 per cent respectively).
- 4.47 The most common action taken by employers in Wales with skills gaps to address the lack of full proficiency among their workforce was to increase training activity or spend (60 per cent), followed by increasing supervision of staff (53 per cent), the

implementation of mentoring or buddy schemes (45 per cent) and more staff appraisals or performance reviews (also 45 per cent).

4.48 As seen in Figure 4-10 below, the most common steps taken to overcome skills gaps were largely in line with 2019. There was, however, a notable increase in the proportion of employers increasing their recruitment activity or spend in 2022 compared to 2019 (26 per cent versus 18 per cent), while the proportion of employers recruiting workers who are not UK nationals doubled in 2022 compared with 2019 (10 per cent compared with 5 per cent).

Figure 4-10 Steps taken to overcome skills gaps (prompted), 2019-2022



Base: All establishments with skills gaps in Wales (2022: 925; 2019: 1,209).

4.49 The following groups were least likely to have increased training spend or activity:

- Smaller employers with 2 to 4 employees (45 per cent)
- Primary Sector and Utilities (35 per cent), Construction (47 per cent) and Hotels and Restaurants sector employers (52 per cent)
- Employers in Mid Wales (51 per cent) and North Wales (55 per cent)

4.50 Conversely, the following groups were most likely to have increased training spend or activity:

- Employers with 100 or more employees (79 per cent) and those with 50 to 99 employees (75 per cent)
- Arts and Other Services (74 per cent), Business Services (71 per cent) and Health and Social Work employers (69 per cent)
- Employers in South East Wales (66 per cent).

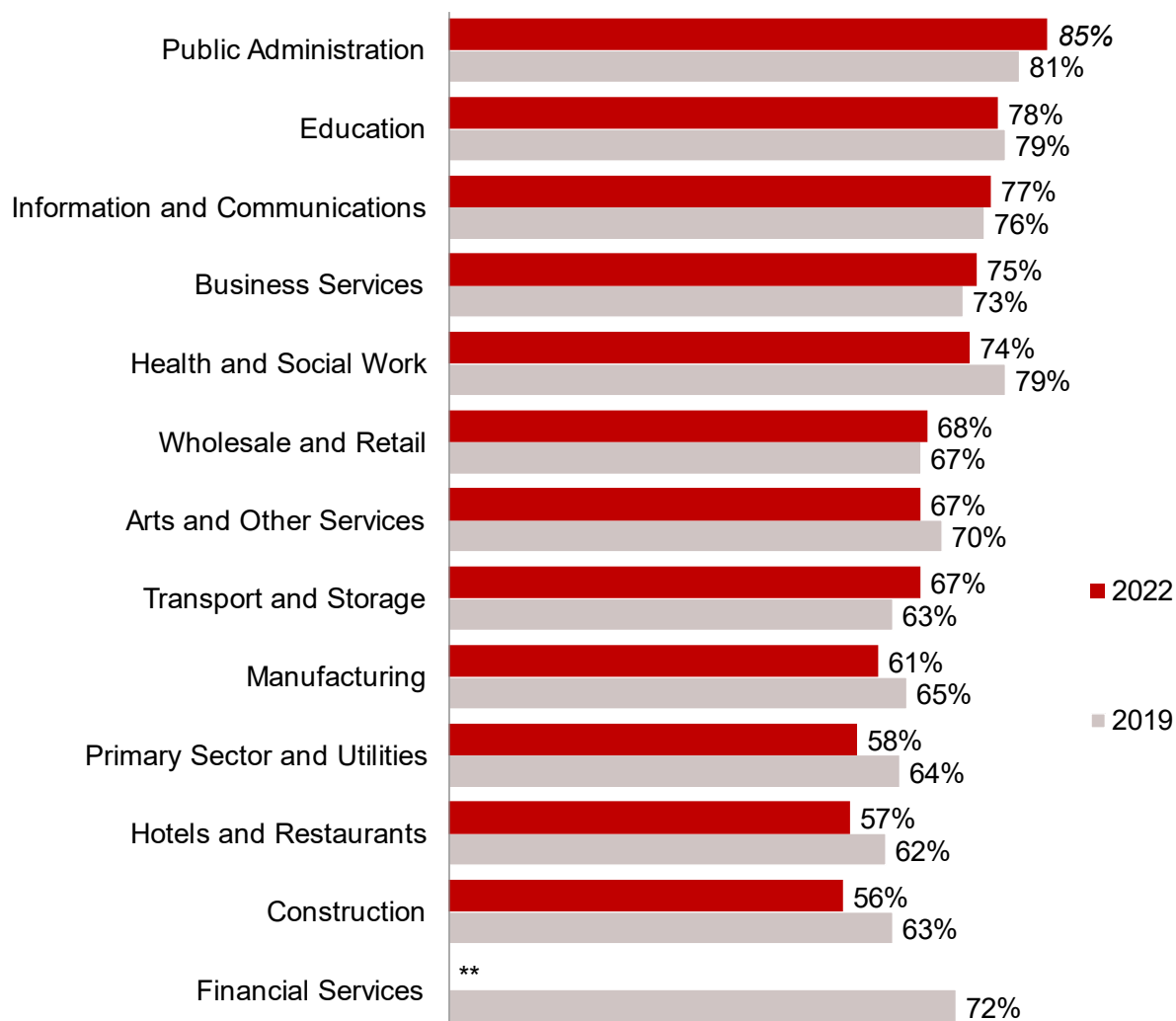
Future skills needs

4.51 Around seven in ten (67 per cent) establishments in Wales expected they would need to upskill their workforce in the next 12 months, similar to the level in 2019 (68 per cent). The proportion of employers with upskilling needs was higher in Wales than in England (62 per cent) and similar to that seen in Northern Ireland (64 per cent) and Scotland (66 per cent).

4.52 The need for upskilling also varied at the regional level in Wales. Employers in South East Wales (69 per cent) and North Wales (68 per cent) were more likely than those in Mid Wales (58 per cent) to report needing to upskill their workforce. In South West Wales, 64 per cent of employers had upskilling needs.

4.53 The perceived need to upskill the workforce varied by sector. Employers in the Public Administration and Education sectors were most likely to have a need for upskilling (85 per cent and 78 per cent respectively), whereas those in the Construction and Hotels and Restaurants sectors were least likely to report this (56 per cent and 57 per cent respectively).

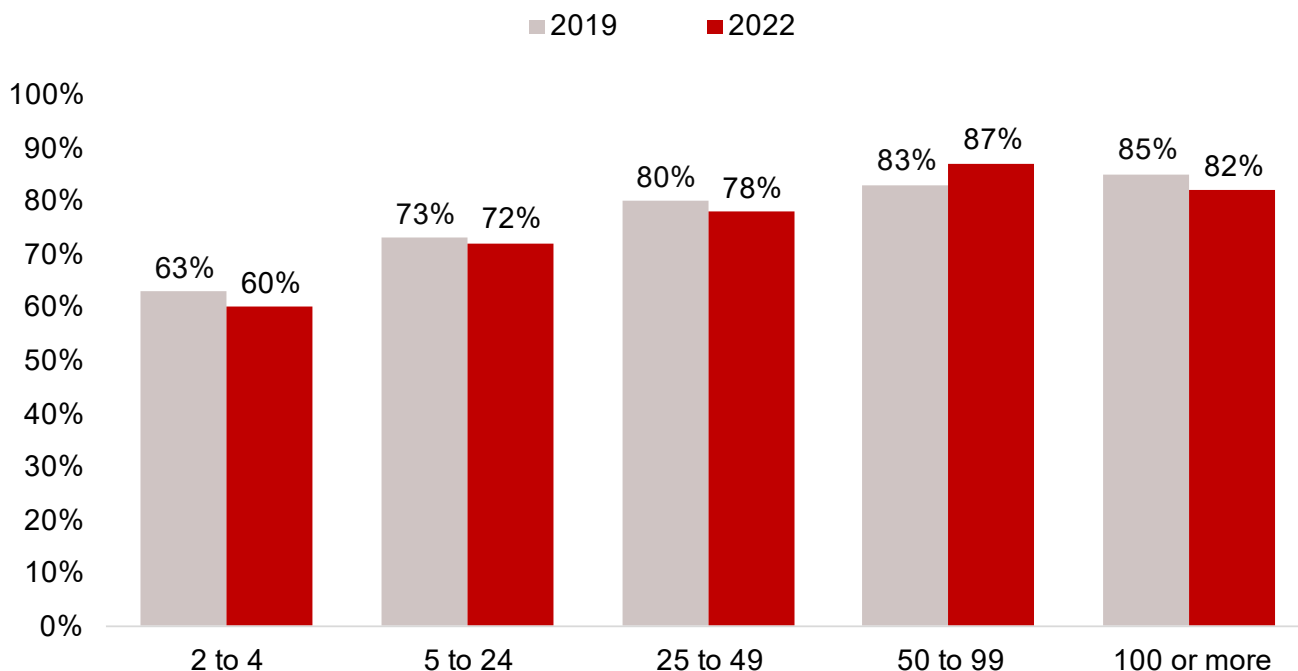
Figure 4-11 Prevalence of upskilling need by sector, 2019-2022



Base: All establishments in Wales (Module B and Module D) (2022 range: Public Administration 35 to Wholesale and Retail 493; 2019 range: Public Administration 57 to Wholesale and Retail 697).

4.54 As in 2019, there was a link between establishment size and anticipated need to upskill in the next 12 months. Smaller employers (with 2 to 4 employees) were least likely to report upskilling needs (60 per cent), whereas mid-sized (with 50 to 99 employees) and larger employers (with 100 or more staff) were most likely to report these needs (87 per cent and 82 per cent respectively).

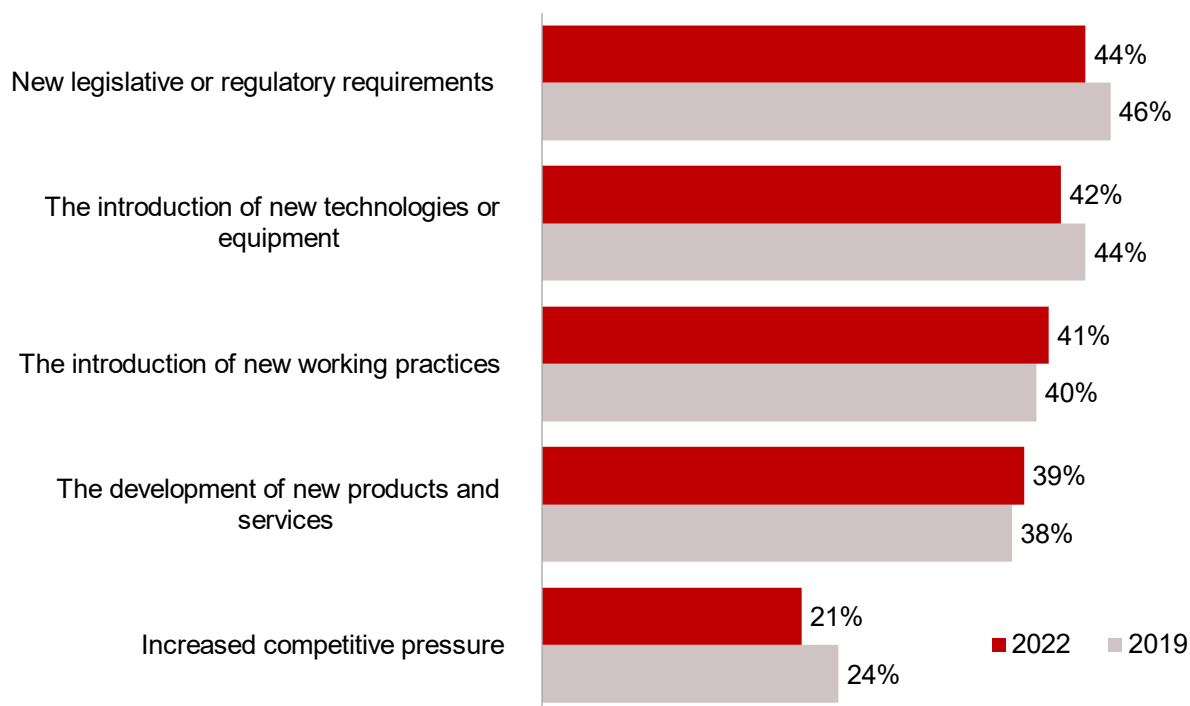
Figure 4-12 Prevalence of upskilling need by organisation size, 2019-2022



Base: All establishments in Wales (Module B and Module D) (2019: 2 to 4: 1,011, 5 to 24: 1,655, 25 to 49: 379, 50 to 99: 192, 100 or more: 141; 2022: 2 to 4: 706, 5 to 24: 1,151, 25 to 49: 321, 50 to 99: 129, 100 or more: 102).

4.55 The main reasons given for needing to upskill were the introduction of new legislative or regulatory requirements (44 per cent), the introduction of new technologies or equipment (42 per cent), the introduction of new working practices (41 per cent), and the development of new products and services (39 per cent). Reasons were ranked similarly to 2019, as shown in Figure 4-13 below.

Figure 4-13 Reasons given for needing to upskill workforce (prompted), 2019-2022



Base: All establishments in Wales (Module B and D) (2022: 2,409; 2019: 3,378).

4.56 Employers in Wales were more likely than their counterparts in England to cite each of the top four reasons given. The largest difference was in the proportion expecting to upskill due to the introduction of new working practices (41 per cent cited this in Wales compared to 34 per cent in England). Welsh employers were more likely than those in Northern Ireland to mention needing to upskill due to new legislative or regulatory requirements (44 per cent compared to 37 per cent) and the introduction of new working practices (41 per cent compared to 36 per cent). There were no substantial differences compared to employers in Scotland.

4.57 There were a number of notable regional differences within Wales:

- Employers in South East Wales were most likely to mention the introduction of new technologies or equipment (45 per cent)
- Those in South East Wales were most likely to cite the development of new products and services (42 per cent)

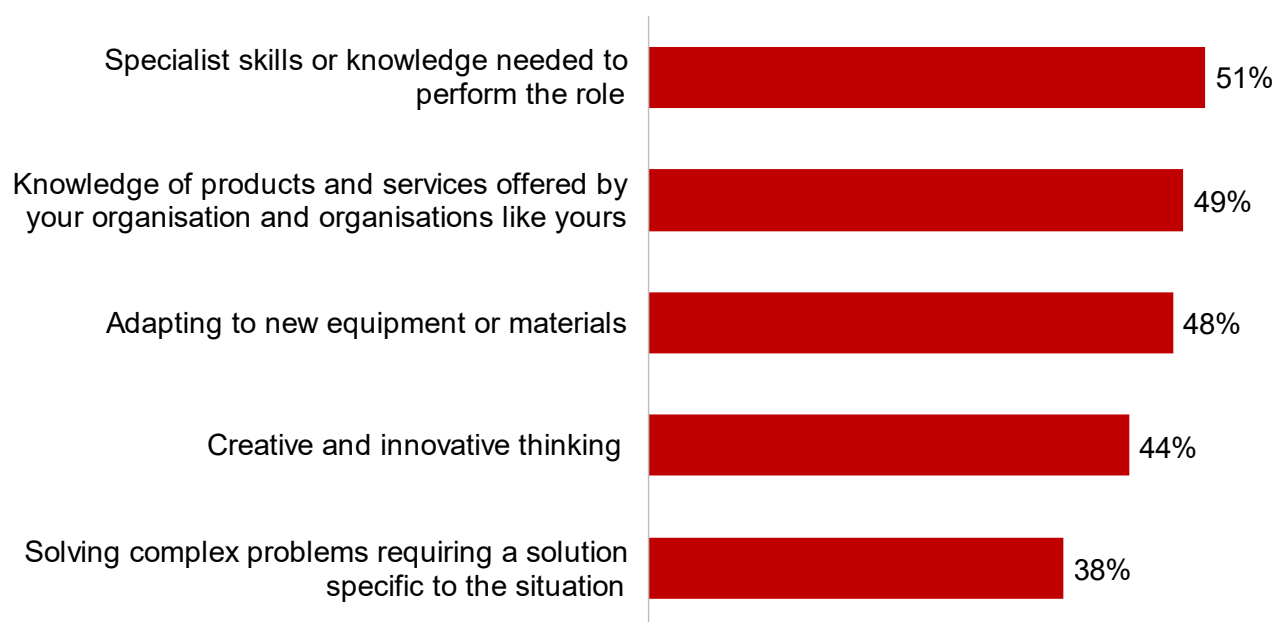
- Employers in Mid Wales were least likely to mention the introduction of new working practices (35 per cent)
- Those in Mid Wales were least likely to cite increased competitive pressure as a reason for needing to upskill their workforce (15 per cent)

Skills that need improving

4.58 Employers in Wales were more likely to report technical and practical that needed improving as opposed to people and personal skills. The most common technical and practical skill requiring development over the coming 12 months was specialist skills and knowledge needed to perform the role (51 per cent). The most common people and personal skill mentioned was the ability to manage one’s own time and task prioritisation (42 per cent).

4.59 After specialist skills and knowledge, the most common technical and practical skills that needed improving were individuals’ knowledge of products and services (49 per cent), adapting to new equipment or materials (48 per cent), creative and innovative thinking (44 per cent), and solving complex problems (38 per cent).

Figure 4-14 Top five technical and practical skills which need to be developed, 2022



Base: All establishments anticipating a need for new skills in Wales (Module B and D) (1,520).

4.60 After time management, the most common people and personal skills that needed improving were teamworking (39 per cent), managing their own feelings, or the feelings of others (35 per cent), customer handling skills (35 per cent), and managing or motivating other staff (34 per cent).

Figure 4-15 Top five people and personal skills which need to be developed, 2022



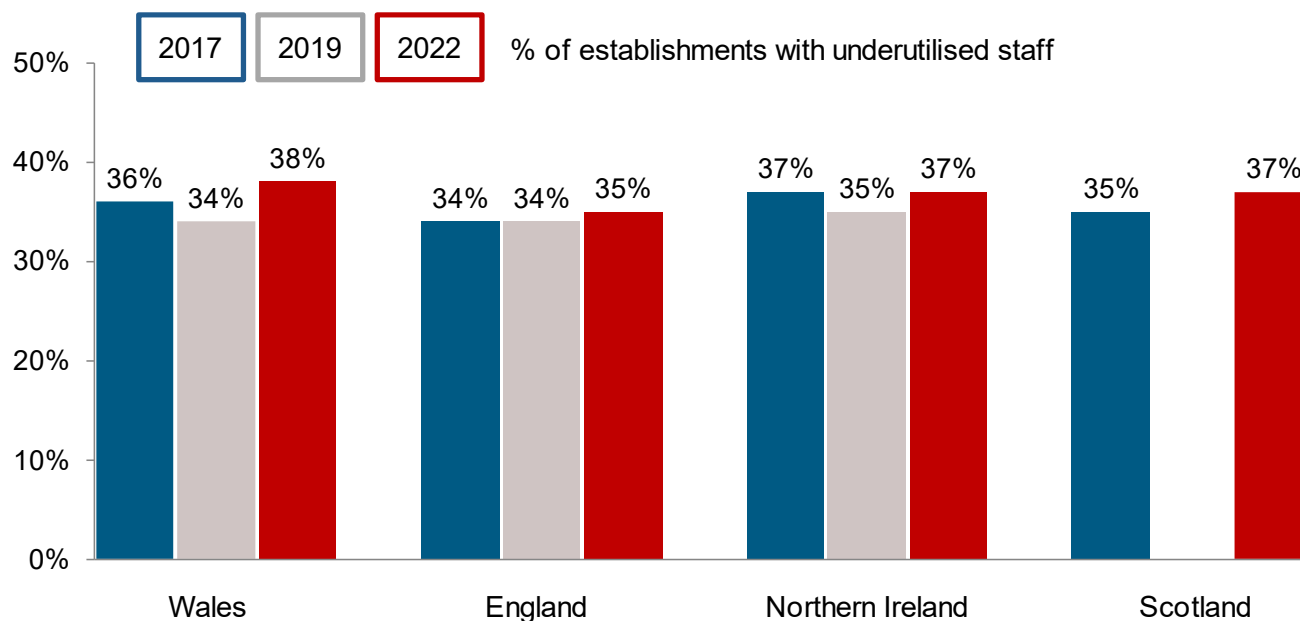
Base: All establishments anticipating a need for new skills in Wales (Module B and D) (1,520).

Under-use of skills

4.61 Around four in ten (38 per cent) establishments had staff with qualifications and skills that were more advanced than required for their job role. This represents an increase compared to 2019 (34 per cent). Overall, 111,000 workers (8.8 per cent of the workforce) were said to be under-utilising their skills and qualifications in their job role. This therefore affected more than twice the proportion of workforce than skills gaps did (4.1 per cent).

4.62 Employers in Wales (38 per cent), Northern Ireland (37 per cent) and Scotland (also 37 per cent) were all more likely than their counterparts in England (35 per cent) to have underutilised staff. Wales saw the largest percentage-point increase in underutilised staff since 2019 compared with England and Northern Ireland (increasing by 4 percentage points from 34 percent in 2019 to 38 per cent in 2022).

Figure 4-16 The proportion of establishments with underutilised staff, by nation¹⁴

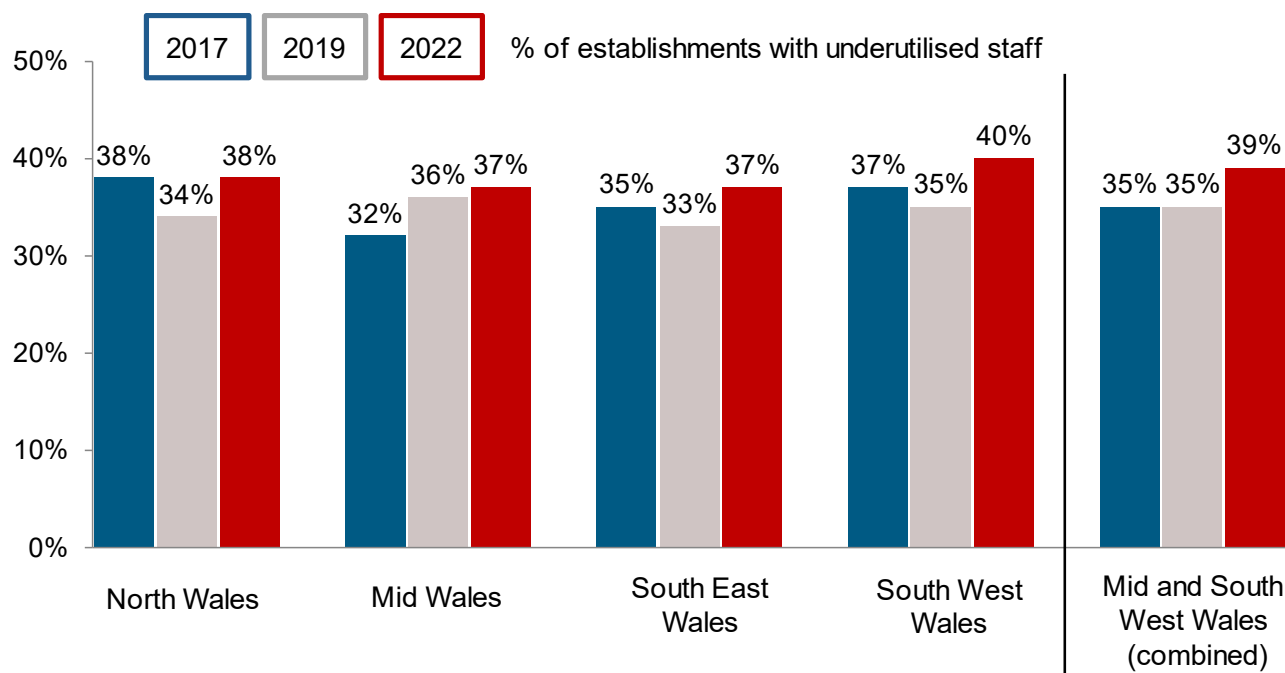


Base: All establishments (2017: England: 71,527, Northern Ireland: 3,973, Wales: 5,913, Scotland: 6,017; 2019: England (Modules B and D): 26,707, Northern Ireland (Modules B and D): 2,003, Wales (Modules B and D): 3,378; 2022: England (Module B): 10,038, Northern Ireland (Modules B and D): 1,631, Wales (Modules B and D): 2,409, Scotland (Modules B and D): 2,547). Scotland was not included in 2019.

4.63 The proportion of establishments with underutilised staff increased across all Welsh regions in 2022 compared with 2019. This increase was most marked in South West Wales, which saw a 5 percentage-point increase from 35 per cent in 2019 to 40 per cent in 2022. Mid Wales had the highest proportion of underutilised staff (11.1 per cent), while South East Wales had the lowest (8.1 per cent).

¹⁴ 2019 data not available for Scotland

Figure 4-17 The proportion of establishments with underutilised staff, by Welsh region



Base: All establishments in Wales (2017: North Wales: 1,585, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid and South West Wales: 1,726; 2019 (Modules B and D): North Wales: 863, Mid Wales: 366, South East Wales: 1,355, South West Wales: 794, Mid and South West Wales: 1,160; 2022 (Modules B and D): North Wales: 608, Mid Wales: 337, South East Wales: 978, South West Wales: 486, Mid and South West Wales: 823).

4.64 By sector, establishments in the Hotels and Restaurants and Education sectors were most likely to have underutilised staff (55 per cent and 48 per cent respectively). In contrast, those in the Transport and Storage (24 per cent) and Business Services (29 per cent) sectors were least likely to have underutilised staff.

5. Training and workforce development

Chapter summary

- 5.1 Overall, six in ten (60 per cent) employers in Wales had funded or arranged training for their staff over the previous 12 months, a decrease from the 62 to 63 per cent seen during the 2015 to 2019 period. This decrease in provision of training was driven by a lower proportion of employers providing off-the-job training (36 per cent in 2022 versus 45 per cent in 2019).
- 5.2 The proportion of staff trained also decreased from 65 per cent in 2019 to 63 per cent in 2022. This was coupled with a 4 percent decrease in the number of staff trained (788,100 staff, down from 820,000 in 2019).
- 5.3 Employers in Wales had provided 5.3 million training days over the last 12 months, equating to 6.8 days per annum per person trained and 4.2 days per employee. Despite decreases in the proportion of staff trained in Wales since 2019, training days per trainee figure represents an increase from 5.1 days in 2019.
- 5.4 Overall, employers in Wales spent £2.3 billion on training in 2022, a 15 per cent increase from the equivalent £2.0 billion figure in 2019. Coupled with the decrease in proportion of staff trained, spend per trainee had also increased by 20 per cent, to £2,920 per annum. Employers in Wales experienced larger increases in their training spend per trainee in comparison to England and Northern Ireland in 2019. In contrast with previous years, on-the-job training spend made up a larger proportion of overall training spend than off-the-job training spend (58 per cent compared to 42 per cent respectively).
- 5.5 The most common type of training provided was job-specific training, mentioned by 84 per cent of employers providing training (in line with 2019 results). The majority of training employers also provided health and safety or first aid training (71 per cent) and basic induction training (63 per cent). Almost seven in ten (69 per cent) training employers had funded or arranged online training or e-learning for their staff over the previous 12 months, an increase from 54 per cent in 2019.

5.6 Four in ten (40 per cent) employers had not provided any training for their staff in the previous 12 months, with the main reason being that they perceived their staff to all be fully proficient and therefore there was no need to train (66 per cent).

5.7 Overall, just under six in ten (57 per cent) employers were in training equilibrium, while the remaining 43 per cent were not in training equilibrium i.e., they would have liked to provide more training to their staff over the previous 12 months.

Introduction

5.8 Training the workforce is one way in which employers can address skills shortages and skills gaps, enabling them to improve productivity. This chapter explores the training landscape in 2022 and how this has changed over time, exploring:

- How many employers had funded or arranged training and development for their employees, and which types of employer were more likely to have done so;
- How many and which employees they provided training for;
- Employer expenditure on training;
- The types of training provided; and
- Barriers and limits on training

5.9 Within this chapter, training and development provided by employers is discussed in terms of:

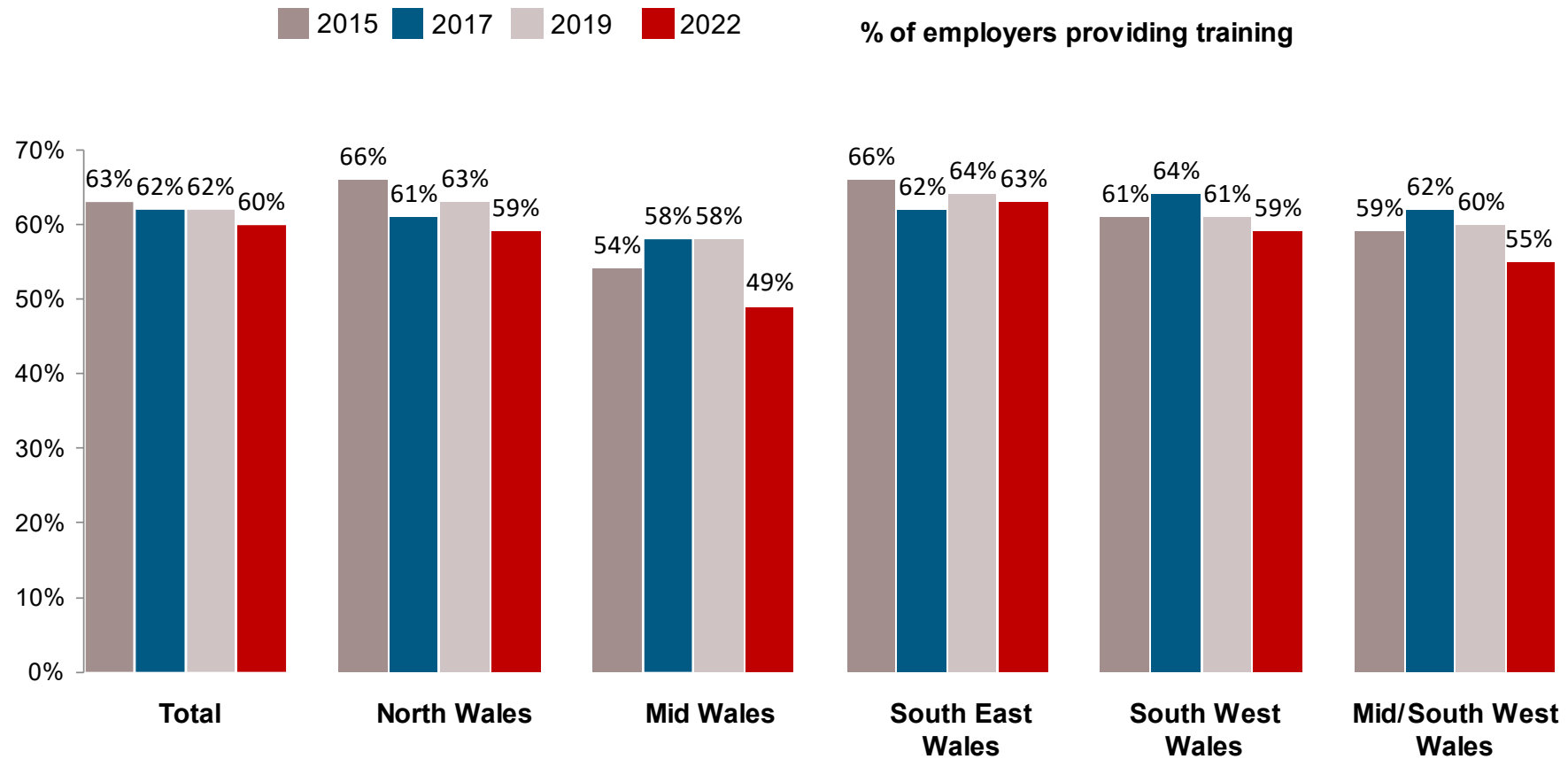
- **Off-the-job training:** training beyond that which takes place on-the-job or as part of an individual's normal work duties. This can be undertaken at an employer's premises, at a provider, at home or elsewhere. Prior to 2022, the definition for 'off-the-job training' was 'training away from the individual's immediate work position, whether on the employer's premises or elsewhere'. This should be noted when comparing 2022 results to previous waves.
- **On-the-job training:** training undertaken at the individual's work position and covering activities that would be recognised as training by staff, rather than learning by experience which can take place all the time.

5.10 Employers may provide one or both of these types of training.

Incidence of training and workforce development

- 5.11 Six in ten employers (60 per cent) in Wales had funded or arranged training for their staff over the previous 12 months. This is a decrease compared to previous years in the ESS series (since 2015), where 62 to 63 per cent of employers had provided training for their staff, as shown in Figure 5-1.

Figure 5-1 Proportion of employers training (2015-2022)



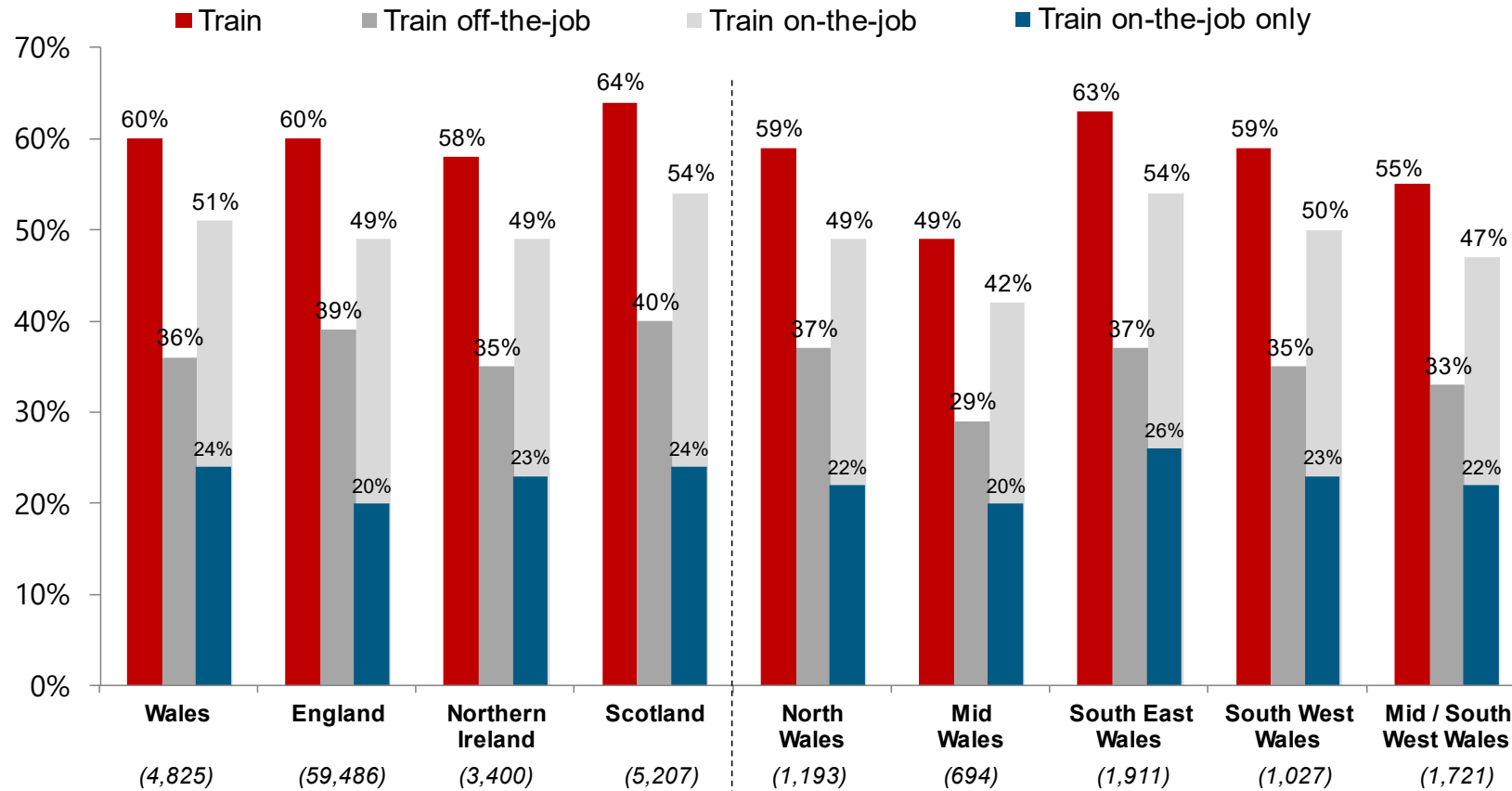
Base: All establishments in Wales (2015: North Wales: 1,528, Mid Wales: 742, South East Wales: 2,395, South West Wales: 1,362, Mid / South West: 2,104; 2017: North Wales: 1,584, Mid Wales: 605, South East Wales: 2,603, South West Wales: 1,121, Mid / South West: 1,726; 2019: North Wales: 1,666, Mid Wales: 793, South East Wales: 2,767, South West Wales: 1,547, Mid / South West: 2,340; 2022: North Wales: 1,193, Mid Wales: 694, South East Wales: 1,911, South West Wales: 1,027, Mid / South West: 1,721).

- 5.12 The proportion of employers that provided training was the same as in England (60 per cent), and similar to Northern Ireland (58 per cent), but lower than in Scotland (64 per cent).
- 5.13 By region, employers in South East Wales were most likely to have trained their staff (63 per cent), followed by South West Wales and North Wales (both 59 per cent). Employers in the Mid Wales region were least likely to have provided training (49 per cent compared to 60 per cent overall) and also experienced the largest decrease compared to 2019 (49 per cent versus 58 per cent), followed by employers in North Wales (59 per cent versus 63 per cent). In contrast, results for employers in South East Wales and South West Wales were similar to 2019.
- 5.14 Small employers with 2 to 4 employees were the least likely to provide training in the last 12 months (43 per cent of establishments), whereas establishments with 50 to 99 employees were most likely to have done so (94 per cent). In 2019, establishments with 100 or more employees were most likely to offer training, however the proportion providing training among this group of employers decreased from 97 per cent in 2019 to 90 per cent in 2022.
- 5.15 Repeating historical trends, employers in Public Administration (94 per cent), Education (86 per cent) and Health and Social Work (84 per cent) were most likely to have provided training in the last 12 months. This reflects the wider prevalence of training in the public sector than the private sector (90 per cent versus 56 per cent). Employers working in the Primary Sector and Utilities had the lowest incidence of training (34 per cent) followed by Construction (48 per cent).
- 5.16 Employers that had recruited in the previous 12 months were more likely to have trained than those who had not (79 per cent versus 42 per cent). The same was seen for employers who had skills gaps, compared to those without (81 per cent versus 56 per cent).
- 5.17 The overall decrease in provision of training has been driven by a lower proportion of employers providing off-the-job training; 36 per cent of employers provided off-the-job training in the previous 12 months, compared to 45 per cent in 2019. This decrease was evident across all size bands and sectors, with the exception of

Public Administration (70 per cent in 2022 and 65 per cent in 2019) and Financial Services (45 per cent in 2022 and 46 per cent in 2019).

- 5.18 In contrast, employers were more likely to provide on-the-job training in 2022 than they were in 2019 (51 per cent versus 49 per cent). The largest increase in provision of on-the-job training was seen in the Public Administration sector, increasing from 76 per cent in 2019 to 84 per cent in 2022.
- 5.19 There were differences in the prevalence of on and off-the-job training by nation, with employers in Wales less likely to provide off-the-job training than employers in both England and Scotland (36 per cent, compared with 39 per cent and 40 per cent respectively). Employers in Wales were more likely than those in England to provide any on-the-job training (51 per cent versus 49 per cent).
- 5.20 Just under three in ten (27 per cent) employers in Wales provided both on-the-job and off-the-job training to their staff, decreasing from 31 per cent in 2019. This was lower than the equivalent proportions seen in Scotland (30 per cent) and England (29 per cent), but similar to the proportion in Northern Ireland (26 per cent).
- 5.21 By region, employers in South East Wales, who were most likely to train in general, were most likely to provide on-the-job training (54 per cent), and alongside North Wales were also most likely to provide off-the-job training (37 per cent for both).

Figure 5-2 Training provision over the last 12 months, by nation and region



Base: All establishments in Wales.

Proportion of staff trained (overall and within occupation)

- 5.22 Overall, employers in Wales had trained a total of 788,100 staff over the previous 12 months, compared with 820,000 in 2019 (a 4 per cent decrease). As the size of the total workforce has remained relatively stable since 2019, this meant the proportion of the workforce trained decreased from 65 per cent in 2019 to 63 per cent in 2022.
- 5.23 As shown in Table 5-1, employers in North Wales trained the highest proportion of their staff (65 per cent), followed by South West Wales (63 per cent) while the lowest proportions were seen in the South East and Mid Wales regions (61 per cent for both). The largest regional decrease in the proportion of staff trained occurred in South East Wales (61 per cent versus 65 per cent in 2019).
- 5.24 The proportion of staff trained was lowest among the smallest establishments with 2 to 4 employees (38 per cent), following the trend seen in previous years. The highest proportions of staff were trained among establishments with 25 to 49 employees (69 per cent) and those with 50 to 99 employees (68 per cent). Among the largest employers with 100 or more employees, 66 per cent of staff had been trained in the last 12 months, a decrease from 76 per cent in 2019.

Table 5-1 Number and proportion of staff trained over the last 12 months (2013-2022)

	2013		2015		2017		2019		2022	
	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained
Wales	724	62	760	64	705	58	820	65	788	63
England	14,149	62	14,708	63	15,233	62	15,238	60	15,430	60
Northern Ireland	426	59	463	64	449	60	489	62	503	64
Scotland	1,494	65	1,474	62	1,523	62	n/a	n/a	1,443	59

	2013		2015		2017		2019		2022	
	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained	No. trained (000's)	per cent of staff trained
Region										
North	182	69	166	60	152	55	197	68	188	65
Mid Wales	36	44	57	71	56	67	47	57	49	61
South East Wales	349	61	376	65	348	58	404	65	380	61
South West	156	62	162	63	148	56	172	64	171	63
Mid / South West	192	58	218	65	205	59	219	62	219	63
Size										
2 to 4	41	36	42	37	42	34	47	38	48	38
5 to 24	161	55	171	56	174	56	187	57	189	60
25 to 49	98	67	108	71	104	67	105	65	109	69
50 to 99	106	75	93	62	94	65	109	69	97	68
100+	318	67	439	70	289	59	372	76	344	66

Base: All establishments in Wales. Base sizes are shown Annex E.

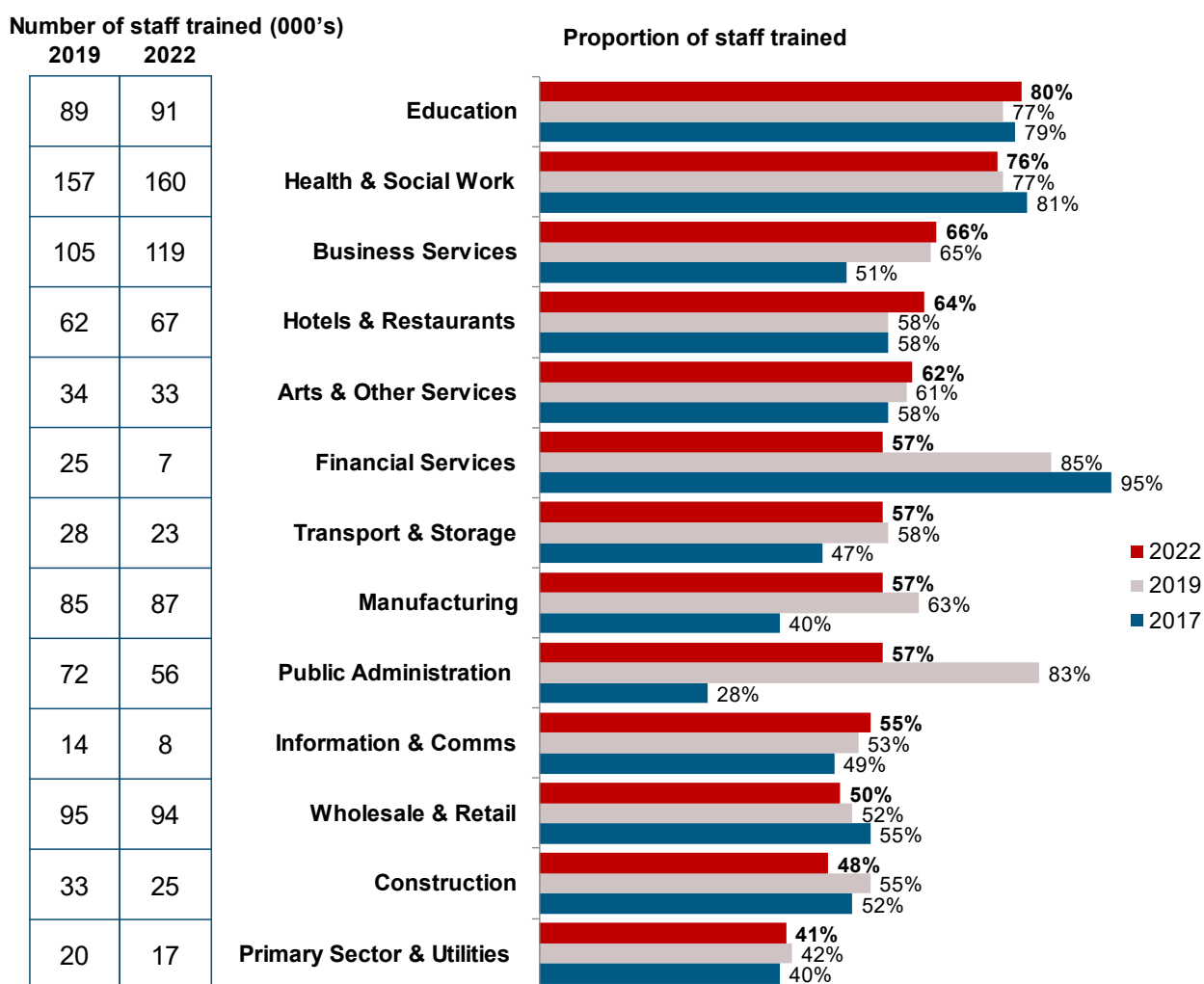
Percentages are based on all employment rather than all establishments. Figures therefore show the proportion of staff within each subgroup trained over the last 12 months.

5.25 By sector, the Education, Health and Social Work and Business Services sectors trained the highest proportion of their staff (80, 76 and 66 per cent respectively). The Health and Social Work and Business Services sectors also trained the most staff in terms of volume (160,000 and 119,000 respectively). The Primary Sector and Utilities trained the lowest proportion of their staff (41 per cent), while the Financial Services and Information and Communications sectors trained the fewest staff in volume terms (7,000 and 8,000 respectively).

5.26 The largest reduction in workforce training occurred in the Financial Services, from 85 per cent in 2019 to 57 per cent in 2022.¹⁵

¹⁵ It should be noted the Financial Services sector has a relatively low base size of 41 respondents.

Figure 5-3 Proportion of staff trained by sector (2017-2022)

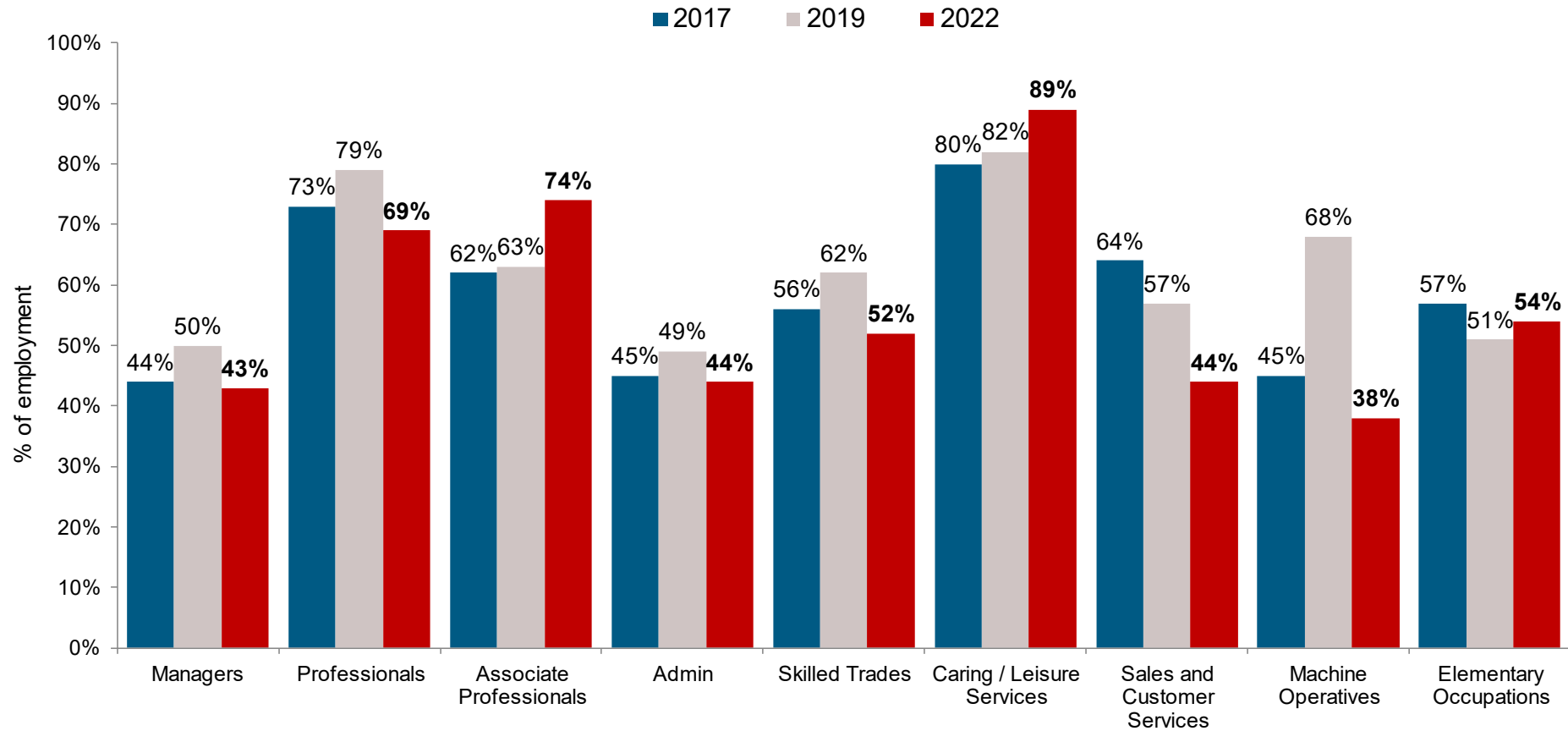


Base: All establishments in Wales (2022 range: Financial Services 58 to Wholesale and Retail 1,010; 2019 range: Financial Services 109 to Wholesale and Retail 1,442; 2017 range: Public Administration 91 to Wholesale and Retail 958).

5.27 Considering occupational data, the Caring, Leisure and Other Services occupations were most likely to have been trained in the previous 12 months (89 per cent), continuing an upward trend seen since 2017 where the corresponding figure was 80 per cent. The largest decreases in the proportion of staff trained occurred among Machine Operatives (38 per cent versus 68 per cent in 2019) and Sales and Customer Services occupations (44 per cent versus 57 per cent in 2019, continuing a downward trend seen since 2017). As shown in Figure 5-4, other occupations less likely to receive training than in 2019 included Professionals (69 per cent versus 79 per cent), Skilled Trades (52 per cent versus 62 per cent), Managers (43 per cent

versus 50 per cent) and Administrative occupations (44 per cent versus 49 per cent).

Figure 5-4 Proportion of staff trained over the last 12 months by occupation (2017-2022)



Base: All establishments in Wales (2017 range: Associate professionals 796 to Managers 5,626; 2019 range: Associate professionals 977 to Managers 6,409; 2022 range: Associate professionals 639 to Managers 4,597).

Training Days

- 5.28 Employers in Wales had provided 5.3 million training days over the last 12 months, equating to 6.8 days per annum per person trained ('per trainee') and 4.2 days per employee. This represents an increase from 2019, when 4.2 million training days were provided, returning to similar levels to those seen in 2015 (5.4 million).
- 5.29 Despite decreases in the proportion of staff trained in Wales since 2019, training days per trainee have increased substantially; each trainee received almost two days more training on average in 2022 than in 2019 (6.8 days versus 5.1 days). Across the whole workforce, employees received around a day more of training per annum in 2022 than they did in 2019 (4.2 days versus 3.3 days).

Table 5-2 Total training days, days per person trained and per employee, by region and establishment size (2013-2022)

	2013			2015			2017			2019			2022		
	Total	Per Trainee	Per employee	Total	Per trainee	Per employee	Total	Per trainee	Per employee	Total	Per trainee	Per employee	Total	Per trainee	Per employee
Wales	5.6m	7.7	4.8	5.4m	7.2	4.6	4.4m	6.2	3.6	4.2m	5.1	3.3	5.3m	6.8	4.2
England	94.9m	6.7	4.2	99.9m	6.8	4.3	97.6m	6.4	4.0	91.9m	6.0	3.6	90.3m	5.9	3.5
Northern Ireland	2.7m	6.3	3.7	2.6m	5.6	3.6	2.6m	5.7	3.5	2.7m	5.4	3.4	2.9m	5.8	3.7
Scotland	10.0m	6.7	4.3	9.9m	6.7	4.2	10.0m	6.5	4.1	n/a	n/a	n/a	9.6m	6.7	3.9
Region															
North	1.3m	7.2	4.9	1.1m	6.7	4.0	0.9m	5.6	3.1	1.1m	5.5	3.7	1.3m	6.9	4.5
Mid Wales	**	**	**	0.4m	6.6	4.7	0.5m	9.4	6.3	0.3m	6.4	3.6	0.3m	5.2	3.2
South East	2.3m	6.6	4.0	2.7m	7.3	4.7	1.8m	5.0	2.9	1.9m	4.7	3.1	2.8m	7.4	4.5
South West	0.9m	5.8	3.6	1.2m	7.5	4.7	1.2m	8.2	4.6	0.9m	5.4	3.4	1.0m	5.7	3.6
Mid / South West	**	**	**	1.6m	7.3	4.7	1.7m	8.5	5.0	1.2m	5.6	3.5	1.2m	5.6	3.5
Size															
2 to 4	0.4m	9.8	3.5	0.4m	8.5	3.2	0.3m	7.6	2.6	0.4m	9.5	3.6	0.4m	8.5	3.3
5 to 24	1.3m	8.3	4.6	1.4m	8.2	4.6	1.2m	7.1	4.0	1.2m	6.7	3.8	1.4m	7.1	4.3
25 to 49	0.7m	7.6	5.0	0.9m	8.3	5.9	0.7m	7.2	4.8	0.6m	5.8	3.7	0.8m	7.1	4.9
50 to 99	0.7m	6.3	4.7	0.7m	7.7	4.7	0.7m	7.3	4.8	0.6m	5.1	3.5	0.6m	6.3	4.3
100+	2.4m	7.6	5.1	2.8m	6.3	4.5	1.4m	4.7	2.8	1.4m	3.6	2.7	2.2m	6.3	4.2

*Base: All establishments that train in Wales (though 'days per employee' is based upon employment across all establishments). Base sizes are shown in Annex E. ** Figures for Mid Wales in 2013 have been removed due to figures being heavily influenced by outliers.*

- 5.30 By region, although employers in South East Wales had trained the lowest proportion of staff in the last 12 months, they provided the highest levels of training days per trainee (7.4 days). Employers in Mid Wales provided the lowest number of training days (5.2), despite having trained a similar proportion of their staff as South East Wales, suggesting that employers in Mid Wales may be providing less intensive training for their staff.
- 5.31 Continuing trends seen across the ESS series, the number of training days per trainee decreased with establishment size, from 8.5 days per trainee among establishments with 2 to 4 employees, to 6.3 days per trainee among establishments with 100 staff or more. These largest employers had seen training days increase from 3.6 days per trainee in 2019 to 6.3 days per trainee in 2022. In contrast, there was a reduction in training days among the smallest establishments, decreasing from 9.5 days per trainee in 2019, to 8.5 days per trainee in 2022.
- 5.32 In terms of sector, the highest number of training days per trainee was seen in the Financial Services sector (14.3), followed by Arts and Other Services (8.8).¹⁶
- 5.33 Data by sector for the total number of training days, days per person trained and per employee in 2022 can be found in Table 203 of the Wales published Data Tables.

Investment in Training

- 5.34 In order to collect accurate training expenditure information from employers, a follow-up 'Investment in Training' survey was conducted with employers that had indicated they provide training during the main Employer Skills Survey. All figures used from previous waves of ESS have been adjusted for inflation for comparative purposes.
- 5.35 Total employer expenditure on training and development over the previous 12 months in Wales was £2.3 billion. This was a 15 per cent increase on the level of investment seen in 2019 (£2.0 billion), though is still below levels seen in 2017 (£2.6 billion) as shown in Table 5-3. Despite the proportion of staff trained decreasing in comparison to 2019, the overall spend has increased; meaning that the spend per

¹⁶ It should be noted the Financial Services sector has a relatively low base size of 41 respondents.

trainee has increased (£2,920; an increase of 20 per cent), alongside the spend per employee increasing as well (£1,830; an increase of 16 per cent).

5.36 Training expenditure in Wales increased to a larger extent than in England and Northern Ireland. In England, overall training expenditure increased by 2 per cent, whilst in Northern Ireland it increased by 8 per cent. Therefore, the increases in spend per person trained were much smaller than in Wales (4 per cent in Northern Ireland and 3 per cent in England), and spend per employee remained stable in England, while Northern Ireland saw a 6 per cent increase.

Table 5-3 Total training expenditure and spend per person trained and per employee (2017-22), in 2022 prices

	2017			2019			2022		
	Total	Spend per person trained	Spend per employee	Total	Spend per person trained	Spend per employee	Total	Spend per person trained	Spend per employee
	£	£	£	£	£	£	£	£	£
Wales	2.6bn	3,600	2,100	2.0bn	2,400	1,600	2.3bn	2,900	1,800
England	49.4bn	3,200	2,000	44.9bn	2,900	1,800	45.8bn	3,000	1,800
Northern Ireland	1.4bn	3,000	1,800	1.2bn	2,500	1,600	1.3bn	2,600	1,700
Scotland	4.8bn	3,200	2,000	n/a	n/a	n/a	4.1bn	2,900	1,700
Size									
2-4	0.3bn	6,800	2,400	0.3bn	6,000	2,200	0.2bn	4,600	1,800
5-24	0.8bn	4,500	2,500	0.6bn	3,400	1,900	0.6bn	3,200	1,900
25-49	0.3bn	3,100	2,000	0.3bn	3,300	2,100	0.3bn	3,100	2,100
50-99	0.3bn	2,900	1,900	0.2bn	2,000	1,400	0.3bn	2,600	1,800
100+	<i>0.9bn</i>	<i>3,100</i>	<i>1,800</i>	0.5bn	1,400	1,100	<i>0.9bn</i>	<i>2,600</i>	<i>1,700</i>

Base: Establishments in Wales completing the investment in training study (2017: 1,328; 2019: 1,362 2022: 1,441). Training spend data has been adjusted for inflation and are at 2022 prices. Base sizes can be found in Annex E. Figures in italic should be treated with caution due to low base size.

- 5.37 As seen historically, spend per trainee decreased with establishment size, from £4,640 among establishments with 2 to 4 employees, to £2,580 among establishments with 100 or more staff. However, the increase in overall training expenditure was driven by an increase in the spend of larger training establishments with more than 100 employees, from £0.5 billion in 2019 to £0.9 billion in 2022.¹⁷
- 5.38 Table 5-4 shows the composition of training expenditure in Wales and how this compares with previous years. A higher proportion of training expenditure was spent on on-the-job training than off-the-job training (58 per cent versus 42 per cent). The proportion of overall expenditure allocated to off-the-job training decreased from 57 per cent in 2019 to 42 per cent in 2022. In real terms, this equated to a decrease in spend from £1.1 billion to £1.0 billion. The main changes affecting this lower allocation of investment to off-the-job training were a lower composition of off-the-job trainee labour costs (11 per cent of training expenditure versus 16 per cent in 2019) and training management costs (12 per cent versus 18 per cent).
- 5.39 The proportion of training expenditure spent on on-the-job training increased from 43 per cent to 58 per cent, with the real terms spend increasing from £0.9 billion to £1.3 billion. On-the-job trainee labour costs accounted for 42 per cent of training expenditure (£968 million), compared with 29 per cent in 2019 (£580 million), which represents a 67 per cent increase in this type of spend.

¹⁷ Some caution should be applied due to a relatively low base size of 40 in 2022.

Table 5-4 Total training expenditure broken down by individual components (2017-22), in 2022 prices

	2017		2019		2022	
<i>Unweighted Base:</i>	1,328		1,362		1,441	
	£	%	£	%	£	%
Total training expenditure	2.6bn	100	2.0bn	100	2.3bn	100
<i>Off-the-job training: total</i>	1.3bn	52	1.1bn	57	970m	42
<i>Off-the-job training: Course-related: total</i>	1.2bn	45	998m	50	792m	34
Trainee labour costs	356m	14	316m	16	244m	11
Fees to external providers	99m	4	104m	5	89m	4
On-site training centre	273m	11	173m	9	133m	6
Off-site training centre (in the same company)	42m	2	29m	1	15m	1
Training management	359m	14	352m	18	281m	12
Non-training centre equipment	24m	1	20m	1	30m	1
Travel and subsistence	21m	1	23m	1	15m	1
Levies minus grants	-16m	-1	-20m	-1	-15m	-1
<i>Off-the-job training: other (seminars, workshops etc.): total</i>	184m	7	147m	7	178m	8
Trainee labour costs	136m	5	110m	5	140m	6
Fees to external providers	48m	2	37m	2	38m	2
<i>On-the-job training: Total</i>	1.2bn	48	853m	43	1.3bn	58
Trainee labour costs	766m	30	578m	29	968m	42
Trainers' labour costs	454m	18	275m	14	363m	16

Base: Establishments in Wales completing the Investment in Training study.

- 5.40 Overall, the wages of staff being trained on or off-the-job (trainee labour costs) accounted for 59 per cent of all training expenditure in Wales (£1.4 billion); this was the highest proportion among all UK nations, with Scotland allocating the lowest proportion of their spend to trainee labours costs, at 50 per cent.
- 5.41 The proportion of training expenditure that went towards wages of trainees increased with size of establishment, from 34 per cent of those with 2 to 4

employees, to 77 per cent of those with 100 or more employees. The opposite pattern was seen for other costs, such as expenditure on training centres and training management, where the smallest establishments had the highest proportional spend (40 per cent compared to 9 per cent of those with 100 or more employees).

Table 5-5 Training expenditure by nation and size, the proportion spent on off-the-job training and the breakdown of total training expenditure (both on-the-job and off-the-job) by key elements

<i>Row percentages</i>	<i>Unwtd Base</i>	Expenditure on training	% spent on off-the-job training		Wages of trainees	Wages of trainers (on-the-job only)	Fees to external providers	Other
Wales	1,441	2.3bn	42	%	59	16	6	20
England	7,801	45.8bn	48	%	56	17	7	19
Northern Ireland	1,044	1.3bn	45	%	52	17	5	25
Scotland	1,546	4.1bn	47	%	50	20	6	24
Size								
2-4	257	0.2bn	59	%	34	20	6	40
5-24	776	0.6bn	54	%	46	18	7	29
25-49	266	0.3bn	42	%	45	28	5	21
50-99	102	0.3bn	50	%	63	12	6	19
100+	40	0.9bn	28	%	77	9	4	9

Base: Establishments in Wales completing the Investment in Training study. The column 'other' includes such items as expenditure on training centres and on training management.

Types of training provided

Specific types of training

5.42 Job-specific training was the most common type of training that employers provided to staff, mentioned by 84 per cent of employers providing training (in line with 2019 results). The majority of training employers also provided health and safety or first aid training (71 per cent), a reduction compared to 2019 (73 per cent). Around six in ten employers that trained staff (63 per cent) had provided basic induction training. The proportion of employers providing any induction training (i.e. including the 45

per cent that had provided more extensive induction training) remained similar to 2019 (64 per cent versus 63 per cent in 2019).

Figure 5-5 Types of training provided over the last 12 months by employers that train (prompted) (2019-2022)



Base: All establishments providing training in Wales (2022: 3,421; 2019: 4,940).

5.43 Employers in South East Wales were most likely to have provided any induction training (66 per cent), whilst those in Mid Wales were the least likely to have done so (58 per cent), corresponding with their recruitment levels (52 per cent had recruited in South East Wales, compared with 38 per cent in Mid Wales). A similar pattern was also seen for management training (35 per cent in South East Wales versus 28 per cent in Mid Wales). Training in new technology was also most likely to have been provided in South East Wales.

- 5.44 Larger employers were more likely to provide all types of training than smaller employers. For larger employers with 100 or more employees, this ranged from 75 per cent providing training in new technology, up to almost all (98 per cent) providing basic induction training. For the smallest employers with 2 to 4 employees, incidence ranged from less than one in five (17 per cent) providing supervisory training, to 78 per cent for job specific training.
- 5.45 There was wide variation by sector in terms of provision of induction training. This was most common in the Health and Social Work (81 per cent), Education (76 per cent) and Manufacturing (76 per cent) sectors. The lowest levels of induction training were seen in the Primary Sector and Utilities (33 per cent), likely linked to their lower levels of recruitment in the previous 12 months (16 per cent versus 48 per cent overall).
- 5.46 Looking specifically at management training, employers in the Education sector were by far the most likely to provide this training (60 per cent), followed by Health and Social Work employers (43 per cent). Construction employers were the least likely to provide management training (18 per cent), followed by Primary Sector and Utilities (21 per cent) and Information and Communications employers (22 per cent). Employers in the Information and Communications sector were, however, most likely to train staff in new technology (74 per cent versus 45 per cent overall).
- 5.47 Induction training and health and safety / first aid training is often undertaken because it is a legislative requirement (rather than to develop the skills of the workforce). The Employer Skills Survey series has therefore asked employers what proportion of their training over the previous 12 months involved these types of training. Overall, 36 per cent of training employers said that at least half of all their training was for basic induction or health and safety training, which is an increase on levels seen in 2019 (32 per cent), and 12 per cent said that all of their training was one of these two types of training, the same proportion as in 2019.

Online training and e-learning

- 5.48 Continuing an upwards trend from previous ESS series, almost seven in ten (69 per cent) training employers had funded or arranged online training or e-learning for their staff over the previous 12 months, increasing from 54 per cent in 2019. While

increases were seen across all sizes, the most notable was among small employers with 2 to 4 employees; increasing from 42 per cent in 2019 to 59 per cent in 2022, while prevalence of online training among those with 5 to 24 employees increased from 60 per cent in 2019 to 73 per cent in 2022.

- 5.49 By sector, training employers in Education, Public Administration and Health and Social work were most likely to have provided online training or e-learning to their staff (94, 93 and 87 per cent respectively). The largest increase in comparison to 2019 was seen in the Primary Sector and Utilities, from 26 per cent in 2019 to 50 per cent in 2022, followed by Education, from 72 per cent to 94 per cent.
- 5.50 At regional level in Wales, training employers in the South East were most likely to provide online training or e-learning (71 per cent), while those in the South West were least likely (66 per cent) to do so. Incidence of online training provision among training employers in North and Mid Wales was in line with the national average (69 per cent and 68 per cent respectively).

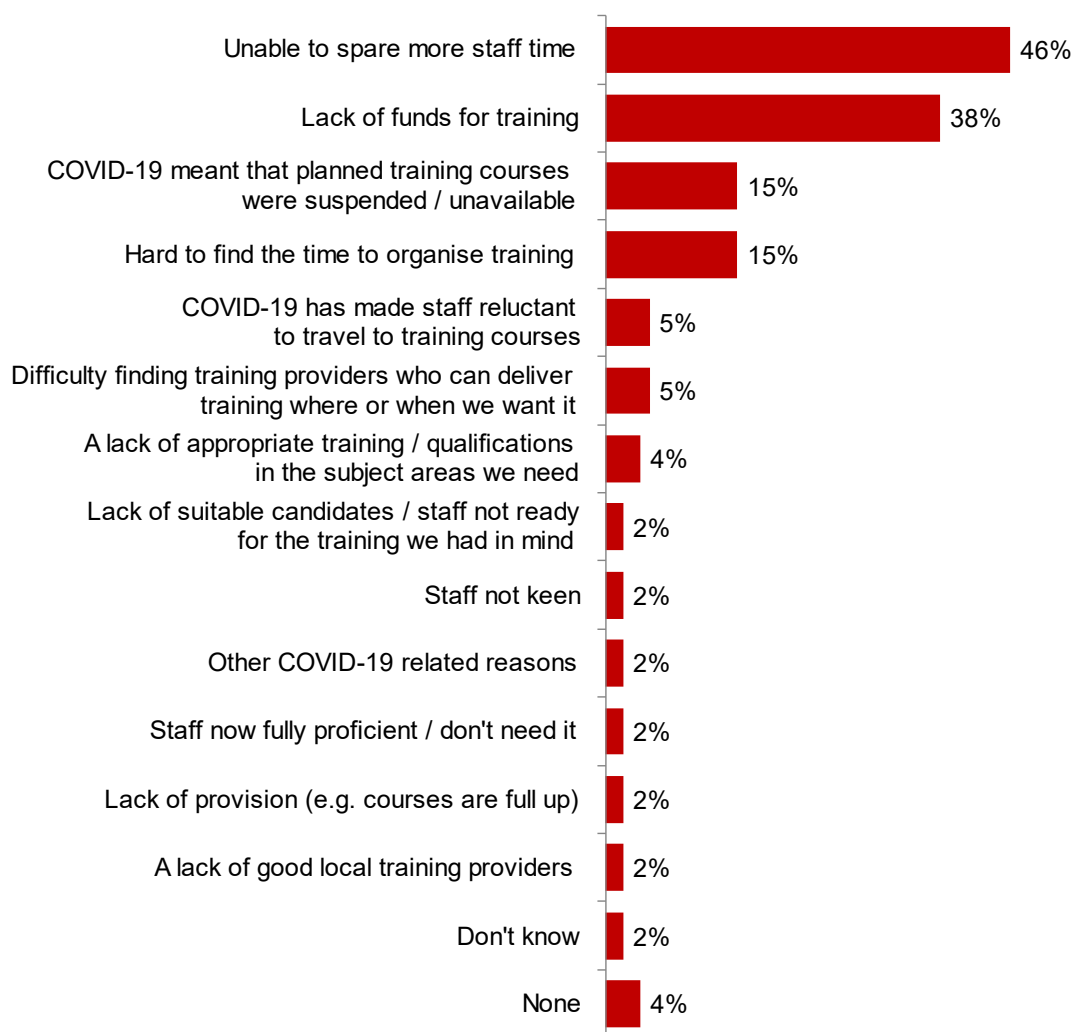
Barriers and limits on training

- 5.51 Overall, 48 per cent of establishments that had trained in the previous 12 months reported that they would have liked to have provided more training for their staff, in line with 2019 (47 per cent). This desire for more training increased with establishment size, from 43 per cent of those with 2 to 4 employees to 62 per cent of those with 100 or more employees.
- 5.52 By sector, the desire to provide more training to staff was most prevalent in the Arts and Other Services (63 per cent), Health and Social Work (55 per cent) and Education (54 per cent) sectors. Employers in the Financial Services sector were least likely to have wanted to provide more training than they had done in the previous 12 months (35 per cent). The largest change since 2019 at sectoral level was a decrease in the proportion of training employers in the Information and Communications sector wanting to provide more training (61 per cent versus 40 per cent).¹⁸

¹⁸ A low base size of 42 respondents in 2022 should be noted.

5.53 Among establishments that would have liked to provide more training, the most common barriers to doing so were being unable to spare more staff time (46 per cent) and a lack of funds for training (38 per cent), as shown in Figure 5-6. Fewer employers reported these as barriers in 2022 than in 2019 (54 per cent and 50 per cent respectively). The proportion of employers reporting that there were no barriers to providing more training remained the same as in 2019 (4 per cent for both years).

Figure 5-6 Barriers to providing more training (spontaneous)



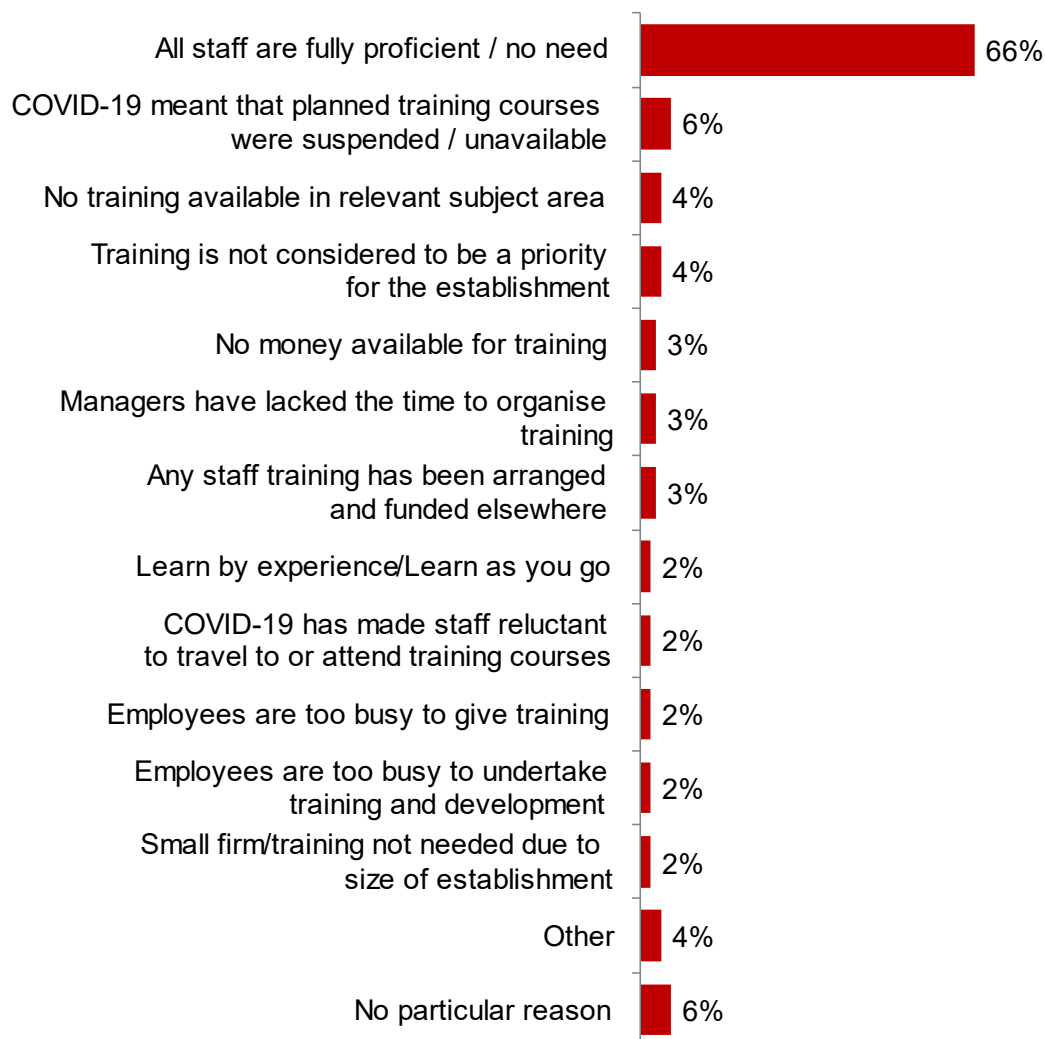
Base: All training establishments in Wales that would have liked to provide more training in the past 12 months if they could (1,743). NB: Responses less than 2 per cent not charted.

5.54 Establishments with 25 to 49 employees were the most likely to report being unable to spare more staff time as a barrier (52 per cent versus 46 per cent overall), while

larger employers with 100 or more employees were most likely to report a lack of funds for training as a barrier (49 per cent versus 38 per cent overall).

- 5.55 In terms of sector, Education employers were most likely to report that they are unable to spare the staff time (72 per cent versus 46 per cent overall), while those in Health and Social Work were most likely to report reasons relating to COVID-19 (39 per cent versus 18 per cent overall). Construction and Education employers were both more likely to report lack of funds as a barrier to providing more training (55 per cent and 53 per cent respectively, versus 38 per cent on average).
- 5.56 In total, four in ten (40 per cent) employers had not provided any training for their staff in the previous 12 months. Figure 5-7 shows the main reasons why employers had not trained their staff.

Figure 5-7 Reasons for not providing training in the previous 12 months (spontaneous)



Base: All establishments that did not provide any training in Wales (1,355). NB: Responses less than 2 per cent not charted.

- 5.57 The most common reason for not providing any training to staff, by far, was that all staff were fully proficient, and therefore there was no perceived need to train (66 per cent). This however represented a decrease from 72 per cent in 2019), which may be linked to the higher incidence of skills gaps in 2022 than in 2019 (15 per cent versus 12 per cent). Training not being considered a priority was also mentioned by fewer establishments than in 2019 (4 per cent versus 9 per cent).
- 5.58 Not providing training because all staff were believed to be fully proficient was particularly common among small establishments with 2 to 4 employees (70 per

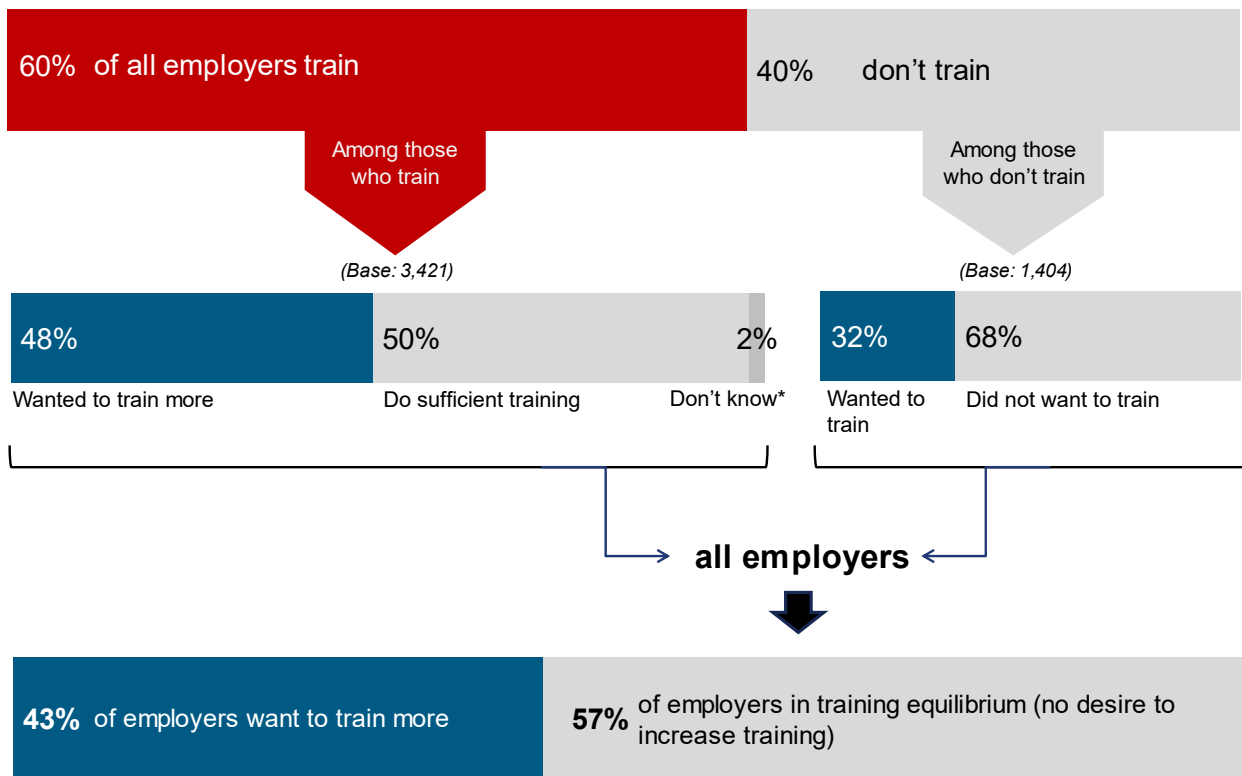
cent versus 56 percent with 5 to 24 employees and 35 per cent of those with 25 or more employees). This reason was also particularly common among Construction employers (76 per cent), though this sector also has a relatively high proportion of small employers.

- 5.59 In terms of other sector differences, Health and Social Work employers were more likely to report that all staff training had been arranged and funded elsewhere (12 per cent versus 3 per cent overall), while employers in the Information and Communications sector were most likely to report that the courses they were interested in were not available locally (6 per cent versus 1 per cent overall). The Business Services sector and Primary Sector and Utilities were both more likely to mention barriers relating to COVID-19 (including suspension of training or staff being reluctant to attend training) as reasons for not training (both 12 per cent versus 8 per cent overall).
- 5.60 Establishments without skills gaps were more likely than those with skills gaps to report that all their staff were fully proficient as a reason for not providing training (68 per cent versus 40 per cent). In comparison, establishments with skills gaps were more likely to report no money being available for training as a barrier compared to those without (7 per cent versus 3 per cent) and managers lacking time for training (6 per cent versus 2 per cent).
- 5.61 Figure 5-8 shows the proportion of employers that were in 'training equilibrium', meaning that they had not wished to undertake more training over the previous 12 months (in the case of non-training employers this means they had not wanted to provide any training).¹⁹
- 5.62 Overall, just under six in ten (57 per cent) employers were in training equilibrium, equivalent to the UK average, and decreasing from the 59 per cent seen in 2019. The remaining 43 per cent were not in training equilibrium i.e., they would have

¹⁹ Results for non-trainers have been determined from their reasons for not training, rather than a direct question. Those answering that they had not provided any training because training was not considered to be a priority for their establishment, because all their staff were fully proficient, or they had no need for training were regarded as being in skills equilibrium and having no perceived need to undertake training. Those not giving any of these reasons were classified as wanting to have undertaken training. Additionally, training employers that answered 'don't know' when asked if they would have liked to train more were classified as not being in training equilibrium.

liked to provide more training for staff over the previous 12 months. The desire to provide more training was higher in employers that trained compared to those that did not (50 per cent versus 32 per cent).

Figure 5-8 Proportion of employers in training equilibrium



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

Base: All establishments in Wales (4,825).

- 5.63 The desire for more training (i.e., those not in training equilibrium) increased as establishment size increased, ranging from 35 per cent of establishments with 2 to 4 employees, to 65 per cent of establishments with 100 or more employees.
- 5.64 There was large variation by sector, with the majority of employers wanting to provide more training to their staff in the Public Administration (56 per cent), Health and Social Work (55 per cent), Arts and Other Services (52 per cent) and Education (51 per cent) sectors. The desire for more training was least common among Construction employers (33 per cent) and those in the Primary Sector and Utilities (34 per cent). Despite being one of the sectors most likely to want to provide more

training, the proportion of Education employers reporting this had in fact decreased compared to 2019 (51 per cent versus 59 per cent). In contrast, the Primary Sector and Utilities sector saw the largest increase in employers desiring more training (34 per cent in versus 25 per cent), alongside Business Services employers (44 per cent versus 38 per cent).

6. Apprenticeships

Chapter summary

- 6.1 There was little change in the prevalence of apprenticeships in ESS 2022; around one in seven (17 per cent) employers offered apprenticeships (including 9 per cent that employed them at the time they were surveyed), compared with 16 per cent in 2019 and 15 per cent in 2016.
- 6.2 Provision of apprenticeships was most common in the Education, Health and Social Work and Construction sectors (33 per cent, 32 per cent and 28 per cent respectively).
- 6.3 There was an increase in the proportion of employers offering apprenticeships to young people aged under 25 (90 per cent of those offering apprenticeships, up from 84 per cent in 2019). Around six in ten employers offering apprenticeships (58 per cent) did so to people aged 25 and over, the highest proportion among all UK nations. Employers in Wales remain more likely to offer apprenticeships to new employees specifically recruited as apprentices than to offer them to existing employees (81 per cent and 55 per cent respectively).
- 6.4 While 14 per cent of employers with current apprentices had some apprentices undertaking their qualification through the medium of Welsh or bilingually, there is scope for further uptake of these apprenticeships, with around a quarter (24 per cent) of all establishments saying they would benefit from a wider range of these apprenticeships being available (including 22 per cent of those not currently offering apprenticeships).
- 6.5 Structural barriers remain the most common set of reasons for not offering apprenticeships (59 per cent), though their prevalence has decreased since 2019 (65 per cent). However, the main structural barriers remained the same, including employers not looking to recruit new staff (17 per cent), apprenticeships not being suitable due to the size of the establishment (11 per cent) and apprenticeships not being offered to their industry (10 per cent).

Introduction

6.6 This chapter explores employers' experiences of apprenticeships, including the proportion of employers offering apprenticeships, whether current apprentices undertake their qualification in Welsh or bilingually (and whether establishments think they would benefit from this), as well as the reasons why establishments do not offer apprenticeships.

Engagement in Apprenticeships

6.7 The overall proportion of employers offering apprenticeships in Wales in 2022 (17 per cent) was similar to 2019 (16 per cent) and 2016 (15 per cent). Nearly one in ten (9 per cent) employers currently employed apprentices, while 8 per cent offered apprenticeships but did not currently have any.

6.8 The proportion of employers offering apprenticeships in Wales was similar to in England and Scotland (20 per cent and 16 per cent respectively) but higher than in Northern Ireland (14 per cent). Like in Wales, England and Northern Ireland saw no significant change in the proportion of employers offering apprenticeships compared with 2019.

Table 6-1 Apprenticeships offering over time by nation

	2016	2019	2022
Wales	15%	16%	17%
England	19%	19%	20%
Northern Ireland	13%	12%	14%
Scotland	15%	-	16%

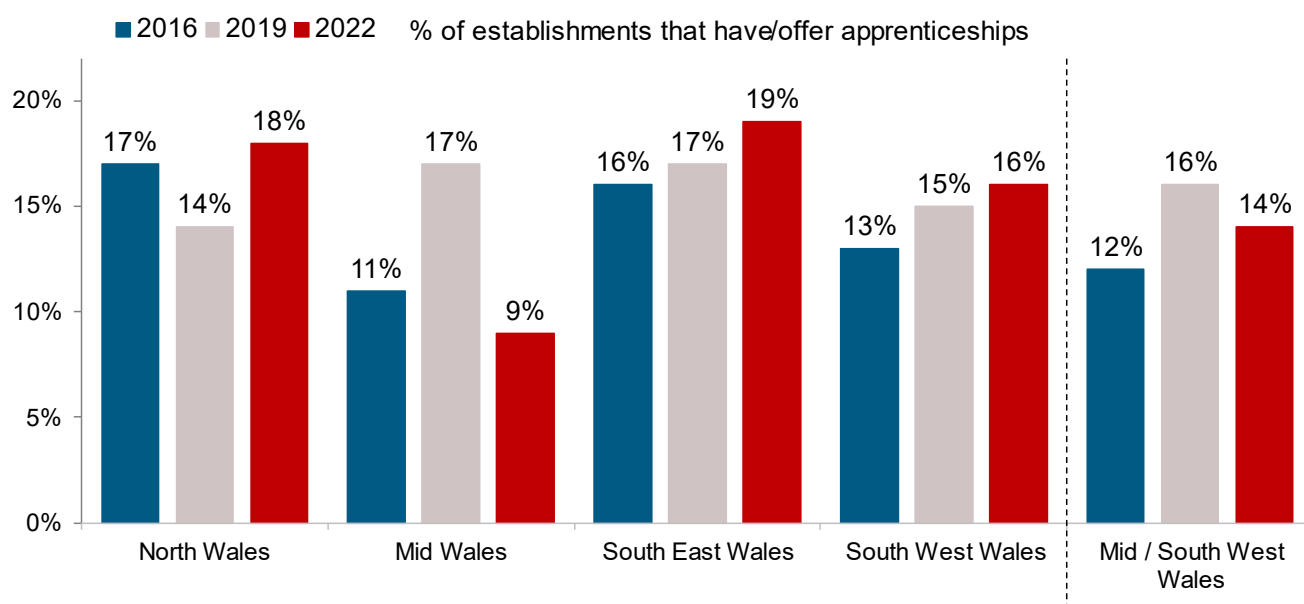
Base: All establishments (2016: Wales: 1,997, England: 10,015, Northern Ireland: 2,007, Scotland:4,009; 2019 (Module A): Wales: 1,704, England: 13,358, Northern Ireland: 1,008; 2022 (Module A): Wales: 1,239, England: 10,134, Northern Ireland: 905, Scotland: 1,325). Scotland was not included in 2019.

6.9 By region, employers in Mid Wales (9 per cent) were less likely to offer apprenticeships than North Wales (18 per cent), South East Wales (19 per cent)

and South West Wales (16 per cent). The Mid Wales result represents a decrease since 2019 (17 per cent), whereas other regional results remained in line with 2019.

6.10 Offering apprenticeships was more common among larger establishments. More than half (55 per cent) of establishments with 100 or more employees had done so compared to 9 per cent of establishments with 2 to 4 employees.

Figure 6-1 Apprenticeships offering over time by region



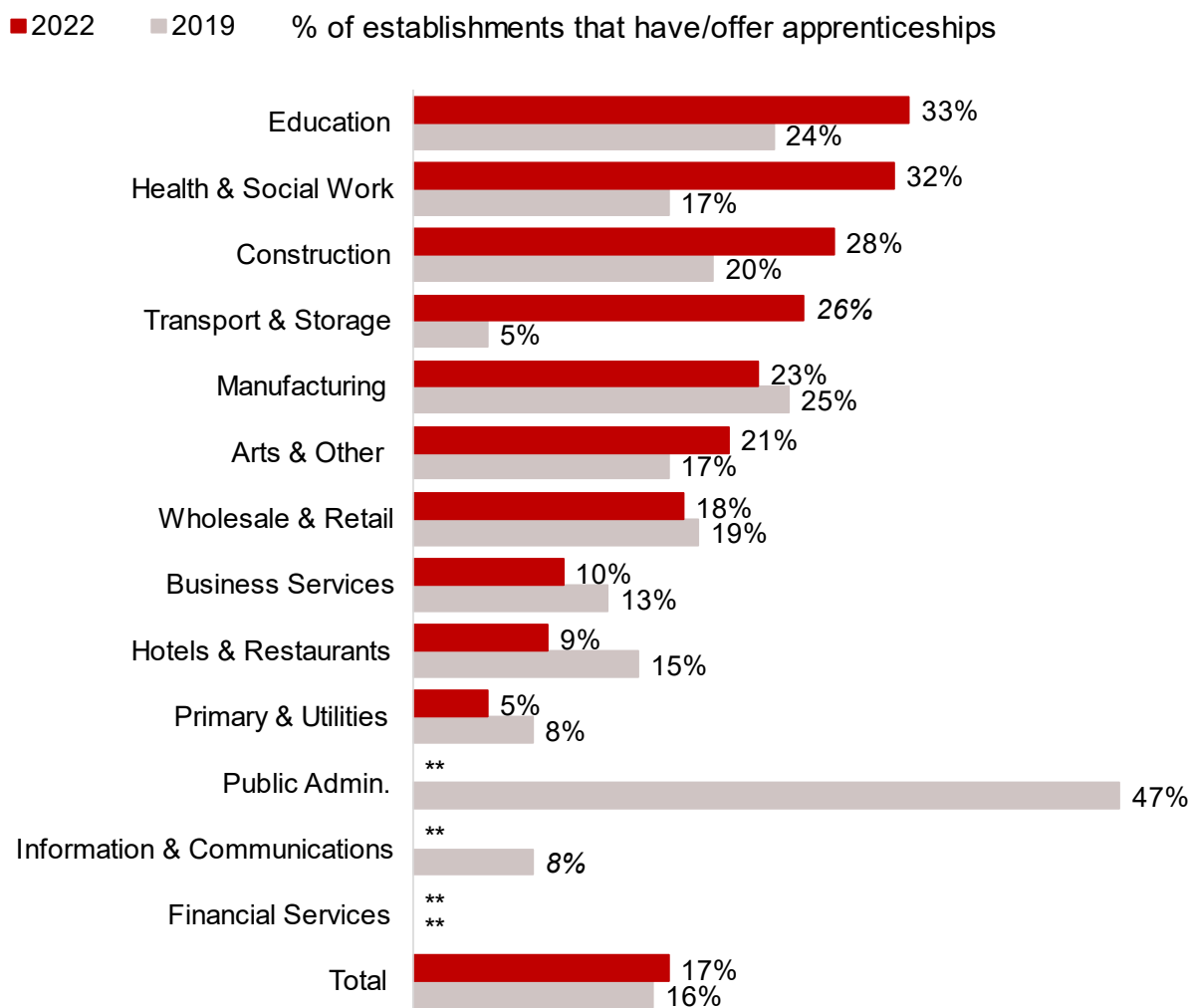
Base: All establishments in Wales (2016: North Wales: 519, Mid Wales: 200, South East Wales: 842, South West Wales: 436, Mid and South West Wales: 636; 2019 (Module A): North Wales: 404, Mid Wales: 192, South East Wales: 746, South West Wales: 362, Mid and South West Wales: 554; 2022 (Modules A): North Wales: 294, Mid Wales: 190, South East Wales: 481, South West Wales: 274, Mid and South West Wales: 464).

6.11 By sector, Education establishments were most likely to offer apprenticeships (33 per cent), closely followed by those in the Health and Social Work (32 per cent) and Construction (28 per cent) sectors. For the Health and Social Work sector this was nearly twice the proportion of establishments offering apprenticeships in 2019 (17 per cent). Over a quarter (26 per cent) of establishments within the Transport & Storage sector offered apprenticeships, compared to 5 per cent in 2019, when it was the least likely sector to offer apprenticeships.²⁰ The Primary Sector and

²⁰ Note, there is a relatively small base size for the Transport and Storage sector of 45 respondents.

Utilities was least likely to offer apprenticeships in 2022 (5 per cent); this result was similar to 2019 (8 per cent).

Figure 6-2 Apprenticeships offering by sector over time



Base: 2022 All establishments in Wales (Module A) (2022 range: Transport and Storage 45 to Wholesale and Retail 283; 2019 range: Information and Communications 30 to Wholesale and Retail 378).

6.12 Continuing historical trends, employers with recruitment and internal skills challenges were more likely than average to offer apprenticeships.

- More than a third (35 per cent) of organisations with SSVs offered apprenticeships compared to 15 per cent of organisations with no SSVs. However, it should be noted that equally high proportions of organisations with hard-to-fill vacancies not caused by skill shortages (36 per cent) also offered apprenticeships. Employers with any vacancies (31 per cent) were

also more likely to offer them than average, suggesting that there is a relationship between offering apprenticeships and recruitment challenges more generally, rather than specifically skills-related recruitment challenges.

- Employers with skills gaps (30 per cent) were twice as likely to offer apprenticeships compared to those with no skills gaps (15 per cent).

6.13 The vast majority (90 per cent) of employers offered apprenticeships to young people (aged under 25), up from 84 per cent in 2019. There were no differences between Wales and other nations in terms of the proportion of employers providing apprenticeships to young people. The proportion of employers offering apprenticeships exclusively to young people in Wales (34 per cent) was also similar to 2019 (32 per cent). This was the lowest proportion of any nation (36 per cent in England, 46 per cent in Scotland and 50 per cent in Northern Ireland). It was relatively common for employers offering apprenticeships in Wales to offer them to people aged 25 and over; around six in ten (58 per cent) had done so, as had a similar proportion of employers in England (56 per cent). In contrast, under half of employers in Scotland (49 per cent) and Northern Ireland (45 per cent) offered apprenticeships to people aged 25 and over.

Table 6-2 Apprenticeships offering to existing and new employees and age of apprentices

	Wales	Northern Ireland	Scotland	England
Existing employees	55%	45%	52%	54%
New employees	81%	85%	87%	86%
Age				
Young people	90%	92%	92%	88%
Aged 25 or over	58%	45%	49%	56%

Base: All establishments who have/offer apprenticeships (Wales: 282; England: 2,880; Northern Ireland: 178; Scotland: 293).

6.14 Considering regional differences, almost all employers (99 per cent) in South West Wales offered apprenticeships to young people aged under 25, whereas those in South East Wales (84 per cent) were less likely to do this. The proportion of

employers offering apprenticeships to young people in North Wales was the same as the average across Wales (90 per cent).²¹ There were no significant differences by region in terms of the proportion offering apprenticeships to people aged 25 and over.

- 6.15 In terms of establishment size, smaller employers with 2 to 4 employees, were more likely to exclusively offer apprenticeships to younger people (46 per cent versus 29 per cent of those with 5 or more employees).²²
- 6.16 Around eight in ten (81 per cent) employers that offered apprenticeships offered them to new employees specifically recruited as apprentices, and around four in ten (41 per cent) exclusively offered apprenticeships to this group. A lower proportion (55 per cent) of employers offered apprenticeships to existing employees, with 15 per cent exclusively doing so for this group.
- 6.17 Employers in Wales (55 per cent) and England (54 per cent) were more likely to offer apprenticeships to existing employees compared to Northern Ireland (45 per cent), with Scotland (52 per cent) similar to the UK-level average (53 per cent). Employers in Wales were however less likely than employers in England to recruit new employees to apprenticeships (81 per cent compared to 86 per cent). They were also less likely to exclusively offer apprenticeships to new recruits than Northern Ireland (41 per cent versus 51 per cent).
- 6.18 Small employers with 2 to 4 employees (56 per cent) were more likely to recruit individuals to undertake apprenticeships compared to those with 5 or more employees (35 per cent). Employers with 5 or more employees (63 per cent) were more likely to offer apprenticeships to existing employees (compared to 37 per cent in the 2 to 4 employees group).

Reasons for not offering apprenticeships

- 6.19 The most common reasons given for not offering apprenticeships related to structural barriers, mentioned by around six in ten (59 per cent) employers not offering apprenticeships. This represents a decrease from 65 per cent in 2019.

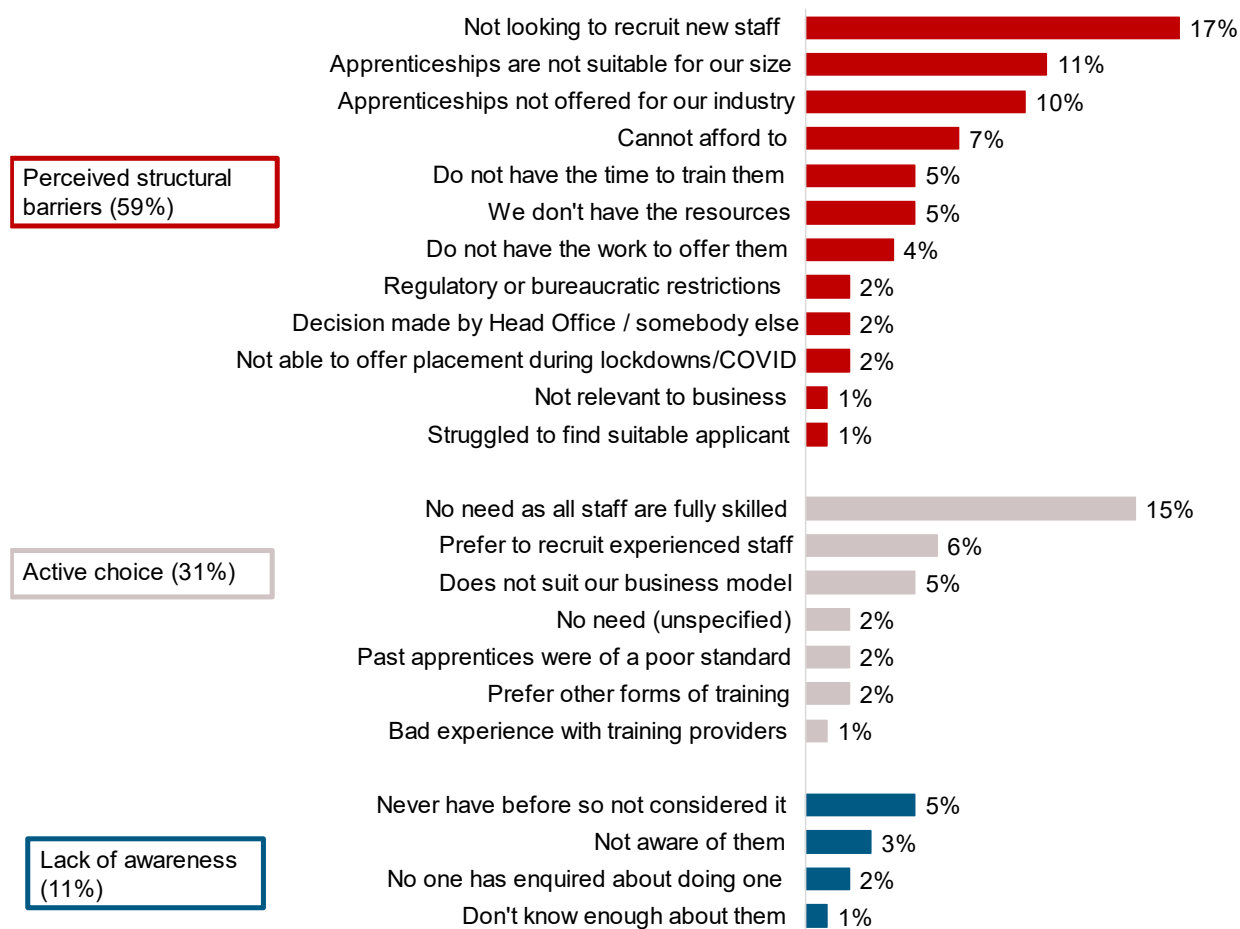
²¹ Results for Mid Wales are not included due to a low base size of 26 respondents.

²² Note, there is a relatively small base size of 33 respondents for the 2 to 4 employees sizeband.

Common structural barriers included not looking to recruit new staff (17 per cent), apprenticeships not being suitable due to the size of the business (11 per cent) and apprenticeships not being offered to their industry (10 per cent).

- 6.20 Around three in ten (31 per cent) establishments actively chose not to offer apprenticeships, a similar proportion to 2019 (30 per cent). This was mainly due to staff already being fully skilled and therefore not perceiving there to be a need for apprentices (15 per cent), preferring to recruit experienced staff (6 per cent) and apprentices not being suited to their business model (5 per cent).
- 6.21 More than one in ten (11 per cent) establishments reported lack of awareness as a reason for not offering apprenticeships, again similar to the proportion reporting this in 2019 (12 per cent). This included 5 per cent saying that they have never had apprentices before and therefore had not considered them and 3 per cent who had not heard of apprenticeships.
- 6.22 Only 2 per cent of employers who did not offer apprenticeships cited COVID-19 as a reason for not offering apprenticeships.

Figure 6-3 Reasons for not offering apprenticeships



Base: All establishments in Wales not offering apprenticeships (957).
 Note: multiple responses allowed.

Welsh language provision

6.23 Around one in seven (14 per cent) employers that employed apprentices said their apprentices had undertaken their qualification through the medium of Welsh or bilingually. Most (82 per cent) said their apprentices had not undertaken their apprenticeships via these mediums and 4 per cent were unsure. Apprentices in North Wales (25 per cent) were more likely than average to undertake their qualification in Welsh or bilingually.²³

²³ Mid Wales and South West results are not reported here due to low base sizes (16 and 35 respondents respectively).

- 6.24 Employers that delivered any aspects of their training off-the-job were less likely to have apprentices undertaking their qualification in Welsh or bilingually compared to those only training on-the-job (11 per cent versus 25 per cent).
- 6.25 Around a quarter (24 per cent) of establishments reported that they would benefit from a wider range of apprenticeships being made available through Welsh or bilingually, while around seven in ten (69 per cent) did not think they would benefit (7 per cent were unsure).
- 6.26 Employers that already offer apprenticeships were more likely than average to perceive there to be a benefit to a wider range of apprenticeships being made available in Welsh or bilingually (35 per cent), though there was still a sizeable pool of employers not currently offering apprenticeships that felt they would benefit from this option (22 per cent).
- 6.27 By region, interest in Welsh language or bilingual apprenticeships was highest among establishments in North Wales (33 per cent), followed by South West Wales (28 per cent), Mid Wales (23 per cent) and South East Wales (17 per cent).
- 6.28 Larger employers were more likely to expect to benefit from a wider range of apprenticeship qualifications being made available in Welsh or bilingually. More than four in ten (43 per cent) employers with 100+ employees reported this, around double the corresponding proportion for employers with 2 to 4 employees (21 per cent).
- 6.29 There were also sectoral differences in the perceived benefits of apprenticeships being delivered through the medium of Welsh or bilingually. Establishments in the Education sector were by far and away the most likely to expect to benefit from this offer (40 per cent), while Construction employers were least likely to expect to benefit (13 per cent).
- 6.30 More broadly, approaching half (48 per cent) of public sector organisations and more than a third (36 per cent) of charity/voluntary organisations agreed that they would benefit from a wider range of apprenticeships qualifications made available in Welsh or bilingually, compared to around a fifth (22 per cent) of private sector organisations.

7. High performance working practices

Introduction

- 7.1 'High Performance Working' (HPW) practices are practices recognised to ensure employee skills are harnessed, nurtured and used to their best effect. To be classed as a 'High Performance Working employer' an establishment must have adopted 7 or more of the 11 practices covered by the survey (these are shown in Figure 7-1). Note this analysis was only possible for Wales, Northern Ireland and Scotland, so comparisons with England are not available.

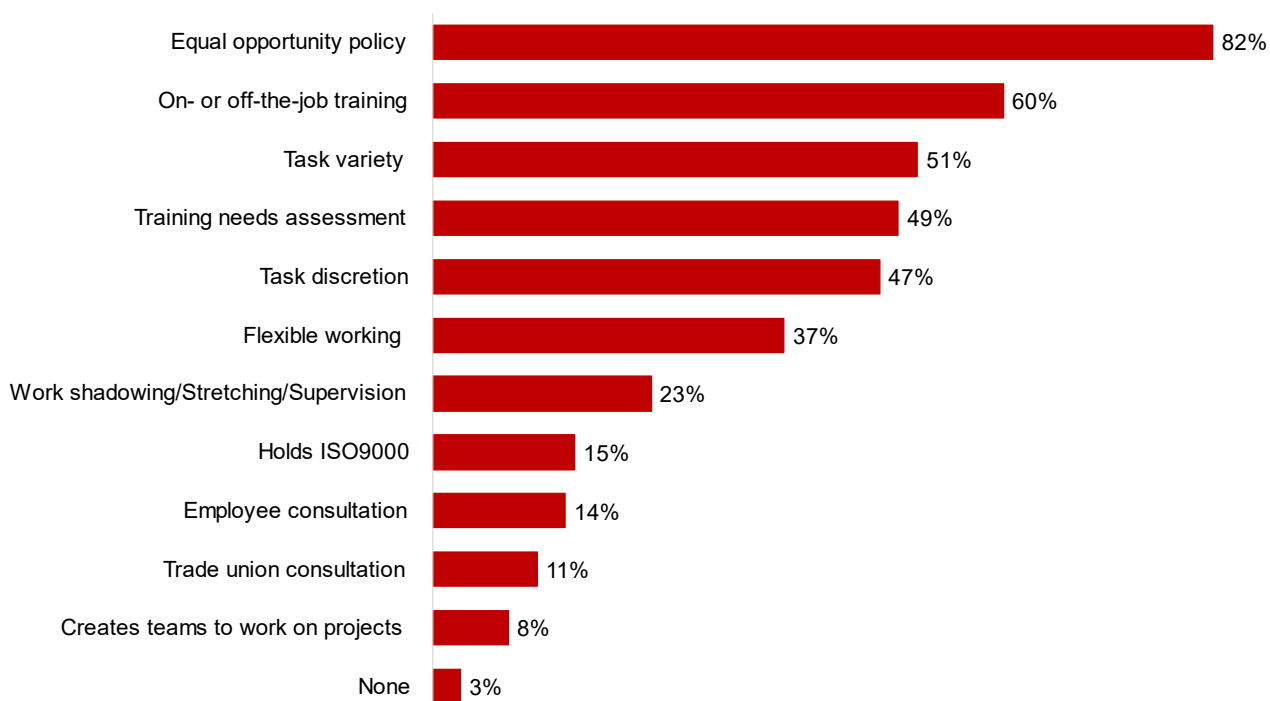
Proportion of High Performance Working employers

- 7.2 Nearly one in ten (9 per cent) of establishments adopted seven or more HPW practices and were therefore HPW employers. On average, establishments adopted four HPW practices. Wales had a higher proportion of HPW employers compared to Scotland (7 per cent) and Northern Ireland (6 per cent). At Welsh region level, there was little difference in the proportion of HPW employers in South East Wales (10 per cent), South West Wales (9 per cent) and North Wales (9 per cent), though the proportion was lower in Mid Wales (3 per cent).
- 7.3 Larger employers were more likely to be HPW employers than smaller employers; the proportion of HPW employers ranged from 4 per cent among employers with 2 to 4 employees to 53 per cent among those with 100 or more employees.
- 7.4 By sector, Education and Health and Social Work had the highest proportion of HPW employers (25 per cent and 19 per cent respectively). The Primary Sector and Utilities had the least (2 per cent).

High Performance Working practices

- 7.5 The most common HPW practices implemented by establishments, as shown in Figure 7-1, were having an equal opportunity policy (82 per cent), providing on- or off-the-job training (60 per cent) and task variety (51 per cent). Around half of establishments in Wales conducted training needs assessments (49 per cent) and said employees had discretion over how they do their work (47 per cent).

Figure 7-1 Prevalence of High Performance Working Practices



Base: 2022 All establishments in Wales in Module D (1,153).

7.6 When grouping HPW practices into broader groups, the most common practices related to ‘planning’ (88 per cent), which includes allowing for work shadowing, having an equal opportunity policy and assessing training needs. This was followed by practices relating to ‘autonomy’ (70 per cent), ‘skills’ (60 per cent) and those relating to the ‘organisation’ (32 per cent).

7.7 Employers in Wales were more likely than those in Northern Ireland to have adopted task discretion (47 per cent versus 43 per cent), flexible working (37 per cent versus 33 per cent), training needs assessments (49 per cent versus 45 per cent) and trade union consultation (11 per cent versus 9 per cent). They were also more likely than their Scottish counterparts to have an equal opportunity policy (82 per cent versus 79 per cent) and trade union consultation (11 per cent versus 9 per cent). Employers in Wales were however less likely than Scottish employers to provide task variety (51 per cent versus 56 per cent).

7.8 In terms of regional differences, employers in Mid Wales were less likely than average to have adopted a range of practices including on- or off-the-job training

(48 per cent versus 60 per cent overall), training needs assessments (37 per cent versus 49 per cent), equal opportunity policies (73 per cent versus 82 per cent), employee consultation (5 per cent versus 14 per cent), and holding ISO9000 (8 per cent versus 15 per cent). They were however more likely to offer flexible working (46 per cent versus 37 per cent).

8. Conclusions

- 8.1 The 2022 survey is the first in the wider UK ESS series to take place since the COVID-19 pandemic. In this period, Wales, the UK (and the global economy more widely) has faced unprecedented economic challenges. As well as the immediate challenges around closure of particular sectors, furloughing of employees and the strain on the health and social care sector, the UK has also been navigating new trading and labour relationships with the EU following the UK's exit, supply chain issues and high inflation (which has put pressure on employers operating costs, including wages).
- 8.2 [Employment rate](#) data (Stats Wales, 2023), shows that Wales has bounced back from the pandemic in terms of employment rate, with the employment rate for the year ending the second quarter of 2022 at 73.7 per cent compared to 73.2 per cent in the year ending the second quarter of 2019 (a 0.5 percentage point increase). The UK overall has seen no growth in the employment rate between these two periods (75.4 per cent in 2022 and 75.5 per cent in 2019). However, [Wales' productivity continues to lag behind the UK average](#) (ONS, 2023); in 2021 Wales was 16 per cent less productive than the UK overall in terms of output per hour.
- 8.3 The pandemic has also undoubtedly changed the way people work; in the period between October to December 2019 and January to March 2022, homeworking in the UK more than doubled from 4.7 million people to 9.9 million people ([ONS, 2022](#)). The proportion of the workforce in Wales who were homeworking increased from 12.4 per cent in October to December 2019 to 30.4 per cent in January to March 2022, a more marked increase in percentage point terms than was seen in England (15.1 to 31.0 per cent).
- 8.4 It is in this context that ESS provides a key tool to measure the incidence, nature and impact of skills issues facing employers and an important insight on how these issues compare with the pre-pandemic period. Most notably, there has been a substantial tightening of the labour market; vacancies have increased, and there is an even more acute challenge around the skills supply, with SSVs comprising a larger proportion of all vacancies compared with 2019. In fact, the incidence and density of vacancies and SSVs were at all-time record highs for the ESS series

(starting in 2011). Despite this there was little difference in recruitment over the preceding 12 months compared with 2019.

- 8.5 The internal skills challenge is another aspect ESS considers, looking specifically at skills gaps within the existing workforce. Overall, the proportion of employers with skills gaps and skills gap density were both consistent with 2019.
- 8.6 Skills challenges when recruiting were more prevalent among Transport and Storage, Financial Services and Construction employers, though it was the Business Services and Hotels and Restaurants sectors that were most acutely affected by skills gaps within the existing workforce. At an occupational level, Machine Operatives and Skilled Trades vacancies were most affected by skill-shortages when recruiting, but within the existing workforce skills gaps were most prevalent among Caring Leisure and Other Services and Sales and Customer Services occupations.
- 8.7 Issues around recruiting suitably skilled workers as well as skills deficiencies among current staff have a detrimental impact on business performance and increases pressure on existing staff, increases business costs, contributes to loss of business and inhibits the introduction of new products and working practices.
- 8.8 Training and workforce development is a means of addressing skills issues within the workforce, however fewer employers in Wales provided training for staff in the preceding 12 months compared with 2019 and the overall proportion of staff trained also decreased. Despite this, an increase in training days meant that employees who were trained received more than they had in 2019. The level of investment in training also grew, despite a declining proportion of the workforce being trained. Online training provision, continuing previous trends, has increased sharply, perhaps reflecting the aforementioned increase in homeworking since the pandemic.
- 8.9 Among employers that had not trained staff, the perception that there was no need to because staff are already fully proficient continues to be the dominant factor, though this was less commonly mentioned than in 2019, suggesting that there are more 'barriers' than there used to be. This is also reflected by a lower proportion of employers in training equilibrium (i.e. content with the level of training they

provided). Barriers to providing any training included COVID-19 disruption, training not being available in particular subject areas, and lacking the funds or time to provide training. Among employers that had trained but would have preferred to provide more training, time and monetary resource was the fundamental issue, though COVID-19 also had a detrimental impact.

- 8.10 ESS evidences that employers with skills gaps are more likely to offer training and other interventions such as apprenticeships, though there is still a sizeable proportion of employers in Wales that do not take active steps to address skills gaps, do not provide training, or do not make use of other initiatives such as apprenticeships to help either recruit or upskill existing employees.

Annex A: Industry coding

Each establishment was allocated to one of 13 sectors, based on their Standard Industrial Classification (SIC). SIC 2007 was used to classify establishments using the following method. Using the four-digit Standard Industrial Classification (SIC) supplied for each record from the Market Location or IDBR database, a description of business activity was read out to each respondent. If they agreed that this description matched the main activity undertaken at the establishment, then the SIC on Market Location's database or IDBR was assumed to be correct. If, however, the respondent felt the description did not correspond to their main business activity at the site (around a fifth of cases), a verbatim response was collected to find out what they do. At the analysis stage this was coded to a four-digit SIC which was then used as the basis for allocation into sector.

The table below shows the 13 sectors and their corresponding SIC 2007 definitions.²⁴

Sector	SIC 2007
Primary Sector and Utilities	A - Agriculture, forestry and fishing (01-03) Including farming, hunting and other related service activities, forestry and logging, fishing and aquaculture
	B - Mining and quarrying (05-09) Including mining of coal, metals, sand/stone/clay, and extraction of crude petroleum and natural gas
	D - Electricity, gas, steam and air conditioning supply (35)
	E - Water supply, sewerage, waste management and remediation activities (36-39) Including electric power generation, transmission and distribution, manufacture of gas and distribution of gaseous fuels, steam and air conditioning supply, water collection, treatment and supply, sewerage and waste collection
Manufacturing	C - Manufacturing (10-33) Including manufacture of food and beverage, textiles, chemicals and chemical products, basic pharmaceutical products, other mineral products, manufacture of metals and metal products, machinery, computer and electronic products and equipment, motor vehicles and other transport equipment, furniture, and repair and installation of machinery and equipment
Construction	F - Construction (41-43) Including the construction of buildings, civil engineering (constructing roads, railways and other utility projects), demolition, and specialised activities such as electrical installation, roofing and scaffold erection

²⁴ UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007), Source: [Companies House, Standard industrial classification of economic activities \(SIC\) \(2008\)](#)

Wholesale and Retail	G - Wholesale and retail trade; repair of motor vehicles and motorcycles (45-47) Including sale, maintenance and repair of motor vehicles, parts and accessories, non-vehicle wholesale (for example agriculture, food, household goods), and the retail trade of all products whether in stores, stalls, markets, mail order or online
Hotels and Restaurants	I - Accommodation and food service activities (55-56) Including hotels, campsites, youth hostels, holiday centres, villages and other short stay accommodation, restaurants and takeaways, event catering and licensed clubs, pubs and bars
Transport and Storage	H - Transport and storage (49-53) Including land, water and air transport (passenger and freight), warehousing and support activities for transportation, postal and courier activities,
Information and Communications	J - Information and communication (58-63) Including publishing (books, journals, newspapers etc. and software/computer games), television, film and music production, broadcasting, telecommunications, computer programming and consultancy, information service activities (e.g. data processing and hosting)
Financial Services	K - Financial and insurance activities (64-66) Including banks and building societies, activities of holding companies, trusts, funds and similar financial entities, credit granting, pensions, insurance and reinsurance
Business services	L - Real estate activities (68) M - Professional, scientific and technical activities (69-75) N - Administrative and support service activities (77-82) Including the buying, selling and renting of real estate, legal activities, accounting, bookkeeping and auditing, management consultancy, architectural and engineering activities, scientific research and development, advertising and market research, specialist design, photographic activities, translation and interpretation, veterinary activities, renting and leasing of tangible goods (motors, household, machinery), employment agencies, travel agencies and tour operations, security and investigation activities, office administration and business support
Public Administration	O - Public administration and defence; compulsory social security (84) Including administration of the State and economic and social policy of the community, provision of services to the community such as defence activities, foreign affairs, justice and judicial activities, fire service and compulsory social security activities
Education	P - Education (85) Including pre-primary, primary, secondary and higher education, other education (such as sports, driving schools, cultural education), educational support activities
Health and Social Work	Q - Human health and social work activities (86-88) Including Hospitals, medical and dental practices, residential care, social work activities
Arts, entertainment, recreation and other service activities	R - Arts, entertainment and recreation (90-93) S - Other service activities (94-96) Including performing arts, libraries and museums, gambling and betting, sports facilities, amusement and recreation activities, activities of membership organisations (religious,

<i>NOT COVERED IN SURVEY</i>	political, trade union, professional), personal services (hairdressing, beauty, textile cleaning, well-being activities, funeral activities) T - Activities of households as employers; undifferentiated goods and services producing activities of households for own use (97-98) U - Activities of extraterritorial organisations and bodies (99) Including households as employers of domestic personnel, private households producing goods for own use
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Annex B: Occupational coding

The occupational data collected in the survey were collected both pre-coded and verbatim. The former included the occupational breakdown of employment (question SD5A to SD8) where respondents were asked how many of their workforce fell into each of the nine major (one-digit) Standard Occupation Classification (SOC) 2010 categories (Managers, Directors and Senior Officials through to Elementary occupations). However, on vacancy measures (for example the occupations in which vacancies exist – question SC7) this information was collected verbatim. This was then coded at the analysis stage, where possible to a four-digit level SOC, if not three, two- or one-digit level.

Examples of what might fall into each occupational band are as follows:

Occupational group	Primary sectors (Primary Sector & Utilities, Manufacturing, Construction	Service sectors (Retail, Business, Finance, Transport, etc.)	Public sector (Public Admin, Health, Education, etc.)
Managers, Directors and Senior Officials	Site managers, Department Heads, Shift Managers (not supervisors)	Directors, Managers / Branch/site managers, shift managers (not supervisors)	Police inspectors and above, department heads, Head teachers, Senior Officials
Professionals	Professional engineers, software and IT professionals, accountants, chemists, scientific researchers	Solicitors, lawyers, accountants, IT professionals, economists, architects, actuaries	Doctors, nurses, midwives, teachers, social workers, librarians
Associate Professionals	Science and engineering technicians, lab technicians, IT technicians, accounting technicians	Insurance underwriters, finance/investment analysts and advisers, writers/journalists, buyers, estate agents	Junior police/fire/prison officers, therapists, paramedics, community workers, H&S officers, housing officers
Administrative staff	Secretaries, receptionists, PAs, telephonists, bookkeepers	Secretaries, receptionists, PAs, communication operators, market research interviewers, clerks	Secretaries, receptionists, PAs, local government officers and assistants, office assistants, library and database assistants
Skilled Trades	Farmers, electricians, machine setters / tool makers, carpenters, plasterers	Motor mechanics, printers, TV engineers, butchers	Chefs
Caring, Leisure and Other Service Occupations	Care assistants, nursery nurses	Travel agents, travel assistants, hairdressers, housekeepers	Care assistants, home carers, nursery nurses, ambulance staff, pest control, dental nurses, caretakers

Sales and customer service occupations	Customer facing roles: sales staff and call centre agents	Sales assistants and retail cashiers, telesales, call centre agents	Customer care operations
Process, plant and machine operatives	Routine operatives, drivers, machine operators, sorters and assemblers	HGV, van, fork-lift, bus and taxi drivers	Drivers, vehicle inspectors
Elementary occupations	Labourers, packers, goods handling and storage staff	Bar staff, shelf fillers, catering assistants, waiters/waitresses, cleaners	Labourers, cleaners, road sweepers, traffic wardens, security guards

Annex C: Sampling error and statistical confidence (summary)

Sampling errors for the survey results overall and for key sub-groups are presented in table below. Figures have been based on a survey result of 50 per cent (the 'worst' case in terms of statistical reliability) and have used a 95 per cent confidence level. Where the table indicates that a survey result based on all respondents has a sampling error of ± 1.37 per cent, this should be interpreted as follows: 'for a question asked of all respondents where the survey result is 50 per cent, we are 95 per cent confident that the true figure lies within the range 48.63 per cent to 51.37 per cent'. Significance testing on employer measures use the unweighted respondent base, while employment measures, and density measures such as the proportion of the workforce with skills gaps and skills-shortage vacancy density, have been calculated on the basis of the unweighted employment (or vacancy) base.

As a note, the calculation of sampling error has taken into account the finite population correction factor to account for cases where we are measuring a significant portion of the population universe (i.e. even if two sample sizes are the same, the sampling error will be lower if in one case a far higher proportion of the population was covered).

These confidence intervals are based on the assumptions of probability random sampling and a normal distribution of responses.

Sampling error (at the 95% confidence level) associated with findings of 50%

	Population	Number of interviews	(Maximum) Sampling Error
Wales	88,000	4,825	± 1.37
By size			
2 to 4	48,000	1,459	± 2.53
5 to 9	19,000	1,099	± 2.87
10 to 24	13,000	1,166	± 2.74
25 to 49	5,000	624	± 3.67
50 to 99	2,000	275	± 5.49
100 to 249	1,000	151	± 7.35
250+	500	51	± 13.02
By sector			
Primary Sector & Utilities	10,000	372	± 4.99
Manufacturing	4,000	322	± 5.24
Construction	9,000	322	± 5.36
Wholesale and Retail	16,000	1,010	± 2.98
Hotels and Restaurants	10,000	552	± 4.05
Transport and Storage	3,000	178	± 7.13
Information and Communications	2,000	76	±11.03
Financial Services	1,000	58	± 12.05
Business Services	15,000	686	± 3.66
Public Administration	1,000	61	± 12.16
Education	3,000	299	± 5.38
Health and Social Work	7,000	580	± 3.90
Arts and Other Services	6,000	309	± 5.43

Source for population data is the ONS Inter-Departmental Register (IDBR). Populations have been rounded to the nearest 1,000.

Annex D: Survey population estimates

	Wales
Overall number of establishments	88,847
With a vacancy	19,941
With a hard-to-fill vacancy	13,321
With a skill-shortage vacancy	8,538
With at least one skills gap	12,155
With at least one employee with more qualifications and skills than job role requires	33,749
Provided any training in the previous 12 months	52,995
Any on-the-job training	44,875
Any off-the-job training	31,739
Both on- and off-the-job training	23,619
Provided no training for staff	35,852
Provided training towards a nationally recognised qualification	24,353

Base: All establishments

Annex E: Base Sizes

Unweighted base sizes for all establishments, by nation, region, size and sector (2011-2022)

	2011	2013	2015	2017	2019	2022
Nation						
Wales	5,958	5,996	6,027	5,913	6,773	4,825
England	74,156	75,255	75,129	71,527	70,217	59,486
Northern Ireland	3,921	4,014	4,019	3,973	4,023	3,400
Scotland	2,487	6,014	6,035	6,017	-	5,207
Region						
North Wales	1,420	1,580	1,528	1,584	1,666	1,193
Mid Wales	788	717	742	605	793	694
South East Wales	2,374	2,400	2,395	2,603	2,767	1,911
South West Wales	1,376	1,299	1,362	1,121	1,547	1,027
Mid / South West	2,164	2,016	2,104	1,726	2,340	1,721
Size						
2 to 4	1,162	1,847	1,749	1,669	1,193	1,459
5 to 24	3,474	3,229	3,316	3,169	3,407	2,265
25 to 49	750	512	547	561	800	624
50 to 99	324	236	273	293	382	275
100+	248	172	142	221	271	202
Sector						
Primary Sector & Utilities	223	589	477	511	364	372
Manufacturing	467	401	417	419	466	322
Construction	498	467	405	481	401	322
Wholesale & Retail	1,062	1,109	1,203	958	1,442	1,010
Hotels & Restaurants	666	618	649	597	797	552
Transport & Storage	297	284	359	274	171	178
Information & Communications	138	135	167	168	141	76
Financial Services	173	127	108	154	109	58
Business Services	789	736	715	794	988	686
Public Administration	129	67	75	91	109	61
Education	391	394	361	375	463	299
Health & Social Work	571	602	617	603	825	580
Arts & Other Services	544	467	474	488	497	309

Unweighted base sizes for all establishments providing training, by nation, region and size (2011-2022)

	2011	2013	2015	2017	2019	2022
Nation						
Wales	4,653	4,277	4,356	4,283	4,940	3,421
England	56,713	57,787	57,422	55,775	51,203	41,406
Northern Ireland	2,903	2,894	2,869	2,893	2,906	2,428
Scotland	2,170	4,884	4,894	4,999	-	3,822
Region						
North	1,127	1,131	1,138	1,138	1,246	855
Mid	555	447	485	411	543	465
South East	1,924	1,793	1,783	1,915	2,046	1,389
South West	1,047	906	950	819	1,105	721
Mid & South West	1,602	1,353	1,435	1,230	1,648	1,177
Size						
2 to 4	579	858	825	748	914	628
5 to 24	2,818	2,537	2,607	2,516	2,651	1,781
25 to 49	703	484	523	529	747	567
50 to 99	310	230	263	276	366	259
100+	243	168	138	214	262	186

Unweighted base sizes for all establishments completing the Investment in Training study, by nation and size (2011-2022)

	2011	2013	2015	2017	2019	2022
Nation						
Wales	1,483	1,361	1,234	1,328	1,362	1,441
England	7,872	8,704	9,616	8,872	8,068	7,801
Northern Ireland	990	1,028	699	859	825	1,044
Scotland	682	1,429	1,065	1,407	-	1,546
Size						
2 to 4	232	271	226	251	261	257
5 to 24	914	854	778	819	770	776
25 to 49	199	146	146	152	186	266
50 to 99	83	58	61	69	87	102
100+	55	32	23	37	58	40

Annex F: References

[Hogarth, T. and Wilson, R. \(2001\) *Skills matter: A synthesis of research on the extent, causes and implications of skill deficiencies*. Coventry: Institute of Employment Research, University of Warwick](#)

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